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Groupe Berkem

Public limited company (Société anonyme) with a Board of Directors with a share capital of
€39,791,306.25

Registered office: 20 rue Jean Duvert – 33290 Blanquefort, France
Bordeaux Trade and Companies Register 820 941 490

HALF-YEAR REPORT

June 30, 2022

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1 MANAGEMENT AND ADMINISTRATION BODIES

1 | 1 BOARD OF DIRECTORS

As of the date of this half-year report, the composition of the Company's Board of Directors is as follows:

Chairman of the Board of Directors	Olivier Fahy
Directors	Stanislas Fahy Thierry Lambert (Independent Director) Alessandro Bascelli (Independent Director) Michael Wood (Independent Director) Karen Le Cannu (Independent Director)

1 | 2 COMMITTEES

On April 8, 2021, the Board of Directors set up an Audit Committee for an unlimited period. As of the date of this half-year report, the composition of the Company's Audit Committee is as follows:

Chairman of the Audit Committee	Thierry Lambert
Member	Stanislas Fahy

The mission of the Audit Committee is, independently from the Company's senior executives, to assist the Board of Directors in ensuring the accuracy of the financial statements, the quality of internal controls, and the quality and relevance of the information provided, as well as the proper performance by the Statutory Auditors of their duties. In this respect, the Audit Committee issues opinions, proposals and recommendations to the Board of Directors.

As of the date of this half-year report, the Company does not intend to set up any other specialized committees.

1 | 3 MANAGEMENT

Chief Executive Officer	Olivier Fahy
Corporate Secretary	Sabine Dejean-Laforest
Chief Financial Officer	Anthony Labrugnas

R&D Director, Finished Products Regulation	Laurent Cubizolles
Head of Resources, New Works, Maintenance, IT Procurement and Technology Watch	Franck Adine
Industrial Director	Cédric Roubertie
Head of the R&D, Regulation and Institutional Relations Department	Daouïa Messaoudi
Group Sales Director	Eric Moussu
Communications Manager	Christelle Cordaro

2 HALF-YEAR MANAGEMENT REPORT

2 | 1 FINANCIAL LIFE OF GROUPE BERKEM

2.1.1 Description of significant events and activity of Groupe Berkem during the first half of 2022

2.1.1.1 Financial position and activity of the Company during the past half-year

“Naturalglyp 100 S” range

On March 28, 2022, the Company announced the launch of its “Naturalglyp 100 S” range of 100% bio-sourced alkyd resins for the Construction paint market.

Groupe Berkem deploys its industrial know-how and innovation through its two historical areas of expertise: plant extraction and formulation. It is within this second business line that Lixol, a subsidiary of Groupe Berkem since its acquisition in 2016, produces and markets alkyd resins, also known as glycerophthalic resins, intended for the paint, varnish, wood treatment and formulated ink industries.

Groupe Berkem has invested in the development of its portfolio with the aim of transforming existing products (vegetable oils, raw materials produced using organic chemistry and petroleum solvents) into bio-sourced products.

The Lixol research and development laboratory has worked on the manufacture of a resin made from bio-sourced and renewable raw materials, which can replace raw materials from petrochemicals. One of the innovative and unprecedented characteristics of this resin is the use of a 100% bio-sourced solvent.

This new bio-sourced range, the result of this research and intended for the formulation of decorative paints with a high solids content and low environmental impact, offers the same performance as a conventional product, including hardness over time, good drying performance, hardness and resistance to aging.

This solution is currently intended for the construction paint market. Groupe Berkem intends to extend this eco-friendly range to its other markets, such as industry and printing ink.

Collaboration with Soprema

At the end of an R&D phase of more than 30 months, Groupe Berkem and Groupe Soprema formalized their collaboration in June. They plan to market a PAVATEX wood fiber insulation panel incorporating a unique bio-sourced antifungal solution, developed and formulated by Groupe Berkem. This solution will increase the performance and resistance of the insulation panels to microorganisms, and extend their durability. This collaboration once again demonstrates Groupe Berkem's commitment to supporting the ecological transition of construction players.

As part of its R&D program, aimed at increasing the share of bio-sourced materials in its production, Soprema has approached Groupe Berkem to incorporate a bio-sourced treatment for resistance to microorganism growth, with low environmental impact, in the full range of PAVATEX wood fiber-based thermal insulation for construction use.

Groupe Berkem has thus developed a unique fungicidal (anti-mold) formula, incorporating a plant-based preservation process. This patented solution contains a polyphenolic extract used in the bio-sourced formulation and thus enables Soprema to offer wood fiber panels that are more tolerant of both implementation and durability conditions. This new range of insulation has been undergoing testing for almost three years and will be available on the market by the first half of 2023. It will be offered by Soprema to all construction insulation players (roofing, flooring and walls).

R&D investment

During the first half of 2022, it's the Group invested in order to increase Lixol's production capacities, which will be effective as of 2023. These investments should make it possible to reduce the use of subcontracting, while having a positive impact on the gross margin.

The Group has also invested in order to increase Eurolyo's capacities, where three new high-capacity freeze dryers will be installed on the site during the first quarter of 2023.

In addition, at its historic site in Gardonne, the Group has initiated building a new workshop for the plant extraction division.

The Group continues to invest in R&D. New products and processes will notably be launched in the second half of 2022. During the first half of 2022, Lixol launched its range of bio-sourced resins.

The Group is also continuing to develop its bio-sourced solutions aimed at supporting conventional chemistry players.

Finally, the Group is preparing to change its ERP, which will be effective as of the second half of 2023.

2.1.1.2 Legal information

The first half of 2022 was marked by the following events:

At its meeting of March 3, 2022, the Board of Directors implemented the delegation granted by the Ordinary and Extraordinary Shareholders' Meeting of April 26, 2021 (10th Resolution), and

- decided to set up a free share allocation plan subject to a presence condition (the “2022-1 Plan”). The 2022-1 Plan provides for (i) a one-year vesting period ending on March 3, 2023, and (ii) a one-year holding period from that date.
- decided to grant 111,250 shares to Company employees under the 2022-1 Plan.

This allocation represents 0.63% of the share capital at the date of this report.

The Company’s Annual Ordinary and Extraordinary Shareholders' Meeting held on June 3, 2022:

- decided to distribute a dividend of €0.06 for each of the 17,685,025 shares comprising the share capital at December 31, 2021, i.e. a total dividend of €1,061,101.50, and delegated all powers to the Board of Directors for the purpose of setting the ex-dividend date and payment date;
- appointed a new Company Director, Karen Le Cannu, for a term of four years expiring at the end of the Shareholders' Meeting called to approve the financial statements for the fiscal year ended December 31, 2025;
- decided not to reappoint the Statutory Auditors, and to appoint PricewaterhouseCoopers Audit, represented by Antoine Priollaud, as the new Statutory Auditors, for a period of six fiscal years expiring at the end of the Shareholders' Meeting called to approve the financial statements for the fiscal year ended December 31, 2027.

