**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, 2023

# 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 32 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 6, 2024

Olivier Fahy
Chairman and Chief Executive Officer

## 2. MESSAGE FROM THE CHAIRMAN AND CHIEF EXECUTIVE OFFICER

*"Like any living organism, a company follows a natural life cycle that inevitably takes it through phases of strong growth interspersed with ups and downs. Looking back: Berkem S.A. was founded in 1993. 30 years on, our Group has all the hallmarks of a budding adult: passionate, determined, committed and brimming with the energy to scale new heights.*

*We have been racing to the top ever since our IPO. In this respect, 2023 will have been a particularly busy year: two company integrations, four innovative product launches, massive international expansion, significant industrial investments and the creation of responsible supply chains. I would like to list all our ambitious and exciting projects, but the list is long.*

*Naturally, a journey with so many highlights deserves a great deal of attention. I am well aware that a great deal has been invested, energy expended and time devoted, and I would like to thank the teams for this.*

*A company's growth requires it to change its guidelines, increase its human organization and develop its tools. Change legitimately causes disruption, anxiety and sometimes even confrontation. It is another part of the not-so-simple normality we have experienced in 2023, and one we will need to remedy if we are to sustain the pace.*

*Already on track, 2024 promises to be just as exciting and stimulating as last year. Our roadmap is clear and ambitious, and I have no doubts about everyone's commitment. We must all strive for harmony, so that each department can carry out its mission in the best possible conditions.*

*I wish everyone every success on the road to 2024!"*

*Olivier Fahy*

# 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

**DEVELOPMENT OF FACILITIES**

At the La Teste-de-Buch site, two new raw materials storage tanks were installed for soybean and sunflower oils. In conjunction with automation and computerized process supervision, these facilities represent an improvement in raw materials management and their integration into production processes. Computerized supervision provides ease of use and enhanced security. With an overview of the various production station indicators, operators can precisely control temperature and pressure measurements, monitor cycle progress, and check that everything is running smoothly. This is an invaluable aid to productivity and quality. Being able to repeat and control parameters ultimately improves the quality of finished products.

The installation of an air treatment unit was completed in the Gardonne site's atomization workshop. From now on, this product finishing process will take place in a controlled-atmosphere zone. By treating air flows, the working environment is better protected, to the benefit of both operators and product integrity.

Through its activities at the La-Teste-de-Buch, Gardonne and Blanquefort sites, Groupe Berkem strives to offer markets products that are as close as possible to customers' needs. Finished products based on liquid emulsions or extracts in powder form require perfect control of particle size. It's all about efficiency and quality. That's why, in early 2023, the Blanquefort laboratory purchased and put into operation a granulometer. This measuring device, intended for all the Group's activities, will enable the La-Teste-de-Buch site to offer its markets emulsion alkyd resins.

Nutraceuticals, in other words the dietary supplements market, is a priority sector for Groupe Berkem's development. In terms of formulation, this type of product requires active raw materials derived from plant extracts, which must be stable over time. To guarantee the stability of its plant extracts, Groupe Berkem must carry out aging tests under standardized conditions. The Gardonne laboratory is now equipped with two temperature- and humidity-controlled ovens. The installation of this new equipment gives the Group the autonomy and responsiveness it needs to enter this fast-growing market.

To better manage the traceability of plant and synthetic raw materials produced abroad, Groupe Berkem's Purchasing department is developing its sourcing methods. Previously dependent on brokers, it is now developing specialized channels by forging closer links with local players. This approach, which is in line with the Group's CSR approach and internationalization, could also lead to future commercial projects.

**INCREASING CAPACITY**

The Gardonne site is the third phase of the investment plan dedicated to industrial facilities. After the Chartes and La-Teste-de-Buch sites, it's now Gardonne's turn to improve its plant extract production capacity, while maintaining its level of versatility. The aim is to enable Groupe Berkem's historic site to respond skillfully to major market needs. To this end, a new 530 m² production workshop will open in spring 2024. The Resources Department is leading this major project in collaboration with the Gardonne site and with the support of an engineering firm. Plans are drawn up and the first orders for building B-72 are placed.

In terms of equipment, most of the production equipment will be second-hand or reconditioned, in line with the Group's policy of using specialist European suppliers. In keeping with the actions undertaken at Gardonne, this new production unit will be automated and supervised, ensuring a certain degree of control over the quality of finished products and the safety of personnel.

Some fifteen people will be recruited to manage this new industrial facility.

The La Teste-de-Buch site's expertise in alkyd resins has been complemented by the installation of an azeotropic manufacturing reactor, which diversifies the site's traditional melt production method. Azeotropic production allows for better control of production parameters, offering the Group two direct advantages for its markets: on the one hand, the ability to supply industry with short-oil resins, and on the other, the production of less colorful resins.

After several months' work by the Production and Maintenance departments, the new R-22/03 reactor underwent a successful test phase at the beginning of the year. The second quarter closed with a resounding success, with six pilots produced and zero non-conformities reported. The tool is now validated and operational, making Groupe Berkem totally autonomous in the manufacture of resins previously outsourced. The R22-03 is now fully industrialized, producing a minimum of one resin per week. With this new reactor, La Teste-de-Buch doubles its production capacity for an equivalent number of Production Operators. On the commercial front, customers were informed and some were invited to visit the site. Among the first, Unikalo and Peintures SOB were impressed by the investments made in site safety and increased production flows. In addition to increasing production capacity, this new industrial technology was previously complex. The success of this project is a fine example of the synergy between the different teams involved in performance: R&D, Resources, Production and Sales worked hand in hand.

Among Groupe Berkem's extraction and formulation activities, vegetable oils are absolutely essential raw materials. In the current inflationary and geopolitical context, and given the Group's quality standards, sourcing them is a constant challenge. This is why the acquisition of Biopress in April is a major asset for the future of Groupe Berkem. Biopress has long-standing expertise in the production of vegetable oils extracted from organic oilseeds grown on local farms. With this new activity, Groupe Berkem now benefits from all the advantages of a fully controlled short-distance supply chain. In addition, the technical nature of the vegetable oils produced by Biopress strengthens Groupe Berkem's offering for the nutritional supplements, cosmetics, paints and varnishes markets. The company will also be able to address new markets with considerable potential, such as the food industry, thanks to the complementary know-how it has inherited: the development and manufacture of plant-based proteins. Finally, located in Tonneins in the Lot-et-Garonne region, close to the Gardonne industrial unit, this new production site boasts storage space of considerable size, enabling it to support the Group's future growth. This acquisition guarantees the processing of over 8,000 tonnes of plants per year. Following on from this acquisition, the second quarter of 2023 was devoted to discussions with the Tonneins intercommunal community, with a view to the industrial redeployment of the Biopress site as part of a major investment program.

**INTERNATIONAL DEVELOPMENT**

Northern European countries are currently witnessing a return to the ancestral know-how of timber construction. As part of an environmental approach, buildings and towers designed entirely in wood are emerging from the ground thanks to new technical prowess. It is in this favorable market context that Groupe Berkem has obtained two marketing authorizations in compliance with the European Biocide Production Regulation (BPR). AXIL 2000 AB-B, an anti-blue wood protection product for fresh wood, is now authorized for sale in Finland. This new authorization enables Groupe Berkem to present its expertise in wood treatment and protection to a previously untapped market. Already present in Sweden, the Group is developing its offer for industry. Axil 3000 P+, an insecticide-fungicide product for use in autoclaves, complements Axil 2000, available in Sweden since 2015.

Among the Group's new areas of development, the Hygiene and Protection division is opening up export markets for the Koalib range of bactericidal, fungicidal and virucidal disinfectant products. Launched in

2020 and already present on European markets, the K-Désinfectant solution is about to make its debut in Africa. Thanks to a national marketing authorization, this solution will be distributed in Cameroon. By opening the door to Koalib's development in Africa, this new national marketing authorization also reinforces Groupe Berkem's position as a specialist in biocidal solutions, already active in Cameroon in log preservation.

Unlike cosmetics, the North American nutritional supplement market is highly concentrated. In such conditions, a limited sales network is sufficient to cover demand throughout the zone. That, in two sentences, is the summary of the in-depth analysis that convinced Groupe Berkem to invest in its own sales force, by turning to an existing, solid business. The acquisition of i.Bioceuticals Inc, the exclusive American distributor of the nutritional ingredients of the Dutch INC (International Nutrition Company), makes Groupe Berkem autonomous in the distribution of its active ingredients for the nutraceutical markets of the United States and Canada. The internalization of this distribution will enable the Group to take full advantage of the growth of a market which is very open to innovative solutions of natural origin. Following on from a long-standing distribution partnership with INC, this acquisition, formalized in February, augurs a smooth and natural transfer of business, with no market disruption.

As the wood industry is one of Chile's biggest exporters after the mining sector, Groupe Berkem is interested in this market to develop its Adkalis business internationally. In partnership with Clariant, the R&D team has set up local efficacy trials for Axil 2000 ASM, a temporary anti-blue treatment for fresh wood. Still in progress, the study is very encouraging, since after eight and a half months of exposure, the product is still proving effective. On the strength of these very positive results, an MMA for Chile has been launched.

Groupe Berkem has also reached a new milestone in its international expansion. Emphasis has been placed on the African continent, and on Lixol know-how. In early June, a memorandum of understanding was signed for the creation of a joint venture with Groupe Dolidol, a pan-African leader in polyurethane foam, bedding and industrial joinery. The agreement provides for the establishment of an alkyd resin production and marketing site in Côte d'Ivoire. The aim is to increase Groupe Berkem's presence in Africa, a region with particularly significant growth potential. Supported by a total investment of €5 million, the future African alkyd resin production plant is scheduled to come on stream in the first quarter of 2024, with an estimated production capacity of 5,000 tonnes per year in the first phase. It will supply the industrial paint and building paint markets of neighboring African countries such as Ghana, Togo, Benin, Burkina Faso, Mali, Guinea, Niger and Liberia, as well as European countries. To meet the needs of African manufacturers, the two partners are already working on the creation of a product line adapted to the technical and climatic constraints of African markets. The success of this partnership is based on Groupe Berkem's expertise in the manufacture and synthesis of alkyd resins, and the resolutely African vocation of Groupe Dolidol, the bridgehead of Africorp Consortium's industrial pole.

Initiated in 2022, the international roll-out of Groupe Berkem's ingredients distribution continues to gain momentum. In the West, the focus is on the UK; in the East, Thailand and South Korea. Wherever it is, the company maintains its strategy by relying on high-quality specialist distributors who are recognized in their markets. To gain market share in Europe's third largest cosmetics market, Groupe Berkem signed a partnership agreement at the end of April with Kreglinger, a major player in the distribution of specialty ingredients in Europe. Thanks to the experience and expertise it has acquired in the UK, Kreglinger should rapidly establish Groupe Berkem as a benchmark for cosmetics manufacturers eager for natural, objectified and innovative active ingredients. In Thailand, the cosmetics industry is the third largest market in ASEAN, after Indonesia and the Philippines. This market is driven by a growing demand for innovative, high-quality products. The situation is similar in South Korea, one of the world's biggest consumers of cosmetics. Korean consumers are known to be very demanding when it comes to the quality and innovation of their beauty products. Groupe Berkem has chosen Azélis, a global provider of innovation services in the specialty chemicals and food ingredients industries, to address these key growth markets in the most efficient way. Azélis is delighted with this agreement, which brings to its catalog a new range of innovative ingredients whose natural benefits perfectly match the requirements of the South-East Asian cosmetics markets.

After the American institutions, it is now the authorities of the Malay Peninsula and the Indonesian archipelago who have made the acquaintance of Groupe Berkem. Detached from Western protocols, the relationships established have already made it possible to open homologation applications. Products for the Hygiene & Protection and Construction & Materials divisions are of major interest to these countries, given the pathogenic agents present in their territories (mosquitoes, termites, fungi, molds, etc.). While the authorities make it easy to open applications, they are nonetheless very demanding when it comes to the presence of a local industrial manager. Groupe Berkem is therefore considering its industrial and commercial choices for these countries. Whatever solution is chosen, the Malaysian and Indonesian approvals could be issued within a year.

**PRODUCT LAUNCHES**

***H2OLIXIR***

At the European In-Cosmetics trade show in late March, Groupe Berkem presented its new H2OLIXIR range of 100% natural drying waters. H2OLIXIR is composed of mint water and lemon balm water, with refreshing, antioxidant and purifying properties. Their innovative nature stems from the plant-drying manufacturing process, which preserves all the benefits of the original plant. Upcycled, the H2OLIXIR range is also organically grown, COSMOS-certified and respectful of seasonal cycles. By incorporating H2OLIXIR floral waters into their formulation, cosmetic products for skin and hair care will see their organic and natural percentage, and therefore their eco-responsible dimension, greatly improve.

***Termifuge K***

Developed using Synerkem® technology, this new anti-termite coating for building foundations and buried walls contains plant extracts that super-activate its insecticidal properties. More than just a repellent barrier, thanks to two types of active ingredient, Termifuge K is a lethal barrier for entire termite colonies. One active ingredient acts on contact, causing the death of the termite affected. The other acts as a retardant, ultimately causing the extinction of the colony: ingested and transmitted from termite to termite by the trophallaxis principle, Termifuge K eventually reaches the queen, who dies, followed by all her subjects.

***Biombalance***

On September 14, a press release announced the official launch of Biombalance, a new range of premium active ingredients for the nutraceuticals market. This innovation, the result of R&D work and Groupe Berkem's long-standing expertise in plant extraction and active ingredient development, meets the demand for dietary supplements that act to balance the intestinal microbiota. Biombalance ingredients act on microbiotic balance, restoring the intestinal barrier, reducing oxidative stress and restoring immune tolerance. These properties have been scientifically proven. The flagship product of this new range, Symgrape® is a premium active ingredient derived from the extraction of polyphenols from grape seeds. Three additional premium ingredients derived from plant extracts with recognized virtues for the health of the human microbiota will strengthen the Biombalance range: Symint®, Mallowsum and Symthym. Rigorously selected, the plant materials from which Biombalance ingredients are derived will be sustainably sourced.

***Novaterm***

Novaterm, an innovative connected and overactivated anti-termite solution, was presented to industry specialists in Paris at the end of October. This new preventive and curative product joins the rising segment of anti-termite traps, bringing a double innovation: the patented Synerkem technology, a plant-based superactivator of active substances, coupled with on-board electronics for remote monitoring via a mobile application.

