CONSOLIDATED FINANCIAL STATEMENTS AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED

DECEMBER 31, 2024

DANONE
ONE PLANET. ONE HEALTH

CONSOLIDATED FINANCIAL STATEMENTS AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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CONSOLIDATED FINANCIAL STATEMENTS

Consolidated income statement and earnings per share

(in € millions except earnings per share in €)	Notes	Year ended December 31 2023	2024
Sales	7.1, 7.2	**27,619**	**27,376**
Cost of goods sold		(14,535)	(13,769)
Selling expense		(6,288)	(6,572)
General and administrative expense		(2,748)	(2,928)
Research and Development expense		(398)	(447)
Other income (expense)	7.3	(170)	(102)
Recurring operating income		**3,481**	**3,558**
Other operating income (expense)	8.2	(1,438)	(179)
Operating income		**2,042**	**3,379**
Interest income on cash equivalents and short-term investments		341	403
Financial interest on debt		(513)	(600)
Cost of net financial debt	12.7	(172)	(197)
Other financial income	13.3	60	41
Other financial expense	13.3	(245)	(224)
Income before tax		**1,686**	**2,999**
Income tax	10.1	(768)	(929)
Net income from fully consolidated companies		**917**	**2,070**
Share of profit (loss) of equity-accounted companies	6.4	36	30
NET INCOME		**953**	**2,100**
Net income – Group share		**881**	**2,021**
Net income – Non-controlling interests		72	79
Earnings per share – Group share	15.4	**1.36**	**3.14**
Diluted earnings per share – Group share	15.4	**1.36**	**3.13**

Consolidated statement of comprehensive income

	Year ended December 31	
(in € millions)	**2023**	**2024**
Net income – Group share	**881**	**2,021**
Translation adjustments	(638)	902
CASH FLOW HEDGE DERIVATIVES		
Gross unrealized gains and losses	(45)	35
Tax effects	17	(6)
Other gains and losses, net of tax	**–**	**–**
ITEMS THAT MAY BE SUBSEQUENTLY RECYCLED TO PROFIT OR LOSS	**(666)**	**931**
INVESTMENTS IN OTHER NON-CONSOLIDATED COMPANIES		
Gross unrealized gains and losses	(15)	(12)
Tax effects	2	(12)
ACTUARIAL GAINS AND LOSSES ON RETIREMENT COMMITMENTS		
Gross gains and losses	(118)	4
Tax effects	35	(93)
ITEMS NOT SUBSEQUENTLY RECYCLABLE TO PROFIT OR LOSS	**(96)**	**(114)**
Total comprehensive income – Group share	**118**	**2,838**
Total comprehensive income – Non-controlling interests	69	89
TOTAL COMPREHENSIVE INCOME	**187**	**2,927**

Consolidated balance sheet

(in € millions)	Notes	As of December 31 2023	2024
ASSETS			
Goodwill		17,340	18,062
Brands		5,256	5,390
Other intangible assets		498	556
Intangible assets	11.1 to 11.3	23,093	24,009
Property, plant and equipment	7.5	6,441	6,519
Investments in equity-accounted companies	6.1 to 6.5	416	583
Investments in other non-consolidated companies		324	325
Long-term loans and financial assets		515	538
Other financial assets	13.1, 13.2	839	864
Derivatives – assets [(a)]	14.2, 14.3	34	3
Deferred taxes	10.2	746	528
Non-current assets		**31,570**	**32,505**
Inventories	7.4	2,341	2,277
Trade receivables	7.4	2,919	2,922
Other current assets	7.4	1,259	1,387
Short-term loans		3	2
Derivatives – assets [(a)]	14.2, 14.3	16	37
Short-term investments	12.1, 12.5	3,638	4,685
Cash		2,363	1,475
Assets held for sale [(b)]	4, 5.2	376	–
Current assets		**12,916**	**12,786**
TOTAL ASSETS		**44,486**	**45,292**

(a) Derivative instruments used to manage net debt.

(b) As of December 31, 2023, this concerned assets relating to the organic dairy business in the United States and to Michel et Augustin.

(in € millions)	Notes	As of December 31 2023	2024
EQUITY AND LIABILITIES			
Share capital		169	170
Additional paid-in capital		5,256	5,331
Retained earnings and other [(a)]	12.3	16,845	17,546
Translation adjustments		(4,036)	(3,134)
Accumulated other comprehensive income		(507)	(592)
Treasury shares	15.2	(1,552)	(1,527)
Equity – Group share		**16,176**	**17,795**
Non-controlling interests	5.6	46	59
Consolidated equity		**16,222**	**17,853**
Financing	12.1 to 12.4	10,447	9,929
Derivatives – liabilities [(b)]	14.2, 14.3	293	246
Liabilities related to put options granted to non-controlling interests	5.6	–	–
Non-current financial debt		10,739	10,175
Provisions for retirement obligations and other long-term benefits	9.3	904	900
Deferred taxes	10.2	1,489	1,480
Other provisions and non-current liabilities	16.2, 16.3	1,149	1,152
Non-current liabilities		**14,281**	**13,707**
Financing	12.1 to 12.4	5,154	4,291
Derivatives – liabilities [(b)]	14.2, 14.3	23	19
Liabilities related to put options granted to non-controlling interests and earn-outs on acquisitions resulting in control	5.6	356	317
Current financial debt		5,533	4,627
Trade payables	7.4	4,779	5,147
Other provisions and current liabilities	7.4, 16.2	3,580	3,957
Liabilities directly associated with assets held for sale [(c)]	4, 5.2	90	–
Current liabilities		**13,982**	**13,732**
TOTAL EQUITY AND LIABILITIES		**44,486**	**45,292**

(a) "Other" corresponds to undated subordinated notes totaling €500 million.
(b) Derivative instruments used to manage net debt.
(c) As of December 31, 2023, these concerned liabilities relating to the organic dairy business in the United States and to Michel et Augustin.

Consolidated statement of cash flows

(in € millions)	Notes	Year ended December 31 2023	2024
Net income		**953**	**2,100**
Share of profit (loss) of equity-accounted companies, net of dividends received	6.4	(13)	(7)
Depreciation, amortization and impairment of property, plant and equipment and intangible assets	7.2, 7.5, 11.3	1,611	1,168
Net change in provisions and liabilities	16.2, 16.3	(52)	(21)
Change in deferred taxes	10.2	(46)	61
(Gains) losses on disposal of property, plant and equipment and financial investments		(7)	(225)
Expense related to share-based payments and Company Savings Plans	9.4, 9.5	61	71
Cost of net financial debt	12.7	170	196
Net interest paid		(181)	(167)
Net change in interest income (expense)		(11)	29
Other items with no cash impact [a]	3	669	122
Cash flows provided by operating activities, before changes in net working capital		**3,165**	**3,297**
(Increase) decrease in inventories		41	50
(Increase) decrease in trade receivables		74	(7)
Increase (decrease) in trade payables		324	353
Change in other receivables and payables		(162)	137
Change in working capital requirements	7.4	277	534
Cash flows provided by operating activities		**3,442**	**3,831**
Capital expenditure [b]	7.5	(847)	(923)
Proceeds from the disposal of property, plant and equipment [b]		15	18
Net cash outflows on purchases of subsidiaries and financial investments [c]	5.2	(162)	(153)
Net cash inflows on disposal of subsidiaries and financial investments [c]	5.2	177	507
(Increase) decrease in long-term loans and other long-term financial assets		(17)	87
Cash flows provided by (used in) investment activities		**(834)**	**(463)**
Increase in share capital and additional paid-in capital		69	76
Purchase of treasury shares (net of disposals)	15.2	–	–
Net issuance of undated subordinated notes	12.4	(750)	–
Interest expense and redemption premium on undated subordinated notes	12.4	(18)	(5)
Dividends paid to Danone shareholders [d]	15.5	(1,279)	(1,348)
Buyout of non-controlling interests	5.6	(118)	–
Dividends paid to non-controlling interests		(62)	(108)
Contribution from non-controlling interests to capital increases		–	1
Transactions with non-controlling interests		(181)	(108)
Bonds issued during the period	12.3, 12.4	1,597	1,397
Bonds redeemed during the period	12.3, 12.4	(1,852)	(2,006)
Net cash flows from other current and non-current financial debt	12.3	577	(808)
Net cash flows from short-term investments	12.5	(220)	(1,015)
Cash flows provided by (used in) financing activities		**(2,057)**	**(3,817)**
Effect of exchange rate and other changes [e]		(503)	(2)

(in € millions)	Notes	Year ended December 31 2023	2024
INCREASE IN CASH		**49**	**(452)**
Cash as of January 1	12.6	**1,051**	**2,363**
Cash as of December 31	12.6	**2,363**	**1,475**
Net cash as of January 1	12.6	**721**	**1,099**
Net cash as of December 31	12.6	**1,099**	**647**
ADDITIONAL INFORMATION			
Income tax payments during the year		(730)	(766)

(a) As of December 31, 2023, mainly included the impact of recycling translation adjustments related to EDP Russia business following the deconsolidation on July 16, 2023 (see Note 3 to the consolidated financial statements).

(b) Relates to property, plant and equipment and intangible assets used in operating activities.

(c) Acquisition/disposal of companies' shares. In the case of fully consolidated companies, this comprises cash and cash equivalents as of the acquisition/disposal date.

(d) Portion paid in cash.

(e) Effect of reclassification with no material impact on net debt.

Cash flows correspond to items presented in the consolidated balance sheet. However, these may differ from the changes shown in assets and liabilities in the balance sheet, mainly as a result of the rules for (i) converting into euros transactions in currencies other than the functional currency, (ii) translating into euros the financial statements of companies with a functional currency other than the euro, (iii) changes in the consolidation scope, and (iv) other non-monetary items.

Consolidated statement of changes in equity

(in € millions)	Notes	As of January 1, 2024	Changes during the period: Other comprehensive income	Capital increase	Other transactions involving treasury shares	Expense related to share-based payments and Company Savings Plans [b]	Dividends paid to Danone shareholders	Interest on undated subordinated notes, net of tax	Other transactions with non-controlling interests	Other changes	As of December 31, 2024
Share capital		**169**	–	1	–	–	–	–	–	–	**170**
Additional paid-in capital		**5,256**	–	75	–	–	–	–	–	–	**5,331**
Retained earnings and other [a]	15	**16,845**	2,021	–	–	71	(1,348)	(5)	13	(51)	**17,546**
Translation adjustments		**(4,036)**	902	–	–	–	–	–	–	–	**(3,134)**
Gains and losses related to hedging derivatives, net of tax		**(194)**	29	–	–	–	–	–	–	–	**(164)**
Gains and losses on assets recognized at fair value through other comprehensive income, net of tax		**13**	(25)	–	–	–	–	–	–	–	**(12)**
Actuarial gains and losses on retirement commitments not recyclable to profit or loss, net of tax	9, 10.2	**(326)**	(89)	–	–	–	–	–	–	–	**(415)**
Other comprehensive income		**(507)**	**(85)**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(591)**
DANONE treasury shares	15.2	**(1,552)**	–	–	25	–	–	–	–	–	**(1,527)**
Equity – Group share		**16,176**	**2,838**	**76**	**25**	**71**	**(1,348)**	**(5)**	**13**	**(51)**	**17,795**
Non-controlling interests		**46**	89	1	–	–	(108)	–	23	8	**59**
Consolidated equity		**16,222**	**2,927**	**76**	**25**	**71**	**(1,456)**	**(5)**	**36**	**(43)**	**17,853**

(a) "Other" corresponds to undated subordinated notes totaling €500 million.
(b) See Notes 9.4 and 9.5 to the consolidated financial statements.

			Changes during the period								
(in € millions)	**Notes**	**As of January 1, 2023**	**Other comprehensive income**	**Capital increase**	**Other transactions involving treasury shares**	**Expense related to share-based payments and Company Savings Plans [b]**	**Dividends paid to Danone shareholders**	**Interest on undated subordinated notes, net of tax**	**Other transactions with non-controlling interests**	**Other changes**	**As of December 31, 2023**
Share capital		**169**	–	–	–	–	–	–	–	–	**169**
Additional paid-in capital		**5,188**	–	68	–	–	–	–	–	–	**5,256**
Retained earnings and other [a]	15	**17,916**	881	–	–	61	(1,279)	(768)	(138)	173	**16,845**
Translation adjustments		**(3,398)**	(638)	–	–	–	–	–	–	–	**(4,036)**
Gains and losses related to hedging derivatives, net of tax		**(165)**	(28)	–	–	–	–	–	–	–	**(194)**
Gains and losses on assets recognized at fair value through other comprehensive income, net of tax		**26**	(13)	–	–	–	–	–	–	–	**13**
Actuarial gains and losses on retirement commitments not recyclable to profit or loss, net of tax	9	**(243)**	(83)	–	–	–	–	–	–	–	**(326)**
Other comprehensive income		**(382)**	**(125)**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(507)**
DANONE treasury shares	15.2	**(1,569)**	–	–	17	–	–	–	–	–	**(1,552)**
Equity – Group share		**17,923**	**118**	**69**	**17**	**61**	**(1,279)**	**(768)**	**(138)**	**173**	**16,176**
Non-controlling interests		**69**	69	–	–	–	(62)	–	(26)	(3)	**46**
Consolidated equity		**17,992**	**187**	**69**	**17**	**61**	**(1,341)**	**(768)**	**(164)**	**170**	**16,222**

(a) "Other" corresponds to undated subordinated notes totaling €500 million.
(b) See Notes 9.4 and 9.5 to the consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Contents

NOTE 1. ACCOUNTING PRINCIPLES

Note 1.1. Basis of preparation

The consolidated financial statements of Danone (the "Company") and its subsidiaries (together, the "Group") as of and for the year ended December 31, 2024 were approved by its Board of Directors on February 25, 2025 and will be submitted for approval to the Shareholders' Meeting on April 24, 2025.

The consolidated financial statements and the notes to the consolidated financial statements are presented in euros. Unless otherwise mentioned, amounts are stated in millions of euros and rounded to the nearest million. Generally speaking, the values presented are rounded to the nearest unit. Consequently, the rounded amounts may differ slightly from the reported totals. In addition, ratios and variances are calculated on the basis of the underlying amounts and not on the basis of the rounded amounts.

The preparation of consolidated financial statements requires management to make estimates, assumptions and appraisals that affect the reported amounts in the consolidated balance sheet, consolidated income statement and notes to the consolidated financial statements. The main such estimates and assumptions relate to:

	Notes
Assessment of the effects of climate change	1.5
Determination of the amount of rebates, discounts and other deductions relating to agreements with customers	7.1
Measurement of deferred tax assets	10.3
Measurement of the recoverable amount of intangible assets	11.3
Determination of the amount of other provisions and non-current and current liabilities	16.2, 16.3

These assumptions, estimates and appraisals are made on the basis of the information available and the conditions in force at the end of the financial period presented. Actual amounts may differ from those estimates.

In addition to the use of estimates, Danone's management uses its judgment to define the accounting treatment for certain activities and transactions, when they are not explicitly addressed in IFRS and related interpretations. This applies particularly to the recognition of put options granted to non-controlling interests.

Note 1.2. Accounting framework applied

The Group's consolidated financial statements have been prepared in accordance with IFRS (International Financial Reporting Standards) as adopted by the European Union, which are available on the website of the European Commission.

Main standards, amendments and interpretations whose application is mandatory as of January 1, 2024

The following amendments apply to reporting periods beginning on or after January 1, 2024:

- IAS 1, *"Classification of Liabilities as Current or Non-current",* and *"Non-current Liabilities with Covenants"*;
- IFRS 16, *"Lease Liability in a Sale and Leaseback"*;
- IAS 7 and IFRS 7, *"Supplier Finance Arrangements".*

These amendments had no material impact on the consolidated financial statements for the year ended December 31, 2024.

Main standards, amendments and interpretations published by the IASB whose application is not mandatory in the European Union as of January 1, 2024

Danone did not choose to early adopt any such standards, amendments or interpretations in its consolidated financial statements for the year ended December 31, 2024, and does not expect them to have a material impact on its results of operations or financial position.

Note 1.3. Application of IFRS Interpretations Committee decisions

In July 2024, the International Financial Reporting Standards Interpretations Committee (IFRS IC) published a decision on IFRS 8, "*Operating Segments*", concerning the disclosure of revenue and expenses for reporting segments. Danone does not consider the application of the IFRS IC's decision to have a material impact on the 2024 consolidated financial statements.

Note 1.4. Application of IAS 29

Accounting principles

IAS 29 "*Financial Reporting in Hyperinflationary Economies*" requires the non-monetary assets, liabilities and equity as well as income statements of countries with hyperinflationary economies to be restated to reflect the changes in the general purchasing power of their functional currency, thereby generating a profit or loss on the net monetary position which is recognized in net income within "Other financial income" or "Other financial expense". In addition, the financial statements of the subsidiaries in these countries are translated at the closing exchange rate for the reporting period concerned, in accordance with IAS 21.

Application and main accounting implications

Danone has applied IAS 29 to Argentina as from its 2018 financial statements, to Iran as from its 2020 financial statements, to Turkey as from its 2022 financial statements and to Ghana as from its 2023 financial statements.

Argentina

In 2024, Danone used (i) the consumer price index (CPI) to remeasure its income statement items, cash flows and non-monetary assets and liabilities, the amounts of which increased by 118% versus 2023 and (ii) a EUR/ARS exchange rate of 1,070.1 (893.2 in 2023) to translate its income statement.

The application of IAS 29 resulted in a negative impact of €147 million on consolidated equity and non-monetary assets net of non-monetary liabilities as of December 31, 2024 (negative impact of €83 million as of December 31, 2023), and had the following main impacts on the 2024 consolidated income statement:

- a €78 million increase in consolidated sales and a €67 million decrease in recurring operating income (decrease of €198 million and of €59 million, respectively, in 2023);
- a €10 million positive impact on the net monetary position recognized in "Other financial expense" (positive impact of €0.3 million as of 2023);
- a €148 million expense in "Net income – Group share" (€99 million expense as of 2023).

Turkey

In 2024, Danone used (i) the consumer price index (CPI) to remeasure its income statement items, cash flows and non-monetary assets and liabilities, the amounts of which increased by 47% versus 2023 and (ii) a EUR/TRY exchange rate of 36.7 (32.6 in 2023) to translate its income statement.

The application of IAS 29 resulted in a positive impact of €177 million on consolidated equity and non-monetary assets net of non-monetary liabilities as of December 31, 2024 (positive impact of €150 million as of December 31, 2023), and had the following main impacts on the 2024 consolidated income statement:

- a €72 million increase in consolidated sales and a €5 million increase in recurring operating income (a €0.4 million decrease and a €3 million increase, respectively, in 2023);
- a €64 million negative impact on the net monetary position recognized in "Other financial expense" (negative impact of €35 million in 2023);
- a €60 million expense in "Net income – Group share" (€33 million expense as of 2023).

Ghana

The application of IAS 29 to Ghana did not have a material impact on the 2024 financial statements, as in 2023.

Iran

The application of IAS 29 to Iran did not have a material impact on the 2024 financial statements, as in 2023.

