Groupe Berkem
French public limited company (Société anonyme) with a Board of Directors with capital of €39,977,217.00
Registered office: 20, rue Jean Duvert, 33290 Blanquefort, France
Bordeaux Trade and Companies Register 820 941 490

ANNUAL REPORT

December 31, 2022

1. STATEMENT OF THE PERSON RESPONSIBLE FOR THE ANNUAL REPORT

I hereby certify, to the best of my knowledge, that the financial statements have been prepared in accordance with the applicable accounting standards and give a true and fair view of the assets, financial position and results of the Company and of all consolidated companies, and that the management report on pages 6 to 29 presents a true and fair view of the development of the business, results and financial position of the Company and of all consolidated companies and describes the main risks and uncertainties to which they are exposed.

Blanquefort, May 16, 2023

Olivier Fahy
Chairman and Chief Executive Officer

2. MESSAGE FROM THE CHAIRMAN AND CHIEF EXECUTIVE OFFICER

"For more than five years, Groupe Berkem has resolutely maintained its strategic vision of integrating plant-based chemistry with conventional chemistry. While the international geopolitical crisis has severely tested our business in recent months, we have not deviated from our chosen course, quite the contrary! We can be proud of having stayed the course by making it sustainable and applicable to a wide range of new business sectors and geographical areas that we are ready to conquer.

We have just completed our first year as a listed company, with decisive objectives for our development. At the end of 2021, we made significant commitments in terms of marketing and sales repositioning, and industrial investments and recruitment, and these have been met. Our teams have worked hard to prepare an organization and industrial facilities dedicated to the needs of four markets that we want to support in the transition: Construction & Materials, Hygiene & Protection, Health, Beauty and Nutrition, and finally, Industry.

While affirming our position as a leading player in the transition to eco-responsible chemistry with the marketing of highly innovative solutions, we have been able to keep our commitments to prepare the Group for its internal and external growth.

In its five-year growth plan, Groupe Berkem also affirmed its desire to expand internationally. As such, at the end of 2022, our commercial initiatives resulted in exclusive distribution agreements, particularly in North America and Northern Europe. Our ambitions will take on their full scope in the coming months with the announcement of new decisive partnerships.

This stage of Groupe Berkem's development once again demonstrates its degree of legitimacy in the transition from chemical substances to eco-responsible and biosourced solutions. Today, our position as a leading player in the service of manufacturers is indisputable due to our capacity for innovation: as proof, our launches in 2022 - Naturaglyp®, Ki-Leaft®, and Synerkem® technology - and more than 10 product innovations announced for 2023. It goes without saying that this pillar of our DNA is based on a healthy and stable financial position, consolidated in 2022, and that allows us to make significant, long-term investments in R&D.

To conclude this assessment of an ambitious and challenging year in 2022, I would like to salute the commitment of our employees, whose agility, team spirit and confidence in our future have largely contributed to the achievement of our objectives. This personal feeling, shared with the entire management team, is an incredible source of motivation for the future."

3. MANAGEMENT REPORT

3.1. INFORMATION ON THE ACTIVITIES OF THE COMPANY AND THE GROUP

3.1.1. Situation of the Company and the Group during the past fiscal year

3.1.1.1. Activities of the Company and the Group during the past fiscal year

As 2022 began with the crisis in Ukraine, the phenomenon of the impoverishment of raw materials occurred, preceding violent inflation. It then became difficult for Groupe Berkem to immediately pass on its cost increases and succeed with its commercial strategy, focused in particular on the Baltic countries. The Group then began to search for solutions that would enable it to be independent in the acquisition of raw materials the following year.

In 2022, Groupe Berkem announced several international partnership agreements and new product launches.

Lixol launched *Naturalglyp 100 S*, a 100% biosourced alkyd resin for the building paint market.

Berkem developed a new active ingredient for cosmetology, based on kiwi leaves, called *Ki'Leaft*.

Groupe Berkem developed and formulated a unique biosourced antifungal solution to be integrated into PAVATEX (Soprema) wood fiber insulation panels in order to increase the performance and resistance of insulation panels against microorganisms, and so extend their durability.

The efforts made and the strategy established in recent years are bearing fruit in early 2023. The beginning of this year marks the return of industrial production autonomy for Lixol. Subcontracting contracts have been stopped and commercial margins are increasing. As Berkem failed to emerge in the United States with its range of active antioxidants, and in order to overcome strong competition in the American nutraceutical market, Groupe Berkem decided to acquire i.Bioceuticals, the exclusive North American distributor of the nutritional supplements of the Dutch International Nutrition Company (INC).

The Group acquired autonomy in the acquisition of raw materials and vegetable oils with the acquisition of Biopress. In addition to the production of vegetable oils and proteins, in 2023 Biopress will support the Group's vegetable extraction activity by storing purchased vegetables awaiting extraction, and by supporting its projects in the nutraceutical and cosmetic markets, including international projects.

3.1.1.2. Legal information

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

- decided to implement a free share allocation plan subject to continued presence (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 allocate 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., an overall dividend of €1,061,101.50, and delegated full powers to the Board of Directors for the purpose of setting the ex-dividend date and payment date;

- appointed a new Director of the Company, in the person of Karen Le Cannu, for a period of four years expiring at the end of the Shareholders' Meeting called to approve the financial statements for the fiscal year ending December 31, 2025;

- decided not to reappoint a Statutory Auditor and to appoint PricewaterhouseCoopers Audit, represented by Antoine Priollaud and Gaël Colabella, as new Statutory Auditor, for a period of six fiscal years expiring at the end of the Shareholders' Meeting called to approve the financial statements for the year ending 31 December 2027.

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

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

On July 26, 2022, Groupe Berkem announced the successful completion of a financing arrangement with a pool of 6 French banks as well as the issuance of "Relance" (Recovery) Bonds in France. The financing transaction consists of the establishment, for the benefit of Berkem Développement, a wholly-owned subsidiary of Groupe Berkem, of a refinancing loan for a total amount of €12 million (including two tranches of respectively €7.8 million depreciable and €4.2 million repayable as a bullet payment), an investment credit line of €6.5 million (comprising two tranches of €4.2 million and €2.3 million respectively), a revolving credit line of €5 million, as well as an external growth credit line and €40 million, of which €20 million confirmed.

Berkem Développement also issued €6.5 million in Relance Bonds.

On December 8, 2022, the Company announced the implementation of a new share buyback program in view of future free share allocation plans. This share buyback program will be carried out in accordance with the 14th Resolution approved by the Shareholders' Meeting held on June 3, 2022. Groupe Berkem has entrusted TP ICAP with a mandate to acquire a maximum of 178,000 shares, at a price per share not exceeding €30.

3.1.2. Foreseeable changes in the position of the Company and the Group

The Group confirms its ambition to generate revenue of at least €65 million by 2024, which could be increased to at least €85 million in the event of external growth transactions. At the same time, the Group's objective is to achieve an EBITDA margin of around 25%.

3.1.3. Post-closing events

3.1.3.1. Post-closing operational events

On February 16, 2023, the Group announced the acquisition of i.Bioceuticals, the exclusive distributor of the nutritional ingredients of the Dutch International Nutrition Company group in North America. These natural compounds derived from grape seeds and pine bark provide specific compositions of proanthocyanidin oligomers. These compounds are recognized for their health benefits, particularly for the eye, the skin and the vascular and immune systems.

This acquisition allows the Group to expand its offering by addressing the nutraceutical segment and to increase its presence in the Health, Beauty and Nutrition market, whose sustainability requirements are subject to some of the most restrictive regulations.

This initiative in the United States will enable the Group to directly distribute its full range of antioxidant active ingredients in North America and to consolidate ties with its customers.

On April 3, 2023, the Group announced the acquisition of Biopress, a French producer of 100% natural vegetable oils and proteins. Biopress is one of the first French agrifood companies to specialize in the production of vegetable oils extracted from organic oilseeds from local farms.

With this acquisition, Groupe Berkem consolidates its offering for the Health, Beauty and Nutrition division, and more specifically in the cosmetics markets for the virtues of its oils and nutraceuticals for the benefits provided by vegetable proteins. Groupe Berkem ensures, with the integration of Biopress, new commercial opportunities in the agrifood market.

Through this acquisition, Groupe Berkem is adding to its value chain the sourcing of a raw material essential to its activity of integrating plant-based chemicals. The Group now benefits from a local supply of technical vegetable oils, as Biopress is geographically close to the Group's plant in Gardonne in the southwest of France. Also, the Biopress facilities offer significant new storage space for the Group, which anticipates the future growth of its activities. The Group can thus expand its production capacity and process more than 8,000 metric tons of plants per year.

3.1.3.2. Post-closing events of a legal nature

On February 16, 2023, the Group completed the strategic acquisition of the American company i.Bioceuticals from the Dutch International Nutrition Company (INC) group. The acquisition was settled entirely in cash. i.Bioceuticals has been included in the Group's consolidated financial statements since its acquisition.

On March 3, 2023, the Chairman and Chief Executive Officer of the Company noted the vesting period enforceable against all beneficiaries of the 111,250 free shares allocated by the Board of Directors at its meeting of March 3, 2022, and therefore the definitive allocation of the shares to said beneficiaries. The shares allocated were distributed as follows:

- 28,623 shares held by the Company under the buyback program implemented on November 8, 2022;
- 82,627 new shares were issued.

As a result, the Company's share capital was increased by €185,910.75, taking it from €39,791,306.25 to €39,977,217.00.

On April 3, 2023, the Group announced the acquisition of 100% of Biopress's shares. This acquisition was carried out by the subsidiary Berkem Développement, and has been consolidated since April 1, 2023 in the consolidated financial statements of Groupe Berkem.

3.1.4. Research and Development activities

Research and Development is at the heart of the Group's innovation strategy. With four laboratories dedicated to R&D and a team of 15 employees, including 8 engineers or PhD holders, the R&D teams are one of the Group's strengths.

During the first half of 2022, investments were made in the Lixol subsidiary in order to increase production capacity, effective from 2023. These investments should make it possible to reduce the use of subcontracting while having a positive impact on the level of gross margin.

The Group has also made capacity investments at the Eurolyo site, where three new high-capacity freeze dryers have been installed during the first quarter of 2023.

In addition, at its historic site in Gardonne, the creation of a new workshop for the Plant Extraction division has begun.

The Group continues to invest in R&D. During the first half of 2022, Lixol launched its range of biosourced resins. The Group is also continuing to develop its biosourced solutions for conventional chemistry players.

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

The Group benefited from the Research Tax Credit, the Innovation Tax Credit and other subsidies in a total amount of €894 thousand in 2022.

The objective of the Group's R&D teams is to maintain constant innovation to enhance all of the Group's ranges with products incorporating compounds derived from plant extraction, to propose products with very high added value (particularly in the context of specific developments or co-development with customers to consolidate long-term business relationships) and anticipate market changes.

3.1.5. Branches

None.

3.1.6. Analysis of changes in the business, results, and financial position of the Company and the Group

For the first time, the consolidated financial statements presented below are presented in accordance with IFRS.
The main impacts and adjustments are presented in the notes to the consolidated financial statements.
In order to facilitate the analysis of the Group's financial statements, particularly in comparison with previous fiscal years, we present below the items of the income statement presented by type of expense, but also by function, in accordance with the consolidated financial statements.

Income statement by function

		2022	2021
Revenue	5.20	51,566	46,049
Cost of products and services sold		-35,613	-28,645
Gross margin		**15,953**	**17,404**
Research and Development	5.21	-1,731	-387

Sales and Marketing		-7,483	-6,266
General and administrative expenses		-5,585	-4,235
Recurring operating income		**1,154**	**6,516**
Other operating income	5.23	713	418
Other operating expenses	5.23	-2,395	-1,347
Operating income		**-527**	**5,587**
Financial income		147	225
Financial expenses		-1,018	-3,719
Net financial income	**5.24**	**-871**	**-3,494**
Corporate income tax	5.25	-169	-899
Net income		**-1,567**	**1,193**

Income statement by type

	31/12/2022	31/12/2021
Chiffre d'affaires	**51 566**	**46 090**
Marge Brute	**31 289**	**30 635**
Charges de personnel	-14 481	-11 576
Charges externes	-11 511	-8 992
Impôts et taxes	-583	-657
Variations nettes des amortissements et des dépréciations	-3 533	-2 894
Résultat d'Exploitation	**1 180**	**6 516**
Résultat Financier	-871	-3 494
Résultat exceptionnel	-1 708	-929
Impôt sur les bénéfices	-169	-899
Résultat Net	**-1 567**	**1 193**

Legend	
French	English
Chiffre d'affaires	Revenue
Marge Brute	**Gross margin**
Charges de personnel	Personnel expenses
Charges externes	External expenses
Impôts et taxes	Taxes and duties

Variations nettes des amortissements et des dépréciations	Net change in amortization and impairment
Résultat d'Exploitation	**Operating income**
Résultat Financier	Net financial income
Résultat exceptionnel	Non-recurring income
Impôts sur les bénéfices	Income tax
Résultats Net	**Net income**

During the 2022 fiscal year, the Group consolidated the foundations of its future growth:
- by investing in its production sites to increase capacity;
- by structuring its teams to prepare for future organic growth: sales force, production and R&D;
- by stepping up its efforts in communication and R&D;
- by raising significant funds (€70 million) to secure its investments. As of December 31, 2022, only €21.5 million had been drawn down.

Revenue

The Group's revenue increased by 11.9% in 2022 to €51.6 million.
The Extraction division contributed 31% (vs. 31.5% in 2021). It increased by 10% in 2022, driven in particular by the cosmetics sector.
The Formulation division saw its revenue increase by 13.5%. In addition to certain volumes, inflation had an impact on the level of revenue, particularly in the Formulation division.

Data in € thousands	2021		2022	
Plant extraction	14,564	*32%*	15,934	*31%*
Formulation	31,485	*68%*	35,631	*69%*
Revenue	**46,049**	***100%***	**51,566**	***100%***

Exports represented 26.7% of consolidated revenue in 2022 compared to 24.8% in 2021.

Overall gross margin

The gross margin rate increased from 66.5% to 60.7%. The formulation business was the most affected by the geopolitical context of 2022 and inflation. Price increases on products sold were passed on over the year to offset increases in raw materials. To date, the margins on the formulation business have returned to a normal rate, but in 2022 they were down. In order to meet the sustained demand on the market for alkyd resins, while waiting for the investments on the La Teste site to be finalized, the Group resorted to subcontracting. This also negatively affected the Formulation division's margin rate in 2022.

External expenses

External expenses increased by 26.1% over the year. The main items that increased were those related to:
- retail: trade fairs, communication and travel expenses increased by 64%, from €1,228 thousand to €2,015 thousand,
- maintenance: maintenance costs increased by 50.2%, from €537 thousand to €807 thousand.

External expenses increased overall by 30%:
- Acceleration of communication expenses (expenses for trade fairs, etc.);
- Acceleration of travel related to the increase in the sales force;
- R&D investments;
- Observation of overall inflation on expense items: transportation, energy, etc.

Personnel expenses

	12/31/2022	12/31/2021
Personnel compensation	-10,537,705	-8,052,706
Social security and welfare expenses	-3,884,662	-3,428,119
Other personnel expenses (including profit-sharing)	-58,447	-94,980
Total personnel expenses	**-14,480,814**	**-11,575,805**

Personnel increased by 25% due to recruitment efforts, the increases due in part to inflation and the implementation of a Free Share Allocation program. The plan amounts to €1,018 thousand in the 2022 financial statements. Restated for this expense, personnel increased by 16%.

Net financial income

Financial income improved significantly from -€2,906 thousand to -€951 thousand due to the improvement in the debt structure (including the repayment of convertible bonds in December 2021).

3.1.7. Key financial and non-financial performance indicators

The Group’s financial performance is monitored as follows:

- on an ongoing basis in terms of revenue both by entity and by customer;
- monthly interim management balances are generated by entity and aggregated;
- each month a report is prepared by company with the following information:
  - revenue and margin by customer, by sales representative and by product,

- change in industrial cost price (ICP)[1] and change in raw material costs.

Each production unit outsources an ICP which is monitored by production managers.

The purchase prices of materials are analyzed and monitored. In the event that a supplier announces a future increase, the Group immediately analyses the impact on its PRI and attempts, where possible, to find a replacement or an alternative solution to limit the impact.

EBITDA, the EBITDA margin and gross operating profit[2] are also monitored.

Gross operating profit excludes “Other income” and “Other operating expenses,” which are included in the calculation of EBITDA.

In the context of entering into a senior debt contract with a banking pool made up of 6 French banks, the Group must comply with financial ratios. In accordance with the terms of this contract, the Group’s EBITDA amounted to €6.2 million in 2022, compared to €9.4 million in 2021.

- Leverage ratio < 3.50

Résultat Opérationnel Courant	1 154
Charges intérêts IFRS16	138
CVAE	141
EBIT consolidé (définition contrat)	1 433
Dotations, nettes des reprises, aux amortissements d'immobilisations corporelles et incorporelles	3 394
dotations, nettes des reprises, aux provisions pour risques et charges	342
Plan AGA	1 017
EBITDA consolidé	**6 186**
Dette financière	14 788
VMP & Disponibilité	11 550
Dette Nette	**3 238**
Leverage	**0,5**

Legend	
French	English
Résultat Opérationnel Courant	Recurring operating income
Charges intérêts IFRS16	IFRS 16 interest expense
CVAE	CVAE (value-added contribution for businesses)

[1] The industrial cost price is the production cost, including:

- consumption of raw materials, semi-finished products and packaging as well as direct and indirect production costs;
- depreciation of assets used in production;
- to which a structure coefficient is applied *in fine*.

[2] Gross operating profit corresponds to the operating resources generated by the Group. It does not take into account extraordinary income and non-recurring expenses, depreciation and amortization or the Group’s financing policy.

EBIT consolidé (définition contrat)	Consolidated EBIT (contract definition)
Dotations, nettes des reprises, aux amortissements d'immobilisations corporelles et incorporelles	Additions, net of reversals, to depreciation of property, plant and equipment and intangible assets
dotations, nettes des reprises, aux provisions pour risques et charges	allocations, net of reversals, to provisions for liabilities and charges
Plan AGA	Free share allocation (AGA) Plan
EBITDA consolidé	**Consolidated EBITDA**
Dette financière	Financial liabilities
VMP & Disponibilité	Marketable securities and Liquid assets
Dette Nette	**Net debt**
Leverage	**Leverage**

– Debt service coverage ratio > 1.1

EBITDA consolidé		6 186
Charges exceptionnelles nettes	-	344
IS		882
Investissements	-	7 411
Variation de BFR	-	4 225
Obligations relances		6 500
Tirage sur ligne de CAPEX		3 000
Cash Flow avant service de la dette		**4 588**
Frais financiers		674
Amortissement dette contractuel		1 686
Service de la dette		**2 360**
Ratio de couverture		**1,9**

Legend	
French	English
EBITDA consolidé	Consolidated EBITDA
Charges exceptionnelles nettes	Non-recurring expenses
IS	Corporate income tax
Investissements	Investments
Variation de BFR	Change in working capital requirement
Obligations relances	Relance Bonds

Tirage sur ligne de CAPEX	Drawdown on CAPEX line
Cash Flow avant service de la dette	**Cash flow before debt service**
Frais financiers	Financial expenses
Amortissement dette contractuel	Amortization of contractual debt
Service de la dette	**Debt service**
Ratio de couverture	**Coverage ratio**

3.1.8. Main risk factors

In the context of its IPO on the Euronext Growth® Paris market, the Company had presented the risk factors applicable thereto in Section 3 “Risk factors” of the Registration Document and in Section 2 “Risk factors related to the Offer” of the Securities Note. These documents are available via the Company’s website. As far as the Company is aware, there are no new major risks compared to those identified in these documents.

- **Military conflict in Europe**

On February 24, 2022, Russia declared war on Ukraine, triggering a major crisis. On an 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. The Group is nevertheless suffering the consequences of the increase in raw material prices. However, this led to tensions on raw materials with an impact on the level of margin of certain activities of the Formulation division.

According to management, the Group's raw material supplies were not affected.

- **Risks related to changes in energy costs**

The Group’s industrial activities, some of which consume significant amounts of energy, 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 by 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 experienced an increase in its energy costs in 2022 and also anticipates such an increase in 2023. This inflation concerns the cost of energy, particularly in Europe. For the 2022 fiscal year, the impact in terms of additional cost is estimated at approximately €150 thousand.

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 of the Group passing on these costs, the latter can only be passed on partially and/or be subject to a delay over time. The Group’s inability to immediately and/or fully pass on the increase in short-term energy costs could have an adverse effect on its business, financial position and results.

3.1.9. Subsidiaries and equity investments

3.1.9.1. Activity and results of subsidiaries and equity investments

As of the date of this document, the Group has seven main operating subsidiaries.

3.1.9.1.1. *Berkem (plant extraction)*

Berkem, a company created in 1993 and founded on proven know-how of more than 55 years, is Groupe Berkem's subsidiary dedicated to the extraction of active ingredients. Thanks to its integrated R&D laboratory, Berkem develops product ranges from plants selected for their composition of active molecules and their properties. These active ingredients are then offered to players in the major nutraceutical, cosmetics and food processing markets for the formulation of their products. Berkem also develops custom plant extracts with high added value, such as saffron or truffle extracts, which guarantee exclusive production.

Each year, more than 450 products are manufactured, more than 150 orders are taken and more than 5,000 analyses are carried out (raw materials, intermediate products and finished products). In addition, suppliers are assessed regularly, while customers audit the products and services in order to validate compliance with their specifications.

3.1.9.1.2. *Eurolyo (plant extraction)*

In February 2018, Groupe Berkem acquired Eurolyo, providing the latter with the additional industrial resources necessary for its growth. Operational synergies with the Berkem subsidiary are numerous: same business sectors, common customers, upstream/downstream integration of products/packaged offers.

Located in Chartres, Eurolyo has specialized in custom lyophilization since 1995. The various lyophilization processes make it possible to preserve all the organoleptic and nutritional qualities of the food as well as the fragile active ingredients intrinsic to the products, while extending their shelf life and facilitating their transportation and storage.

In 2021, to consolidate its development, Eurolyo tripled the surface area of the premises from 470 m2 to 1,700 m2. This is a significant expansion in order to adapt production capacities to its objectives. Volumes processed were limited to 63 tons by the 50 m2 of technical shelving, which has now been increased to 80 m2; the operating area can handle up to 105 tons per year.

3.1.9.1.3. *Adkalis (formulation)*

Adkalis designs, develops, produces and markets formulations that increase the durability of materials, and wood in particular, through its treatment and preventive solutions. Adkalis formulations (including the Group's own ranges and the FORESTER range, the only range of products outside the Group) preserve and protect wood and other construction materials against biological agents (for example, termites or wood-boring insect larvae or fungi) as well as damage caused by fire, humidity and UV radiation. Bringing together a series of long-standing wood protection brands within the same company, Adkalis is positioned as the leader in France and one of the top five European players in the timber and construction industry markets.

Adkalis has more than 750 professional customers in the timber industry (saw mills, carpenters, joiners, manufacturers of wood panels, pallets, timber-framed houses) and more than 1,000 professional customers in the construction and maintenance-renovation sectors (craftsmen, masons, appliers of preventive and/or curative solutions for the protection of wood and hard materials).

In 2021, Adkalis launched a fire protection solution for wood, a first ecological alternative to traditional fire-resistant products, consisting of improving the fire performance of wood cladding and interiors.

3.1.9.1.4. *Lixol (formulation – resins)*

Acquired by Groupe Berkem in 2017, Lixol produces and markets (since 1960) resins for the paint and varnish industries in the construction sector, as well as the wood treatment and ink industries. Lixol specializes in the production of so-called alkyd resins produced from vegetable oils, raw materials from organic chemistry and petroleum solvents. Lixol's production infrastructure allows it to supply more than seventy customers (mainly in France and North Africa) with products in various forms: solvent-free resins (high solids range), resins in solutions using various solvents (white spirit and other petroleum solvents, which Groupe Berkem is gradually replacing with biosourced plant-based solvents) and resins in emulsions (diluted in water).

Lixol products are marketed on the ground by two employees who try to win business from paint manufacturers and industry professionals.

3.1.9.1.5. *Berkem Développement*

Berkem Développement is the group's leading holding company. It supports central services, such as IT, purchasing, accounting, finance, regulatory matters and certain Management functions. Berkem Développement's revenues are solely intra-group revenues: management fees, chairmanship fees, vehicle leasing (the financing of the entire vehicle fleet being carried by Berkem Développement in the form of finance leases) and re-invoicing of financial expenses (the majority of the Group's financing is carried by Berkem Développement).

3.1.9.1.6. Biopress

Located in Lot-et-Garonne since its creation in 1987 and located in the municipality of Tonneins since 1991, Biopress, for its processing capacities, is historically the largest 100% organic oil mill in France. Biopress's main activities revolve around the production and packaging of a range of oils for manufacturers and processors. The company is able to condition around one million liters of oil per year, 80% of which is made from raw materials from the southwest of France. With a headcount of 11 employees, Biopress also distributes a wide variety of by-products from the oil mill, such as oil cakes for animal feed, lecithins or vegetable proteins, which can be used in sectors of activity as diverse as construction, cosmetics, nutraceutics and, above all, the food industry.

As the acquisition of Biopress was completed by the Group on April 3, 2023, this company is not included in the financial statements presented in this report.

3.1.9.1.7. i.Bioceuticals

i.Bioceuticals is the exclusive supplier in North America of OPCs and French pine bark extract to the Dutch International Nutrition Company.

OPC ingredients are the result of a series of significant scientific discoveries in the field of health and nutrition by Professor Masquelier, as well as a vast body of science spanning more than 70 years. These are the only OPC ingredients identical to those discovered by Professor Masquellier which comply with his rigorous standards, in-depth scientific research and patented production methods.

As the acquisition of i.Bioceuticals was completed by the Group on February 16, 2023, this company is not included in the financial statements presented in this report.

3.1.9.2. Equity investments and takeovers

None.

3.1.9.3. Disposals of shares and cross-shareholdings

None.

3.2. FINANCIAL INFORMATION

3.2.1. Net income and proposed allocation of net income

We will propose that you allocate the net income for the fiscal year, i.e., a net accounting loss of €448,342, in full to the item "Share, merger and contribution premiums," which will thus amount, after appropriation, to a credit balance of €30,754,528.

3.2.2. Dividends

In accordance with the provisions of Article 243 bis of the French General Tax Code, we remind you that the dividends distributed over the last three fiscal years were as follows:

Closing date	12/31/2021	12/31/2020	12/31/2019
Dividends	€1,061,101.50	€0	€0
Ineligible for the 40% rebate	€0	€0	€0

3.2.3. Sumptuary expenses and non-tax-deductible charges

In accordance with the provisions of Article 223 quater of the French General Tax Code, we hereby inform you that the financial statements for the fiscal year ended December 31, 2022 show expenses and charges as referred to in Article 39-4 of the French General Tax Code for a total of €22,320.

3.2.4. Customer and supplier payment terms

	Suppliers						**Clients**					
	0d	1 to 30d	31 to 60d	61 to 90d	91d and over	Total (1d and over)	0d	1 to 30d	31 to 60d	61 to 90d	91d and over	Total (1d and over)
Number of invoices	468					784	612					891
Amount invoiced (incl. VAT)	3,546,931	1,792,862	118,287	3,658	80,292	5,542,030	6,115,694	783,373	93,879	4,820	53,439	7,051,205

% of the total amount of purchases for the fiscal year (incl. VAT)	9.1%	4.6%	0.3%	0.0%	0.2%	14.3%	15.7%	2.0%	0.2%	0.0%	0.1%	18.1%
% of revenue for the fiscal year (incl. tax)	6.9%	3.5%	0.2%	0.0%	0.2%	10.7%	11.9%	1.5%	0.2%	0.0%	0.1%	13.7%

3.2.5. Table of results for the last 5 fiscal years

In €	12/31/2018	12/31/2019	12/31/2020	12/31/2021	12/31/2022
Share capital at year-end					
Share capital	100	100	50,100	39,791,306	39,791,306
Number of existing ordinary shares	100	100	50,100	17,685,025	17,685,025
Number of existing priority dividend shares	-	-	-	-	-
Maximum number of future shares to be created:					
- by conversion of bonds	-	-	-	-	-
- by exercise of subscription rights	-	-	-	-	-
Operations and income					
Revenue excluding VAT	0	0	0	1,191,628	2,867,990
Income before tax, employee profit-sharing, depreciation, amortization and provisions	-930	-2,688	-6,374	-418,543	-1,126,449
Income tax	-	-	-	-	-766,668
Employee profit-sharing for the fiscal year	-	-	-	-	-
Income after tax, employee profit-sharing and depreciation, amortization and provisions	-930	-2,688	-6,374	-1,006,543	-448,342
Distributed income	-	-	-	-	-
Earnings per share					
Income after tax and employee profit-sharing but before depreciation, amortization and provisions	-	-	-	-	-
Income after tax, employee profit-sharing and depreciation, amortization and provisions	-	-	-	-	-
Dividend paid per share				0.06	-
Personnel					
Average headcount during the fiscal year	0	0	0	4	4
Total personnel for the fiscal year	-	-	-	-	-
Amount paid in respect of employee benefits for the fiscal year	-	-	-	-	-

3.2.6. Inter-company loans

A cash management agreement was signed on January 1, 2014 between Berkem Développement and its subsidiaries in order to promote the coordination and optimization of the use of cash surpluses or the coverage of cash requirements, assessed globally at Group level.

In view of the Group's reorganization in previous years, the parties appended an amendment to the initial cash management agreement on March 8, 2021, the date on which Groupe Berkem acquired the shares of Berkem Développement. This amendment, having taken effect on January 1, 2022, maintains Berkem Développement as the centralizing company.

The scope of the agreement includes the companies Adkalis, Berkem, Eurolyo, Groupe Berkem and Lixol.

Groupe Berkem's interest, calculated monthly on the basis of daily cash flows for 2022, invoiced at December 31, 2022 and paid in 2023, represents income of €180,621.55.

3.2.7. Adjustment of securities conversion bases

None.

3.3. INFORMATION ON MANAGEMENT BODIES

3.3.1. The Board of Directors

At the date of this report, the composition of the Board of Directors is as follows:

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

- **Olivier Fahy: Chairman of the Board of Directors and Chief Executive Officer**

	After studying at the Paris Chamber of Commerce and Industry School of Commerce in 1986, Olivier Fahy began his career in the building paint industry. He created his first wholesale paint company in 1988 in the Paris area, which he later sold. Following a brief spell in export sales for a pharmaceutical laboratory, he joined an industrial consulting firm, Cabinet Roux-Herr, where he carried out assignments for key manufacturing and banking clients as part of the disposal or takeover of tangible assets. Believing that if you can advise others, you can also apply that advice to yourself, in 1993 Olivier Fahy participated in the takeover of SARPAP, which subsequently became Berkem. Starting as an employee at Berkem in 1996, becoming Chief Executive Officer in 2001, followed by Chairman and Chief Executive Officer and main shareholder in 2008, Olivier Fahy has supported the teams

	through Berkem's growth, and from revenue of less than €1 million, excluding taxes, in 1993, Berkem has today become a small group of more than 150 people, generating just over €40 million in revenue, excluding taxes.