Already authorized for sale in France, the French overseas departments and territories (DROM-COM) and Singapore, the Novaterm connected trap is set for major international expansion. It also gives the Group the opportunity to present itself as a true specialist in termite control, since from now on a complete package comprising four products adapted to the life cycle of buildings will be presented to professionals.

***Fire Resist***

To round off its range and give itself a new competitive edge, Groupe Berkem has launched a dedicated fire-fighting solution for export. Marketed under the name Fire Resist, this high-performance intumescent varnish for indoor or sheltered wood has the property of delaying wood combustion, enabling people to evacuate before a burning building collapses. In a fire situation, when the temperature in a room rises, the varnish will swell to form an insulating barrier, lasting at least 10 minutes to enable occupants to evacuate.

**1.**
**2.**
**2.1.**
**2.1.1.**
**2.1.1.1.**

#### 3.1.1.2. Legal information

On March 3, 2023, the Chairman and Chief Executive Officer, noting that the allocation period enforceable against the beneficiaries of the free share allocation decided by the Board of Directors at its meeting on March 3, 2022, making use of the delegation granted by the Ordinary and Extraordinary Shareholders' Meeting of April 26, 2021, decided:

- to allocate to the beneficiaries 28,623 shares with a par value of €2.25, held by the Company under the buyback program, in accordance with the allocation adopted by the Board of Directors at its meeting on March 3, 2022,
- to record the creation of 82,627 shares with a par value of €2.25 each, representing a share capital increase of €185,910.75.

The Company's share capital was thus increased from €39,791,306.25 to €39,977,217.00.

**1.**
**2.**
**2.1.**
**2.1.1.**

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

On October 13, 2023, as part of its budget review for 2024, the Group announced a one-year shift in its planned financial targets for fiscal year 2024. As a reminder, the Group envisaged revenue of €65 million by 2024, which could be increased to at least €85 million in the event of external growth operations, as well as an EBITDA margin target of around 25%.

On February 6, 2024, when announcing its annual results, the Group announced that its profitability targets would be postponed to 2027, in view of the investments planned for its new production site in Valencia (see "*Post-closing events*" below) to ensure the ramp-up of its industrial facilities.

At the date of this report, the Group’s financial targets are as follows:

- 2025: Revenue of at least €85 million;
- 2027: EBITDA margin of around 25%.

1.
2.
2.1.
2.1.1.
2.1.2.

### 3.1.3. Post-closing events

#### 3.1.3.1. Post-closing operational events

On February 6, 2024, the Group announced the signature of a definitive agreement with the Givaudan group concerning the acquisition of Naturex Iberian Partners (Givaudan's industrial site in Valencia, Spain). The site specializes in the extraction of plant and marine products for the food, nutrition and cosmetics markets.

With this acquisition, Groupe Berkem significantly increases its production capacity in plant extracts for its "Health, Beauty and Nutrition" business divisions. It should be noted that the production of marine ingredients for the Givaudan group will continue in the form of a long-term partnership. 47 employees at the Valencia site will also join Groupe Berkem's headcount and expertise as part of this operation.

The acquisition will be 100% financed by the External Growth Credit Line contracted by the Group on July 26, 2022. Ownership of the shares is expected to be transferred on May 31, 2024.

1.
2.
2.1.
2.1.1.
2.1.2.
2.1.3.
2.1.3.1.

#### 3.1.3.2. Post-closing events of a legal nature

On February 23, 2024, on the recommendation of the Chairman and Chief Executive Officer, the Company's Board of Directors decided to appoint Anthony LABRUGNAS and Sabine DEJEAN-LAFOREST as Deputy Chief Executive Officers of Groupe Berkem, for an unlimited term.

The Deputy Chief Executive Officers have the same powers as the Chief Executive Officer in respect of third parties.

1.
2.
2.1.
2.1.1.
2.1.2.
2.1.3.

### 3.1.4. Research and Development activities

Research and Development is at the heart of the Group’s innovation strategy.

***Adkalis innovations: recognition from Asia-Pacific scientists***

For its 14th edition, the Pacific RIM Termite Research Group (PRTRG) scientific congress took place in Bangkok, Thailand, on March 2-3, 2023. It brought together termite control specialists from the Asia-Pacific region, which covers the triangle of the USA, China and Australia. Groupe Berkem presented its research work to scientific experts, industrialists and professional users from the region.

Sponsor of the event for the first time, Adkalis took part in two conferences and scientific partners promoted its products in four presentations:

- The French Agricultural Research Centre for International Development (CIRAD) presented the results of performance tests on 100% biobased barriers carried out on tropical termites in Japan and the United States.

- The French National Research Institute for Agriculture, Food and the Environment (INRAE) presented the results of efficacy tests on Adkalis products formulated with a plant booster, carried out on tropical termites in real-life conditions, i.e., in the middle of a forest.

- The Institut de l'île de la Réunion, the University of Malaysia and CIRAD presented the new generations of Adkalis products formulated with plant booster, and laboratory manipulations that open the discussion to applications other than anti-termite treatments.

When it comes to health and environmental regulations for anti-termite products, the Asia-Pacific region lags far behind Europe. This is why the innovative use of biosourced active ingredients is arousing strong interest in the local scientific community, which sees Groupe Berkem as a key player in responsible, sustainable chemistry. Scientific approval plays a vital role in the legitimacy of new marketing authorization applications, spearheading the transition.

***In vitro efficacy tests***

To meet the needs of the nutraceuticals market, Groupe Berkem's R&D department has made a strategic decision to increase the level of expertise at its Gardonne objectification laboratory. For the first time, the R&D team has set up a protocol for in vitro biological studies which will provide scientific proof of the soothing effect of active ingredients of plant origin on throat cells.

Situated halfway between bibliographical studies and official external trials, in vitro tests will enable the Group to speed up the process of bringing new active ingredients to market for nutraceuticals.

***The next generation of alkyd resins***

The La Teste-de-Buch plant, which manufactures almost exclusively solvent-based resins, is currently investigating water-based alkyd resin technology. While the long-term objective is to transpose this technology to an industrial scale, it is essential to first master its synthesis in the laboratory. To this end, Lixol's R&D laboratory has invested in an entirely dedicated workstation. By offering itself the possibility of producing resins with a lower volatile organic compound content, Lixol has made its markets the promise of a new generation of alkyd resins, complementary and ever more virtuous.

***Increased capacity for improved responsiveness***

To be more responsive to market needs and customer demand, the Gardonne laboratory was keen to speed up the response time of its studies. This has now been achieved, thanks to the installation of new equipment which will act on three decisive criteria:

- Drying time: drastically reduced thanks to the installation of a freeze-dryer;
- Batch size: a significant increase thanks to the installation of a high-volume centrifuge;

– Simultaneous operations: experiments carried out simultaneously thanks to new Soxhelt ramps.

By increasing the capacity of its objectification laboratory, Groupe Berkem is speeding up the development of its range of products, as well as contract work.

The Group benefited from the Research Tax Credit, the Innovation Tax Credit and other subsidies in a total amount of €955 thousand in 2023.

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.

1.
2.
2.1.
2.1.1.
2.1.2.
2.1.3.
2.1.4.

### 3.1.5. Branches

At December 31, 2023, the Group had 3 secondary establishments:

| Company name | Address |
|---|---|
| BERKEM DÉVELOPPEMENT | 643 route de Gageac, 24680 Gardonne |
| BERKEM DÉVELOPPEMENT | 53 avenue d'Orléans, 28000 Chartres |
| BERKEM DÉVELOPPEMENT | 525 boulevard de l'Industrie, 33260 La Teste-de-Buch |

1.
2.
2.1.
2.1.1.
2.1.2.
2.1.3.
2.1.4.
2.1.5.

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

**Income statement by type**

| en k euros | 31/12/2023 | 31/12/2022 |
|---|---|---|
| Chiffre d'affaires | 51 944 | 51 566 |
| Autres produits de l'activité | 1 928 | 1 |
| Achats consommés | -22 668 | -26 639 |
| Charges externes | -13 171 | -10 964 |
| Charges de personnel | -12 128 | -14 481 |
| Impôts et taxes | -656 | -583 |
| Dotation aux amortissements | -4 076 | -3 394 |
| Dotation aux dépréciations et provisions | -313 | -1 361 |
| Variation des stocks d'en-cours et produits finis | -543 | 3 026 |
| Autres produits et charges d'exploitation | 1 247 | 3 983 |
| **Résultat opérationnel courant** | **1 564** | **1 154** |
| Autres produits et charges opérationnels | 993 | -1 682 |
| **Résultat opérationnel** | **2 557** | **-527** |
| Produits de trésorerie et d'équivalents de trésorerie | 22 | 4 |
| Coût de l'endettement financier brut | -1 936 | -812 |
| **Coût de l'endettement financier net** | **-1 915** | **-808** |
| Autres produits et charges financiers | -27 | -63 |
| **Résultat avant impôt** | **615** | **-1 398** |
| Impôts sur les bénéfices | -248 | -169 |
| **Résultat après impôt** | **367** | **-1 567** |
| **Résultat net total** | **367** | **-1 567** |

| *en k euros* | *in € thousands* |
|---|---|
| **31/12/2023** | **12/31/2023** |
| **31/12/2022** | **12/31/2022** |
| Chiffre d'affaires | Revenue |
| 51 944 | 51,944 |
| 51 566 | 51,566 |
| Autres produits de l'activité | Other operating income |
| 1 928 | 1,928 |
| 1 | 1 |
| Achats consommés | Purchases consumed |
| -22 668 | -22,668 |
| -26 639 | -26,639 |
| Charges externes | External expenses |
| -13 171 | -13,171 |
| -10 964 | -10,964 |
| Charges de personnel | Personnel expenses |
| -12 128 | -12,128 |
| -14 481 | -14,481 |
| Impôts et taxes | Tax and duties |
| -656 | -656 |
| -583 | -583 |
| Dotation aux amortissements | Depreciation charges |
| -4 076 | -4,076 |
| -3 394 | -3,394 |
| Dotation aux dépréciations et provisions | Depreciation and provisions |
| -313 | -313 |
| -1 361 | -1,361 |
| Variation des stocks d'en-cours et produits finis | Change in work-in-progress and finished goods inventories |
| -543 | -543 |
| 3 026 | 3,026 |
| Autres produits et charges d'exploitation | Other operating income and expenses |

| | |
|---|---|
| 1 247 | 1,247 |
| 3 983 | 3,983 |
| **Résultat opérationnel courant** | **Recurring operating income** |
| **1 564** | **1,564** |
| **1 154** | **1,154** |
| Autres produits et charges opérationnels | Other operating income and expenses |
| 993 | 993 |
| -1 682 | -1,682 |
| **Résultat opérationnel** | **Operating income** |
| **2 557** | **2,557** |
| **-527** | **-527** |
| Produits de trésorerie et d'équivalents de trésorerie | Income from cash and cash equivalents |
| 22 | 22 |
| 4 | 4 |
| Coût de l'endettement financier brut | Cost of gross financial debt |
| -1 936 | -1,936 |
| -812 | -812 |
| **Coût de l'endettement financier net** | **Cost of net financial debt** |
| **-1 915** | **-1,915** |
| **-808** | **-808** |
| Autres produits et charges financiers | Other financial income and expenses |
| -27 | -27 |
| -63 | -63 |
| **Résultat avant impôt** | **Income before tax** |
| **615** | **615** |
| **-1 398** | **-1,398** |
| Impôts sur les bénéfices | Income tax |
| -248 | -248 |
| -169 | -169 |
| **Résultat après impôt** | **Income after tax** |
| **367** | **367** |
| **-1 567** | **-1,567** |
| **Résultat net total** | **Total net income** |
| **367** | **367** |
| **-1 567** | **-1,567** |

**Revenue**

The Group's revenue increased by 0.7% in 2023 to €51.9 million.

The Health, Beauty & Nutrition Division contributed 34% (vs. 31% in 2022). It grew by 12.7% in 2023, driven in particular by the cosmetics market and contract work.

The Construction & Materials Division accounted for 42% of Group revenue (vs. 46% in 2022). Its revenue fell by 9.1%. These difficulties are linked to the construction sector itself in France in 2023, and to the drop in volumes of wood to be processed in Eastern Europe, due in particular to the consequences of the crisis in Ukraine.

The Hygiene and Protection Division accounted for 21% of consolidated revenue, as in 2022 (22%). Its revenue fell by 3.7% in a difficult market context.

The growth in revenue in the Industry division stems from the acquisition of Biopress on April 1, 2023.

| | 2023 | | 2022 | |
|---|---|---|---|---|
| | En K€ | En % du CA | En K€ | En % du CA |
| Santé Beauté Nutrition | 17 821 | 34% | 15 809 | 31% |
| Materiaux Construction | 21 798 | 42% | 23 975 | 46% |
| Hygiene Protection | 10 981 | 21% | 11 401 | 22% |
| Industrie | 1 345 | 3% | 188 | 0% |
| Divers | | | 192 | 0% |
| **TOTAL** | **51 944** | | **51 566** | |

| | |
|---|---|
| **2023** | **2023** |
| **2022** | **2022** |
| **En K€** | **In € thousands** |
| **En % du CA** | **As a % of revenue** |
| **En K€** | **In € thousands** |
| **En % du CA** | **As a % of revenue** |
| Santé Beauté Nutrition | Health Beauty Nutrition |
| 17 821 | 17,821 |
| 34% | 34% |
| 15 809 | 15,809 |
| 31% | 31% |
| Materiaux Construction | Construction Materials |
| 21 798 | 21,798 |
| 42% | 42% |
| 23 975 | 23,975 |
| 46% | 46% |
| Hygiene Protection | Hygiene Protection |
| 10 981 | 10,981 |
| 21% | 21% |
| 11 401 | 11,401 |
| 22% | 22% |
| Industrie | Industry |
| 1 345 | 1,345 |
| 3% | 3% |
| 188 | 188 |
| 0% | 0% |
| Divers | Misc. |
| 192 | 192 |
| 0% | 0% |
| **TOTAL** | **TOTAL** |
| **51 944** | **51,944** |
| **51 566** | **51,566** |

Exports represented 28% of consolidated revenue in 2023 compared to 26.7% in 2022.

