

PRESS RELEASE

Groupe Berkem reports its 2021 full-year results, its 2022 first-quarter revenue and provides an update on its business trends and outlook

- Highly successful IPO on the Euronext Growth® market in Paris
- Strong growth of 14% in 2021 revenue to €46.1 million and EBITDA margin of 20%
- Very encouraging start to 2022, with first-quarter revenue of €13.8 million
- Group's financial targets for 2024 reiterated

Blanquefort (France), April 19, 2022, 6:00pm – Groupe Berkem, a leading player in bio-based chemicals (ISIN code: FR00140069V2, Ticker: ALKEM), announces its consolidated results for the year ended December 31, 2021, as approved by its Board of Directors on April 15, 2022. The audit procedures on the annual accounts have been conducted and the auditors' report is being issued. Groupe Berkem also reports its 2022 first-quarter revenue and provided an update on its recent business trends and outlook.

Olivier Fahy, Chairman and Chief Executive Officer of Groupe Berkem stated: “2021 was a game-changing year for Groupe Berkem. We completed our IPO in early December, capping off a solid year from a business and financial perspective. Along with our financial performance, we have demonstrated in recent months the effectiveness of our strategy of meeting the growing demand among industries for natural products. We now sell 100% bio-based resins for the paints market, delivering a performance equivalent to conventional products at a competitive cost. Staying true to our corporate purpose and in line with the commitments we gave ahead of our IPO, we are well-placed to achieve a healthy pace of profitable growth over the next few years. Accordingly, we are reiterating our financial targets for 2024.”

Anthony Labrugnas, Chief Financial Officer of Groupe Berkem, added: “Our performance during 2021 reflects Groupe Berkem's ability to raise our profitability while pursuing ambitious organic growth. We maintained the same positive momentum in the first few months of 2022, despite pressure on our supply chain in the current market environment. The investments we made in recent years, especially in our Lixol subsidiary, have also started to pay off. Lastly, we strengthened our financial strength with our successful IPO, helping to optimize our balance sheet.”

2021 FULL-YEAR RESULTS

2021 income statement

<i>In thousands of euros</i>	2021	2020	% change
Revenue	46,066	40,574	14%
Sales of goods	27	-	
Production sold (goods)	42,715	38,985	
Production sold (services)	3,325	1,589	
Capitalized production	1,725	1,383	
Production in Inventory	529	-196	
Operating subsidies	722	1,050	
Reversal of impairment and provisions	611	96	
Other income	6	144	
Other operating income	1,050	-	
Operating revenue	50,709	43,050	18%
Purchases consumed	-19,770	-15,536	
Staff costs	-11,470	-10,287	
External charges	-8,935	-8,254	
Change in inventories	363	-176	
Other operating expense	-301	-430	
Taxes other than on income	-788	-897	
Depreciation and amortization	-4,247	-2,972	
Operating income/(loss)	5,560	4,851	15%
Net financial income/(expense)	-2,766	-150	
Income from consolidated companies	2,794	4,701	-41%
Non-recurring income and expense	-1,297	-2,107	
Income tax expense	-770	-1,146	
Amortization of goodwill	-	-15	
Consolidated net income	727	1,462	-50%
Non-controlling interest	193	21	
Net income attributable to owners of the parent	534	1,441	-63%

Notes:

The 2021 consolidated income statement is an unaudited pro forma 12-month income statement, with the audited consolidated financial statements covering the period from March 8, 2021 (date of the takeover of BERKEM DEVELOPPEMENT) to December 31, 2021.

The 2020 income statement is derived from the audited combined financial statements and corresponds to the sum of the parent company financial statements of BERKEM GROUP and the consolidated financial statements of BERKEM DEVELOPPEMENT, BERKEM, ADKALIS, LIXOL, and EUROLYO.

Strong growth of 14% in revenue to €46.1 million and EBITDA margin of 20% in 2021

Groupe Berkem's 2021 revenue totaled €46.1 million in 2021, up close to 14%¹ from €40.6 million in 2020.