- **Stanislas Fahy: Director**

	Stanislas Fahy holds a Bachelor's degree in International Business from Neoma Business School and a Master of Science in Sustainability Management from ESCP Europe. He is currently responsible for the development of IT solutions in a company specializing in civil engineering waste management. In addition to the development of innovative projects, Stanislas Fahy actively participates in the construction of partnerships with players in the land and building waste recycling market in coordination with many different economic players.

- **Thierry Lambert: Independent Director**

	After studying banking (ITB and CESB), Thierry Lambert pursued a career as a banking executive at BNP, where he held various head office management responsibilities prior to being appointed Deputy Head of Corporate Marketing within the Central Department of the metropolitan networks. In 1989, he left banking for Pikarome, a condiments company (vinegar, mustard) as Managing Director, and created a subsidiary for the cultivation and packaging of gherkins in Morocco. From 1992, he participated alongside Jacques Dikansky in the creation of Naturex, a company producing (extraction, formulation) natural ingredients mainly intended for the agrifoods, nutraceuticals, cosmetics and pharmaceuticals industries using wild or cultivated plants from all over the world. He was Deputy Chief Executive Officer of the company and then its CEO from 2012 to 2015. He floated the company on the stock market in 1996 and raised funds through various market capital increases. These rounds of fundraising would finance an ambitious acquisition program (around ten acquisitions between 1997 and 2014), which strengthened the international character of the company, particularly in the USA, where he spent most of his time for several years. Present in around fifteen countries in the form of industrial or commercial establishments, the company, which had generated several hundred million euros in revenue by the time Thierry Lambert retired, was subsequently sold to Givaudan.

- **Michael Wood: Independent Director**

	Mike Wood has extensive experience in the food industry, having held senior positions in the food safety field. In addition, he brings with him experience in the development of innovative customer solutions. As Head of Company Standards in a UK national supermarket chain, Mike Wood has led teams that have been involved in improving food, safety and consumer protection standards. He then held several management positions at the international retail giant, Tesco Stores Ltd, before becoming Head of Innovation & Field Support for the global leader in pest control and hygiene services – Rentokil Initial plc. He now heads the Food Health and Safety team of the United Kingdom's largest food wholesaler. Mike Wood holds a BSc (Hons) in Environmental Health and an MSC in Food Safety and Control.

- **Alessandro Bascelli: Independent Director**

	Alessandro Bascelli has devoted 40 years of his professional life to the development of companies in foreign markets. In 1983, he graduated in Modern Languages and Literature (English – German) and began his career as a production developer at Delta SPA, an industrial company manufacturing polyurethane insoles for shoes. Within this company, he acquired expertise in sales to the American and Canadian markets and, at the same time, developed a sales approach based on the quality of the products and related after-sales service. Alessandro Bascelli would go on to perfect and pursue this approach throughout his career. In 1992, he was appointed Export Director at Italtacco SRL, an industrial company also operating in the soles sector, with specific expertise in thermoplastic chemical compounds. Alessandro Bascelli would be involved in developing export markets for this company. His duties led him to travel frequently to many countries to promote the quality of the products and the company. Alessandro Bascelli was also involved in the creation of a production unit in Mexico. In 2003, Alessandro Bascelli joined ICA SPA, a company specializing in wood coatings, as Export Director. Although operating in a different sector, Alessandro Bascelli applied the same approach and expertise acquired, in particular his multicultural approach, in order to develop the export department, which grew from 8 to 30 employees by the end of his career, with a presence in many countries, including Spain, Germany, Poland, the United States and China.

- **Karen Le Cannu: Independent Director**

	Karen Le Cannu, director of Groupe Berkem, has dual British and French nationality. She is the founder of Aurrera Communications, which supports senior executives and companies in their communication in English, French and German. She has 20 years of experience advising and supporting business leaders, international investors and public decision-makers in the UK, US and France. Her experience includes management positions in leading communications agencies in London and New York, as well as a global management position at HSBC, where she was responsible for the external communications of the investment bank. Karen began her career at the Bank of England as a policy and operations advisor for high value payments, crisis management and financial markets. Karen is a graduate of the University of Manchester in European Studies and Modern Languages.

The minutes of each meeting are prepared under the responsibility of the Chairman and Chief Executive Officer. They are then signed by the Chairman and one member of the Board and copied in the register of minutes.

Between January 1 and December 31, 2022, the Company's Board of Directors met 6 times on the dates listed below.

Dates of meetings of the Board of Directors	Number of Directors present or represented	Participation rate
March 3, 2022	5	100%
April 15, 2022	5	100%
April 21, 2022	5	100%
June 3, 2022	6	100%
September 28, 2022	6	100%
November 8, 2022	6	100%

3.3.2. Committees

As of the date of this report, via a decision of the Board of Directors dated April 8, 2021, the Company has established an Audit Committee for an unlimited period.

At its meeting of April 8, 2021, the Board of Directors of the Company appointed as the first members of the Audit Committee:

- Thierry Lambert, independent Director, also Chairman of the Audit Committee; and
- Stanislas Fahy.

The mission of the Audit Committee is, independently from the Company's executives, to assist the Board of Directors in ensuring the accuracy of the financial statements, the quality of internal controls, the quality and relevance of the information provided and also 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.

3.3.3. Management

The Executive Management of the Company is ensured by a Chairman and Chief Executive Officer (Olivier Fahy), the separation of the functions of Chairman of the Board of Directors and Chief Executive Officer not being envisaged as of the date of this report.

3.3.4. Term of office of the Statutory Auditors

Statutory Auditors

PWC AUDIT
Represented by Antoine Priollaud and Gaël Colabella
179 cours Médoc CS 30008, 33070 Bordeaux
Duration of current term: 6 fiscal years.
Expiry of current term: at the close of the Annual Shareholders' Meeting held to approve the financial statements for the fiscal year ending December 31, 2027.

DEIXIS SAS
Represented by Nicolas de Laage de Meux
4 bis chemin de la Croisière, 33550 Le Tourne
Duration of current term: 6 fiscal years.
Expiry of current term: at the close of the Annual Shareholders' Meeting held to approve the financial statements for the fiscal year ended December 31, 2025.

Alternate Auditors

LEMPEREUR & ASSOCIES EXPERTISES SARL
225 route d'Angoulême, 24000 Périgueux
Duration of current term: 6 fiscal years.
Expiry of current term: at the close of the Annual Shareholders' Meeting held to approve the financial statements for the fiscal year ended December 31, 2025.

3.3.5. Governance of the Company

The Company has designated the Corporate Governance Code for mid- and small-cap companies as published in September 2021 by Middlenext as the reference code which it intends to use following the admission of its securities to trading on the Euronext Growth market in Paris, this code being available on the Middlenext website (https://www.middlenext.com/).

The table below shows the Company’s position with respect to all the recommendations issued by the Middlenext Code as of the date hereof.

Recommendation of the Middlenext Code	Adopted	Not adopted
“Supervisory” power		
R1: Ethics of Board members	X	
R2: Conflicts of interest	X	
R3: Composition of the Board – Presence of independent members	X	

R4: Information for Board members	X	
R5: Training for Board members		X
R6: Organization of Board and Committee meetings	X	
R7: Establishment of committees	X	
R8: Establishment of a specialized committee on Corporate Social Responsibility (CSR)		X
R9: Implementation of internal rules of procedure for the Board	X	
R10: Choice of each Director	X	
R11: Term of office of Board members		X
R12: Directors' compensation	X	
R13: Implementation of an assessment of the work of the Board		X
R14: Relations with “shareholders”	X	
Executive power		
R15: Diversity and fairness policy within the Company	X	
R16: Definition and transparency of the compensation of executive corporate officers		X
R17: Preparation of the succession of “senior executives”	X	
R18: Combination of employment contract and corporate office	X	
R19: Severance pay		X
R20: Supplementary pension schemes	X	
R21: Stock options and free share awards	X	
R22: Review of points of vigilance	X	

In particular, the Company considers that it is not in compliance with the following recommendations:

- R5 *“Training for Board Members”*: At the date of this report, the Company has not anticipated a three-year training plan. This topic will be reviewed in the next 24 months to provide a training plan adapted to the Company’s specifics.

- R8 *“Establishment of a specialized CSR committee*”: At the date of this report, the Company has not set up a specialized CSR committee. The option of a Board meeting in CSR committee formation is in particular under examination. A study on this subject will be carried out in the next 24 months.

- R9 *“Implementation of internal rules of procedure for the Board”*: At the date of this report, the Company has not published the rules of procedure adopted by its Board of Directors on April 8, 2021, deeming it inopportune at this time.

- R11 *“Term of office of Board members”*: At this date, the Company does not consider it appropriate to implement a staggered renewal of Directors, given its size and the number of Directors on its Board of Directors. Depending on the changes in the composition of its governance, the Company will assess the opportunity to submit proposals for the staggered renewal of its Directors to its shareholders.

- R13 *“Implementation of an assessment of the work of the Board”*: At the date of this report, the Board of Directors has only a limited history of operations insofar as it was created following the conversion of the Company into a public limited company on March 8, 2021. The Board of Directors will subsequently review the implementation of an assessment of its work once it has sufficient experience to decide on an appropriate procedure. This procedure should be implemented over the next 24 months.

- R16: The Group complies with this recommendation except for the publication of the equity ratio. This publication is not considered appropriate by the Company;

- R19 *"Severance pay"*: The Board of Directors of the Company has not considered it appropriate, to date, to cap the severance pay potentially paid to Olivier Fahy at two years of compensation (fixed and variable) in view of the specific terms and conditions of application of this indemnity. The severance pay of Olivier Fahy takes into account not only the specific methods for setting his annual variable compensation, which is entirely dependent on the Group's performance (percentage of gross operating profit), implying that the cumulative amount of his fixed and variable compensation used to determine the amount of indemnity amount may be subject to significant variations from one fiscal year to another. The cap on the indemnity amount, as the case may be, at three years of compensation (fixed and variable) is therefore more appropriate. Similarly, this ceiling is also explained by the fact that Olivier Fahy does not have any contractual indemnity or non-compete clause under his employment contract that could potentially be added to the indemnity set by the Board of Directors.

3.3.6. Prevention of money laundering and terrorist financing

Under the Euronext Growth Rules in force, it is specified that the Company, its executives and corporate officers comply with Directive (EU) 2015/849 of the European Parliament and of the Council of May 20, 2015 on the prevention of the use of the financial system for money laundering and terrorist financing purposes. In addition, the Company, its executives and corporate officers are not on the European Union sanctions list or the list established by the OFAC.

3.3.7. Internal control and risk management procedures relating to the preparation and processing of accounting and financial information

The Group has the following internal control and risk management procedures relating to the preparation and processing of accounting and financial information:

3.3.7.1. Organization of the Accounts and Finance Department

The finance function is managed internally by the Chief Financial Officer. The accounting function is carried out with the assistance of a certified public accountant. The Group is keen to maintain a separation between its financial statement production and supervision activities and uses independent experts to value complex accounting items (pension commitments).

Payroll is performed in-house and the tax review is entrusted to a certified public accountant.

The accounts prepared in accordance with French standards, produced with the assistance of an independent accounting firm, are submitted for audit to the Statutory Auditors. The same applies to consolidated financial statements prepared in accordance with IFRS as adopted by the European Union.

The Finance Department reports directly to the Chairman and Chief Executive Officer.

3.3.7.2. Budget process and "monthly reporting"

The accounting system implemented by the Group is based on French accounting standards. The Group draws up an annual budget and a "monthly report." These items are presented to the Chairman and Chief

Executive Officer and to the Board of Directors, depending on the frequency of its meetings. The Group monitors its budget closely.

3.4. INFORMATION RELATING TO THE COMPANY'S SHARES

3.4.1. Shareholding structure at December 31, 2022

In accordance with the provisions of Article L. 233-13 of the French Commercial Code and, in view of the information received pursuant to the provisions of Articles L. 233-7 and L. 233-12 of said Code, we hereby provide you with the identity, to the best of our knowledge, of those shareholders holding more than one-twentieth, one-tenth, three-twentieths, one-fifth, one-quarter, one-third, one-half, two-thirds, eighteen-twentieths or nineteen-twentieths of the share capital or voting rights as of December 31, 2022:

Shareholders	Number of shares	%	Number of voting rights	%
KENERCY	12,069,833	68.25%	12,069,833	68.25%
Stanislas Fahy	1	0.0%	1	0.0%
Public	5,615,191	31.75%	5,615,191	31.75%
TOTAL	17,685,025	**100.00%**	17,685,025	**100.00%**

On March 3, 2023, the Chairman and Chief Executive Officer of the Company noted that the vesting period applicable to all beneficiaries of the 111,250 free shares allocated by the Board of Directors at its meeting of March 3, 2022 had expired, and therefore the definitive allocation of the shares to said beneficiaries. The shares allocated were distributed as follows:

- 28,623 shares held by the Company under the buyback program implemented on November 8, 2022;
- 82,627 new shares were issued.

As a result, the Company's share capital was increased by €185,910.75, taking it from €39,791,306.25 to €39,977,217.00.

At the date of this report, the Company's share capital stands at €39,977,217.00 and is divided into 17,767,652 shares with a par value of €2.25.

By decision of March 8, 2021, the sole shareholder of the Company instituted a voting right that is double the one conferred on the other shares, in view of the portion of the capital that they represent, for the benefit of all fully paid-up shares which have been registered for at least two years in the name of the same shareholder.

As of the date of this report, 12,069,833 shares held by Kenercy SARL and 1 share held by Stanislas Fahy have double voting rights.

3.4.2. Changes in the holdings of significant shareholders during the fiscal year

None.

3.4.3. Employee shareholding

In accordance with the provisions of Article L. 225-102 of the French Commercial Code, we inform you that as of December 31, 2022, no Company shares were held (i) by employees of the Company or companies that are linked in company savings plans (PEE) provided for by Articles L. 443-1 to L. 443-9 of the French Labor Code, or (ii) by employees or former employees of the Company in mutual funds (FCPE) governed by Chapter III of Law No. 88-1201 of December 23, 1988 concerning undertakings for collective investment in transferable securities for the creation of Special Purpose Entities, or (iii) by employees of the Company in respect of profit-sharing (Article L. 3324-10 of the French Labor Code).

At December 31, 2021, 111,250 shares had been allocated to employees of the Company or companies related to it in accordance with the provisions of Article L. 225-197-1 of the French Commercial Code.

3.4.4. Transactions carried out by the Company on its own shares

The Company has entrusted TP ICAP (Europe) SA with the implementation of a liquidity contract for its ordinary shares as of January 10, 2022.

The liquidity contract was drawn up in accordance with the provisions of the legal framework in force. It has been signed for a period of one year, renewable automatically, and its purpose is to guarantee the liquidity of the Groupe Berkem shares listed on Euronext Growth Paris (ISIN: FR00140069V2 - ticker symbol: ALKEM).

At December 31, 2022, the following resources were included in the liquidity account:

- 26,497 shares;
- €58,522.15 in cash.

During the fiscal year ended December 31, 2022, the following were carried out:

- 629 purchase transactions for an average price of €8.25
- 449 sale transactions for an average price of €7.85

Over the same period, the volumes traded represented:

- 82,435 shares for purchased €679,793.83
- 55,938 shares sold for €439,021.47

For the implementation of this contract, the following resources were allocated to the liquidity account:

- €300,000
- 0 shares

The liquidity contract shall be suspended under the conditions provided for in Article 5 of AMF decision no. 2021-01 of June 22, 2021.

On December 8, 2022, the Company announced the implementation of a new share buyback program in view of future free share allocation plans. This share buyback program will be carried out in accordance with the 14th Resolution approved by the Shareholders' Meeting held on June 3, 2022. Groupe Berkem has entrusted TP ICAP with a mandate to acquire a maximum of 178,000 shares at a price per share not exceeding €30.

3.4.5. Transactions in Company shares carried out by executives

None.

3.4.6. Treasury shares

None.

4. REPORT OF THE BOARD OF DIRECTORS ON CORPORATE GOVERNANCE

4.1. LIST OF OFFICES AND POSITIONS HELD IN ANY COMPANY BY EACH CORPORATE OFFICER DURING THE FISCAL YEAR

First and last name or company name of the member	Term of office	Positions held within the Company	Other positions currently held at other companies
Olivier Fahy	Appointment date: March 8, 2021 Term of office expires: 2025 GM on the 2024 financial statements	Chairman and Chief Executive Officer Director	• KENERCY SARL: Managing Director • IEIC Vaulx En Velin (SARL): Managing Director • IEIC Saint Hilaire De Loulay (SARL): Managing Director • Alma (SCI): Managing Director
Stanislas Fahy	Appointment date: March 8, 2021 Term of office expires: 2025 GM on the 2024 financial statements	Director	None
Thierry Lambert	Appointment date: March 8, 2021 Term of office expires: 2025 GM on the 2024 financial statements	Independent Director	Fytexia: Member of the Strategy Committee
Michael Wood	Appointment date: March 8, 2021 Term of office expires: 2025 GM on the 2024 financial statements	Independent Director	None
Alessandro Bascelli	Appointment date: March 8, 2021 Term of office expires: 2025 GM on the 2024 financial statements	Independent Director	None
Karen Le Cannu	Appointment date: June 3, 2022 Term of office expires: 2026 Shareholders' Meeting for the 2025 financial statements	Independent Director	None

4.2. RELATED-PARTY TRANSACTIONS

- Employment contract of Olivier Fahy

Olivier Fahy holds a permanent employment contract with the Company as Deputy General Manager, which took effect on September 1, 1996 (initially with Berkem (following the takeover of SARPAP), then with Berkem Développement). On account of the roles of Executive Corporate Officer which Olivier Fahy holds and may have held within these various entities, this employment contract has been suspended since November 30, 2001.

As part of the reorganization of the Group, and insofar as the Company now has a role in managing the Group's companies, the team of salaried executive managers employed by Berkem Développement (including Olivier Fahy exclusively under his suspended employment contract as Deputy General Manager) was transferred to the Company on March 5, 2021 under the terms of voluntary tripartite transfer agreements entered into by the Company, Berkem Développement and each employee concerned.

For all intents and purposes, it is specified that the contractual transfer of Olivier Fahy's employment contract had no impact on its suspension.

4.3. ANNUAL REVIEW BY THE BOARD OF DIRECTORS OF RELATED-PARTY AGREEMENTS EXECUTED AND AUTHORIZED IN PREVIOUS FISCAL YEARS

In accordance with AMF recommendation 2012-05, we bring to your attention the conclusions of the Board of Directors' meeting of May 16, 2023, relating to the annual review carried out in accordance with the provisions of Article L. 225-40-1 of French Commercial Code for related-party agreements referred to in Article L. 225-38 of said Code.

At its meeting of May 16, 2023, the Board of Directors noted that no agreements falling within the scope of Article L. 225-38 of the French Commercial Code continued during the 2022 fiscal year and no agreement falling within the scope of Article L. 225-38 of the French Commercial Code was entered into during the fiscal year.

4.4. SUMMARY TABLE OF CURRENT DELEGATIONS GRANTED BY THE SHAREHOLDERS' MEETING

The table below shows the various financial delegations granted to the Board by the Company's Combined Shareholders' Meeting of June 3, 2022:

Purpose of the resolution	Duration of authorization	Authorized cap (nominal value in euros[1])	Implementation of delegations of authority/powers during the 2022 fiscal year
Authorization to be granted to the Board of Directors for the Company to purchase its own shares in accordance with Article L. 22-10-62 of the French Commercial Code *(14th Resolution)*	18 months	€1,000,000	*Board of Directors meeting of November 8, 2022*: Implementation of a share buyback program.
Delegation of authority to be granted to the Board of Directors to decide on the issue, with preferential subscription rights, of shares and/or securities giving access, immediately or in the future, to the share capital or giving rights a debt security, i.e., capitalization of profits, reserves or premiums *(15th Resolution)*	26 months	€30,000,000 for capital increases €120,000,000 for debt securities	
Delegation of authority to be granted to the Board of Directors to decide on the issue of shares and/or securities giving access, immediately or in the future, to the share capital or giving entitlement to a debt security, with cancellation of preferential subscription rights without indication of beneficiaries and by public offering *(16th Resolution)*	26 months	€30,000,000 for capital increases €120,000,000 for debt securities	
Delegation of authority to be granted to the Board of Directors to decide on the issue of shares and/or securities giving access, immediately or in the future, to the share capital or giving entitlement to a debt security, by way of offer referred to in Article L. 411-2 1° of the French Monetary and Financial Code and within the limit of 20% of the share capital per year with cancellation of preferential subscription rights and without indication of beneficiaries *(17th Resolution)*	26 months	€30,000,000 for capital increases €120,000,000 for debt securities	

Delegation of authority to be granted to the Board of Directors, for the purpose of deciding on the issue of shares and/or securities giving access, immediately or in the future, to the share capital or giving entitlement to a debt security, with cancellation of the preferential subscription rights in favor of categories of beneficiaries *(18th Resolution)*	18 months	€30,000,000 for capital increases €120,000,000 for debt securities	
Authorization to be given to the Board of Directors to increase the number of securities issued in accordance with the provisions of Article L. 225-135-1 of the French Commercial Code, in the event of the implementation of delegations of authority referred to in the four previous resolutions with preferential subscription rights maintained or canceled, as the case may be *(19th Resolution)*	30 days following the closing of the subscription of the initial issue in question	15% of the initial issue	
Authorization to be given to the Board of Directors to allocate free shares (*21st Resolution*)	38 months	10% of the Company's share capital	
Authorization to be given to the Board of Directors to reduce the Company's share capital by canceling shares *(23rd Resolution)*	18 months	10% of the share capital per 24-month period	

(1) Under the 22nd Resolution of the Combined Shareholders' Meeting of June 3, 2022:

- the overall maximum nominal amount of capital increases that may be carried out pursuant to the delegations granted under the 15th to 19th and 21st Resolutions is set at thirty million euros (€30,000,000) (or the equivalent value on the issue date of this amount in foreign currency or in a unit of account established by reference to several currencies), it being specified that the additional amount of shares to be issued will be added to this ceiling to preserve, in accordance with the law and, where appropriate, the applicable contractual provisions, the rights of holders of securities and other rights giving access to shares,

the maximum overall nominal amount of debt securities that may be issued under the delegations granted under the 15th to 19th and 21st Resolutions is set at one hundred and twenty million euros (€120,000,000) (or the equivalent value on the date of issuance of this amount in foreign currency or in a unit of account established by reference to several currencies), it being specified that this ceiling does not apply to debt securities whose issuance is decided on or authorized by the Board of Directors in accordance with Article L. 228-40 of the French Commercial Code.

4.7. GENERAL MANAGEMENT PROCEDURES

Among the methods for exercising general management referred to in Article L. 225-51-1 of the French Commercial Code, the Board of Directors decided, at its meeting of March 10, 2021, to opt for the combination the duties of Chairman of the Board of Directors and Chief Executive Officer in the hands of Olivier Fahy.

4.8. STOCK SUBSCRIPTION OR PURCHASE OPTIONS AND FREE SHARE ALLOCATION

At its meeting of March 3, 2022, the Company's Board of Directors authorized the free allocation of 111,250 shares in favor of eight employees of the Group. The definitive allocation of these shares took place on March 3, 2023. A lock-up period of one year is applicable to them.

5. COMPANY FINANCIAL STATEMENTS AT DECEMBER 31, 2022

GROUPE BERKEM

5.1. REPORT ON THE WORK OF THE CERTIFIED PUBLIC ACCOUNTANT

In our capacity as a certified public accountant and in accordance with the terms of our assignment letter, we have proceeded with the presentation of the GROUPE BERKEM financial statements for the fiscal year ended December 31, 2022, which are characterized by the following data:

Balance sheet total:	€72,449,102
Revenue:	€2,867,990
Net book income:	(€448,342)

We performed the procedures required by the professional standards of the French Association of Certified public Accountants applicable to the task of presenting the financial statements.

Bordeaux, April 28, 2023

Office 101

Doriane Barbot
Certified public
accountant

5.2. BALANCE SHEET AND INCOME STATEMENT

GROUPE BERKEM

Period from 1/1/2022 to 12/31/2022

BALANCE SHEET – ASSETS

Presented in euros

ASSETS	Year ended 12/31/2022 (12 months)				Previous fiscal year 12/31/2021 (12 months)	
	Gross	Amortization & Provisions	Net	%	Net	%]
Uncalled subscribed capital (0)						
Fixed assets						
Establishment costs	4,573,630	1,071,033	3,502,597	4.83	4,417,323	5.89
Research and Development						
Concessions, patents, trademarks, software and similar rights						
Business assets						
Other intangible assets						
Advances and deposits on intangible assets						
Land						
Buildings						
Technical facilities, industrial equipment & tools						
Other property, plant and equipment	15,200	863	14,337	0.02		
Assets in progress						
Advances & prepayments						
Investments accounted for using the equity method						
Other investments	41,689,612		41,689,612	57.54	41,689,612	55.61
Receivables related to investments	16,944,683		16,944,683	23.39	15,895,382	21.20
Other long-term investments	165,169	37,056	128,113	0.18		
Loans						
Other financial assets	729,278		729,278	1.01		
TOTAL (I)	***64,117,572***	***1,108,952***	***63,008,620***	86.97	***62,002,317***	82.71
Current assets						
Raw materials, supplies						
Work in progress – goods						
Work in progress – services						
Intermediate and finished products						
Goods						
Advances and deposits paid on orders	3,293		3,293	0.00		
Trade and related items	1,671,169		1,671,169	2.31	220,739	0.29
Other receivables						
. Supplier receivables						
. Personnel	1,500		1,500	0.00	1,500	0.00
. Social welfare agencies						
. Statement – Income taxes	1,210,797		1,210,797	1.67		
. Statement - Revenue tax	43,177		43,177	0.06	350,538	0.47
. Other	2,039,239		2,039,239	2.81		
Subscribed capital called but unpaid						
Marketable securities	129,244		129,244	0.18		
Forward financial instruments and tokens held						
Cash and cash equivalents	4,208,649		4,208,649	5.81	12,387,109	16.52
Prepaid expenses	133,415		133,415	0.18		
TOTAL (II)	***9,440,482***		***9,440,482***	13.03	***12,959,886***	17.29
Expenses to be spread over several years (IRB)						
Bond redemption premiums (IV)						
Translation adjustments and asset valuation differences (V)						
TOTAL ASSETS (0 to V)	***73,558,054***	***1,108,952***	***72,449,102***	100.00	***74,962,203***	100.00

GROUPE BERKEM

Period from 1/1/2022 to 12/31/2022

BALANCE SHEET – LIABILITIES

Presented in euros

LIABILITIES	Fiscal year ended 12/31/2022 (12 months)	%	Previous fiscal year 12/31/2021 (12 months)	%
Equity				
Share or individual capital (of which paid up: 39,791,306)	39,791,306	54.92	39,791,306	53.08
Share premium, merger premium, contribution premium, etc.	31,202,870	43.07	33,270,515	44.38
Revaluation differences Legal reserve				
Statutory or contractual reserves				
Regulated reserves				
Other reserves				
Retained earnings				
Net income for the fiscal year	***-448,342***	-0.61	***-1,006,543***	-1.33
Investment subsidies				
Regulated provisions				
TOTAL (I)	***70,545,835***	97.37	***72,055,278***	96.12
Proceeds from issues of equity securities				
Conditional pre-payments				
TOTAL (II)				
Provisions for liabilities and charges				
Provisions for liabilities				
Provisions for charges	527,079	0.73		
TOTAL (III)	***527,079***	0.73		
Borrowings and debts				
Convertible bonds				
Other bonds				
Borrowings and debt from banks				
. Borrowings				
. Bank overdrafts, short-term borrowings	483	0.00		
Borrowings and other financial debt				
. Misc.			50,000	0.07
. Associates	215,981	0.30		
Advances and deposits received on orders in progress				
Trade payables and related accounts	240,140	0.33	1,982,640	2.64
Tax and social security liabilities				
. Personnel	52,799	0.07	449,673	0.60
. Social welfare agencies	387,107	0.53	288,519	0.38
. Statement – Income taxes				
. Statement – Revenue tax	278,528	0.38	38,795	0.05
. Statement – Guaranteed bonds				
. Other taxes and similar payments	201,150	0.28	97,298	0.13
Debts on fixed assets and related items				
Other liabilities				
Forward financial instruments				
Deferred income				
TOTAL (IV)	***1,376,188***	1.90	***2,906,925***	3.88
Translation adjustments and liability valuation differences				
TOTAL LIABILITIES (I to V)	***72,449,102***	100.00	***74,962,203***	100.00

GROUPE BERKEM

Period from 1/1/2022 to 12/31/2022

INCOME STATEMENT

Presented in euros

INCOME STATEMENT	France	Exports	Year ended 12/31/2022 (12 months) Total	%	Previous fiscal year 12/31/2021 (12 months) Total	%	Absolute absolute (12/12) Change	%
Sales of goods								
Production sold – goods								
Production sold – services	2,867,990		2,867,990	100,00	1,191,628	100,00	1,676,362	140,68
Net Revenue	**2,867,990**		**2,867,990**	100,00	**1,191,628**	100,00	**1,676,362**	140,68

	Year ended 12/31/2022	%	Previous fiscal year 12/31/2021	%	Change	%
Production in inventory			4,573,630	383.81	-4,573,630	-100.00
Capitalized production						
Operating subsidies						
Reversals of depreciation and provisions, expense transfers	201,542	7.03	17,268	1.45	184,274	N/A
Other income	2	0.00	1	0.00	1	100.00
Total operating income (I)	***3,069,534***	107.03	***5,782,527***	485.26	***-2,712,993***	-46.91
Purchase of goods (including customs duties)						
Changes in inventories (goods)						
Purchase of raw materials and other supplies						
Changes in inventories (raw materials and other supplies)						
Other purchases and external expenses	914,897	31.90	4,787,600	401.77	-3,872,703	-80.88
Taxes and similar payments	43,256	1.51	94,634	7.94	-51,378	-54.28
Wages and salaries	1,338,043	46.65	695,002	58.32	643,041	92.52
Social security expenses	1,005,060	35.04	307,807	25.83	697,253	226.52
Depreciation of fixed assets	915,589	31.92	156,307	13.12	759,282	485.76
Allocations to provisions for fixed assets						
Allocations to provisions for current assets						
Allocations to provisions for liabilities and charges						
Other expenses	122,707	4.28	47,702	4.00	75,005	157.24
Total operating costs (II)	***4,339,551***	151.31	***6,089,050***	510.99	***-1,749,499***	-28.72
OPERATING INCOME (I-II)	-1,270,018	-44.27	-306,523	-25.71	-963,495	-314.32
Share of profit (loss) from joint operations						
Profit allocated or loss transferred (III)						
Losses incurred or profit transferred (IV)						
Financial income from investments						
Income from other securities and receivables	180,622	6.30			180,622	N/A
Other interest and similar income						
Reversals of provisions and expense transfers						
Positive exchange rate differences	4	0.00			4	N/A
Net income from sales of marketable securities						
Total financial income (V)	***180,625***	6.30			***180,625***	N/A
Financial amortization, depreciation and provisions	37,056	1.29			37,056	N/A
Interest and similar expenses			112,020	9.40	-112,020	-100.00
Negative exchange rate differences						
Net expenses on sales of marketable securities						
Total financial expenses (VI)	***37,056***	1.29	***112,020***	9.40	***-74,964***	-66.91
NET FINANCIAL INCOME (EXPENSE) (V-VI)	143,569	5.01	-112,020	-9.39	255,589	228.16
CURRENT PROFIT BEFORE TAX (I-II+III-IV+V-VI)	-1,126,449	-39.27	-418,543	-35.11	-707,906	-169.13

GROUPE BERKEM

Period from 1/1/2022 to 12/31/2022

INCOME STATEMENT

Presented in euros

INCOME STATEMENT (Cont.)	Year ended 12/31/2022 (12 months)		Previous fiscal year 12/31/2021 (12 months)		Absolute absolute (12/12)	%
Non-recurring income on management transactions Non-recurring income on capital transactions Reversals of provisions and expense transfers	2,953	0.10			2,953	N/A
Total non-recurring income (VII)	***2,953***	0.10			***2,953***	N/A
Non-recurring expenses on management transactions Non-recurring expenses on capital transactions Non-recurring allowances for depreciation and provisions	91,515	3.19	588,000	49.34	-496,485	-84.43
Total extraordinary expenses (VIII)	***91,515***	3.19	***588,000***	49.34	***-496,485***	-84.43
EXTRAORDINARY PROFIT (LOSS) (VII-VIII)	-88,561	-3.08	-588,000	-49.33	499,439	84.94
Employee profit-sharing (IX) Income tax (X)	-766,668	-26.72			-766,668	N/A
Total income (I+III+V+VII)	***3,253,112***	113.43	***5,782,527***	485.26	***-2,529,415***	-43.73
Total expenses (II+IV+VI+VIII+IX+X)	***3,701,454***	129.06	***6,789,070***	569.73	***-3,087,616***	-45.47
NET PROFIT (LOSS)	-448,342 Loss	-15.62	-1,006,543 Loss	-84.46	558,201	55.46
Of which real estate leasing Of which real estate leasing						

5.3. APPENDICES

5.3.1. PREAMBLE

The fiscal year ended December 31, 2022 had a duration of 12 months. The previous fiscal year had a duration of 12 months covering the period 1/1/2021 to 12/31/2021.