**Overall gross margin**

The gross margin rate rose from 57.3% in 2022 to 59%. This is the result of the efforts made by the sales and purchasing teams from the second half of 2022 to improve margins, and also includes the sale of ARENH rights for around €1 million. In absolute terms, gross margin rose by 9.7%, on revenue growth of 0.7%.

**External expenses**

External expenses increased by 20.1% over the year. The main items that increased were those related to:

- sales: trade fair, communication and travel expenses to support organic growth and the capacity investments made by the Group in recent years;
- maintenance: maintenance costs rose in line with the increase in production capacity;
- increased R&D efforts;
- all expenses affected by inflation, including transport, energy and insurance.

**Personnel expenses**

Payroll costs (restated for the 2022 free share allocation (AGA) plan) rose by 9.2% as a result of recruitment efforts (+15.2% in headcount), particularly in sales teams, and increases partly due to inflation.

**Net financial income**

Net financial income deteriorated sharply, from -€808 thousand to -€1,915 thousand, due to higher interest rates and the increase in the Group's indebtedness in 2023.

1.
2.
2.1.
2.1.1.
2.1.2.
2.1.3.
2.1.4.
2.1.5.
2.1.6.

#### 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.

[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.

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 €5.95 million in 2023, compared to €6.2 million in 2022. Both ratios (leverage ratio and debt service coverage ratio) are complied with for the year ending December 31, 2023.

### 3.1.8. Main risk factors

The Company has reviewed the risks that could have a material adverse effect on its business, financial position, results or ability to achieve its objectives. The Company considers that there are no significant risks other than those set out below in the summary table. Other risks of which the Company is currently unaware or which it does not consider significant at the date of this report could have a negative impact.

The Company has assessed the net criticality of the risk, which is based on the joint analysis of two criteria: (i) the probability of the risk occurring and (ii) the estimated magnitude of its negative impact.

The degree of criticality of each risk is set out below, according to the following qualitative scale:

- low;
- medium;
- high.

| Risk title | Probability of occurrence | Risk magnitude | Net degree of criticality |
|---|---|---|---|
| **Risks relating to the Group’s business** | | | |
| • Risks of failure to develop or market new products | Medium | High | High |
| • Industrial risks | Low | High | High |
| - Risks of a major industrial accident | Low | High | High |
| - Risks of pollution on a site, during product storage or transport, and the impact of hazardous products on health and the environment | Low | High | High |
| • Risks of supply shortages and changes in raw material costs | Medium | Medium | Medium |
| • Customer dependence risk | Low | Medium | Medium |
| • Risks of product non-compliance | Low | Medium | Medium |

[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.

| | | | |
|---|---|---|---|
| **Risks related to the Group's organization** | | | |
| • Risks related to external growth operations | Medium | Medium | Medium |
| • Risks related to the Group's organic growth | Medium | Medium | Medium |
| • Risks related to the concentration of executive and operational powers | Low | High | Medium |
| • Risks of dependence on key employees | Medium | Low | Medium |
| **Regulatory and legal risks** | | | |
| • Risks of losing operating and marketing authorizations | Low | High | High |
| • Risks related to the Group's intellectual property and know-how | Low | High | High |
| • Risks of product liability claims | Low | High | High |
| • Risks related to the various international and local regulations on which the Group depends, and their possible evolution | Medium | Medium | High |
| • Risks of insurance coverage default | Low | Medium | Medium |
| **Financial risks** | | | |
| • Liquidity risk | Low | High | High |

(1) To date, inventories and pricing commitments have been secured for the coming months.
(2) However, the Company remains vigilant regarding the context of inflation and rising energy prices and their repercussions on consumption, as well as the possible direct and indirect consequences of the armed conflict in Ukraine which broke out in February 2022.

The reader is invited to refer to the detailed presentation of the risk factors that could affect them in Section 3 "Risk factors" of the Registration Document and Section 2 "Risk factors relating to the Offer" of the Securities Note drawn up in connection with the Company's IPO in 2021. These documents are available via the Company's website. The Group also draws the reader's attention to the risk factors set out below.

**1.**
**2.**
**2.1.**
**2.1.1.**
**2.1.2.**
**2.1.3.**
**2.1.4.**
**2.1.5.**
**2.1.6.**
**2.1.7.**

### 3.1.9. Subsidiaries and equity investments

**2.1.8.**
**2.1.9.**
**2.1.10.**

### 3.1.9.1. Activity of subsidiaries and equity investments

Until December 31, 2023, the Company had four main historical operating subsidiaries: Berkem, Adkalis, Lixol and Eurolyo. In accordance with the announcements made on June 21, 2023, these four companies were merged into their parent company Berkem Développement, a 100% subsidiary of Groupe Berkem, following simplified mergers and acquisitions carried out during the 2023 fiscal year. The operation initially involved Berkem absorbing its subsidiary Eurolyo, then Berkem Développement absorbing Berkem, Lixol and Adkalis.

Through this internal restructuring, Groupe Berkem intends to simplify its organization and optimize interactions between its various departments. From an accounting point of view, the mergers are retroactive to January 1, 2023.

Consequently, at the date of this document, the Group comprises three main operating subsidiaries.

#### 3.1.9.1.1. *Berkem Développement*

Berkem Développement is historically the Group's leading holding company. It supports central services, such as IT, purchasing, accounting, finance, regulatory matters and certain Management functions. Until December 31, 2023, Berkem Développement's revenues were exclusively 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).

Since January 1, 2024, the Group's main operating activities have also been carried out by Berkem Développement and organized into four business divisions.

***Construction & Materials Division***

The Construction & Materials Division concentrates on formulating solutions for the protection, decoration and maintenance of wood and materials at every stage in the life of buildings and construction materials.

The Construction & Materials business should do well in 2024, thanks to the launch of an innovative antifungal product and the commercial development of alkyd resin ranges. As a long-standing expert in the sector, Groupe Berkem has identified the opportunities for technological innovation offered by the new market for the protection of natural insulating panels. In the course of 2024, it will launch a new biocidal solution, remarkable for its composition in plant extracts and its connectivity. This combination, developed by the Group's R&D teams, gives this new biocide a considerable technological edge.

On the alkyd resin production side, after two years of major work, it's time to take orders. Business development initiatives carried out in 2023 in France, Spain, Portugal, the Benelux countries, Germany, the UK and Scandinavia, should lead to the progressive filling of new production capacities in 2024.

***Health, Beauty & Nutrition Division***

The Health, Beauty & Nutrition Division develops plant-based active ingredients for cosmetics, nutraceuticals and the food industry.

In 2024, the focus will obviously be on the division's three flagship segments, with objectives specific to each.

In view of the ambitions and investments made, dietary supplements will be a priority in 2024, and will be the focus of aggressive marketing efforts in North America and Europe. Sales teams are already in place, and international trade shows are in preparation. As biological laboratories prepare to launch a large portfolio of new products, marketing will have to rethink its brand strategy, and sales will have to place massive orders for the four references dedicated to digestive health.

The transformation of the international distribution network for cosmetic ingredients, initiated only a year ago, is almost complete. For it to bear fruit in 2024, teams will need to spend time with partners to train and support them in the field. This structure needs to become fully operational to enable the Group to market its cosmetic ingredients worldwide.

***Hygiene & Protection Division***

The Hygiene & Protection Division produces solutions dedicated to protecting people, food and products against pests and fungus-type damage.

Termite control and agricultural protection have been chosen as the Hygiene & Protection division's priorities for 2024. Already authorized for sale in France, the French overseas departments and territories (DROM COM) and Singapore, the Novaterm connected trap will be one of the sales priorities this year. Directly or via distribution partners, the challenge will be to take market share from curative chemical solutions, which occupy over 70% of the market. The development of this dual innovation in termite control has international ambitions: 2024 will be the year of Japan and Thailand, at the top of the list for future marketing authorizations.

The second area of development is the protection of agricultural crops with plant-based antifungal and anti-insecticide solutions capable of boosting the effectiveness of pesticides. The development of a range of phytopharmaceutical products is currently underway, and the initial efficacy results of Revesprotect are particularly encouraging. While awaiting the final results, sales must take advantage of 2024 to prepare markets for this innovation, particularly the wine sector, where expectations are high. With no geographical development limits, the main target zones will be Europe, North America and South America.

***Industry Division***

The Industry Division covers resin synthesis for the printing ink market, and technical vegetable oils and solutions for the adhesive and road marking markets.

A poor relation of the Group's marketing strategy, the Industry Division will be the subject of in-depth reflection in 2024. In line with the Company's mission and positioning in specialized markets, the prospective analysis will focus on identifying market segments with potential, such as bitumen and plant-based lubricants. The aim is to build a packaged offer of technological solutions, particularly of plant origin, of interest to these markets.

It goes without saying that the Industry offering will include alkyd resins, some of which meet the needs of industrial paint manufacturers (for metal beams, metal furniture, etc.). The increased industrial capacity of the La Teste-de-Buch site, acquired in 2023, will actively boost production of these references to address the European market, whose needs have been identified, during 2024.

##### 3.1.9.1.2. 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.

In view of the European market standards for textured proteins, sales are recommending that the Biopress range be developed in certain areas. While the current range has an undisputed place in the market, optimizations in terms of consistency and color will make it easier to reach certain segments, and thus facilitate the development of Biopress.

##### *3.1.9.1.3. 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 Masquelier which comply with his rigorous standards, in-depth scientific research and patented production methods.

#### 3.1.9.2. Equity investments and takeovers

During the year ended December 31, 2023, the Company made the following equity investments and acquisitions:

- On February 16, 2023, the Group acquired the American company i.Bioceuticals, the exclusive North American distributor of natural compounds derived from grape seeds and pine bark of the Dutch group INC, supplying specific OPC compositions.

- On April 1, 2023, the Group acquired 100% of the capital and voting rights of Biopress, a société par actions simplifiée (simplified joint stock company) with capital of €622,700, headquartered at 2 rue Edouard Branly, 47400 Tonneins, registered in the Agen Trade and Companies Register under number 351 775 523, a company specializing in the production and packaging of a range of oils for industrialists and processors.

See Note 2.1.1 to the consolidated financial statements for more details.

#### 3.1.9.3. Disposals of shares and cross-shareholdings

None.

**1.**
**2.**
**2.1.**

## 3.2. FINANCIAL INFORMATION

**1.**

**2.**

**2.1.**

**2.2.**

### 3.2.1. Net income and proposed allocation of net income

Shareholders will be asked to allocate the net income for the year, amounting to €34,405, in its entirety to the "Legal reserve", which after allocation will show a credit balance of €34,405.

### 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 | 12/31/2022 | 12/31/2021 | 12/31/2020 |
|---|---|---|---|
| **Dividends** | €0 | €1,061,101.50 | €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 year ended December 31, 2023 do not show any expenses and charges referred to in Article 39-4 of the French General Tax Code.

### 3.2.4. Customer and supplier payment terms

| | Suppliers | | | | | | Customers | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 0 days | 1 to 30 days | 31 to 60 days | 61 days to 90 days | More than 90 days | Total 1 day and over | 0 days | 1 to 30 days | 31 to 60 days | 61 days to 90 days | More than 90 days | Total 1 day and over |
| Number of invoices | 12 | 3 | 0 | 0 | 0 | 3 | 2 | 0 | 0 | 0 | 0 | 0 |
| Amount invoiced (incl. VAT) | 162,958 | 102,784 | 0 | 0 | 0 | 102,784 | 249,427 | 0 | 0 | 0 | 0 | 0 |
| As a % of purchases | 8% | 5% | 0% | 0% | 0% | 5% | | | | | | |
| As a % of revenue | | | | | | | 7% | 0% | 0% | 0% | 0% | 0% |

### 3.2.5. Table of results for the last 5 fiscal years

| In € | 12/31/2019 | 12/31/2020 | 12/31/2021 | 12/31/2022 | 12/31/2023 |
|---|---|---|---|---|---|
| **Share capital at year-end** | | | | | |
| Share capital | 100 | 50,100 | 39,791,306 | 39,791,306 | 39,977,217 |
| Number of existing ordinary shares | 100 | 50,100 | 17,685,025 | 17,685,025 | 17,767,652 |
| 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 | 1,191,628 | 2,867,990 | 3,026,683 |
| Income before tax, employee profit-sharing, depreciation, amortization and provisions | -2,688 | -6,374 | -418,543 | -1,126,449 | 289,713 |
| Income tax | - | - | - | -766,668 | -4,800 |
| Employee profit-sharing for the fiscal year | - | - | - | - | - |
| Income after tax, employee profit-sharing and depreciation, amortization and provisions | -2,688 | -6,374 | -1,006,543 | -448,342 | 34,405 |
| Distributed income | - | - | - | - | - |
| | | | | | |
| **Earnings per share** | | | | | |
| Income after tax and employee profit-sharing but before depreciation, amortization and provisions | -26.88 | -0.13 | -0.06 | -0.06 | 0.01 |
| Income after tax, employee profit-sharing and depreciation, amortization and provisions | -26.88 | -0.13 | -0.06 | -0.06 | 0.01 |
| Dividend paid per share | - | - | 0.06 | - | - |
| | | | | | |
| **Personnel** | | | | | |
| Average headcount during the fiscal year | 0 | 0 | 4 | 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.

This cash management agreement was amended on March 8, 2021, the date on which Groupe Berkem acquired the shares in Berkem Développement. This amendment, having taken effect on January 1, 2022, maintains Berkem Développement as the centralizing company.

In an amendment to the initial cash management agreement dated January 1, 2023, Berkem Inc, a wholly-owned subsidiary of Berkem Développement, was included in the scope of the agreement.

Following the acquisition of Biopress by Berkem Développement on March 31, 2023, the parties appended an amendment to the initial cash management agreement on June 1, 2023, to include Biopress within the scope of the agreement.

When Eurokyo was absorbed by Berkem on November 30, 2023, and Berkem, Lixol and Adkalis were absorbed by Berkem Développement on December 31, 2023, these subsidiaries left the scope of the agreement due to their dissolution.

At December 31, 2023, the scope of the agreement included Berkem Développement, Groupe Berkem, Berkem Inc. and Biopress.

Groupe Berkem's interest, calculated monthly on the basis of daily cash flows for 2023, invoiced at December 31, 2023 and paid in 2024, represents income of €893,823.

#### 3.2.7. Adjustment of securities conversion bases

None.

