

PRESS RELEASE

Groupe Berkem announces its full-year 2023 financial results and its revenue for the first quarter of 2024

- **Financial results for full-year 2023:**
 - Revenue of €51.9 million, including 28% from international activities
 - EBITDA margin of 11.4%
 - Net income of €0.4 million
- **Solid cash position as of December 31, 2023, of €11.3 million**
- **2024 first-quarter revenue of €13.2 million**
- **Unchanged Group financial targets for 2025 and 2027**

Blanquefort (France), April 30, 2024, at 07:30 am CEST – Groupe Berkem, a leading player in bio-based chemistry (ISIN code: FR00140069V2 – Ticker: ALKEM), announces its full-year financial results for the year ended December 31, 2023, as approved by its Board of Directors on April 26, 2024. The audit procedures on the full-year accounts have been conducted and the auditors' report is being issued. The Company also reports on its 2024 first-quarter revenue.

Olivier FAHY, Chairman and CEO of Groupe Berkem, stated: *“In a persistently uncertain economic and geopolitical environment, Groupe Berkem has succeeded in improving all its financial indicators and returning to a profitable growth dynamic. These convincing results are the outcome of our teams' constant efforts to improve margins in all the markets we serve and demonstrate our Group's expertise in developing high value-added solutions for manufacturers. Building on these achievements, we intend to ensure the ramp-up of the Valencia industrial site we acquired at the beginning of the year, so as to address to the best of our ability the nutraceuticals and food markets, while continuing to structure our offering through the launch of new innovative biobased products.”*

2023 FULL-YEAR FINANCIAL RESULTS

Consolidated income statement

<i>In thousands of euros</i>	31/12/2023	31/12/2022 ¹
Revenue	51,944	51,566
Other income	1,928	1
Purchases consumed	(22,668)	(26,639)
External expenses	(13,171)	(10,964)
Personnel costs	(12,128)	(14,481)
Taxes and duties	(656)	(583)
Amortisation	(4,076)	(3,394)
Depreciation and provisions	(313)	(1,361)
Change in inventories of work in progress and finished goods	(543)	3,026
Other operating expenses and income	1,247	3,983
Current operating income	1,564	1,154
Other operating income and expenses	993	(1,682)
Operating income	2,557	(527)
Income from cash and cash equivalents	22	4
Cost of net financial debt	(1,936)	(812)
Other financial income and expenses	(27)	(63)
Income before tax	615	(1,398)
Tax	(248)	(169)
Income after tax	367	(1,567)
Net income (Group share)	367	(1,567)

Breakdown of revenue by business area in 2023

<i>In € thousands</i>	31/12/2023	31/12/2022
Construction & Materials	23,079	24,276
Hygiene & Protection	12,051	11,948
Health, Beauty & Nutrition	15,957	14,755
Industry	696	192
Central /Shared	161	395
TOTAL	51,944	51,566

As of December 31, 2023, Groupe Berkem's full-year revenue was €51.9 million, stable (+0.7%) compared to 2022: 28% of this revenue was generated outside France (compared to 27% in 2022).

The “**Construction and Materials**” division accounted for 44% of 2023 revenue (versus 47% in 2022), down 4.9%, due to the challenges faced by the construction sector in France in 2023, and to lower wood processing volumes in Eastern Europe, due in particular to the consequences of the crisis in Ukraine. The “**Hygiene and Protection**” business area accounted for 23% of 2023 revenue, and has remained stable since 2022, despite a difficult market context. The “**Health, Beauty, Nutrition**” business area contributed 31%, +8.1% since 2022, driven in particular by the cosmetics market and custom work. The growth in 2023 revenue in the “**Industry**” business area stems from the acquisition of Biopress on April 1st, 2023.

External expenses rose by 20.1% over the year, mainly due to the Group's marketing activities (trade show, communication and travel expenses to support organic growth and implement the capacity investments

¹ Pro forma financial statements for 2022, following the transition to IFRS from January 1st, 2023

made by the Group in recent years), production tool maintenance, increased R&D efforts, and all expenses affected by inflation (transport, energy, insurance).

As a result, current operating income rose by 35% compared with 2022, to €1.6 million.

The Group's EBITDA² reached €5.9 million, compared with €6.19 million in 2022, and **EBITDA margin was 11.4%**.

Other operating income and expenses reached €1 million, while including €2.5 million of badwill resulting from the acquisition of Biopress. **Operating income consequently was €2.6 million in 2023**, compared with -€0.5 million in 2022.

The cost of net financial debt climbed sharply from -€0.8 million to -€1.9 million in 2023, linked to the rise in interest rates and the increase in the Group's indebtedness in 2023.

As a result, income before tax stood at €0.6 million in 2023 (vs. -€1.4 million in 2022) and **2023 net income at €0.4 million** (vs. -€1.6 million).

CASH POSITION

As at December 31, 2023, Groupe Berkem had a gross cash position of €11.3 million, compared with €11.4 million as at December 31, 2022.

As a reminder, on July 26, 2022, the Group secured €70 million in financing³, including €63.5 million in senior debt from a pool of 6 French banks and €6.5 million in Recovery Bonds. As at December 31, 2023, €21.5 million had been used.

2024 FIRST-QUARTER REVENUE

Breakdown of revenue by business area for 2024 first-quarter

<i>In € thousands</i>	31/03/2024	31/03/2023
Construction & Materials	5,476	6,401
Hygiene & Protection	3,370	3,532
Health, Beauty & Nutrition	3,980	4,515
Industry	358	10
Central / Shared	0	43
TOTAL First-Quarter	13,175	14,500

As at March 31, 2024, Groupe Berkem's revenue for the first three months of 2024 reached €13.2 million, compared with €14.5 million in Q1 2023, i.e. a decrease of 9.1%.