Note 1.5. Assessment of the effects of climate change

Given the nature of Danone's activities and its geographical location, as well as the extent of the current and potential impacts of the climate change risks and opportunities as identified and assessed in its risk factors (see section 2.6 *Risk factors*) as well as in chapter 5.3.1 *Climate change (ESRS E1),* Danone did not identify any material impacts for 2024.

In particular:

- Danone has carbon credits that are not considered material as of December 31, 2024, and no material liability was recognized in the consolidated balance sheet in this respect;
- no material provision for environmental liabilities and risks is recognized on the consolidated balance sheet as of December 31, 2024;
- in 2024, the Group does not identify any material impacts that could affect the value of its property, plant and equipment, intangible assets and non-financial assets. The implementation of the action plans required to adapt plants and production tools does not lead to identify a risk of obsolescence as of December 31, 2024, and does not affect the depreciation period applicable to these assets.

In addition, as of December 31, 2024, the Group has included in its business plans the identified costs relating to the impacts of the Nature Pillar of the Danone Impact Journey (see section 5.1.3 *Nature Pillar - Preserve & Regenerate Nature*). No additional impairment losses are identified for the 2024 financial year as a result of including these impacts in the impairment tests, as described in Note 11.3 to the consolidated financial statements.

NOTE 2. SIGNIFICANT EVENTS OF THE YEAR

Note 2.1. Other significant events

	Notes
Impact of the Ukraine-Russia conflict on Danone	3
Sale of the assets related to the US premium organic dairy activities	4

NOTE 3. IMPACT OF THE UKRAINE-RUSSIA CONFLICT ON DANONE

Note 3.1. Background

Danone's position in Russia

- On October 14, 2022, Danone announced its decision to initiate a process to transfer the effective control of its Essential Dairy and Plant-Based (EDP) business in Russia. Danone considers that this is the best option to ensure long-term local business continuity for its employees, consumers and partners.
- On July 16, 2023, Danone took note of the decision of the Russian authorities, aiming at placing Danone Russia under the temporary external administration of Russian federal agency Rosimushchestvo.
- On July 18, 2023, the Russian authorities indicated that the Board of Directors and Chief Executive Officer of Danone Russia (EDP) had been changed. These changes took place without the knowledge of, or approval by, Danone.
- On March 22, 2024, Danone announced that the Russian regulatory approvals required for the disposal of its EDP business in Russia to Vamin R LLC had been obtained.
- On May 17, 2024, Danone announced that it had completed the disposal of its EDP business in Russia to Vamin R LLC.

Note 3.2. Impacts on the 2024 consolidated financial statements

Danone reflected the accounting impacts of the lack of control over the EDP business, i.e., a loss of €706 million mainly comprising net assets for around €219 million and recycling of cumulative translation adjustments for €487 million, in the consolidated financial statements for the year ended December 31, 2023 (see Note 8.2 to the consolidated financial statements).

The transaction was completed on May 17, 2024, and the net gain on the disposal of the EDP business in Russia amounted to €227 million, recognized in "Other operating income (expense)" for the period (see Note 8.2 to the consolidated financial statements).

Danone recognized a cumulative loss over the three years ending December 31, 2022, December 31, 2023, and December 31, 2024 of approximately €1 billion, arising from the disposal of the EDP business in Russia, recognized in Other operating income (expenses).

NOTE 4. SALE OF THE ASSETS RELATED TO THE US PREMIUM ORGANIC DAIRY ACTIVITIES

Note 4.1. Background

On January 2, 2024, Danone announced it had signed an agreement to sell its premium organic dairy activity in the United States to Platinum Equity, a US-based investment firm.

The sale is part of Danone's portfolio review and asset rotation program announced in March 2022, as part of its Renew Danone strategy.

In 2023, as in 2022, the US premium organic dairy activities, comprising the Horizon Organic and Wallaby businesses, accounted for around 3% of Danone's global sales. These activities are part of the Noram operating segment.

On April 1, 2024, Danone completed the disposal of its premium Horizon Organic and Wallaby organic dairy businesses in the United States to investment firm Platinum Equity. Danone retains a non-consolidated interest in this asset.

Note 4.2. Impacts on the 2024 consolidated financial statements

As of December 31, 2023, Danone measured the assets and liabilities held for sale, comprising brands, industrial assets, and current assets and liabilities, at the lower of their carrying amount and fair value under the terms of the sale agreement, less costs to sell, in accordance with IFRS 5. The portion of the carrying amount that exceeds this fair value less costs to sell was written down, representing an amount of €426 million in the consolidated financial statements for the year ended December 31, 2023 (see Note 8.2 to the consolidated financial statements).

The transaction was completed on April 1, 2024 and as of December 31, 2024 the gain on disposal stood at €41 million after recycling of accumulated currency translation adjustments. This gain was recognized in “Other operating income (expense)” for the period (see Note 8.2 to the consolidated financial statements).

Danone retains residual shares representing 30% of the share capital of the premium organic dairy activities in the United States. This remaining interest is accounted for as a non-consolidated investment. As the Group does not have significant influence over the governance, operating and financial policies applied by investment firm Platinum Equity, this interest is recognized in “Investments in other non-consolidated companies".

NOTE 5. FULLY CONSOLIDATED COMPANIES AND NON-CONTROLLING INTERESTS

Note 5.1. Accounting principles

Fully consolidated companies

The Group fully consolidates all subsidiaries over which it has the ability to exercise exclusive control, whether directly or indirectly. Exclusive control over an investee is assessed (i) by the power the Group has over said investee, (ii) whether it is exposed, or has rights, to variable returns from its involvement with the investee, and (iii) whether it uses its power over the investee to affect the amount of those returns.

Under full consolidation, all of the investee's assets, liabilities and income statement items are recognized in the Group's consolidated financial statements, after eliminating any intercompany transactions, and the portion of net income and equity attributable to owners of the Company (Group share) is shown separately from the portion relating to other shareholders' interests (non-controlling interests). All material intercompany transactions between consolidated entities (including dividends) and all intercompany balances are eliminated in the consolidated financial statements.

Business combinations: acquisitions resulting in control, partial disposals resulting in loss of control

The accounting treatment of acquisitions resulting in control and partial disposals resulting in a loss of control is described below.

- when control is obtained, the incidental transaction costs are recognized in the income statement under "Other operating income (expense)" and presented in the statement of cash flows within cash flows from operating activities in the year in which they are incurred. In addition, price adjustments (earn-outs) are initially recognized at fair value as part of the purchase price. Any subsequent changes in value are recognized in the income statement under "Other operating income (expense)".
- when control is obtained (or lost), the revaluation of the previously held interest (or the residual interest) at fair value is recognized in the income statement under (i) "Other operating income (expense)" if control is lost, (ii) "Share of profit (loss) of equity-accounted companies" if the acquisition results in control of an entity previously accounted for by the equity method, and (iii) "Other financial income" or "Other financial expense" if the acquisition results in control of an entity previously accounted for as an investment in a non-consolidated company;
- when control is obtained, non-controlling interests are recognized, either at their share in the fair value of the assets and liabilities of the acquired entity, or at their fair value. In the latter case, goodwill is then increased by the amount relating to these non-controlling interests. The treatment adopted is selected on an individual basis for each acquisition.

Business combinations may be recognized on a provisional basis, as the amounts allocated to the identifiable assets acquired, liabilities assumed and goodwill may be amended during a maximum period of one year from their acquisition date.

Acquisitions or disposals of interests in controlled companies with no impact on control

Acquisitions or disposals of interests in controlled companies that do not result in a gain or loss of control are recognized directly in equity under "Retained earnings" as transfers between the Group share of consolidated equity and non-controlling interests. The income statement is not affected and the corresponding cash flows are presented within cash flows relating to financing activities. The same accounting treatment is applied to the costs associated with these transactions.

Note 5.2. Main changes during the period

2024 fiscal year

(%)	Zone (Country)	Category	Transaction date [a]	Ownership interest as of December 31 2023	Ownership interest as of December 31 2024
MAIN COMPANIES CONSOLIDATED FOR THE FIRST TIME DURING THE YEAR					
Nutritional Medicinals, LLC [b]	North America (United States)	Specialized Nutrition	May	–	100.0%
MAIN CONSOLIDATED COMPANIES IN WHICH THE GROUP'S OWNERSHIP INTEREST HAS CHANGED					
—	–	–	–	–	–
MAIN COMPANIES NO LONGER FULLY CONSOLIDATED AS OF DECEMBER 31					
Michel et Augustin [c]	Europe and North America (France and United States)	EDP	February	100.0%	–
Horizon Organic Dairy, LLC [d]	North America (United States)	EDP	April	100.0%	30.0%
JSC Danone Russia [e]	Rest of the World (Russia)	EDP	May	100.0%	–

(a) Month in the 2024 fiscal year.

(b) On May 1, 2024, Danone announced the acquisition of Functional Formularies, a leading whole foods tube feeding business in the US, from Swander Pace Capital. Danone finalized the acquisition of Functional Formularies, which is fully consolidated. The definitive amount of goodwill was €122 million as of December 31, 2024.

(c) On December 6, 2023, Danone announced its intention to sell the French company Michel et Augustin. The sale of the associated assets and liabilities was completed on February 29, 2024. As of December 31, 2024, the gain on disposal amounted to €36 million and was recognized in "Other operating income (expense)" for the period (see Note 8.2 to the consolidated financial statements).

(d) See Note 4 to the consolidated financial statements.

(e) See Note 3 to the consolidated financial statements.

2023 fiscal year

(%)	Zone (Country)	Category	Transaction date [a]	Ownership interest as of December 31 2022	Ownership interest as of December 31 2023
MAIN COMPANIES CONSOLIDATED FOR THE FIRST TIME DURING THE YEAR					
Dumex Baby Food Co., Ltd.	CNAO (China)	Specialized Nutrition	March	–	100.0 %
Centrum Medyczne Promedica Spolka Cywilna Piotr Compala, Halina Compala-Kusnierz	Europe (Poland)	Specialized Nutrition	March	–	100.0 %
MAIN CONSOLIDATED COMPANIES IN WHICH THE GROUP'S OWNERSHIP INTEREST HAS CHANGED					
Harmless Harvest	North America (United States)	Waters	March	51.0 %	100.0 %
Hunan Eurbest Nutritional Food	CNAO (China)	Specialized Nutrition	August	96.5 %	100.0 %
MAIN COMPANIES NO LONGER FULLY CONSOLIDATED AS OF DECEMBER 31					
JSC Danone Russia [b]	Rest of the World (Russia)	EDP	July	100.0 %	100.0 %

(a) Month in the 2023 fiscal year.

(b) Related to EDP Russia following deconsolidation on July 16, 2023 (see Note 3 to the consolidated financial statements).

Note 5.3. Fully consolidated companies

The list of directly and indirectly fully consolidated companies along with equity-accounted companies included in the scope of consolidation as of December 31, 2024, is available on Danone's website (www.danone.com).

Note 5.4. Accounting for acquisitions resulting in control in 2024

The business combinations carried out in 2024 were not material.

Note 5.5. Accounting for acquisitions resulting in control in 2023

The finalization of the accounting for the business combinations carried out in 2023 did not give rise to material adjustments.

Note 5.6. Non-controlling interests

Main companies in terms of consolidated net income and net assets that are fully consolidated but not wholly owned

The minority shareholders in companies that are consolidated but not wholly owned by the Group were not material as of December 31, 2024.

Liabilities related to put options granted to non-controlling interests

Accounting principles

Danone granted put options to third parties with non-controlling interests in certain consolidated subsidiaries, under which the option holders are entitled to sell part or all of their investment in those subsidiaries. These financial liabilities do not bear interest.

In accordance with IAS 32 "*Financial Instruments: Presentation*", when non-controlling interests hold put options enabling them to sell their investment to the Group, a financial liability is recognized in an amount corresponding to the present value of the option strike price. The offsetting entry for the liability arising from these obligations is:

- a reduction in the carrying amount of the non-controlling interests;
- a reduction in equity - Group share for the amount of the liability that exceeds the carrying amount of the corresponding non-controlling interests. This item is adjusted at the end of each reporting period to reflect changes in the strike price of the options and the carrying amount of non-controlling interests. In the absence of specific provisions stipulated in IFRS, the Group has applied the recommendations issued by the French Financial Markets Authority (*Autorité des Marchés Financiers* – AMF) in November 2009.

Change during the period

(in € millions)	2023	2024
As of January 1	323	356
Options exercised [(a)]	(67)	0
Changes in the present value of outstanding options	100	(39)
AS OF DECEMBER 31 [(b)]	**356**	**317**

(a) Carrying amount at the end of the previous reporting period for options exercised.
(b) In most cases, the strike price is determined based on sales and discounted cash flows.

NOTE 6. INVESTMENTS IN EQUITY-ACCOUNTED COMPANIES

Note 6.1. Accounting principles

Accounting treatment

All companies in which the Group exercises significant influence, directly or indirectly, are accounted for using the equity method. Under this method, the carrying amount of the shares held in the associate or jointly controlled entity represents the purchase cost of the shares, adjusted by the Group's share of changes in the entity's net assets since its acquisition.

Upon the acquisition of investments accounted for using the equity method, the purchase price of the shares is allocated to the identifiable assets acquired and liabilities assumed carried at fair value. The difference between the purchase price and the Group's share in the fair value of the assets acquired and liabilities assumed represents goodwill, which is added to the carrying amount of the shares.

The main components of the "Share of profit (loss) of equity-accounted companies" are:

- the Group's share of the profits or losses of these companies, calculated on the basis of estimates;
- gains or losses on disposals of shareholdings in these companies;
- the revaluation reserve resulting from a loss of influence where there is no disposal of shares;
- any impairment charged against these investments.

Impairment review

The Group reviews the measurement of its investments in equity-accounted companies when events or circumstances indicate that they may be impaired. With regard to listed shares, a significant or prolonged fall in their stock price below their historical stock price constitutes an indication of impairment.

An impairment loss is recognized within "Share of profit (loss) of equity-accounted companies" when the recoverable amount of the investment falls below its carrying amount.

Note 6.2. Main changes during the period

2024 fiscal year

No material transactions affecting investments in equity-accounted companies were carried out in the year ended December 31, 2024.

2023 fiscal year

No material transactions affecting investments in equity-accounted companies were carried out in the year ended December 31, 2023.

Note 6.3. Carrying amount and change during the period

		2023			2024		
(in € millions)	Notes	Net goodwill	Group share in net assets and net income	Total	Net goodwill	Group share in net assets and net income	Total
As of January 1		**162**	**414**	**576**	**165**	**251**	**416**
Acquisitions, influence acquired during the year and capital increase		32	19	**51**	–	6	**6**
Disposals, influence lost during the year and decreases in ownership interest		(4)	(8)	**(12)**	–	–	**–**
Reclassification within assets held for sale	6.2	–	–	**–**	–	–	**–**
Share of profit (loss) of equity-accounted companies before impact of disposals, revaluation and other	6.4	–	20	**20**	–	30	**30**
Dividends paid		–	(23)	**(23)**	–	(23)	**(23)**
Translation adjustments		(29)	(198)	**(226)**	21	187	**208**
Impairment		–	–	**–**	–	–	**–**
Adjustment of the Group's share in net assets		3	27	**31**	–	(54)	**(54)**
AS OF DECEMBER 31		**165**	**251**	**416**	**186**	**397**	**583**

Note 6.4. Share of profit (loss) of equity-accounted companies

		Year ended December 31	
(in € millions)	Notes	2023	2024
Share of profit (loss) of equity-accounted companies before impact of disposals, revaluation and other		20	30
Impairment	6.5	–	–
Gains on disposal, revaluation and other	6.2	16	–
TOTAL		**36**	**30**

Note 6.5. Impairment review of other investments in equity-accounted companies

Impairment review as of December 31, 2024

Following the impairment review of other investments in equity-accounted companies, the Group did not recognize any impairment.

Impairment review as of December 31, 2023

Following the impairment review of other investments in equity-accounted companies, the Group did not recognize any impairment.

NOTE 7. INFORMATION CONCERNING RECURRING OPERATING ACTIVITIES

Note 7.1. Accounting principles

Sales

Danone's sales mainly comprise sales of finished products. They are recognized in the income statement when the control of goods is transferred. Sales are stated net of trade discounts and customer rebates, as well as net of costs relating to trade support and listing, or linked to occasional promotional initiatives invoiced by retailers. These amounts are estimated when sales are recognized, on the basis of agreements and commitments with the customers concerned.

Cost of goods sold

The cost of goods sold mainly comprises industrial costs (including raw material costs, depreciation of industrial assets and personnel costs for the production activity).

Selling expense

Selling expense mainly comprises marketing expenses, consumer promotions and personnel costs for staff directly engaged in product sales, and logistics and transportation costs.

General and administrative expense

General and administrative expense mainly comprises other personnel and administrative costs.

Research and Development expense

Development costs are generally expensed as incurred due to the very short time between the date on which technical feasibility is demonstrated and the date on which the products are launched, see Note 11 to the consolidated financial statements.

Note 7.2. Operating segments

General principles

The primary operating decision-makers (Chief Executive Officer Antoine de Saint-Affrique, and Chief Financial Officer, Technology & Data Jürgen Esser) monitor and evaluate Danone's performance based on the following five geographical zones (corresponding to the four operating segments and an aggregated segment in accordance with IFRS 8):

- Europe;
- North America, comprising the United States and Canada;
- China, North Asia & Oceania;
- Latin America;
- Rest of the World, comprising the AMEA (Asia, Middle East including Turkey, Africa) and CIS regions.

The key indicators reviewed and used internally by the primary operating decision-makers to assess the performance of these operating segments are:

- Sales;
- Recurring operating income;
- Recurring operating margin, which corresponds to the ratio of recurring operating income to sales.

These are the only indicators monitored by category (EDP, Specialized Nutrition and Waters).

Reporting by geographical zone

	As of December 31					
	Sales [(a)]		Recurring operating income		Recurring operating margin	
(in € millions except %)	2023	2024	2023	2024	2023	2024
Europe [(b)]	9,382	9,568	1,076	1,143	11.5%	11.9%
North America	6,889	6,579	699	749	10.1%	11.4%
China, North Asia & Oceania	3,496	3,694	1,052	1,086	30.1%	29.4%
Latin America	2,794	3,029	123	113	4.4%	3.7%
Rest of the World [(c)]	5,058	4,506	530	468	10.5%	10.4%
GROUP TOTAL	**27,619**	**27,376**	**3,481**	**3,558**	**12.6%**	**13.0%**

(a) *Sales to third parties.*
(b) *Including sales of €2,297 million generated in France in 2024 (€2,324 million in 2023).*
(c) *Includes the sales of EDP Russia business from January 1, 2023 until the date of deconsolidation, i.e. July 16, 2023 (see Note 3 to the consolidated financial statements).*

Information by category

Sales, recurring operating income and recurring operating margin

	Year ended December 31					
	Sales [(a)]		Recurring operating income		Recurring operating margin	
(in € millions except %)	2023	2024	2023	2024	2023	2024
EDP	14,322	13,463	1,224	1,142	8.5%	8.5%
Specialized Nutrition	8,504	8,936	1,772	1,842	20.8%	20.6%
Waters	4,793	4,977	485	574	10.1%	11.5%
GROUP TOTAL	**27,619**	**27,376**	**3,481**	**3,558**	**12.6%**	**13.0%**

(a) *Sales to third parties.*

Other information

Top ten countries contributing to sales

	Year ended December 31	
(in percentage)	2023	2024
United States	22%	21%
China	11%	11%
France	8%	8%
Indonesia	6%	6%
United Kingdom	5%	6%
Mexico	5%	5%
Spain	4%	4%
Germany	4%	4%
Poland	3%	3%
Brazil	3%	3%

Non-current assets: property, plant and equipment and intangible assets

Net book value

	Year ended December 31	
(in € millions)	2023	2024
Europe [(a)]	11,545	11,732
North America	9,778	10,432
China, North Asia & Oceania	5,317	5,415
Latin America	719	641
Rest of the World	2,176	2,308
GROUP TOTAL	**29,534**	**30,528**

(a) Includes €2,424 million for property, plant and equipment and intangible assets in France as of December 31, 2024 (€2,347 million as of December 31, 2023).