The notes and tables below form an integral part of the financial statements which were approved by the Board of Directors on April 16, 2023.

5.3.2. ACCOUNTING RULES AND POLICIES

General accounting conventions have been applied in compliance with the principle of prudence, in accordance with the basic assumptions and in accordance with the general rules for the preparation and presentation of the financial statements:

- Consistency of accounting policies from one fiscal year to another;
- Independence of fiscal years;
- Business continuity.

The valuation and presentation methods used for the financial statements for this fiscal year have not changed compared to the previous fiscal year.

The financial statements have been prepared in accordance with:

- Regulation of the French Accounting Standards Authority (ANC) No. 2014-03 of June 5, 2014, amended by ANC Regulations No. 2016-07 of November 4, 2016 and ANC No. 2018-07;
- Articles L123-12 to L123-28 of the French Commercial Code.

The basic method used to value the items recorded in the accounts is the historical cost method. The main

methods used are as follows:

5.3.3. PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

Property, plant and equipment and intangible assets are valued at their purchase price, including customs duties and non-recoverable taxes, after deduction of rebates, commercial discounts and payment discounts and all directly attributable costs incurred to put the asset in place and in working order for the intended use. Transfer taxes, fees or commissions and fees for acts related to the acquisition are included in the cost of acquisition. All the costs that do not form part of the purchase price of the asset, and which cannot be directly included in the costs required to put the asset in place and in working order for the intended use, are recognized as expenses.

At the reporting date, the company assessed, based on the internal and external information at its disposal, the existence of indications showing that the assets may have significantly lost value. At the end of the fiscal year, there was no indication of impairment.

Amortization and depreciation are calculated on a straight-line basis depending on the duration of use as determined according to the benchmark methods of the industrial activity:

Fixtures and fittings	15 years

The capital increase costs inherent to the IPO were recognized as start-up costs and are amortized *pro rata temporis* over a straight-line period of 5 years.

5.3.4. INVESTMENT SECURITIES AND OTHER FINANCIAL ASSETS

On February 12, 2021, GROUPE BERKEM benefited from a contribution in kind of 33,485,060 BERKEM DEVELOPPEMENT shares by the company KENERCY, representing 81% of the capital and voting rights. The contribution was made based on the net book value of €29,135,482.68, subject to the assessment of the contributions auditor.

The remaining BERKEM DEVELOPPEMENT shares held by KENERCY, a total of 5,014,938 shares (approximately 12.20% of the share capital and voting rights), were acquired concurrently by GROUPE BERKEM on March 8, 2021. The transactions were recognized in accordance with the sale agreement, with an acquisition price set at €9,118,069.56. This amount does not include acquisition costs. On December 15, 2021, Groupe Berkem acquired 2,603,076 shares as part of a sale agreement from M CAPITAL for an amount of €3,436,060.32.

On the inventory date, the investment securities are valued at their value in use, which represents what the company would be willing to pay to obtain this investment if its acquisition were necessary. The comparison between the historical cost and the inventory value may reveal unrealized gains or losses. In the event of a loss, a provision for impairment of the securities is recognized. Any provision recognized is allocated first to the securities and then to the current accounts, receivables and loans held by subsidiaries.

In practice, the valuation approach used is the discounted cash flow method, based on the forecast financial performance of the next five fiscal years. The discount rate is 10%, and sensitivity tests were conducted.

At December 31, 2022, the assessed value in use of the securities held in the BERKEM DÉVELOPPEMENT subsidiary did not lead to the recognition of any impairment. Receivables related to equity investments do not present a risk of loss of value.

GROUPE BERKEM has entered into a liquidity contract and a share buyback agreement leading to the recognition of the securities and cash paid into the contract.

Liquidity contract - treasury shares (gross)	€165,169.29
Liquidity contract - cash	€58,522.15
Share buyback agreement - cash	€670,755.89

The impairment test conducted on the treasury shares held on December 31, 2022 based on the share price led to the recognition of an impairment of €37,056.30, bringing the net value of the treasury shares held to €128, 113.

5.3.5. MARKETABLE SECURITIES

The gross value is the purchase price excluding incidental expenses. When the inventory value is less than the gross value, an impairment loss is recognized for the amount of the difference.

At the end of the 2022 fiscal year, there was no indication of impairment.

5.3.6. RECEIVABLES AND LIABILITIES

Receivables and liabilities are recognized at their nominal value. Impairment is recorded when the inventory value is lower than the book value.

At each balance sheet date, the Company analyzes all past due trade receivables and determines those for which a probable risk of loss exists on the basis of the reminders sent to the customer. The amount of the impairment recognized is determined as follows:

– Receivables past due for less than 180 days:	No impairment
– Receivables past due for more than 180 days and less than 360 days	Impairment of 50% of the receivable excl. VAT
– Receivables past due for more than 360 days	Impairment of 100% of the receivable excl. VAT
– Receivables from customers placed in receivership or liquidation	Impairment of 100% of the receivable excl. VAT

At the end of 2022, the implementation of this procedure did not lead to the recognition of impairment.

5.3.7. NON-RECURRING INCOME

The classification of transactions as non-recurring income and expenses is analyzed according to the classification of each transaction.

5.4. SIGNIFICANT EVENTS OF THE FISCAL YEAR

5.4.1. TAX CONSOLIDATION

A tax consolidation group was set up on January 1, 2022. The head 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 scope of the tax consolidation are ADKALIS, BERKEM, BERKEM DÉVELOPPEMENT, EUROLYO and LIXOL.

The main terms of the tax consolidation agreement are as follows:

- Each consolidated company pays the parent company, as a contribution to the payment of tax on the group's companies, regardless of the actual amount of said tax, an amount equal to the tax that would have been incurred if it was taxable directly, taking into account all the allowable deductions (allowable losses, tax credits) from which this consolidated company would have benefited in the absence of consolidation;
- At the end of a loss-making fiscal year, the consolidated subsidiary will not hold any receivables from the parent company, not even in the hypothesis where the latter may have constituted a receivable on the French Treasury by opting for the carryback of the overall deficit;
- The contribution paid by each consolidated company is, where applicable, reduced by the amount of the research tax credit declared by it; the portion of the tax credit in excess of the contribution to the payment of the tax on the companies of the consolidated company will be reimbursed by the head company of the group.

In respect of the fiscal year 2022, the Company did not make any contribution to the payment of tax on the companies in the group, taking into account its negative taxable income.

As the Company is the head of the tax consolidation group, its tax receivables include the sum of €836,971 in research tax credits calculated for the 2022 fiscal year of the consolidated subsidiaries, and included in the scope of the tax consolidation.

5.4.2. CASH MANAGEMENT AGREEMENT

A cash management agreement was signed on January 1, 2014 between BERKEM DEVELOPPEMENT and its subsidiaries in order to promote the coordination and optimization of the use of cash surpluses or the coverage of cash requirements, assessed globally at Group level.

In view of the Group's reorganization in previous years, the parties appended an amendment to the initial cash management agreement on March 8, 2021, the date on which GROUPE BERKEM acquired the shares of BERKEM DEVELOPPEMENT. This amendment, which came into effect on January 1, 2022, keeps BERKEM DEVELOPPEMENT as the centralizing company. The scope of the agreement was modified: the other parties to this agreement after amendment are the companies ADKALIS, BERKEM, EUROLYO, GROUPE BERKEM and LIXOL.

The amendment of 2021 also modifies the remuneration provided for in the initial agreement: the reciprocal advances resulting from the daily leveling mechanism for the bank accounts of the companies party to the agreement, carried out by means of one of the accounts of the centralizing company, bears interest on the basis of the sum between:

- The 3-month EURIBOR rate;

- The rate of 0.50%.

In cases where the 3-month EURIBOR rate is negative, the latter has been considered as null in the interest calculations.

The interest of GROUPE BERKEM, calculated monthly on the basis of daily flows during the fiscal year 2022, invoiced on December 31, 2022 and paid in 2023, constitute income of €180,621.55 recognized in the item "Other interest and similar income."

5.4.3. ACQUISITION OF TREASURY SHARES

Under a liquidity contract with TP ICAP, GROUPE BERKEM carried out purchases and sales of its own shares on the Euronext Growth Paris market during 2022. These transactions were carried out in accordance with the share buyback program authorized by its Shareholders' Meeting.

The company thus proceeded to:

- Purchase 82,435 shares for a total amount of €679,793.77;
- Sell 55,938 shares for a total amount of €439,841.81.

Capital gains and losses on disposal were recognized, in accordance with the French GAAP, in non-recurring income and expenses for a net negative amount of €74,782.67.

The various transactions that took place during the 2022 fiscal year led to the recognition of €165,169.29 in a financial asset item at closing, corresponding to the 26,497 treasury shares held by GROUPE BERKEM. This amount is less than 10% of the total shares of the Company.

The implementation of an impairment test of these securities at December 31, 2022 on the basis of the stock market price led to the recognition of an impairment of €37,056.30, reducing the net value of the treasury shares held to €128,113.

5.4.4. FREE SHARE ALLOCATION PLAN

A free share allocation plan, authorized by the General Meeting of April 26, 2021, was signed by GROUPE BERKEM on March 3, 2022. The plan provides for the allocation of shares admitted for trading on the Euronext Paris market to for the benefit of certain salaried employees of the Group. The one-year vesting period, at the end of which the beneficiary employees become the definitive owners of the shares, ended on March 3, 2023. This date marks the start of the one-year holding period, during which beneficiaries are prohibited from selling the shares allocated.

The allocation is subject to a condition of presence of the beneficiary employees. In the event of loss of employee status for any reason other than death, retirement or 2nd or 3rd category disability (within the meaning of Article L. 341-4 of the French Social Security Code) during the vesting period, the allocation will be terminated and the said beneficiary will lose all rights to the definitive allocation without being entitled to any compensation.

With a view to the implementation of this free share allocation plan, GROUPE BERKEM entered into an intermediary share buyback agreement with MIDCAP, a subdivision of TP ICAP, on December 6, 2022. The agreement covers the acquisition of a total of 111,250 shares, of which 28,548 had been acquired at December 31, 2022 and 82,702 remained to be acquired. The amount of shares still to be acquired at the end of the period was subject to a provision for expenses, calculated according to the closing share price, in the amount of €527,078.82, including employer social security contributions of 20% based on the amount of shares granted. The amount of the provision was recorded in the accounts under social security charges.

As the beneficiaries of the plan are not exclusively employees of GROUPE BERKEM, a portion of this expense (including employer social security contributions of 20%) was re-invoiced to the subsidiaries, employers of beneficiaries, for the sum of €176,482.57. This amount was recognized in an operating expense transfer line item.

No capital increase was carried out to implement this free share allocation plan.

5.5. POST-CLOSING EVENTS

5.5.1. ACQUISITION OF I.BIOCEUTICALS

BERKEM INC, a subsidiary of BERKEM DEVELOPPEMENT, acquired I.BIOCEUTICALS from INC on February 16, 2023. This leader in the exclusive North American distribution of nutritional ingredients from the Dutch company INC aims to:

- Position itself in the nutraceutical market;
- And strengthen the Group's presence in North America.

The consolidation of this company began on February 16, 2023 in the consolidated financial statements of Groupe Berkem.

5.5.2. COLLABORATION WITH UNIPEX

On March 7, 2023, Groupe Berkem extended its partnership with Unipex, a subsidiary of the Barentz group. This operation, carried out by BERKEM DEVELOPPEMENT, a subsidiary of GROUPE BERKEM, aims to increase the Group's international presence.

5.5.3. ACQUISITION OF BIOPRESS

On April 3, 2023, BERKEM DEVELOPPEMENT acquired Biopress, a French producer of 100% vegetable oils and proteins. This strategic acquisition will enable the Group to:

- Increase Groupe Berkem's plant extraction and processing capacity to more than 8,000 metric tons per year;
- Have a subsidiary that provides local sourcing of plant-based raw materials, thereby further securing the Group's value chain;
- Strengthen the Group's solutions for its markets (nutritional supplements, cosmetics, paints and varnishes, etc.);

- Access significant new markets such as agri-food.

5.6. NOTES TO THE BALANCE SHEET ITEMS

5.6.1. STATEMENT OF FIXED ASSETS

	Gross value of fixed assets at the start of the fiscal year	Increases	
		Revaluation during the fiscal year	Acquisitions, creations, item-to-item transfers
Research and Development establishment costs	4,573,630		
Other intangible assets			
Total intangible assets	**4,573,630**		
Land			
Buildings on land owned			
Buildings on land not owned			
General facilities, improvements, constructions			
Technical facilities, industrial equipment and tools			
Other facilities, improvements, developments			15,200
Transportation equipment			
Office equipment, IT equipment, furniture			
Property, plant and equipment in progress			
Advances and deposits			
Total property, plant and equipment			**15,200**
Investments accounted for using the equity method			
Investment securities	41,689,612		
Receivables related to investments	15,895,382		2,371,437
Other long-term securities - treasury shares			679,794
Loans and other financial assets			729,277
Total financial assets	**57,584,994**		**3,780,508**
Total gross fixed assets	**62,158,624**		**3,795,708**

	Decreases		Gross value of fixed assets at period end
	By transfer from one item to another	By disposal or scrapping	
Research and Development establishment costs			4,573,630
Other intangible assets			
Total intangible assets			**4,573,630**
Land			
Buildings on land owned			
Buildings on land not owned			
General facilities, improvements, constructions			
Technical facilities, industrial equipment and tools			
Other facilities, improvements, developments			15,200
Transportation equipment			
Office equipment, IT equipment, furniture			
Property, plant and equipment in progress			
Advances and deposits			
Total property, plant and equipment			**15,200**
Investments accounted for using the equity method			
Investment securities			41,689,612
Receivables related to investments		1,322,137	16,944,683
Other long-term securities - treasury shares		514,624	165,169
Loans and other financial assets			729,278

Total financial assets		**1,836,762**	**59,528,742**
Total gross fixed assets		**1,836,762**	**64,117,572**

5.6.2. DEPRECIATION STATEMENT

	Fiscal year start	Fiscal year allocations	Reversals	Fiscal year end
Establishment, research costs Other intangible assets	156,307	914,726		1,071,033
Total depreciation and amortization of intangible assets	**156,307**	**914,726**		**1,071,033**
Land Buildings on land owned Buildings on land not owned General facilities, improvements, constructions Technical facilities, industrial equipment and tools General facilities, miscellaneous improvements Transportation equipment Office equipment, IT equipment, furniture		863		863
Total depreciation and amortization of property, plant and equipment		**863**		**863**
Total depreciation charges	**156,307**	**915,589**		**1,071,896**

	Breakdown of depreciation and amortization for the fiscal year		
	Linear	**Declining balance**	**Exceptional**
Establishment, research costs Other intangible assets	914,726		
Total depreciation charges for property, plant and equipment	**914,726**		
Land Buildings on land owned Buildings on land not owned General facilities, improvements, constructions Technical facilities, industrial equipment and tools General facilities, miscellaneous improvements Transportation equipment Office equipment, IT equipment, furniture	863		
Total depreciation charges for property, plant and equipment	863		
Total depreciation charges	**915,589**		

5.6.3. CAPITAL INCREASE COSTS

Designation	Amount	Amortization	Amortization period
Capital increase costs	4,573,630	914,726	5 years

The capital increase costs recognized in the Company's assets in 2021 are inherent to the IPO.

They correspond to the following items:

- Commissions and brokerage fees on sales €1,484,567
- Fees €2,674,685
- PR & advertising costs €414,379

These capital increase costs are amortized on a straight-line basis over 5 years.

5.6.4. STATEMENT OF MATURITIES OF RECEIVABLES AND DEBTS

STATEMENT OF RECEIVABLES	Amount (gross)	Max. of one year	Over one year
Receivables related to investments	16,944,683		16,944,683
Loans			
Other financial assets	729,278		729,278
Advances and deposits	3,293	3,293	
Uncertain or disputed trade receivables			
Other receivables ❶	1,671,169	1,671,169	
Receivables representing loaned securities			
Personnel and related accounts	1,500	1,500	
Social security, other employment organizations			
Statement and other public authorities:			
- Income tax	1,210,797	1,210,797	
- VAT	43,177	43,177	
- Other taxes, payments and similar			
- Miscellaneous - Accrued income	1,342	1,342	
Other receivables - Group and associates	1,861,414	1,861,414	
Other receivables - Accrued income	176,483	176,483	
Prepaid expenses	133,415	133,415	
GENERAL TOTAL	**22,776,550**	**5,102,590**	**17,673,961**
Amount of loans granted during the fiscal year			
Repayments of loans during the fiscal year			
Loans and advances granted to associates			

STATEMENT OF LIABILITIES	Amount (gross)	Max. of one year	More than 1 year Max. of 5 years	More than 5 years
Convertible bonds				
Other bonds				
Borrowings and debt from banks:				
- max. of 1 year	483	483		
- more than one year				
Borrowings and other financial debt				
Trade and related payables	240,140	240,140		
Personnel and related accounts	52,799	52,799		
Social security, other employment organizations	387,107	387,107		
Statement and other public authorities:				
- Income tax				
- VAT	278,528	278,528		
- Guaranteed bonds				
- Other taxes and duties	201,150	201,150		
Debts on fixed assets and related accounts				
Group and shareholders	215,981	215,981		
Other debts				
Deferred income				
GENERAL TOTAL	**1,376,188**	**1,376,188**		
Loans subscribed during the fiscal year				
Loans repaid during the fiscal year				
Loans and debts agreed with shareholders				

❶ - The "Other trade receivables" item consists exclusively of intragroup receivables:

- Customer invoices for €1,247,391;
- Un-issued invoices for €423,778.

❷ - The "Trade and related payables" item includes €4,864 in intragroup debts.

5.6.5. COMPOSITION OF THE SHARE CAPITAL

	Number	Nominal value	Total
Shares forming the share capital at the beginning of the fiscal year	17,685,025	€2.25	€39,791,306.25
Shares issued during the fiscal year			
Shares redeemed during the fiscal year			
Shares comprising the share capital at the end of the fiscal year	17,685,025	€2.25	€39,791,306.25

Several transactions were completed in 2021 concerning the share capital of GROUPE BERKEM:

- February 19, 2021: capital reduction due to losses of €12,525, taking the share capital from €50,100 to €37,535 by reducing the par value of the 50,100 shares from €1 to €0.75;

- March 8, 2021:
  - Consolidation of the Company's shares by 1 new ordinary share of €2.25 for 3 shares with a par value of €0.75;

  - As consideration for the contribution of 33,485,060 ordinary shares of BERKEM DÉVELOPPEMENT by HOF, now KENERCY, to GROUPE BERKEM on February 12, 2021, issue of 12,949,103 new shares to HOF, now KENERCY, i.e., a capital increase in kind of €29,135,481.75;

- December 7, 2021: capital increase in the amount of €10,618,249.50 through the creation of 4,719,222 new shares as part of the listing on the Euronext Growth market.

5.6.6. TABLE OF THE DIFFERENCES BETWEEN THE CHANGE IN EQUITY DURING THE FISCAL YEAR AND THE INCOME FOR SAID YEAR

	Amount
Shareholders' equity before appropriation of net income for fiscal year 2021	**73,061,821.35**
Net income for the fiscal year 2021	(1,006,543.15)

Statement of changes in shareholders' equity	
Allocation of the loss for fiscal year 2021 to the "Share premium" item	(1,006,543.15)
Allocation of part of the "Share premium" item to the "Other reserves" item for an amount of €1,061,102.50	
Distribution of dividends by deduction from the "Other reserves" item of €0.06 for each of the 17,685,025 shares	(1,061,101.50)
Change in equity during the year	(2,067,644.65)
Shareholders' equity at December 31, 2022	**70,994,176.70**

5.6.7. SHARE PREMIUM

An share premium of €33,270,515.10 was recognized on December 7, 2021 as part of the IPO transaction.

On June 3, 2022, the Shareholders' Meeting decided to:

– Allocate the loss for fiscal year 2021 of €1,006,543.15 to the “Share premium” item;
– Allocate part of the “Share premium” item in the amount of €1,061,101.50 to the “Other reserves” item.

As a result, the “Share premium” item shows a credit balance of €31,202,870.45.

5.6.8. STATEMENT OF PROVISIONS

	Fiscal year start	Increases	Decreases	Fiscal year end
For deposit reconstruction For investment For price increase Accelerated depreciation For installation loans Other regulated provisions				
TOTAL Regulated provisions				
For disputes For guarantees given to customers For losses on futures markets For fines and penalties For foreign exchange losses For pensions and obligations For taxes For fixed asset renewal For major repairs For expenses on paid leave				
Other provisions ❶		527,079		527,079
TOTAL provisions		**527,079**		**527,079**
On intangible assets On property, plant and equipment On investment securities				
On other financial assets (treasury shares)		37,056		37,056
On inventories and work in progress On client accounts Other impairment				
TOTAL Impairment		**37,056**		**37,056**
GENERAL TOTAL		**564,135**		**564,135**
Including allocations and reversals: - operations				
- financial		37,056		
- non-recurring				

❶ - Provision for share buybacks under the free share allocation plan, the counterpart of which is recognized in a social security charges item and not in provisions.

5.6.9. INCOME AND ASSETS TO BE RECEIVED

Amount of income and credit notes to be received included in the following balance sheet items	Amount inc. VAT
FINANCIAL ASSETS	
Receivables related to investments	
Other financial assets	
RECEIVABLES	
Trade receivables and related accounts	423,778
Other receivables	177,825
MARKETABLE SECURITIES	
CASH AND CASH EQUIVALENTS	
TOTAL	**601,603**

5.6.10. ACCRUED EXPENSES AND ASSETS TO BE ESTABLISHED

Amount of accrued expenses and credit notes to be established included in the following balance sheet items	Amount inc. VAT
Convertible bonds	
Other bonds	
Borrowings and debt from banks	483
Borrowings and other financial debt	
Trade payables and related accounts	124,683
Tax and social security liabilities	79,213
Debts on fixed assets and related accounts	
Other debts	
TOTAL	**204,379**

5.6.11. PREPAID EXPENSES AND INCOME

	Expenses	Income
Operating expenses/income	133,415	
Financial expenses/income		
Exceptional expenses/income		
TOTAL	**133,415**	

5.7. NOTES TO THE INCOME STATEMENT ITEMS

5.7.1. NET REVENUE BREAKDOWN

Breakdown by business sector	Amount
Sales of goods Sales of finished products Services	 2,867,990
TOTAL	**2,867,990**

Breakdown by geographic market	Amount
France Abroad	2,867,990
TOTAL	**2,867,990**

5.7.2. EXPENSE TRANSFERS

Type	2022 fiscal year	2021 fiscal year
Rebilling of expenses to BERKEM DEVELOPPEMENT Benefits in kind Insurance reimbursements	176,483 25,059	17,268
TOTAL	**201,542**	**17,268**

5.7.3. NON-RECURRING INCOME

Non-recurring income and expenses include costs related to the IPO for €13,779 as well as income and expenses related to the Company’s share buyback transactions for a net negative amount of €74,783.

5.7.4. INCOME TAX BREAKDOWN

	Income before tax	Tax
Current income Non-recurring income (and profit-sharing) Accounting profit (loss)	(1,126,449) (88,561) (448,342)	

The company has not recognized any tax expense in respect of its individual taxable income. The “Corporate income tax” item consists exclusively of income from tax credits (€754,668) and patronage tax reductions (€12,000).

5.8. OTHER INFORMATION

5.8.1. OVERALL AMOUNT OF THE COMPENSATION ALLOCATED TO MEMBERS OF THE ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES

	Amount
Total amount of compensation allocated to members of the administrative bodies	118,127
Total amount of compensation allocated to members of the management bodies	❶
Total amount of compensation allocated to members of the supervisory bodies	-
TOTAL	**118,127**

❶ The compensation of the members of the management bodies is not disclosed, as this would indirectly lead to the disclosure of individual compensation.

5.8.2. STATUTORY AUDITORS' FEES

	Amount
Fees paid to the statutory auditors for the statutory audit of the parent company financial statements	58,240
Fees paid to the statutory auditors for the statutory audit of the consolidated financial statements	90,000
Fees paid to the statutory auditors for the provision of services and advice	
TOTAL	**148,240**

5.8.3. AVERAGE HEADCOUNT

	Salaried personnel	Personnel seconded to the company
Managers	4	
Supervisors and technicians		
Employees		
Workers		
TOTAL	**4**	**-**

5.8.4. SCOPE OF CONSOLIDATION

Since March 8, 2021, GROUPE BERKEM has consolidated the financial statements of the companies included in its scope: ADKALIS, BERKEM, BERKEM DEVELOPPEMENT, EUROLYO and LIXOL.

5.8.5. SCOPE OF TAX CONSOLIDATION

Since January 1, 2022, GROUPE BERKEM has been the head company of a tax consolidation group including ADKALIS, BERKEM, BERKEM DEVELOPPEMENT, EUROLYO and LIXOL.

5.8.6. RELATED-PARTY TRANSACTIONS

No significant transactions were carried out with related parties during the fiscal year under conditions other than normal market conditions, within the meaning of Article 833-16 of the French GAAP.

5.8.7. INCREASES AND REDUCTIONS IN FUTURE TAX DEBT

Increases in future tax debt	Amount
Regulated provisions Other	
TOTAL	

Reductions in future tax debt	Amount
Tax loss carryforwards Non-deductible provisions in the year of recognition Other	962,045
TOTAL	**962,045**

5.9. OFF-BALANCE SHEET COMMITMENTS

5.9.1. COMMITMENTS GIVEN AND COMMITMENTS RECEIVED

Commitments given	Amount
Unmatured discounted notes	
Sureties and endorsements	
Pension and other post-employment benefit commitments	111,098
Other commitments given	
TOTAL	**111,098**
Of which in relation to:	
- the senior executives	
- the subsidiaries	
- equity investments	
- other related companies	
Of which commitments secured by physical collateral	

Commitments received	Amount
Endorsements, sureties and guarantees	
Other commitments received	
TOTAL	
Of which in relation to:	
- the senior executives	
- the subsidiaries	
- equity investments	
- other related companies	
Of which commitments secured by physical collateral	

5.9.2. COMMITMENTS MADE IN RESPECT OF PENSIONS AND OTHER POST-EMPLOYMENT BENEFIT COMMITMENTS

Pension obligations have not been recognized as a provision. At December 31, 2022, the commitment totaled €111,098 compared to €102,226 at December 31, 2021.

Commitments are valued in accordance with recommendation No. 2013-02 of the French Accounting Standards Authority, without taking into account the 2021 amendment of this recommendation. This valuation method has not been modified compared to the previous closing.

Main assumptions used:

- Discount rate 3.77% (Iboxx corporate AA 10 +)
- Retirement age 67 for managers and non-managers
- Salary progression rate constant 2%
- Personnel turnover rate 1% for managers and 5% for non-managers
- Collective agreement Chemistry
- TG 05 mortality table

It should be noted that the discount rate used at the end of 2021 was 0.98 %.

No commitments were made to the members of the management bodies.

5.9.3. TABLE OF SUBSIDIARIES AND INVESTMENTS

Entities	Share capital	Reserves and retained earnings	Percentage of share capital held	Securities held		Loans and advances granted	Sureties and endorsements issued	Last fiscal year		Dividends received during the period
				Gross value	Net value			Revenue	Net income	
Subsidiaries (over 50% of the capital held)										
BERKEM DÉVELOPPEMENT	2,055,154	1,640,663	100%	41,689,612		16,433,453		5,711,182	(3,153,437)	

6. STATUTORY AUDITORS' REPORT ON THE COMPANY FINANCIAL STATEMENTS AT DECEMBER 31, 2022

GROUPE BERKEM SA

Statutory Auditors' report

on the annual financial statements

(Fiscal year ended December 31, 2022)

PricewaterhouseCoopers Audit
179 Cours du Médoc
CS 30008
33070 Bordeaux Cedex

Deixis
4 bis Chemin de la Cruises
33550 Le Tourne

Statutory Auditors' report
on the annual financial statements

(Fiscal year ended December 31, 2022)

To the Shareholders' Meeting
GROUPE BERKEM SA
20 rue Jean Duvert,
33290 BLANQUEFORT

Opinion

In execution of the assignment entrusted to us by your Shareholders' Meeting, we have audited the consolidated financial statements of GROUPE BERKEM SA for the fiscal year ended December 31, 2022, as attached to this report.

We certify that the financial statements are, in accordance with French accounting rules and principles, accurate and fair and give a true image of the results of operations for the past fiscal year as well as of the financial position and assets of the company at the end of this fiscal year.

Basis for the opinion

Audit framework

We have performed our audit in accordance with the professional standards applicable in France. We believe that the information we have collected is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under these standards are set out in the “Statutory Auditors’ Responsibilities for the Audit of the Financial Statements” section of this report.