At its meeting of June 3, 2022, the Board of Directors implemented the 6th Resolution of the Annual Ordinary and Extraordinary Shareholders' Meeting of June 3, 2022, in order to distribute the aforementioned dividend of €1,061,101.50, and decided to set the ex-dividend date at July 4, 2022, and its payment date at July 6, 2022.

On June 27, 2022, the Company announced the start of coverage of its share by Portzamparc.

2.1.2 Information on the share capital

As of June 30, 2022, the Company’s share capital amounted to €39,791,306.25 and was divided into 17,685,025 fully paid-up shares with a par value of €2.25 each.

During the first half of 2022, there were no changes in the ownership of the share capital by significant shareholders, and there was no change in the Company’s share capital.

At June 30, the breakdown of share capital was as follows:

Shareholders	Number of shares	%	Number of voting rights	%
Kenercy	12,069,833	68.25%	12,069,833	68.25%
Stanislas Fahy	1	0.00%	1	0.00%
Public	5,615,191	31.75%	5,615,191	31.75%
TOTAL	17,685,025	100.00%	17,685,025	100.00%

2.1.3 Events after June 30, 2022

On July 26, 2022, Groupe Berkem announced the successful completion of a financing arrangement with a pool of six French banks, as well as the issuance of Revival Bonds (*Obligations Relance*) in France. The financing transaction consists of setting up, for the benefit of Berkem Développement, a wholly-owned subsidiary of Groupe Berkem, a refinancing loan for a total amount of €12 million (including two tranches of €7.8 million amortizing and €4.2 million bullet repayment, respectively), an investment credit line of €6.5 million (comprising two tranches of €4.2 million and €2.3 million, respectively), a revolving credit of €5 million and an acquisition credit line of €40 million, of which €20 million is confirmed.

Berkem Développement also issued €6.5 million in Revival Bonds (*Obligations Relance*).

2.1.4 Main risk factors

At the time of its IPO on the Euronext Growth market in Paris, the Company presented the risk factors to which it is subject in Section 3 “Risk factors” of the Registration Document, available on the Company's website. As far as the Company is aware, there are no new major risks compared to those identified in this document.

Military conflict in Europe

On February 24, 2022, Russia declared war on Ukraine, triggering a major crisis. At the international level, the economic and financial impacts are expected to be significant.

According to management, the war in Ukraine has no immediate impact on the activity of the Group's companies as there is no relationship with Ukraine or Russia. However, as expected, although pressure on raw materials did not have a significant impact on revenue in the first half of 2022, the Group anticipates an impact on the level of margins in some Formulation Division activities.

Risks related to changes in energy costs

The Group's industrial activities, some of which are high energy consumers, could be affected by a significant increase in prices that could result from difficulties in the supply of energy (natural gas or electricity, for example) or the occurrence of natural disasters, extreme climate events or geopolitical circumstances such as the conflict between Russia and Ukraine. In the current context of accelerating energy cost inflation, the Group expects an increase in its energy costs in 2022 and 2023. This inflation concerns the cost of energy, particularly in Europe.

The Group's ability to pass on increases in these costs to its customers depends to a large extent on market conditions as well as commercial practices. Even in the event the Group passes on increases, those increases may be passed on only partially and/or be subject to a time lag. The Group's inability to immediately and/or fully pass on the increase in energy costs in the short term could have an adverse effect on its business, financial position or results.

2 | 2 FINANCIAL DATA (SUMMARY AND REFERENCE)

The main financial items for the first half of 2022 are discussed in detail in the notes to the half-year consolidated financial statements as of June 30, 2022.

2 | 3 RELATED-PARTY TRANSACTIONS

During the first half of 2022, no related-party agreements falling within the scope of Article L. 225-38 of the French Commercial Code were entered into.



GROUPE BERKEM

**CONSOLIDATED FINANCIAL STATEMENTS
INTERIM FINANCIAL STATEMENTS CLOSED ON JUNE 30, 2022**

GROUPE BERKEM

20 rue Jean Duvert
33290 BLANQUEFORT, FRANCE

CAUTIONARY NOTICE

The Group's consolidated financial statements related to the interim financial statements closed on June 30, 2022, correspond to the consolidated financial statements of GROUPE BERKEM and its subsidiaries.

The Group's activity is reported from 01/01/2022 to 06/30/2022.

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated balance sheet

	June 2022			December 2021
	Gross values	Depreciation and amortization Provisions	Net values	Net values
Intangible assets	57,807	- 2,658	55,149	55,026
<i>Of which goodwill</i>	29,693	-	29,693	29,693
Property, plant and equipment	38,214	- 23,040	15,175	13,472
Financial assets	306	-	306	226
Total fixed assets	96,328	- 25,698	70,631	68,723
Inventories and work in progress	9,774	- 265	9,509	7,254
Trade receivables	7,928	- 306	7,622	2,986
Other receivables and accruals, prepayments and sundry assets	7,287	-	7,287	8,406
Marketable securities	20	- 2	18	69
Cash and cash equivalents	12,786		12,786	15,533
Total ASSETS	134,124	- 26,271	107,853	102,971
Capital			39,791	39,791
Additional paid-in capital			27,734	29,801
Group reserves			3,031	1,883
Translation reserves			-	-
Net income for the fiscal year			1,992	141
Other			- 225	-
Total shareholders' equity			72,253	71,617
Non-Group interests			-	-
Provisions			991	1,334
Borrowings and financial debt			20,101	19,997
Trade and related payables			7,472	5,951
Other debts and accruals			7,037	4,073
Total LIABILITIES			107,853	102,971

Consolidated income statement

	June 2022	December 2021 (10 months)	June 2021 (4 months)
Sale of goods	37	31	35
Production sold (goods)	25,929	35,192	16,365
Production sold (services)	2,109	3,296	1,207
Turnover	28,074	38,519	17,607
Production in inventory	590	902	522
Capitalized production	1,327	1,568	323
Operating subsidies	402	592	283
Transfers of operating expenses	181	1,034	66
Reversals of impairment and provisions	661	569	464
Other income	0	-0	-4
Purchases consumed	-13,495	-16,359	-7,275
Other purchases and external expenses	-5,433	-7,822	-3,125
Taxes and duties	-372	-730	-348
Personnel expenses	-6,756	-9,862	-4,080
Depreciation, amortization and provisions	-2,081	-3,657	-1,422
Other operating expenses	-211	-285	-87
Operating income before depreciation and amortization and impairment of goodwill	2,887	4,470	2,923
Amortization of goodwill	-	-	-
Operating income after depreciation and amortization and impairment of goodwill	2,887	4,470	2,923
Financial income and expenses	-304	-2,417	-826
Non-recurring expenses and income	-68	-1,337	-820
Income tax	-596	-558	-394
Net income of consolidated companies	1,992	158	884
Share of net income of equity-accounted companies	-	-	-
Net income of the consolidated group	1,992	158	884
Non-controlling interests	-	-17	-78
Net income (attributable to owners of the parent)	1,992	141	806