Depreciation and amortization charges of property, plant and equipment and intangible assets

	2023		2024	
(in € millions)	Depreciation and amortization charges	*Of which right-of-use assets [(a)]*	Depreciation and amortization charges	*Of which right-of-use assets [(a)]*
Europe	(472)	*(92)*	(514)	*(97)*
North America	(656)	*(18)*	(240)	*(17)*
China, North Asia & Oceania	(130)	*(14)*	(71)	*(13)*
Latin America	(141)	*(40)*	(157)	*(37)*
Rest of the World	(211)	*(30)*	(186)	*(29)*
GROUP TOTAL AS OF DECEMBER 31	**(1,611)**	***(194)***	**(1,168)**	***(193)***

(a) Pursuant to IFRS 16 “Leases”.

Note 7.3. Other components of recurring operating income

Other income (expense)

	Year ended December 31	
(in € millions)	2023	2024
Miscellaneous taxes [(a)]	(38)	(76)
Restructuring costs [(b)]	(15)	(8)
Capital gains on disposals of property, plant and equipment and intangible assets	4	6
Other [(c)]	(120)	(25)
TOTAL	**(170)**	**(102)**

(a) Comprises notably sales taxes.
(b) Excluding strategic restructuring or transformation operations.
(c) Comprises currency translation differences, asset impairment, provisions for doubtful receivables and several other components.

Note 7.4. Working capital

Accounting principles

Inventories

Inventories and work-in-progress are recognized at the lower of cost and net realizable value. Cost is determined using the weighted average cost method.

Trade receivables

Trade receivables are recognized at amortized cost in the consolidated balance sheet.

Impairment provisions

Impairment provisions mainly concern disputes in which Danone is in talks with customers. Impairment provisions for expected credit losses are recognized to the extent of the losses expected over the life of the receivable.

Translation of transactions denominated in foreign currencies

When they are not hedged, transactions denominated in foreign currencies are translated using the exchange rate prevailing on the date of the transaction. At the reporting date, trade receivables and trade payables denominated in foreign currencies are translated using the exchange rates applicable at that date. Foreign exchange gains and losses arising from transactions in foreign currencies are recognized under “Other income (expense)” in the income statement. When they are hedged, the hedging impact is recognized in the same item as the hedged component. As a result, all such transactions are recognized at the hedged rate, with swap points recognized under “Other financial income” or “Other financial expense".

Carrying amount

	As of December 31	
(in € millions except %)	**2023**	**2024**
Raw materials, work in progress and sundry supplies	1,318	1,291
Finished goods	1,306	1,215
Provisions for inventory write-downs	(283)	(229)
Inventories, net	**2,341**	**2,277**
Trade and other receivables from operations	3,042	3,035
Expected credit losses	(123)	(113)
Trade receivables, net	**2,919**	**2,922**
State and local authorities	887	976
Derivatives – assets [a]	38	60
Other	334	351
Total other current assets	**1,259**	**1,387**
TOTAL CURRENT ASSETS	**6,519**	**6,586**
Trade payables	**(4,779)**	**(5,147)**
Year-end discounts payable to customers	(1,440)	(1,482)
State and local authorities	(372)	(438)
Personnel costs, including social security charges	(1,143)	(1,283)
Derivatives – liabilities [a]	(69)	(79)
Other	(401)	(489)
Total other current liabilities	**(3,425)**	**(3,771)**
TOTAL CURRENT LIABILITIES	**(8,205)**	**(8,918)**
Working capital	**(1,686)**	**(2,332)**
As a percentage of consolidated sales	(6.1)%	(8.5)%

(a) Fair value of derivatives used to hedge operating currency and commodity risks, most of which are set up for a period of less than one year.

Credit risk on trade receivables

Credit risk exposure

Credit risk represents the risk of financial loss for the Group if a customer or counterparty should fail to meet its contractual payment obligations. Customer payment terms are generally 30 days and the Group's main customers operate predominantly in the mass-market retail sector where credit risk is considered low.

Due to the large number of customers located in diverse geographical zones and the fact that its main customers are in the mass-market retail sector, and despite the current economic situation, the Group does not believe that it is exposed to significant credit risk or dependent to a material extent on any single customer.

Sales to the Group's largest customers and past due trade receivables not yet fully impaired

	As of December 31	
(%)	**2023**	**2024**
PERCENTAGE OF CONSOLIDATED SALES MADE TO THE GROUP'S LARGEST CUSTOMERS		
Largest Danone customer	7.0%	6.5%
Five largest Danone customers	15.1%	13.7%
Ten largest Danone customers	21.2%	19.7%
PERCENTAGE OF PAST DUE TRADE RECEIVABLES NOT YET FULLY IMPAIRED [(a)]	**5.2%**	**4.2%**

(a) More than 30 days past due.

Carrying amount of trade receivables and payables to customers

	As of December 31	
(in € millions)	**2023**	**2024**
Trade and other receivables from operations	3,042	3,035
Expected credit losses	(123)	(113)
Trade receivables, net	**2,919**	**2,922**
Year-end discounts payable to customers [(a)]	(1,440)	(1,482)
TOTAL CARRYING AMOUNT OF TRADE RECEIVABLES AND PAYABLES TO CUSTOMERS	**1,479**	**1,440**

(a) Amount recognized as a current liability in the Group's consolidated balance sheet.

Factoring programs

As of December 31, 2024, as at December 31, 2023, the amount of trade receivables derecognized in connection with the non-recourse factoring programs was considered not material.

Reverse factoring programs

Accounting principles

Danone sets up reverse factoring programs with financial institutions for the payment of its supplier invoices. Suppliers enter into bilateral agreements with said financial institutions, under which they assign amounts receivable from Danone. Danone has analyzed the main characteristics of these agreements in order to confirm their classification and presentation as trade payables. Danone verified that:

- the factoring arrangement is totally independent of the commercial relationship;
- the supplier is free to decide to discount its invoices on a case-by-case basis;
- the date of payment to the supplier or bank corresponds to the payment date indicated on the invoice;
- Danone is not impacted by the result of invoice discounting, since this discount is borne entirely by the supplier and paid directly to the bank;
- the supplier payment terms remain in line with standard industry practice and local regulations;
- these programs do not contain debt-related features such as fees paid to the bank or supplier.

Amendments to IAS 7 and IFRS 7

The amendments to IAS 7 and IFRS 7 "*Supplier Finance Arrangements*" are applicable for accounting periods beginning on or after January 1, 2024.

Danone has set up a working group to assess the impact of these amendments on the presentation of reverse factoring programs in the notes to the consolidated financial statements for the year ended December 31, 2024. Danone considers that these amendments do not have a material impact on the information presented in the notes to the consolidated financial statements for the year ended December 31, 2024.

Reverse factoring programs

Danone uses these reverse factoring programs in the normal course of its business. These programs are implemented within a strict framework, notably:

- to be used and to function as a payment tool;
- for approved invoices only;
- for payment by Danone in accordance with the invoice terms, namely due dates, in accordance with applicable local regulations and practices;
- at no cost to Danone.

As of December 31, 2024, trade payables included in reverse factoring programs are presented within operating liabilities under "Trade payables" until they are paid by Danone.

Several of the Group's subsidiaries in various parts of the world are involved in these programs. As of both December 31, 2024, and December 31, 2023, these programs are considered not material and they do not have a material impact on the Group's exposure to liquidity risk. Danone's liquidity risk management policy is described in Note 12.2 to the consolidated financial statements.

Note 7.5. Property, plant and equipment, capital expenditure and leases (right-of-use assets)

Accounting principles

Property, plant and equipment acquired

Property, plant and equipment are recognized at acquisition or construction cost.

Depreciation

Depreciation of property, plant and equipment is calculated on a straight-line basis over the estimated useful lives as follows:

- buildings: 15 to 40 years;
- machinery and equipment, furniture: 5 to 20 years;
- other: 3 to 10 years.

The depreciation charges in respect of property, plant and equipment are allocated to various headings in the income statement based on the nature and utilization of the assets concerned.

Returnable containers

Returnable containers (in particular, jugs in the Waters reporting category) are recognized at cost. They are depreciated on a straight-line basis, based on available statistics for each Group entity, over the shorter of their:

- physical useful life, taking into account the internal and external breakage rates and wear and tear;
- commercial useful life, taking into account planned or likely modifications of containers.

When the amount of the refund changes, the liability for deposits received is measured based on the revised amount and recorded in "Other current provisions and liabilities".

Leased assets

IFRS 16 "*Leases*" requires lessees to use a single accounting model for leases, which involves the recognition in the balance sheet of a right-of-use asset with a corresponding lease liability in respect of the present value of the lease payments due over the reasonably certain term of the lease. Deferred tax is also recognized on the basis of the difference between the carrying amount of the right-of-use asset and the lease liability.

The depreciation charge in respect of the right-of-use asset is presented in various headings within consolidated net income, while the interest expense relating to the lease liability is shown within financial interest on debt.

The cash flows relating to the lease payments are presented in cash flows provided by (used in):

- financing activities, for the portion corresponding to the repayment of the lease liability;
- operating activities, for the portion corresponding to the interest on the lease liability.

Danone uses the incremental borrowing rate to determine the lease liability unless the interest rate implicit in the lease can be easily determined. This is calculated separately for each currency and maturity based on the internal financing rate plus a credit spread for Danone SA bond issues, taking into account a linear repayment profile.

The lease term used is the non-cancelable period during which Danone has the right to use the underlying asset, together with both periods covered by options to extend or to terminate the lease if their exercise is considered reasonably certain. The right-of-use asset is depreciated over the lease term or over the useful life of the underlying asset if the exercise of a purchase option is deemed reasonably certain.

Danone uses the simplification measures specified by IFRS 16 and consequently:

- does not restate leases of low value assets whose reasonably certain term is less than 12 months. The corresponding lease expense is recognized in the income statement as incurred;
- distinguishes between the lease and non-lease components and accounts for them accordingly.

In addition, the amendment to IFRS 16 "*Lease Liability in a Sale and Leaseback*", published by the IASB on September 22, 2022, is applicable for accounting periods beginning on or after January 1, 2024. This amendment did not have a material impact on the consolidated financial statements for the year ended December 31, 2024. See Note 1.2 to the consolidated financial statements.

Carrying amount and change during the period

	2023				2024			
(in € millions)	**Land and buildings**	**Machinery and equipment**	**Other and assets in progress**	**Total**	**Land and buildings**	**Machinery and equipment**	**Other and assets in progress**	**Total**
CARRYING AMOUNT								
As of January 1	**2,859**	**2,583**	**1,310**	**6,752**	**2,717**	**2,508**	**1,216**	**6,441**
Capital expenditure [(a)]	35	88	585	708	34	108	656	798
Disposals	(2)	(3)	(2)	(7)	(2)	–	(17)	(19)
Reclassification of assets held for sale	(21)	(17)	(0)	(38)	1	0	0	1
Changes in consolidation scope	(38)	(29)	(9)	(76)	(1)	–	–	(1)
Translation adjustments	(58)	(71)	(13)	(142)	11	–	(22)	(11)
Impairment [(a) (b)]	(12)	(37)	(12)	(60)	(8)	(35)	(20)	(63)
Depreciation charges [(a)]	(161)	(426)	(140)	(727)	(153)	(440)	(131)	(724)
Impacts of the above on right-of-use assets (gross) [(c)]	73	23	83	179	102	22	104	228
Impacts of the above on right-of-use assets (depreciation and impairment) [(c)]	(116)	(20)	(58)	(194)	(111)	(19)	(63)	(193)
Other [(d)]	159	415	(528)	46	90	381	(409)	62
AS OF DECEMBER 31	**2,717**	**2,508**	**1,216**	**6,441**	**2,680**	**2,525**	**1,314**	**6,519**
Of which cumulated right-of-use assets [(c)]	*565*	*139*	*215*	*919*	*559*	*142*	*201*	*902*
Of which cumulated gross amount	*5,165*	*8,472*	*2,422*	*16,059*	*5,234*	*9,257*	*2,448*	*16,939*
Of which cumulated depreciation and impairment	*(2,448)*	*(5,964)*	*(1,206)*	*(9,618)*	*(2,558)*	*(6,729)*	*(1,133)*	*(10,420)*

(a) Excluding right-of-use assets.
(b) And accelerated depreciation.
(c) Pursuant to IFRS 16 "Leases".
(d) Corresponds mainly to the effects of applying IAS 29 (see Note 1.4 to the consolidated financial statements).

Impairment review of property, plant and equipment

Property, plant and equipment are reviewed for impairment when events or circumstances indicate that the recoverable amount of the asset (or group of assets to which it belongs) may be impaired:

- the recoverable amount corresponds to the higher of market value and value in use;
- value in use is estimated on the basis of the discounted cash flows that the asset (or group of assets to which it belongs) is expected to generate over its estimated useful life in the conditions of use determined by the Group;
- market value corresponds to the estimated net selling price that could be obtained by the Group in an arm's length transaction.

Impairment is recognized when the recoverable amount of an asset is lower than its carrying amount.

Capital expenditure during the period

	Year ended December 31	
(in € millions except %)	**2023**	**2024**
Related cash flows	(847)	(923)
As a percentage of sales	*3.1 %*	*3.4 %*

Note 7.6. Off-balance sheet commitments relating to operating activities

Commitments given in 2024

		Amount of financial flows for the period				
(in € millions)	**Total**	**2025**	**2026**	**2027**	**2028**	**2029 and after**
Commitments to purchase goods and services [(a)]	**(5,358)**	(2,763)	(674)	(330)	(207)	(1,384)
Capital expenditure commitments	**(152)**	(136)	(16)	0	0	–
Guarantees and pledges given	**(4)**	(4)	–	–	–	–
Other	**(199)**	(93)	(13)	(16)	(13)	(64)
TOTAL	**(5,713)**	**(2,996)**	**(703)**	**(346)**	**(220)**	**(1,448)**

(a) Commitments relating mainly to purchases of milk, dairy ingredients and other food raw materials.

Commitments given in 2023

		Amount of financial flows for the period				
(in € millions)	**Total**	**2024**	**2025**	**2026**	**2027**	**2028 and after**
Commitments to purchase goods and services [(a)]	(5,986)	(2,931)	(833)	(375)	(261)	(1,586)
Capital expenditure commitments	(184)	(146)	(34)	–	–	(3)
Guarantees and pledges given	(4)	(4)	–	–	–	–
Other	(86)	(57)	(13)	(9)	(4)	(3)
TOTAL	**(6,260)**	**(3,138)**	**(880)**	**(384)**	**(266)**	**(1,593)**

(a) Commitments relating mainly to purchases of milk, dairy ingredients and other food raw materials.

Note 7.7. Financial risks associated with operating activities

Details of the Group's financial risk management policy and its organization are provided in Notes 14.1 and 14.3 to the consolidated financial statements.

Currency risk

Risk identification

The Group mainly operates on a local basis and in the currency of the country in which it is operating, thereby incurring no currency risk. However, the location of some of the Group's production units may result in intercompany billings in foreign currencies. This applies particularly to the Specialized Nutrition category and, to a lesser extent, the EDP category. Similarly, some raw materials are billed or indexed in foreign currencies, in particular in the Waters and EDP categories. The Group also develops certain export businesses. The sales and operating margin of some subsidiaries are therefore exposed to fluctuations of foreign exchange rates against their functional currency.

Risk monitoring and management

Details of the Group's policy for managing the currency risk arising on its operations are provided in Note 14.3 to the consolidated financial statements, *Management of currency risk arising on operating activities*.

Exposure

Pursuant to its forex risk management policy, the Group's residual exposure (after hedging) is not material over the hedging period. As of December 31, 2024, the main hedged currencies in terms of value included the Chinese yuan, the British pound, the US dollar, the Mexican peso, the Indonesian rupiah and the Brazilian real.

Commodities risk

Risk identification

Danone's principal raw material needs consist primarily of:

- materials needed to produce food and beverage products, mainly milk, fruit and sugar. In terms of value, milk is the main raw material purchased, primarily in the form of liquid milk, for which the operating subsidiaries typically enter into agreements with local producers or cooperatives. Its price is set locally, over contractual periods that vary from one country to another. The other main food raw materials are fruit-based preparations;
- product packaging materials, in particular plastics and cardboard ("packaging"). Packaging purchases are managed through regional or global purchasing programs to optimize skills and volume effects. Prices are influenced by supply and demand at global and regional levels, economic cycles, production capacities and oil prices;
- energy supplies, which account for only a limited portion of its purchases.

Danone's strategy increasingly focuses on the upstream part of its business and in particular its raw material supplies, not only in order to manage its costs but also to make them a source of value creation and differentiation relative to its competitors. However, trends in prices for its principal raw materials may affect the structure of Danone's earnings.

Risk monitoring and management

Danone manages cost volatility through operating initiatives such as continuous productivity gains: Danone strives in particular to optimize its use of raw materials (reductions in production waste, lighter packaging and more effective use of milk sub-components in its products) and take advantage of pooled purchasing, for example through the centralized management of purchases other than milk for the EDP and Specialized Nutrition categories. Danone has implemented a purchasing policy (Market Risk Management – MRM) which is detailed in Note 14.3 to the consolidated financial statements, in paragraph *Management of commodity price risk*.

Sensitivity of net income to changes in prices of the two main categories of raw materials purchased by the Group

Impact on the cost of raw materials for the fiscal year concerned of an increase/decrease in their price applied uniformly across all countries, throughout that fiscal year, using constant exchange rates (projected annual rate determined by Danone for the 2024 fiscal year)

	Year ended December 31	
	2023	2024
(in € millions)	Income (expense)	Income (expense)
5% INCREASE		
Liquid milk, milk powder and other milk-based ingredients	(194)	(154)
Plastics, including PET/rPET	(72)	(65)
5% DECREASE		
Liquid milk, milk powder and other milk-based ingredients	194	154
Plastics, including PET/rPET	72	65

NOTE 8. INFORMATION AND EVENTS CONCERNING NON-RECURRING OPERATING ACTIVITIES

Note 8.1. Accounting principles

Other operating income (expense)

Other operating income and expenses comprise items that, because of their significant or unusual nature, cannot be viewed as inherent to Danone's recurring activity and have limited predictive value, thereby distorting the assessment of its recurring operating performance and trends in that performance. These mainly include:

- capital gains and losses on disposals of businesses and fully consolidated companies;
- under IAS 36, impairment charges on intangible assets with indefinite useful lives;
- costs related to strategic restructuring operations or transformation plans;
- costs related to major external growth transactions;
- costs related to crises and major disputes;
- in connection with IFRS 3 and IFRS 10, (i) acquisition costs related to acquisitions of companies resulting in control, (ii) revaluation gains or losses accounted for following a loss of control, and (iii) changes in earn-outs subsequent to acquisitions resulting in control.

