

Groupe Berkem, a leading player in the production and formulation of bio-sourced solutions, launches its IPO on Euronext Growth® in Paris

- Capital increase of approximately €38 million, which may be increased to approximately €43.7 million if the Extension Clause is fully exercised¹
- The amount of the Initial Offering of €40 million may be increased to approximately €52.6 million if the Extension Clause and the Over-Allotment Option are fully exercised (including approximately €8.9 million through the sale of existing shares not providing additional funds)¹
- Indicative Offering Price range: €8.49 to €10.03 per share
- Subscription commitments of €24.1 million, from Danske Bank, DNCA, Lombard Odier, Lupus Alpha, Financière Arbevel, Hermitage Gestion Privée and P. Hottinguer & Cie
- Subscription period until 2 December 2021 (5 pm for counter subscriptions and purchases, 8 pm by Internet) for the open price offering and until 3 December 2021 (noon, Paris time) for the global placement
- Securities eligible for PEA and PEA-PME

Blanquefort (France), on 22 November 2021 – Groupe Berkem (the “Group” or the “Company”), a leading player in bio-based chemicals, announces the launch of its IPO with a view to the listing of its shares on the Euronext Growth® Paris market (ISIN code: FR00140069V2; ticker symbol: ALKEM).

The French Financial Markets Authority (*Autorité des marchés financiers*, or AMF) approved on 19 November 2021 under the number 21-497, the Prospectus relating to the initial public offering of Groupe Berkem, comprising the registration document, approved under number I. 21-064, dated 9 November 2021, a securities note and a prospectus summary (included in the securities note).

As an expert in green chemistry for over 25 years, Groupe Berkem is actively advancing the ecological transition through its mission of integrating bio-based chemicals into the heart of the conventional chemicals used in our everyday life.

- Two areas of proven expertise, in plant extraction and in innovative formulations, and bio-based boosters, unique bio-sourced solutions boosting the performance of synthetic molecules while reducing their risks for humans and the environment;

¹ Based on the mid-point of the indicative price range

- A global bio-sourced chemicals market of \$9.4 billion, which is expected to grow to \$32 billion by 2028, representing a CAGR of around 15% over the period²;
- A strategic positioning in high-value-added niche markets with low competitive intensity;
- An integrated and fully funded platform comprising three production sites and four R&D laboratories ensuring control of the entire bio-sourced value chain;
- A history of revenue growth and profitability:
 - Revenue of €40.6 million and an EBITDA margin³ of 19% in 2020, and average annual revenue growth of +11.9% since 2013⁴;
 - Revenue of €25.2 million in the first half of 2021, an increase of over 26% compared to the first half of 2020, as well as an EBITDA margin of 22%; and
- An overall ESG strategy anchored in the Group's DNA, which received an extra-financial rating of 73 (out of 100) awarded by Ethifinance in 2021, corresponding to an "Advanced" performance level, while the average of comparable companies is at 37.

A clear strategic vision

- ▶ Supporting growth through the development of existing business relationships and the acquisition of new customers
- ▶ Continuing to raise profitability and optimise the Group's financial structure
- ▶ Stimulating constant innovation through R&D
- ▶ Expand the range of products to new markets and new geographic territories
- ▶ Accelerating the Group's growth through selective M&A

² Global Bio-based Chemicals Market (Inkwood Research)

³ EBITDA corresponds to the operating resources 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.

The table below summarizes the calculation of EBITDA for the periods presented:

In thousand euros	2018	2019	2020	H1 2020	H1 2021
Gross Operating Profit	6,880	5,666	8,013	4,541	5,558
Other products	25	73	144	3	67
Other operating expenses	-212	-217	-430	-213	-103
EBITDA	6,693	5,522	7,727	4,331	5,522
Reversals of depreciation and provisions	33	73	96	--	454
Amortization and provisions	-2,533	-2,685	-2,972	-1,372	-1,879
Operating profit	4,193	2,910	4,851	2,959	4,097

⁴ Data for years 2013-2016 are from audited company financial data.

Concrete financial objectives supported by strong competitive advantages

Groupe Berkem aims to achieve **revenue > €65 million** by 2024, **which may be increased to > €85 million** if external growth transactions are completed, and an **EBITDA margin of 25%**

Reasons for the Offering

The Company wishes to allocate the net proceeds of the funds raised in the Offering, which amount to approximately €34.6 million (based on the mid-point of the indicative Offering Price range, excluding the proceeds from the sale of the shares sold under the Initial Offering and the Over-Allotment Option and before exercise of the Extension Clause), according to the following breakdown:

- Approximately 50% to optimise the Group's financial structure, in particular to partially finance the repayment of the convertible bonds (which will be repaid in the amount of approximately €18.5 million, of which €17.8 million in principal plus accrued and capitalized interest since June 30, 2021) and the exercise of the options to acquire Berkem Développement ADP₂₀₁₅ (in the amount of €3.5 million) and Berkem ADP₂₀₁₅ (in the amount of €2 million);
- Approximately 25% to finance geographic expansion; and
- Approximately 25% to strengthen the Group's investment capacity to continue external growth transactions.