**1.**
**2.**
**2.1.**
**2.2.**

### 3.3. INFORMATION ON MANAGEMENT BODIES

**1.**
**2.**
**2.1.**
**2.2.**
**2.3.**

#### 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 customers 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

<table>
<tr><td></td><td>plants from all over the world. He was Deputy Chief Executive Officer of the company and then its CEO from 2012 to 2015.<br>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.<br>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.</td></tr>
</table>

- **Michael Wood: Independent Director**

<table>
<tr><td></td><td>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.<br><br>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.<br><br>Mike Wood holds a BSc (Hons) in Environmental Health and an MSC in Food Safety and Control.</td></tr>
</table>

- **Alessandro Bascelli: Independent Director**

<table>
<tr><td></td><td>Alessandro Bascelli has devoted 40 years of his professional life to the development of companies in foreign markets.<br><br>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.<br><br>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.</td></tr>
</table>

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, 2023, the Company's Board of Directors met 2 times on the dates listed below.

| Dates of meetings of the Board of Directors | Number of Directors present or represented | Participation rate |
|---|---|---|
| May 16, 2023 | 6 | 100% |
| October 20, 2023 | 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.

On February 23, 2024, on the recommendation of the Chairman and Chief Executive Officer, the Company's Board of Directors decided to appoint Anthony LABRUGNAS and Sabine DEJEAN-LAFOREST as Deputy Chief Executive Officers of Groupe Berkem, for an unlimited term.

The Deputy Chief Executive Officers have the same powers as the Chief Executive Officer in respect of third parties.

### 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.

1.
2.
2.1.
2.2.
2.3.

### 3.4. INFORMATION RELATING TO THE COMPANY'S SHARES

1.
2.
2.1.
2.2.
2.3.
2.4.

#### 3.4.1. Shareholding structure at December 31, 2023

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, 2023:

| Shareholders | Number of shares | % | Number of voting rights | % |
|---|---|---|---|---|
| **KENERCY** | 12,069,833 | 67.93% | 24,079,371 | 80.86% |
| | | | | |
| **Mr Stanislas FAHY** | 1 | 0.00% | 2 | 0.00% |
| | | | | |
| **Public** | 5,697,818 | 32.07% | 5,698,077 | 19.14% |
| | | | | |
| **TOTAL** | **17,767,652** | **100.00%** | **29,777,450** | **100.00%** |

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, as follows:

| Shareholders | Number of shares | % | Number of voting rights | % |
|---|---|---|---|---|
| **KENERCY** | 12,069,833 | 67.93% | 24,139,666 | 80.90% |
| | | | | |

| | | | | |
|---|---|---|---|---|
| **Mr. Stanislas FAHY** | 1 | 0.00% | 2 | 0.00% |
| | | | | |
| **Public** | 5,697,818 | 32.07 % | 5,698,233 | 19.10% |
| *Of which treasury shares* | *172,801* | *0.97%* | - | - |
| **TOTAL** | **17,767,652** | **100.00%** | **29,837,901** | **100.00%** |

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.

At December 31, 2023, 12,009,538 shares held by Kenercy SARL, 1 share held by Mr. Stanislas FAHY and 259 shares held by free float were entitled to 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, 2023, 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, 2023, 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, 2023, the following resources were included in the liquidity account:

- 50,145 shares;
- €93,541.17 in cash.

During the fiscal year ended December 31, 2023, the following were carried out:

- 706 purchase transactions for an average price of €3.33
- 520 purchase transactions for an average price of €3.47

Over the same period, the volumes traded represented:

- 139,046 shares purchased for €463,568.85
- 115,398 shares sold for €400,398.91

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:<br>March 8, 2021<br><br>Term of office expires: 2025 GM on the 2024 financial statements | Chairman and Chief Executive Officer<br><br>Director | KENERCY SARL: Managing Director<br>Berkem Développement: Chairman<br>THENAIS Vaulx En Velin (SARL): Managing Director<br>THENAIS Saint Hilaire De Loulay (SARL): Managing Director<br>Alma (SCI): Managing Director |
| Stanislas Fahy | Appointment date:<br>March 8, 2021<br><br>Term of office expires: 2025 GM on the 2024 financial statements | Director | None |
| Thierry Lambert | Appointment date:<br>March 8, 2021<br><br>Term of office expires: 2025 GM on the 2024 financial statements | Independent Director | Fytexia: Member of the Strategy Committee |
| Michael Wood | Appointment date:<br>March 8, 2021<br><br>Term of office expires: 2025 GM on the 2024 financial statements | Independent Director | None |
| Alessandro Bascelli | Appointment date:<br>March 8, 2021<br><br>Term of office expires: 2025 GM on the 2024 financial statements | Independent Director | None |
| Karen Le Cannu | Appointment date:<br>June 3, 2022<br><br>Term of office expires: 2026 Shareholders' Meeting for the 2025 financial statements | Independent Director | None |

**1.**
**2.**
**3.**
**3.1.**

## 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.

- Other agreements

There are also transactions with Kenercy, notably concerning rental payments for the Blanquefort premises and insurance rebilling by Kenercy.

**1.**
**2.**
**3.**
**3.1.**
**3.2.**

## 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 April 26, 2024, 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 April 26, 2024, 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 2023 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 22, 2023:

| Purpose of the resolution | Duration of authorization | Authorized cap (nominal value in euros[1]) | Implementation of delegations of authority/powers during the 2023 fiscal year |
|---|---|---|---|
| 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 *(Sixth resolution)* | 18 months | € 12,000,000 | *Board of Directors meeting of October 20, 2023*: Implementation of a share buyback program. |
| 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 *(Seventh resolution)* | 26 months | €30,000,000 for capital increases<br><br>€93,000,000 for debt securities | |
| 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 *(Eighth resolution)* | 26 months | €30,000,000 for capital increases<br><br>€93,000,000 for debt securities | |
| 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 and without indication of beneficiaries *(Ninth resolution)* | 26 months | €30,000,000 for capital increases<br><br>€93,000,000 for debt securities | |

| | | | |
|---|---|---|---|
| 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 favor of categories of beneficiaries *(Tenth resolution)* | 18 months | €30,000,000 for capital increases<br><br>€93,000,000 for debt securities | |
| 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 *(Eleventh resolution)* | 30 days following the closing of the subscription of the initial issue in question | 15% of the initial issue | |
| Authorization for the Board of Directors to grant free shares (*Thirteenth resolution*) | 38 months | 10% of the Company's share capital | |
| Authorization to the Board of Directors to reduce the Company's share capital by canceling shares *(Fifteenth resolution)* | 18 months | 10% of the share capital per 24-month period | |

(1) Under the 14th Resolution of the Combined Shareholders' Meeting of June 22, 2023:

- the overall maximum nominal amount of capital increases that may be carried out pursuant to the delegations granted under the 7th to 11th and 13th 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 overall maximum nominal amount of debt securities that may be issued under the delegations granted under the 7th to 11th and 13th Resolutions is set at ninety-three million euros (€93,000,000) (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.

### 4.5.

### 4.6.

### 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.

## 1.

## 2.

## 3.

### 3.1.

### 3.2.

### 3.3.

### 3.4.

### 4.8. STOCK SUBSCRIPTION OR PURCHASE OPTIONS AND FREE SHARE ALLOCATION

None.

# 5. COMPANY FINANCIAL STATEMENTS AT DECEMBER 31, 2023

## Balance Sheet – Assets

| Balance Sheet – Assets | Period from 1/1/2023 to 12/31/2023 | | | At 12/31/2022 |
|---|---|---|---|---|
| | Gross | Depr. Provisions | Net | Net |
| Uncalled subscribed capital | | | | |
| **Fixed assets** | | | | |
| **Intangible assets** | | | | |
| Establishment costs | 4,573,630 | 1,985,759 | 2,587,871 | 3,502,597 |
| Development costs | | | | |
| Concessions, patents and similar | | | | |
| Business assets | | | | |
| Other intangible assets | | | | |
| Advances and deposits on intangible assets | | | | |
| **Property, plant and equipment** | | | | |
| Land | | | | |
| Buildings | | | | |
| Technical facilities, industrial equipment and tools | | | | |
| Other property, plant and equipment | 15,200 | 1,876 | 13,324 | 14,337 |
| Assets in progress | | | | |
| Advances and deposits | | | | |
| **Financial assets** | | | | |
| Investments accounted for using the equity method | | | | |
| Other investments | 41,689,612 | | 41,689,612 | 41,689,612 |
| Receivables related to investments | 20,517,417 | | 20,517,417 | 16,944,683 |
| Long-term investments in portfolio companies | | | | |
| Other long-term investments | 99,677 | 53,767 | 45,910 | 128,113 |
| Loans | | | | |
| Other financial assets | 93,885 | | 93,885 | 729,278 |
| **FIXED ASSETS** | **66,989,421** | **2,041,402** | **64,948,019** | **63,008,620** |
| **Current assets** | | | | |
| **Inventories and work in progress** | | | | |
| Raw materials, supplies | | | | |
| Work in progress - Goods | | | | |
| Work in progress - Services | | | | |
| Intermediate and goods finished | | | | |
| Goods | | | | |
| Advances and deposits paid on orders | | | | 3,293 |
| **Receivables** | | | | |
| Trade receivables | 2,370,121 | | 2,370,121 | 1,671,169 |
| Other | 901, | | 1,901,050 | 3,294,712 |
| Subscribed capital called but unpaid | | | | |
| **Marketable securities** | | | | |
| Treasury shares | 469,795 | 143,240 | 326,555 | 129,244 |
| Other securities | | | | |
| **Treasury instruments** | | | | |
| **Cash and cash equivalents** | **3,544,909** | | **3,544,909** | **4,208,649** |
| **Prepaid expenses** | **51,432** | | **51,432** | **133,415** |
| **CURRENT ASSETS** | **337,** | **143,240** | **8,194,067** | **9,440,482** |
| Deferred loan issuance costs | | | | |
| Bond redemption premiums | | | | |
| Translation adjustments - assets | | | | |
| **TOTAL ASSETS** | **75,326,729** | **2,184,642** | **73,142,087** | **72,449,102** |

## Balance Sheet – Liabilities

| Balance Sheet – Liabilities | From 01/01/2023<br>At 12/31/2023 | From 01/01/2022<br>At 12/31/2022 |
|---|---|---|
| **Equity** | | |
| Share or individual capital (of which paid up) 39,977,217 | 39,977,217 | 39,791,306 |
| Share premium, merger premium, contribution premium, etc. | 30,568,618 | 31,202,870 |
| Revaluation differences | | |
| Goodwill | | |
| - Legal | | |
| - Statutory or contractual | | |
| Reserves: | | |
| - Regulated | | |
| - Others | | |
| Retained earnings | **34,405** | **-448,342** |
| **Net income for the fiscal year (profit or loss)** | | |
| Investment subsidies | | |
| Regulated provisions | | |
| **EQUITY** | **70,580,240** | **70,545,835** |
| **Other shareholders' equity** | | |
| Proceeds from issues of equity securities | | |
| Conditional pre-payments | | |
| Other | | |
| **OTHER SHAREHOLDERS' EQUITY** | | |
| **Provisions for liabilities and charges** | | |
| - Risks | | |
| Provisions for: | | |
| - Charges | | 527,079 |
| **PROVISIONS FOR LIABILITIES AND CHARGES** | | **527,079** |
| **Borrowings and debts** | | |
| Convertible bonds | | |
| Other bonds | | |
| - From credit institutions | 500 | 483 |
| Borrowings and debts: | 957,895 | 215,981 |
| - Miscellaneous financial | | |
| Advances and deposits received on orders in progress | 413,015 | 240,140 |
| - Trade and related payables | 540,436 | 919,585 |
| Tax and social security liabilities | 650,000 | |
| Debts on fixed assets and related accounts | | |
| Other debts | | |
| Treasury instruments | | |
| Deferred income | | |
| **BORROWINGS AND DEBTS** | **2,561,847** | **1,376,188** |
| Translation adjustments - liabilities | | |
| **TOTAL LIABILITIES** | **73,142,087** | **72,449,102** |

# Income statement

| income statement | Period from 1/1/2023 to 12/31/2023 | | | At 12/31/2022 |
|---|---|---|---|---|
| | France | Exports | Total | Total |
| **Operating income** | | | | |
| Sales of goods | | | | |
| Production sold: - Goods | | | | |
| Production sold: - Services | 3,026,683 | | 3,026,683 | 2,867,990 |
| **Net revenue** | **3,026,683** | | **3,026,683** | **2,867,990** |
| Production: - Inventoried | | | | |
| Production: - Fixed assets | | | | |
| Operating subsidies received | | | | |
| Reversals of depreciation and provisions, expense transfers | | | 354,849 | 201,542 |
| Other income | | | 3 | 2 |
| **OPERATING INCOME** | | | **3,381,535** | **3,069,534** |
| **Operating expenses** | | | | |
| Purchase of goods (including customs duties) | | | | |
| Change in inventories (goods) | | | | |
| Purchase of raw materials and other supplies | | | | |
| Change in inventories (raw materials and other supplies) | | | | |
| Other purchases and external expenses* | | | 1,667,179 | 914,897 |
| Taxes and similar payments | | | 29,024 | 43,256 |
| Wages and salaries | | | 1,105,950 | 1,338,043 |
| Social security expenses | | | -12,317 | 1,005,060 |
| Allocations to: - Depreciation of fixed assets | | | 915,739 | 915,589 |
| Allocations to: - Impairment of fixed assets | | | | |
| Allocations to: - Impairment of current assets | | | | |
| Allocations to: - Provisions for liabilities and charges | | | | |
| Other expenses | | | 120,110 | 122,707 |
| **OPERATING EXPENSES** | | | **3,825,687** | **4,339,551** |
| * Including: - Fees on furniture leasing | | | | |
| * Including: - Real estate leasing fees | | | | |
| **OPERATING INCOME** | | | **-444,152** | **-1,270,018** |
| Profit allocated or loss transferred | | | | |
| Loss incurred or profit transferred | | | | |
| **Financial income** | | | | |
| Financial income from investments | | | | |
| Income from other securities and receivables fixed assets | | | | |
| Other interest and similar income | | | 893,823 | 180,622 |
| Reversals of provisions, impairment and expense transfers | | | 56,487 | |
| Positive exchange rate differences | | | | 4 |
| Net income from sales of marketable securities | | | | |
| **FINANCIAL INCOME** | | | **950,311** | **180,625** |
| **Financial expenses** | | | | |
| Financial amortization, depreciation and provisions | | | 216,438 | 37,056 |
| Interest and similar expenses | | | | |
| Negative exchange rate differences | | | 9 | |
| Net expenses on sales of marketable securities | | | | |
| **FINANCIAL EXPENSES** | | | **216,446** | **37,056** |
| **NET FINANCIAL INCOME** | | | **733,864** | **143,569** |
| **CURRENT PROFIT BEFORE TAX** | | | **289,713** | **-1,126,449** |

## Income statement (cont.)

| Income statement (cont.) | At 12/31/2023 | At 12/31/2022 |
|---|---|---|
| **Non-recurring income**<br>On management transactions<br>On capital transactions<br>Reversals of provisions, impairment and expense transfers | 47,824 | 2,953 |
| **NON-RECURRING INCOME** | **47,824** | **2,953** |
| **Non-recurring expenses**<br>On management transactions<br>On capital transactions<br>Non-recurring allowances for amortization, depreciation and provisions | 307,931 | 91,515 |
| **NON-RECURRING EXPENSES** | **307,931** | **91,515** |
| **NON-RECURRING INCOME** | **-260,107** | **-88,561** |
| Employee profit-sharing | | |
| Income tax | **-4,800** | **-766,668** |
| **TOTAL INCOME** | **4,379,669** | **3,253,112** |
| **TOTAL EXPENSES** | **4,345,264** | **3,701,454** |
| **PROFIT OR LOSS (Total income - Total expenses)** | **34,405** | **-448,342** |

# Accounting rules and policies

The fiscal year ended December 31, 2023 had a duration of 12 months. The previous fiscal year had a duration of 12 months covering the period January 1, 2022 to December 31, 2022.