Note 8.2. Other operating income and expense

Other operating income (expense) in 2024

Other operating income (expense) represented a net expense of €(179) million in 2024 and consisted mainly of the following items:

(in € millions)	Notes	Related income (expense)
Impact of the sale of the EDP business in Russia	3	227
Impact of the sale of the assets related to the US premium organic dairy activities	4	41
Impact of the sale of Michel et Augustin	5.2	36
Donation to the Danone Ecosystem association		(50)
Impairment of intangible assets	11.3	(51)
Transformation projects [(a)]		(314)

(a) Mainly in Europe and North America.

Other operating income (expense) in 2023

Other operating income (expense) represented a net expense of €(1,438) million in 2023 and consisted mainly of the following items:

(in € millions)	Notes	Related income (expense)
Impact of deconsolidation of EDP Russia businesses	3	(706)
Sale of the assets related to the US premium organic dairy activities	4	(426)
Impairment of intangible assets	11.3	(95)
Local First plan		(88)

NOTE 9. NUMBER OF EMPLOYEES, PERSONNEL COSTS AND EMPLOYEE BENEFITS

Note 9.1. Number of employees at fully consolidated companies

Number of employees as of December 31

	As of December 31	
	2023	2024
TOTAL NUMBER OF EMPLOYEES	**88,843**	**89,528**

Note 9.2. Personnel costs of fully consolidated companies

	Year ended December 31	
(in € millions)	2023	2024
Salaries and social security charges [(a)]	(4,337)	(4,617)
Retirement obligations – defined-benefit plans [(b)]	(34)	(34)
Expenses relating to Group performance shares (GPS) and to fidelity shares	(25)	(51)

(a) Salaries after social security charges. Also comprises contributions in respect of defined-contribution retirement plans.
(b) Mainly comprises obligations for which provisions have been set aside in respect of service costs.

Note 9.3. Retirement commitments, retirement indemnities and personal protection

General principles

The Group contributes to employee retirement benefit plans in accordance with the laws and usual practices of countries in which its subsidiaries operate. The Group has no actuarial liability in respect of contributions paid under such plans to private or state-sponsored pension funds. The Group also has contractual obligations for supplementary retirement plans, severance pay, retirement indemnities and personal protection plans. The related actuarial commitments are taken into account either through the payment of contributions to independently managed funds responsible for servicing and administrating the funds, or through provisions.

Accounting principles

Defined-contribution retirement plans

Contributions due under defined-contribution plans are expensed as incurred. These expenses are allocated to different headings in the consolidated income statement.

Defined-benefit retirement plans

The Group's obligations under defined-benefit retirement plans are calculated using the projected unit credit method and by taking into account actuarial assumptions, including employee turnover, salary increases and employees' expected active lives.

The carrying amounts of these plans on the consolidated balance sheet correspond to the present value of the obligations, as defined above, less the fair value of the plan assets (retirement funds to which the Group contributes, for example). They are presented under “Provisions for retirement obligations and other long-term benefits". In addition, the expected return on plan assets is measured on the basis of the discount rate used to estimate the present value of retirement commitments. Actuarial gains and losses resulting from experience adjustments and changes in the actuarial assumptions that are used to calculate retirement obligations net of the related assets (including the difference between the expected and actual returns on plan assets) are recognized in full within “Other comprehensive income".

Income and expenses recognized in relation to defined-benefit plans correspond mainly to:

- the cost of services provided during the year and in previous years (where relevant), allocated according to their function to the various headings in the consolidated income statement;
- the accretion of the present value of the obligations, net of the expected return on plan assets, recognized within “Other financial expense".

Other long-term benefits

Other long-term benefits may be granted by certain Group companies to their employees, such as personal protection coverage and long service awards. The Group's obligations in respect of these benefits are determined by applying a similar method to that used to determine the obligations relating to defined-benefit retirement plans.

The amounts recognized in the balance sheet in respect of these plans correspond to the present value of the obligations, as detailed above. They are presented under “Provisions for retirement obligations and other long-term benefits". The actuarial gains and losses resulting from experience adjustments and changes in the actuarial assumptions used to calculate obligations are recognized in full within “Recurring operating income” of the fiscal year in which they are incurred.

Defined-benefit retirement plans

Provisions for retirement obligations and other long-term benefits

	As of December 31	
(in € millions)	**2023**	**2024**
Defined-benefit retirement plans	873	870
Other long-term benefits	31	30
TOTAL	**904**	**900**

Defined-benefit retirement plans and other post-employment benefits

Carrying amount of gross obligations

	As of December 31	
(%)	2023	2024
Retirement plan for senior managers	34 %	36 %
Other	13 %	13 %
France	48 %	49 %
Indonesia	13 %	11 %
Germany	9 %	9 %
Belgium	8 %	8 %
United States	6 %	6 %
Ireland	5 %	5 %
Other [(a)]	11 %	12 %
TOTAL	**100 %**	**100 %**

(a) Several countries, none of which represents more than 5% of the Group's gross obligations.

Main benefit obligation for the Group

The Group's main defined-benefit retirement plan obligations relate to the retirement plan for senior managers in France. This retirement plan, which was set up in 1976 as a means of retaining key managers, may also include certain senior executives who were "Group senior managers" as of December 31, 2003, at which date the plan was closed to new beneficiaries. As of December 31, 2024, 58 Group senior managers were members of this plan (excluding plan beneficiaries who had already claimed their pension benefits), compared to 170 potential beneficiaries in 2003.

General principles

This plan provides for a pension based on years of service and the amount of final salary, under the condition that the beneficiary is still in Danone's employment at the time of retirement. The pension is paid after deducting certain items corresponding: (i) with respect to a first category of senior executives, to the full amount of retirement benefits acquired over the course of their professional career; and (ii) with respect to a second category of senior executives, to the full amount of retirement benefits acquired due to the implementation of a Company non-contributory supplementary retirement plan. The pension may represent up to 65% of a beneficiary's final salary.

If an employee leaves Danone before the age of 55 or dies before retirement, all benefits under this plan are lost. If the employee is laid off after the age of 55, the plan benefits are preserved, subject to the beneficiary not taking up any salaried position at a later date.

Other obligations

Most of the other retirement plans put in place by the Group concern only a given subsidiary in a specific country. Consequently, the Group is required to manage several different plans in a given country. None of these are material.

Carrying amount of provisions (gross obligations net of plan assets)

	As of December 31					
	2023			2024		
(in € millions)	Retirement plan for senior managers	Other plans	Total	Retirement plan for senior managers	Other plans	Total
Vested rights with projected salaries	469	869	1,338	482	862	**1,344**
Fair value of plan assets	(99)	(366)	(465)	(86)	(387)	**(474)**
Vested rights net of fair value of plan assets	**370**	**503**	**873**	**396**	**475**	**869**
Impact of asset ceiling	–	–	–	–	–	–
OBLIGATIONS FOR WHICH PROVISIONS HAVE BEEN RECORDED IN THE BALANCE SHEET	**370**	**503**	**873**	**396**	**475**	**869**

The total amount of contributions/benefits to be paid out in 2025 in connection with these plans is estimated at €63 million.

Actuarial assumptions

Methodology

The Group defines actuarial assumptions by country and/or subsidiary. The discount rates used in 2024 were obtained by reference to the yield on investment-grade (AA-rated) bonds of private issuers with terms equivalent to that of the commitment in the corresponding currency area.

The credit quality used is assessed on the basis of the rating obtained from the leading financial rating agencies. In the case of illiquid markets, the discount rate is determined using government bonds of equivalent maturity to the term of the assessed plans.

Retirement plan for senior managers

MAIN ACTUARIAL ASSUMPTIONS

	Year ended December 31	
	Retirement plan for senior managers	
(%, except for ages, expressed in years)	2023	2024
Discount rate	3.3 %	3.5 %
Expected return on plan assets	3.3 %	3.5 %
Salary growth rate	3.0 %	3.0 %
Retirement age	60-66	60-66

DISCOUNT RATE SENSITIVITY ANALYSIS

	Year ended December 31	
	Retirement plan for senior managers	
	2023	2024
(in € millions)	Increase (decrease)	Increase (decrease)
50 bps increase	(36)	(34)
50 bps decrease	40	38

Changes in carrying amount of provisions

	2023				2024			
(in € millions)	Vested rights	Plan assets	Impact of asset ceiling	Obligations provisioned	Vested rights	Plan assets	Impact of asset ceiling	Obligations provisioned
As of January 1	**1,228**	**(483)**	**–**	**745**	**1,339**	**(465)**	**–**	**873**
Service cost	31	–	–	**31**	32	–	–	**32**
Effect of discounting	54	–	–	**54**	53	–	–	**53**
Expected return on plan assets	–	(19)	–	**(19)**	–	(18)	–	**(18)**
Other changes	(20)	16	–	**(4)**	5	–	–	**5**
Expense for the year	66	(2)	–	**63**	90	(18)	–	**73**
Payments made to retirees	(63)	32	–	**(32)**	(84)	36	–	**(48)**
Contributions to plan assets	–	(16)	–	**(16)**	–	(17)	–	**(17)**
Changes in demographic assumptions	(2)	–	–	**(2)**	1	–	–	**1**
Changes in economic assumptions	97	–	–	**97**	(36)	–	–	**(36)**
Experience adjustments	18	3	–	**21**	28	(4)	–	**24**
Actuarial gains and losses	113	3	–	**116**	(7)	(4)	–	**(11)**
Translation adjustments	(4)	1	–	**(3)**	7	(7)	–	**–**
Other	–	–	–	**–**	–	–	–	**–**
AS OF DECEMBER 31	**1,339**	**(465)**	**–**	**873**	**1,344**	**(474)**	**–**	**870**

Defined-benefit retirement plan assets

The investment policy for plan assets depends on the age profile of employees for each company and on the expected return on the various asset classes.

Plan assets under the retirement plan for senior managers

	As of December 31	
	Retirement plan for senior managers	
(in € millions except %)	2023	2024
Fair value of plan assets	**(99)**	**(86)**
MAIN CLASS OF PLAN ASSETS		
Bonds [(a)] [(b)]	90 %	90 %
Equities [(b)]	4 %	4 %
Real estate and other asset classes [(b)]	5 %	5 %

(a) These assets are diversified and, in particular, exposure to individual sovereign risk is limited.
(b) These do not include any financial instruments issued by the Group.

Defined-contribution retirement plans

Contributions paid as part of defined-contribution plans are recognized according to their function under various headings in the consolidated income statement.

Note 9.4. Group performance shares and fidelity shares

Group policy

The Group has awarded long-term compensation in the form of Group performance shares (GPS) to around 1,950 senior managers and senior executives, as well as to the corporate officers. Since 2022, it has also granted fidelity shares to around 1,940 senior managers and senior executives.

General principles applicable to Group performance shares

GPS are shares in the Company that are subject to performance conditions, set by the Shareholders' Meeting for each plan. In the case of all outstanding plans, the performance conditions are based on aspects of Danone's performance. The definitive grant of GPS is subject to a continuous presence condition of four years for GPS granted prior to 2023 and three years for GPS granted in 2023 or later.

General principles applicable to fidelity shares

Fidelity shares are shares in the Company that are subject to progressive continuous employment conditions of one to three years, set by the Shareholders' Meeting for each plan.

Group performance shares and fidelity shares outstanding

	Year ended December 31	
(in number of shares)	2023	2024
As of January 1	**2,595,903**	**3,260,209**
Maximum number [(a)]	2,822,688	3,631,605
Shares granted during the year	1,598,442	1,592,664
Maximum number [(a)]	1,799,394	1,790,295
Shares lapsed or canceled during the year [(b)]	(613,313)	(555,018)
Shares delivered during the year	(320,822)	(500,468)
As of December 31	**3,260,209**	**3,797,387**
Maximum number [(a)]	*3,631,605*	*4,176,921*

(a) In the event that the continuous employment and performance conditions are fully met, where applicable.

(b) Danone has included, in the number of GPS that have lapsed during the year, those GPS likely to lapse due to the non-achievement of these performance conditions, on the basis of information known as of the approval date by the Board of Directors (even if such shares' lapse has not yet been acknowledged by the Board).

Accounting treatment

Accounting principles

The fair value of the Group Performance Shares and of the fidelity shares is calculated based on performance conditions. The corresponding expense is spread over the vesting period. It is recorded in general and administrative expense in the consolidated income statement.

In the case of Group Performance Shares, when the performance conditions are:

- based on non-market conditions (such as, for example, those relating to recurring EPS growth, the achievement of a level of Free cash flow generation, the level of return on invested capital (ROIC), and environmental performance), the expense recognized in respect of shares that have lapsed is written back in the income statement of the period during which it becomes probable that the performance conditions will not be met;
- based on market conditions (such as, for example, conditions linked to the achievement of a level of Total Shareholder Return), the measurement of the related expenses is assessed at the grant date, and cannot be subsquently written back.

Group Performance Shares and fidelity shares that are not yet vested are also taken into account in the calculation of the diluted number of shares as described in Note 15.4 to the consolidated financial statements.

Valuation as of the grant date

	Year ended December 31	
(in € per share, except number of shares)	**2023**	**2024**
Number of shares granted	1,598,442	1,592,664
Of which based on non-market performance conditions	*781,547*	*768,047*
Of which based on market performance conditions	*260,516*	*256,016*
Of which fidelity shares	*556,379*	*568,601*
Fair value of shares granted based on non-market performance conditions [a]	50.7	52.6
Fair value of shares granted based on market performance conditions [a]	32.8	34.8
Fair value of fidelity shares granted [a]	52.6	54.4
Average DANONE share price	55.3	61.4

(a) Fair value as of the grant date.

Expense recognized, including taxes

	Year ended December 31	
(in € millions)	**2023**	**2024**
Group performance shares (GPS) and fidelity shares	(25)	(51)
TOTAL EXPENSE	**(25)**	**(51)**

Note 9.5. Company Savings Plan

General and accounting principles

Danone regularly carries out capital increases reserved for Danone employees in France participating in a Company Savings Plan. Since 2019, Danone has also carried out capital increases reserved for employees of foreign companies, based on the authorization granted by the Shareholders' Meeting. The purchase price of the shares corresponds to 70% of the average DANONE share price over the 20 trading days preceding the meeting of the Board of Directors that approves the plan.

The benefit granted to the employees is calculated based on the fair value of the shares at the end of the plan subscription period. The corresponding expense is recognized in general and administrative expense in the consolidated income statement.

Capital increases reserved for employees

In 2024, these capital increases for employees represented a total amount of €75,526,399.83.

NOTE 10. INCOME TAX

Note 10.1. Income tax

Income before tax and tax expense

	Year ended December 31	
(in € millions, except tax rate in percentage)	2023	2024
Income before tax	**1,686**	**2,999**
Current tax (expense) income	(814)	(868)
Deferred tax (expense) income	46	(61)
Current and deferred tax (expense) income	**(768)**	**(929)**
Effective tax rate	45.6 %	31.0 %
Amount (paid) received during the year	(730)	(766)

Tax rate and tax systems

French tax system

Danone forms a tax group with most French subsidiaries in which it owns, directly or indirectly, more than 95% of the share capital, enabling taxable profits and losses to be offset subject to certain limits and conditions.

Other tax systems

Similar tax consolidation arrangements exist in other countries, in particular in the United States, the Netherlands, the United Kingdom, Germany and Spain.

Effective tax rate

In 2024, the Group's effective tax rate was 31.0%, lower than in 2023.

Difference between the effective tax rate and the 25.83% country tax rate in France

		Year ended December 31	
(in percentage)	Notes	2023	2024
Country tax rate in France		25.8 %	25.8 %
Difference between French and foreign tax rates (a) (b)		(1.8) %	(3.0) %
Tax on dividends and royalties		4.4 %	2.7 %
Permanent differences		1.7 %	1.2 %
Tax loss carryforwards (c)	10.3	4.9 %	5.6 %
Tax rate adjustments and unallocated taxes		0.6 %	2.1 %
Impact of capital gains and losses on disposal and asset impairment (d) (e)		11.3 %	(6.5) %
Other differences		(1.3) %	3.0 %
EFFECTIVE TAX RATE		**45.6 %**	**31.0 %**

(a) Foreign tax rates corresponds to various countries, none of which generates a significant difference with the country tax rate in France.
(b) Includes the impact of differences between French and foreign tax rates on capital gains and losses on disposal and asset impairment.
(c) Includes mainly the impacts of the non-recognition and impairment of deferred tax assets in France in 2024, as well as in 2023.
(d) In 2024, this mainly relates to the disposal of EDP Russia (see Note 3 to the consolidated financial statements).
(e) In 2023, this mainly related to the non-deductibility of goodwill impairment and the recycling of the cumulative translation adjustments related to EDP Russia following the deconsolidation (see Notes 3. 4 and 11.2 to the 2023 consolidated financial statements).

Note 10.2. Deferred taxes

Accounting principles

Deferred taxes are recognized for temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes, except for the cases specified in IAS 12 "*Income Taxes*". Deferred taxes are calculated using the liability method, applying the enacted income tax rates expected to be applicable when the temporary differences will be reversed.

Temporary differences are reflected in the consolidated financial statements as deferred tax assets or liabilities on the basis of the most likely scenario as regards the reversal of the differences.

Deferred tax assets and liabilities are offset when the tax entity has a legal right to offset.

Lastly, the Company and its subsidiaries may be subject to tax audits. A provision is recognized in the consolidated financial statements whenever it is probable that a tax reassessment will be made.

Carrying amount

		As of December 31	
(in € millions)	**Notes**	**2023**	**2024**
BREAKDOWN BY TYPE OF DEFERRED TAX			
Property, plant and equipment and intangible assets		(1,594)	(1,600)
Tax loss carryforwards	10.3	74	53
Provisions for retirement obligations and other long-term benefits		212	105
Employee profit-sharing provisions		17	17
Restructuring provisions	16.3	36	44
Other		512	429
Net deferred taxes		**(743)**	**(952)**
Deferred tax assets		746	528
Deferred tax liabilities		(1,489)	(1,480)
NET DEFERRED TAX LIABILITIES		**(743)**	**(952)**

Change during the period

(in € millions)	**Notes**	**2023**	**2024**
As of January 1		**(849)**	**(743)**
Changes recognized in profit or loss		46	(61)
Changes recognized in other comprehensive income		112	(120)
Changes recognized directly in equity		–	6
Changes in consolidation scope	6.2	(28)	4
Other [(a)]		(25)	(38)
As of December 31		**(743)**	**(952)**

(a) Consists mainly to the effects of applying IAS 29 (see Note 1.4 to the consolidated financial statements).