Independence

We have carried out our audit assignment in compliance with the rules of independence provided for by the French Commercial Code and the French Code of Ethics for Statutory Auditors, covering the period from January 1, 2022 to the date of publication of our report.

Rationale for the assessments

Pursuant to the provisions of Articles L. 823-9 and R. 823-7 of the French Commercial Code relating to the justification of our assessments, we bring to your attention the following assessments which, in our professional judgment, were the most important for the audit of the annual financial statements.

These assessments have been made in the context of the audit of the financial statements taken as a whole and the formation of our opinion expressed above. We do not express an opinion on the elements of these financial statements taken in isolation.

Valuation of investment securities

The note "Accounting rules and policies - Investment securities and other financial assets" in the notes to the financial statements sets out the accounting rules and policies relating to the valuation of investment securities.

Our work consisted of assessing the value in use retained for the valuation of the investment securities by analyzing the data and assumptions on which these estimates are based.

As part of our assessments, we have verified the reasonableness of these estimates.

Specific verifications

In accordance with professional standards applicable in France, we have also performed the specific verifications required by law and regulations.

Information given in the management report and in the other documents on the financial position and the annual financial statements sent to shareholders

We have no matters to report as to the accuracy and the consistency with the financial statements of the information given in the management report of the Board of Directors and in the other documents sent to the shareholders on the financial position and the financial statements.

We attest to the fair presentation and the consistency with the annual financial statements of the information relating to payment terms mentioned in Article D. 441-6 of the French Commercial Code.

Information on corporate governance

We hereby certify the existence, in the section of the management report of the Board of Directors on corporate governance, of the information required by Article L. 225-37-4 of the French Commercial Code.

Other information

In accordance with the law, we have ensured that the various information relating to the identity of the holders of the share capital and voting rights have been communicated to you in the management report.

Responsibilities of management and of those charged with corporate governance relating to the financial statements

It is the responsibility of management to prepare financial statements that present a true and fair view in accordance with French accounting standards and to implement the internal control that it deems necessary to prepare the financial statements that are free from material misstatements, whether due to fraud or error.

When preparing the financial statements, it is the responsibility of management to assess the company's ability to continue as a going concern, to present in these financial statements, where applicable, the necessary information relating to the going concern and to apply the going concern accounting policy, unless it is planned to liquidate the company or to cease trading.

The financial statements were approved by the Board of Directors.

Responsibilities of the Statutory Auditors in relation to the audit of the annual financial statements

It is our responsibility to prepare a report on the financial statements. Our objective is to obtain reasonable assurance that the financial statements as a whole are free from any material misstatements. Reasonable assurance corresponds to a high level of assurance, without, however, guaranteeing that any audit carried out in accordance with professional standards is systematically able to detect all material misstatements. Misstatements may be due to fraud or result from errors and are considered as material when it can be reasonably expected that they may, taken individually or on aggregate, influence the investment decisions made by users of the financial statements on the basis thereof.

As stipulated by Article L.823-10-1 of the French Commercial Code, our task consisting of the certification of the financial statements does not consist of guaranteeing either the viability or the quality of the management of your company.

In the context of an audit carried out in accordance with the professional standards applicable in France, statutory auditors exercise their professional judgment throughout this process. In addition:

- they identify and assess the risks that the financial statements could contain material misstatements, whether due to fraud or error, define and implement audit procedures to address these risks, and collect any information that they consider sufficient and appropriate to provide a basis for their opinion. The risk of failing to detect a material misstatement resulting from fraud is higher than that of failing to detect one resulting from an error as fraud may imply collusion, forgery, voluntary omissions, false statements or the avoidance of internal controls;

- they familiarize themselves with the relevant internal controls for the audit in order to define the audit procedures appropriate in the circumstances, and not with the aim of expressing an opinion on the effectiveness of such internal controls;

- they assess the appropriateness of the accounting methods retained and the reasonableness of the accounting estimates made by management, as well as the information concerning them provided in the financial statements;

- they assess the appropriateness of the application by management of the accounting policy relating to a going concern and, according to the information gathered, whether or not there are any material uncertainties linked to events or circumstances liable to impact the company's capacity to continue as a going concern. This assessment is based on the elements gathered up to the date of their report, it being however noted that subsequent events or circumstances could call into question the continuity of the business. If they conclude that a material uncertainty does exist, they draw the attention of the readers of their report to the information provided in the financial statements about this uncertainty or, if such information is not provided or not relevant, they refuse to certify the financial statements or do so with a reservation;

- they assess the overall presentation of the financial statements and assess whether the financial statements reflect the underlying transactions and events in such a way as to give a true and fair view.

Bordeaux and Le Tourne, May 16, 2023

Statutory Auditors

PricewaterhouseCoopers Audit	**Deixis**
Antoine Priollaud Gaël Colabella	**Nicolas de Laage de Meux**

7. CONSOLIDATED FINANCIAL STATEMENTS AT DECEMBER 31, 2022

GROUPE BERKEM

CONSOLIDATED FINANCIAL STATEMENTS
AT DECEMBER 31, 2022

GROUPE BERKEM
20 rue Jean Duvert,
33290 BLANQUEFORT, FRANCE

CONSOLIDATED FINANCIAL STATEMENTS

1. Statement of net income

		2022	2021
Revenue	5.20	51,566	46,049
Cost of products and services sold		-35,613	-28,645
Gross margin		**15,953**	**17,404**
Research and Development	5.21	-1,731	-387
Sales and Marketing		-7,483	-6,266
General and administrative expenses		-5,585	-4,235
Recurring operating income		**1,154**	**6,516**
Other operating income	5.23	713	418
Other operating expenses	5.23	-2,395	-1,347
Operating income		**- 527**	**5,587**
Financial income		147	225
Financial expenses		-1,018	-3,719
Net financial income	**5.24**	**-871**	**-3,494**
Corporate income tax	5.25	-169	-899
Net income		**-1,567**	**1,193**

2. Statement of comprehensive income

In € thousands	2022	2021
Non-recyclable items of comprehensive income	**-126**	**75**
OCI Pension commitment	-168	102
ID on OCI Pension commitment	42	-27
Recyclable items of comprehensive income	**48**	**-57**
OCI on cash hedges - effective portion	48	-57
ID on OCI on cash hedges - effective portion	-	-
Other comprehensive income	**-78**	**18**

Statement of net financial position

in € thousands		12/31/2022	12/31/2021	01/01/2021
Goodwill	5.2	9,043	9,043	9,043
Intangible assets	5.3	6,148	5,792	5,751
Property, plant and equipment	5.4	18,892	14,147	14,306
Other financial assets	5.5	208	226	9,018
Deferred taxes	5.6	2,168	2,168	1,096
Non-current assets		**36,458**	**31,375**	**39,215**
Inventories and work in progress	5.7	11,377	7,254	6,317
Trade and other receivables	5.8	10,980	11,216	19,487
Tax receivables	5.9	1,225	2,547	2,320
Other current assets	5.10	1,132	263	188
Securities and other investments	5.11	18	69	68
Cash and cash equivalents	5.11	11,532	15,533	2,449
Current assets		**36,263**	**36,882**	**30,828**
Non-current assets and groups of assets held for sale		**-**	**-**	**-**
Total Assets		**72,721**	**68,257**	**70,042**

in € thousands		12/31/2022	12/31/2021	01/01/2021
Capital	5.12	39,791	39,791	50
Additional paid-in capital	5.13	27,734	29,801	-
Other reserves		- 38,549	- 41,319	1,621
Net income for the fiscal year		-1,567	1,193	-
Equity attributable to owners of the parent		**27,409**	**29,467**	**1,671**
Non-controlling interests		-	-	461
Equity		**27,409**	**29,467**	**2,132**
Borrowings and financial debt	5.17	24,334	16,908	45,801
Employee benefit obligations	5.16	1,283	1,193	1,184
Other provisions	5.16	-	281	-
Deferred taxes		0	-0	-
Other long-term liabilities		145	227	-
Non-current liabilities		**25,762**	**18,609**	**46,985**
Borrowings and bank overdrafts (portion at less than one year)	5.17	3,220	5,452	580
Provisions (portion at less than one year)	5.16	294	-	50
Trade and other payables	5.18	13,499	13,868	17,751
Tax liabilities		613	9	379
Other current liabilities	5.19	1,925	852	2,165
Current liabilities		**19,551**	**20,181**	**20,925**
Liabilities associated with a group of assets held for sale		**-**	**-**	**-**
Total Liabilities		**72,721**	**68,257**	**70,042**

3. Statement of changes in shareholders' equity

In € thousands	Capital	Additional paid-in capital	Other comprehensive income	Other reserves excluding OCI	Net income for the fiscal year	Total	Non-controlling interests	Total shareholders' equity
Situation on 1/1/2021	**50**	**-**	**-**	**-13**	**-**	**37**		**37**
Contribution and sale of Berkem Développement shares*	29,135	-	-133	-36,667	-	-7,665	461	-7,204
Situation after the Berkem Dev. contribution.	**29,185**	**-**	**-133**	**-36,680**	**-**	**-7,628**	**461**	**-7,167**
Net income for the fiscal year	-	-	-	-	1,193	1,193	-	1,193
Other comprehensive income	-	-	18	-	-	18	-	18
Total comprehensive income	**-**	**-**	**18**	**-**	**1,193**	**1,211**	**-**	**1,211**
IPO	10,618	29,802	-	-	-	40,420	-	40,420
Capital reduction due to losses	-13	-	-	13	-	0	-	0
Acquisition of non-controlling interests	-	-	-	-4,536	-	-4,536	-461	- 4,997
Situation at 12/31/2021	**39,790**	**29,802**	**- 115**	**- 41,203**	**1,193**	**29,467**	**-**	**29,467**
Net income for the fiscal year	-	-	-	-	-1,567	-1,567	-	-1,567
Other comprehensive income	-	-	-78	-	-	-78	-	-78
Total comprehensive income	**-**	**-**	**-78**	**-**	**-1,567**	**-1,645**	**-**	**-1,645**
Appropriation of N-1 net income	-	-	-	1,193	-1,193	-	-	-
Dividends paid	-	-1,061	-	-	-	-1,061	-	-1,061
Changes in treasury shares	-	-	-	-369	-	-369	-	-369
Share-based payments	-	-	-	1,017	-	1,017	-	1,017
Other changes	-	-1,007	-	1,008	-	1	-	1
Situation at 12/31/2022	**39,791**	**27,734**	**- 193**	**- 38,355**	**-1,567**	**27,409**	**-**	**27,409**

* The decrease in the Group's reserves of €36,667 thousand corresponds to the difference between the shares acquired from the Berkem Développement group and the value of the equity of this group, due to the non-applicability of IFRS 3.

Cash flow statement

In € thousands	**2022**	**2021**
Total consolidated net income	-1,567	1,193
Adjustments:		
Elimination of depreciation, amortization and provisions	4,285	3,360
Elimination of gains and losses on disposal and dilution gains and losses	41	-225
Elimination of profit/loss on discounting	-16	
Other products and expenses with no cash impact	1,017	1,043
Cash flow after cost of net financial debt and tax	**3,760**	**5,372**
Elimination of tax expense (income)	169	900
Elimination of cost of net financial debt	808	2,400
Cash flow from operations before cost of net debt and tax	**4,737**	**8,672**
Impact of change in working capital requirement	-4,225	483
Taxes paid	882	-2,588
Cash flow from operating activities	**1,394**	**6,567**
Impact of changes in scope	-	-
Acquisition of property, plant and equipment and intangible assets	-6,296	-3,334
Acquisition of financial assets	-200	0
Change in loans and advances granted	-744	2
Disposal of property, plant and equipment and intangible assets	2	224
Disposal of financial assets	195	-
Cash flow from investing activities	**-7,042**	**-3,109**
Capital increases	-	40,457
Net disposal (acquisition) of treasury shares	-369	-
Bond issues	24,500	-
Loan issuance costs	-1,189	-
Bond redemptions	-19,568	-22,230
Net financial interest paid	-655	-3,161
Dividends paid to Group shareholders	-1,061	-
Acquisition of non-controlling interests	-	-5,458
Cash flow from financing activities	**1,657**	**9,610**
Impact of exchange rate fluctuations	-	-
Change in cash position	**-3,991**	**13,068**
Opening cash	**15,395**	**2,327**
Closing cash	**11,403**	**15,395**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. Company description

Created in 1993 by Olivier Fahy, Groupe Berkem is an integrator of plant-based chemistry at the heart of conventional chemical products. An expert in green chemistry for more than twenty-five years, Groupe Berkem is actively involved in the transition to biosourced products, with the mission of integrating plant-based chemistry into the heart of everyday life. Its expertise in plant extraction and formulation enables it to identify specialty natural assets derived from plant-based raw materials, extracting and formulating them to serve large-scale markets such as the health and public hygiene, cosmetics, agrifood and construction materials sectors. It particularly targets specialty markets such as polyphenols, wood preservatives, alkyd resins and organic biocides.

The Group applies its industrial know-how and innovation through two specialized divisions:

- Plant extraction through the Eurolyo and Berkem subsidiaries. Through its subsidiary Berkem, the Group extracts the natural ingredients of interest, carefully selected for their composition of active molecules and their benefits. Berkem targets active ingredients, such as polyphenols, natural antioxidants extracted from grape seeds or pine bark. These active ingredients and compounds are then offered to manufacturers in the food supplements, cosmetics and agrifood sectors for the formulation of their products. Since 2018, through its subsidiary Eurolyo, the Group has also proposed lyophilization services that make it possible to preserve all the organoleptic and nutritional qualities of the food as well as the fragile active ingredients intrinsic to the products while extending the shelf life and facilitating transportation and storage. The Plant Extraction expertise division contributed 31% of *pro forma* consolidated revenue and amounted to €15,934 thousand at December 31, 2022.
- Formulation: through its subsidiaries Adkalis and Lixol, the Group carries out the formulation and reaction of active chemical ingredients designed to improve the performance of construction materials (in particular the timber industry) and the synthesis of resins for the paint and printing ink industries. The Formulation division contributed 69% of the *pro forma* consolidated revenue and amounted to €35,631 thousand at December 31, 2022. The revenue generated by the Formulation division showed a sharp increase in 2022, thanks to the acceleration in demand for biosourced solutions in the construction industry, as well as in the pest control market.

2. Significant events of the fiscal year

2.1. Financing of €70 million

On July 26, 2022, Berkem Développement concluded an agreement for financing of €70 million, including €63.5 million in senior debt and €6.5 million in Recovery Bonds.

The financing transaction consists of:

- A senior debt contract comprising the following components:
  - A Refinancing Loan for a total amount of €12 million (including two tranches of respectively a depreciable €7.8 million and €4.2 million *in fine*). The purpose of this loan was to repay the initial senior debt contracted in 2018 (tranches A and B);
  - An Investment Credit line of €6.5 million (comprising two tranches of €4.225 million and €2.275 million respectively). A first tranche of €3 million was paid at closing;
  - A Revolving Credit facility of €5 million, the amounts of which have not yet been released;
  - An External Growth credit line of €40 million, the amounts of which have not yet been released.
- A subscription of €6.5 million of Recovery Bonds subscribed by the French Recovery Bonds fund (€5.850 million) and by the French Eurazeo Investment Manager Recovery Bonds fund (€650 thousand).

The banking pool of the senior debt agreement is made up of six lenders: Caisse Régionale de Crédit Agricole Mutuel d'Aquitaine, Caisse d'Épargne et de Prévoyance Aquitaine Poitou Charentes, Banque Palatine, Banque Populaire Aquitaine Centre Atlantique, Crédit Lyonnais and La Banque Postale.

At December 31, 2022, €21.5 million had been drawn down:

- The refinancing loan (tranches A and B) in the amount of €12 million;
- The Investment Credit in the amount of €3 million.
- The Recovery Bonds in the amount of €6.5 million.

As a result, €48.5 million in undrawn lines remained at December 31, 2022.

Senior debt is subject to compliance with two ratios: debt service ratio and leverage ratio. These two ratios were met at 12/31/2022.

2.2. Tax consolidation

The tax consolidation group of which BERKEM DÉVELOPPEMENT was the head of the group came to an end on December 31, 2021. A new tax consolidation group has been set up since January 1, 2022. The head 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 scope of the tax consolidation are ADKALIS, BERKEM, BERKEM DÉVELOPPEMENT, EUROLYO and LIXOL.

The main terms of the tax consolidation agreement are as follows:

- Each consolidated company pays the parent company, as a contribution to the payment of tax on the group's companies, regardless of the actual amount of said tax, an amount equal to the tax that would have been charged on its income if it was directly taxable, taking into account all the tax liabilities (taxable losses, tax credits) that this consolidated company would have benefited from in the absence of consolidation;

- At the end of a loss-making fiscal year, the consolidated subsidiary will not hold any receivables from the head company of the group, not even in the event that the latter has constituted a receivable on the French Treasury by opting for carryback of the overall loss;

- The contribution paid by each consolidated company is, where applicable, reduced by the amount of the research tax credit declared by it; the portion of the tax credit in excess of the contribution to the payment of corporate income tax of the consolidated company will be refunded to it by the head company of the group.

2.3. Acquisition of treasury shares

Under a liquidity contract with TP ICAP, GROUPE BERKEM carried out purchases and sales of its own shares on the Euronext Growth Paris market during 2022. These transactions were carried out in accordance with the share buyback program authorized by its Shareholders' Meeting.

The company has thus:

- purchased 82,435 shares for a total transaction value of €679,793.77;
- sold 55,938 shares for a total transaction value of €439,841.81.

2.4. Free share allocation plan

A free share allocation plan, authorized by the Shareholders' Meeting of April 26, 2021, was signed by GROUPE BERKEM on March 3, 2022. This provides for the allocation of shares admitted to trading on the Euronext Paris market for the benefit of certain employees of the Group. The one-year vesting period, at the end of which the beneficiary employees became definitive owners of the shares, ended on March 3, 2023. This date marks the beginning of the one-year holding period, during which beneficiaries are prohibited from selling the allocated shares.

The allocation is subject to a condition of presence of the beneficiary employees. In the event of loss of employee status for any reason whatsoever other than death, retirement or 2nd or 3rd category disability (within the meaning of Article L. 341-4 of the French Social Security Code) during the vesting period, the allocation will be terminated and said beneficiary will lose all rights to the definitive allocation without being entitled to any compensation.

With a view to the implementation of this free share allocation plan, GROUPE BERKEM entered into an intermediary share buyback agreement with MIDCAP, a subdivision of TP ICAP, on December 6, 2022. The agreement covers the acquisition of a total of 111,250 shares, of which 28,548 had been acquired at December 31, 2022 and 82,702 remained to be acquired.

No capital increase was carried out in order to implement this free share allocation plan.

3. Preparation framework

3.1. International Financial Reporting Standards (IFRS)

3.1.1. Transition arrangements

On March 8, 2021, Groupe Berkem acquired 93% of Berkem Développement from HOF: 81% by transfer of shares and 12% in cash.

Insofar as (i) Berkem Développement and Groupe Berkem were held by HOF before the transaction and continue to be held after the transaction and (ii) Groupe Berkem had no economic substance at the time of the transaction, in accordance with IFRS 3.B18, Groupe Berkem cannot be identified as the acquirer. As this combination does not meet the definition of a business combination under IFRS 3, the Company did not apply the acquisition method.

The Company has therefore consolidated the assets and liabilities of the pre-existing business on the basis of their net book value in the financial statements of the Berkem Développement group without recognition of goodwill or the identification of intangible assets. The difference between the cost of the transaction and the carrying amount of the assets and liabilities of the Berkem Développement group was recognized in equity.

This accounting treatment was applied at January 1, 2021, the opening date of the first period presented, although the transaction took place on March 8, 2021.

On December 15, 2021, the remaining 7% of the shares were acquired from M CAPITAL for a consideration of €3,436 thousand. This transaction, with no impact on the control of Berkem Développement, was considered as a transaction between shareholders and recognized in equity in accordance with IFRS 10.

In addition, in 2021, Berkem Développement acquired the shares of Berkem held by M CAPITAL. The transaction involved 1,532,991 shares for a total consideration of €2,022 thousand. As a result of this acquisition, at the close of 2021, Berkem Développement held 100% of the share capital of BERKEM.

This transaction, with no impact on the control of Berkem SAS, was considered as a transaction between shareholders and recognized in equity in accordance with IFRS 10.

The consolidated financial statements for the year ended December 31, 2021 therefore cover a 12-month period. The income items used to prepare the consolidated financial statements cover the period from January 1, 2021 to December 31, 2021.

Following these transactions in 2021, all of the non-controlling interests were acquired.

The financial statements are presented in thousands of euros, unless otherwise indicated. Certain amounts may be rounded in the calculation of the financial information contained in the financial statements. Therefore, the totals in some tables may not be the exact sum of the preceding figures.

The consolidated financial statements for the fiscal year ended December 31, 2021 were prepared in accordance with the International Financial Reporting Standards (IFRS), as published by the International Accounting Standards Board (IASB) and adopted in the EU. The term “IFRS” refers collectively to the International Accounting Standards (IAS) and IFRS as well as the interpretations issued by the Standing Interpretations Committee (SIC) and the International Financial Reporting Interpretations Committee (IFRIC), whose application is mandatory for the periods presented.

These are the first financial statements that the Group has prepared in accordance with IFRS in force on January 1, 2021 and IFRS 1 “First-time adoption of International Financial Reporting Standards” has been applied to all periods presented from the transition date to January 1, 2021. Consequently, these financial statements comply with IFRS as applicable at December 31, 2021 and the same accounting policies were applied for the preparation of the financial statements for the fiscal year to December 31, 2021 and the statement of the opening financial position of the Company on January 1, 2021.

3.1.2. Mandatory and optional exemptions applied

IFRS 1 allows first-time adopters certain exemptions from the retrospective application of certain requirements under IFRS.

The Group has applied the mandatory exceptions concerning:

- Classification and measurement of financial instruments;
- Impairment of financial assets;
- Public loans.

The other mandatory exceptions are not applicable to the Company.

The optional exemptions applied by the Group relate to IFRS 16 "Leases."

IFRS 16: Leases

The Company adopted IFRS 16 as of January 1, 2021.

The Company assessed all of the existing contracts at January 1, 2021 to determine whether a contract constitutes a lease within the meaning of IFRS 16.

An entity that applies IFRS for the first time and is a lessee of leases is authorized to apply the following approach to all of its leases at the transition date:

- Lease liabilities were measured at the value of the remaining lease payments, discounted on the basis of the lessee's incremental borrowing rate at the transition date, i.e., January 1, 2021.
- Right-of-use assets were valued for an amount equal to the lease liability, adjusted for the amount of prepaid or payable rents under this contract recognized in the statement of financial position immediately before January 1, 2021.

3.1.3. New standards, amendments and interpretations

3.1.3.1. Application of new or amended standards and interpretations

The standards, amendments and interpretations whose application was mandatory for periods beginning on or after January 1, 2021 are as follows:

- Amendment to IFRS 9, IAS 39 and IFRS 7 "Recognition and measurement in the context of the benchmark interest rate reform" - phase 2
- Amendment to IFRS 16 relating to the extension to June 30, 2022 of the derogatory treatment of rent concessions related to the COVID-19 health crisis
- IFRIC interpretation on the matching of the costs of vested benefits of certain defined benefit plans to periods of service
- IFRIC interpretation on the recognition of related developments required for the implementation of software services (SaaS)

The Group does not expect any significant impact on its financial statements related to the application of these new standards, interpretations or amendments.

3.1.3.2. Application of new or amended standards and interpretations adopted early by the Group

The Group has not applied in advance any mandatory standards and interpretations from a fiscal year after December 31, 2022, whether or not they are adopted by the European Commission.

3.1.4. Reconciliation of the statements of financial position, net income and other comprehensive income

No reconciliation between the statements of financial position, net income and other comprehensive income could be prepared:

- As the Group has never presented financial statements with an opening date of January 1, 2021, the reconciliation at the transition date could not be made.
- The income items previously presented by the Group cover the period from March 8, 2021 to December 31, 2021 and cannot therefore be reconciled with the IFRS consolidated financial statements prepared as of December 31, 2021, which cover 12 months.
- The statement of financial position as of December 31, 2021 previously presented under French GAAP includes income items covering the period from March 8, 2021 to December 31, 2021 and cannot be reconciled with the IFRS statement of financial position including income items over a 12-month period.

3.1.5. Description of the main impacts of the IFRS transition

The main consolidation and IFRS restatements made in the first fiscal year include:

- <u>Presentation of the income statement</u>

In accordance with the principles of IAS 1, the Group has chosen to present an income statement by function under IFRS.

The non-recurring income presented in the financial statements under French GAAP was reclassified for €929 thousand in “Other operating income and expenses.”

Reversals of depreciation, amortization and provisions, and transfers of expenses are also reclassified as a deduction from the corresponding operating expenses.

- <u>Presentation of the balance sheet</u>

French accounting standards do not require the distinction between the current and non-current portion of assets and liabilities on the balance sheet. In accordance with IAS 1, borrowings and similar financial debts of less than one year have been reclassified as “Current liabilities.”

- <u>Employee benefits</u>

In the consolidated financial statements under French GAAP, the provision for retirement benefits was recognized in the financial statements (€1,053 thousand at 12/31/2021).

In accordance with IAS 19, the provision for retirement benefits is recognized in the financial statements (€1,193 thousand at 12/31/2021) and actuarial gains and losses are recorded in “Other comprehensive income.” The assumptions used are detailed in Note 5.16.

- <u>Research Tax Credit (CIR) and Innovation Tax Credit (CII)</u>

Research and innovation tax credits are exclusively related to Research and Development costs recognized as expenses, and are therefore treated as a grant linked to income. The amount is recognized as a deduction from R&D expenses; see Note 5.21.

- <u>Lease and rental loans</u>

IFRS 16 requires all leases to be recognized in the lessee’s balance sheet, recognized as expenses under French GAAP. This results in:

• the cancellation of rental and leasing expenses recognized under French GAAP;

• the recognition of a depreciation charge relating to the right-of-use asset;

• the recognition of interest expense on loans in respect of rents and other payments to be made during the term of the lease.

The application of this standard had the effect of increasing the recognized asset (and debt) compared to the restatement of leasing contracts and similar carried out in the consolidated financial statements under French GAAP. Indeed, Groupe Berkem's real estate leases, falling within the scope of IFRS 16 and outside the scope of ANC regulation 2020-01, are now restated in the consolidated financial statements. The net right-of-use at 12/31/2021 under IFRS was €4,379 thousand, compared with an asset relating to leasing contracts and similar in the consolidated financial statements under French GAAP of €1,711 thousand.

- CVAE (Corporate Value-Added Contribution)

The CVAE was reclassified in the income statement as income tax for €130 thousand at December 31, 2021.

- Factoring

As the factoring contract in place does not allow the deconsolidation of receivables under IFRS, the amount of receivables transferred to the factor were reintegrated into the assets and liabilities of the balance sheet for €4,743 thousand at December 31, 2021.

- Financial instruments

In the consolidated financial statements under French GAAP, the notional amount of financial instruments is presented in "Off-balance sheet commitments" and accrued interest at the balance sheet date. Under IFRS, these financial instruments must be recognized in the balance sheet under "Other comprehensive income." Thus, the two interest rate swaps, qualified as cash flow hedges, maturing in 2021, were recognized in Groupe Berkem's IFRS consolidated balance sheet as liabilities for €190 thousand, with an offsetting entry in "Other comprehensive income" of the same amount.

- Financial liabilities

Under IFRS, financial liabilities are recognized at amortized cost, whereas in French accounting standards they are recognized at their nominal amount. The offsetting entry to the adjustment of the amount of the debt at the end of the reporting period is transferred to the net financial income in the income statement. At 12/31/2021, the recognition of debts at amortized cost reduced the financial debts by €205 thousand in the liabilities of the consolidated balance sheet with an offsetting entry in the net financial income.

3.1.6. Transition of 2021 net income (published under French GAAP) to IFRS 2021 net income

P&L 12/31/2021	Conso FR GAAP published - 10 months	Interim income - 2 months	Conso FR GAAP - 12 months	IFC	Financial instruments - borrowings	Leases	IFRS
Net income	**159**	**1,538**	**1,697**	**-165**	**-224**	**-114**	**1,193**

3.1.7. Transition from the 2021 IFRS income statement by type to the 2021 IFRS income statement by function

	P&L by type - 12 months IFRS
Revenue	**46,049**
Operating income	**6,516**
Net financial income	-3,494
Non-recurring income	-929
Income before tax	**1,962**
Corporate tax and profit-sharing	-899
Net income	**1,193**
Net income attributable to minority interests	
Net income attributable to owners of the parent	**1,193**

Excluding IAS 1/IFRS accounts in a FR GAAP P&L

	P&L by function - 12 months IFRS
Revenue	**46,049**
Recurring operating income	**6,516**
Other operating income and expenses	-929
Operating income	**5,587**
Net financial income	-3,494
Corporate tax and profit-sharing	-899
Net income	**1,193**
Net income attributable to minority interests	
Net income attributable to owners of the parent	**1,193**

3.1.8. Reconciliation of the 2021 balance sheet published under French GAAP to the 2021 IFRS balance sheet

Consolidated balance sheet at 12/31/2021	FR GAAP published	Presentation	Acquisition accounting restatement	IFC	Factoring	Leases	Other	IFRS
Intangible assets	25,333		-19,541					5,792
Goodwill (IFRS 3)	29,693		-20,650					9,043
Tangible assets	13,472					675		14,147
Financial assets	226							226
Deferred tax assets		2,109		53		46	-40	2,168
Non-current assets	**68,723**	**2,109**	**-40,191**	**53**		**721**	**-40**	**31,375**
Inventories and work in progress	7,254							7,254
Trade receivables	2,986				4,743			7,729
Other receivables and accruals	8,406	-2,109						6,297
Cash and cash equivalents (including marketable securities)	15,602							15,602
Current assets	**34,248**	**-2,109**		**0**	**4,743**	**0**	**0**	**36,882**
Total assets	**102,971**	**0**	**-40,191**	**53**	**4,743**	**721**	**-40**	**68,258**

Consolidated balance sheet at 12/31/2021	FR GAAP published	Presentation	IFC	Factoring	Financial instruments	Financial instruments - borrowings	Leases	Other	IFRS
Capital	39,791								39,791
Additional paid-in capital	29,801								29,801
Group reserves	1,866							-43,070	-41,204
Translation reserves	0								0
Net income for the fiscal year	159							1,034	1,193
Other comprehensive income	0		75		-190				-115
Equity	**71,618**	**0**	**75**	**0**	**-190**	**0**	**0**	**-42,036**	**29,467**
Non-current provisions	281								281
Employee benefit obligations	1,053		140						1,193
Non-current financial liabilities	19,997	-5,390				-204	2,568	-63	16,908
Other long-term liabilities	0							227	227
Non-current liabilities	**21,330**	**-5,390**	**140**	**0**	**0**	**-204**	**2,568**	**164**	**18,609**
Trade and related payables	5,951								5,951
Other debts and accruals	4,073	-852		4,743	190			-225	7,928
Other current liabilities		852							852
Current financial liabilities		5,390						62	5,452
Current liabilities	**10,023**	**5,390**	**0**	**4,743**	**190**	**0**	**0**	**-163**	**20,183**
Total liabilities	**102,971**	**0**	**215**	**4,743**	**0**	**-204**	**2,568**	**-42,035**	**68,258**

3.2. Use of estimates and judgments

The preparation of the financial statements requires management to make judgments, estimates and assumptions that may have a material impact on the carrying amounts of assets and liabilities, equity and certain income and expenses. These estimates and underlying assumptions are based on information available at the date of the finalization of the financial statements, past experience and other factors considered relevant. Actual results may differ from these estimates.