The notes to the financial statements concern the balance sheet and income statement for the year ended 12/31/2023 with total assets before appropriation of profit of €73,142,187, and the income statement for the year, presented in list form and showing a profit of €34,405.

The annual 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 Regulation No. 2016-07 of November 4, 2016, ANC Regulation No. 2018-07 and ANC Regulation No. 2020-05 of July 4, 2020;
- Articles L. 123-12 to L. 123-28 of the French Commercial Code.

The general accounting conventions have been applied, in accordance with the principle of prudence, and the following basic assumptions:

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

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

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

The main methods used are as follows:

**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.

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.

Depreciation is calculated on a straight-line basis over the following useful lives: - Building fixtures and fittings 15 years

**Equity investments, other financial assets and marketable securities *Marketable securities***

The gross value is the purchase price excluding incidental expenses. When the inventory value is lower than the

gross value, an impairment loss is recognized for the amount of the difference.

At the end of the 2023 fiscal year, there was no indication of impairment.

### *Liquidity contract and share buyback contract*

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.

| | Year-end 2023 | Year-end 2022 |
|---|---|---|
| Liquidity contract - treasury shares (gross) | €99,677.07 | €165,169.29 |
| Liquidity contract - cash | €93,541.11 | €58,522.15 |
| Share buyback agreement - cash | €343.85 | €670,755.89 |

The impairment test conducted on the treasury shares held on December 31, 2023 based on the share price led to the recognition of an impairment of €53,766.68, bringing the net value of the treasury shares held to €45,910.39. At year-end 2022, the company held a total of 26,497 treasury shares. At year-end 2023, it holds 50,145 treasury shares. This amount is less than 10% of the total shares of the Company.

***Investment securities***

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 11%, and sensitivity tests were conducted.

At December 31, 2023, 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.

**Receivables**

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 more 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 |

**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.

**Significant events**

***Group external growth operations***

BERKEM INC, a subsidiary of BERKEM DÉVELOPPEMENT, acquired I.BIOCEUTICALS from INC on February 16, 2023. I.BIOCEUTICALS is incorporated under US law.

On April 3, 2023, BERKEM DÉVELOPPEMENT acquired BIOPRESS, a French producer of 100% vegetable oils and proteins. BIOPRESS owns SCI GIB, which owns its premises in Tonneins.

***Restructuring operations***

On December 31, 2023, several simplified mergers were carried out, with retroactive accounting and

tax effect to January 1, 2023. These operations involved the absorption by BERKEM DEVELOPPEMENT of three

of its wholly-owned subsidiaries: ADKALIS, BERKEM and LIXOL.

EUROLYO, a wholly-owned subsidiary of BERKEM, also underwent a simplified merger into its parent company on November 30, 2023, also with retroactive effect for accounting and tax purposes.

In view of the retroactive effect provided for in the respective merger agreements, the net income generated by each of these companies in 2023 has been included in the net income of BERKEM DÉVELOPPEMENT.

***Tax consolidation and consolidation scope***

The tax consolidation group set up on January 1, 2022 is headed by GROUPE BERKEM. The companies included in the tax consolidation scope were ADKALIS, BERKEM, BERKEM DÉVELOPPEMENT, EUROLYO and LIXOL until December 31, 2022.

In view of the merger operations carried out in 2023, only BERKEM DÉVELOPPEMENT is now included in the tax consolidation scope of GROUPE BERKEM.

Since March 8, 2021, GROUPE BERKEM has consolidated the accounts of the companies included in its scope of consolidation: ADKALIS, BERKEM, BERKEM DÉVELOPPEMENT, EUROLYO and LIXOL

In view of:

- BERKEM DÉVELOPPEMENT's acquisition of BIOPRESS, which itself owned SCI GIB;
- The absorption of ADKALIS, BERKEM and LIXOL by BERKEM DÉVELOPPEMENT;
- The acquisition by BERKEM INC, a previously dormant subsidiary of BERKEM DÉVELOPPEMENT, of I.BIOCEUTICALS,

in 2023, GROUPE BERKEM's scope of consolidation includes BERKEM DÉVELOPPEMENT, BERKEM INC, BIOPRESS, I.BIOCEUTICALS and SCI GIB.

***Acquisition and resale 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 2023. These transactions were carried out in accordance with the share buyback program authorized by its Shareholders' Meeting. The company has thus:

- purchased 139,046 shares for a total transaction value of €463,568.85;
- sold 115,398 shares for a total transaction value of €400,398.91.

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 €126,145.70.

**Post-closing events**

Groupe Berkem announced the acquisition of the Givaudan site in Valencia (Spain), specialized in the extraction of plant and marine products for the food, nutrition (nutraceuticals) and cosmetics markets. With this acquisition, Groupe Berkem significantly increases its production capacity in plant extracts for the Health, Beauty and Nutrition division.

It should be noted that, as part of the sale of Givaudan's industrial site in Valencia (Spain) to Groupe Berkem, the marine ingredients production activity carried out for the Givaudan Group will continue in the form of a long-term partnership. Forty seven employees at the Valencia (Spain) site will also join Groupe Berkem's headcount and expertise as part of this operation. The acquisition will be 100% financed by the External Growth Credit Line contracted by Groupe Berkem on July 26, 2022, and will be managed by Berkem Développement (a 100% subsidiary of Groupe Berkem).

Ownership of the shares is expected to be transferred on May 31, 2024.

Groupe Berkem set up an interest-rate swap of €3 million on a nominal €5 million over 3 years at a rate of 3.75%.

## Statement of fixed assets

| Fixed assets | Gross value at the beginning of the fiscal year | Increases | |
|---|---|---|---|
| | | Revaluations for the year | Acquisitions receivables transfers |
| **Intangible assets** | | | |
| Development and establishment costs | | | |
| Other intangible assets | 4,573,630 | | |
| **Intangible assets** | **4,573,630** | | |
| **Property, plant and equipment** | 15,200 | | |
| Land | | | |
| - On own land | | | |
| Buildings: | | | |
| - On third-party land | | | |
| - General, fixtures and fittings buildings | | | |
| Facilities: - Technical, equipment and tools | | | |
| - General, fixtures and fittings miscellaneous | | | |
| - Transport | | | |
| Equipment: | | | |
| - Office and IT, furniture | | | |
| Recoverable packaging and miscellaneous | | | |
| Property, plant and equipment in progress | | | |
| Advances and deposits | | | |
| **Property, plant and equipment** | **15,200** | | |
| **FINANCIAL ASSETS** | | | |
| Investments accounted for using the equity method | | | |
| - Equity investments | 58,634,294 | | 4,083,963 |
| Other: | | | |
| - Long-term investments | 165,169 | | |
| Loans and other financial assets | 729,278 | | |
| **FINANCIAL ASSETS** | **59,528,742** | | **4,083,963** |
| **GRAND TOTAL** | **64,117,572** | | **4,083,963** |

| Fixed assets | Decreases | | Gross value of fixed assets at year-end | Reval. legal reserve or equity method |
|---|---|---|---|---|
| | Transfers | Disposals | | Original value of fixed assets at year-end |
| Development and establishment costs<br>Other intangible assets | | | 4,573,630 | |
| **TOTAL** | | | **4,573,630** | |
| Land | | | | |
| - On own land | | | | |
| Buildings: | | | | |
| - On third-party land | | | | |
| - General, fixtures and fittings building | | | | |
| Facilities: - Technical, equipment and tools | | | | |
| - General, fixtures and fittings miscellaneous | | | 15,200 | |
| - Transport | | | | |
| Equipment: | | | | |
| - Office and IT, furniture | | | | |
| Recoverable packaging and miscellaneous | | | | |
| Property, plant and equipment in progress | | | | |

| | | | | |
|---|---|---|---|---|
| **TOTAL** | | | **15,200** | |
| Investments accounted for using the equity method | 511,229 | | | |
| - Equity investments | | | | |
| Other: | | | 62,207,029 | |
| - Long-term investments | | 65,492 | 99,677 | |
| Loans and other financial assets | | 635,393 | 93,885 | |
| **TOTAL** | **511,229** | **700,885** | **62,400,591** | |
| **GRAND TOTAL** | **511,229** | **700,885** | **66,989,421** | |

## Depreciation statement

| Positions and movements for the year | | | | |
|---|---|---|---|---|
| **Depreciable fixed assets** | **Amount at beginning of fiscal year** | **Increases** | **Decreases** | **Amount at year-end** |
| **Intangible assets**<br>Development and establishment costs<br>Business assets<br>Other intangible assets | 1,071,033 | 914,726 | | 1,985,759 |
| **Intangible assets** | **1,071,033** | **914,726** | | **1,985,759** |
| **Property, plant and equipment**<br>Land<br>- On own land<br>Buildings:<br>- On third-party land<br>General facilities, fixtures and fittings of buildings<br>Technical facilities, industrial equipment and tools<br>General installations, fixtures and fittings miscellaneous<br>Transportation equipment<br>Office equipment, IT equipment, furniture<br>Recoverable packaging and miscellaneous | 863 | 1,013 | | 1,876 |
| **Property, plant and equipment** | **863** | **1,013** | | **1,876** |
| **GRAND TOTAL** | **1,071,896** | **915,739** | | **1,987,635** |

| Breakdown of movements in the provision for accelerated depreciation | | | | | | | |
|---|---|---|---|---|---|---|---|
| **Depreciable fixed assets** | **Allocations** | | | **Reversals** | | | **Net change in depreciation at year-end** |
| | **Duration differential** | **Declining balance mode** | **Exceptional tax depreciation** | **Duration differential** | **Declining balance mode** | **Exceptional tax depreciation** | |
| **Intangible assets**<br>Establishment and development costs<br>Business assets | | | | | | | |
| **TOTAL** | | | | | | | |
| **Property, plant and equipment**<br>Land<br>- On own land<br>Buildings<br>- On third-party land<br>General, fixtures and fittings of buildings<br>Technical facilities, equipment and tools<br>General, fixtures and fittings<br>Transportation equipment<br>Office and IT equipment, furniture<br>Recoverable packaging and miscellaneous | | | | | | | |
| **TOTAL** | | | | | | | |
| Acquisition costs of investment | | | | | | | |
| **GRAND TOTAL** | | | | | | | |

| UNALLOCATED<br>GRAND TOTAL | | UNALLOCATED<br>GRAND TOTAL | | UNALLOCATED<br>GRAND TOTAL | |
|---|---|---|---|---|---|

| Movements in the year affecting expenses spread over several years | Net amount at beginning of fiscal year | Increases | Depreciation charges for the year | Net amount at year-end |
|---|---|---|---|---|
| Deferred loan issuance costs | | | | |
| Bond redemption premiums | | | | |

## Establishment and capital increase costs

| Description | | Net value | Depreciation rate |
|---|---|---|---|
| Expenses: | - Incorporation<br>- Initial establishment<br>- Capital increases | 2,587,871 | 43 |
| | **TOTAL** | **2,587,871** | **43** |

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.
  The total gross amount is €4,573,631.

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

At the end of 2023, accumulated depreciation amounted to €1,985,758.84.