Note 10.3. Tax loss carryforwards

Accounting principles

Deferred tax assets relating to tax loss carryforwards and temporary differences are recognized when it is more likely than not that these taxes will be recovered. At the end of each reporting period, the Group reviews the unused tax losses and the amount of deferred tax assets recognized in the balance sheet. In some countries in which losses can be carried forward indefinitely, the Group takes into consideration recovery horizons based on forecast taxable profits, mainly over five years.

Carrying amount

	As of December 31	
(in € millions)	**2023**	**2024**
TAX LOSSES CARRYFORWARDS – RECOGNIZED PORTION		
Recognized tax loss carryforwards [(a)(b)]	289	211
Future tax savings [(c)]	74	53
TAX LOSSES CARRYFORWARDS – UNRECOGNIZED PORTION		
Tax loss carryforwards and tax credits not yet used [(a)]	2,044	2,632
Potential tax savings	543	692

(a) Basis amount.
(b) In 2024, as in 2023, these mainly result from the French tax consolidation group.
(c) These correspond to deferred tax assets arising on tax loss carryforwards.

Consumption horizon

Most of the losses carried forward had an indefinite useful life as of December 31, 2024. The probable consumption horizon in which these tax losses will be utilized is mainly five years.

Note 10.4. International tax reform – Pillar II

General and accounting principles

The Pillar II international tax reform, aimed at establishing a 15% minimum effective tax rate on group profits in each country where they operate, has been applicable by the Group since January 1, 2024.

In may 2023, the IASB published an amendment to IAS 12 "*Income Taxes*" introducing a temporary exception to the accounting for deferred taxes arising from the implementation of the GloBE (GLobal anti-Base Erosion) rules, applicable until a new decision is issued by the IASB.

Impacts on the 2024 consolidated financial statements

Danone has implemented Pillar II and has set up a working group to assess its tax exposure arising from the implementation of the Pillar II model rules.

As of December 31, 2024, Danone considers that the recognition of the additional expense, as well as the application of the temporary exception to the requirements to recognize deferred tax assets and liabilities under Pillar II, do not have a material impact on its results or financial position.

NOTE 11. INTANGIBLE ASSETS

Note 11.1. Accounting principles

Goodwill

When control of a company is acquired, the fair value of the consideration given to the seller is allocated to the assets acquired and the liabilities and contingent liabilities assumed, which are measured at fair value. The difference between the consideration given to the seller and the Group's share of the fair value of the assets acquired and the liabilities and contingent liabilities assumed represents goodwill. When the option of recognizing non-controlling interests at fair value is applied, the amount of non-controlling interests is added to goodwill. Goodwill is recognized under the dedicated asset heading in the consolidated balance sheet.

Goodwill arising from the acquisition of a foreign entity is recognized in the functional currency of the entity acquired and translated at the exchange rates prevailing at the reporting date.

Goodwill is not amortized but is tested for impairment at least annually.

For the purposes of impairment testing, goodwill is allocated to the cash-generating units (CGU) or groups of CGUs most likely to benefit from the synergies of the business combination, at the lowest level at which goodwill is monitored by the Group. The CGUs correspond to subsidiaries or groups of subsidiaries that are included in the same geographical zone and that generate cash flows that are largely independent from those generated by other CGUs.

Brands with indefinite useful lives

Acquired brands that are separately identifiable, of material value, supported by advertising expenditure and have indefinite useful lives, are recorded under "Brands" in the consolidated balance sheet. The value of these brands is generally estimated with the assistance of valuation specialists, taking into account various factors including brand awareness and contribution to earnings.

The classification of a brand as an intangible asset with an indefinite useful life is based on criteria such as the brand's expected long-term contribution to the Group's future cash flow, and its overall positioning in its market. Such brands, which are legally protected, are not amortized but are tested for impairment annually or more frequently if there is any indication of impairment (see below).

Other brands

Other acquired brands that are deemed to have finite useful lives are presented under "Brands" in the consolidated balance sheet. They are amortized on a straight-line basis over their estimated useful lives. The amortization charges in respect of brands with finite useful lives are allocated to various headings in the income statement on the basis of the nature and utilization of the brands concerned. Taken individually, none of these brands are considered material.

Development costs

Development costs are generally expensed as incurred (see Note 7.1 to the consolidated financial statements).

Technologies, development costs and other intangible assets

The following elements are recognized in the balance sheet under "Other intangible assets":

- acquired technologies, which are generally valued with the assistance of specialized consultants and amortized over the average duration of the patents;
- acquired development costs meeting the criteria for recognition as an intangible asset under IAS 38 "*Intangible Assets*" (see above);
- other acquired intangible assets, which are recognized at their acquisition cost. They are amortized on a straight-line basis over their estimated useful lives, which do not exceed 40 years.

The amortization charges in respect of these assets are allocated to various headings in the income statement on the basis of their nature and utilization.

Note 11.2. Carrying amount and change during the period

		2023				2024			
(in € millions)	Notes	Goodwill	Brands [a]	Other intangible assets	Total	Goodwill	Brands [a]	Other intangible assets	Total
CARRYING AMOUNT									
As of January 1		**17,938**	**5,843**	**459**	**24,239**	**17,340**	**5,256**	**498**	**23,094**
Changes in consolidation scope	5.2	71	–	(1)	70	122	–	–	122
Capital expenditure		–	–	130	130	–	–	147	147
Disposals		–	–	(1)	(1)	–	–	(1)	(1)
Translation adjustments		(440)	(150)	(11)	(601)	600	120	4	724
Impairment	8.2, 11.3	(47)	(48)	(3)	(98)	–	(51)	(8)	(59)
Reclassification of assets held for sale [b]		(181)	(448)	–	(629)	–	–	–	–
Depreciation charges		–	–	(107)	(107)	–	–	(125)	(125)
Other [c]		–	59	32	91	–	65	41	106
AS OF DECEMBER 31		**17,340**	**5,256**	**498**	**23,093**	**18,062**	**5,390**	**556**	**24,008**
Of which amortization		–	*(7)*	*(1,157)*		–	*(7)*	*(1,178)*	

(a) Includes brands with indefinite useful lives and other brands (none of which are considered to be material taken individually).
(b) As of December 31, 2023, this concerned assets relating to the organic dairy business in the United States and to Michel et Augustin.
(c) Corresponds mainly to the effects of applying IAS 29 (see Note 1.4 to the consolidated financial statements).

Note 11.3. Impairment review of goodwill and brands with indefinite useful lives

Methodology

The carrying amounts of goodwill and brands with indefinite useful lives are reviewed for impairment at least annually and whenever events or circumstances indicate that they may be impaired. Such events or circumstances are linked to significant, unfavorable and lasting changes that affect the economic environment or the assumptions or targets set at the time of acquisition.

The cash flows used to determine the value in use of the CGUs or groups of CGUs, and the recoverable amount of the brands with indefinite useful lives are derived from the annual budgets and strategic business plans of the CGUs, groups of CGUs and brands which are drawn up by management on the basis of the information available at that date. The periods applied for the CGUs, groups of CGUs and brands span three to five years.

Future cash flows beyond that period are extrapolated using a long-term growth rate that is specific to each CGU, group of CGUs and brands:

- the operating assumptions used to calculate the terminal value are in line with the final year of the projections described above in terms of sales and recurring operating margin;
- the long-term growth rate is determined for each CGU, group of CGUs, or brands taking into account its average growth rate in recent years and the expected medium-term rate of inflation in its geographical zone (macro-economic fundamentals, demographics, etc.).

Finally, future cash flows are discounted using the weighted average cost of capital method, according to which the cost of debt after tax and the cost of equity are weighted based on their respective proportions in the business sector concerned. It is calculated for the Group and a premium added for certain CGUs, groups of CGUs and brands to take into account the risk factors affecting certain countries.

Goodwill

Impairment tests are carried out on all property, plant and equipment and intangible assets of the CGUs and groups of CGUs. When the carrying amount of all the property, plant and equipment and intangible assets of the CGUs and groups of CGUs exceeds their recoverable amount, an impairment provision is recognized and first charged against goodwill.

The recoverable amount of the CGUs or groups of CGUs to which the tested assets are allocated is the higher of (i) fair value net of costs to sell, generally estimated on the basis of earnings multiples, and (ii) value in use, assessed with reference to the expected discounted future cash flows of the CGU or group of CGUs concerned.

Brands with indefinite useful lives

Annual impairment testing of brands with indefinite useful lives is based on an individual recoverable amount established using the royalties method, except in the case of certain brands for which the Group has a third-party valuation. In the case of brands selected on the basis of quantitative and qualitative criteria, the Group estimates the royalty rate of these brands in accordance with a method based on several parameters such as awareness, profitability and market share.

Impairment tests carried out as of December 31, 2024

For the purposes of impairment testing as of December 31, 2024, the Group projected in its business plans the effects of the following items on its activities, according to its best estimates based on (i) the information available at that date regarding external items, and (ii) the initiatives and projects to be implemented by the Group as envisaged at that same date:

- moderate inflation of raw material costs (milk and ingredients), packaging and logistics costs;
- impacts on the operating margin of the CGUs or groups of CGUs tested, of the costs identified at December 31, 2024, of the Nature Pillar of the Danone Impact Journey, as described in section 5.1.3 *Nature Pillar - Preserve & Regenerate Nature*, which notably includes the Group's objectives in terms of combating the effects of climate change;
- an post-tax discount rate of between 6.6% and 9.9% and a long-term growth rate ranging between 0% and 3.6% for the main intangible assets with indefinite useful lives.

The Group also conducted sensitivity analyses of the physical and transition risks related to climate change and its potential effects on the recoverable amount of the CGUs or groups of CGUs, as set out in section 5.3.1 *Climate change (ESRS E1)*. These risks were weighted based on the probability of occurrence and allocated proportionally to the cash flows of the business plan and the terminal value of the CGUs or groups of CGUs tested. These mainly concern the following issues:

- risks related the supply of milk and key agricultural ingredients, and access to water:
- risks that could lead to restrictions related to packaging;
- risks related to the potential increase in carbon prices (direct and indirect).

The implementation of these sensitivity analyses did not reveal any risk of impairment, understanding that the Group's estimates or judgements of the risks related to climate change may differ from reality, as described in Note 1.1 to the consolidated financial statements (*Basis of preparation*).

Carrying amount of goodwill and brands with indefinite useful lives

	As of December 31	
(in € millions)	**2023**	**2024**
Europe CGU	5,258	5,328
Noram CGU	6,522	6,935
China, North Asia & Oceania CGU	4,733	4,824
Other CGUs [(a)]	827	976
Goodwill	17,340	18,062
Brands with indefinite useful lives [(b)]	5,255	5,390
Carrying amount of goodwill and brands with indefinite useful lives [(c)]	**22,595**	**23,453**

(a) Comprising nine CGUs.
(b) Consisting of several brands, the most material being Nutricia, International Delight, Silk and Alpro.
(c) After taking into account impairment for the year.

Goodwill allocated to the Europe CGU, the Noram CGU and the China, North Asia & Oceania CGU

As of December 31, 2024, the recoverable amount exceeded the carrying amount by the following amounts:

(in € billions)	
Europe CGU	8
Noram CGU	2
China, North Asia & Oceania CGU	≥ 10

Sensitivity analysis for the key recoverable amount assumptions

	Year ended December 31	
(in € billions except %)	**Impact on recoverable amount**	**Annual decrease so recoverable amount equals carrying amount**
SALES – (50) BPS DECREASE [(a)]		
Europe CGU	(1)	5 %
Noram CGU	(0.5)	2 %
China, North Asia & Oceania CGU	(1)	≥ 10 %
RECURRING OPERATING MARGIN – (100) BPS DECREASE [(b)]		
Europe CGU	(2)	4 %
Noram CGU	(1)	1 %
China, North Asia & Oceania CGU	(1)	≥ 10 %
LONG-TERM GROWTH RATE – (50) BPS DECREASE		
Europe CGU	(1)	
Noram CGU	(1)	
China, North Asia & Oceania CGU	(2)	
DISCOUNT RATE – 50 BPS INCREASE		
Europe CGU	(2)	
Noram CGU	(1)	
China, North Asia & Oceania CGU	(2)	

(a) Decrease applied each year to sales growth rate assumptions, including in the final year, based on 2025 projections.
(b) Decrease applied each year to recurring operating margin assumptions, including in the final year, based on 2025 projections.

Goodwill allocated to the other CGUs

As of December 31, 2024, CGUs other than the Europe, Noram and China, North Asia & Oceania CGUs represented in total 5% of the carrying amount of the goodwill allocated to these CGUs.

Brands with indefinite useful lives

The Group's main brands are *Nutricia*, *International Delight*, *Silk* and *Alpro*. As of December 31, 2024, they represented more than 60% of the carrying amount of the Group's brands with indefinite useful lives. The other brands are located in diverse geographical zones and different countries and concern all categories, none of which individually represented more than 10% of the carrying amount of the Group's brands with indefinite useful lives as of December 31, 2024.

Impairment review of the main brands with indefinite useful lives

As of December 31, 2024, the Group tested the value of the *Nutricia*, *International Delight*, *Silk* and *Alpro* brands in accordance with the methodology and the valuation model described above and on the basis of assumptions derived from those applied to the groups of CGUs concerned. Following the impairment test, the Group recognized a partial impairment of one of the main brands with indefinite useful lives for a total amount of €35 million, in light of the new assumptions set out in their strategic plan.

In addition, an analysis of the sensitivity for the key recoverable amount assumptions was carried out on each of these main brands. The key assumptions used in the valuation model applied by the Group are (i) sales growth, (ii) the royalty rate, (iii) the long-term growth rate and the inflation rate used to calculate the terminal value, and (iv) the discount rate. The following changes in the key assumptions, deemed reasonably possible, do not materially alter the findings of the impairment tests:

- 50 bps decrease in sales (decrease applied each year to sales growth assumptions, including in the final year, based on 2025 projections);
- 50 bps decrease in the royalty rate;
- 50 bps decrease in the long-term growth rate;
- 50 bps increase in the discount rate.

Impairment review of other brands with indefinite useful lives

As of December 31, 2024, impairment tests carried out on brands with indefinite useful lives other than *Nutricia*, *International Delight*, *Silk* and *Alpro* led to the partial impairment, totaling €16 million, of a brand not considered material, in light of the new assumptions set out in their strategic plan. Danone also assessed the sensitivity of the impairment loss to changes in the key assumptions in respect of the main brands concerned. Taken individually, none of the following assumptions would require additional impairment:

- 50 bps decrease in sales (decrease applied each year to sales growth assumptions, including in the final year, based on 2025 projections);
- 50 bps decrease in the royalty rate;
- 50 bps decrease in the long-term growth rate;
- 50 bps increase in the discount rate.

As of December 31, 2023, following the impairment tests of the other brands with indefinite useful lives, the Group recognized impairment against three brands in an aggregate amount of €48 million.

NOTE 12. FINANCING AND FINANCIAL SECURITY, NET DEBT AND COST OF NET DEBT

Note 12.1. Accounting principles

Financing

Debt instruments are recognized in the consolidated balance sheet (i) under the amortized cost method, using their effective interest rate, or (ii) at their fair value.

They may be hedged by a derivative instrument as follows:

- fair value hedge: changes in the fair value of the hedged component of the debt is recognized in the consolidated balance sheet with the offsetting entry recognized in “Financial interest on debt”, thereby neutralizing changes in the fair value of the derivative instrument;
- cash flow hedge: changes in the fair value of the effective portion of the derivative hedging the debt is recognized in the consolidated balance sheet, with the offsetting entry recognized in consolidated equity and recycled to profit or loss when the hedged item (i.e., the interest flows relating to the hedged debt) itself impacts consolidated net income.

Hybrid financing

Since the contractual terms of the undated subordinated notes issued by Danone do not stipulate any redemption or coupon payment obligation (payment of a coupon is mandatory mainly in the event of the payment of a dividend to Danone's shareholders):

- they are classified as equity instruments;
- the related coupons are recognized as a deduction from consolidated equity, net of the related tax income. In the consolidated statement of cash flows, they are shown in “Cash flows provided by (used in) financing activities", with the related tax included in “Cash flows provided by operating activities".

Short-term investments

Short-term investments comprise:

- marketable securities, which are highly liquid instruments with short maturities that are easily convertible into a known amount of cash;
- other short-term investments.

Short-term investments are measured at their fair value, with changes in fair value recognized under "Interest income on cash equivalents and short-term investments" in the consolidated income statement. Other short-term investments are measured at amortized cost.

Translation of transactions denominated in foreign currencies

At the reporting date, trade receivables and trade payables denominated in foreign currencies are translated using the exchange rates applicable at that date, with changes recognized in the income statement. Foreign exchange gains and losses arising from the translation of intercompany loans classified as net investments in foreign operations and that are used to hedge long-term investments (borrowings or other instruments) in the same currency are recognized in consolidated equity under "Translation adjustments" and recycled when the hedged asset is sold.

Note 12.2. Liquidity risk and management policy

Risk identification

Danone does not use debt in either a recurring or significant way in connection with its operating activities. Operating cash flows are generally sufficient to finance Danone's business operations and organic growth. Danone may, however, take on additional debt to finance acquisitions or, occasionally, to manage its cash cycle, particularly when dividends are paid to the Company's shareholders. The Group's objective is always to keep its debt at a level that enables it to maintain the flexibility of its financing sources.

Liquidity risk arises mainly from the maturities of its (i) interest-bearing liabilities (bonds, bank debt, etc.), and (ii) non-interest-bearing liabilities (liabilities related to put options granted to non-controlling interests), and from payments on derivative instruments. As part of its debt management strategy, Danone regularly seeks new financing to refinance its existing debt.

In those countries where centralized financing is not available, when medium-term financing is unavailable and/or in the case of existing financing in a company prior to Danone's acquisition of control, Danone is exposed to liquidity risk involving limited amounts in those countries. More generally, in the event of a systemic financial crisis, Danone may not be able to access the financing or refinancing it needs on the credit or capital markets, or it may not be able to access such financing on satisfactory terms, which could have an adverse impact on its financial position.

Danone's ability to access financing and its borrowing costs could depend in part on its credit rating by financial rating agencies. The Group's short and long-term debt ratings and any potential deterioration in those ratings could result in higher financing costs and affect its access to financing.

Lastly, most of the financing agreements entered into by the Company (bank lines of credit and bonds) include a change of control provision, which offers creditors a right of early repayment in the event that a change in control of the Company causes its rating by the financial rating agencies to fall below investment grade.

Risk monitoring and management

Under its refinancing policy, Danone reduces its exposure by (i) centralizing its financing sources; (ii) borrowing from diversified financing sources; (iii) arranging a significant portion of its financing as medium-term financing; (iv) maintaining financing sources available at all times; (v) spreading maturities on the basis of projected requirements and cash flow generation; and (vi) ensuring that it is not subject to any covenants.