The “**Construction & Materials**” and “**Hygiene & Protection**” business areas continue to suffer from the slowdown observed since the 1st half of 2023 in the construction sector in France and internationally. The “**Health, Beauty & Nutrition**” business area saw a decline of 11.8% compared with 2023 over the same

² Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA), corresponds to the operating cash flow generated by the Group, taking into account other operating income and other operating expenses, but excluding depreciation and amortization and the Group's financing policy.

³ [See press release dated July 26, 2022.](#)

period, due to lower sales on nutritional supplements. The “**Industry**” business area continues to see a very significant rise in revenue, due in particular to the investments made by Groupe Berkem in Biopress's industrial assets, although its share of the Group's business mix remains marginal.

2023 AND POST-CLOSING HIGHLIGHTS

External growth operations

February 2023: **Acquisition of i.Bioceuticals**, exclusive North American distributor of nutritional supplements from the Dutch company INC, enabling Groupe Berkem to distribute its full range of antioxidant active ingredients directly in North America, thus broadening its offering in the Nutraceuticals segment.

April 2023: **Acquisition of Biopress**, a French producer of 100% vegetable oils and proteins. With this transaction, the Group now benefits from a local supply of technical vegetable oils, consolidates its offering for the "Health, Beauty & Nutrition" and "Industry" divisions, and secures new commercial opportunities in the food market.

February 2024: **Acquisition of Naturex Iberian Partners**, Givaudan's industrial site in Valencia (Spain) specialized in plant and marine extraction activities. Groupe Berkem strengthens its industrial facilities dedicated to plant extraction while significantly increasing its production capacity to meet the growing demand for sustainable solutions from players in the food and nutraceuticals markets.

Activity

March 2023: **Launch of H₂OLIXIR, a new range of 100% natural floral waters** with 97.5% organic content, aimed at the health and beauty industries.

April 2023: **Marketing of Termifuge K**, a ready-to-use preventive anti-termite and water-repellent solution for the construction industry. This boosted solution reduces the content of conventional biocides by 50%, thanks to the integration of a bio-based booster and the benefits of a plant-based insecticide, formulated by Groupe Berkem.

September 2023: **Launch of Biombalance™**, a **premium active ingredient** targeting the balance of intestinal microbiota, a global public health issue for the food supplements market.

October 2023: **Marketing of Novaterm®**, a connected and boosted anti-termite solution. It features a dual innovation strengthening Group's positioning in the “Hygiene & Protection” business area by integrating a plant-based booster reducing the amount of conventional biocides and optimizing performance thanks to 24/7 connected monitoring technology.

December 2023: **Merger of the Group's main subsidiaries**. Until December 31, 2023, the Company had four main historical operating subsidiaries: Berkem, Adkalis, Lixol and Eurolyo. In accordance with the announcements made on June 21, 2023, these four companies were merged into their parent company Berkem Développement, a 100% subsidiary of Groupe Berkem, by means of simplified mergers and acquisitions carried out during the 2023 financial year. The operation initially involved Berkem absorbing its subsidiary Eurolyo, and then Berkem Développement absorbing Berkem, Lixol and Adkalis.

Through this internal restructuring, Groupe Berkem intends to simplify its organization and optimize interactions between its various departments. From an accounting point of view, the mergers were carried out with retroactive effect from January 1, 2023.

January 2024: **Extension of the H₂OLIXIR range of 100% natural floral waters**, with the launch of lavender water and thyme water, two new 97.5% organic floral waters for the cosmetics industry.

International

June 2023: **Signing of a memorandum of understanding for the creation of a joint venture between Groupe Berkem and Groupe Dolidol**, the leading pan-African player in the polyurethane foam, bedding and industrial joinery sectors, to set up an alkyd resin production and marketing site in Ivory Coast.

Financial targets for 2025 and 2027

As announced in the press release on the acquisition of Givaudan's industrial site in Valencia⁴, taking into account the investments that Groupe Berkem plans to make in its new production site, notably in capacity in order to ensure the gradual ramp-up of the site, and the additional operating and personnel costs generated by this external growth transaction, the profitability targets announced by the Group and revised on October 13, 2023⁵ must now be postponed. As a reminder, the Company was aiming for an EBITDA margin of around 25%, to be achieved by 2025. Groupe Berkem now expects to reach this target by 2027.

The Group also confirms its ambition to achieve revenue of at least €85 million by 2025.

Availability of the 2023 Full-Year financial report

The Full-Year financial statements were approved by the Board of Directors and reviewed on April 26, 2024. The 2023 Full-Year financial report is currently under finalization. It will be filed with the Autorité des marchés financiers and will be available on the Company's investor website by May 3, 2024.

Next financial reports:

- Annual General Meeting: June 25, 2024
- 2024 First-Half Revenue: July 25, 2024 (after market close)

⁴ [See press release dated February 6, 2024.](#)

⁵ [See press release dated October 13, 2023.](#)

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 life (Construction & Materials, Health, Beauty & Nutrition, Hygiene & Protection, and Industry). 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 revenue of €52.4 million in 2023. The Group has almost 200 employees working at its head office (Blanquefort, Gironde) and 4 production facilities in Gardonne (Dordogne), La Teste-de-Buch (Gironde), Chartres (Eure-et-Loir) and Tonneins (Lot-et-Garonne).

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

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