## Statement of provisions and impairment

| Type of provisions | | Amount at beginning of fiscal year | Increases: allocations in the fiscal year | Decreases: reversals at year-end | Amount at end of fiscal year |
|---|---|---|---|---|---|
| **Regulated** | | | | | |
| | - Reconstitution of deposits | | | | |
| Provisions for: | - Investments | | | | |
| | - Price increase | | | | |
| | Accelerated depreciation | | | | |
| | Provisions for installation loans | | | | |
| | Other regulated provisions | | | | |
| | **REGULATED PROVISIONS** | | | | |
| **Risks and expenses** | | | | | |
| | - Disputes | | | | |
| | - Guarantees given to customers | | | | |
| | - Losses on futures markets | | | | |
| | - Fines and penalties | | | | |
| | - Foreign exchange losses | | | | |
| Provisions for: | - Pensions and commitments | | | | |
| | - Taxes | | | | |
| | - Renewal of fixed assets | | | | |
| | - Major maintenance and major overhauls | | | | |
| | - Social security expenses and taxes on vacation | | | | |
| Other provisions for liabilities and charges | | 527,079 | | 527,079 | |
| | **PROVISIONS FOR LIABILITIES AND CHARGES** | **527,079** | | **527,079** | |

| Type of impairment | | Amount at beginning of fiscal year | Increases: allocations in the fiscal year | Decreases: reversals at year-end | Amount at end of fiscal year |
|---|---|---|---|---|---|
| **Impairment** | | 37,056 | | 56,487 | |
| | - Intangible assets | | | | |
| | - Property, plant and equipment | | | | |
| Fixed assets: | - Equity-accounted investments | | | | |
| | - Investment securities | | | | |
| | - Financial | | | | |
| On inventories and work in progress | | | | | |
| On customer accounts | | | 73,197 | | 53,767 |
| Other provisions for impairment | | | 143,240 | | 143,240 |
| | **Impairment** | **37,056** | **216,437** | **56,487** | **197,007** |
| | **GRAND TOTAL** | **564,135** | **216,437** | **583,566** | **197,007** |
| *Including allocations and reversals:* | *- Operations* | | | | |
| | *- Financial* | | 216,437 | 56,487 | |
| | *- Non-recurring* | | | | |
| *Equity-accounted investments: Amount of impairment* | | | | | |

## Statement of receivables

| Receivables | Amount (gross) | Liquidity of assets | |
|---|---|---|---|
| | | Maturities of less than 1 year | Maturities of more than 1 year |
| **Fixed assets** | | | |
| Receivables related to investments | 20,517,417 | | 20,517,417 |
| Loans (1) (2) | | | |
| Other financial assets | 93,885 | | 93,885 |
| **Current assets** | | | |
| Uncertain or disputed trade receivables | | | |
| Other receivables | 2,370,121 | 2,370,121 | |
| Receivables representing loaned securities | | | |
| Personnel and related accounts | 1,500 | 1,500 | |
| Social security, other employment organizations | | | |
| Income tax | 1,814,396 | 1,814,396 | |
| Value added tax | 62,518 | 62,518 | |
| Other taxes, payments and similar | | | |
| Misc. | | | |
| Group and shareholders (2) | 5,502 | 5,502 | |
| Sundry debtors (including receivables from repurchase agreements) | 17,134 | 17,134 | |
| Prepaid expenses | 51,432 | 51,432 | |
| **TOTAL** | **24,933,905** | **4,322,603** | **20,611,302** |

| | |
|---|---|
| *(1) Amount of loans granted during the year* | |
| *(1) Amount of repayments obtained during the year*<br>*(2) Loans and advances granted to individual associates* | |

The “Other trade receivables” item consists exclusively of intragroup receivables:

- Customer invoices for €249,427;
- Un-issued invoices for €2,120,694.

## Statement of liabilities

| Debt | | Amount (gross) | Degree to which liabilities are due | | |
|---|---|---|---|---|---|
| | | | Due within 1 year | Due in more than 1 year | Due in more than 5 years |
| Convertible bonds (1) | | | | | |
| Other bonds (1) | | | | | |
| Borrowings and debts from | - Within 1 year of origin | 500 | 500 | | |
| credit institutions (1): | - Due in more than 1 year | | | | |
| Borrowings and other financial debt (1) (2) | | | | | |
| Trade and related payables | | 413,015 | 413,015 | | |
| Personnel and related accounts | | 52,435 | 52,435 | | |
| Social security, other employment organizations | | 98,495 | 98,495 | | |
| Income tax | | | | | |
| Value added tax | | 360,226 | 360,226 | | |
| Guaranteed bonds | | | | | |
| Other taxes and similar payments | | 29,280 | 29,280 | | |
| Debts on fixed assets and related accounts | | | | | |
| Group and shareholders (2) | | 957,895 | 957,895 | | |
| Other liabilities (including liabilities related to repurchase agreements) | | 650,000 | 650,000 | | |
| Debts representing borrowed securities | | | | | |
| Deferred income | | | | | |
| **TOTAL** | | **2,561,847** | **2,561 ,847** | | |

| | |
|---|---|
| *(1) Loans subscribed during the fiscal year* | |
| *(1) Loans repaid during the fiscal year*<br>*(2) Loans and debts agreed with individual shareholders* | |

## Accrued expenses

(Article R. 123-189 of the French Commercial Code)

| Accrued expenses included in the following balance sheet items | Year ended 12/31/2023 | Year ended 12/31/2022 |
|---|---|---|
| Convertible bonds | | |
| Other bonds | | |
| Borrowings and debt from banks | 500 | 483 |
| Borrowings and other financial debt | | |
| Trade payables and related accounts | 147,274 | 124,683 |
| Tax and social security liabilities | 76,001 | 79,213 |
| Debts on fixed assets and related accounts | | |
| Other debts | | |
| **TOTAL** | **223,775** | **204,379** |

## Breakdown of accrued expenses

| Accrued expenses included in the following balance sheet items | Year ended 12/31/2023 | Year ended 12/31/2022 |
|---|---|---|
| Convertible bonds | | |
| Other bonds | | |
| Borrowings and debt from banks | 500.00 | 483.28 |
| 51860000 Bank charges - accrued interest payable | 500.00 | 483.28 |
| Borrowings and other financial debt | | |
| Trade payables and related accounts | 147,274.01 | 124,682.85 |
| 40810000 Suppliers - invoices not received | 147,274.01 | 124,682.85 |
| Tax and social security liabilities | 76,000.88 | 79,212.93 |
| 42810000 Personnel - expense reports | 7,304.31 | 20,000.00 |
| 42820000 Personnel - Accrued vacation payables | 44,425.67 | 31,930.97 |
| 42860000 Personnel - other accrued expenses | 705.35 | 868.35 |
| 43820000 Social security - Accrued vacation payables | 19,991.55 | 14,368.94 |
| 43860000 Social security - other accrued expenses | | 173.67 |
| 44860000 State other accrued expenses | 3,574.00 | 11,871.00 |
| Debts on fixed assets and related accounts | | |
| Other debts | | |
| **TOTAL** | **223,774.89** | **204,379.06** |

## Accrued income

(Article R. 123-189 of the French Commercial Code)

| Accrued income included in the following balance sheet items | Year ended 12/31/2023 | Year ended 12/31/2022 |
|---|---|---|
| Receivables related to investments | 2,876,689 | 423,778 |
| Other long-term investments | 120,694 | 177,825 |
| Loans | 17,134 | |
| Other financial assets | | |
| Trade receivables and related accounts | | |
| Other receivables | | |
| Marketable securities | | |
| Cash and cash equivalents | | |
| **TOTAL** | **3,014,517** | **601,603** |

## Details of accrued income

| Accrued income<br>included in the following balance sheet items | Year ended<br>12/31/2023 | Year ended<br>12/31/2022 |
|---|---|---|
| Receivables related to investments | 876,688.75 | |
| 26,780,000 Accrued interest/receivables related to holdings | 876,688.75 | |
| Other long-term investments | | |
| Loans | | |
| Other financial assets | | |
| Trade receivables and related accounts | 2,120,694.43 | 423,778.07 |
| 41811000 FAE customers - GBK group | 1,890,738.84 | 423,778.07 |
| 41812000 FAE customers - Kenercy group | 229,955.59 | |
| Other receivables | 17,134.03 | 177,824.57 |
| 44870000 State accrued income | | 1,342.00 |
| 46870000 Miscellaneous - accrued income | 17,134.03 | 176,482.57 |
| Marketable securities | | |
| Cash and cash equivalents | | |
| **TOTAL** | **3,014,517.21** | **601,602.64** |

## Prepaid expenses and income

| Deferred income | | Year ended<br>12/31/2023 | Year ended<br>12/31/2022 |
|---|---|---|---|
| Income: | - Operations | | |
| | - Financial | | |
| | - Non-recurring | | |
| | **TOTAL** | | |

| Prepaid expenses | | Year ended<br>12/31/2023 | Year ended<br>12/31/2022 |
|---|---|---|---|
| Expenses: | - Operations | 51,432 | 133,415 |
| | - Financial | | |
| | - Non-recurring | | |
| | **TOTAL** | **51,432** | **133,415** |

## Composition of the share capital

| Items concerned | Number | Par value | Amount in euros |
|---|---|---|---|
| 1 - Shares forming the share capital at the beginning of the fiscal year | 17,685,025 | 2.25000 | 39,791,306 |
| 2 - Shares issued during the fiscal year | 82,627 | 2.25000 | 185,911 |
| 3 - Shares redeemed during the fiscal year | | | |
| 4 - Shares forming the share capital at the end of the fiscal year (1 + 2 - 3) | 17,767,652 | 2.25000 | 39,977,217 |

By a decision of the Chairman and Chief Executive Officer on March 3, 2023, the Company recorded the creation of 82,627 shares with a par value of €2.25, representing a capital increase of €185,910.75. This amount was deducted from "Share premium, merger premium, contribution premium".

The share capital is now €39,977,217, divided into 17,767,652 fully paid-up shares with a par value of €2.25 each.

## Revenue breakdown

Revenue for the fiscal year breaks down as follows:

| Revenue type | Amount excl. VAT | Rate (%) |
|---|---|---|
| Sales of goods | 3,026,683 | 100.00 |
| Sales of services | | |
| | | |
| TOTAL | **3,026,683** | |

The Company's revenue is generated exclusively in France.

## Executive compensation

| Headings | Total executives | Bodies | | |
|---|---|---|---|---|
| | | Administration | Management | Supervisory |
| - Financial Commitments:<br>- Pension | | | | |
| Advances and allocated credits<br>Compensation allocated | | 120,107 | | |

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

## Statutory Auditors' fees

| Type of fees | Amount |
|---|---|
| Statutory audit consulting and services | 161,600 |
| TOTAL | **161,600** |

## Expense transfers

| Type of expense transfers | Amount |
|---|---|
| Rebilling to subsidiary Berkem Développement | 33,350 |
| Rebilling to other Group companies | 302,878 |
| Benefits in kind employees | 18,621 |
| TOTAL | **354,849** |

## Detail of non-recurring income

| Detail of non-recurring income | Expenses | Income |
|---|---|---|
| Malis - sale and buyback by the Company of shares issued by itself | 173,969 | |
| Bonus - sale and buyback by the Company of shares issued by itself | | 47,824 |
| Net book value of assets sold | 129,634 | |
| Other miscellaneous non-recurring expenses | 4,328 | |
| **TOTAL** | **307,931** | **47,824** |

## Income tax breakdown

| Description | Income before tax | Tax | Income after tax |
|---|---|---|---|
| Current income | 289,713 | | 289,713 |
| Non-recurring income (including equity investments) | -260,107 | | -260,107 |
| **Accounting profit (loss)** | **29,605** | **-4,800** | **34,405** |

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 patronage tax reductions (€4,800).

## Average headcount

| Employee categories | Employees | Management |
|---|---|---|
| Managers | 4 | |
| Supervisors and technicians | | |
| Employees | | |
| Workers | | |
| **TOTAL** | **4** | |

## Financial commitments

| Commitments given | Amount in euros |
|---|---|
| Unmatured discounted notes | 128,601 |
| Sureties and endorsements | |
| Severance pay | |
| Borrowings (accrued interest) | |
| - Furniture | |
| Leasing: | |
| - Real estate | |
| Other commitments | |
| **TOTAL** | **128,601** |

BERKEM DÉVELOPPEMENT had pledged 100% of the shares in ADKALIS, BERKEM and LIXOL as collateral for the

€63,500,000 senior loan granted by the banking pool in 2022.

However, in view of the merger operations carried out during the year, these pledges have automatically disappeared.

As part of discussions with the pool of banks providing the senior financing, the Board of Directors proposed that a pledge be made over the financial securities account opened in the name of BERKEM DÉVELOPPEMENT in the accounts of its parent company GROUPE BERKEM. This was approved by the Board on October 23, 2023. The BERKEM DÉVELOPPEMENT shares held by GROUPE BERKEM in the amount of €41,689,611.63 have been pledged as part of its subsidiary's senior debt financing agreement.

Pension obligations have not been recognized as a provision. The commitment at December 31, 2023 is €128,601, compared with €111,098 at year-end 2022 and €102,226 at year-end 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:

| Commitments received | Amount in euros |
|---|---|
| Write-off of receivables | |
| **TOTAL** | |

## Increased and reduced future tax liability

| Increases and reductions | Amount | Tax |
|---|---|---|
| **Increases**<br>Regulated provisions<br>Subsidies to be written back to income | | |
| **Reductions**<br>Non-deductible provision in year of allocation<br>-Operating losses carried forward<br>Total: -Deferred depreciation<br>-Long-term capital losses | 800,675 | 200,169 |
| **TOTAL** | **-800,675** | **-200,169** |

## Subsidiaries and equity investments

| FINANCIAL INFORMATION | Capital allocation | Reserves and retained earnings before income | Percentage of share capital held (as a %) | Book value of shares held | | Loans and advances granted by the Company and not yet reimbursed | Amount of sureties and endorsements issued by the Company | Revenue excluding VAT from last fiscal year | Results (profit or loss from last fiscal year) | Dividends collected by the Company during the fiscal year |
|---|---|---|---|---|---|---|---|---|---|---|
| **Subsidiaries and equity investments** | | | | **Gross** | **Net** | | | | | |
| **Detailed information on the above the subsidiaries and equity investments above**<br>Subsidiary<br>(+50% of the share capital owned by the company)<br>Berkem Développement<br>Equity investments<br>(10 to 50% of the share capital owned by the company) | 055,154 | 2,692,434 | 100.00 | 41,689,612 | 41,689,612 | 20,514,417 | | 49,604,603 | 2,743,815 | |
| **General information on other subsidiaries or equity investments.**<br>1. Subsidiaries not taken over in § A<br>a. French<br>b. foreign<br>2. Non-equity investments included in § A<br>a. French<br>b. Foreign | | | | | | | | | | |

# 6. STATUTORY AUDITORS' REPORT ON THE COMPANY FINANCIAL STATEMENTS AT DECEMBER 31, 2023

**Statutory Auditors' report on the annual financial statements**

**(Fiscal year ended December 31, 2023)**

To the Shareholders' Meeting

**GROUPE BERKEM**

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, 2023, 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, 2023 to the date of publication of our report.