Statement of changes in shareholders' equity

	Capital	Primes liées au capital	Réserves	Résultat Groupe de la période	Autres	Part groupe	Part des minoritaires	Total
Situation à l'ouverture 2021								
Variation du capital	39 791	33 271	-	-	-	73 062	-	73 062
Frais d'augmentation de capital	-	-3 469	-	-	-	-3 469	-	-3 469
Résultat	-	-	-	141	-	141	-	141
Variation de périmètre	-	-	1 883	-	-	1 883	-	1 883
Autres variations	-	-	-	-	-	-	-	-
Situation au 31/12/2021	39 791	29 801	1 883	141	0	71 617	0	71 617
Affectation du résultat	-	-	141	-141	-	-	-	-
Versement des dividendes	-	-	-1 061	-	-	-1 061	-	-1 061
Résultat de la période	-	-	-	1 922	-	1 922	-	1 922
Acquisition ou cession de titres d'autocontrôle	-	-	-	-	-225	-225	-	-225
Reclassement	-	-2 068	2 068	-	-	-	-	-
Autres variations	-	-	-	-	-	-	-	-
Situation au 30/06/2022	39 791	27 734	3 031	1 922	-225	72 253	0	72 253

Capital	Capital
Primes liées au capital	Additional paid-in capital
Réserves	Reserves
Résultat Groupe de la période	Group net income for the period
Autres	Other
Part groupe	Attributable to owners of the parent
Part des minoritaires	Non-controlling interests
Total	Total
Situation à l'ouverture 2021	Opening position 2021
Variation du capital	Change in capital
Frais d'augmentation de capital	Capital increase costs
Résultat	Net Profit (Loss)
Variation de périmètre	Change in the scope of consolidation
Autres variations	Other changes
Key	
French	English
Situation au 31/12/2021	Position as of 12/31/2021
Affectation du résultat	Appropriation of net income
Versement des dividendes	Dividend payment
Résultat de la période	Net income for the period
Acquisition ou cession de titres d'autocontrôle	Acquisition or disposal of treasury shares
Reclassement	Reclassifications
Autres variations	Other changes
Situation au 30/06/2022	Position as of 06/30/2022

Cash flow statement

	2022.06	2021.12 (10 mois)
Résultat net total des sociétés consolidées	1 922	158
Elimination des amortissements et provisions	1 445	4 226
Elimination de la variation des impôts différés	356	- 11
Elimination des plus ou moins values de cession	195	- 164
Capacité d'autofinancement	3 919	4 209
Variation des stocks	-2 255	- 1 056
Variation des comptes clients	1 333	3 488
Variation des autres dettes et des comptes de régularisations	-1 645	- 1 905
Variation du besoin en fonds de roulement	-2 567	527
Flux net généré par l'activité	1 351	4 735
Acquisition d'immobilisations	-3 460	- 3 213
Cession d'immobilisations	0	168
Cessions/acq nettes actions propres	-300	
Incidence des variations de périmètre	0	- 1 461
Flux net provenant des investissements	-3 760	- 4 506
Augmentations (réductions) de capital	0	39 353
Emissions d'emprunts	3 061	225
Remboursements d'emprunts	-3 324	- 24 413
Flux net provenant du financement	- 263	15 165
Variation de trésorerie	-2 672	15 395
Trésorerie d'ouverture	15 395	-
Trésorerie de clôture	12 723	15 395

Key	
French	English
2022.06	June 2022
2021.12	December 2021
(10 mois)	(10 months)
Résultat net total des sociétés consolidées	Total net income of consolidated companies
Elimination des amortissements et provisions	Elimination of depreciation, amortization and provisions
Elimination de la variation des impôts différés	Elimination of changes in deferred taxes
Elimination des plus ou moins values de cession	Elimination of capital gains or losses on disposals
Capacité d'autofinancement	Cash flow
Variation des stocks	Change in inventories
Variation des comptes clients	Change in customer accounts receivable
Variation des autres dettes et des comptes de régularisations	Change in other debts and accruals
Variation du besoin en fonds de roulement	Change in working capital requirement
Flux net généré par l'activité	Net cash flow from operating activities
Acquisition d'immobilisations	Acquisitions of fixed assets
Cession d'immobilisations	Disposals of fixed assets
Cessions/acq nettes actions propres	Net disposals/acquisitions of treasury shares

Incidence des variations de périmètre	Impact of changes in scope
Flux net provenant des investissements	Net cash flow from investments
Augmentations (réductions) de capital	Capital increases/reductions
Emissions d'emprunts	Debt issues
Remboursements d'emprunts	Debt redemptions
Flux net provenant du financement	Net cash flow from financing activities
Variation de trésorerie	Change in cash position
Trésorerie d'ouverture	Opening cash
Trésorerie de clôture	Closing cash

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. Significant events of the year

- TAX CONSOLIDATION

The tax consolidation group of which BERKEM DÉVELOPPEMENT was the head ended on December 31, 2021. A new tax consolidation group was created on January 1, 2022. The parent company of this new group is GROUPE BERKEM, registered with the Bordeaux Trade and Companies Register under number 820 941 490. The companies included in the tax consolidation scope are ADKALIS, BERKEM, BERKEM DÉVELOPPEMENT, EUROLYO and LIXOL.

- LIQUIDITY AGREEMENT

A liquidity agreement was awarded to TP ICAP (Europe) in January 2022 and covers the shares of GROUPE BERKEM (FR00140069V2 – ALKEM FP). As at June 30, 2022, the following resources were included in the liquidity account:

- 23,503 securities;
- €75,319.46 in cash.

On consolidation, these treasury shares were canceled in accordance with ANC Regulation 2020-01. This cancellation led to a decrease in shareholders' equity of €225 thousand.

- INSURANCE COMPENSATION

LIXOL received €200,000 from the insurer GENERALI in 2021 in respect of the operating loss incurred during the fiscal year. The balance of this compensation was collected in February 2022 for an amount of €677,459. This amount had been provisioned at the end of 2021 as accrued income.

- STATE-GUARANTEED LOAN

BERKEM DÉVELOPPEMENT: The balance of the State-guaranteed loan requested and obtained in 2020, as part of the measures to mitigate the effects of the COVID-19 pandemic, for an amount of €500,000, was repaid in full in April 2022. The outstanding capital at the end of 2021 was €250,212.

BERKEM SAS: The State-guaranteed loans requested and obtained in 2020, as part of the measures to mitigate the effects of the COVID-19 pandemic, for amounts of €600,000 (Banque Populaire) and €500,000 (Crédit Coopératif), were repaid in full in April 2022.

ADKALIS: The State-guaranteed loan requested and obtained in 2020, as part of the measures to mitigate the effects of the COVID-19 pandemic, for an amount of €600,000, was repaid in full in April 2022.

LIXOL: The State-guaranteed loan requested and obtained in 2020, as part of the measures to mitigate the effects of the COVID-19 pandemic, for an amount of €500,000, was repaid in full in April 2022.