The plant extraction division contributed 31.5% (vs. 35% in 2020) of 2021 revenue, or €14.5 million. The formulation division contributed 68.5% (vs. 65% in 2020) of 2021 revenue, or €31.6 million. The formulation division's revenue recorded a strong increase of 20% in 2021. The key factors behind this rise were an acceleration in demand for bio-based solutions in the construction sector (up 33%) and also in the pest control market (up 21%).

¹ Organic growth only, no changes in the reporting entity during the year

In 2021, purchases consumed, mainly comprising raw materials purchases, amounted to €19.8 million. Staff costs rose to €11.5 million, up 11% compared to 2020, following the recruitments to support the acceleration in the Group's growth.

Groupe Berkem continues its drive to invest in R&D and regulatory affairs in order to sustain its level of innovation and support its applications for marketing approval. 6% of revenue was invested in R&D in 2021.

EBITDA² totaled €9.2 million, up from €7.7 million in 2020 and representing an EBITDA margin of 20%, ahead of the 19% posted in 2020.

Operating income came to €5.6 million in 2021, up from €4.8 million in 2020 (+15%).

Net financial expense came to €2.8 million in 2021, with consolidated net income at €2.8 million before tax and non-recurring items. Non-recurring income and expenses, corresponding in part to internal costs related to Groupe Berkem's IPO, came to €1.3 million during the year. Income tax expense totaled €0.8 million in 2021.

Lastly, net income attributable to owners of the parent came to €0.5 million in 2021.

Net cash position of €15.4 million at December 31, 2021

In December 2021, the Company completed a €43.9 million capital increase. Since the initial offering was oversubscribed, the Company exercised the extension clause in full. In addition, the total size of the Offering was increased to €52.2 million following the partial exercise of the overallotment option. The total number of Groupe Berkem shares sold in connection with the IPO came to 5,615,191, of which 4,719,222 were new ordinary shares and 895,969 were existing shares.

In line with the IPO guidance, Groupe Berkem devoted a portion of the proceeds raised from the capital increase to strengthening its balance sheet by redeeming some of the convertible bonds in shares. Consequently, net debt at December 31, 2021 was €4.4 million, compared with €39.2 million in 2020.

At December 31, 2021, Groupe Berkem held a net cash position of €15.4 million.

2022 FIRST-QUARTER REVENUE

Groupe Berkem's 2022 first-quarter revenue totaled €13.8 million, up 14% from the €12.1 million recorded in the first quarter of 2021.

The **plant extraction division** contributed 32.6% of this revenue, or €4.5 million, up 35.5% from €3.3 million in the first quarter of 2021. The **formulation division** generated 67.4% of revenue. Its contribution totaled €9.3 million, up 6.3% versus €8.8 million in the same period of the previous year.

² Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA) reflects the sources of funds generated by the Group's operations, including other operating revenue and other operating expense, but excluding depreciation, amortization and the impact of the Group's financing policy.

UPDATE ON BUSINESS TRENDS

Management

In January 2022, Groupe Berkem appointed Éric Moussu as Chief Commercial Officer to strengthen its management team. The solid expertise he has gained over his 30-year career in the chemicals sector will be a major asset for achieving the Group's future ambitions.

Business trends

Tensions on raw materials did not have a significant impact on the 2021 financial year. In the first quarter of 2022, there was no impact on revenues but on the margin level of certain activities in the formulation division. Groupe Berkem has implemented the necessary measures to offset these increases.

In March 2022, Groupe Berkem launched a range of 100% bio-based resins for the construction paints market. The new offering was designed using bio-based, renewable raw materials, capable of replacing petrochemical-based raw materials. One of the game-changing, innovative features of this resin is that it uses a 100% bio-based solvent. This groundbreaking innovation delivers the same performance as a conventional product: hardness over time, good drying performance, toughness, and resistance to aging, etc.

International and Regulatory Affairs

Groupe Berkem generated 28% of its revenue in export markets during 2021 (versus 28.5% of its revenue in 2020). At March 31, 2022, it held 118 marketing approvals, with a further 71 applications under review.