**Rationale for the assessments**

Pursuant to the provisions of Articles L. 821-53 and R. 821-180 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 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. 821-55 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 6, 2024

Statutory Auditors

**PricewaterhouseCoopers Audit** **Deixis**

**Antoine PRIOLLAUD** **Gaël COLABELLA** **Nicolas de LAAGE de MEUX**

# 7. CONSOLIDATED FINANCIAL STATEMENTS AT DECEMBER 31, 2023

## CONSOLIDATED FINANCIAL STATEMENTS

### 1. Statement of net income

| *en k euros* | *Notes* | **31/12/2023** | **31/12/2022** |
|---|---|---|---|
| Chiffre d'affaires | *5.20* | 51 944 | 51 566 |
| Autres produits de l'activité | *5.21* | 1 928 | 1 |
| Achats consommés | | -22 668 | -26 639 |
| Variation des stocks d'en-cours et produits finis | | -543 | 3 026 |
| Charges externes | *5.22.2* | -13 171 | -10 964 |
| Charges de personnel | *5.22.3* | -12 128 | -14 481 |
| Impôts et taxes | | -656 | -583 |
| Dotation aux amortissements | *5.22.4* | -4 076 | -3 394 |
| Dotation aux dépréciations et provisions | *5.22.4* | -313 | -1 361 |
| Autres produits et charges d'exploitation | | 1 247 | 3 983 |
| **Résultat opérationnel courant** | | **1 564** | **1 154** |
| Autres produits et charges non courants | *5.24* | 993 | -1 682 |
| **Résultat opérationnel** | | **2 557** | **-527** |
| Produits de trésorerie et d'équivalents de trésorerie | | 22 | 4 |
| Coût de l'endettement financier brut | *5.25* | -1 936 | -812 |
| **Coût de l'endettement financier net** | | **-1 915** | **-808** |
| Autres produits et charges financiers | *5.26* | -27 | -63 |
| **Résultat avant impôt** | | **615** | **-1 398** |
| Impôts sur les bénéfices | *5.27* | -248 | -169 |
| **Résultat après impôt** | | **367** | **-1 567** |
| **Résultat net total** | | **367** | **-1 567** |
| **Part du groupe** | | **367** | **-1 567** |
| **Part des minoritaires** | | **0** | **0** |
| Résultat par action | | 0,02 | -0,09 |
| Résultat dilué par action | | 0,02 | -0,09 |

| | |
|---|---|
| *en k euros* | *in € thousands* |
| *Notes* | *Notes* |
| **31/12/2023** | **12/31/2023** |
| **31/12/2022** | **12/31/2022** |
| Chiffre d'affaires | Revenue |
| *5.20* | *5.20* |
| 51 944 | 51,944 |
| 51 566 | 51,566 |
| Autres produits de l'activité | Other operating income |
| *5.21* | *5.21* |
| 1 928 | 1,928 |
| 1 | 1 |
| Achats consommés | Purchases consumed |

| | |
|---|---|
| -22 668 | -22,668 |
| -26 639 | -26,639 |
| Variation des stocks d’en-cours et produits finis | Change in work-in-progress and finished goods inventories |
| -543 | -543 |
| 3 026 | 3,026 |
| Charges externes | External expenses |
| *5.22.2* | *5.22.2* |
| -13 171 | -13,171 |
| -10 964 | -10,964 |
| Charges de personnel | Personnel expenses |
| *5.22.3* | *5.22.3* |
| -12 128 | -12,128 |
| -14 481 | -14,481 |
| Impôts et taxes | Tax and duties |
| -656 | -656 |
| -583 | -583 |
| Dotation aux amortissements | Depreciation charges |
| *5.22.4* | *5.22.4* |
| -4 076 | -4,076 |
| -3 394 | -3,394 |
| Dotation aux dépréciations et provisions | Depreciation and provisions |
| *5.22.4* | *5.22.4* |
| -313 | -313 |
| -1 361 | -1,361 |
| Autres produits et charges d’exploitation | Other operating income and expenses |
| 1 247 | 1,247 |
| 3 983 | 3,983 |
| **Résultat opérationnel courant** | **Recurring operating income** |
| **1 564** | **1,564** |
| **1 154** | **1,154** |
| Autres produits et charges non courants | Other non-recurring income and expenses |
| *5.24* | *5.24* |
| 993 | 993 |
| -1 682 | -1,682 |
| **Résultat opérationnel** | **Operating income** |
| **2 557** | **2,557** |
| **-527** | **-527** |
| Produits de trésorerie et d’équivalents de trésorerie | Income from cash and cash equivalents |
| 22 | 22 |
| 4 | 4 |
| Coût de l’endettement financier brut | Cost of gross financial debt |
| *5.25* | *5.25* |
| -1 936 | -1,936 |
| -812 | -812 |
| **Coût de l’endettement financier net** | **Cost of net financial debt** |
| **-1 915** | **-1,915** |
| **-808** | **-808** |
| Autres produits et charges financiers | Other financial income and expenses |
| *5.26* | *5.26* |

| | |
|---|---|
| -27 | -27 |
| -63 | -63 |
| **Résultat avant impôt** | **Income before tax** |
| **615** | **615** |
| **-1 398** | **-1,398** |
| Impôts sur les bénéfices | Income tax |
| *5.27* | *5.27* |
| -248 | -248 |
| -169 | -169 |
| **Résultat après impôt** | **Income after tax** |
| **367** | **367** |
| **-1 567** | **-1,567** |
| **Résultat net total** | **Total net income** |
| **367** | **367** |
| **-1 567** | **-1,567** |
| **Part du groupe** | **Group share** |
| **367** | **367** |
| **-1 567** | **-1,567** |
| **Part des minoritaires** | **Share of non-controlling interests** |
| **0** | **0** |
| **0** | **0** |
| Résultat par action | Earnings per share |
| 0,02 | 0.02 |
| -0,09 | -0.09 |
| Résultat dilué par action | Diluted earnings per share |
| 0,02 | 0.02 |
| -0,09 | -0.09 |

In order to improve the reading of the statement of net income, Groupe Berkem has decided to present its income statement by type. The transition from the income statement by function to the income statement by type for fiscal year 2022 is presented in §6.

## 2. Statement of comprehensive income

| *En k euros* | 31/12/2023 | 31/12/2022 |
|---|---|---|
| **Eléments du résultat global non recyclables** | **148** | **- 126** |
| Ecarts actuariels sur engagements de retraite | 197 | - 168 |
| Impôt sur écarts actuariels sur engagements de retraite | - 49 | 42 |
| **Eléments du résultat global recyclables** | **69** | **48** |
| Couverture de trésorerie (partie efficace) | 83 | 48 |
| Réserves de conversion groupe | - 14 | - |
| **Autres éléments du résultat global** | **217** | **- 78** |

| | |
|---|---|
| *En k euros* | *In € thousands* |
| **31/12/2023** | **12/31/2023** |
| **31/12/2022** | **12/31/2022** |

| | |
|---|---|
| **Eléments du résultat global non recyclables** | **Non-recyclable items of comprehensive income** |
| **148** | **148** |
| **- 126** | **-126** |
| Ecarts actuariels sur engagements de retraite | Actuarial gains and losses on pension commitments |
| 197 | 197 |
| - 168 | -168 |
| Impôt sur écarts actuariels sur engagements de retraite | Tax on actuarial gains and losses on pension commitments |
| - 49 | -49 |
| 42 | 42 |
| **Eléments du résultat global recyclables** | **Recyclable items of comprehensive income** |
| **69** | **69** |
| **48** | **48** |
| Couverture de trésorerie (partie efficace) | Cash hedges (effective portion) |
| 83 | 83 |
| 48 | 48 |
| Réserves de conversion groupe | Group translation reserves |
| - 14 | -14 |
| - | - |
| **Autres éléments du résultat global** | **Other comprehensive income** |
| **217** | **217** |
| **- 78** | **-78** |

## 3. Statement of net financial position

| *in € thousands* | *Notes* | 12/31/2023 | 12/31/2022 |
|---|---|---|---|
| Goodwill | *5.2* | 12,476 | 9,043 |
| Intangible assets | *5.3* | 9,279 | 6,148 |
| Property, plant and equipment | *5.4* | 26,137 | 18,892 |
| Other financial assets | *5.5* | 265 | 208 |
| Deferred taxes | *5.6* | 1,875 | 2,168 |
| **Non-current assets** | | **50,031** | **36,458** |
| Inventories and work in progress | *5.7* | 13,184 | 11,377 |
| Trade and other receivables | *5.8* | 16,607 | 10,980 |
| Tax receivables | *5.9* | 1,995 | 1,225 |
| Other current assets | *5.10* | 575 | 1,132 |
| Securities and other investments | *5.11* | 19 | 18 |
| Cash and cash equivalents | *5.11* | 11,366 | 11,532 |
| **Current assets** | | **43,746** | **36,263** |
| **Total Assets** | | **93,777** | **72,721** |

| *in € thousands* | *Notes* | **12/31/2023** | **12/31/2022** |
|---|---|---|---|
| Capital | *5.12* | 39,977 | 39,791 |
| Additional paid-in capital | *5.13* | 27,099 | 27,734 |
| Other reserves | | -39,623 | -38,549 |
| Net income for the fiscal year | | 367 | -1,567 |
| **Equity attributable to owners of the parent** | | **27,821** | **27,409** |
| **Equity** | | **27,821** | **27,409** |
| Borrowings and financial debt | *5.17* | 29,743 | 24,334 |
| Employee benefit obligations | *5.16* | 1,163 | 1,283 |
| Other provisions | *5.16* | 11 | 0 |
| Deferred taxes | *5.6* | 811 | 0 |
| Other long-term liabilities | | 225 | 145 |
| **Non-current liabilities** | | **31,954** | **25,762** |
| Borrowings and bank overdrafts (portion at less than one year) | *5.17* | 9,049 | 3,220 |
| Provisions (portion at less than one year) | *5.16* | 198 | 294 |
| Trade and other payables | *5.18* | 17,468 | 13,499 |
| Tax liabilities | | 570 | 613 |
| Other current liabilities | *5.19* | 6,717 | 1,925 |
| **Current liabilities** | | **34,002** | **19,551** |
| **Total Liabilities** | | **93,777** | **72,721** |

## 4. Statement of changes in shareholders' equity

| *En k euros* | Capital | Primes liées au capital | OCI | Autres réserves hors OCI | Résultat de l'exercice | Total | Intérêts minoritaires | Total des capitaux propres |
|---|---|---|---|---|---|---|---|---|
| **Situation au 31/12/2021** | **39 790** | **29 801** | **- 115** | **- 41 203** | **1 193** | **29 466** | **-** | **29 466** |
| Résultat de l'exercice | - | - | - | - | - 1 567 | - 1 567 | - | - 1 567 |
| Autres éléments du résultat global | - | - | - 78 | - | - | - 78 | - | - 78 |
| **Total du résultat global** | **-** | **-** | **- 78** | **-** | **- 1 567** | **- 1 645** | **-** | **- 1 645** |
| Affectation du résultat N-1 | - | - | - | 1 193 | - 1 193 | - | - | - |
| Dividendes versés | - | - 1 061 | - | - | - | - 1 061 | - | - 1 061 |
| Mouvements sur actions propres | - | - | - | - 369 | - | - 369 | - | - 369 |
| Paiements en actions | - | - | - | 1 017 | - | 1 017 | - | 1 017 |
| Autres variations | 1 | - 1 007 | - | 1 008 | - | 2 | - | 2 |
| **Situation au 31/12/2022** | **39 791** | **27 734** | **- 193** | **- 38 355** | **- 1 567** | **27 409** | **-** | **27 409** |
| Résultat de l'exercice | - | - | - | - | 367 | 367 | - | 367 |
| Autres éléments du résultat global | - | - | 217 | - | - | 217 | - | 217 |
| **Total du résultat global** | **-** | **-** | **217** | **-** | **367** | **584** | **-** | **584** |
| Affectation du résultat N-1 | - | - | - | - 1 567 | 1 567 | - | - | - |
| Augmentation de capital | 186 | - 634 | - | 448 | - | - | - | - |
| Mouvements sur actions propres | - | - | - | - 401 | - | - 401 | - | - 401 |
| Paiements en actions | - | - | - | 212 | - | 212 | - | 212 |
| Ecart de conversion | - | - | - | 17 | - | 17 | - | 17 |
| **Situation au 31/12/2023** | **39 977** | **27 099** | **23** | **- 39 646** | **367** | **27 821** | **-** | **27 821** |

| | |
|---|---|
| *En k euros* | *In € thousands* |
| **Capital** | **Capital** |
| **Primes liées au capital** | **Additional paid-in capital** |
| **OCI** | **Other comprehensive income** |
| **Autres réserves hors OCI** | **Other reserves excluding OCI** |
| **Résultat de l'exercice** | **Net income for the fiscal year** |
| **Total** | **Total** |
| **Intérêts minoritaires** | **Non-controlling interests** |
| **Total des capitaux propres** | **Total shareholders' equity** |
| **Situation au 31/12/2021** | **Situation at 12/31/2021** |
| **39 790** | **39,790** |
| **29 801** | **29,801** |
| **- 115** | **-115** |
| **- 41 203** | **-41,203** |
| **1 193** | **1,193** |
| **29 466** | **29,466** |
| - | - |
| **29 466** | **29,466** |
| Résultat de l'exercice | Net income for the fiscal year |
| - | - |
| - | - |
| - | - |
| - | - |
| - 1 587 | -1,587 |
| - 1 587 | -1,587 |

| | |
|---|---|
| - | - |
| - 1 587 | -1,587 |
| Autres éléments du résultats global | Other comprehensive income |
| - | - |
| - | - |
| - 78 | -78 |
| - | - |
| - | - |
| - 78 | -78 |
| - | - |
| - 78 | -78 |
| **Total du résultat global** | **Total comprehensive income** |
| **-** | **-** |
| **-** | **-** |
| **- 78** | **-78** |
| **-** | **-** |
| **- 1 567** | **-1,567** |
| **- 1 645** | **-1,645** |
| **-** | **-** |
| **- 1 645** | **-1,645** |
| Affectation du résultat N-1 | Appropriation of N-1 net income |
| - | - |
| - | - |
| - | - |
| 1 193 | 1,193 |
| - 1 193 | -1,193 |
| - | - |
| - | - |
| - | - |
| Dividendes versés | Dividends paid |
| - | - |
| - 1 061 | -1,061 |
| - | - |
| - | - |
| - | - |
| - 1 601 | -1,601 |
| - | - |
| - 1 601 | -1,601 |
| Mouvements sur actions propres | Changes in treasury shares |
| - | - |
| - | - |
| - | - |
| - 369 | -369 |
| - | - |
| - 369 | -369 |
| - | - |
| - 369 | -369 |
| Paiements en actions | Share-based payments |
| - | - |
| - | - |
| - | - |