In those countries where centralized financing is not available, when medium-term financing is unavailable and/or in the case of existing financing in a company prior to Danone's acquisition of control, some Group companies may, for operational reasons, be required to borrow from local sources. From a Group perspective, the amounts borrowed are relatively small, whether considered individually or as a whole, given that the level of operating cash flow is generally sufficient to finance its operations and organic growth.

Use of financing sources

The Group's policy consists of keeping its financing sources available and managing them at Company level. The Group may need to use (i) its short-term debt instrument program and syndicated credit facility to manage its cash cycle, notably when paying out dividends to Danone shareholders, and (ii) alternatively, its short term debt instruments and EMTN programs or its syndicated credit facility to optimize its borrowings costs while ensuring its financial security, such that the maturity and currency of the financing raised may vary without changing the level of consolidated net debt or the Group's financial security.

Note 12.3. Financing structure and changes during the period

Financing classified as debt

(in € millions)	As of December 31, 2023	Bonds issued	Bonds redeemed	Net flows from other financing arrangements	Impact of accrued interest	Impact of changes in exchange rates and other non-cash impacts (c)	Reclassification of non-current portion to current items	Changes in consolidation scope	As of December 31, 2024
FINANCING MANAGED AT COMPANY LEVEL									
Bonds – non-current portion	9,722	1,397	(6)	–	–	167	(2,031)	–	9,250
Bonds – current portion	2,000	–	(2,000)	–	–	19	2,031	–	2,049
Short term debt instruments (a)	1,619	–	–	(608)	–	–	–	–	1,011
Total	**13,341**	**1,397**	**(2,006)**	**(608)**	**–**	**185**	**–**	**–**	**12,310**
LEASE LIABILITIES									
Non-current portion	687	–	–	–	–	175	(203)	(3)	655
Current portion	192	–	–	(229)	–	38	212	(1)	213
Total	**879**	**–**	**–**	**(229)**	**–**	**213**	**9**	**(4)**	**868**
OTHER FINANCING ARRANGEMENTS (b)									
Non-current portion	37	–	–	(2)	–	–	(5)	(6)	24
Current portion (d)	1,343	–	–	(362)	29	(37)	16	–	989
Total	**1,381**	**–**	**–**	**(364)**	**29**	**(36)**	**11**	**(7)**	**1,013**
TOTAL	**15,601**	**1,397**	**(2,006)**	**(1,201)**	**29**	**362**	**20**	**(11)**	**14,191**

(a) As of December 31, 2024, as at December 31, 2023, short-term debt instruments are included in current financial debt.
(b) Subsidiaries' bank financing.
(c) In terms of lease liabilities, this corresponds mainly to new financing in the period.
(d) As of December 31, 2024, bank overdrafts amounted to €828 million (€1,264 million as of December 31, 2023).

On April 26, 2024, Danone announced that it had successfully issued a €700 million bond with a six-year maturity and a 3.481% coupon.

On May 30, 2024, Danone redeemed €750 million worth of bonds issued in 2015.

On September 5, 2024, Danone announced that it had successfully issued a €700 million bond with a seven-year maturity and a 3.20% coupon.

On November 4, 2024, Danone redeemed €1,250 million worth of bonds issued in 2016.

On January 14, 2025, Danone redeemed €750 million worth of bonds issued in 2015.

Financing classified as equity

In 2017, Danone launched a hybrid undated bond issue totaling €1.25 billion. The issue consists of a euro-denominated undated bond, paying an initial coupon of 1.75%, with a first call date on June 23, 2023, and has been recognized in equity in accordance with IAS 32 "*Financial Instruments: Presentation*".

In September 2021, Danone redeemed the hybrid financing ahead of maturity for an amount of €0.5 billion, and at the same time reissued hybrid financing in the form of undated securities for the same amount, denominated in euros, paying an annual coupon of 1% and with a first call on December 16, 2026.

On April 24, 2023, Danone announced its intention to exercise the redemption option on the outstanding €750 million of its 2017 hybrid bond issue. The bonds were redeemed on June 23, 2023 (see the Consolidated statement of changes in equity).

Note 12.4. Group financing and financial security managed at Company level

Structure of Group financial security

	As of December 31			
	2023		2024	
(in € millions)	Committed amount	Amount used	Committed amount	Amount used
BANK FINANCING [(a)]				
Syndicated credit facility [(b)]	2,000	–	2,000	–
Committed credit facilities [(c)]	567	–	587	–
Bank loans	–	–	–	–
CAPITAL MARKETS FINANCING [(a)]				
EMTN financing [(d)]	NA	9,912	NA	9,374
Hybrid financing	NA	500	NA	500
Bonds issued on the US market [(d)]	NA	1,810	NA	1,925
Short-term debt instruments	NA	1,619	NA	1,011

(a) The Group's financial structure and financial security are managed at Company level.
(b) In 2024, Danone signed an agreement to extend its €2,000 million syndicated credit facility. The facility is sustainability-linked. Pursuant to the agreement, the maturity of the syndicated loan was extended by seven years.
(c) Portfolio of back-up facilities entered into with major credit institutions, with maturities ranging from 2025 to 2029.
(d) Bonds issued by the Company are disclosed on Danone's website.

Main financing transactions in 2024

	Year ended December 31		
	2024		
(in millions of currency)	Currency	Nominal	Maturity
NEW FINANCING			
Euro bond	EUR	700	2030
Euro bond	EUR	700	2031
REPAYMENTS AND REDEMPTIONS			
Euro bond	EUR	750	2024
Euro bond	EUR	1,250	2024

Main financing transactions in 2023

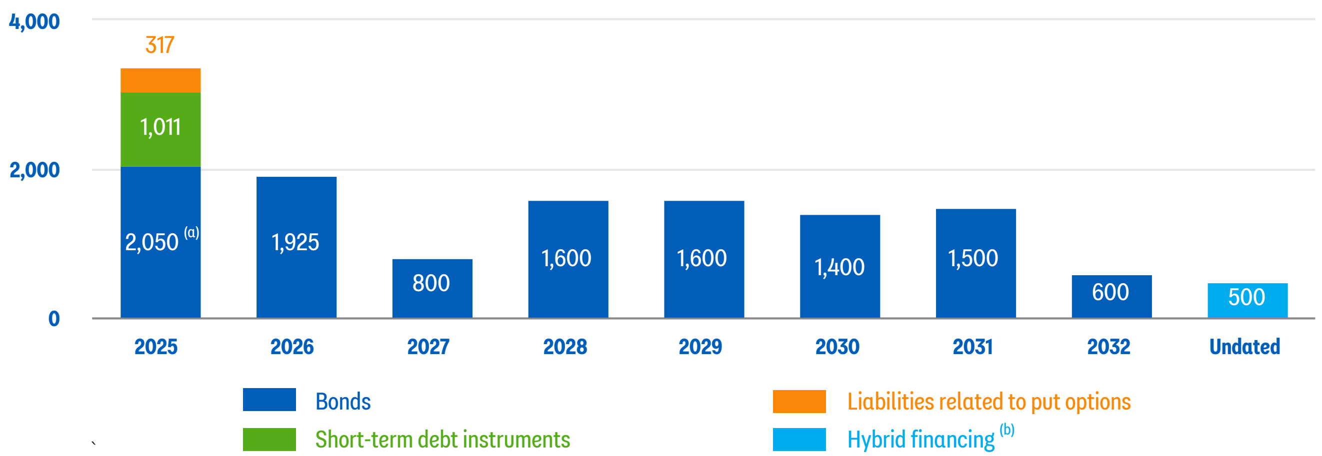
(in millions of currency)	Year ended December 31 2023 Currency	Nominal	Maturity
NEW FINANCING			
Euro bond	EUR	800	2029
Euro bond	EUR	800	2031
REPAYMENTS AND REDEMPTIONS			
Hybrid bond	EUR	750	2023
Euro bond	EUR	500	2023
USD bond	USD	1,500	2023

Repayment schedule for financial debt managed at Company level and put options granted to non-controlling interests

Projected cash outflows related to the contractual repayment of the principal based on the assumption of non-renewal

YEAR ENDED DECEMBER 31

(in € millions)



(a) On January 14, 2025, Danone redeemed €750 million worth of bonds issued in 2015 (see Note 12.3 to the consolidated financial statements).
(b) Including €500 million with a call date in 2026.

Projected cash outflows related to the contractual payment of interest on financial assets and liabilities managed at Company level, including premiums to be paid on derivatives based on the assumption of non-renewal

(in € millions)	2025 cash flows	2026 cash flows	2027 cash flows	2028 cash flows	2029 cash flows and beyond
Interest on debt [a]	(221)	(210)	(153)	(149)	(313)
Cash flows on derivatives [a] [b] [c]	(65)	(66)	(66)	(66)	(41)

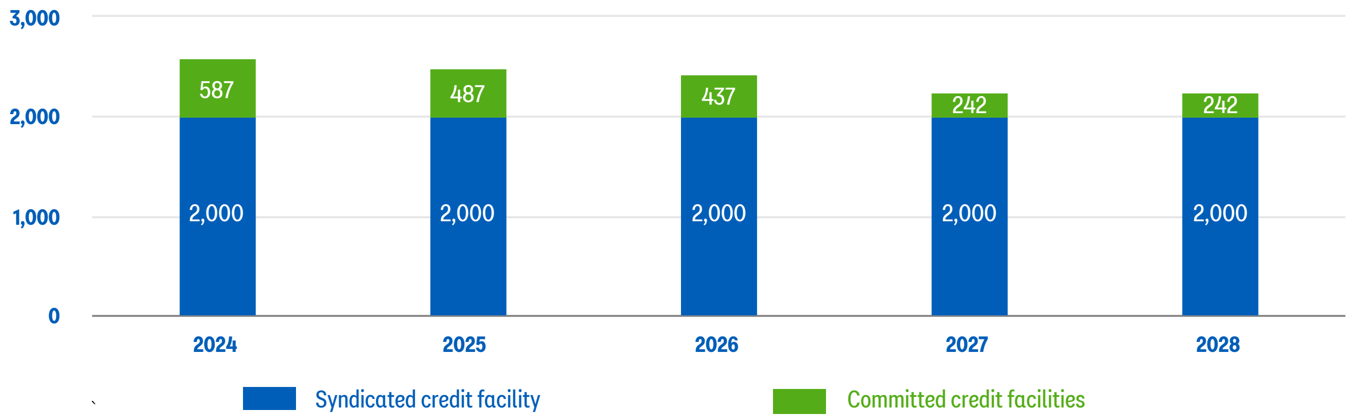
(a) The floating interest rates are calculated on the basis of the rates applicable as of December 31, 2024.
(b) Net contractual flows, including premiums payable and net flows payable or receivable relating to the exercise of options in the money at year-end.
(c) Concerns derivative instruments used to manage net debt, assets and liabilities.

Sources of financing available at any time

Financing available at any time is carried on the Company's books and comprises committed credit facilities and a syndicated credit facility.

AS OF DECEMBER 31

(in € millions)



Company rating

	As of December 31			
	2023		2024	
	Moody's	Standard and Poor's	Moody's	Standard and Poor's
SHORT-TERM RATING [a]				
Rating	-	A-2	-	A-2
LONG-TERM RATING [b]				
Rating	Baa1	BBB+	Baa1	BBB+
Outlook	Stable	Stable	Stable	Stable

(a) *Rating given to the Company's short-term debt instrument program.*
(b) *Rating given to the Company's senior debt issues with a maturity of more than one year.*

Note 12.5. Cash and short-term investments

Carrying amount

	As of December 31	
(in € millions)	2023	2024
Money market funds	1,646	2,135
Bank deposits, negotiable debt instruments and other short-term investments	1,992	2,550
TOTAL SHORT-TERM INVESTMENTS	**3,638**	**4,685**
Cash	2,363	1,475
TOTAL CASH AND CASH EQUIVALENTS	**6,001**	**6,160**

Counterparty risk in respect of short-term investments

The Group invests primarily in money market funds (*organismes de placements collectifs*) or short-term money market funds, which are highly liquid, diversified and not rated. Bank deposits, negotiable debt instruments and other short-term instruments are contracted with leading financial institutions.

Note 12.6. Net debt

	As of December 31	
(in € millions)	2023	2024
Non-current financial debt [a]	10,739	10,175
Current financial debt [a]	4,270	3,799
Short-term investments	(3,638)	(4,685)
Cash	(2,363)	(1,475)
Bank overdrafts	1,264	828
Derivatives – assets – Non-current [b]	(34)	(3)
Derivatives – assets – Current [b]	(16)	(37)
NET DEBT	**10,221**	**8,601**

(a) Consists of €868 million in lease liabilities following the application of IFRS 16 "Leases".
(b) Used solely to manage net debt.

Changes in net debt in 2024

Danone's net debt totaled €8,601 million as of December 31, 2024, a decrease of €1,620 million compared to December 31, 2023. It included €317 million in put options granted to non-controlling interests, €39 million lower than as of December 31, 2023.

Changes in net debt in 2023

Danone's net debt totaled €10,221 million as of December 31, 2023, an increase of €114 million compared to December 31, 2022. It included €356 million in put options granted to non-controlling interests, €33 million higher than as of December 31, 2022.

Note 12.7. Cost of net financial debt

Accounting principles

Financial interest on debt comprises mainly interest charges (calculated at the effective interest rate) on current and non-current financing and the impact of the derivatives relating to said financing.

Interest income and cash equivalents comprise mainly interest received and, if applicable, the impact of measuring short-term investments and cash at fair value through profit or loss.

The related cash flows are presented within "Cash flows provided by operating activities".

Cost of net financial debt in 2024

Cost of net financial debt stood at €(197) million at end-2024, compared with €(172) million at end-2023, reflecting the increase in interest rates.

Note 12.8. Financial risks associated with net debt and financing activities

Interest rate risk

Risk identification

The Group is exposed to interest rate risk on its financial liabilities as well as its cash and cash equivalents. Through its interest-bearing debt, the Group is exposed to the risk of interest rate fluctuations that affect the amount of its financial expense. In accordance with IFRS 9, interest rate fluctuations may also impact the Group's consolidated results of operations and consolidated equity.

Risk monitoring and management

The Group has implemented a policy to monitor and manage interest rate risk, as detailed in Note 14.3. to the consolidated financial statements in the section discussing management of the cost of net debt.

Exposure

Breakdown of net debt between fixed and floating rates

As of December 31, 2024 and December 31, 2023, all consolidated hedged net debt was considered to be at fixed rates.

Sensitivity of the cost of net debt to changes in short-term interest rates

In 2024 as in 2023, the impact of changes in short-term interest rates would not have had a material impact on the cost of the Group's net debt. This interest rate sensitivity analysis reflects the following factors:

- financial debt net of short-term investments and cash excluding financial liabilities arising on put options granted to non-controlling interests, as these do not bear interest;
- active interest rate hedges as of December 31.

Financial currency risk

Risk identification

Due to its international presence, the Group could be exposed to foreign exchange rate fluctuations in relation to its financing activities: under its risk pooling policy, the Group manages multi-currency financing and liquidities.

Risk monitoring and management

The management policy regarding financial currency risk is detailed in Note 14.3 to the consolidated financial statements, in the section *Management of currency risk arising on financing activities and translation risk on net assets*.

Exposure

In light of the Group's policy of managing currency risk arising on financing activities, its residual exposure is not material.

NOTE 13. OTHER FINANCIAL ASSETS, OTHER FINANCIAL INCOME AND EXPENSE

Note 13.1. Accounting principles

Investments in other non-consolidated companies

Investments in other non-consolidated companies are recognized at fair value in the consolidated balance sheet. Changes in fair value and gains or losses on disposals are recognized in either (i) profit or loss (by default) under “Other financial income” or “Other financial expense” or (ii) consolidated equity under “Accumulated other comprehensive income” (by option) and are not recycled to profit or loss.

Fair value

For listed companies, fair value is assessed according to the stock price as of the end of the period.

For unlisted companies, fair value is assessed based on recent transactions entered into with third parties, on prices used in put or call options negotiated with third parties or on external appraisals.

Other financial assets

Other financial assets mainly comprise bonds and money market funds and deposits with uncertain maturity dates pursuant to the applicable regulations of certain countries in which the Group operates.

Bonds and money market funds are recognized at fair value in the consolidated balance sheet. Changes in fair value are recognized in consolidated equity under “Accumulated other comprehensive income” and recycled to profit or loss on their disposal under “Other financial income” or "Other financial expense". Their fair value is calculated on the basis of listed prices on active markets.

Loans

Loans are measured at amortized cost using the effective interest rate method.

Note 13.2. Other financial assets

Main changes during the period

The Group did not carry out any material transactions in either 2024 or 2023.

Carrying amount

	As of December 31	
(in € millions)	**2023**	**2024**
Investments in other non-consolidated companies [(a)]	324	325
Bonds and money market funds [(b)]	114	118
Other [(c)]	392	415
Other financial investments	506	533
Long-term loans	10	6
Other financial assets	**839**	**864**

(a) Mainly comprises non-consolidated investments that are not material taken individually.
(b) Bonds and money market funds held to cover certain "damage and personal protection" risk provisions.
(c) "Other" mainly comprises deposits with uncertain maturity dates pursuant to the applicable regulations of certain countries in which the Group operates.

Note 13.3. Other financial income and expense

Accounting principles

Other financial income and expense correspond to financial income and expense other than income and expense related to net financial debt. They include in particular:

- swap points and option premiums, in particular those related to currency risk arising on operations and the acquisition/disposal of companies and equity investments, and the ineffective portion of derivatives classified as hedges in accordance with IFRS 9 "*Financial Instruments*";
- the impact of the accretion of the present value of commitments net of the expected return on plan assets in connection with retirement commitments and other long-term benefits;
- bank commissions, including commissions for the non-use of committed credit facilities;
- changes in the fair value of investments in other non-consolidated companies classified at fair value through profit or loss;
- gains or losses on the net monetary position resulting from the application of IAS 29.

NOTE 14. FINANCIAL RISK MANAGEMENT ORGANIZATION AND DERIVATIVES

Note 14.1. Financial risk management organization

In the normal course of its operations, the Group is exposed to financial risks, especially foreign currency, financing and liquidity risks (see Note 12.2 to the consolidated financial statements), interest rate and counterparty risks, equity securities risks and commodity risks.

Financial risks

The Group's policy consists of (i) minimizing and managing the impact that its exposure to financial market risks could have on its results and, to a lesser extent, on its balance sheet, (ii) monitoring and managing such exposure centrally, then (iii) executing financial transactions locally or centrally in line with applicable regulations and monetary frameworks, and (iv) using derivative instruments only as part of hedges for accounting purposes.

Through its Treasury and Financing Department, which is part of the Group Finance Department, the Group has the expertise and tools (trading room, front and back office software) to act on different financial markets following the standards generally implemented by first-tier companies. The Internal Control and Internal Audit Departments review the risk organization and procedures applied. Lastly, a quarterly treasury and financing report is sent to the Group Finance Department, enabling it to monitor the decisions taken to implement the previously approved management strategies.

Commodity risks

The Group has implemented a commodity purchasing policy (Market Risk Management – MRM). Exposures are monitored and the policy implemented by the central purchasing team for each raw material category. This team negotiates forward purchase agreements mainly with suppliers. Forward purchase agreements are reviewed by the Market Risk Management Committee at the end of each annual reporting period.