The underlying estimates and assumptions are regularly reviewed to ensure that they are reasonable in view of the Company's history, economic conditions and the information available to the Group. Revisions to accounting estimates are recognized in the period in which the estimate is revised, if the revision has an impact only on that period, or in the period of the revision and in subsequent periods, if the revision has an impact on the period in question and on subsequent periods.

The main estimates and assumptions made in the preparation of the Group's financial statements concern:

- Measurement of the fair value of share-based payment plans;
- Measurement of the fair value of financial instruments;
- Valuation of provisions for retirement benefit obligations;
- Duration of the contracts to be used for the application of IFRS 16 to leases as well as the determination of the incremental borrowing rates.

Main judgments and estimates in relation to environmental issues and climate issues

As the Group uses raw materials of plant origin, there is a supply risk and a risk on the quality of the vegetable extract obtained, given natural risks (storms, flash floods, flooding, drought, etc.) and climate change that can affect the quantity, quality, yield and final characteristics of the products. The Group thus decided to develop its sourcing capabilities in recent years so as not to be dependent on a few suppliers and to improve its industrial facilities in order to increase its productivity and the quality of its plant extracts to be less dependent on the quality of harvests.

During the 2022 fiscal year, the Group experienced significant price fluctuations on raw materials from the start of the conflict in Ukraine. In general, the Group has seen significant inflation in all costs: transportation, energy, etc. The increase in the cost of raw materials is most often reflected in the selling prices of its products; however, it cannot guarantee that it will in most cases be able to pass on any increase in the cost of raw materials in the selling price of its products and thus maintain its gross margin over time on all of its products. To date, the Group has not noted any supply difficulties caused by the war in Ukraine, but the uncertainties described have been taken into account in the valuation of the Group's assets and liabilities.

3.3. Going concern

The Group was profitable at December 31, 2022 and had equity of €27,409 thousand and cash of €11,532 thousand. In this context, the going concern assumption was used, given the Group's financial position and its ability to meet its financing needs for the next twelve months.

3.4. COVID-19 pandemic and war in Ukraine

3.4.1. COVID-19 pandemic

COVID-19, confirmed as a pandemic by the World Health Organization on March 11, 2020, has led to a global health crisis. The Group has assessed the impact of the uncertainties created by the pandemic. These uncertainties did not, either as of December 31, 2021 or as of December 31, 2022, materially affect the estimates and assumptions made by management. The Group will continue to reassess these estimates and assumptions as the situation evolves.

3.4.2. War in Ukraine

The conflict following the invasion of Ukraine by the Russian Federation, which began on February 24, 2022, has no direct consequences for the Group, as it does not have any activities in the warring countries or those subject to economic sanctions. The Group is nevertheless suffering the consequences of the increase in raw material prices. However, at December 31, 2022, these increases do not constitute impairment indicators for any of the CGUs defined by the Group.

3.5. Summary of significant accounting policies

3.5.1. Valuation method

The financial statements have been prepared using the historical cost method, except for the revaluation of certain financial assets and instruments which have been measured at their fair value at each reporting period, as explained by the following accounting policies. Historical cost is generally based on the fair value of the consideration given in exchange for the goods and services.

3.5.2. Basis of consolidation

In accordance with IFRS 10 - Consolidated Financial Statements, an investor controls a company when it is exposed to variable returns from its investment in the company and has the ability to affect those returns through its power over the company. The notion of control is understood in terms of:

- Power held: the investor must have existing rights that give it the ability to direct relevant activities that significantly affect the company's returns. In order to verify control, potential voting rights that are substantial are taken into consideration.
- From exposure to return variability.
- A link between the power held and the exposure to the variability of returns.

Consolidation of a subsidiary begins when the Group obtains control of the subsidiary and ceases when the Group loses control of the subsidiary.

All intra-group assets and liabilities, equity, income, expenses and cash flows related to transactions between members of the Group are eliminated under full consolidation.

The list of the main companies included in the consolidation is presented below:

Entity	Integration countries	% held at 12/31/2022	% held at 12/31/2021	Integration method
Groupe Berkem	**France**	**Consolidation head**		
Berkem Développement	France	100%	100%	Full consolidation
Adkalis	France	100%	100%	Full consolidation
Lixol Laboratoire Français du Sud-Ouest	France	100%	100%	Full consolidation
Berkem Développement	France	100%	100%	Full consolidation
Eurolyo	France	100%	100%	Full consolidation

3.5.3. Currency translation

3.5.3.1. Recognition of foreign currency transactions in the financial statements of consolidated entities

Non-current assets (other than financial assets) and inventories acquired in foreign currencies are translated into the functional currency using the exchange rate prevailing on the acquisition date.

Financial assets and liabilities denominated in foreign currencies are translated using the exchange rate prevailing at the end of the period in question. Gains and losses resulting from currency translation are recognized in the income statement.

3.5.3.2. Foreign currency translation of the financial statements of foreign entities

All entities in the scope of consolidation are French and account for their transactions in euros. No translation of the consolidated subsidiaries' financial statements is necessary.

3.5.4. Recognition of revenue

Under IFRS 15 "Revenue from Contracts with Customers," revenue is recognized when the Group meets a performance obligation by transferring a distinct good or service (or a distinct set of goods and/or services) to a customer, i.e., when the customer obtains control of these goods or services in exchange for an amount that the Group expects to receive.

The standard prescribes a single revenue recognition model according to a five-step grid of criteria for all types of transactions and sectors of activity, without making any distinction between sales of goods or services:

- Identification of the contract,
- Identification of performance obligations within the contract,
- Evaluation of the contract price,
- Allocation of the contract price to each performance obligation,
- Recognition of revenue

Income arising from transactions or events not related to a contract with a customer (a third party that has contracted with the entity in order to obtain goods or services constituting an achievement of the entity's ordinary business in exchange for a price) are excluded from the scope of IFRS 15.

Sales include shipping and handling costs, if invoiced to the customer, and are reported net of trade promotion and other costs, including estimated allowances for returns, unsaleable products and immediate payment discounts. Sales, use, value-added and other excise taxes are not recognized in income. The end-of-year discounts are known and determined when the financial statements are prepared and have been deducted from revenue.

The revenue of Groupe Berkem consists mainly of sales of goods (insecticides, fungicides, flame retardants & intumescents and anti-UV/anti-humidity products).

At the same time, the Group provides services of two kinds:

- Contract work: provision of services to extract an active principle from a material made available by the customer;
- Lyophilization but also mixing, grinding, etc., via the subsidiary Eurolyo.

Revenue is recognized on the date control of the asset is transferred ("Point in Time"):

- for sales of goods, on the date of transfer of risk (generally Ex-Works);
- for services, on the delivery date (the conditions for ongoing recognition not being met).

Each sale to a customer consists of a single performance obligation (no multiple obligations and therefore no mechanism for allocating the contract price to several obligations).

3.5.5. Operating expenses

As the Group considers that this is the presentation method providing the most relevant reliable information, in accordance with the option offered by IAS 1 "Presentation of Financial Statements," it presents its statement of net income by function (destination) of expenses and not by type of expenses.

3.5.5.1. Cost of products and services sold

The cost of products and services sold corresponds to all expenses directly associated with the purchase or production of goods and services sold, including the purchase of raw materials and direct labor.

3.5.5.2. Research and development

Research and development costs include expenses directly attributable to the research and development activities carried out by the Group. These include: personnel expenses related to employees with R&D activities, laboratory consumables, subcontracting or expenses associated with obtaining patents.

Research Tax Credit (CIR)

The Group benefits from the provisions of Article 244 quater B of the French General Tax Code relating to the French Research Tax Credit (CIR). The CIR is granted to companies by the French tax authorities to encourage them to conduct technical and scientific research. Companies that can prove they have expenses that meet the required criteria (research expenses located in France or, since January 1, 2005, in the European Union or in another State of the European Economic Area and having entered into a tax agreement with France that contains an administrative assistance clause) benefit from a tax credit that can be used for the payment of corporate income tax due for the tax year during which the expenses have been carried out and the following three fiscal years, or as the case may be, may be repaid in cash. The expenses taken into account for the calculation of the CIR only concern research expenses.

The CIR is presented as a deduction of operating expenses in the consolidated statements of income (losses) because it meets the definition of “government grant” as defined in IAS 20 “Accounting for Government Grants and Information on Government Assistance.”

Innovation Tax Credit (CII)

The Group benefits from the provisions of Article 244 quater B of the French General Tax Code relating to the French Innovation Tax Credit (CII). The CII is a tax measure reserved for small- and medium-sized companies (according to the European definition). The latter may benefit from a tax credit of 20% of the expenses necessary for the design and/or production of prototypes or pilot installations of a new product (a product that has not yet been marketed and which differs from existing or previous products by superior technical performance, eco-design, ergonomics or functionalities). The base is capped at €400,000 per year and per company.

The CII is presented as a deduction of operating expenses in the consolidated statements of income (losses) because it meets the definition of government grant as defined in IAS 20 “Accounting for Government Grants and Information on Government Assistance.”

3.5.5.3. Sales and marketing

Sales and marketing expenses relate to advertising and communication expenses intended to promote Groupe Berkem’s products and activities to a target audience.

3.5.5.4. General and administrative expenses

General and administrative expenses include all costs incurred by the Company for the smooth running of its day-to-day operations and not directly attributable to the production of goods and services sold. These include employees in the support functions (management, human resources, finance, etc.), rent, insurance and office supplies.

3.5.6. Other operating income and expenses

Other non-recurring operating income and other non-recurring operating expenses are recorded under "Current operating income." Non-recurring items can only be recognized:

- in connection with a major event that occurred during the accounting period;
- and when the non-presentation of its impacts separately from other items of income would distort the interpretation of the Company's performance.

These are therefore very limited, unusual, abnormal and infrequent income or expenses, and particularly significant amounts, that the Company presents separately in its income statement, to facilitate understanding of its current operating performance and enable readers of the financial statements to have access to information that can be used to forecast results.

3.5.7. Financial income and expenses

3.5.7.1. Financial expenses

Financial expenses mainly include interest expenses on financial debts, negative changes in the fair value of financial instruments recognized in profit or loss, realized and unrealized foreign exchange losses on financing and investing activities and on financial instruments and reversals of impairment losses on financial instruments.

Financial expenses also include expenses arising from the settlement of the discount on long-term provisions and the net interest cost of employee benefits. This item does not include cash discounts, which are deducted from net sales.

3.5.7.2. Financial income

Financial income includes interest and dividend income, positive changes in the fair value of financial instruments recognized in profit or loss, realized and unrealized foreign exchange gains on financing and investing activities and capital gains on disposals of financial assets at fair value through profit or loss.

3.5.8. Corporate income tax

Corporate income tax includes current tax expense and deferred tax expense. Deferred taxes are recognized for all temporary differences arising from the difference between the tax base and the accounting base of the asset and liability. Tax losses that can be carried forward or back may also be recognized as deferred tax assets. The tax rates adopted at the reporting date are used to determine deferred tax. Deferred tax assets are recognized only to the extent that it is probable that future profits will be sufficient to recover them.

The Corporate Value-Added Contribution (CVAE) meets the definition of a tax as defined by IAS 12 "Income Taxes" and is therefore presented on the "Income tax" line in the statement of net income.

3.5.9. Employee benefit obligations

The Group offers pension benefits to employees and retirees. These benefits are recognized in accordance with IAS 19 "Employee Benefits." Post-employment benefits and long-term benefits are covered by two different plans:

- Defined-contribution plans for which the payment of retirement pensions is made by social organizations. The cost is recognized immediately in the period in which it is incurred and is equivalent to the amount of the contributions paid by the Group.
- Defined benefit plans correspond to the payment by the Group of an end-of-career indemnity upon the departure of employees.

For defined benefit plans, the Group generally recognizes its obligations to pay pensions and similar benefits to employees as a liability, based on an actuarial estimate of the rights vested or currently vested to employees and retirees, using the projected credit units method. Estimates are made at least annually and are based on financial assumptions (such as discount rates) and demographic assumptions (such as life expectancy, retirement age, employee turnover and salary increases).

These liabilities are recognized net of the fair value of the plan assets.

The cost of benefits for the period is mainly composed of the current service cost, past service cost, net interest cost, gains or losses arising from plan settlements not specified in the plan terms and actuarial gains or losses resulting from plan reductions. The net interest cost for the period is determined by applying the discount rate specified in IAS 19 to the net liability (i.e., the amount of the obligation less the plan asset) recognized with respect to defined benefit plans. The past service cost is recognized immediately in ”Net income” in the period in which it is incurred, whether or not the rights have been vested at the time of adoption (in the case of a new plan) or amendment (in the case of an existing plan).

Actuarial gains and losses on defined benefit plans (pension plans and other post-employment benefits), also known as “remeasurements of net defined benefit liability (asset),” arise from changes in financial and demographic assumptions, experience adjustments and the difference between actual return and interest cost on plan assets. The impact of these revaluations is recognized in “Other comprehensive income,” net of deferred taxes; they cannot be reclassified subsequently to “Net income.”

3.5.10. Share-based payments

In accordance with IFRS 2, the Group recognizes an expense spread over the vesting period with an offsetting entry in equity. This expense reflects the fair value of the cost of services rendered.

The conditions (vesting or non-vesting) for allocations based on conditions linked to the change in the price of the underlying asset on a listed market are called market performance conditions. They must be taken into account in the fair value. Their achievement is estimated at the grant date and is not re-estimated thereafter.

The other conditions (non-market) are taken into account in the calculation of the number of shares and are updated at each accounting closing date.

3.5.11. Business combinations

3.5.11.1. Accounting for business combinations

Business combinations are accounted for in accordance with IFRS 3 “Business Combinations” and IFRS 10 “Consolidated Financial Statements.”

Business combinations are accounted for using the acquisition method. Under this method, the identifiable assets and liabilities of the acquirer that meet the recognition criteria of IFRS 3 are initially measured at their fair value at the acquisition date, with the exception of (i) non-current assets classified as held for sale (which are measured at fair value less costs to sell) and (ii) assets and liabilities that fall within the scope of IAS 12 “Income Taxes” and IAS 19 “Employee Benefits.”

The main accounting rules applicable to business combinations:

- Acquisition-related costs are expensed.
- Goodwill can be calculated on the basis of either (i) the acquirer’s total fair value, or (ii) a portion of the acquirer’s fair value proportional to the stake acquired. This option is chosen for each acquisition individually.

Purchase price allocations are made under management's responsibility, with the assistance of an independent appraiser in the case of major acquisitions.

3.5.11.2. Goodwill

The excess of the cost of an acquisition over the Company's interest in the fair value of the identifiable assets and liabilities of the acquiree is recognized as goodwill at the date of the business combination.

In accordance with IAS 36 "Impairment of Assets," goodwill is recognized at cost less accumulated impairment.

Goodwill is tested for impairment annually and whenever events or circumstances indicate that impairment may exist. These events or circumstances include significant changes that may have an impact other than temporary on the substance of the initial investment.

3.5.12. Other intangible assets

Other intangible assets are initially measured at acquisition cost or production cost, including costs directly attributable to preparing the asset for its intended use. Intangible assets are amortized on a straight-line basis over their useful life.

The useful lives of other intangible assets are reviewed at the end of each reporting period. The effect of any useful life adjustment is recognized prospectively as a change in the accounting estimate. The Group has no intangible assets with an indefinite useful life other than goodwill.

Amortization of other intangible assets is recognized in the income statement within the amortization account of intangible assets.

Intangible assets (other than goodwill) are carried at cost less accumulated amortization and impairment, if any, in accordance with IAS 36.

3.5.12.1. Research and development costs

In accordance with IAS 38 "Intangible Assets," Research and Development costs are only recognized as intangible assets if all of the following criteria are met:

- Technical feasibility necessary for the completion of the development project;
- Our intention to complete and use the project;
- The ability to use the intangible asset;
- Evidence of the likelihood of future economic benefits associated with the asset;
- The availability of technical, financial and other resources to carry out the project;
- Reliable assessment of development expenses.

The estimated useful life of Research and Development costs recognized as intangible assets is 5 years.

3.5.12.2. Other intangible assets

Other intangible assets acquired with a finite useful life are carried at cost less accumulated amortization and impairment. Amortization expense is recognized on a straight-line basis over the estimated useful life of the intangible assets. The estimated useful lives are as follows:

- Marketing authorizations (MA): 10 years
- Software licenses: 3 to 5 years
- Patents: 10 to 20 years

3.5.13. Property, plant and equipment owned and leased

3.5.13.1. Property, plant and equipment owned

In accordance with IAS 16 “Property, Plant and Equipment,” property, plant and equipment are recognized at their acquisition cost (purchase price and directly attributable costs) or at their production cost by the Company, as the case may be.

Property, plant and equipment are depreciated on a straight-line basis over the estimated useful life of the asset.

Depreciation is calculated on a straight-line basis over the following estimated useful lives:

- Structural work: 10 to 40 years
- Heavy fittings: 4 to 30 years
- Usual fittings, furniture and decoration: 5 years
- IT equipment: 2 to 5 years
- Vehicles: 3 to 5 years

3.5.13.2. Property, plant and equipment leased

3.5.13.2.1. Accounting for leases

Leases, as defined by IFRS 16 “Leases,” are recorded in the consolidated statement of financial position, which leads to the recognition of:

- An asset representing a right-of-use of the leased asset during the term of the lease of the “right-of-use” contract;
- A liability related to the payment obligation or “lease liability.”

3.5.13.2.2. Right-of-use asset measurement

On the effective date, the right-of-use asset is measured at cost and includes:

- The amount of the initial measurement of the lease liability, plus any lease payments made on or before the start date, less any lease inducements received;
- Where applicable, the initial direct costs incurred by the lessee for the conclusion of the contract. These are incremental costs that would not have been incurred if the contract had not been concluded;
- The estimated costs of restoring the leased asset according to the terms of the contract.

After initial recognition, the right-of-use asset is amortized over the useful life of the underlying assets as the lease term for the rental component.

3.5.13.2.3. Measurement of lease liability

On the effective date, the lease liability is recognized for an amount equal to the present value of the lease payments over the expected useful life (taken into account, where applicable, after an analysis of the facts and circumstances in each contract of options for renewal and that they have a reasonably certain duration). The lease liability is then measured using a process similar to the amortized cost method using the discount rate. The liability is increased by accrued interest resulting from the discounting of the lease liability at the beginning of the lease period, and payments made are deducted.

Interest costs for the period as well as variable payments, not included in the initial measurement of the lease liability and incurred during the relevant period, are recognized as costs.

3.5.13.2.4. Main applicable leases

On the basis of its analysis, the Group has identified leases in accordance with the standard concerning office buildings, laboratory equipment and company vehicles. For the purposes of IFRS 16, the lease term reflects the Group's reasonable expectations as to the period over which the underlying asset will be used.

The discount rate used to calculate the lease liability is determined, for each asset portfolio, according to the differential borrowing rate at the date of the contract. The differential borrowing rate is the interest rate that a tenant would have to pay to borrow over a similar term and, with a similar guarantee, the funds necessary to obtain an asset of similar value to the asset in respect of the right-of-use in a similar economic environment.

Rental expenses relating to short-term and low-value rents continue to be classified as "Rental expenses" in operating expenses.

3.5.14. Impairment of property, plant and equipment and intangible assets

Depreciable intangible assets, depreciable property, plant and equipment and right-of-use assets are tested for impairment when there is an indicator of impairment.

Impairment tests consist of comparing the carrying amount of cash-generating units with their recoverable amount. The recoverable amount of an asset is the higher of (i) its fair value less costs to sell and (ii) its value in use. If the recoverable amount of an asset is less than its carrying amount, an impairment loss is recognized to reduce the carrying amount to the recoverable amount.

3.5.15. Financial instruments

3.5.15.1. Financial assets

On initial recognition, a financial asset is measured using one of the following three categories:

- At amortized cost;
- At fair value through other comprehensive income, distinguishing between debt instruments and equity instruments;
- At fair value through profit or loss.

This classification depends on:

- Contractual cash flows of the instrument;
- The business ownership model applied by the Company.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at fair value through profit or loss:

- It is held as part of a business model whose objective is to hold assets in order to collect contractual cash flows;
- Its contractual terms give rise, on specified dates, to cash flows that correspond solely to repayments of principal and interest payments on the outstanding principal.

3.5.15.1.1. Non-current financial assets

Non-current financial assets are recognized at amortized cost and mainly correspond to guarantee deposits.

3.5.15.1.2. Receivables

Trade and other receivables are recognized at their fair value, which is the nominal value of the invoices, unless the payment terms require a material adjustment for the effect of discounting the time value at market interest rates. Trade receivables are then measured at amortized cost. A provision for expected credit losses for trade and other receivables is recognized if their recoverable amount is less than their carrying amount.

Receivables are classified as current assets, except for those with a maturity date of more than 12 months after the reporting date.

The Group has not recognized any significant losses on irrecoverable receivables at the time of previous closings.

3.5.15.1.3. Cash and cash equivalents

Cash and cash equivalents are measured at fair value through profit or loss.

3.5.15.2. Financial liabilities

Financial liabilities include trade and other payables, finance leases and conditional advances. The Group de-recognizes financial liabilities when contractual obligations are paid up, canceled or have expired.

Financial liabilities are measured at amortized cost. The amount of interest recognized as financial expenses is calculated by applying the effective interest rate of the financial liability to its carrying amount.

3.5.16. Inventories

3.5.16.1. Gross valuation in inventories

Inventories are measured at the lower of cost and net realizable value.

Inventories of raw materials are calculated using the weighted average cost method or the first-in, first-out method, depending on the nature of the inventory.

Finished goods are valued at the Industrial Cost Price (ICP), 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.

Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to effect the sale.

3.5.16.2. Inventory impairment

For the provision for impairment of inventories beyond impairment due to the net realizable value being lower than the cost, 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 the end of the fiscal year:

- Length of service ≤ 24 months: 25%;
- Length of service > 24 months and ≤ 48 months: 50%;
- Length of service > 48 months and ≤ 72 months: 75%;

- Length of service ≤ 72 months: 100%

3.5.17. Cash and cash equivalents

Cash and cash equivalents are held to meet short-term cash commitments rather than for investment or other purposes. They are readily convertible into a known amount of money and are subject to insignificant risk of changes in value. Cash and cash equivalents include cash, bank accounts, money market funds and fixed bank deposits that meet the definition of a cash equivalent. Cash equivalents are measured at fair value through profit or loss at the end of each reporting period.

3.5.18. Provisions for liabilities

Provisions correspond to commitments resulting from litigation and various risks to which the Company may be exposed in the course of its operations. In accordance with IAS 37 “Provisions, Contingent Liabilities and Contingent Assets,” a provision is recognized when the Company has an obligation to a third party resulting from a past event that is likely to result in an outflow of resources to the third party, with no equivalent expected consideration, and for which future cash outflows can be reliably estimated. The amount recognized as a provision is an estimate of the expenses necessary to settle the obligation, discounted, if necessary, at the end of the fiscal year.

3.5.19. Segment information

In accordance with IFRS 8 “Segment Information,” the Group, when issuing shares listed on a regulated market, may provide information that enables users of its financial statements to assess the nature and financial effects of its activities and the economic environments in which it operates.

An operating segment is a component of an entity:

- that engages in ordinary activities from which it may earn income and for which it may incur expenses (including income and expenses relating to transactions with other components of the same entity);
- whose operating results are regularly reviewed by the entity’s main operational decision-maker in order to make decisions on the resources to be allocated to the segment and to assess its performance;
- for which separate financial information is available.

The Group’s two operating segments are plant-based extraction and formulation. For more details, please refer to Note 5.27.

4. Financial risk management

4.1. Foreign exchange risk

Foreign exchange risk corresponds to the exposure to currency exchange rates.

As of December 31, 2022, the Group did not hold any currency hedging derivative instruments. Nevertheless, most of the Group’s transactions (purchases and sales) are carried out in euros, and the Group is therefore only slightly exposed to foreign exchange risk.

4.2. Liquidity risk

The Group's liquidity risk corresponds to the risk of not being able to meet its monetary needs with its financial resources. It depends in particular on the Group's level of exposure to changes in the main market parameters that could lead to an increase in the cost of credit or even a temporary limitation of access to external sources of financing.

The Group strives to anticipate its liquidity needs and hedges its liquidity risk with the following short- and long-term financial resources:

- Equity
- Gross debt monitored by maturity (as broken down below).

4.3. Interest rate risk

The Group is exposed to interest rate volatility, particularly through changes in the conditions of its variable-rate financing. Appropriate financial instruments are used to manage exposure to this risk through two interest rate cap floors subscribed in July 2022:

- With La Banque Postale, a cap floor on a notional amount of €3,000 thousand for the period from July 29, 2022 to July 27, 2026;
- With Crédit Agricole, a cap floor covering a notional amount of €3,000 thousand for the period from July 26, 2022 to July 27, 2026;

4.4. Credit risk

Credit risk is the risk of financial loss if a customer or counterparty of a financial instrument defaults on its contractual commitments. The Group is exposed to credit risk through its trade receivables, grant receivables and cash equivalents. Its policy is to manage its risk by dealing with third parties with good credit standards.

5. Presentation of the financial statements

5.1. Changes in the scope of consolidation during the fiscal year

None.

5.2. Goodwill

	01/01/2021	12/31/2021	Gross value	Impairment	12/31/2022
Formulation division	8,264	8,264	8,264		8,264
Extraction division	778	778	778		778
Total	**9,043**	**9,043**	**9,043**	**-**	**9,043**

5.2.1. Impairment test

Cash flows were assessed on the basis of budgets and five-year plans based on a growth and margin outlook consistent with the historical performance of the Group and its markets. The growth rate of 2% used to project cash flows to infinity is consistent with long-term inflation rates in France.

The discount rate used corresponds to the weighted average cost of capital and represents the expected return on capital employed. It is calculated using the financial data of a sample of comparable companies, comprising listed companies in the same business sector as the Group. At December 31, 2021 and December 31, 2022, the discount rate determined on the basis of market data was in the range of 10.2% to 11.6%. This discount rate is applicable to the Formulation CGU and the Extraction CGU. The discount rate used for the 2022 fiscal year was 10.5% (9.5% for the 2021 fiscal year).

After reviewing the value of goodwill, no impairment was recognized at December 31, 2021 or December 31, 2022.

5.2.2. Sensitivity analysis

The Group carried out sensitivity analyses of the results of the impairment tests according to the various assumptions of the EBITDA ratio used to calculate the terminal value and the discount rate.

Sensitivity analyses were carried out on the basis of the selected business plan, including reasonably possible changes in the latter (-200 bps for the EBITDA/revenue ratio, +200 bps for the discount rate). These sensitivity analyses did not reveal a scenario in which the recoverable amount would fall below the carrying amount of the assets tested.

For the Formulation CGU only, these sensitivity analyses reveal scenarios (from a stress of 2 basis points of the WACC rate or the EBITDA rate) in which the recoverable amount of the tested assets would fall below the carrying amount.

5.3. Intangible assets

in € thousands	01/01/2021	Acquisitions	Disposals	Allocations in the fiscal year	Reclassifications	12/31/2021
R&D costs	1,674	495	-	-	458	2,627
Concessions, patents and similar	11,545	356	-	-	-	11,902
Intangible assets in progress	458	-	-0	-	-458	-
Other intangible assets	3	-	-	-	-	3
Total intangible assets	**13,680**	**851**	**-0**	**-**	**-**	**14,531**
Amortization and impairment of R&D costs	-702	-	-	-273	-	-975
Amortization and impairment of concessions, patents and similar	-7,224	-	-	-537	-	-7,761
Amortization and impairment of other intangible assets	-3	-	-	-	-	-3
Total amortization and impairment of intangible assets	**-7,929**	**-**	**-**	**-810**	**-**	**-8,739**
Total net value	**5,751**	**851**	**-0**	**-810**	**-**	**5,792**

in € thousands	12/31/2021	Acquisitions	Disposals	Allocations in the fiscal year	Reclassifications	12/31/2022
R&D costs	2,627	-	-	-	-	2,627
Concessions, patents and similar	11,902	246	-	-	-	12,147
Intangible assets in progress	-	919	-	-	125	1,044
Other intangible assets	3	-	-	-	-	3
Total intangible assets	**14,531**	**1,165**	**-**	**-**	**125**	**15,821**
Amortization and impairment of R&D costs	-975	-	-	-372	-	-1,347
Amortization and impairment of concessions, patents and similar	-7,761	-	-	-562	-	-8,323
Amortization and impairment of other intangible assets	-3	-	-	-	-	-3
Total amortization and impairment of intangible assets	**-8,739**	**-**	**-**	**-934**	**-**	**-9,673**
Total net value	**5,792**	**1,165**	**-**	**-934**	**125**	**6,148**

5.4. Property, plant and equipment

in € thousands	01/01/2021	Acquisitions	Disposals	Allocations in the fiscal year	Reclassifications	12/31/2021
Land	717	-	-	-	-	717
Site fixtures	241	25	-	-	-	266
Buildings	11,726	312	-	-	265	12,303
Buildings - leases (IFRS 16)	2,039	-	-	-	-	2,039
Technical facilities, machinery and equipment	13,606	987	-69	-	51	14,575
Technical facilities, machinery and equipment - leases (IFRS 16)	1,587	-	-	-	-	1,587
Transportation equipment	797	194	-957	-	-	34
Transportation equipment - leases (IFRS 16)	357	-	-	-	-	357
IT equipment	473	38	-3	-	2	509
Other property, plant and equipment - leases (IFRS 16)	1,001	-	-	-	-	1,001
Property, plant and equipment in progress	596	965	-	-	-318	1,243
Advances and prepayments on property, plant and equipment	2	100	-	-	-	102
Other property, plant and equipment	934	15	-	-	-	949
Total property, plant and equipment	**34,074**	**2,636**	**-1,030**	**-**	**-**	**35,681**
Amortization and impairment of site fixtures	-158	-	-	-14	-	-172
Amortization and impairment of transportation equipment	-494	-	1	461	-	-32
Amortization and impairment of transportation equipment - leases (IFRS 16)	-	-	-	-36	-	-36
Amortization and impairment of computer equipment	-421	-	3	-33	-	-451
Amortization and impairment of buildings	-7,138	-	-	-546	-	-7,684
Amortization and impairment of buildings - leases (IFRS 16)	-	-	-	-203	-	-203
Amortization and impairment of technical facilities, machinery and equipment	-11,074	-	164	-1,018	-	-11,928

Amortization and impairment of technical facilities, machinery and equipment - leases (IFRS 16)	-	-	-	-62	-	-62
Amortization and impairment of other property, plant and equipment	-482	-	-	-49	-	-531
Amortization and impairment of other property, plant and equipment - leases (IFRS 16)	-	-	-	-435	-	-435
Total amortization and impairment of property, plant and equipment	**-19,768**	**-**	**168**	**-1,934**	**-**	**-21,534**
Total net value	**14,306**	**2,636**	**-861**	**-1,934**	**-**	**14,147**

in € thousands	**12/31/2021**	**Acquisitions**	**Disposals**	**Allocations in the fiscal year**	**Reclassifications**	**12/31/2022**
Land	717	-	-	-	-	717
Site fixtures	266	-	-	-	-	266
Buildings	12,303	677	-38	-	74	13,015
Buildings - leases (IFRS 16)	2,039	-	-	-	-	2,039
Technical facilities, machinery and equipment	14,575	1,229	-2	-	92	15,894
Technical facilities, machinery and equipment - leases (IFRS 16)	1,587	568	-	-	-	2,155
Transportation equipment	34	30	-	-	-	64
Transportation equipment - leases (IFRS 16)	357	-	-	-	-	357
IT equipment	509	64	-	-	-	573
Other property, plant and equipment - leases (IFRS 16)	1,001	791	-	-	-	1,792
Property, plant and equipment in progress	1,243	3,372	-4	-	-388	4,223
Advances and prepayments on property, plant and equipment	102	587	-	-	-	689
Other property, plant and equipment	949	56	-2	-	98	1,101
Total property, plant and equipment	**35,681**	**7,374**	**-46**	**-**	**-125**	**42,884**
Amortization and impairment of site fixtures	-172	-	-	-14	-	-187
Amortization and impairment of transportation equipment	-32	-	-	-13	-	-45
Amortization and impairment of transportation equipment - leases (IFRS 16)	-36	-	-	-59	-	-95
Amortization and impairment of computer equipment	-451	-	-	-32	-	-483
Amortization and impairment of buildings	-7,684	-	1	-551	11	-8,223
Amortization and impairment of buildings - leases (IFRS 16)	-203	-	-	-204	-	-407

Amortization and impairment of technical facilities, machinery and equipment	-11,928	-	0	-675	-	-12,603
Amortization and impairment of technical facilities, machinery and equipment - leases (IFRS 16)	-62	-	-	-410	-	-472
Amortization and impairment of other property, plant and equipment	-531	-	1	-59	-11	-600
Amortization and impairment of other property, plant and equipment - leases (IFRS 16)	-435	-	-	-442	-	-877
Total amortization and impairment of property, plant and equipment	**-21,534**	**-**	**3**	**-2,461**	**-**	**-23,992**
Total net value	**14,147**	**7,374**	**-43**	**-2,461**	**-125**	**18,892**

5.5. Financial assets

In € thousands	**01/01/2021**	**Acquisitions**	**Disposals**	**12/31/2021**
Receivables from equity investments - current	-	-	-	-
Long-term investments (AFS - non-current)	24	0	-11	13
Loans, guarantees and other receivables - non-current	8,994	1	-8,783	212
Total financial assets	**9,018**	**1**	**-8,794**	**226**
Total impairment of financial assets	**-**	**-**	**-**	**-**
Total net value	**9,018**	**1**	**-8,794**	**226**

The flow of €8,783 thousand corresponds to the repayment of the current account to HOF.

