

PRESS RELEASE

Groupe Berkem announces its 2024 first-half revenue of €27.3 million

- Continued unfavorable market context in the “Construction & Materials” and “Hygiene & Protection” business areas and delays in marketing approvals for new products
- Slight increase in revenue in the “Health, Beauty & Nutrition” business area
- Good momentum in “Industry” business area sales, thanks to investments made by the Group
- Revision of the Group's financial targets following the review of its business plan within the framework of Kenerzeo¹'s tender offer project

Blanquefort (France), July 25, 2024, at 06:00 pm CEST – Groupe Berkem, a leading player in bio-based chemistry (ISIN code: FR00140069V2 – Ticker: ALKEM), announces its 2024 first-year revenue and provides an update on its recent activity.

Olivier FAHY, Chairman and CEO of Groupe Berkem, stated: *“As expected, revenue for the first half of 2024 are in line with our previous publications. Our Group continues to be impacted by the tensions observed for over a year in the “Construction & Materials” and “Hygiene & Protection” business areas, coupled with delays in obtaining marketing authorizations for the new bio-based products we launched in recent months. At the same time, and despite the decline in sales of nutritional supplements, we were able to achieve a slight improvement on last year's performance in the “Health, Beauty & Nutrition” business area, demonstrating the quality of our solutions and our expertise in these markets showing strong demand for naturalness. Finally, our proactive investment policy is bearing fruit in the “Industry” business area, which is increasingly emerging as a genuine growth driver for the years ahead. Faced with the major challenges affecting our industry and to pursue our development strategy, which proved its worth in a highly complex market context, we have decided to join forces with Eurazeo to write a new chapter for our Group. This decision is reflected in a simplified tender offer project that has been favorably received by the Board of Directors, and which should be filed during the 4th quarter of 2024.”*

¹ Simplified joint-stock company (RCS 928 791 813) with Kenercy as Chairman.

2024 FIRST-HALF REVENUE

As at June 30, 2024, Groupe Berkem's revenue reached €27.3 million, compared with €28.0 million in the first-half of 2023, i.e. a slight decrease of -2.2%.

Breakdown of revenue by business area for the first half of 2024

<i>In € thousands</i>	30/06/2024	30/06/2023	Change
Construction & Materials	11,609	12,459	(6.8%)
Hygiene & Protection	5,768	6,479	(11.0%)
Health, Beauty & Nutrition	8,704	8,556	+1.7%
Industry	1,247	377	+231.0%
Central /Shared	-	86	(100.0%)
TOTAL	27,328	27,956	(2.2%)

The persistent difficulties affecting the “**Construction & Materials**” and “**Hygiene & Protection**” business areas resulted in a drop in revenue of -6.8% and -11.0% respectively compared with the first half of 2023, coupled with significant delays in marketing approvals for the Group's new products. The “**Health, Beauty & Nutrition**” business area saw a slight improvement in sales of 1.7% compared with the performance achieved in the first half of 2023. In line with previously published figures, the “**Industry**” business area continues its strong growth momentum, rising from €0.3 million in the first half of 2023 to €1.2 million in the first half of 2024, while remaining marginal in the Group's business mix.

2024 FIRST HALF AND POST-CLOSING HIGHLIGHTS

External growth operations

February 2024: **Acquisition of Naturex Iberian Partners**, Givaudan's industrial site in Valencia (Spain) specialized in plant and marine extraction activities, for players in the food, nutrition (nutraceuticals) and cosmetics markets. With this acquisition, Groupe Berkem significantly increases its production capacity for plant extracts destined for the “Health, Beauty & Nutrition” business area.

Activity

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.

May 2024: **Presentation of Biombalance™ and Pineol® Premium**, two active ingredients from the Group's new range for the Nutraceuticals market.

Signature of a contribution agreement and conclusion of an investment agreement between Kenercy² and Eurazeo in view of a simplified tender offer project

As announced in the [press release issued on July 18, 2024](#), Kenercy and Kenerzeo, a newly simplified joint-stock company (RCS 928 791 813) incorporated under French law, 100% owned by Kenercy (RCS 804 788 503), itself managed by Olivier Fahy, signed a contribution agreement on July 17, 2024, under which Kenercy will transfer to Kenerzeo 100% of the Groupe Berkem shares it holds, i.e. 12,069,833 shares representing 67.93% of Groupe Berkem's share capital to date. Under the terms of the contribution agreement, Groupe Berkem shares were valued at €3.10 each.

Kenerzeo and Danske Bank Asset Management (shareholder of Groupe Berkem) today signed reciprocal commitments for the acquisition and sale concerning the acquisition by Kenerzeo, and the sale by Danske Bank Asset Management, of 1,322,931 Groupe Berkem shares. Under the terms of these commitments, Kenerzeo irrevocably agreed to acquire, and Danske Bank Asset Management irrevocably agreed to sell, 1,322,931 Groupe Berkem shares, representing 7.5% of Groupe Berkem's share capital, at a price of €3.10 per share. Completion of these commitments and the transfer of ownership of the shares are expected to take place on July 31, 2024.

After the final completion of the contribution and commitments described above, scheduled for July 31, 2024, Kenerzeo will hold 75.43% of Groupe Berkem's share capital.

At the same time, Kenercy and Eurazeo concluded an investment agreement concerning the financing, by funds managed by Eurazeo, of Kenerzeo up to a maximum amount of €23.5 million through the issue of convertible bonds and the subscription of Kenerzeo shares.

This release is the first step in a simplified tender offer to be initiated by Kenerzeo for all the Groupe Berkem shares it will not hold. Completion of the tender offer is subject to the AMF's declaration of conformity and could take place during the fourth quarter of 2024.

At its meeting on July 17, 2024, the Group's Board of Directors supported the proposed transaction and decided to enable Kenerzeo to file a tender offer during the 4th quarter of 2024. Groupe Berkem and Eurazeo will keep the market informed of any significant developments in the planned transaction.

No change in the governance of Groupe Berkem is planned until completion of the tender offer project. In the event that Groupe Berkem remains a listed company following the proposed tender offer, Eurazeo's appointment as a director of Groupe Berkem will be put to a vote at the General Meeting.

An independent expert whose mission is to prepare a report on the financial terms of the tender offer in accordance with the provisions of article 261-1 of the AMF's general regulations will be appointed shortly. The Group will keep the market informed of the terms and conditions of the independent expert's appointment, as well as the terms and conditions of his mission.

² Limited liability company (RCS 804 788 503) with Olivier FAHY as manager.

Outlook

Within the framework of the transaction announced today, Groupe Berkem has reconsidered its business plan and financial projections. This revision takes into account the persistent difficulties affecting the “Construction & Materials” business area since the Ukrainian crisis, as well as delays in obtaining marketing authorizations for its bio-based products, both in France and internationally. Lastly, in view of the numerous investments to be made at its new production site in Valencia, Spain, and the ever-changing economic and geopolitical context, Groupe Berkem has no immediate plans to make any new acquisitions in the short to medium term.

In view of the above, Groupe Berkem now expects to achieve revenue of at least €70 million by 2025, and an EBITDA³ margin of at least 16% by 2027.

Next financial report:

- **2024 First-Half Results:** September 26, 2024 (after 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 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 €51.9 million in 2023. The Group has almost 250 employees working at its head office (Blanquefort, Gironde) and 5 production facilities in Gardonne (Dordogne), La Teste-de-Buch (Gironde), Chartres (Eure-et-Loir), Tonneins (Lot-et-Garonne) and Valence (Spain).

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

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³ 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.