Note 14.2. Accounting principles

Derivatives are recognized in the consolidated balance sheet at their fair value:

- derivatives used to manage net debt and hedge of net investments in foreign operations are recognized in derivative assets or liabilities;
- forex and commodity derivatives related to operations are recognized as (i) other accounts receivable in "Derivatives – assets" or as (ii) other current liabilities in "Derivatives – liabilities".

When derivatives are designated as:

- fair value hedges of assets or liabilities in the consolidated balance sheet, changes in the value (other than the time value, see below) of both the derivatives and the hedged items are recognized in profit or loss in the same period;
- hedges of net investments in foreign operations, changes in the value (other than the time value) of the derivatives are recognized in equity under translation adjustments and are recycled as income (expense) when the hedged asset is derecognized;
- future cash flow hedges, changes in the value of the effective portion are recognized in equity under "Accumulated other comprehensive income" and are recycled to profit or loss when the hedged item itself is recognized in profit or loss.
- changes in the time value of instruments qualified as fair value or net investment hedges (swap points, currency option premium and basis spread of cross-currency swaps) or of forex derivatives are recognized in equity under "Accumulated other comprehensive income" and amortized over the term of the hedge. In the case of cash flow hedges, changes in the time value of forex derivatives are recognized in equity under "Accumulated other comprehensive income" and taken to profit or loss on expiry of the underlying instrument, in accordance with the principles adopted by the Group. Note that derivatives designated as future cash flow hedges are recognized in accordance with the transaction-related principle (hedging of transactions included in forecasts).

Changes in the fair value of the ineffective portion of derivatives qualified as hedging instruments and changes in the fair value of derivatives that do not meet the criteria for classification as hedging instruments are recognized directly in profit or loss for the period under operating income or financial income, depending on their nature.

Note 14.3. Derivatives

Group policy

Management of currency risk arising on operating activities

The Group's policy is to hedge its highly probable commercial transactions such that, as of December 31, its residual exposure in respect of the entire next fiscal year is significantly reduced. However, when the hedging conditions in certain currencies deteriorate (less availability, higher cost, etc.), the Group may have to limit the hedging of its highly probable commercial transactions in its foreign currencies, either by not hedging or only partially hedging its exposure. The Group uses forward currency contracts and currency options to reduce its exposure.

Execution of the hedging policy for currency risk arising on operations consists of providing the necessary hedging to subsidiaries through a centralized management system, or, in the case of subsidiaries where such hedges are legally prohibited, through a monitoring and control process.

The Group mainly applies cash flow hedge accounting.

Based on pending transactions as of December 31, 2024, the Group's residual exposure after hedging of currency risks on its highly probable commercial transactions is significantly reduced for 2024, with the main unhedged currency the Turkish lira.

Management of currency risk arising on financing activities and translation risk on net assets

The Group's policy consists of maintaining debt and/or the surplus cash positions of Danone and its subsidiaries in their respective functional currencies. Furthermore, in compliance with its policy of managing risks centrally, the Group may manage multi-currency borrowings and surplus cash. The Group has established a policy for monitoring and hedging the net assets of certain subsidiaries, with regular assessments of risks and opportunities with regard to hedging instruments. As part of these policies, the Group therefore uses currency swap contracts (forex swaps or cross-currency swaps).

Management of the cost of net debt

In connection with its management of net debt, the Group has implemented a policy to monitor and manage interest rate risk in order to limit the volatility of its financial income (expense) through the use of hedging instruments. These derivatives are mainly interest rate swaps and sometimes collars. All are plain vanilla instruments. Interest rate derivatives are contracted to manage interest rate risk and may or may not be eligible for hedge accounting in accordance with IFRS 9.

Hedges of acquisitions and disposals of companies or other equity investments

The Group's policy is generally not to hedge amounts payable or receivable in connection with acquisitions or disposals of companies or other equity investments. However, in certain circumstances, the Group may decide to hedge certain transactions.

Management of commodity price volatility risk

The Group has implemented a commodity purchasing policy (Market Risk Management – MRM), defining rules for securing the physical supply and for setting the prices of raw materials on the financial markets. The Group's central purchasing team mainly negotiates forward purchase contracts with suppliers which are based on a financial markets index or on a proxy, since instruments that would fully hedge the price volatility of Danone's main raw materials do not always exist in the financial markets. Exposures are monitored and this policy implemented by the central purchasing team for each raw material category, assisted by the Finance MRM team as concerns the price setting strategy.

The impact of a price change in the two main raw material categories on the cost of the Group's annual purchases is presented in Note 7.7 to the consolidated financial statements.

Portfolio of derivatives

Notional and fair value amounts

(in € millions)	As of December 31					
	2023			2024		
	Notional	Fair value	Of which recognized in equity	Notional	Fair value	Of which recognized in equity
Used to manage currency risk arising on operations	**(2,258)**	**(17)**	**(17)**	**(2,532)**	**(16)**	**(16)**
Cash flow hedge – currency options [a]	(197)	(1)	(1)	(173)	7	7
Cash flow hedge – forward currency contracts [a]	(2,061)	(16)	(16)	(2,358)	(22)	(22)
No hedge accounting applied	–	–	–	–	–	–
Used to manage commodity risk	**136**	**(21)**	**(21)**	**157**	**(3)**	**(3)**
Used to manage net debt	**7,285**	**(261)**	**(42)**	**7,821**	**(217)**	**(36)**
Fair value hedge	3,050	(223)	–	3,050	(159)	–
Cash flow hedge	3,795	(32)	(40)	2,602	(79)	(30)
Net investment hedge	90	(2)	(2)	270	(6)	(6)
No hedge accounting applied	350	(4)	–	1,898	27	–
TOTAL	**5,163**	**(299)**	**(81)**	**5,447**	**(236)**	**(55)**

(a) Pursuant to IFRS 9, the intrinsic value and time value of the operational forex instruments designated as cash flow hedges are recognized in equity.

Additional information

Management of currency risk arising on operating activities

Net notional amount of derivative instruments for the main currencies hedged

(in € millions)	As of December 31					
	2023			2024		
	Forward currency contracts, net [a]	Currency options, net [b]	Total	Forward currency contracts, net [a]	Currency options, net [b]	Total
(SALES)/PURCHASES OF CURRENCIES						
CNY [c]	(895)	(44)	(939)	(1,177)	(32)	(1,209)
GBP [c]	(630)	(90)	(720)	(572)	(138)	(711)
MXN [c]	(152)	–	(152)	(180)	–	(180)
CAD [c]	(131)	(40)	(171)	(159)	(37)	(196)
BRL [c]	(101)	–	(101)	(96)	–	(96)
AUD [c]	(68)	(21)	(89)	(75)	–	(75)
PLN [c]	(64)	–	(64)	(61)	–	(61)
HKD [c]	(5)	–	(5)	(37)	–	(37)
USD [c]	306	(2)	304	283	34	317
Other [c]	(322)	–	(322)	(285)	–	(285)
TOTAL	**(2,061)**	**(197)**	**(2,258)**	**(2,358)**	**(173)**	**(2,532)**

(a) Spot portion of notional amount, based on closing rates.
(b) Spot portion of notional amount, including in- and out-of-the-money options.
(c) Transactions denominated against the euro or other currencies.

Sensitivity of equity and net income to changes in fair value

A change in the fair value of the derivative instruments hedging currency risk arising on operations, resulting from a change in exchange rates could have the following impacts on the Group's financial statements:

- an impact on equity in the case of derivatives documented as cash flow hedges;
- an impact on profit or loss in the case of transactions to which hedge accounting is not applied.

These instruments and the hedged items typically have maturities of less than one year. Consequently the cash flows related to these instruments are recognized in the consolidated income statement.

Gains and losses related to changes in fair value recognized in profit or loss

Gains and losses recognized in profit or loss relate to the following items:

- the ineffective portion, during the year, of changes in the fair value of instruments classified as cash flow hedges: the amounts were not material in either 2024 or in 2023;
- the effective portion deferred in equity in the previous year of instruments classified as cash flow hedges and recycled to profit or loss during the year: the amount recycled in both 2024 and 2023 corresponded to the portion of hedges recorded in equity as of December 31 of the previous year, with most of the hedges maturing in less than one year.

Management of currency risk arising on financing activities and translation risk on net assets

Sensitivity of equity and net income to changes in fair value

A change in the fair value of these derivative financial instruments resulting from a change in foreign exchange rates at the reporting date would not have a material impact on the Group's equity or net income. Changes in the exchange rates of the financial instruments are offset by changes in the exchange rates on loans and borrowings in hedged currencies or on net investments in foreign operations.

Management of net debt

Sensitivity of equity and net income to changes in fair value

A change in the fair value of interest rate derivatives resulting from a change in the yield curve recognized at the reporting date would have the following impact on the Group's equity and net income:

- in equity for the effective portion of instruments eligible to be used as hedges of future cash flows;
- in profit or loss for the ineffective portion of instruments eligible to be used as hedges of future cash flows or as fair value hedges, and for a change in the fair value of instruments not qualifying as hedges.

In both 2024 and 2023, a rate change applied to the entire yield curve would not have a material impact on consolidated equity or net income.

Gains and losses related to changes in fair value recognized in profit or loss

Gains and losses recognized through profit or loss are related to:

- the ineffective portion, during the year, of changes in the fair value of instruments classified as cash flow hedges;
- the effective portion deferred in equity the previous year of instruments classified as future cash flow hedges and recycled to profit or loss during the year.

The corresponding amounts were not material in either 2024 or 2023.

Management of commodity price volatility risk

As of December 31, 2024, the commodities portfolio consisted of diesel, plastic, dairy, sugar and soy derivatives in accordance with the Group's management policy, and all of the hedging instruments were classified as future cash flow hedges.

Note 14.4. Counterparty risk

Counterparty risk inherent to financial risk management

Risk identification

The Group is exposed to counterparty risk, especially on banking counterparties, as part of its financial risk management activities. In the ordinary course of its operations, the Group has financial institutions as counterparties, mainly to manage its cash and its currency and interest rate risks. The failure of these counterparties to comply with one or more of their commitments could adversely affect the Group's financial position.

Risk monitoring and management

The Group's overall exposure to counterparty risk has been significantly reduced through the centralization of financial risks and implementation of centralized applications as well as its cash management policy of minimizing and managing surpluses.

The Group's banking policy is designed to apply deposit limits per counterparty and prioritize counterparties' credit rating quality by concentrating its transactions among first-tier counterparties that (i) are rated at least BBB+; (ii) have international branch networks; and (iii) provide it with financing. In order to manage its short-term surpluses, the Group mainly invests in either money market funds (*Organismes de Placements Collectifs*) or short-term money market funds, which are not rated. These funds are liquid and diversified. Other short-term investments are made in accordance with the Group's banking policy as described above.

Lastly, in certain countries, the Group may be obliged to conduct transactions with local banks that have lower credit ratings.

Exposure related to short-term investments

See Note 12.5 to the consolidated financial statements.

Exposure related to derivative instruments

	As of December 31	
(as a percentage of the total fair value as of December 31) [(a)]	2023	2024
COUNTERPARTY RATING (STANDARD & POOR'S)		
AAA, AA and A	80 %	84 %
BBB, BB and B	20 %	16 %
Unrated	–	–

(a) When positive, total fair value of outstanding derivatives by counterparty as of December 31.

The Group has entered into over-the-counter derivatives with leading banks under the terms of framework agreements that provide for the offsetting of amounts payable and receivable in the event one of the contracting parties defaults. These conditional offsetting agreements do not fulfill the IAS 32 criteria for offsetting derivative assets and liabilities in the balance sheet.

Fair value associated with derivatives counterparty risk

The fair value associated with derivatives counterparty risk is calculated on the basis of historical default probabilities resulting from the calculations of a leading rating agency, to which a recovery rate is applied. As of December 31, 2024 and December 31, 2023, the impact associated with the adjustment required by IFRS 13 was not material.

Note 14.5. Equity securities risk

		As of December 31	
(in € millions)	Notes	2023	2024
RISK ON COMPANY SHARES			
Treasury shares	15.2	1,552	1,527
RISK ON OTHER SHARES			
Investments in equity-accounted companies	6	416	583
Assets held for sale	4, 5.2, 6.5	376	–
Investments in other non-consolidated companies	13.2	324	325

Note 14.6. Reconciliation of the consolidated balance sheet by class and accounting category

(in € millions)	Fair value through profit or loss	Fair value through other comprehensive income	Amortized cost	Carrying amount	Fair value	Level in the fair value hierarchy [(d)]
As of December 31, 2024						
FINANCIAL ASSETS						
Investments in other non-consolidated companies	41	284	–	325	325	1-3
Long-term loans and financial assets	133	–	405	538	538	1-3
Derivatives – assets [(a)]	30	10	–	40	40	2
Trade receivables [(b)]	–	–	2,922	2,922	2,922	-
Other current assets [(b)]	351	60	976	1,387	1,387	-
Short-term loans	–	–	2	2	2	-
Money market funds	2,135	–	–	2,135	2,135	1
Other short-term investments	–	–	2,550	2,550	2,550	2
Cash	1,475	–	–	1,475	1,475	1
Total	**4,165**	**354**	**6,855**	**11,375**	**11,375**	
FINANCIAL LIABILITIES						
Financing [(c)]	2,936	–	11,255	14,191	14,351	1-2
Derivatives – liabilities [(a)]	217	48	–	265	265	2
Trade payables [(b)]	–	–	5,147	5,147	5,147	-
Other current liabilities [(b)]	–	79	3,878	3,957	3,957	-
TOTAL	**3,153**	**127**	**20,280**	**23,561**	**23,720**	

(a) Derivative instruments used to manage net debt.
(b) The carrying amount represents a reliable estimate of the fair value given the short-term nature of these items.
(c) Financing hedged by derivatives designated as fair value hedge are remeasured at fair value through profit or loss for the hedged risk.
(d) Level of the hierarchy used to assess fair value.

Fair value hierarchy under IFRS 7 "*Financial instruments – Disclosures*"

Level	Fair value is based on:
1	(Unadjusted) prices listed on active markets for identical assets and liabilities.
2	Inputs other than listed prices as per level 1, which are directly or indirectly observable for the asset or liability concerned. For asset and liability derivative instruments recognized at fair value, the Group uses measurement techniques that include inputs observable on the market, notably for interest rate swaps, forward currency purchases and sales, and currency options. The model integrates diverse data such as spot and forward exchange rates and the yield curve.
3	Inputs relating to the asset or liability that are not based on observable data on active markets.

NOTE 15. DANONE SHARES, DIVIDEND AND EARNINGS PER SHARE

Note 15.1. Accounting principles

DANONE shares held by the Company and its fully consolidated subsidiaries are recognized as a reduction in consolidated equity under "Treasury shares" and are measured at cost.

Note 15.2. DANONE treasury shares

CHANGES IN TERMS OF TRANSACTIONS AND USE ACCORDING TO THE COMPANY'S OBJECTIVE

		Changes during the period			
(in number of shares)	Position as of December 31, 2023	Buybacks	Sales/ transfers	Delivery of shares	Position as of December 31, 2024
Shares allocated to external growth transactions	30,059,360	–	(1,500,000)	–	28,559,360
Shares allocated to employee shareholding plans	61,881	–	1,495,890	(500,468)	1,057,303
Shares allocated for cancellation	–	–	–	–	–
Shares held by the Company	**30,121,241**	**–**	**(4,110)**	**(500,468)**	**29,616,663**
Shares held by Danone Spain	5,780,005	–	–	–	5,780,005
SHARES HELD BY THE GROUP	**35,901,246**	**–**	**(4,110)**	**(500,468)**	**35,396,668**

Note 15.3. Outstanding DANONE shares

		As of December 31					
		2023			2024		
(in number of shares)	Notes	Share capital	Treasury	Outstanding	Share capital	Treasury	Outstanding
As of January 1		**675,837,932**	**(36,230,001)**	**639,607,931**	**677,773,128**	**(35,901,246)**	**641,871,882**
Capital increase	9.5	1,935,196	–	1,935,196	1,780,863	–	1,780,863
Changes in treasury shares	15.2	–	328,755	328,755	–	504,578	504,578
As of December 31		**677,773,128**	**(35,901,246)**	**641,871,882**	**679,553,991**	**(35,396,668)**	**644,157,323**

Note 15.4. Earnings per share – Group share

Accounting principles

Earnings per share correspond to net income – Group share adjusted for hybrid financing (adjustment of earnings used to calculate earnings per share for the coupon payable for the period presented net of tax) divided by the number of shares. The number of shares corresponds to the average number of outstanding shares during the year, after deducting the treasury shares held by the Company and its fully consolidated subsidiaries.

Earnings per share after dilution (or diluted earnings per share) correspond to net income – Group share, adjusted for hybrid financing, divided by the diluted number of shares. The diluted number of shares corresponds to the number of shares increased by the net impact (when positive) of the following three items:

- increase in the weighted average number of shares that would result from the acquisition of Group performance shares, taking into account only those shares whose performance conditions are met as of the reporting date;
- increase in the average number of fidelity shares allocated to approximately 1,940 senior managers and senior executives;
- reduction in the number of shares that could theoretically vest as determined under the treasury stock method specified by IAS 33 "*Earnings per share*".

Earnings per share

(in € per share, except number of shares)	Notes	Year ended December 31 2023	2024
Net income – Group share		**881**	**2,021**
Coupon relating to hybrid financing, net of tax		(8)	(4)
Adjusted net income – Group share		**873**	**2,018**
NUMBER OF OUTSTANDING SHARES			
As of January 1		**639,607,931**	**641,871,882**
Effects of changes during the period	15.3	2,263,951	2,285,441
As of December 31		**641,871,882**	**644,157,323**
AVERAGE NUMBER OF OUTSTANDING SHARES			
■ Before dilution		641,030,818	643,283,916
Dilutive impact			
Group performance shares and fidelity shares		707,856	1,152,827
■ After dilution		641,738,674	644,436,743
EARNINGS PER SHARE – GROUP SHARE			
■ Before dilution		1.36	3.14
■ After dilution		1.36	3.13

Note 15.5. Dividend

Distributable reserves of the parent company Danone

For each subsidiary or equity-accounted company, legally distributable reserves may differ from reported retained earnings as a consequence of (i) consolidation adjustments applied to their separate financial statements, and (ii) the laws applicable in the countries in which the Group operates. In the case of the Group, under French law, dividends can only be paid out of net income for the year and the distributable reserves of the parent company Danone.

Payment of the 2024 dividend

The Shareholders' Meeting on April 25, 2024 in Paris approved the dividend proposed relating to the 2023 fiscal year of €2.10 per share in cash.

NOTE 16. OTHER PROVISIONS AND NON-CURRENT AND CURRENT LIABILITIES AND LEGAL AND ARBITRATION PROCEEDINGS

Note 16.1. Accounting principles

Other provisions

Other provisions consist of provisions and investment subsidies.

In accordance with IAS 37, provisions are recognized when the Group has a present obligation resulting from a past event, it is probable that this obligation will result in a net outflow of resources to settle the obligation, and the amount of the obligation can be reliably estimated.