2. Standards and procedures

2.1. Accounting standards

The consolidated financial statements of the GROUPE BERKEM are prepared in accordance with the accounting rules and principles in force in France. The provisions of the French Accounting Standards Authority (Autorité des Normes Comptables) Regulation No. 2020-01 are applied. The consolidated financial statements comply with the accounting principles defined below.

The consolidated financial statements comply with the accounting principles defined below:

- prudence;
- independence of fiscal years;
- consistency of accounting policies from one fiscal year to another;
- business continuity.

For the consolidated financial statements, the Group applies the mandatory methods and standards provided for in ANC Regulation No. 2020-01 and in particular:

- capitalization of finance leases;
- inclusion of transfer taxes, fees and legal costs in the cost of assets;
- recognition of retirement benefit obligations and similar benefits;
- immediate recognition of start-up costs;
- capitalization of bond issuance costs.

2.2. Presentation and comparability of financial statements

- The consolidated financial statements are presented in thousands of euros. The euro is the functional currency of the Group's parent company, GROUPE BERKEM.
- The financial position as of June 30, 2022 covers a period of six months. The income items used for the preparation of the financial statements cover the period from January 1, 2022, to June 30, 2022.

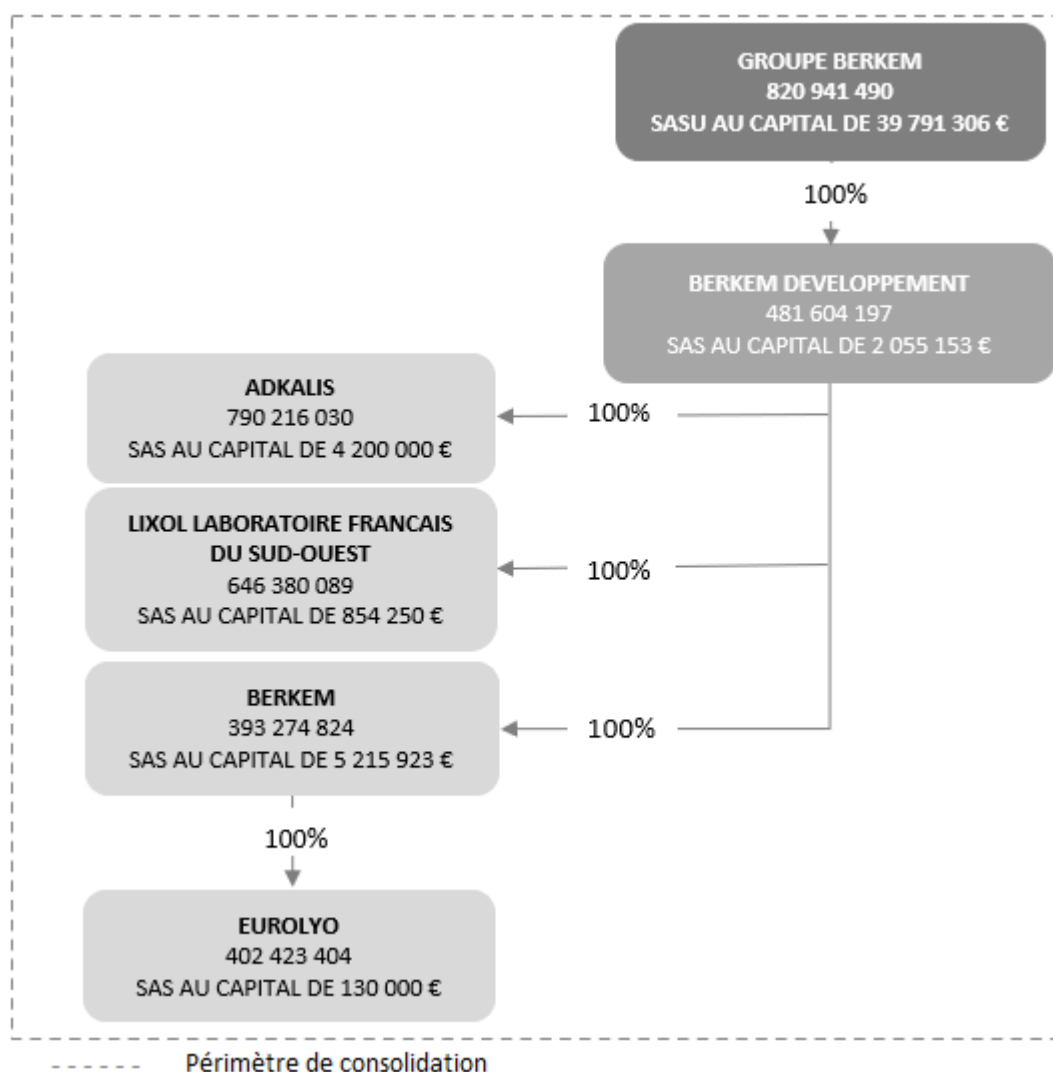
2.3. Consolidation methods

- The consolidated financial statements have been prepared using consistent accounting policies to account for similar transactions and events occurring under similar circumstances.

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2.3.1. Presentation of the scope of consolidation

- On March 8, 2021, Groupe Berkem acquired a stake in BERKEM DÉVELOPPEMENT, thus becoming the parent company of the Berkem group.



Key	
French	English
Périmètre de consolidation	Scope of consolidation

2.3.2. Consolidation method

GROUPE BERKEM is the parent company of the GROUPE BERKEM. All companies are currently controlled exclusively by GROUPE BERKEM. Controlled entities are all fully consolidated.

Units	June 2022		
	% interest	% control	Consolidation method
SAS GROUPE BERKEM			Parent company
SAS BERKEM DÉVELOPPEMENT	100.00%	100.00%	Full consolidation
SAS BERKEM	100.00%	100.00%	Full consolidation
SAS ADKALIS	100.00%	100.00%	Full consolidation
SAS EUROLYO	100.00%	100.00%	Full consolidation

2.3.3. Business assets: goodwill and business goodwill

In accordance with regulatory provisions, goodwill represents the difference between the acquisition cost of equity interests and the acquiring company's share in the total valuation of assets and liabilities identified at the acquisition date.

This item therefore records differences resulting from an acquisition that could not be allocated to a fixed asset item.

Business assets, for which identifiable items have been recognized separately, are treated as goodwill on consolidation when they do not meet the identification criteria established by ANC Regulation No. 2020-01.

Positive goodwill is presented as a fixed asset under "Goodwill."

Impairment test

On the acquisition date, any surplus between the acquisition price and the Group's share of the identifiable net assets of the acquired company is recognized as goodwill.

Goodwill is considered to have an unlimited useful life.

Thus, in accordance with ANC Regulation 2015-06, it is not amortized and is subject to an impairment test at least once a year or if an indication of impairment is identified.

For this test, goodwill is allocated to cash-generating units, which correspond to homogeneous sets of assets that jointly generate identifiable cash flows. The Group recognized the Formulation and Extraction CGUs.

The procedures for impairment tests on cash-generating units are detailed in Note 3.1.1.