OUTLOOK

Ambitious financial targets for 2024 reiterated

The Group is reiterating its 2024 target revenue of at least €65 million, which may be increased to at least €85 million should it make acquisitions. By the same target date, the Group's target is to raise the EBITDA margin to around 25%.

Publication of the 2021 annual report

The 2021 annual report will be available on the [Company's website](#) and filed with the AMF on April 29, 2022.

Next financial report:

First-half 2022 revenue: July 21, 2022 (after the market close)

ABOUT GROUPE BERKEM

Founded in 1993 by Olivier Fahy, Chairman and Chief Executive Officer, Groupe Berkem is a leading force in the bio-based chemicals market. Its mission is to advance the environmental transition of companies producing the chemicals used in everyday lives (cosmetics, food and beverages, construction, public hygiene, etc.). By harnessing its expertise in both plant extraction and innovative formulations, Groupe Berkem has developed bio-based boosters—unique high-quality bio-based solutions augmenting the performance of synthetic molecules. Groupe Berkem achieved a revenue of €46 million and an EBITDA margin close to 20% in 2021. The Group has almost 170 employees working at its head office (Blanquefort, Gironde) and three production facilities in Gardonne (Dordogne), La Teste-de-Buch (Gironde), and Chartres (Eure-et-Loir).

Groupe Berkem has been listed on Euronext Growth Paris since December 2021 (ISIN: FR00140069V2 – ALKEM)

www.groupeberkem.com



CONTACTS

Groupe Berkem

Olivier Fahy, Chief Executive Officer
Anthony Labrugas, Chief Financial Officer
Tel.: +33 (0)5 64 31 06 60
berkem@berkem.com

NewCap

Investor Relations
Mathilde Bohin / Nicolas Fossiez
Tel.: +33 (0)1 44 71 94 94
Berkem@newcap.eu

NewCap

Media Relations
Nicolas Merigeau
Tel.: +33 (0)1 44 71 94 94
Berkem@newcap.eu

APPENDIX

Consolidated balance sheet³

In thousands of euros

	Dec. 31, 2021		
	Gross	Depr., amort., prov.	Net
Intangible assets	56,920	- 1,895	55,026
<i>o/w goodwill</i>	29,693	-	29,693
Property, plant and equipment	35,487	- 22,015	13,472
Financial assets	226	-	226
Investments in associates	-		-
Total non-current assets	92,632	- 23,910	68,723
Inventories and work in progress	7,505	- 251	7,254
Trade and other receivables	3,331	- 345	2,986
Other receivables and accruals	8,406	-	8,406
Marketable securities	70	- 1	69
Cash and equivalents	15,533		15,533
Total assets	127,477	- 24,506	102,971
Share capital			39,791
Share premiums			29,801
Reserves			1,883
Currency translation differences			-
Income for the year			141
Total equity			71,617
Non-controlling interest			-
Provisions			1,334
Borrowings and financial liabilities			19,997
Trade and other payables			5,951
Other liabilities and accruals			4,073
Total equity and liabilities			102,971

³ The audited consolidated balance sheet as of December 31, 2021 includes the consolidated results for the period from March 8, 2021 to December 31, 2021

Cash flow statement

In thousands of euros

	2021.12
Total net income from consolidated companies	158
Depreciation, amortization and provisions	4,226
Change in deferred tax	-11
Capital gains/(losses) on disposals	-164
Cash flow from operations	4,209
Change in inventories	-1,056
Change in trade receivables	3,488
Change in financial and other current liabilities	-1,905
Change in working capital requirement	527
Net cash generated by operating activities	4,735
Purchases of non-current assets	-3,213
Disposals of non-current assets	168
Impact of changes in the scope of consolidation:	-1,461
Net cash generated/(used by) investing activities	-4,506
Capital increases/(reductions)	39,353
New borrowings	225
Repayments of borrowings	-24,413
Net cash generated by financing activities	15,165
Change in cash	15,395
Cash at beginning of year	0
Cash at end of year	15,395