Provisions are classified as either current or non-current liabilities, depending on their nature. Provisions due for settlement within twelve months of the year-end or relating to the normal operating cycle are shown under current liabilities.

For each obligation, the amount of the provision recognized as of the reporting date reflects management's best estimate, as of that date, of the probable outflow of resources required to settle said obligation. If payment is made to settle the obligation or an outflow of resources is no longer probable, the provision is reversed to reflect the use/non-use of the provision, respectively.

Other non-current liabilities

Other non-current liabilities correspond to liabilities for uncertain income tax positions pursuant to IFRIC 23. They are recognized depending on the likelihood that they will materialize, without taking into account the probability that they will not be detected by the tax authorities. Their measurement must reflect management's best estimate as to their actual amount when they ultimately materialize. The liabilities must be recognized on the basis of their most probable value or a weighted average of the values under various scenarios.

Note 16.2. Other non-current and current provisions and liabilities

	As of December 31	
(in € millions)	**2023**	**2024**
Other non-current provisions	730	710
Other non-current liabilities [(a)]	418	442
Other non-current provisions and liabilities	**1,149**	**1,152**
Other current provisions	**155**	**186**

(a) These relate to uncertain income tax positions.

Note 16.3. Changes in Other non-current and current provisions

		Changes during the period						
(in € millions)	**As of January 1, 2024**	**Changes in consolidation scope**	**Increase**	**Reversal of provisions used**	**Reversal of provisions not used**	**Translation adjustments**	**Other**	**As of December 31, 2024**
Tax and territorial risks [(a)]	111	0	22	(7)	(5)	(13)	0	108
Employee-related and commercial disputes and other provisions	566	1	82	(22)	(38)	(3)	(30)	556
Restructuring provisions	208	0	142	(103)	(12)	(2)	(2)	232
TOTAL	**885**	**1**	**246**	**(131)**	**(55)**	**(18)**	**(32)**	**896**

(a) These concern risks not relating to income tax, which are presented in "Other non-current liabilities".

Changes in other provisions in 2024 were as follows:

- increases resulted primarily from lawsuits arising against the Company and its subsidiaries in the normal course of business;
- reversals of used provisions were booked when the corresponding payments were made. Reversals of provisions not used related mainly to reassessments and situations where some risks ceased to exist. Several provisions were concerned, none of which is material taken individually.

As of December 31, 2024, provisions for tax risks, territorial (not related to income taxes) risks and commercial, employee-related, and other disputes included several provisions for legal, financial, tax and territorial risks as well as provisions for multi-year compensation granted to some employees (provisions accrued in the normal course of business).

Also as of this date, Danone does not consider that it is subject to known risks that could, taken individually, have a material impact on its financial position or profitability.

Note 16.4. Legal and arbitration proceedings

In 2022, a number of actions were brought by cattle farmers against various players in the dairy industry in Spain, including the Spanish subsidiary Danone S.A. Cattle farmers have filed claims alleging that they have suffered damages for underpriced milk sold. Danone S.A. firmly refutes these allegations and intends to defend its interests in each of these proceedings.

In 2021, a number of class action lawsuits were filed in the United States against the US subsidiary Nurture Inc. on the basis of alleged misleading advertising regarding the presence of certain heavy metals in food products. In several parallel lawsuits, plaintiffs (who are individuals) have alleged that they have suffered personal injury resulting from having consumed these food products. Nurture Inc. formally denies all these allegations in these actions and maintains that its products are safe. Nurture Inc. is vigorously defending its interests in each of these proceedings.

No provision has been recognized in the consolidated financial statements for the year ended December 31, 2024, as the Group is not currently in a position to make a reliable assessment of the potential impact of the outcome of these ongoing proceedings on its results and financial position.

In addition, following a notice issued on July 8, 2024 by the Canadian Food Inspection Agency (CFIA) of several cases of potential Listeria monocytogenes contamination linked to certain Silk refrigerated beverages, produced on a specific production line at a third-party manufacturer in Ontario and distributed in Canada, and Danone Canada's voluntary recall of these products, putative class action lawsuits have been filed against Danone Canada. Danone Canada intends to defend its interests in each of these proceedings.

In general, the Company and its subsidiaries are parties to legal proceedings arising in the ordinary course of business, in particular with competition authorities and other authorities in certain countries. Provisions are recognized when an outflow of resources is probable and the amount can be reliably estimated.

NOTE 17. RELATED PARTY TRANSACTIONS

Note 17.1. Accounting principles

The main related parties are the Group's equity-accounted companies, the members of the Executive Committee and the members of the Board of Directors. Danone did not identify any material impacts resulting from transactions with related parties as of December 31, 2024.

Note 17.2. Transactions with equity-accounted companies

Transactions with these companies are generally carried out at arm's length. They mainly involve management fees and royalties paid to Danone, services (mainly logistics) and financing. As in 2023, the amounts pertaining to 2024 are not material.

Note 17.3. Compensation and benefits granted to members of the Executive Committee and Board of Directors

	Year ended December 31	
(in € millions)	**2023**	**2024**
Compensation granted to corporate officers and members of the Executive Committee [a]	44.4	41.8
Compensation of Directors	0.9	0.9
TOTAL	**45.3**	**42.7**
Carrying amount of shares subject to performance conditions granted during the year [b]	14.8	15.0

(a) Annual and multi-year fixed and variable compensation (gross amount excluding employer contributions), of which the variable portion totaled €18.4 million in 2024 (€13.2 million in 2023).

(b) The carrying amount represents the full estimated value as of the grant date in accordance with IFRS 2, assuming that the performance conditions have been satisfied.

Danone's commitment to corporate officers and Executive Committee members with respect to their retirement plans

The provisions set aside in respect of the defined-benefit retirement plan represented Danone's commitment as of December 31, 2024 as calculated in accordance with IFRS, i.e., a total of €48.7 million for Executive Committee members. Chief Executive Officer Antoine de Saint-Affrique is not eligible for this plan as it has been closed to new beneficiaries since 2003.

Loans and guarantees

In both 2024 and 2023, no loan or guarantee was granted or established by the Company or its subsidiaries on behalf of Executive Committee members.

NOTE 18. SUBSEQUENT EVENTS

To the Company's knowledge, no material events occurred between the end of the reporting period and February 25, 2025, the date on which the 2024 consolidated financial statements were approved by the Board of Directors.

NOTE 19. FEES PAID TO STATUTORY AUDITORS AND TO MEMBERS OF THEIR NETWORKS

	Mazars & Associés				Ernst & Young Audit			
(in € millions except %)	2023		2024		2023		2024	
Statutory audit of the individual and consolidated financial statements	4.2	68 %	4.2	73 %	5.7	84 %	6.1	86 %
Non-audit services	2.0	32 %	1.5	27 %	1.1	16 %	1.0	14 %
TOTAL [(a)]	**6.2**	**100 %**	**5.7**	**100 %**	**6.8**	**100 %**	**7.1**	**100 %**

(a) Fees invoiced in foreign currencies have been translated into euros on the basis of the annual average exchange rates used by Danone.

In 2024, fees paid to the Statutory Auditors of the parent company and its French subsidiaries in respect of the audit or review of the individual and consolidated financial statements totaled €2.7 million (€2.6 million in 2023), of which €0.9 million payable to Mazars & Associés (€0.9 million in 2023) and €1.7 million to Ernst & Young Audit (€1.7 million in 2023).

Fees for non-audit services for the year ended December 31, 2024 totaled €2.2 million (€2.7 million in 2023), of which €1.5 million payable to Mazars & Associés (€1.8 million in 2023) and €0.7 million to Ernst & Young Audit (€0.8 million in 2023), and included in particular sustainability statement certification work, due diligence, tax services and agreed-upon procedures in respect of disposals of companies' shares, along with fees for tax services related to reorganization projects.

Fees paid to Statutory Auditors' networks for non-audit services provided to certain foreign subsidiaries of Danone totaled €0.3 million (€0.4 million in 2023) of which €0.02 million payable to Mazars & Associés (€0.2 million in 2023) and €0.3 million to Ernst & Young Audit (€0.2 million in 2023), and included in particular tax services relating notably to the review of technical documentation and/or technical analyses of tax positions adopted by certain foreign subsidiaries.

NOTE 20. EXEMPTION OPTION RELATING TO AUDIT OF INDIVIDUAL FINANCIAL STATEMENTS FOR CERTAIN SUBSIDIARIES

Companies included in Danone SA's consolidated financial statements for the year ended December 31, 2024, exercising exemption options in respect of that year, which are to be disclosed in the consolidated financial statements pursuant to local regulations

Country and exemption	Company (company number)
Germany Option for exemption from the application of the regulation of the First, Third, and Fourth Subsections of the Second Section of the Third Book of the German Commercial Code (*Handelsgesetzbuch* – HGB) pursuant to § 264 (3) HGB.	Milupa GmbH
Ireland Option for exemption from the publication of individual financial statements pursuant to section 357 (1) of the Companies Act 2014.	Nutricia Infant Nutrition Limited (384474), Danone Europe Limited (407825), Nutricia Ireland Limited (106997)

STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

This is a translation into English of the statutory auditors' report on the consolidated financial statements of the Company issued in French and it is provided solely for the convenience of English-speaking users. This statutory auditors' report includes information required by European regulations and French law, such as information about the appointment of the statutory auditors or verification of the information concerning the Group presented in the management report and other documents provided to shareholders.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Annual General Meeting of Danone,

Opinion

In compliance with the engagement entrusted to us by your Annual General Meeting, we have audited the accompanying consolidated financial statements of Danone for the year ended December 31, 2024.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at December 31, 2024 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

The audit opinion expressed above is consistent with our report to the Audit Committee.

Basis for opinion

Audit Framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report.

Independence

We conducted our audit engagement in compliance with the independence requirements of the French Commercial Code (*Code de commerce*) and the French Code of Ethics for Statutory Auditors (*Code de déontologie de la profession de commissaire aux comptes*) for statutory auditors for the period from January 1, 2024, to the date of our report and specifically we did not provide any prohibited non-audit services referred to in Article 5 (1) of Regulation (EU) No. 537/2014.

Justification of assessments – Key audit matters

In accordance with the requirements of Articles L.821-53 and R.821-180 of the French Commercial Code (*Code de commerce*) relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the consolidated financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the consolidated financial statements.

Revenue recognition net of discounts and rebates granted to customers

RISK IDENTIFIED	OUR RESPONSE
As of December 31, 2024, total net sales were recorded for an amount of €27,376 million in the consolidated financial statements. As indicated in Note 7.1 to the consolidated financial statements, the Group's sales are stated net of trade discounts and rebates granted to customers (including costs relating to trade support and listing agreements or occasional promotional actions invoiced by retailers). Revenue recognition therefore involves estimates related to such agreements or actions. We deemed the valuation of trade discounts and rebates to be a key audit matter given (i) the Group's broad customer base across different countries and with varying contractual relationships (based on sales volumes, promotional agreements or trade practices), (ii) the significance of trade discounts and rebates, and (iii) the complexity of valuating these amounts at year-end.	We assessed the compliance of the revenue recognition rules applied by the Group with International Financial Reporting Standards (IFRS). We gained an understanding of the procedures and controls implemented relating to the estimation of trade discounts and rebates process. In particular, for the main operating entities, we assessed the design and application of the controls that we considered to be key and tested their operating effectiveness on the basis of a sample contracts. ■ We also performed substantive procedures to assess the amounts to be refunded to customers being reasonably measured and recognized on the reporting date, on a sample on customers, by reconciling the assumptions underlying the valuation of amounts to be retroceded with the contractual data in the information system used to manage trade terms and conditions or in the contracts with the relevant customers, ■ by assessing the assumptions used, where applicable, with regard to commercial actions taken or specific situations and customary trade practices, ■ by comparing the projections used for previous periods with the associated landing point to analyze whether past objectives have been achieved. We also assessed the appropriateness of the information provided in the notes to the consolidated financial statements.

Valuation of goodwill and brands

RISK IDENTIFIED	OUR RESPONSE
As of December 31, 2024, goodwill and brands amount to €18,062 million and €5,390 million respectively. During 2024, the Group recognized a €51 million impairment loss on goodwill and brands. Those assets are subject to impairment tests, at least once a year in the case of goodwill and brands with indefinite useful lives and whenever events or circumstances indicate that they may be impaired. Impairment tests are carried out on all tangible and intangible assets of the cash generating units (CGUs) and groups of CGUs. The recoverable amounts of the CGUs or groups of CGUs is the higher of fair value less costs to sell and value in use, estimated on the basis of the discounted future cash flows. Concerning brands, the impairment test is performed according to the royalty relief methodology with the exception of certain brands for which the Group possesses third-party valuations, as explained in the Note 11.3 to the consolidated financial statements. The cash flows used to determine the value in use of the CGUs or groups of CGUs and the recoverable amount of the brands with indefinite useful lives are derived from the annual budgets and strategic business plans of the CGUs or groups of CGUs, which are drawn up by management. In 2024 as indicated in the Note 11.3 to the consolidated financial statements, the management performed additional sensitive analysis regarding the risks linked to climate change. The impairment tests are based on estimates and on management's judgment concerning (i) the definition of the CGUs and groups of CGUs and the allocation of assets to these CGUs, (ii) the estimation of the future performance of the assets or CGUs, and (iii) the determination of the discount rates, long-term growth rates, and royalty rates for brands. Given the sensitivity of these estimates, we considered the measurement of goodwill and brands to be a key audit matter.	We examined the compliance of the methodology applied by the Group with the accounting standards in force. We gained an understanding of the processes implemented by the management to allocate the goodwill to CGUs or groups of CGUs, and examined the allocation of assets to CGUs or groups of CGUs in relation to the actual organization of the Group and of the management of the CGUs. For a sample of CGUs or groups of CGUs and brands identified on the basis of quantitative and qualitative factors, we have: ■ reconciled the net book value of the net assets attached to the CGUs or group of CGUs tested or the brands tested with the accounting data of the Group; ■ examined the methods and main assumptions used to determine the recoverable value, including: • forecasted cash flows: we corroborated the business growth and market share hypotheses with the available market analyses. We also compared the main assumptions with past performance and assessed the trends between past forecasts and actual figures; • the long-term growth rates, the discount rates and the royalty rates, with the support of financial valuation experts included in the audit team, we studied the consistency of the rates used with market analyses. We also examined the methodology and the assumptions used by the management in its sensitive analysis assuming the risks linked to climate change. We also performed our own sensitivity calculations, to corroborate the analyses carried out by management. We also assessed the appropriateness of the information relating to goodwill and brands presented in the notes to the consolidated financial statements.

Assessment of liabilities for uncertain income tax positions and tax risks

RISK IDENTIFIED	OUR RESPONSE
Danone operates in many different tax jurisdictions throughout the world. Consequently, the company and its subsidiaries may be subject to inspections or questioning from local tax authorities. The situations for which outflows of resources are considered probable give rise to liabilities measured on the basis of facts known in each relevant jurisdiction involved, in application of IFRIC 23 interpretation. As indicated in the Notes 16.2 and 16.3 to the consolidated financial statements, liabilities for uncertain income tax positions and tax risks, including territorial risks, amount to €442 million and €108 million as of December 31, 2024 respectively. The assessment of liabilities for uncertain income tax positions and tax risks constitutes a key audit matter given the judgment required to assess the probable outflows of resources related to uncertain tax positions.	We assessed the compliance of the valuation of liabilities for uncertain tax income positions and tax risks recognized with the Group's accounting policies and the IFRS framework as adopted in the European Union. We examined the procedures implemented within the Group to identify the main tax risks, as well as management's assessments of these risks. We also gained an understanding of the opinions of main laws firms and experts accompanying the Group, and analyzed past and current experience with the tax authorities in the jurisdictions concerned. Furthermore, we included tax specialists in the audit team in order to assess the assumptions used by management to assess the probable outflows related to uncertain tax positions. We also assessed the appropriateness of the information provided in the notes of the consolidated financial statements.

Specific verifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by laws and regulations of the Group's information given in the Board of Directors' management report.

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

Report on other legal and regulatory requirements

Format of presentation of the consolidated financial statements intended to be included in the annual financial report

We have also verified, in accordance with the professional standard applicable in France relating to the procedures performed by statutory auditors regarding the annual and consolidated financial statements presented in the European single electronic format, that the presentation of the consolidated financial statements intended to be included in the annual financial report mentioned in Article L. 451-1-2, I of the French Monetary and Financial Code (*Code monétaire et financier*), prepared under the responsibility of chief executive officer, complies with the single electronic format defined in Commission Delegated Regulation (EU) No. 2019/815 of December 17, 2018. As it relates to consolidated financial statements, our work includes verifying that the tagging of these consolidated financial statements complies with the format defined in the above delegated regulation.

Based on the work we have performed, we conclude that the presentation of the consolidated financial statements intended to be included in the annual financial report complies, in all material respects, with the European single electronic format.

We have no responsibility to verify that the consolidated financial statements that will ultimately be included by your Company in the annual financial report filed with the AMF (*Autorité des marchés financiers*) are in agreement with those on which we have performed our work.

Appointment of the Statutory Auditors

We were appointed as statutory auditors of Danone by the annual general meeting held on April 26, 2022 for cabinet FORVIS MAZARS & ASSOCIES and on April 28, 2016 for cabinet ERNST & YOUNG Audit.

As at December 31, 2024, cabinet FORVIS MAZARS & ASSOCIES and cabinet ERNST & YOUNG Audit were in the third year and ninth year of total uninterrupted engagement respectively.

Previously, ERNST & YOUNG et Autres held office as statutory auditor of Danone since 2010.

Responsibilities of management and those charged with governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and for such internal control as Management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risks management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The consolidated financial statements were approved by the Board of Directors.

Statutory Auditors' responsibilities for the audit of the consolidated financial statements

Objectives and audit approach

Our role is to issue a report on the consolidated financial statements. Our objective is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As specified in Article L. 821-55 of the French Commercial Code (*Code de commerce*), our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- identifies and assesses the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.

- evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management in the consolidated financial statements.
- assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the consolidated financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein.
- evaluates the overall presentation of the consolidated financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.
- obtains sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. The statutory auditor is responsible for the direction, supervision and performance of the audit of the consolidated financial statements and for the opinion expressed on these consolidated financial statements.

Report to the Audit Committee

We submit to the Audit Committee a report which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report, if any, significant deficiencies in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the consolidated financial statements of the current period and which are therefore the key audit matters that we are required to describe in this report.

We also provide the Audit Committee with the declaration provided for in Article 6 of Regulation (EU) No. 537/2014, confirming our independence within the meaning of the rules applicable in France as they are set in particular by Articles L. 821-27 to L. 821-34 of the French Commercial Code (*Code de commerce*) and in the French Code of Ethics for Statutory Auditors (*Code de déontologie de la profession de commissaire aux comptes*) for statutory auditors. Where appropriate, we discuss with the Audit Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

Paris-La Défense, March 5, 2025

The Statutory Auditors
French original signed by

FORVIS MAZARS & ASSOCIÉS

Achour MESSAS

Gonzague SENLIS

ERNST & YOUNG Audit

Gilles COHEN

Alexandre CHRÉTIEN

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