When an impairment loss is recognized, the difference between the carrying amount of the asset and its recoverable amount is recognized on the line "Depreciation, amortization and provisions for goodwill", after the net income of consolidated companies. Impairment losses on goodwill are not reversible.

2.4. Valuation methods and rules

2.4.1. Group management judgment and estimates

The preparation of the financial statements requires, on the part of management, the use of judgment, estimates and assumptions that have an impact on the amounts of assets and liabilities at the closing date as well as on the items of income for the period. These estimates take into account economic data that may vary over time and involve uncertainties.

The estimates and underlying assumptions are made based on past experience and other factors considered reasonable in the circumstances. They serve as a basis for the exercise of the judgment required to determine the carrying amounts of assets and liabilities, which cannot be obtained directly from other sources. Actual values may differ from estimated values.

Estimates and underlying assumptions are reviewed on an ongoing basis.

The impact of changes in accounting estimates is recognized during the period of the change if it only affects that period, or during the period of the change and subsequent periods if these are also affected by the change.

They mainly concern the assessment of the value of fixed assets, in particular intangible items (goodwill, capitalized research and development costs) and operating assets (deferred tax assets, for example).

2.4.2. Finance leases

Transactions carried out by means of a finance lease are restated according to the same terms and conditions as a credit acquisition for their original lease value.

Depreciation is in accordance with the aforementioned methods and rates, and the tax impact of this restatement is taken into account.

In France, this mainly concerns finance leases, long-term leases and leases with an option to purchase the vehicles. The assets acquired through these leases are capitalized. The liability corresponding to the outstanding capital is recorded under financial liabilities.

Fixed assets are depreciated, with some exceptions, according to the depreciation periods used by the Group.

In practice, for vehicle leases, residual values on equipment are very low (often $\leq 1\%$ of the original value) and assets have an actual useful life close to the term of the lease. Furthermore, depreciation periods are often adjusted to the lease term.

The rental payments are restated as depreciation and financial expenses:

	06/30/2022 (6 months)
Cancellation of rental payments	369
- Recognition of financial expenses	-44
- Depreciation charges	-270
Impact on net income	55

2.4.3. Deferred tax status

In accordance with the provisions of ANC Regulation No. 2020-01, the Group recognizes deferred taxes in the event of:

- temporary differences between the tax value and carrying amounts of assets and liabilities;
- tax loss carryforwards.

The tax rate at 06/30/2022 was 25%.

Deferred tax assets and liabilities are offset for the same taxable entity. In accordance with ANC Regulation No. 2020-01, deferred tax assets are only taken into account:

- if their recovery does not depend on future results; or
- if their recovery is probable due to the existence of an expected taxable profit during their settlement period. Deferred tax assets on deficits represented €554 thousand as of June 30, 2022 and broke down as follows:
 - Berkem Développement: €139 thousand
 - SAS Berkem: €367 thousand
 - Lixol: €48 thousand

2.4.4. Factoring

Transactions recorded with the factor show a receivable of €602 thousand as of June 30, 2022, corresponding to the amounts retained for the guarantee fund, reserves for year-end bonuses and the replenishment account.

This receivable breaks down as follows:

- Adkalis: €168 thousand
- Berkem SAS: €68 thousand
- Eurolyo: €33 thousand
- Lixol: €333 thousand

In addition, the total amount of receivables sold as of June 30, 2022, and not recovered was €5,850 thousand. In application of ANC Regulation No. 2020-01, because the Group records its asset sales transactions as a deduction from the balance of receivables, this amount does not appear on the balance sheet as of June 30, 2022.

2.4.5. Retirement benefit obligations and similar benefits

The amount of rights to be acquired by employees for the calculation of retirement benefits is determined according to their length of service and taking into account a percentage likelihood of being employed by the Company at retirement age.

These costs are all provisioned and taken into account in the income statement over the duration of the employee's service for the Group's entities concerned by such obligations and for which the valuation can be considered significant.

The method used by the Group is prospective. It takes into account the commitments outsourced by BERKEM under an end-of-career insurance contract, for an amount of €79 thousand. The provision is €710 thousand as of June 30, 2022. The assumptions used are as follows:

Assumptions used			
Discount rate	Iboxx corporate AA10+	06/30/2021	0.79%
		12/31/2021	0.98%
		06/30/2022	3.22%
Retirement age	67 years for managers and non-managers		
Salary growth rate	2% constant (managers and non-managers)		
Staff turnover rate	1% managers 5% non-managers		
Collective agreement	Chemistry		
Departure at the employee's initiative			
Mortality table	TG 05		

2.4.6 Distinction between non-recurring income and recurring income

Recurring income is income from activities in which the Company is engaged in the course of its business as well as ancillary activities that it undertakes on an incidental basis or as an extension to its normal activities.

Non-recurring income is the result of unusual events or transactions that are distinct from its normal activities and are not expected to occur frequently or regularly.

2.4.7 Impairment (applicable to intangible assets and property, plant and equipment)

In the absence of any indication of impairment, no impairment test was performed. Goodwill is tested once a year at the end of the year by the Group.

3. Additional balance sheet information

3.1. Intangible assets

	December 2021	Acquisitions	Disposals	Allocations in the fiscal year	Reclassifications	June 2022	
R&D costs	2,627	-	-	-	-	2,627	
Concessions, patents and similar	2,600	72	-	-	-	2,672	
Business assets	-	-	-	-	-	-	
Brand	3,600	-	-	-	-	3,600	
Customers	18,400	-	-	-	-	18,400	
Other intangible assets	-	-	-	-	-	-	
Intangible assets in progress	-	691	-	-	125	815	
Total intangible assets	27,227	763	-	-	125	28,115	
Amortization and impairment of R&D costs	-	975	-	-	186	-	1,161
Concessions, patents and similar	-	168	-	-	118	-	286
Amortization and impairment of receivables	-	751	-	-	460	-	1,211
Other intangible assets	-	-	-	-	-	-	-
Total depreciation, amortization and provisions	-	1,895	-	-	764	-	2,658
Total net value	25,333	763	-	-	764	125	25,456

Intangible assets comprise research and development costs, software, patents, trademarks, customer relationships and goodwill. The methods and amortization periods used for intangible assets are as follows:

- Marketing authorizations (MA): 10 years on a straight-line basis;
- Development costs: five years on a straight-line basis;
- Software: three to five years on a straight-line basis;
- Patents: 10 to 20 years on a straight-line basis;
- Customer relationships: 20 years on a straight-line basis.

- Goodwill

	December 2021	Newly consolidated entities	PPA allocation	Allocations in the fiscal year	June 2022
BERKEM DÉVELOPPEMENT	27,972				27,972
BERKEM SAS	1,721				1,721
Total goodwill	29,693	0	0	-	29,693
Total depreciation and amortization	-	0	-	-	-
Total net value	29,693	0	0	-	29,693

Impairment test

In the absence of any indication of impairment, no impairment test was performed. Goodwill is tested once a year at the end of the year by the Group.