If the Extension Clause is fully exercised, the net proceeds from the funds raised under the Offering, which amount to approximately €40.0 million (based on the mid-point of the indicative Offering Price range, excluding the proceeds from the sale of the shares sold under the Initial Offering and the Over-Allotment Option), would be allocated to the three categories referred to above according to the following breakdown: 45%, 27.5% and 27.5%.

If the Offering is only subscribed up to 75%, on the basis of the price equal to the lower limit of the indicative range, the funds raised would mainly be allocated to optimising the Group's financial structure.

Structure of the Offering

It is expected that the distribution of the Offered Shares will be carried out as part of a global offering (the “**Offering**”), comprising:

- a public offering in France in the form of an open price offering, mainly intended for natural persons (the “**Open Price Offering**” or “**OPO**”), it being specified that:

- the orders will be broken down according to the number of shares requested: A1 order fractions (from one share up to and including 250 shares) and A2 order fractions (over 250 shares);
- A1 order fractions will be given preferential treatment over A2 order fractions in the event that not all orders can be fully satisfied;
- a Global Placement mainly intended for institutional investors (the “**Global Placement**”) comprising:
 - a private placement in France; and
 - an international private placement in certain countries (except, in particular, the United States of America, Canada, Australia and Japan).

If the demand from the OPO so permits, the number of shares allocated to satisfy the orders from the OPO will be at least equal to 10% of the number of shares offered in the Offering before exercising the Extension Clause and the Over-Allotment Option.

Extension Clause

To meet subscription and purchase requests received under the Offering, the Company may, depending on the size of the demand, increase the initial number of new shares by a maximum of 615,550 complementary new shares (the “**Extension Clause**”) representing no more than 15% of the initial number of new shares. The decision to exercise the Extension Clause will be taken when the price is set, expected on 3 December 2021.

Over-Allotment Option

In order to cover any over-allotments, KENERCY⁵ (the “**Selling Shareholder**”) will grant Berenberg (the “**Stabilisation Agent**”) an option to acquire a number of shares representing a maximum of 15% of the aggregate number of new shares, secondary shares and, if applicable, complementary new shares (the “**Over-Allotment Option**”). Thus, if the Over-Allotment Option is fully exercised, the Selling Shareholder may sell a maximum of 740,281 transferred shares. This Over-Allotment Option, which will cover any over-allotments and facilitate stabilisation transactions, may be exercised, in whole or in part, at the Offering Price, once, at any time, by the Stabilisation Agent from the start of trading of the Company’s shares on the Euronext Growth® market i.e., according to the indicative timetable, from [8] December 2021 to [7 January] 2022 (inclusive).

Indicative price range

The price of the shares offered under the OPO will be equal to the price of the shares offered under the Global Placement (the “**Offering Price**”). The Offering Price could be within a range of €8.49 and €10.03 per share, a range approved by the Board of Directors of the Company on 18 November 2021. The price range may be modified at any time up to and including the date scheduled for setting the Offering Price (inclusive). The Offering Price may be set outside this range.

Gross proceeds and net proceeds of the Offering

For information purposes, the gross proceeds and the net proceeds of the issue of the new shares (based on the mid-point of the indicative price range) would be as follows:

⁵ Limited liability company of which Olivier Fahy is the manager, formerly known as HOF.

In million euros	Issuance at 75%*	Issuance at 100%	After Extension Clause	After Extension Clause and Over-Allotment Option **	Amount of sales under the Initial Offering and the Over-Allotment Option
Gross proceeds	26.1	38.0	43.7	43.7	8.9
Estimated expenses	2.7	3.4	3.7	3.7	0.4
Net proceeds	23.4	34.6	40.0	40.0	8.4

*If the Offering is limited to 75%, the amounts are calculated on the basis of the lower limit of the Indicative Offering Price Range, i.e. €8.49.

** It is specified that only the net proceeds from the issuance of the new shares will be paid to the Company, with the net proceeds from the sales mentioned above accruing to the Selling Shareholder.

Subscription commitments received

On the date of approval of the Company's registration document by the AMF, the Company had received subscription commitments from institutional investors for a total amount of 12.8 million euros, i.e. €12 million from Danske Bank A/S and €0.8 million from DNCA.