In € thousands	12/31/2021	Acquisitions	Disposals	Allocations in the fiscal year	Reclassifications	12/31/2022
Receivables from equity investments - current	-	-	-	-	0	0
Long-term investments (AFS - non-current)	13	200	-195	-	-	18
Loans, guarantees and other receivables - non-current	212	15	-1	-	-	226
Total financial assets	**226**	**215**	**-196**	**-**	**0**	**245**
Total impairment of financial assets	**-**	**-**	**-**	**-37**	**-**	**-37**
Total net value	**226**	**215**	**-196**	**-37**	**0**	**208**

Non-current 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. The Group did not recognize any impairment at either December 31, 2021 or December 31, 2022.

5.6. Deferred taxes

Deferred taxes at December 31, 2022 break down as follows:

- Deferred tax on capitalization of tax loss carryforwards: €894 thousand
- Deferred tax on cancellation of share premium: €876 thousand
- Deferred tax on restatement of pension commitments: €368 thousand
- Deferred taxes on IFRS 16 restatement: €29 thousand

5.7. Inventories

Inventories break down as follows:

In € thousands - 12/31/2021	Gross value	Impairment	Net value
Inventories of raw materials, consumables and other supplies	2,061	-29	2,032
Inventories of intermediate and finished goods	5,444	-222	5,222
Total inventories	**7,505**	**-251**	**7,254**

In € thousands - 12/31/2022	Gross value	Impairment	Net value
Inventories of raw materials, consumables and other supplies	3,080	-46	3,034
Inventories of intermediate and finished goods	8,471	-128	8,343
Total inventories	**11,551**	**-174**	**11,377**

Impairment of inventories was recorded as follows:

In € thousands	01/01/2021	Movements	Additions/reversals	Reclassifications	12/31/2021
Raw materials and supplies	1,656	363	3	10	2,032
Intermediate and finished goods	4,660	529	44	-10	5,222
Total inventories	**6,317**	**891**	**46**	**-**	**7,254**

In € thousands	12/31/2021	Movements	Additions/reversals	12/31/2022
Raw materials and supplies	2,032	1,019	-17	3,034
Intermediate and finished goods	5,222	3,026	94	8,343
Total inventories	**7,254**	**4,046**	**77**	**11,377**

5.8. Trade and other receivables

The breakdown of trade receivables is as follows:

In € thousands	12/31/2022	12/31/2021
Trade receivables	7,959	8,016
Un-issued invoices	-	58
Impairment of trade receivables and related accounts	-214	-345
Total trade receivables and related accounts	**7,745**	**7,729**
Payables - advances and prepayments paid	227	240
Receivables - personnel and social welfare agencies	20	18
Tax receivables - excluding corporate tax - current	1,394	1,349
Group current account assets - current	341	341
Other receivables - current	1,253	1,539
Other receivables	**3,235**	**3,487**
Total trade and other receivables	**10,980**	**11,216**

5.9. Tax receivables

They amounted to €1,225 thousand at 12/31/2022 and consist mainly of CIR/CII receivables.

This item also includes provisions related to tax reassessment proposals received on certain research tax credits from Adkalis and Berkem Développement (disputed to date by Groupe Berkem), as well as provisions to cover the risk of the extension of these tax reassessments to other fiscal years not audited by the tax authorities under IAS 12.

5.10. Other current assets

The breakdown of other current assets is as follows:

In € thousands	12/31/2022	12/31/2021
Loans, guarantees and other receivables - current	729	-
Prepaid expenses	403	263
Other current assets	**1,132**	**263**

5.11. Cash and cash equivalents

The change in cash and cash equivalents is detailed in the cash flow statement.

in € thousands	12/31/2022	12/31/2021
Marketable securities	18	69
Cash and cash equivalents	11,532	15,533
Total assets	**11,549**	**15,602**
Bank overdrafts	148	208
Total liabilities	**148**	**208**
Net cash position	**11,401**	**15,394**

5.12. Share capital

At December 31, 2021 and December 31, 2022, the share capital of the parent company, Groupe Berkem, comprised 17,685,025 ordinary shares with a par value of €2.25.

Groupe Berkem's share capital was affected by several transactions in 2021:

- 02/19/2021: Capital reduction due to losses of €12.5 thousand. This transaction brought the share capital to €37.5 thousand by reducing the net value of the 50,010 shares from €1 to €0.75.
- 03/08/2021:
  - Reverse split of the Company's shares. Exchange of one ordinary share with a par value of €2.25 for three shares with a par value of €0.75.
  - Contribution of 33,485,060 shares of Berkem Développement. This transaction was remunerated by the issuance of 12,949,103 new shares representing a capital increase of €29,135 thousand.
- 12/07/2021: capital increase of €10,618 thousand as part of the IPO on the EURONEXT market.

Basic earnings per share were as follows (no potentially dilutive shares were outstanding in 2021 or 2022):

	12/31/2022	12/31/2021
Net income in €	-1,567,226	1,193,091
Number of shares issued	17,685,025	17,685,025
Basic earnings per share	**-0.09**	**0.07**
Net income in €	-1,567,226	1,193,091
Number of shares issued	17,685,025	17,685,025
Potentially dilutive shares	0	0
Number of diluted shares	17,685,025	17,685,025
Diluted earnings per share in €	**-0.09**	**0.07**

5.13. Share premium

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

The capital increase costs net of tax of €3,469 thousand were charged to the share premium.

5.14. Treasury shares

At December 31, 2022, treasury shares held by the Company were recognized as a deduction from equity in the amount of €369 thousand.

5.15. Share subscription warrants, stock options and free share allocations

At December 31, 2021, the Group had not set up any share subscription warrants, stock options or free share allocations.

Grant date	03/03/2022:
Vesting period (year)	1
Retention period (year)	1
Number of shares granted	111,250
Performance condition	N/A

Share price on grant date	9.2
Dividend	0
Fair value	9.2

Deferred expenses (in € thousands)	IFRS 2 expense	Social security contributions (20%)	Total P&L expense
12/31/2022	848	170	1,018

5.16. Provisions

in € thousands	01/01/2021	Allocations in the fiscal year	Reversals in the fiscal year	Specific transactions	12/31/2021
Provisions for litigation - non-current	-	44	-	-	44
Provisions for litigation - current	50	-	-50	-	-
Total provisions for liabilities	**50**	**44**	**-50**	**-**	**44**
Provisions for pensions and retirement - non-current	1,184	111	-	-102	1,193
Other provisions for expenses - non-current	-	237	-	-	237
Total provisions for expenses	**1,184**	**348**	**-**	**-102**	**1,430**
Total provisions for liabilities and expenses	**1,234**	**392**	**-50**	**-102**	**1,474**

in € thousands	12/31/2021	Allocations in the fiscal year	Reversals in the fiscal year	Reclassifications	Specific transactions	12/31/2022
Provisions for litigation - non-current	44	-	-	-44	-	-
Provisions for litigation - current	-	4	-44	44	-	4
Total provisions for liabilities	**44**	**4**	**-44**	**-**	**-**	**4**
Provisions for pensions and retirement - non-current	1,193	112	-	-190	168	1,283
Provisions for pensions and retirement - current	-	-	-	190	-	190
Other provisions for expenses - non-current	237	-	-	-237	-	-
Provision for income tax - current	-	-	-137	237	-	100
Total provisions for expenses	**1,430**	**112**	**-137**	**-**	**168**	**1,573**
Total provisions for liabilities and expenses	**1,474**	**116**	**-181**	**-**	**168**	**1,577**

At the end of 2022, provisions for expenses were mainly composed of a provision for retirement benefits of €1,473 thousand, of which €190 thousand is classified as current;

For the Group's pension obligations, the method used is prospective. The provision was €1,473 thousand at December 31, 2022.

The assumptions used are as follows:

Assumptions used	12/31/2022	12/31/2021
Discount rate: Iboxx corporate AA10+	3.75%	0.98%
Retirement age	64 years old (manager and non-manager)	67 years old (manager and non-manager)
Salary progression rate	3.5% (manager and non-manager)	2% constant (manager and non-manager)
Personnel turnover rate	Decreasing curves, canceling out at age 60, with averages of 2.9% for managers and 4.0% for non-managers	1% manager 5% non-manager
Collective agreement	Chemistry	Chemistry
Departure at the employee's initiative	Voluntary at the employee's initiative	Voluntary at the employee's initiative
Mortality table	TGF TGH 05	TGF TGH 05

The provision for retirement commitments changed as follows:

In € thousands	12/31/2022	12/31/2021
Total liabilities at opening	**1,193**	**1,184**
Cost of services rendered	101	105
Net financial interest	13	5
Actuarial gains and losses generated over the period	169	-102
Other	-3	1
Total liabilities at closing	**1473**	**1,193**

5.17. Financial liabilities

The breakdown of financial liabilities was as follows:

in €	01/01/2021	Increases	Repayments	Other	12/31/2021
Bonds	15,852	-	-16,945	1,093	-
Loans from credit institutions	29,099	-	-5,875	-6,315	16,908
o/w IFRS 16	*5,077*		*-698*	*-735*	*3,644*
Accrued interest on loans	850	-	-789	-61	-
Non-current borrowings and financial debt	**45,801**	**-**	**-23,609**	**-5,283**	**16,908**
Loans from credit institutions	382	-	-438	5,238	5,182
o/w IFRS 16				*735*	*735*
Accrued interest on loans	5	1	-5	61	62
Bank overdrafts (cash flow liabilities)	193	15	-	-	208
Current borrowings and bank overdrafts	**580**	**16**	**-443**	**5,299**	**5,452**
Total borrowings and financial debt	**46,381**	**16**	**-24,052**	**16**	**22,360**

in €	12/31/2021	Increases	Repayments	Other	12/31/2022
Bonds	-	6,500	-	-210	6,290
Loans from credit institutions	16,908	19,359	-17,011	-1,213	18,043
o/w IFRS 16	*3,644*	*1,359*		*-1,493*	*3,510*
Non-current borrowings and financial debt	**16,908**	**25,859**	**-17,011**	**-1,422**	**24,334**
Loans from credit institutions	5,182	-	-2,546	217	2,853
o/w IFRS 16	*735*	*1,062*		*1,493*	*1,166*
Accrued interest on loans	62	241	-84	-	219
Bank overdrafts (cash flow liabilities)	208	-	-60	-	148
Current borrowings and bank overdrafts	**5,452**	**241**	**-2,690**	**217**	**3,220**
Total borrowings and financial debt	**22,360**	**26,100**	**-19,701**	**-1,206**	**27,553**

The maturity of non-current financial debt is as follows:

in €	12/31/2021	< 1 year	1 to 5 years	> 5 years
Bonds	-	-	-	-
Loans from credit institutions	16,908	-	13,563	3,345
Non-current borrowings and financial debt	**16,908**	**-**	**13,563**	**3,345**

in €	12/31/2022	< 1 year	1 to 5 years	> 5 years
Bonds	6,290	-	-	6,290
Loans from credit institutions	18,043	-	9,970	8,073
Non-current borrowings and financial debt	**24,334**	**-**	**9,970**	**14,363**

The fixed and variable rate portions are as follows:

5.18. Trade and other payables

In € thousands	12/31/2022	12/31/2021
Trade payables	5,491	4,844
Unpaid invoices	810	1,107
Social security payables	2,077	2,153
Tax liabilities	293	995
Other debts	4,829	4,765
Accrued interest on debts	-	4
Total trade and other payables	**13,499**	**13,868**

5.19. Other current liabilities

In € thousands	12/31/2022	12/31/2021
Debts on acquired assets	977	60
Receivables - advances and prepayments received	947	792
Total other current liabilities	**1,925**	**852**

5.20. Revenue

5.20.1. Breakdown of revenue by business sector

	2021		2022	
	In € thousands	As a % of revenue	In € thousands	As a % of revenue
Plant extraction	14,564	32%	15,934	31%
Formulation	31,485	68%	35,631	69%
Total revenue	**46,049**	**100%**	**51,566**	**100%**

5.20.2. Geographical breakdown of revenue

	2021		2022	
	In € thousands	As a % of revenue	In € thousands	As a % of revenue
France	36,502	79%	37,798	73%
Export	9,547	21%	13,768	27%
Total revenue	**46,049**	**100%**	**51,566**	**100%**

5.20.3. Customers representing more than 10% of the revenue of companies in the scope

Two customers represent more than 10% of Berkem's revenue:

	2022		2021	
	In € thousands	As a % of revenue	In € thousands	As a % of revenue
Customer 1	5,070	62%	5,972	73%
Customer 2	3,128	38%	2,248	27%
Berkem revenue	**8,198**	**100%**	**8,220**	**100%**

No other customer individually exceeds the threshold of 10% of the revenue of one of the Group's other entities.

5.21. Research and Development costs

in € thousands	2022	2021
Studies and research	-525	-718
Personnel expenses	-1,519	-644
Amortization	-687	-206
Other	-310	-335
Grants	894	722
Capitalization of development costs	416	793
Total Research and Development costs	**-1,731**	**-388**

For the 2022 fiscal year:

- Groupe Berkem incurred €3,041 thousand in expenses related to the Group's innovation strategy vs. €1,903 thousand in 2021;
- Regarding grants, the Group recorded €894 thousand vs. €722 thousand in 2021, partly offsetting these R&D expenses. This item includes research tax credits (CIR) and innovation tax credits (CII);
- Lastly, the Group capitalized development costs in the amount of €416 thousand vs. €793 thousand in 2021, relating to projects aimed at developing new ranges of products, in particular biosourced products, as well as obtaining marketing authorizations for its products.

5.22. Operating income and expenses by type excluding "Other operating income and expenses"

5.22.1. Capitalized production

Capitalized production amounted to €1,854 thousand in 2022 vs. €1,806 thousand in 2021. Capitalized expenses mainly concern:

- Development of new ranges, particularly biosourced, as well as marketing authorization requests;
- The improvement of buildings and industrial equipment (installation of a freeze dryer, a reactor and a fire protection system);
- The deployment of a new ERP.

Capitalized production is recognized in the income statement under various headings according to the nature of the project. Over the last two fiscal years, the breakdown is as follows:

- 52% in Cost of products and services sold in 2022, vs. 50% in 2021;
- 22% in Research and Development in 2022 vs. 43% in 2021;
- 26% in General and Administrative Expenses in 2022 vs. 7% in 2021.

5.22.2. Personnel expenses

in € thousands	2022	2021
Personnel compensation	-10,538	-8,053
Social security and welfare expenses	-3,885	-3,428
Other personnel expenses (including profit-sharing)	-58	-95
Total personnel expenses	**-14,481**	**-11,576**

5.22.3. Additions to and reversals of depreciation, amortization and provisions

in € thousands	2022	2021
Additions/amortization and impairment of intangible assets	-934	-810
Additions/amortization and impairment of property, plant and equipment	-2,460	-1,781
Additions/impairment of inventories of raw materials and goods	-174	-311
Reversals of impairment on inventories of raw materials and goods	251	328
Additions/impairment of current assets	-47	-1
Reversals/impairment of receivables (current assets)	178	51
Additions/amortization of operating expenses to be allocated	0	-369
Additions to operating provisions	-348	0
Total additions and reversals of amortization and operating provisions	**-3,533**	**-2,894**

5.23. Other operating income and expenses

At 12/31/2022, other operating expenses amounted to €2,395 thousand, of which €2,058 thousand related to provisions for the risks of tax reassessment of certain CIR receivables (see Note 5.9).

5.24. Net financial income

In € thousands	2022	2021
Income from cash equivalents	4	112
Change in fair value (income)	37	83
Foreign exchange gains	69	20
Other financial income	28	1
Income from financial assets (excluding cash equivalents)	8	7
Reversals of provisions	1	1
Total financial income	**147**	**225**
Interest expense on borrowings/leases	-812	-2,482
Change in fair value (expense)	-21	-1,127
Additions/amortization of bond redemption premiums	-	-30
Foreign exchange losses	-66	-25
Other financial expenses	-80	-54
Losses/financial assets (excluding cash equivalents)	-	-1
Provisions	-39	-1
Total financial expenses	**-1,018**	**-3,719**
Total net financial income	**-871**	**-3,494**

5.25. Income tax

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

In € thousands	2022	2021
Deferred taxes	333	-13
Current taxes	-502	-886
Income tax	**-169**	**-899**

Current taxes are calculated according to the tax consolidation regime.

5.26. Tax proof

The reconciliation between the theoretical tax expense (or income) and the tax expense (or income) actually recognized is presented in the following table:

In € thousands	2022	2021
Net income of consolidated companies	-1,567	1,193
Income tax	-169	-899
Net taxable income	**-1,398**	**2,093**
Parent company tax rate	25.0%	26.5%
Theoretical tax expense	**350**	**-555**
Permanent differences	-261	-104
Deficit not activated	-	-278
Consolidation restatements not subject to tax treatment	-234	65
Tax credits	12	-3
Rate change	20	-
Other	-56	-25
Actual tax expense recognized	**-169**	**-899**

5.27. Segment information

The Group applies its industrial know-how and innovation through two specialized divisions:

- Plant Extraction via the Eurolyo and Berkem subsidiaries;
- Formulation via the Adkalis and Lixol subsidiaries.

As management has chosen to organize the Group according to the markets addressed and the distribution methods of the related products and services, a sector may, therefore, cover various geographical areas and several activities, provided that the economic characteristics of the activities, grouped within the same sector, are substantially the same.

Plant extraction represented 31% of consolidated revenue in 2022. Through its subsidiary BERKEM, the Group extracts the natural ingredients of interest, carefully selected for their composition of active molecules and their benefits. BERKEM targets active ingredients such as polyphenols, natural antioxidants extracted from grape seeds or pine bark. These active products and ingredients are then offered to manufacturers in the nutraceutical, cosmetics and agrifoods sectors for the formulation of their products.

Through its subsidiary EUROLYO, the Group also offers lyophilization services that make it possible to preserve all the organoleptic and nutritional qualities of the food as well as the fragile active ingredients intrinsic to the products while extending the shelf life and facilitating transportation and storage.

Formulation represented 69% of consolidated revenue in 2022. Through its subsidiaries ADKALIS and LIXOL, the Group carries out formulation and reaction of active chemical ingredients designed to improve the performance of construction materials (in particular the timber industry) and the synthesis of resins for the paint and printing ink industries.

These two areas of expertise converge today to develop a new technology that is unique in the chemical world: "plant-based boosters," plant extracts capable of promoting a wide spectrum of efficacy of synthetic products while reducing their risks for people and the environment. The plant extraction business provides its expertise in the identification of the molecules of interest in various plants while the Biocide Formulation division works on optimizing use of the precise dose of molecules from synthesis chemistry, thanks to the synergy between the two technologies.

6. Headcount

At December 31, 2022, the average headcount was 171. It breaks down as follows:

	Average salaried headcount
Managers	55
Supervisors and technicians	55
Employees	21
Workers	40
Total	**171**

As of December 31, 2021, the average headcount was 169. It breaks down as follows:

	Average salaried headcount
Managers	56
Supervisors and technicians	48
Employees	27
Workers	38
Total	**169**

7. Related-party transactions

Olivier Fahy holds a permanent employment contract with the Company as Deputy General Manager, which took effect on September 1, 1996 (initially with Berkem (following the takeover of SARPAP), then with Berkem Développement). On account of the roles of Executive Corporate Officer which Olivier Fahy holds and may have held within these various entities, this employment contract has been suspended since November 30, 2001.

As part of the reorganization of the Group, and insofar as the Company now has a role in managing the Group's companies, the team of salaried executive managers employed by Berkem Développement (including Olivier Fahy exclusively under his suspended employment contract as Deputy General Manager) was transferred to the Company on March 5, 2021 under the terms of voluntary tripartite transfer agreements entered into by the Company, Berkem Développement, and each employee concerned.

For all intents and purposes, it is specified that the contractual transfer of Olivier Fahy's employment contract had no impact on its suspension.

8. Statutory Auditors' fees

Statutory Auditors' fees amounted to €113 thousand for the audit of the Group’s annual and consolidated financial statements as of December 31, 2021. At December 31, 2022, they amounted to €263 thousand.

9. Off-balance sheet commitments

Commitments given

Company concerned	Description	12/31/2022 (in € thousands)	12/31/2021 (in € thousands)
Berkem Développement	Cash collateral given on BPI financing		100
	Pledge of securities of subsidiaries as collateral for the senior loan of €20 million granted in 2018 by Crédit Agricole Aquitaine, Caisse d'Épargne Aquitaine Poitou-Charentes and Banque Populaire Centre Atlantique		12,171
	Pledge of securities of subsidiaries as collateral for the senior loan of €63.5 million granted by the banking pool in 2022	12,171	
Lixol	Tier 1 lender's lien for an equipment loan granted by Caisse d'Épargne Aquitaine Poitou-Charentes	852	740
Total		**13,023**	**13,011**

9.1. Commitments received

Company concerned	Description	12/31/2022 (in € thousands)	12/31/2021 (in € thousands)
Adkalis	State guarantee for the Banque Palatine loan up to 90%		540
Berkem	State guarantee for Banque Crédit Coopératif loan up to 90%		450
	State guarantee for the Banque Populaire Aquitaine Centre Atlantique loan up to 90%		540
	Fonds National de Garantie de Prêt Croissance Industrie 2 guarantee for the BPI loan up to 80%	374	490
	Caisse Mutuel Garant INDUST MECA guarantee for the equipment loan up to 30%	33	113
Lixol	State guarantee for the Caisse d'Épargne loan up to 90%		450
Berkem Développement	State guarantee for the Crédit Agricole loan up to 90%		225
	Fonds National de Garantie "Garantie Atout ETI" guarantee of the BPI financing up to 90%	281	394
	Fonds National de Garantie de Prêt Croissance Industrie 2 guarantee for the BPI loan up to 60%	420	
	State guarantee for the Banque Palatine loan up to 90%		660
Total		**1,109**	**3,862**

10. Events subsequent to the closing of the annual consolidated financial statements

On February 16, 2023, Groupe Berkem acquired i.Bioceuticals, enabling the Group to establish itself in North America and expand its biosourced offering in the buoyant Nutraceuticals market.

On March 7, 2023, Groupe Berkem extended its partnership with Unipex, a subsidiary of the Barentz group. This operation aims to increase the Group's international presence.

On April 3, 2023, Groupe Berkem acquired Biopress, a French producer of 100% vegetable oils and proteins. This strategic acquisition will enable the Group to:

- Increase its plant extraction and processing capacities to more than 8,000 metric tons per year;

- Have a subsidiary that provides local sourcing of plant-based raw materials, thereby further securing the Group's value chain;
- Strengthen its solutions for its many markets (nutritional supplements, cosmetics, paints and varnishes, etc.);
- Access significant new markets such as agrifood.

8. STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS AT DECEMBER 31, 2022

GROUPE BERKEM SA

Statutory Auditors' report

on the consolidated financial statements

(Fiscal year ended December 31, 2022)

PricewaterhouseCoopers Audit
179, Cours du Médoc
CS 30008
33070 Bordeaux Cedex

Deixis
4 bis, Chemin de la Cruises
33550 Le Tourne

Statutory Auditors' report
on the consolidated financial statements

(Fiscal year ended December 31, 2022)

To the Shareholders' Meeting
GROUPE BERKEM SA
20, rue Jean Duvert,
33290 BLANQUEFORT

Opinion

In execution of the mission entrusted to us by your Shareholders' Meeting, we have audited the consolidated financial statements of GROUPE BERKEM for the fiscal year ended December 31, 2022, as attached to this report.

We certify that the consolidated financial statements are, in accordance with French accounting rules and principles, accurate and fair and give a true and fair view of the results of operations for the past fiscal year as well as of the financial position and assets at the end of the fiscal year of the group comprised of the entities included in the consolidation.

Basis for the opinion

Audit framework

We have performed our audit in accordance with the professional standards applicable in France. We believe that the information we have collected is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under these standards are set out in the “Statutory Auditors’ Responsibilities for the Audit of the Consolidated Financial Statements” section of this report.

Independence

We have carried out our audit assignment in compliance with the rules of independence provided for by the French Commercial Code and the French Code of Ethics for Statutory Auditors, covering the period from January 1, 2022 to the date of publication of our report.

Observation

Without calling into question the opinion expressed above, we draw your attention to the impacts related to the transition to IFRS set out in Notes 3.1.1 “Transition procedures” and 4 “Statement of changes in equity” to the consolidated financial statements, in particular, the impacts on consolidated equity at December 31, 2021 relating to the acquisition of Berkem Développement by Groupe Berkem SA.

Rationale for the assessments

It is in this complex and changing context that, in accordance with the provisions of Articles L. 823-9 and R. 823-7 of the French Commercial Code relating to the justification of our assessments, we hereby inform you that the most significant assessments made by us, in our professional judgment, concerned the appropriateness of the accounting principles applied.

These assessments have been made in the context of the audit of the consolidated financial statements taken as a whole and the formation of our opinion expressed above. We do not express an opinion on the elements of these consolidated financial statements taken in isolation.

Specific verifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by the laws and regulations of the information relating to the Group provided in the management report of the Board of Directors.

We have no observations to make as to their fair presentation and consistency with the consolidated financial statements.

Responsibilities of management and of those charged with corporate governance relating to the consolidated financial statements

It is the responsibility of management to prepare consolidated financial statements that present a true and fair view in accordance with IFRS as adopted by the European Union and to implement the internal control that it deems necessary to prepare consolidated financial statements that are free from material misstatements, whether due to fraud or error.

When preparing the consolidated financial statements, it is the responsibility of management to assess the company’s ability to continue as a going concern, to present in these financial statements, where applicable, the necessary information relating to the going concern and to apply the going concern accounting policy, unless it is planned to liquidate the company or to cease trading.

The consolidated financial statements were approved by the Board of Directors.

Responsibilities of the Statutory Auditors in relation to the audit of the consolidated financial statements

It is our responsibility to prepare a report on the consolidated financial statements. Our objective is to obtain reasonable assurance that the consolidated financial statements as a whole are free from any material misstatements. Reasonable assurance corresponds to a high level of assurance, without, however, guaranteeing that any audit carried out in accordance with professional standards is systematically able to detect all material misstatements. Misstatements may be due to fraud or result from errors and are considered as material when it can be reasonably expected that they may, taken individually or on aggregate, influence the investment decisions made by users of the financial statements on the basis thereof.

As stipulated by Article L.823-10-1 of the French Commercial Code, our task consisting of the certification of the financial statements does not consist of guaranteeing either the viability or the quality of the management of your company.

In the context of an audit carried out in accordance with the professional standards applicable in France, statutory auditors exercise their professional judgment throughout this process.

In addition:

- they identify and assess the risks that consolidated annual financial statements could contain material misstatements, whether due to fraud or error, define and implement audit procedures to address these risks, and collect any information that they consider sufficient and appropriate to provide a basis for their opinion. The risk of failing to detect a material misstatement resulting from fraud is higher than that of failing to detect one resulting from an error as fraud may imply collusion, forgery, voluntary omissions, false statements or the avoidance of internal controls;

- they familiarize themselves with the relevant internal controls for the audit in order to define the audit procedures appropriate in the circumstances, and not with the aim of expressing an opinion on the effectiveness of such internal controls;

- they assess the appropriateness of the accounting methods retained and the reasonableness of the accounting estimates made by management, as well as the information concerning them provided in the consolidated financial statements;

- they assess the appropriateness of the application by management of the accounting policy relating to a going concern and, according to the information gathered, whether or not there are any material uncertainties linked to events or circumstances liable to impact the company's capacity to continue as a going concern. This assessment is based on the elements gathered up to the date of their report, it being however noted that subsequent events or circumstances could call into question the continuity of the business. If they conclude that a material uncertainty does exist, they draw the attention of the readers of their report to the information provided in the consolidated financial statements about this uncertainty or, if such information is not provided or not relevant, they refuse to certify the financial statements or do so with a reservation;

- they assess the overall presentation of the consolidated financial statements and assess whether the consolidated financial statements reflect the underlying transactions and events in such a way as to give a true and fair view;

- concerning the financial information of the persons or entities included in the scope of consolidation, they collect the elements they consider sufficient and appropriate to express an opinion on the consolidated financial statements; they are responsible for the management, supervision and performance of the audit of the consolidated financial statements and for the opinion expressed in relation thereto.

