

PRESS RELEASE

## Groupe Berkem announces its half-year results for 2024

- Revenue of €28.4m (+1.7% compared with the 1<sup>st</sup> half-year 2023)
- EBITDA margin at 11%
- Cash position of €4.2m
- Simplified tender offer project initiated by Kenerzeo<sup>1</sup> for all Groupe Berkem shares it will not hold, at a price of €3.10 per share

Blanquefort (France), 26 September 2024 at 6.00 pm - Groupe Berkem, a leading player in plant-based chemistry (ISIN code: FR00140069V2 - mnemonic: ALKEM), announces its half-year results for the financial year ended 30 June 2024, as approved by the Board of Directors on 26 September 2024.

### HALF-YEAR RESULTS 2024

#### Consolidated income statement

<i>In thousands of euros</i>	30/06/2024	30/06/2023	Variation
<b>Revenue</b>	<b>28,394</b>	<b>27,912</b>	1,73%
Other income	-101	16	
Purchases consumed	-11,829	-12,448	
External expenses	-7,010	-6,812	
Personnel costs	-6,797	-7,146	
Taxes	-256	-283	
Depreciation and amortisation	-2,641	-1,902	
Depreciation and provisions	-95	-225	
Change in inventories of work in progress and finished goods	67	329	
Other operating income and expenses	602	1 079	
<b>Current operating income</b>	<b>334</b>	<b>519</b>	-35,65%
Other operating income and expenses	2,911	5,016	
<b>Operating income</b>	<b>3,245</b>	<b>5,536</b>	-41,38%
Cost of net financial debt	-845	-728	

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

Other financial income and expenses	-227	-127	
<b>Income before tax</b>	<b>2,174</b>	<b>4,700</b>	-53,74%
tax	84	-655	
<b>Income after tax</b>	<b>2,258</b>	<b>4,045</b>	
<b>Net income, Group share</b>	<b>2,258</b>	<b>4,045</b>	-44,18%

#### **Breakdown of revenue by business area for the 1<sup>st</sup> half 2024**

<i>in thousands of euros</i>	<b>30/06/2024</b>	<b>30/06/2023</b>	<b>Variation</b>
Construction & Materials	11,953	12,401	-3.6%
Hygiene & Protection	5,801	6,476	-10.4%
Health, Beauty & Nutrition	9,441	8,574	+10.1%
Industry	884	374	+136.4%
Central / Shared	315	87	
<b>TOTAL</b>	<b>28,394</b>	<b>27,912</b>	<b>+1.7%</b>

At 30 June 2024, Berkem Group revenue totaled €28.4m, compared with €27.9m in the first half of 2023, up by 1.7%.

The persistent difficulties affecting the "**Construction & Materials**" and "**Hygiene & Protection**" business areas resulted in a decline in revenue of -3.6% and -10.4% respectively compared with the first half of 2023, in addition to the significant delays affecting the marketing authorisations for the Group's new products. The "**Health, Beauty & Nutrition**" business area saw an improvement in revenue of 10.1% compared with the performance achieved in the first half of 2023. In line with previously published figures, the "**Industry**" business area is continuing to enjoy strong growth, rising from €0.4m in the first half of 2023 to €0.9m in the first half of 2024, although it remains marginal in the Group's business mix.

Current operating income recurring declined by -36% compared with the first half of 2023, to €0.3 million. This drop is partly due to higher depreciation and amortization charges, but also to a proactive investment policy in R&D, regulatory affairs and business development aimed at supporting the Group's various areas. In particular, the Group has intensified its resources in the United States, with the recruitment of 3 new employees to cover the entire American and Canadian markets.

This brings the EBITDA margin to **11%**, compared with 10.4% in the 1<sup>st</sup> half-year to 2023.

Other operating income corresponds in part to a revaluation of the assets of Berkem IBERICA, the company Naturex Iberian Partners, Givaudan's industrial site in Valencia (Spain), acquired by the Group in June 1<sup>st</sup>, 2024. The net cost of debt of €845k (+16%) at 30 June 2024 is due to the increase in the level of gross debt.

After taking into account financial income and expenses, **net income attributable to the Group was €2.3m in the first half of 2024**, compared with €4m in the first half of 2023.

## CASH POSITION

As of 30 June 2024, Groupe Berkem had net cash of €4.2 million, compared with €11.3 million at 31 December, 2023.

As a reminder, on July 26, 2022, the Group arranged €70m of financing, including €63.5m of senior debt with a pool of 6 French banks and €6.5m in Recovery Bonds. As of 30 June 2024, €45 million of the €70 million had been used.

## HIGHLIGHTS OF THE 1<sup>er</sup> HALF-YEAR 2024

### External growth

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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

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January 2024: **Extension of the H<sub>2</sub>OLIXIR 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.

### Proposed simplified tender offer

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As announced in the press releases issued on [18 July 2024](#) and [31 July 2024](#), Kenerzeo will file a simplified tender offer for the remaining outstanding Berkem Group shares at a price of €3.10 per share. Kenerzeo intends to implement a squeeze-out following the public offer in the event that the minority shareholders of the Company who have not tendered their shares to the offer represent less than 10% of the share capital and voting rights of Groupe Berkem. At the date of this press release, Kenerzeo held 75.38% of the share capital and 75.37% of the theoretical voting rights of the Group.

On [4 September 2024](#), Groupe Berkem announced the appointment of Paper Audit & Conseil, represented by Mr Xavier PAPER, as independent expert to draw up a report on the financial terms of the proposed simplified compulsory takeover bid by Kenerzeo for the outstanding Groupe Berkem shares not held by Kenerzeo, to be filed by Kenerzeo before the end of September 2024. The Group will keep the market informed of the terms and conditions of this assignment.

## 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 EBITDA<sup>2</sup> margin of at least 16% by 2027.

### Availability of the 2024 half-year financial report

The interim financial statements were approved by the Board of Directors and reviewed on 26 September 2023. The 2024 half-year financial report will be filed with the Autorité des marchés financiers and will be available by 31 October 2024 on the Company's [investor website](#).

### Next financial publication :

- **Revenue for the 3<sup>rd</sup> quarter of 2024:** October 24, 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).

[www.groupeberkem.com](http://www.groupeberkem.com)



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<sup>2</sup> 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.