Since the date of approval of the registration document, the Company has received additional subscription commitments from the following institutional investors:

Investors	Subscription commitments
Lombard Odier	€5 million
Lupus Alpha	€3.5 million
Financière Arbevel	€1.2 million
Hermitage Gestion Privée	€1 million
P. Hottinguer & Cie	€0.6 million

The total subscription commitments received represent €24.1 million, i.e. approximately 60% of the gross amount of the Offering (excluding the exercise of the Extension Clause and the Over-Allotment Option) based on the mid-point of the indicative price range.

Revocation of subscription orders

Subscription and purchase orders received from individuals by Internet under the OPO will be revocable by Internet until the closing date of the OPO on 2 December 2021 at 8:00 pm (Paris time). It is up to investors to contact their financial intermediary in order to verify, on the one hand, the procedures for revoking orders placed via the Internet and, on the other hand, whether orders sent by other channels are revocable and in which conditions. The orders received under the OPO will then be irrevocable even in the event of a reduction, subject to the stipulations applicable in the event of an upward revision of the upper limit of the indicative Offering Price range or the parameters of the Offering Price.

Abstention from trading and lock-up undertakings

Groupe Berkem has agreed to an abstention undertaking of 360 calendar days following the settlement-delivery date of the Offering, subject to certain customary exceptions. KENERCY, which holds 100% of the share capital and voting rights of the Company on the date of approval of the Prospectus, as well as the members of the management of the Company and the other existing shareholder, have granted the Global Coordinators and Joint Bookrunners a lock-up commitment for a period of 360 days following the settlement-delivery date of the Offering, subject to certain customary exceptions.

Indicative timetable for the transaction:

19 November 2021	Approval of the Prospectus by the AMF
22 November 2021	Publication of the press release announcing the Offering and availability of the Prospectus Publication by Euronext of the notice of opening of the OPO/Opening of the OPO and Global Placement
2 December 2021	Closing of the OPO at 5 pm (counter subscriptions and purchases) and at 8 pm (Internet subscriptions and purchases)
3 December 2021	Closing of the Global Placement at noon (Paris time) Setting the Offering Price Execution of the Placement Agreement Euronext publication of the notice of the results of the Offering Publication of the press release indicating the Offering Price and the results of the Offering First listing of the Company's shares on Euronext Growth®
7 December 2021	Settlement-delivery of the OPO and the Global Placement (including shares sold pursuant to the Initial Offering)
8 December 2021	Trading commences in the Company's shares on Euronext Growth® under the listing "Groupe Berkem" Beginning of any stabilisation period
7 January 2022	Deadline for the exercise of the Over-Allotment Option End of any stabilisation period
11 January 2022	Settlement-delivery date of the additional shares sold pursuant to the Over-Allotment Option, in the event of exercise of the Over-Allotment Option at the deadline

Terms of subscription

Persons wishing to participate in the OPO must submit their orders with an authorised financial intermediary in France, no later than on 2 December 2021 at 5 pm (Paris time), according to the indicative timetable, for counter subscriptions and at 8 pm (Paris time) for Internet subscriptions, if they are given this option by their financial intermediary, unless the Offering closes early or is extended.

Groupe Berkem share identification codes

- Name: Groupe Berkem
- ISIN Code: FR00140069V2
- Ticker symbol: ALKEM
- Industry: Specialty chemistry

Financial intermediaries and advisors



Global Coordinator
Joint Bookrunner



Listing Sponsor
Global Coordinator –
Joint Bookrunner

fieldfisher

Legal advisor on the
transaction



Legal advisor to the
issuer



Financial advisor

VS AUDITEX



Statutory Auditors

NewCap⁺

Financial
communication

Availability of the Prospectus

A Prospectus, consisting of (i) the registration document approved by the AMF on 9 November 2021 under number I. 21-064 and (ii) a securities note including the prospectus summary, was approved by the AMF under number 21-497 on 19 November 2021. This Prospectus is available free of charge and on request at the Company's registered office and on the AMF website: www.amf-france.org and on the Company's website: www.berkem-finance.com. Investors should review the risk factors presented in the Prospectus. The approval of the Prospectus should not be considered as a favourable opinion on the securities offered.

Groupe Berkem draws the public's attention to section 3 "*Risk factors*" in the registration document and in section 2 of the securities note. The occurrence of one or more of these risks is likely to have a material adverse effect on the Group's business, reputation, financial position, results or outlook, as well as the market price of Groupe Berkem's shares.



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 €41 million and an EBITDA margin close to 19% in 2020. The Group has almost 165 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). www.groupeberkem.com

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