Bordeaux and Le Tourne, May 16, 2023

Statutory Auditors

PricewaterhouseCoopers Audit	Deixis
Antoine Priollaud Gaël Colabella	**Nicolas de Laâge de Meux**

9. STATUTORY AUDITORS’ SPECIAL REPORT ON THE RELATED-PARTY AGREEMENTS

GROUPE BERKEM SA

Statutory Auditors’ special report
on regulated agreements

(Shareholders’ Meeting for the approval of the financial statements
for the fiscal year ended December 31, 2022)

PricewaterhouseCoopers Audit
179, Cours du Medoc
CS 30008
33070 Bordeaux Cedex

Deixis
4 bis, Chemin de la Croix
33550 Le Tourne

Statutory Auditors' special report
on regulated agreements

(Shareholders' Meeting for the approval of the financial statements
for the fiscal year ended December 31, 2022)

To the Shareholders' Meeting of
GROUPE BERKEM SA
20 rue Jean Duvert,
33 290 BLANQUEFORT

In our capacity as statutory auditors of your company, we hereby present our report on related-party agreements to you.

It is our responsibility to inform you, on the basis of the information provided to us, of the characteristics, the main terms and conditions as well as the reasons justifying the interest for the Company of the agreements of which we have been informed or that we have discovered at the time of our assignment, without having to comment on their usefulness or merit or to determine the existence of other agreements. It behooves you, in accordance with the terms of Article R. 225-31 of the French Commercial Code, to assess the value of entering into these agreements with a view to their approval.

In addition, it is our responsibility, where applicable, to provide you with the information provided for in Article R. 225-31 of the French Commercial Code relating to the performance over the past fiscal year of any agreements already approved by the Shareholders' Meeting.

We have performed the procedures deemed necessary by us in accordance with the professional standards of the French National Association of Statutory Auditors (Compagnie Nationale des Commissaires aux Comptes) relating to this assignment.

AGREEMENTS SUBMITTED FOR APPROVAL TO THE SHAREHOLDERS' MEETING

Agreements authorized and entered into during the past fiscal year

We hereby inform you that we have not been given notice of any agreement authorized and entered into during the past fiscal year to be submitted for the approval of the Shareholders' Meeting in application of the provisions of Article L. 225-38 of the French Commercial Code.

AGREEMENTS ALREADY APPROVED BY THE SHAREHOLDERS' MEETING

We hereby inform you that we have not been given notice of any agreement previously approved by the Shareholders' Meeting the performance of which may have continued during the past fiscal year.

Bordeaux and Le Tourne, May 16, 2023

Statutory Auditors

PricewaterhouseCoopers Audit		**Deixis**
Antoine Priollaud	**Gaël Colabella**	**Nicolas de LAAGE de MEUX**

10. GENERAL INFORMATION

10.1. SHAREHOLDERS' NOTEBOOK

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

ISIN code: FR00140069V2

Ticker code: ALKEM

Classification: 55201000 - Chemicals

LEI: 969500O33I1Y9I2ZN360

10.2. CONTACT

The Company's registered office is located at 20, rue Jean Duvert, 33290 Blanquefort, France.

Telephone: +33 (0)5 64 31 06 60

Email address: berkem@berkem.com

Website: https://www.groupeberkem.com/fr/

11. CROSS-REFERENCE TABLE

In order to facilitate the reading of this document, the cross-reference tables below make it possible to identify, in this annual financial report, the information that should be included in the management report.

No.	Required items	Reference number (Chapter/Section)
I	**ANNUAL FINANCIAL REPORT**	
1	Annual financial statements	4
2	Consolidated financial statements	6
3	Statutory Auditors' report on the corporate financial statements	5
4	Statutory Auditors' report on the consolidated financial statements	7
5	Management report	See II of this cross-reference table
6	Board of Directors' report on corporate governance prepared in accordance with the final paragraph of Article L. 225-37 of the French Commercial Code	See III of this cross-reference table
7	Declaration by the persons responsible for the annual financial report	1
9	Statutory Auditors' report on corporate governance prepared in accordance with Article L. 225-235 of the French Commercial Code	5
II	**MANAGEMENT REPORT**	
1	Situation and activity of the Company and the Group during the past fiscal year and, where applicable, of its subsidiaries and the companies it controls	2.1.1.1
2	Results of the activity of the Company, its subsidiaries, and the companies they control	2.1.1. / 2.1.6
3	Key financial and, where applicable, non-financial performance indicators relating to the specific activity of the Company and the Group	2.1.7
4	Analysis of changes in business, results and financial position (in particular, the debt situation)	2.1.6
5	Description of the main risks and uncertainties (including exposure to financial and market risks)	2.1.9
6	Information on the use made of financial instruments and on the Company's objectives and policy in terms of financial and market risk management	2.1.10
7	Significant events since the closing date	2.1.3

8	Foreseeable changes	2.1.2
9	Research and Development activities	2.1.4
10	Existing branches	2.1.5
11	Report on employee profit-sharing, transactions carried out in respect of stock options or stock subscriptions reserved for employees and transactions carried out in respect of the allocation of free shares to employees	2.4.3 / 3.5
12	Transactions in Company shares carried out by executives	2.4.5
13	Equity investments in companies having their registered office in France and representing more than one-twentieth, one-tenth, one-fifth, one-third, one-half or two-thirds of the share capital or voting rights of these companies	2.1.10.1
14	Disposals of shares in order to regularize cross-shareholdings	2.1.10.3
15	Individuals or legal entities directly or indirectly holding more than one-twentieth, one-tenth, three-twentieths, one-fifth, one-quarter, one-third, one-half, two-thirds, eighteen-twentieths or nineteen-twentieths of the share capital or voting rights of the Company at General Meetings	2.4.1
17	Elements of calculation and results of the adjustment of the bases of conversion or exercise of the transferable securities giving access to the share capital and of the options to subscribe for or purchase shares	2.2.7
18	Information on share buyback programs	2.4.4
19	Table of the Company's results over the last five fiscal years	2.2.5
20	Amount of dividends distributed over the last three fiscal years and dividends eligible for the 40% rebate	2.2.2
21	Loans of less than three years granted by the Company, on an ancillary basis to its main activity, to micro-enterprises, SMEs or intermediate-sized companies with which it has economic ties justifying such loans	2.2.6
22	Information on non-tax-deductible sumptuary expenses (Article 223 quater of the French General Tax Code)	2.2.3
23	Breakdown of trade payables and trade receivables (Article D. 441-4 of the French Commercial Code)	2.2.4
24	Related-party transactions	3.2

III	**Report of the Board of Directors on corporate governance**	
1	Composition of the Board	2.3.1
3	List of offices and positions held in any company by each corporate officer during the past fiscal year	3.1
5	Agreements entered into between a corporate officer or a significant shareholder and a subsidiary of the Company	3.2
7	Summary table of current delegations for capital increases	3.4
8	General management of the Company (in the event of a change only)	2.3.3
9	Corporate Governance Code, provisions excluded and reasons for such exclusion	2.3.5

12. APPENDICES

12.1. DRAFT RESOLUTIONS SUBMITTED TO THE ANNUAL ORDINARY AND EXTRAORDINARY SHAREHOLDERS' MEETINGS OF JUNE 22, 2023

GROUPE BERKEM
Public limited company with a Board of Directors and a capital of 39,977,217.00 euros
Head office : 20 rue Jean Duvert 33290 Blanquefort
820 941 490 R.C.S. Bordeaux
(the "**Company"**)

TEXT OF THE RESOLUTIONS PROPOSED TO THE ORDINARY ANNUAL AND EXTRAORDINARY GENERAL MEETING AS OF JUNE 22, 2023

AGENDA

ORDINARY RESOLUTIONS

1. Approval of the financial statements for the year ended December 31, 2022 and discharge of the Directors;
2. Approval of the consolidated financial statements for the year ended December 31, 2022 ;
3. Approval of the expenses and charges referred to in article 39, paragraph 4 of the French General Tax Code ;
4. Allocation of the result for the year ;
5. Approval of the agreements referred to in Articles L. 225-38 et seq. of the French Commercial Code;
6. Authorization for the Board of Directors to purchase the Company's own shares in accordance with Article L. 22-10-62 of the French Commercial Code ;

EXTRAORDINARY RESOLUTIONS

7. Delegation of authority to the Board of Directors to decide on the issue, with preferential subscription rights, of shares and/or securities giving immediate or future access to the capital or entitling holders to debt securities, or the incorporation of profits, reserves or premiums into the capital;

8. Delegation of authority to the Board of Directors to decide to issue shares and/or securities giving immediate or future access to the capital or entitling holders to debt securities, without preferential subscription rights and without indication of beneficiaries, by way of a public offering;

9. Delegation of authority to the Board of Directors to decide to issue shares and/or securities giving immediate or future access to the capital or entitling holders to debt securities, by way of an offer as referred to in Article L.411-2 1° of the French Monetary and Financial Code and up to a limit of 20% of the share capital per year, without preferential subscription rights without indication of beneficiaries;

10. Delegation of authority to the Board of Directors to decide to issue shares and/or securities giving immediate or future access to the capital or entitling holders to debt securities, <u>without preferential subscription right in favor of categories of beneficiaries</u>;

11. Authorization to be granted to the Board of Directors to increase the number of shares issued in accordance with the provisions of article L.225-135-1 of the French Commercial Code, in the event of the implementation of the delegations of authority referred to in the four preceding resolutions, <u>with maintenance or cancellation of preferential subscription rights as the case may be</u>;

12. Delegation of powers to the Board of Directors to decide on a capital increase in cash reserved for employees who are members of a company savings plan in accordance with the provisions of Articles L.225-129-6 of the French Commercial Code and L.3332-18 et seq. of the French Labor Code, with cancellation of preferential subscription rights reserved for the Company's employees;

13. Authorization to the Board of Directors to grant free shares;

14. Setting of the overall limit for authorizations to issue shares and securities giving access to the applicable capital and debt securities;

15. Authorization to the Board of Directors to reduce the Company's share capital by cancelling shares;

16. Power for formalities.

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<u>ORDINARY RESOLUTIONS</u>

<u>FIRST RESOLUTION</u>

Approval of the financial statements for the year ended December 31, 2022 and discharge of the Directors

The Shareholders' Meeting, deliberating pursuant to the quorum and majority conditions required for ordinary Shareholders' Meetings, after having taken note:

- the management report prepared by the Board of Directors,
- the Statutory Auditors' report on the annual financial statements for the year ended December 31, 2022,

approves the annual financial statements, including the balance sheet, income statement and notes to the financial statements for the year ended December 31, 2022, as presented to it, as well as the transactions reflected in these financial statements and summarized in these reports.

Consequently, the General Meeting **gives** the members of the Board of Directors full and unconditional discharge from their respective mandates for the past financial year.

<u>SECOND RESOLUTION</u>

Approval of the consolidated financial statements for the year ended December 31, 2022

The Shareholders' Meeting, deliberating pursuant to the quorum and majority conditions required for ordinary Shareholders' Meetings, after having taken note:

- the management report prepared by the Board of Directors on the situation and activities of the BERKEM Group,
- the Statutory Auditors' report on the consolidated financial statements for the year ended December 31, 2022,

approves the consolidated financial statements, including the balance sheet, income statement and notes to the financial statements for the year ended December 31, 2022, as presented to it, as well as the transactions reflected in these financial statements and summarized in these reports.

THIRD RESOLUTION

Approval of expenses and charges referred to in Article 39, paragraph 4 of the French General Tax Code

The Shareholders' Meeting, deliberating pursuant to the quorum and majority requirements for ordinary meetings, having reviewed the report of the Board of Directors and the report of the Statutory Auditors, and in accordance with the provisions of Article 223 quater of the French General Tax Code

notes that there were non-deductible expenses or charges as referred to in article 39, paragraph 4 of the French General Tax Code, during the financial year ended December 31, 2022 ;

approves the amount of such expenses and charges referred to in article 39, paragraph 4 of the French General Tax Code, i.e. €22,320.

FOURTH RESOLUTION

Allocation of the result for the year

The Shareholders' Meeting, deliberating pursuant to the quorum and majority conditions required for ordinary Shareholders' Meetings

approves the proposal of the Board of Directors and decides to allocate loss for the year amounting to **(448,342) euros**, in full to the item *"Issuance premiums"*, which will thus be brought after allocation to a credit balance of 30,754,528 euros.

FIFTH RESOLUTION

Approval of the agreements referred to in Articles L.225-38 et seq. of the French Commercial Code

The Shareholders' Meeting, deliberating pursuant to the quorum and majority requirements for ordinary meetings, after having heard the Statutory Auditors' special report,

approves the conclusions of the report presented by the Statutory Auditors pursuant to Article L.225-38 of the French Commercial Code on agreements subject to authorization.

SIXTH RESOLUTION

Authorization for the Board of Directors to purchase the Company's own shares in accordance with Article L.22-10-62 of the French Commercial Code

The Shareholders' Meeting, deliberating pursuant to the quorum and majority conditions required for ordinary Shareholders' Meetings

having reviewed the report of the Board of Directors, and in accordance with European Regulation No. 596/2014 of the European Parliament and of the Council of April 16, 2014 and the provisions of Article L.22-10-62 of the Commercial Code,

authorizes the Board of Directors, with the option of sub-delegation, to purchase or cause to be purchased, on one or more occasions, shares in the Company not exceeding 10% of the Company's share capital (at any time, this percentage being applied to a share capital figure adjusted to reflect transactions affecting it subsequently)

decides that the purpose of the Company's repurchase of its own shares will be :

- the implementation of stock option plans, bonus share plans, employee shareholding operations reserved for members of a company savings plan, in accordance with the legal provisions in force, or the allocation of shares to employees and/or executive officers of the Company and its affiliates;

- the delivery of shares upon the exercise of rights attached to securities giving access to the Company's capital;

- their use in connection with any hedging of the Company's commitments under financial instruments relating in particular to changes in the Company's share price;

- to retain the shares and subsequently remit them in payment or exchange in connection with any external growth, merger, demerger or contribution transactions;

- the total or partial cancellation of shares by way of a reduction in the share capital (in particular with a view to optimizing cash management, return on equity or earnings per share), subject to the adoption by this General Meeting of the 15th Resolution below;

- to stimulate the market for the shares within the framework of a liquidity contract concluded with an investment service provider, in accordance with the Code of Ethics recognized by the Autorité des Marchés Financiers;

- the implementation of any market practice that may be authorized by the AMF and, more generally, the carrying out of all transactions in accordance with the legal and regulatory provisions in force.

sets the terms of this purchase as follows:

The maximum amount of funds available for the share buyback program is twelve million (12,000,000) euros, net of expenses. These purchases, sales, exchanges or transfers may be carried out by any means, i.e. on the market or over the counter, within the limits permitted by the regulations in force. These transactions may be carried out at any time, in compliance with the regulations in force, including during a public offering period, subject to the legal and regulatory provisions in force.

It is specified (i) that a maximum amount of 5% of the shares comprising the Company's share capital may be allocated with a view to their retention and subsequent remittance in payment or exchange within the framework of a merger, demerger or contribution, and (ii) that in the event of acquisition within the framework of a liquidity contract, the number of shares taken into account for the calculation of the 10% limit of the amount of the share capital referred to above shall correspond to the number of shares purchased less the number of shares resold during the term of this authorization.

The maximum purchase price per share by the Company of its own shares shall not exceed twenty-one euros (€21). It is specified that in the event of transactions on the capital, in particular by incorporation of reserves and/or division or regrouping of shares, this price will be adjusted by a multiplying coefficient equal to the ratio between the number of shares making up the share capital before the transaction and such number after the transaction.

delegates to the Board of Directors, in the event of a change in the par value of the share, a capital increase by incorporation of reserves, a stock split or reverse stock split, a distribution of reserves or any other assets, a capital redemption or any other transaction affecting shareholders' equity, the power to adjust the above-mentioned purchase and sale prices in order to take account of the impact of these transactions on the value of the share,

grants full powers to the Board of Directors, subject to strict compliance with legal and regulatory provisions, with the option of sub-delegation:

- to determine whether to initiate a buyback program;
- to determine the terms and conditions of the buyback program, including the price of the shares purchased;
- to carry out by any means the acquisition, the assignment or the transfer of these shares, to place all orders on the stock exchange;
- allocate or reallocate the acquired shares to the various objectives pursued in accordance with the applicable legal and regulatory conditions;
- to enter into any agreement, in particular for the keeping of registers of purchases and sales of shares, to make any declarations to the Autorité des Marchés Financiers and any other body, and to carry out any formalities;
- prepare and publish the information release relating to the implementation of the buyback program; and
- in general, to do whatever is necessary to execute and implement the present decision.

decides that the authorization is valid for a maximum period of **eighteen (18) months**, starting from the date of the present General Meeting, i.e. until **December 21, 2024**, date on which it will be considered as expired if the Board of Directors has not made use of it.

The Board of Directors shall provide shareholders at the Annual General Meeting, in the report provided for in Article L.225-100 of the French Commercial Code and in accordance with Article L.225-211 of the French Commercial Code, with information on the completion of the share purchase transactions authorized by the General Meeting, in particular the number and price of the shares thus acquired and the volume of shares used.

decides that this authorization shall supersede any previous delegation of authority for the same purpose *(14th resolution of the meeting of June 3, 2022).*

EXTRAORDINARY RESOLUTIONS

SEVENTH RESOLUTION

Delegation of authority to the Board of Directors to decide on the issue, with preferential subscription rights, of shares and/or securities giving immediate or future access to the capital or entitling holders to debt securities, or the incorporation of profits, reserves or premiums into the capital

The Shareholders' Meeting, deliberating pursuant to the conditions of quorum and majority required for extraordinary Shareholders' Meetings

having reviewed the report of the Board of Directors and the Statutory Auditors' special report, in accordance with the provisions of Article L.225-129 et seq. of the French Commercial Code, in particular Articles L.225-129-2, L.22-10-50 and L.228-92 and L.228-93 of said Code,

delegates to the Board of Directors its authority, with the option to sub-delegate to the Chief Executive Officer, to carry out, on one or more occasions, in France or abroad, in the proportions and at the times it deems appropriate, in euros or in any other monetary unit established by reference to several currencies, one or more capital increases:

- by issuing, on the French and/or international market, with preferential subscription rights, ordinary shares of the Company and/or any other securities giving immediate or future access, at any time or on a fixed date, to the Company's capital or of companies that directly or indirectly own more than half of its capital or of companies in which it directly or indirectly owns more than half of the capital, or entitling to a debt security, by subscription either in cash or by offsetting debts, conversion, exchange, reimbursement, presentation of a warrant or in any other way ;

- and/or by incorporation into the capital of all or part of the profits, reserves or premiums the capitalization of which is legally and statutorily possible and in the form of an allocation of free ordinary shares or an increase in the par value of existing shares, or by the combined use of these two processes,

it being specified that the issue of preferred shares is strictly excluded from this delegation,

decides to set the following limits on the amounts of the issues authorized in the event that the Board of Directors makes use of this delegation of authority:

- the maximum nominal amount of the capital increases that may be carried out immediately or in the future pursuant to this delegation is set at thirty million (30,000,000) euros or in any other monetary unit established by reference to several currencies, it being specified that the total nominal amount of these capital increases will be deducted from the overall limit provided for in the 14th Resolution of this General Meeting. To this limit shall be added, as the case may be, the nominal amount of shares to be issued in the event of new financial transactions to preserve, in accordance with the law, the rights of holders of securities giving access to the capital,

- the nominal amount of the bonds and other debt securities giving access to the capital that may be issued pursuant to this delegation may not exceed ninety-three million (93,000,000) euros or any other monetary unit established by reference to several currencies, it being specified that the total nominal amount of these bonds or other debt securities will be deducted from the overall limit applicable to bonds or other debt securities set by the 14th Resolution of this Shareholders' Meeting,

sets at **twenty-six (26) months**, as from the date of this General Meeting, the period of validity of the delegation of authority covered by this resolution, i.e. until **August 21, 2025**, at which date it will be considered expired if the Board of Directors has not made use of it.

In the event that the Board of Directors makes use of this delegation:

- decides that the issue(s) will be reserved by preference for shareholders who will be able to subscribe on an irreducible basis in proportion to the number of shares then held by them under the conditions provided for in Article L.225-132 of the Commercial Code;

- notes that the Board of Directors will have the option of instituting a reducible subscription right;

- notes and decides, insofar as is necessary, that in the case of issues of shares or securities as defined above, if the subscriptions on an irreducible basis and, where applicable, on a reducible basis have not absorbed the entire issue, the Board of Directors may use, under the conditions provided for by law and in the order it shall determine, one or other of the following options

  - limit the issue to the amount of subscriptions, provided that the latter reaches at least three-quarters of the issue decided upon,

  - freely allocate all or part of the shares or, in the case of securities, the said securities, the issue of which has been decided but which have not been subscribed on an irreducible basis and, where applicable, on a reducible basis,

  - to offer to the public, by public offering of financial securities, all or part of the shares or, in the case of securities giving access to the capital, of the said securities not subscribed, on the French market and/or abroad

- decides that the Board of Directors may, automatically and in all cases, limit the issue decided upon to the amount reached when the unsubscribed shares and/or other securities represent less than 3% of said issue;

- takes note and decides, insofar as is necessary, that in the event of use of this delegation of authority, the decision to issue securities giving immediate or future access to the capital shall automatically entail the waiver by the shareholders of their preferential subscription rights to the shares to which these securities entitle them, in accordance with the provisions of Article L.225-132 of the French Commercial Code ;

- decides, in accordance with the provisions of article L.22-10-50 of the Commercial Code, that the rights forming fractional shares will not be negotiable or transferable and that the corresponding securities will be sold; the sums resulting from the sale will be allocated to the holders of the rights at the latest thirty (30) days after the date of registration in their account of the whole number of securities allocated ;

specifies that the transactions referred to in this resolution may be carried out at any time, including during a public offering of the Company's shares, in accordance with the legal and regulatory provisions,

decides that the Board of Directors shall have full powers to implement, or not, as well as to postpone, if necessary, the present delegation of authority in accordance with the legal conditions and within the limits and conditions specified above, in order to

- to decide on the capital increase and determine the securities to be issued and, more generally, to decide on the issues under this delegation;

- to decide on the amount of the capital increase, the issue price and the amount of the premium that may, if applicable, be requested on issue;

- determine the dates and terms of the capital increase, the nature and characteristics of the securities to be created, decide, in the case of bonds or other debt securities giving access to the Company's capital, whether they should be subordinated or not (and, if so, their subordination rank in accordance with the provisions of article L.228-97 of the French Commercial Code), set their interest rate (in particular fixed or variable interest rate or zero coupon or indexed), their term (fixed or open-ended), and the other terms of issue (including the granting of guarantees or security interests) and redemption; these securities may be accompanied by warrants giving the right to the allocation, acquisition or subscription of bonds or other debt securities, or take the form of complex bonds within the meaning of the stock market authorities; to amend, during the life of the securities concerned, the terms referred to above, in compliance with the applicable formalities;

- determine the method of payment for the shares or securities giving access to the capital to be issued or the securities to be issued;

- to determine, if applicable, the terms and conditions for the exercise of the rights attached to the shares or securities to be issued and, in particular, to set the date, even retroactively, as from which the new ordinary shares (i.e. any underlying securities) will carry dividend rights, to determine the terms and conditions for the exercise of the rights, if any, to conversion, exchange, redemption, including by delivery of Company assets such as shares or securities already issued by the Company, as well as all other terms and conditions for the completion of the capital increase;

- provide for the possibility of suspending the exercise of the rights attached to these securities in accordance with the legal and regulatory provisions for a maximum period of three months;

- at its sole initiative, to charge the costs of the capital increase to the amount of the premiums relating thereto and to deduct from this amount the sums necessary to bring the legal reserve to one-tenth of the new capital after each capital increase;

- to determine and make all adjustments to take account of the impact of transactions affecting the Company's capital, in particular in the event of a change in the par value of the share, a capital increase by incorporation of reserves, a bonus issue of shares, a stock split or reverse stock split, a distribution of reserves or any other assets, a redemption of capital or any other transaction affecting shareholders' equity, and to set the terms and conditions under which the rights of holders of securities giving access to the capital will be preserved, where applicable;

- record the completion of each capital increase and make the corresponding amendments to the bylaws;

- in general, enter into any agreement, in particular to successfully complete the planned issues, take any measures and carry out any formalities required for the issue, listing and financial servicing of the securities issued under this delegation, and for the exercise of the rights attached thereto.

The final terms and conditions of the transactions carried out under this authorization will be the subject of a supplementary report, in accordance with the provisions of Article L.225-129-5 of the French Commercial Code, which the Board of Directors will prepare when it makes use of the delegation of authority to be granted by this Meeting. The Statutory Auditors will also prepare a supplementary report at that time.

decides that this authorization shall supersede any previous delegation for the same purpose (*15th resolution of the meeting of June 3, 2022*).

EIGHTH RESOLUTION

Delegation of authority to the Board of Directors to decide to issue shares and/or securities giving immediate or future access to the capital or entitling holders to debt securities, without preferential subscription rights and without indication of beneficiaries, by way of a public offering

The Shareholders' Meeting, deliberating pursuant to the conditions of quorum and majority required for extraordinary Shareholders' Meetings

having reviewed the report of the Board of Directors and the Statutory Auditors' special report, in accordance with the provisions of Articles L.225-129 et seq. of the French Commercial Code, and in particular Articles L.225-129-2, L.225-135, L.225-136 and L.228-91 et seq.,

delegates to the Board of Directors its authority, with the option of sub-delegation to the Chief Executive Officer, to issue, on one or more occasions, in France or abroad, in the proportions and at the times it sees fit, on the French and/or international market, by offering securities to the public with waiver of preferential subscription rights, without indication of beneficiaries, in euros or in any other currency unit established by reference to several currencies, of ordinary shares of the Company and/or of any other securities giving immediate or future access to the Company's share capital, at any time or on a fixed date, to the capital of the Company, or of companies that directly or indirectly own more than half of its capital, or of companies of which it directly or indirectly owns more than half of the capital, or giving entitlement to a debt security, either by subscription in cash or by offsetting debts, conversion, exchange, redemption, presentation of a warrant or in any other way, it being possible for the securities representing debts to be issued with or without guarantee, in the forms, at the rates and on the conditions that the Board of Directors deems appropriate;

it being specified that the issue of preference shares is strictly excluded from this delegation,

decides to set the following limits on the amounts of the issues authorized in the event that the Board of Directors uses this delegation of authority:

- the maximum nominal amount of the capital increases that may be carried out immediately and/or in the future pursuant to this delegation is set at thirty million (30,000,000) euros or its equivalent in foreign currencies on the date of issue, it being specified that the total nominal amount of these capital increases will be deducted from the overall limit provided for in the 14th Resolution of this General Meeting. To this limit shall be added, where applicable, the nominal amount of additional shares to be issued to preserve the rights of holders of securities giving access to shares in the Company in accordance with the law and the applicable contractual provisions;

- the nominal amount of the bonds and other debt securities giving access to the capital that may be issued under the present delegation may not exceed ninety-three million (93,000,000) euros or its equivalent in foreign currencies on the date of issue, it being specified that the total nominal amount of these bonds or other debt securities will be deducted from the overall limit applicable to bonds or other debt securities, set by the 14th Resolution of the present Shareholders' Meeting ;

decides to waive, without indicating beneficiaries, the shareholders' preferential subscription right to the shares, other securities and all debt securities that may be issued pursuant to this resolution, while allowing the Board of Directors the option of granting shareholders a priority right to subscribe to all or part of the issues during the period and on the terms that it shall determine in accordance with the provisions of Article L.22-10-51 of the French Commercial Code, this priority not giving rise to the creation of negotiable rights, but which may be exercised on both an irreducible and reducible basis,

takes note and decides, insofar as necessary, that this delegation of authority automatically entails the express waiver by the shareholders of their preferential subscription rights to the shares to which these securities give entitlement, in favor of the holders of securities giving immediate or future access to the Company's capital, in accordance with the provisions of Article L.225-132 of the French Commercial Code,

resolves that this delegation of authority is granted to the Board of Directors for a period of **twenty-six (26) months from the date of** this Meeting, i.e. until **August 21, 2025**, at which time it will be considered null and void if the Board of Directors has not made use of it,

decides that:

- for capital increases, the issue price of the new shares will be set by the Board of Directors, in accordance with the provisions of Articles L.225-136 1 and R.225-114 of the French Commercial Code and shall be at least equal to the volume-weighted average of the last three trading sessions prior to its determination, decreased, if applicable, by a maximum discount of 25%, after correction of this average in the event of a difference in the dates of entitlement to dividends, it being specified, however, that if at the time of the use of this delegation, the Company's shares were admitted to trading on a regulated market, the price would be set in accordance with the provisions of Articles L.22-10-52 and R.22-10-32 of the French Commercial Code,

- for securities giving access to the capital, the issue price will be set by the Board of Directors in such a way that the sums received immediately by the Company on the issue of the securities in question, plus the sums likely to be received subsequently by the Company for each share attached to and/or underlying the securities issued, are at least equal to the minimum price provided for above

- the conversion, redemption and conversion into shares of each security giving access to the capital will be made, taking into account the nominal value of the said security, in a number of shares such that the amount received by the Company, for each share, is at least equal to the minimum price referred to above.

decides that the new shares issued in respect of the capital increases will be fully assimilated to the old ordinary shares and subject to all the provisions of the bylaws and the decisions of the general meetings,

specifies that the transactions referred to in this resolution formally exclude the offers referred to in 1° of Article L. 411-2 of the French Monetary and Financial Code and may be carried out at any time, including in the event of a public offer for the Company's securities, in accordance with the legal and regulatory provisions,

decides that the Board of Directors will have all powers to implement or not this delegation, as well as the power to postpone it if necessary, in accordance with the legal conditions and within the limits and conditions specified above, in order to

- to decide on the capital increase and determine the securities to be issued and, more generally, to decide on the issues under this delegation;

- to decide on the amount of the capital increase;

- to set the issue price and the amount of the premium that may, if applicable, be requested on issue, within the limits set by this resolution;

- determine the dates and terms of the capital increase, the nature and characteristics of the securities to be created, decide, in the case of bonds or other debt securities giving access to the Company's capital, whether they should be subordinated or not (and, if so, their subordination ranking in accordance with the provisions of article L.228-97 of the French Commercial Code), set their interest rate (in particular fixed or variable interest rate or zero coupon or indexed), their term (fixed or open-ended), and the other terms of issue (including the granting of guarantees or security interests) and redemption; these securities may be accompanied by warrants giving the right to the allocation, acquisition or subscription of bonds or other debt securities, or take the form of complex bonds within the meaning of the stock market authorities; to amend, during the life of the securities concerned, the terms referred to above, in compliance with the applicable formalities;

- determine the method of payment for the shares or securities giving access to the capital to be issued or the securities to be issued;

- to determine, if applicable, the terms and conditions for the exercise of the rights attached to the shares or securities to be issued and, in particular, to set the date, even retroactively, as from which the new shares (i.e. any underlying securities) will carry dividend rights, to determine the terms and conditions for the exercise of the rights, if any, to conversion, exchange, redemption, including by delivery of Company assets such as shares or securities already issued by the Company, as well as all other terms and conditions for the completion of the capital increase;

- provide for the possibility of suspending the exercise of the rights attached to these securities in accordance with the legal and regulatory provisions for a maximum period of three (3) months;

- at its sole initiative, to charge the costs of the capital increase to the amount of the premiums relating thereto and to deduct from this amount the sums necessary to bring the legal reserve to one-tenth of the new capital after each capital increase;

- to determine and make all adjustments to take account of the impact of transactions affecting the Company's capital, in particular in the event of a change in the par value of the share, a capital increase by incorporation of reserves, a bonus issue of shares, a stock split or reverse stock split, a distribution of reserves or any other assets, a redemption of capital or any other transaction affecting shareholders' equity, and to set the terms and conditions under which the rights of holders of securities giving access to the capital will be preserved, where applicable;

- record the completion of each capital increase and make the corresponding amendments to the bylaws;

- in general, enter into any agreement, in particular to successfully complete the planned issues, take any measures and carry out any formalities required for the issue, listing and financial servicing of the securities issued under this delegation, and for the exercise of the rights attached thereto.