3.2. Property, plant and equipment

Property, plant and equipment are recognized at their historical acquisition value or their production cost. Depreciation and amortization is calculated on a straight-line basis over the normal period of use of the goods. Depending on their nature:

- Structural work: 10 to 40 years;
- Heavy fittings: four to 30 years;
- Usual fittings, furniture and decoration: five years;
- IT equipment: two to five years;
- Vehicles: three to five years.

	December 2021	Acquisitions	Disposals	Allocations in the fiscal year	Reclassifications	June 2022
Land	982	-	-	-	-	982
Buildings	12,303	110	-	-	74	12,487
Technical facilities, machinery and equipment	16,176	352	-	-	11	16,538
Technical facilities, machinery and equipment under finance lease	2,079	54	-	-	-	2,133
Office equipment	138	5	-	-	98	241
Transport equipment	989	425	-	-	-	1,413
IT equipment	525	30	-	-	-	555
Other property, plant and equipment	949	32	-	-	-	981

Property, plant and equipment in progress	1,243	1,192	-	-	307	2,129
Advances and prepayments on property, plant and equipment	102	654	-	-	-	756
Total property, plant and equipment	35,487	2,852	-	-	125	38,214
Land	- 172	-	-	7	-	- 180
Buildings	- 7,684	-	-	269	11	- 7,942
Technical facilities, machinery and equipment	- 12,030	-	-	422	-	- 12,452
Technical facilities, machinery and equipment under finance lease	- 466	-	-	154	-	- 620
Office equipment	- 10	-	-	5	11	- 26
Transport equipment	- 669	-	-	122	-	- 790
IT equipment	- 452	-	-	23	-	- 475
Other property, plant and equipment	- 531	-	-	23	-	- 555
Total depreciation, amortization and provisions	- 22,015	-	-	1,024	-	-23,040
Total net value	13,472	2,852	-	- 1,024	- 125	15,175

3.3. Financial assets

	December 2021	Acquisitions	Disposals	Reclassifications	June 2022
Loans, guarantees and other receivables	212	1	-	75	288
Long-term investments	13	200	-195	-	18
Total financial assets	226	201	-195	75	306
Total impairments of financial assets	-	-	-	-	-
Total net value	226	201	-195	75	306

Financial assets mainly include loans, guarantees and other receivables, as well as non-consolidated investment securities. An impairment is recognized if their value in use for the Group falls below their carrying amount.

3.4. Inventories

	June 2022		
	Gross	Provision	Net
Raw materials, supplies	3,740	-26	3,714
Intermediate and finished goods	6,035	-239	5,796
Total inventories	9,774	-265	9,509

Inventories consist of raw materials and other supplies. The consolidation valuation rules are identical to those applied in the parent company financial statements.

The gross value of raw materials and other supplies includes the purchase price and ancillary costs. Finished goods are valued at the Industrial Cost Price (PRI), i.e. at production cost including:

- consumption as well as direct and indirect production costs;
- depreciation of assets used in production;
- to which a structure coefficient is applied in fine.

The cost of the sub-activity and interest are excluded from the value of inventories.

For the provision for impairment of inventories, management has defined a discount rate based on the inventory rotation period (more than 12 months without movement). The amount of the provision is determined by applying this rate to the value of inventories present at June 30, 2022:

- Age ≤ 24 months: 25%;
- Age > 24 months and ≤ 48 months: 50%;
- Age > 48 months and ≤ 72 months: 75%;
- Age > 72 months: 100%.

Below are the movements in inventory impairments:

	December 2021	Allocations in the fiscal year	Reversals in the fiscal year	Change in the scope of consolidation	June 2022
Impairment of inventories - raw materials, supplies and provisions	-29	-22	25	0	-26

Impairment of inventories - finished and intermediate products	-222	-242	226	0	-239
Total inventory impairments	-251	-265	251	0	-265

3.5. Trade receivables

June 2022			
	Gross	Provision	Net
Trade receivables	7,748	-306	7,442
Un-issued invoice	180	0	180
Total trade receivables	7,928	-306	7,622

Trade receivables are recognized at their nominal value. An impairment provision is recognized when, at inventory, a risk of non-recovery exists.

The maturity of trade receivables is as follows:

	June 2022	< 1 year	1 to 5 years	> 5 years
Trade receivables	7,442	7,442	-	-
Un-issued invoice	180	180	-	-
Total receivables	7,622	7,622	0	0

Below are the movements in customer impairments:

	December 2021	Allocations in the fiscal year	Reversals in the fiscal year	Change in the scope of consolidation	June 2022
Impairment of trade receivables and related accounts	-345	-28	67	0	-306
Total impairment of trade receivables and related accounts	-345	-28	67	-	-306

3.6. Other receivables and accruals, prepayments and sundry assets

The breakdown of other receivables and accruals, prepayments and sundry assets is as follows:

	June 2022	< 1 year	1 to 5 years	> 5 years
Deferred tax assets	1,753	91	1,060	602

Other receivables - current	713	713	-	-
Group current account assets - current	380	380	-	-
Tax receivables - excluding corporate tax - current	700	700	-	-
State, income tax - receivables - current	3,037	3,037	-	-
Other	705	705		
Total other receivables and accruals, prepayments and sundry assets	7,287	5,625	1,060	602

The use of deferred tax assets at June 30, 2022, against prior losses, was estimated as follows:

	Montant activé à l'ouverture 31/12/2021	Déficits utilisés au 30/06/2022	Récupération des déficits				
			Exercice 2022	Exercice 2023	Exercice 2024	Exercice 2025	Exercice 2026
Berkem Developpement	235	96	-	36	51	73	75
Berkem	490	122	206	208	76	-	-
Lixol	48	-	-	-	2	46	-
Total	773	218	206	244	129	119	75

Key	
French	English
Montant activé à l'ouverture 31/12/2021	Capitalized amount at opening 12/31/2021
Déficits utilisés au 30/06/2022	Losses used at 06/30/2022
Récupération des déficits	Recovery of losses
Exercice 2022	2022 Financial year
Exercice 2023	2023 Financial year
Exercice 2024	2024 Financial year
Exercice 2025	2025 Financial year
Exercice 2026	2026 Financial year
Berkem Developpement	Berkem Development
Berkem	Berkem
Lixol	Lixol
Total	Total

In view of the tax planning presented, deferred tax assets capitalized for Berkem Développement at December 31, 2021 were not included at June 30, 2022.

3.7. Cash

	June 2022	December 2021
Asset		
Marketable securities	18	69
Cash and cash equivalents	12,786	15,533
Liabilities		
Bank overdrafts	-84	-208
Total net cash	12,720	15,394

The change in cash is detailed in the cash flow statements, presented on page 6, for the period from January 1 to June 30, 2022.