The final terms and conditions of the transaction will be the subject of a supplementary report, in accordance with the provisions of Article L.225-129-5 of the French Commercial Code, which the Board of Directors will draw up when it makes use of the delegation of authority to be granted by this Meeting. The Statutory Auditors will also prepare a supplementary report at that time.

decides that this authorization shall supersede any previous delegation for the same purpose *(16th resolution of the meeting of June 3, 2022).*

NINTH RESOLUTION

Delegation of authority to the Board of Directors to decide to issue shares and/or securities giving immediate or future access to the share capital or entitling holders to debt securities, by means of an offer as referred to in Article L.411-2 1° of the French Monetary and Financial Code, up to a limit of 20% of the share capital per year, without preferential subscription rights, without indication of beneficiaries

The Shareholders' Meeting, deliberating pursuant to the conditions of quorum and majority required for extraordinary Shareholders' Meetings,

having reviewed the report of the Board of Directors and the Statutory Auditors' special report, in accordance with the provisions of Articles L.225-129 et seq. of the French Commercial Code, and in particular Articles L.225-129-2, L.225-135, L.225-136 and L.228-91 et seq.,

delegates to the Board of Directors its authority, with the option of sub-delegation to the Chief Executive Officer, to issue, on one or more occasions, in France or abroad, in the proportions and at the times it sees fit, by means of an offer as defined in 1° of Article L.411-2 of the French Monetary and Financial Code, with waiver of preferential subscription rights and without indication of beneficiaries, of ordinary shares of the Company and/or of any other securities giving immediate or future access, at any time or on a fixed date, to the Company's capital, in euros or in a foreign currency or in any other monetary unit established by reference to several currencies or of companies that directly or indirectly own more than half of its capital or of companies in which it directly or indirectly owns more than half of the capital, or giving entitlement to a debt security, either by cash subscription or by offsetting debts, conversion, exchange, redemption, presentation of a warrant or in any other way, it being possible for the securities representing debts to be issued with or without guarantee, in the forms, at the rates and on the terms that the Board of Directors deems appropriate,

it being specified that the issue of preferred shares is strictly excluded from this delegation,

decides to set the following limits on the amounts of the issues authorized in the event that the Board of Directors uses this delegation of authority:

- the maximum nominal amount of the capital increases that may be carried out immediately and/or in the future pursuant to this delegation is set at thirty million (30,000,000) euros or its equivalent in foreign currencies on the date of issue, it being specified that the total nominal amount of these capital increases (i) shall be limited to 20% of the capital per year (assessed on the date of implementation of the delegation) and (ii) shall be deducted from the overall limit provided for in the 14th Resolution of this General Meeting. To this cap shall be added, where applicable, the nominal amount of additional shares to be issued in order to preserve, in accordance with applicable law and contractual provisions, the rights of holders of securities giving access to shares of the Company;

- the nominal amount of the bonds and other debt securities giving access to the capital that may be issued under this delegation may not exceed ninety-three million (93,000,000) euros or its equivalent in foreign currencies on the date of issue, it being specified that the total nominal amount of these bonds or other debt securities will be deducted from the overall limit applicable to bonds or other debt securities, set by the 14th Resolution of this General Meeting;

decides to waive, without indicating the beneficiaries, the shareholders' preferential subscription right to the shares, other securities or debt securities that may be issued pursuant to this resolution,

decides that the issues likely to be carried out by virtue of the present resolution may be carried out by means of offers to qualified investors or to a restricted circle of investors within the meaning of 1° of Article L.411-2 of the Monetary and Financial Code,

takes note and decides, insofar as necessary, that this delegation of authority automatically entails the express waiver by the shareholders of their preferential subscription rights to the shares to which these securities give entitlement, in favor of the holders of securities giving immediate or future access to the Company's capital, in accordance with the provisions of Article L.225-132 of the French Commercial Code,

decides that this delegation of authority is granted to the Board of Directors for a period of **twenty-six (26) months from the date of** this Meeting, i.e. until **August 21, 2025**, at which time it will be considered expired if the Board of Directors has not made use of it,

decides that:

- for capital increases, the issue price of the new shares will be set by the Board of Directors, in accordance with the provisions of Articles L.225-136 1 and R.225-114 of the French Commercial Code and shall be at least equal to the volume-weighted average of the last three trading sessions prior to its determination, decreased, if applicable, by a maximum discount of 25%, after correction of this average in the event of a difference in the dates of entitlement to dividends, it being specified, however, that if at the time of the use of this delegation, the Company's shares were admitted to trading on a regulated market, the price would be determined in accordance with the provisions of Articles L.22-10-52 of the French Commercial Code and R.22-10-32 of the French Commercial Code;

- for securities giving access to the capital, the issue price will be set by the Board of Directors in such a way that the sums received immediately by the Company on the issue of the securities in question, plus the sums likely to be received subsequently by the Company for each share attached to and/or underlying the securities issued, are at least equal to the minimum price provided for above ;

- the conversion, redemption and conversion into shares of each security giving access to the capital will be made, taking into account the nominal value of the said security, in a number of shares such that the amount received by the Company, for each share, is at least equal to the minimum price referred to above.

It is however specified that in the event of the admission of the Company's shares to a regulated market, the minimum price referred to in the three paragraphs above must be at least equal to the minimum price provided for by the legal and regulatory provisions in force applicable to companies whose shares are admitted to a regulated market.

decides that the new shares issued in respect of the capital increases will be fully assimilated to the old ordinary shares and subject to all the provisions of the bylaws and the decisions of the general meetings,

specifies that the transactions referred to in this resolution may be carried out at any time, including in the event of a public offering of the Company's shares, in accordance with the legal and regulatory provisions,

decides that the Board of Directors shall have full powers to implement or not this delegation of authority in accordance with the law, and to suspend it if necessary, within the limits and under the conditions specified above, in particular in order to

- to decide on the capital increase and determine the securities to be issued and, more generally, to decide on the issues under this delegation;

- decide on the amount of the capital increase;

- to set the issue price and the amount of the premium that may, if applicable, be requested on issue, within the limits set by this resolution;

- determine the dates and terms of the capital increase, the nature and characteristics of the securities to be created, and to decide, in the case of bonds or other debt securities giving access to the Company's capital, whether they should be subordinated or not (and, if so, their subordination rank in accordance with the provisions of article L.228-97 of the French Commercial Code), to set their interest rate (in particular fixed or variable interest rate or zero coupon or indexed interest rate), their term (fixed or open-ended), and the other terms of issue (including the granting of guarantees or security interests) and redemption; these securities may be accompanied by warrants giving the right to the allocation, acquisition or subscription of bonds or other debt securities, or take the form of complex bonds within the meaning of the stock market authorities; to amend, during the life of the securities concerned, the terms referred to above, in compliance with the applicable formalities;

- to decide, in the event that subscriptions do not absorb the entire issue, to limit the amount of the capital increase to the amount of subscriptions received, provided that this amount reaches at least three-quarters of the issue decided;

- determine the method of payment for the shares or securities giving access to the capital to be issued or the securities to be issued;

- to determine, if applicable, the terms and conditions for the exercise of the rights attached to the shares or securities to be issued and, in particular, to set the date, even retroactively, as from which the new shares (i.e. any underlying securities) will carry dividend rights, to determine the terms and conditions for the exercise of the rights, if any, to conversion, exchange, redemption, including by delivery of Company assets such as shares or securities already issued by the Company, as well as all other terms and conditions for the completion of the capital increase;

- provide for the possibility of suspending the exercise of the rights attached to these securities in accordance with the legal and regulatory provisions for a maximum period of three (3) months;

- at its sole initiative, to charge the costs of the capital increase against the amount of the premiums relating thereto and to deduct from this amount the sums necessary to bring the legal reserve to one-tenth of the new capital after each capital increase;

- to determine and make all adjustments to take account of the impact of transactions affecting the Company's capital, in particular in the event of a change in the par value of the share, a capital increase by incorporation of reserves, a bonus issue of shares, a stock split or reverse stock split, a distribution of reserves or any other assets, a redemption of capital or any other transaction affecting shareholders' equity, and to set the terms and conditions under which the rights of holders of securities giving access to the capital will be preserved, where applicable;

- record the completion of each capital increase and make the corresponding amendments to the bylaws;

- in general, enter into any agreement, in particular to successfully complete the planned issues, take any measures and carry out any formalities required for the issue, listing and financial servicing of the securities issued under this delegation, and for the exercise of the rights attached thereto.

The final terms and conditions of the transaction will be the subject of a supplementary report, in accordance with the provisions of Article L.225-129-5 of the French Commercial Code, which the Board of Directors will draw up when it makes use of the delegation of authority granted to it by this Meeting. The Statutory Auditors will also prepare a supplementary report at that time.

decides that this authorization shall supersede any previous delegation of authority for the same purpose *(17th resolution of the Meeting of June 3, 2022).*

TENTH RESOLUTION

Delegation of authority to the Board of Directors to decide to issue shares and/or securities giving immediate or future access to the capital or entitling holders to debt securities, without preferential subscription right in favour of categories of beneficiaries

The Shareholders' Meeting, deliberating pursuant to the conditions of quorum and majority required for extraordinary Shareholders' Meetings

having reviewed the report of the Board of Directors and the Statutory Auditors' special report, in accordance with the provisions of Articles L.225-129 et seq. of the French Commercial Code, and in particular Articles L.225-129-2, L.225-135, L.225-138, L.228-92 and L.228-93,

delegates to the Board of Directors its authority, with the right to further delegate to the Chief Executive Officer, to issue, on one or more occasions, in France or abroad, in the proportions, at the times and on the terms it deems appropriate, new shares of the Company and/or any other securities giving immediate or future access to the capital of the Company, with cancellation of shareholders' preferential subscription rights, in euros or in any foreign currency or any other monetary unit established by reference to more than one currency at any time or on a fixed date, to the capital of the Company, or of companies that directly or indirectly own more than half of its capital, or of companies of which it directly or indirectly owns more than half of the capital, or giving entitlement to a debt security, either by subscription in cash or by offsetting debts, conversion, exchange, redemption, presentation of a warrant or in any other way, it being possible for the securities representing debts to be issued with or without guarantee, in the forms, at the rates and on the conditions that the Board of Directors deems appropriate;

it being specified that the issue of preferred shares is strictly excluded from this delegation

decides, in the event that the Board of Directors uses this delegation, to set the limits of the amounts of the authorized issues as follows

- the maximum nominal amount of the capital increases that may be carried out immediately or in the future pursuant to this delegation is set at thirty million (30,000,000) euros or in any other monetary unit established by reference to several currencies, it being specified that the total nominal amount of these capital increases will be deducted from the overall limit provided for in the 14th Resolution of this General Meeting. To this limit shall be added, as the case may be, the nominal amount of shares to be issued in the event of new financial transactions to preserve, in accordance with the law, the rights of holders of securities giving access to the capital;

- the nominal amount of the bonds and other debt securities giving access to the capital that may be issued pursuant to this delegation may not exceed ninety-three million (93,000,000) euros or any other monetary unit established by reference to several currencies, it being specified that the total nominal amount of these bonds or other debt securities will be deducted from the overall limit applicable to bonds or other debt securities set by the 14th Resolution of this General Meeting.

takes note and decides, insofar as necessary, that this delegation of authority automatically entails the express waiver by the shareholders of their preferential subscription rights to the shares to which these securities give entitlement, in favor of the holders of securities giving immediate or future access to the Company's capital, in accordance with the provisions of Article L.225-132 of the French Commercial Code ;

resolves that this delegation of authority is granted to the Board of Directors for a period of **eighteen (18) months from the date of** this Meeting, i.e. until **December 21, 2024**, at which time it shall be considered expired if the Board of Directors has not made use of it;

decides to waive the shareholders' preferential subscription rights to the shares, other securities and debt securities that may be issued pursuant to this resolution, in favour of categories of beneficiaries of the shares or securities to be issued, namely :

- investment companies and investment funds governed by French or foreign law (including, without limitation, any investment fund or venture capital company, in particular any capital venture fund, collective investment scheme, or holding company) investing on a regular basis in the chemistry sector, participating in the issue for a unit investment amount of more than 100,000 euros (including issue premium); and

- companies operating in the chemistry sector, acquiring an interest in the Company's capital when an agreement is signed with the Company, for a unit investment amount of more than 100,000 euros (including issue premium).

The Board of Directors shall determine the precise list of beneficiaries of this or these capital increase(s) and/or issue(s) of reserved securities within this or these category(ies) of persons and the number of securities to be allocated to each of them.

decides that**:**

- for capital increases, the issue price of the new shares (which will be treated in the same way as existing shares, as specified in the paragraph below) will be set by the Board of Directors, in accordance with the provisions of Articles L.225-138-II and R.225-114 of the French Commercial Code, and must be at least equal to the volume-weighted average of the last three trading sessions prior to the setting of the issue price, decreased, where applicable, by a discount of up to 25%, after correction of this average in the event of a difference in the dates of dividend entitlement,

- for securities giving access to the capital, the issue price will be set by the Board of Directors in such a way that the sums received immediately by the Company on the issue of the securities in question, plus the sums likely to be received subsequently by the Company for each share attached to and/or underlying the securities issued, are at least equal to the minimum price provided for above

- the conversion, redemption and conversion into shares of each security giving access to the capital will be made, taking into account the nominal value of the said security, in a number of shares such that the amount received by the Company, for each share, is at least equal to the minimum price referred to above.

It is however specified that in the event of the admission of the Company's shares to a regulated market, the minimum price referred to in the three paragraphs above must be at least equal to the minimum price provided for by the legal and regulatory provisions in force applicable to companies whose shares are admitted to a regulated market.

decides that the new shares issued in respect of the capital increases will be fully assimilated to the old shares and subject to all the provisions of the Articles of Association and the decisions of the General Meetings,

specifies that the transactions referred to in this resolution may be carried out at any time, including during a public offering of the Company's shares, in accordance with the legal and regulatory provisions,

decides that the Board of Directors will have all powers to implement or not this delegation, as well as the power to postpone it if necessary, under the legal conditions and within the limits and conditions specified above, in order to

- to decide on the capital increase and determine the securities to be issued and, in general, to decide on the issues under this delegation,

- decide on the amount of the capital increase,

- to set the issue price and the amount of the premium that may, if applicable, be requested on issue, within the limits set by this resolution,

- determine the dates and terms of the capital increase, the nature and characteristics of the securities to be created, and to decide, in the case of bonds or other debt securities giving access to the Company's capital, whether they should be subordinated or not (and, if so, their subordination rank in accordance with the provisions of article L.228-97 of the French Commercial Code), to set their interest rate (in particular fixed or variable interest rate or zero coupon or indexed interest rate), their term (fixed or open-ended), and the other terms of issue (including the granting of guarantees or security interests) and redemption; these securities may be accompanied by warrants giving the right to the allocation, acquisition or subscription of bonds or other debt securities, or take the form of complex bonds within the meaning of the stock market authorities; to amend, during the life of the securities concerned, the terms and conditions referred to above, in compliance with the applicable formalities,

- decide, in the event that subscriptions do not absorb the entire issue, to limit the amount of the capital increase to the amount of subscriptions received, provided that this amount reaches at least three-quarters of the issue decided,

- to determine the method of paying up the shares, securities giving access to the capital to be issued or securities to be issued

- to determine, if applicable, the terms and conditions for the exercise of the rights attached to the shares or securities to be issued and, in particular, to set the date, even retroactively, from which the new shares (i.e., any underlying securities) will carry dividend rights, to determine the terms and conditions for the exercise of the rights, if any, to conversion, exchange, redemption, including by delivery of Company assets such as shares or securities already issued by the Company, as well as all other terms and conditions for the completion of the capital increase,

- provide for the possibility of suspending the exercise of the rights attached to these securities in accordance with the legal and regulatory provisions for a maximum period of three (3) months,

- at its sole discretion, charge the costs of the capital increase against the amount of the premiums relating thereto and deduct from this amount the sums necessary to increase the legal reserve to one-tenth of the new capital after each capital increase,

- to determine and make all adjustments to take account of the impact of transactions affecting the Company's capital, in particular in the event of a change in the par value of the share, a capital increase by incorporation of reserves, a bonus share issue, a stock split or reverse stock split, a distribution of reserves or any other assets, a capital redemption, or any other transaction affecting shareholders' equity, and to set the terms and conditions under which the rights of holders of securities giving access to the capital will be preserved, where applicable,

- record the completion of each capital increase and make the corresponding amendments to the bylaws,

- in general, enter into any agreement, in particular with a view to preserving any rights of holders of securities giving immediate or future entitlement to a portion of the share capital, take all measures and carry out all formalities required for the issue, registration and financial servicing of the securities issued pursuant to this delegation of authority and for the exercise of the rights attached thereto, carry out all formalities and declarations, request all authorizations that may be necessary for the completion and proper performance of this issue and, in general, do all that is necessary.

The final terms and conditions of the transaction will be the subject of a supplementary report, in accordance with the provisions of Article L.225-129-5 of the French Commercial Code, which the Board of Directors will draw up when it makes use of the delegation of authority to be granted by this Meeting. The Statutory Auditors will also prepare a supplementary report at that time.

ELEVENTH RESOLUTION

Authorization for the Board of Directors to increase the number of shares issued in accordance with the provisions of article L.225-135-1 of the French Commercial Code, in the event of the implementation of the delegations of authority referred to in the four preceding resolutions, with maintenance or cancellation of preferential subscription rights as the case may be

The Shareholders' Meeting, deliberating pursuant to the conditions of quorum and majority required for extraordinary Shareholders' Meetings

having reviewed the report of the Board of Directors and, in accordance with the provisions of Article L.225-135-1 of the French Commercial Code

authorizes the Board of Directors to *i)* increase the number of securities to be issued in order to cover possible over-allotments and to stabilize the share price in the context of an issue, with or without maintenance of preferential subscription rights, of ordinary shares and/or any other securities giving immediate or future access, at any time or on a fixed date, to the share capital of the Company, or of companies that directly or indirectly own more than half of its capital or giving the right to a debt security, by subscription either in cash or by offsetting debts, conversion, exchange, reimbursement, presentation of a warrant or in any other way, pursuant to the 7th to 10th Resolutions and *ii)* to carry out the corresponding issues at the same price as that used for the initial issue and up to a limit of 15% of the latter, in accordance with the provisions of Article R.225-118 of the French Commercial Code or any other applicable provision;

decides that the present authorization, granted to the Board of Directors, must be implemented within thirty (30) days of the closing of the subscription for the initial issue concerned; if the Board of Directors has not made use of it within this period of 30 days, it will be considered to have lapsed in respect of the issue concerned;

decides that the nominal amount of the corresponding issues will be deducted from the overall limit applicable, as provided for in the 14th Resolution;

notes that, in the event of an issue with or without preferential subscription rights, the limit provided for in 1° of I of Article L.225-134 of the French Commercial Code will be increased in the same proportions;

decides that this authorization shall supersede any previous delegation of authority for the same purpose *(19th resolution of the Meeting of June 3, 2022).*

TWELFTH RESOLUTION

Delegation of powers to the Board of Directors to decide on a capital increase in cash reserved for employees who are members of a company savings plan in accordance with the provisions of Articles L.225-129-6 of the French Commercial Code and L.3332-18 et seq. of the French Labor Code, with cancellation of preferential subscription rights reserved for the Company's employees

The Shareholders' Meeting, deliberating pursuant to the conditions of quorum and majority required for extraordinary Shareholders' Meetings

after having examined the report of the Board of Directors and the special report of the Statutory Auditors,

decides to carry out a capital increase of a maximum nominal amount equal to 3% of the share capital as recorded at the time of issue by issuing new ordinary shares of the Company, with a par value of two euros and twenty-five cents (EUR 2.25), to be paid up in cash or by offsetting against certain, liquid and payable debts to the Company, reserved for employees of the Company, or of companies related to it within the meaning of article L.225-180 of the French Commercial Code, who are members of the Company Savings Plan to be set up at the initiative of the Company and/or of any mutual funds through which the new shares thus issued would be subscribed by them,

decides that the subscription price of the shares issued under this delegation of powers, which will confer the same rights as existing shares of the same class, will be set by the Board of Directors under the conditions provided for by the provisions of Article L.3332-19 or L.3332-20 of the French Labor Code, depending on whether or not the securities are admitted to trading on a regulated market on the date of the capital increase,

decides to waive the shareholders' preferential subscription rights to the ordinary shares to be issued under this resolution, reserved for the Company's shareholders pursuant to Article L.225-132 of the French Commercial Code, and to reserve the subscription for employees working for the Company on the date of subscription and belonging to the Company's Savings Plan,

resolves that each capital increase will be carried out only up to the amount of shares actually subscribed by the employees individually or through a company mutual fund or any other structure or entity permitted by the applicable legal or regulatory provisions,

decides to delegate to the Board of Directors, in accordance with the provisions of Article L.225-129-1 of the French Commercial Code, all powers, with the option of sub-delegation under the conditions of Article L.22-10-49 of the French Commercial Code, to implement the present decision under the legal conditions and within the limits and conditions specified above, in particular for the purpose of

- to carry out, after the establishment of the Company Savings Plan, within a maximum period of five (5) years from the date of this decision, a capital increase on one or more occasions, on the basis of its own decisions, by issuing shares reserved for employees or companies affiliated to it within the meaning of Article L.225-180 of the French Commercial Code, who are members of the Company Savings Plan and for whom preferential subscription rights have been waived;

- to determine the conditions of allocation of the new shares thus issued to the said employees in accordance with the law, including the conditions of seniority, to draw up the list of beneficiaries, as well as the number of shares likely to be allocated to each of them, within the limit of the cap of the capital increase;

- decide that subscriptions may be made directly or through a company mutual fund or any other structure or entity permitted by the applicable legal or regulatory provisions;

- to set up, establish the terms and conditions of membership of the Company Savings Plan, which may be necessary, and to draw up or modify the regulations;

- to determine the date and terms of the issues to be carried out under this authorization in accordance with legal and statutory requirements, and in particular to set the subscription price in accordance with the conditions set out in Article L.3332-20 of the French Labor Code, to determine the opening and closing dates for subscriptions, the dates from which shares will rank for dividend, and the deadlines for paying up shares, and to collect employee subscriptions;

- to collect the sums corresponding to the payment of subscriptions, whether made in cash or by offsetting claims, and, where applicable, to determine the credit balance of the current accounts opened in the Company's books in the name of subscribers paying up the subscribed shares by offsetting;

- to set, within the legal limit of three (3) years from the date of subscription provided for in Article L.225-138-1 of the French Commercial Code, the period granted to subscribing employees for the payment of the amount of their subscription, it being specified that, in accordance with the legal provisions, the subscribed shares may be paid up, at the request of the Company or of the subscriber, either by periodic payments or by equal and regular deductions from the subscriber's salary ;

- record the completion of the capital increases up to the amount of the shares actually subscribed individually or through the Company's corporate mutual fund or any other structure or entity permitted by the applicable laws and regulations, and if necessary charge all expenses to the amount of the premiums paid on the issue of the shares and deduct from this amount the sums necessary to bring the legal reserve up to one-tenth of the new capital, after each increase;

- to carry out, directly or through an agent, all legal operations and formalities;

- to amend the bylaws to reflect the increase in share capital;

- to take all measures, and generally to do all that will be useful and necessary for the final realization of the increase or successive increases of the share capital.

decides to set the period of validity of this delegation at **twenty-six** (**26**) **months from the** date of this decision, i.e. until **August 21, 2025 from the date of** this Meeting.

THIRTEENTH RESOLUTION

Authorization for the Board of Directors to grant free shares

The Shareholders' Meeting, deliberating pursuant to the quorum and majority conditions required for extraordinary Shareholders' Meetings

after having reviewed the report of the Board of Directors and the special report of the Statutory Auditors,

authorizes the Board of Directors, in accordance with the provisions of Articles L.225-197-1 et seq. of the French Commercial Code, to make free allotments of existing shares or shares to be issued, on one or more occasions, to beneficiaries to be determined by the Board of Directors from among the employees and executive officers of the Company or of companies or groupings affiliated with it under the conditions set out in Article L.225-197-2 of the said Code, and the executive officers referred to in the second paragraph of Article L.225-197-1 of the said Code, in accordance with the conditions set out below;

decides that the total number of free shares granted under this authorization may not exceed 10% of the share capital, the limit thus set not including additional shares that may be issued to preserve, in accordance with the law and, where applicable, with contractual stipulations providing for other cases of adjustment the rights of holders of securities giving access to the capital, it being specified that the nominal amount of the capital increases that may be carried out, immediately or in the future, by virtue of this authorization shall be deducted from the overall limit for capital increases provided for in the 14th Resolution of this Meeting;

decides that the grants made pursuant to this resolution may be subject to the fulfilment of one or more performance conditions;

decides that the allocation of said shares to their beneficiaries will become definitive, for all or part of the shares allocated, at the end of a vesting period of at least one year;

decides that, within the limits set in the preceding paragraphs, the Board of Directors shall determine the duration of the vesting period and the duration of any holding period; it being specified that, at the end of the holding period, if any, these shares may only be sold in accordance with the applicable legal and regulatory provisions;

decides that the allocation of said shares to their beneficiaries will become definitive before the expiry of the aforementioned vesting periods in the event of the beneficiary's disability corresponding to classification in the second or third category provided for in Article L.341-4 of the Social Security Code and that said shares will be freely transferable in the event of the beneficiary's disability corresponding to classification in the aforementioned categories of the Social Security Code;

grants full powers to the Board of Directors, with the option of sub-delegation within the legal limits, to implement the present authorization and in particular to

- to determine the identity of the beneficiaries of the share allotments from among the employees and executive officers of the Company or of the aforementioned companies or groupings and the corporate officers referred to in Article L.225-197-1, II of the French Commercial Code;

- for the shares that may be allocated to the executive directors referred to in Article L.225-197-1 II paragraph 4 of the French Commercial Code, either to decide that these shares may not be sold by the interested parties before the termination of their functions, or to determine the quantity of these shares that they will be required to keep in registered form until the termination of their functions;

- to set the conditions and, if applicable, the criteria for the granting of shares, and in particular any performance conditions it deems useful, as well as the terms of adjustment in the event of a financial transaction by the Company;

- in the event of the issue of new shares, to deduct, if necessary, from the reserves, profits or issue premiums, the sums required to pay up the said shares;

- to make any adjustments to the number of shares allocated in connection with any transactions involving the Company's capital;

- record the capital increase(s) resulting from any grants made under this authorization and amend the bylaws accordingly;

notes that, should the Board of Directors make use of this authorization, it shall inform the ordinary Shareholders' Meeting each year of the transactions carried out pursuant to the provisions of Articles L.225-197-1 to L.225-197-3 of the French Commercial Code, in accordance with the conditions set forth in Article L.225-197-4 of said Code;

decides that this authorization is given for a period of **thirty-eight (38) months from the** date of this Meeting, i.e., until **August 21, 2026**, at which time it will be considered null and void if the Board of Directors has not made use of it.

resolves that this authorization shall supersede any previous delegation of authority for the same purpose *(21st Resolution of the Meeting of June 3, 2022).*

FOURTEENTH RESOLUTION

Setting of the overall limit for authorizations to issue shares and securities giving access to the applicable capital and debt securities

The Shareholders' Meeting, deliberating pursuant to the conditions of quorum and majority required for extraordinary Shareholders' Meetings

having reviewed the report of the Board of Directors, and as a consequence of the adoption of the 7th to 11th and 13th Resolutions above,

decides to set at thirty million (30,000,000) euros the maximum nominal amount of the immediate and/or future share capital increases that may be carried out by virtue of the delegations of authority granted by the aforementioned resolutions, it being specified that to this nominal amount shall be added, if necessary, the nominal amount of the shares to be issued in addition to preserve the rights of the holders of securities giving access to the Company's capital in accordance with the law;

also **decides** to set at ninety-three million (93,000,000) euros the maximum nominal amount of securities representing claims on the Company that may be issued by virtue of the delegations of authority granted by the aforementioned resolutions.

FIFTEENTH RESOLUTION

Authorization to the Board of Directors to reduce the Company's share capital by cancelling shares

The Shareholders' Meeting, deliberating pursuant to the quorum and majority requirements for extraordinary meetings, having reviewed the report of the Board of Directors and the report of the Statutory Auditors

in accordance with the provisions of Article L.22-10-62 of the French Commercial Code,

authorizes the Board of Directors, with the option of sub-delegation, to cancel on one or more occasions at such times as it sees fit, for a period of **eighteen (18) months,** i.e. until **December 21, 2024,** as from the date of this General Meeting, the shares acquired by the Company pursuant to the implementation of the authorization given in the 6th Resolution or any resolution having the same purpose and the same legal basis, up to a maximum of 10% of the Company's share capital per twenty-four (24) month period, and to reduce the share capital accordingly, it being recalled that this percentage applies to a share capital adjusted to reflect transactions affecting it subsequent to this Meeting,

authorizes the Board of Directors to charge the difference between the repurchase value of the cancelled shares and their par value to "Additional paid-in capital" or to any other available reserve, including the legal reserve, up to a limit of 10% of the reduction in capital,

grants full powers to the Board of Directors, subject to strict compliance with legal and regulatory provisions, with the option of sub-delegation, to :

- to proceed with such share cancellation(s) and capital reduction(s);
- determine the final amount of the capital reduction;
- set the terms and conditions;
- to note its realization;
- to amend the Company's bylaws accordingly;
- to carry out all the formalities and declarations with all the organizations;
- and generally do all things necessary for the implementation of this authorization.

resolves that this authorization shall supersede any previous delegation of authority for the same purpose *(23rd Resolution of the Meeting of June 3, 2022).*

SIXTEENTH RESOLUTION

Powers for formalities

The Shareholders' Meeting, deliberating pursuant to the quorum and majority conditions required for ordinary Shareholders' Meetings

gives full powers to the bearer of copies or extracts of these minutes of the present meeting to carry out all publication and filing formalities required by the legislation in force.