3.8. Capital

The statement of changes in equity is presented on page 5. A breakdown of the composition of the share capital is set out below:

	Number (in thousands)	Nominal value	Total
Shares/units making up the share capital at the time of creation	50.1	€1	€50,000
Shares/units issued during the fiscal year	17,668.325	€2.25	€39,753,000
Compensation for the contribution of BERKEM DÉVELOPPEMENT securities – March 8, 2021	12,949.103	€2.25	€29,135
Capital increase in the context of the IPO on December 7, 2021	4,719.222	€2.25	€10,618
Shares/units redeemed during the fiscal year	16.7	€2.25	€38,000
Capital reduction due to losses – February 19, 2021	50.1	(€0.25)	(€13)
Consolidation of shares and change in their unit value – March 8, 2021	(50.1)	(€0.75)	(€38)
	16.7	€2.25	€38
Shares/units comprising the share capital at the end of the fiscal year	17,685.025	€2.25	€39,791,000

3.9. Additional paid-in capital

An issue premium of €33,271 thousand was recognized on December 7, 2021, as part of the IPO transaction.

The capital increase costs net of tax (CNC opinion 2004-15) of €3,469 thousand were charged to the share premium.

In 2022, the Shareholders' Meeting decided to allocate the loss for the 2021 fiscal year to "Additional paid-in capital" for €(1,007) thousand. In addition, the Shareholders' Meeting decided to allocate "Additional paid-in capital" in the amount of €1,061 thousand to "Reserves". At the end of the year, "Additional paid-in capital" thus amounted to €27,734 thousand.

3.10. Provisions

	December 2021	Allocations in the fiscal year	Reversals in the fiscal year	Change in the scope of consolidation	June 2022
Provisions for pensions and retirement	1,053	-	-343	-	710
Other provisions for contingencies and charges	281	-	-	-	281
Total provisions	1,334	-	-343	-	991

At June 30, 2022, provisions for expenses consisted of:

- Provision for retirement benefits: €710 thousand;
- Provision for Adkalis taxes: €236 thousand;
- Adkalis litigation: €44 thousand.

Reversals of the retirement benefits provision are linked to the increase in discount rates in 2022.

3.11. Financial liabilities

Changes in financial liabilities are as follows:

	December 2021	Increases	Repayments	June 2022
Loans from credit institutions	17,916	3,000	-2,894	18,022
Indebtedness related to finance leases	1,810	449	-326	1,934
Other borrowings and related debts	62	61	-62	61
Bank overdrafts (cash flow liabilities)	208	-	-124	84
Total financial liabilities	19,997	3,510	-3,406	20,101

The breakdown of financial liabilities is as follows:

	June 2022	< 1 year	1 to 5 years	> 5 years
Loans from credit institutions	18,022	5,512	12,154	356
Finance lease borrowing	1,934	716	1,205	3
Other borrowings and related debts	61	61	-	-
Cash liabilities	84	84	-	-
Total financial liabilities	20,101	6,379	13,359	359

3.12. Non-financial liabilities

	June 2022	< 1 year	1 to 5 years	> 5 years
Trade payables	6,471	6,471	-	-
Unpaid invoices	1,001	1,001	-	-
Total trade and related payables	7,472	7,472	-	-

	June 2022	< 1 year	1 to 5 years	> 5 years
Customers – Advances and down payments received	2,407	2,407	-	-

Social security payables	2,243	2,243	-	-
Tax liabilities	670	670	-	-
Deferred tax liabilities	0	0	-	-
State – Income taxes	6	6	-	-
Group current accounts in debit	39	39	-	-
Dividends payable	1,061	1,061	-	-
Other debts	612	612	-	-
Total other liabilities and accruals	7,038	7,038	-	-

4. Notes to the combined income statement

4.1. Turnover

The Group's consolidated turnover represents the cumulative amount of trading, services and production activities. Turnover is recognized on delivery for sales of goods and finished goods, and on completion for services.

The breakdown of Group turnover is as follows:

	June 2022	December 2021 (10 months)	June 2021 (4 months)
France	21,865	28,972	13,640
Export	6,209	9,547	3,967
Total	28,074	38,519	17,607

4.2. Production in inventory

Production in inventory, totaling €590 thousand, consists of the change in inventories of finished products at Adkalis (€301 thousand), Lixol (€815 thousand) and Berkem SAS (€76 thousand).

4.3. Capitalized production

The Group recognized capitalized production of €1,327 thousand in operating income, mainly for the following transactions:

Eurolyo:

- New Lyo and freeze-grinding system: €141 thousand

Berkem SAS:

- Kiwi extract (Ki lift): €193 thousand
- 100% organic floral waters: €64 thousand

Lixol:

- Bio-sourced resins: €125 thousand

Berkem Développement:

- Commitment of €186 thousand to obtain marketing authorizations
- New ERP: €238 thousand
- Berkem Bio Solutions: €138 thousand

Adkalis:

- Development of the bio-sourced range for €246 thousand

4.4. Operating subsidies

The Group continued its research and development efforts. A portion of its expenses enabled the Group to claim tax credits in the amount of:

	June 2022	December 2021 (10 months)	June 2021 (4 months)
Research Tax Credit	372	531	256
Investment Tax Credit	0	15	6
Other grants	30	46	21
Total operating subsidies	402	592	283

The Group chose to recognize the research tax credit and the innovation tax credit as operating subsidies for the portion that cannot be directly attributed to capitalized development costs.

4.5. Reversals of depreciation, amortization and provisions

Reversals of provisions break down as follows:

	June 2022	December 2021 (10 months)	June 2021 (4 months)
Reversal of impairment of raw materials and goods inventories	251	328	275
Reversal of impairment of receivables (current assets)	67	51	27
Reversal of provisions for retirement benefit obligations	343	190	162
Total reversals of impairments and provisions	661	569	464

4.6. Purchases of raw materials, other supplies and goods & changes in inventories

The breakdown of purchases and changes in inventories, presented in the income statement, is as follows:

	June 2022	December 2021 (10 months)	June 2021 (4 months)
Purchase of raw materials & other supplies	-15,024	-16,461	-7,534
Change in raw materials & other supplies	1,679	126	259
Other purchases	-150	-24	-
Purchases consumed	-13,495	-16,359	-7,275

4.7. Overall gross margin

The consolidated overall gross margin is the following:

	June 2022	December 2021 (10 months)	June 2021 (4 months)
Turnover	28,074	38,519	17,607
Production in inventory	590	902	522
Capitalized production	1,327	1,568	323
Transfers of operating expenses	181	1,034	66
Purchases consumed	-13,495	-16,359	-7,275
Gross margin	16,677	25,665	11,243
Gross margin rate	59%	67%	64%

4.8. Other purchases and external expenses

The breakdown of other purchases and external expenses, presented in the income statement, is as follows:

	June 2022	December 2021 (10 months)	June 2021 (4 months)
Finance lease fees	-1	-43	-16
Rentals and rental expenses	-288	-484	-191
Compensation of temporary staff & fees	-1,144	-1,392	-726
Other external expenses	-266	-413	-151
Purchases of materials and supplies not in inventory	-662	-974	-448
Seconded personnel	-12	-10	-
General subcontracting	-132	-338	-91
Maintenance and repairs	-201	-493	-125
Insurance premiums	-226	-309	-126
Studies and research	-219	-569	-231
Miscellaneous	-177	-91	-27
Advertising	-498	-403	-57
Transportation	-999	-1,502	-672
Travel, assignments	-493	-615	-193
Postal charges	-68	-118	-48
Banking services	-46	-63	-23
Commitment fees and loan issuance costs	-2	-6	-1
Other purchases and external expenses	-5,433	-7,822	-3,125

4.9. Taxes and duties

The breakdown of taxes and duties, presented in the income statement, is as follows:

	June 2022	December 2021 (10 months)	June 2021 (4 months)
Taxes and duties on compensation	-117	-257	-125
Other taxes and duties	-255	-473	-223
Taxes and duties	-372	-730	-348

4.10. Personnel expenses

The breakdown of personnel expenses, presented in the income statement, is as follows:

	June 2022	December 2021 (10 months)	June 2021 (4 months)
Personnel compensation	-4,741	-6,820	-2,808
Social security and welfare expenses	-2,010	-2,951	-1,218
Other personnel expenses (including profit-sharing)	-4	-90	-54
Personnel expenses	-6,756	-9,862	-4,080

4.11. Other operating expenses

Other operating expenses amounted to €211 thousand at June 30, 2022. They amounted to €285 thousand, including €56 thousand in patent royalties at December 31, 2021.

4.12. Depreciation of fixed assets

Allocations relating to fixed assets break down as follows:

	June 2022	December 2021 (10 months)	June 2021 (4 months)
Depreciation and amortization of intangible assets	-717	-1,147	-268
Depreciation and amortization of property, plant and equipment	-1,071	-1,708	-627
Total depreciation and amortization of fixed assets	-1,788	-2,855	-895

4.13. Provisions

Provisions break down as follows:

	June 2022	December 2021 (10 months)	June 2021 (4 months)
Amortization of operating expenses to be distributed	-	-369	-51
Impairment of raw materials and goods inventories	-292	-330	-335
Provision for retirement benefit obligations	-	-102	-141
Total depreciation, amortization and provisions	-292	-801	-527

4.14. Net financial income

Net financial income breaks down as:

	June 2022	December 2021 (10 months)	June 2021 (4 months)
Income from investments	24	7	-
Foreign exchange gains	8	20	10
Other financial income	58	1	1
Income from other financial assets	-	112	24
Reversals of provisions	1	1	-
Total financial income	90	142	35
Interest expense on borrowings	-345	-2,013	-787
Foreign exchange losses	-10	-18	-13
Other financial expenses	-37	-46	-18
Provisions	-2	-2	-
Total financial expenses	-396	-2,079	-818
Allowance for/Amortization of bond redemption premiums	-	-480	-42
Total net change in financial impairments and provisions	-	-480	-42
Total net financial income	-306	-2,417	-825

4.15. Non-recurring income

Non-recurring income breaks down as:

	June 2022	December 2021 (10 months)	June 2021 (4 months)
Income from disposals of fixed assets	-	165	208
Other non-recurring income	121	139	23
Reversals of provisions	-	50	14
Total non-recurring income	121	354	245
Carrying amount of assets sold	-	-1	-
Other non-recurring expenses	-189	-1,351	-1,019
Extraordinary provisions	-	-339	-46
Total non-recurring expenses	-189	-1,691	-1,065
Total non-recurring net income	-68	-1,337	-820

4.16. Income tax breakdown

The "Income tax" item in the income statement breaks down as follows:

	June 2022	December 2021 (10 months)	June 2021 (4 months)
Deferred taxes	-356	12	-20
Tax payable	-	-	-4
Income or tax expense related to tax consolidation	-240	-570	-370
Income tax	-596	-558	-394

5. Other information

5.1. Headcount

As at June 30, 2022, the average headcount was 178.

5.2. Statutory Auditors' fees

The Statutory Auditors' fees amounted to €113 thousand as of June 30, 2022.

5.3. Compensation of corporate officers

Management has chosen not to disclose the amounts relating to the compensation of corporate officers, as this would amount to mentioning individual compensation items.

6. Events subsequent to the closing of the half-year consolidated financial statements

- NEW GROUP DEBT

In July, Groupe Berkem set up a syndicated senior loan and issued Revival Bonds (*Obligations Relance*) (€6.5 million) for total financing in the amount of €70 million.

7. Off-balance sheet commitments

7.1. Ratio compliance

The Group is subject to the following ratios in respect of its financial commitments to senior lenders:

- Leverage ratio (consolidated net financial debt / consolidated EBITDA): ≤ 2 for 2021 and subsequent years;
- Debt service coverage ratio $\geq 1.10x$;

7.2. Commitments given

In October 2018, BERKEM DÉVELOPPEMENT pledged 100% of the shares of BERKEM, ADKALIS, T&G Belgium and LIXOL as collateral for a senior loan of €20 million granted by Crédit Agricole d'Aquitaine, Caisse d'Épargne Aquitaine Poitou Charentes and Banque Populaire Centre Atlantique.

In October 2018, BERKEM DÉVELOPPEMENT also subscribed to two interest rate hedging transactions:

- with NATIXIS, a swap on a notional amount of €3,366 thousand (amortizable) exchanging a 3M EURIBOR for a fixed rate of 0.38750% per annum over the period from October 16, 2018 to October 16, 2022;
- with Crédit Agricole, a swap on a notional amount of €4,080,000 exchanging a 3M EURIBOR for a fixed rate of 0.415% per annum over the period from October 16, 2018 to October 16, 2022.

7.3. Commitments received

Endorsements, guarantees and collateral for €432 thousand:

- Guarantee under the National Guarantee Fund Prêt Croissance Industrie 2 for 80% of the financing granted by BPI of €720,000 - Outstanding capital of €540,000

BERKEM DÉVELOPPEMENT took out a loan during the 2020 fiscal year, accompanied by a guarantee under the National Guarantee Fund "Garantie Atout ETI" for 90% of the €500,000 loan obtained from BPI, or €450,000.

4 STATEMENT BY THE PERSON RESPONSIBLE FOR THE HALF-YEAR REPORT

“I hereby certify, to the best of my knowledge, that the complete financial statements for the past half-year have been prepared in accordance with the accounting standards applicable in France and give a true and fair view of the Company’s assets, financial position and results, and that the half-year management report presents an accurate picture of the significant events that occurred during the first six months of the fiscal year, and their impact on the financial statements, and describes the main risks and uncertainties for the remaining six months of the fiscal year.

We inform you that these half-year financial statements have not been subject to an audit or a limited review.”

Olivier Fahy
Chairman and Chief Executive Officer

Person responsible for the financial information:

Anthony Labrugnas
Chief Financial Officer
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Telephone: +33 (0)5 64 31 06 60
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5 GENERAL INFORMATION

5 | 1 SHAREHOLDER INFORMATION

The Company's shares are listed on the Euronext Growth® Paris market.

ISIN code: FR00140069V2

Ticker Code: ALKEM

Classification: 55201000 - Chemicals

LEI: 96950003311Y9I2ZN360

5 | 2 CONTACT

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