| | |
|---|---|
| 1 017 | 1,017 |
| - | - |
| 1 017 | 1,017 |
| - | - |
| 1 017 | 1,017 |
| Autres variations | Other changes |
| 1 | 1 |
| - 1 007 | -1,007 |
| - | - |
| 1 008 | 1,008 |
| - | - |
| 2 | 2 |
| - | - |
| 2 | 2 |
| **Situation au 31/12/2022** | **Situation at 12/31/2022** |
| **39 791** | **39,791** |
| **27 734** | **27,734** |
| **- 193** | **-193** |
| **- 38 355** | **-38,355** |
| **- 1 567** | **-1,567** |
| **27 409** | **27,409** |
| **-** | **-** |
| **27 409** | **27,409** |
| Résultat de l’exercice | Net income for the fiscal year |
| - | - |
| - | - |
| - | - |
| - | - |
| 367 | 367 |
| 367 | 367 |
| - | - |
| 367 | 367 |
| Autres éléments du résultat global | Other comprehensive income |
| - | - |
| - | - |
| 217 | 217 |
| - | - |
| - | - |
| 217 | 217 |
| - | - |
| 217 | 217 |
| **Total du résultat global** | **Total comprehensive income** |
| **-** | **-** |
| **-** | **-** |
| **217** | **217** |
| **-** | **-** |
| **367** | **367** |
| **584** | **584** |
| **-** | **-** |
| **584** | **584** |
| Affectation du résultat N-1 | Appropriation of N-1 net income |

| | |
|---|---|
| - | - |
| - | - |
| - | - |
| - 1 567 | -1,567 |
| 1 567 | 1,567 |
| - | - |
| - | - |
| - | - |
| Augmentation de capital | Capital increases |
| 186 | 186 |
| - 634 | -634 |
| - | - |
| 448 | 448 |
| - | - |
| - | - |
| - | - |
| - | - |
| Mouvements sur actions propres | Changes in treasury shares |
| - | - |
| - | - |
| - | - |
| - 401 | -401 |
| - | - |
| - 401 | -401 |
| - | - |
| - 401 | -401 |
| Paiements en actions | Share-based payments |
| - | - |
| - | - |
| - | - |
| 212 | 212 |
| - | - |
| 212 | 212 |
| - | - |
| 212 | 212 |
| Ecart de conversion | Translation adjustment |
| - | - |
| - | - |
| - | - |
| 17 | 17 |
| - | - |
| 17 | 17 |
| - | - |
| 17 | 17 |
| **Situation au 31/12/2023** | **Situation at 12/31/2023** |
| **39 977** | **39,977** |
| **27 099** | **27,099** |
| **23** | **23** |
| **- 39 646** | **-39,646** |
| **367** | **367** |
| **27 821** | **27,821** |

| | |
|---|---|
| **-** | **-** |
| **27 821** | **27,821** |

## 5. Cash flow statement

| *In € thousands* | 12/31/2023 | 12/31/2022 |
|---|---|---|
| Total consolidated net income | 367 | -1,567 |
| **Adjustments:** | | |
| Elimination of depreciation, amortization and provisions | 2,129 | 4,285 |
| Elimination of gains and losses on disposal and dilution gains and losses | -52 | 41 |
| Elimination of profit/loss on discounting | 76 | -16 |
| Other products and expenses with no cash impact | 212 | 1,017 |
| Other products and expenses with no cash impact | 587 | 0 |
| **Cash flow after cost of net financial debt and tax** | **3,319** | **3,760** |
| Elimination of tax expense (income) | 248 | 169 |
| Elimination of cost of net financial debt | 1,915 | 808 |
| **Cash flow from operations before cost of net debt and tax** | **5,481** | **4,737** |
| Impact of change in working capital requirement | 946 | -4,225 |
| Taxes paid | -877 | 882 |
| **Cash flow from operating activities** | **5,550** | **1,394** |
| Impact of changes in scope | -3,945 | 0 |
| Acquisition of property, plant and equipment and intangible assets | -11,973 | -6,296 |
| Acquisition of financial assets | 0 | -200 |
| Change in loans and advances granted | 626 | -744 |
| Disposal of property, plant and equipment and intangible assets | 1,163 | 2 |
| Disposal of financial assets | 0 | 195 |
| **Cash flow from investing activities** | **-14,130** | **-7,042** |
| Net disposal (acquisition) of treasury shares | -401 | -369 |
| Bond issues | 13,000 | 24,500 |
| Loan issuance costs | 0 | -1,189 |
| Bond redemptions | -2,363 | -19,568 |
| Net financial interest paid | -1,731 | -655 |
| Dividends paid to Group shareholders | 0 | -1,061 |
| **Cash flow from financing activities** | **8,505** | **1,657** |
| Impact of exchange rate fluctuations | 1 | 0 |
| **Change in cash position** | **-74** | **-3,991** |
| **Opening cash** | **11,403** | **15,395** |
| **Closing cash** | **11,329** | **11,403** |

## 6. Conversion from income by Function to income by Type

| (En K€) | Etat du resultat net par fonction 31/12/2022 | Reclassement | Etat du resultat net par nature 31/12/2022 |
|---|---|---|---|
| Chiffre d'affaires | 51 566 | - | 51 566 |
| Coût des produits et services vendus | - 35 613 | 35 613 | - |
| **Marge brute** | **15 953** | | |
| Recherche et Développement | - 1 731 | 1 731 | - |
| Ventes et Marketing | - 7 483 | 7 483 | - |
| Frais Généraux et Administratifs | - 5 585 | 5 585 | - |
| Autres produits de l'activité | - | 1 | 1 |
| Achats consommés | - | - 26 639 | - 26 639 |
| Variation des stocks d'en-cours et produits finis | - | 3 026 | 3 026 |
| Charges externes | - | - 10 964 | - 10 964 |
| Charges de personnel | - | - 14 481 | - 14 481 |
| Impôts et taxes | - | - 583 | - 583 |
| Dotation aux amortissements | - | - 3 394 | - 3 394 |
| Dotation aux dépréciations et provisions | - | - 1 361 | - 1 361 |
| Autres produits et charges d'exploitation | - | 3 983 | 3 983 |
| **Résultat opérationnel courant** | **1 154** | **-** | **1 154** |
| Autres produits opérationnels | 713 | - 713 | - |
| Autres charges opérationnelles | - 2 395 | 2 395 | - |
| Autres produits et charges non courants | - | - 1 682 | - 1 682 |
| **Résultat opérationnel** | **- 527** | **-** | **- 527** |
| Produits financiers | 147 | - 147 | - |
| Charges financières | - 1 018 | 1 018 | - |
| Coût de l'endettement financier brut | - | - 808 | - 808 |
| Autres produits et charges financiers | - | - 63 | - 63 |
| **Résultat financier** | **- 871** | **-** | **- 871** |
| Impôt sur les sociétés | - 169 | - | - 169 |
| **Résultat net** | **- 1 567** | **-** | **- 1 567** |

| | |
|---|---|
| **(En K€)** | **(In € thousands)** |
| **Etat du resultat net par fonction 31/12/2022** | **Statement of net income by function 12/31/2022** |
| **Reclassement** | **Reclassification** |
| **Etat du resultat net par nature 31/12/2022** | **Statement of net income by nature 12/31/2022** |
| Chiffre d'affaires | Revenue |
| 51 566 | 51,566 |
| - | - |
| 51 566 | 51,566 |
| Coût des produits et services vendus | Cost of products and services sold |
| - 35 613 | -35,613 |
| 35 613 | 35,613 |
| - | - |
| **Marge brute** | **Gross margin** |
| **15 953** | **15,953** |
| Recherche et Développement | Research and Development |
| - 1 731 | -1,731 |
| 1 731 | 1,731 |

| | |
|---|---|
| - | - |
| Ventes et Marketing | Sales and Marketing |
| - 7 483 | -7,483 |
| 7 483 | 7,483 |
| - | - |
| Frais Généraux et Administratifs | General and Administrative Expenses |
| - 5 585 | -5,585 |
| 5 585 | 5,585 |
| - | - |
| Autres produits de l’activité | Other operating income |
| - | - |
| 1 | 1 |
| 1 | 1 |
| Achats consommés | Purchases consumed |
| - | - |
| - 26 639 | -26,639 |
| - 26 639 | -26,639 |
| Variation des stocks d’en-cours et produits finis | Change in work-in-progress and finished goods inventories |
| - | - |
| 3 026 | 3,026 |
| 3 026 | 3,026 |
| Charges externes | External expenses |
| - | - |
| - 10 964 | -10,964 |
| - 10 964 | -10,964 |
| Charges de personnel | Personnel expenses |
| - | - |
| - 14 481 | -14,481 |
| - 14 481 | -14,481 |
| Impôts et taxes | Tax and duties |
| - | - |
| - 583 | -583 |
| - 583 | -583 |
| Dotation aux amortissements | Depreciation charges |
| - | - |
| - 3 394 | -3,394 |
| - 3 394 | -3,394 |
| Dotation aux dépréciations et provisions | Depreciation and provisions |
| - | - |
| 3 983 | 3,983 |
| 3 983 | 3,983 |
| **Résultat opérationnel courant** | **Recurring operating income** |
| **1 154** | **1,154** |
| **-** | **-** |
| **1 154** | **1,154** |
| Autres produits opérationnels | Other operating income |
| 713 | 713 |
| - 713 | -713 |
| - | - |
| Autres charges opérationnelles | Other operating expenses |

| | |
|---|---|
| - 2 395 | -2,395 |
| 2 395 | 2,395 |
| - | - |
| Autres produits et charges non courants | Other non-recurring income and expenses |
| - | - |
| - 1 682 | -1,682 |
| - 1 682 | -1,682 |
| **Résultat opérationnel** | **Operating income** |
| **- 527** | **-527** |
| **-** | **-** |
| **- 527** | **-527** |
| Produits financiers | Financial income |
| 147 | 147 |
| - 147 | -147 |
| - | - |
| Charges financiers | Financial expenses |
| - 1 018 | -1,018 |
| 1 018 | 1,018 |
| - | - |
| Coût de l'endettement financier brut | Cost of gross financial debt |
| - | - |
| - 808 | -808 |
| - 808 | -808 |
| Autres produits et charges financiers | Other financial income and expenses |
| - | - |
| - 63 | -63 |
| - 63 | -63 |
| **Résultat financier** | **Net financial income** |
| **- 871** | **-871** |
| **-** | **-** |
| **- 871** | **-871** |
| Impôt sur les sociétés | Corporate income tax |
| - 169 | -169 |
| - | - |
| - 169 | -169 |
| **Résultat net** | **Net income** |
| **- 1 567** | **-1,567** |
| **-** | **-** |
| **- 1 567** | **-1,567** |

# 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 thirty years, Groupe Berkem is actively involved in the transition to bio-based products, with the mission of integrating plant-based chemistry into 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 offers innovative solutions by integrating plant-based chemistry with conventional chemical players in a wide range of sectors:

- **Construction and Materials**: The Group offers a wide range of solutions for players in the construction and materials markets. Aware of the challenges facing this sector, Groupe Berkem designs and offers solutions for every stage in the life of a building:
    - Before construction by protecting the timber frames
    - From the foundation stage, by protecting buildings against termites
    - After construction, by maintaining, protecting and embellishing wood and mineral materials.

  Groupe Berkem's subsidiaries offer it a leading position in the Construction and Materials market, with expert product ranges for the protection, decoration and maintenance of wood and mineral materials.

- **Health, Beauty and Nutrition**: Backed by its expertise in plant extraction and active ingredient development, the Group is a reactive pioneer in the development of innovative solutions for health, beauty and nutrition. These markets are driven and stimulated by innovation, which is why efficiency and quality are essential to meet the demands of increasingly discerning customers. An expert in plant extraction, Groupe Berkem manufactures natural active ingredients dedicated to the cosmetics and agri-food markets. Groupe Berkem, a specialist in custom freeze-drying, perfects this drying technique, removing the water from the organic compound by freezing, while preserving its properties. The Group also has the capacity to intervene in the pharmaceutical sector by enabling the conservation and preservation of diagnostic reagents through lyophilization (in-vitro tests, diagnostic tests in the field of agronomy and serums).

- **Hygiene and Protection**: The Group is actively involved in the formulation of solutions for the hygiene and protection sector. This market faces ecological, sanitary and demographic challenges that need to be anticipated in order to offer optimal, sustainable protection for people, materials and foodstuffs. To meet this major challenge and respond to the various tasks entrusted to professionals in the hygiene and protection sector, the Group offers protection solutions to combat pests and damage such as fungus, for example.

- **Industry**: Faced with the challenges posed by the many sectors offered by industry, the Group develops specific solutions for the various players in this market. The resins are developed from vegetable oils, providing professionals in this sector with high value-added solutions with excellent protective, chemical and environmental properties. Groupe Berkem specializes in the formulation of alkyd resins, particularly suitable for inks. Innovative, the Group targets markets in search of technical performance and commitment, notably with the development of a complete range of alkyd resins for printing inks.

- **Central - Common**: this segment covers all expenses and revenues that cannot be included in any of the above-mentioned business sectors.

## 2. Significant events of the fiscal year

#### 2.1. Changes in scope

### *2.1.1. New acquisitions*

In 2009, Berkem Inc was created by SAS Berkem Développement, thereby acquiring a 100% stake. Until then, Berkem Inc had been excluded from Groupe Berkem's scope of consolidation due to its insignificant activity.

On February 16, 2023, Berkem Inc acquired i.Bioceuticals Inc (a US company based in Massachusetts) for USD 4,444 thousand. Following this transaction, Berkem Inc and i.Bioceuticals Inc entered Groupe Berkem's scope of consolidation on the same date.

On April 3, 2023, SAS Berkem Développement acquired 100% of the share capital of SAS BIOPRESS for a symbolic €1. SAS BIOPRESS owns 100% of SCI GIB. Both companies are now consolidated by Groupe Berkem.

In accordance with IFRS 3, these new acquisitions are described in notes 5.1, 5.2 and 5.23.

### *2.1.2. Additional releases under the senior debt contract*

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 comprised a senior debt contract with 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.

In 2023, new lines were drawn:

- The remainder of the Investment Credit (tranches C and D) for €3.5 million, bringing the total release of these tranches to €6.5 million;

- Partial releases of External Growth Credit (tranches E and F) for €4.5 million;

- The Revolving Note for €5 million.

This leaves €35.5 million in undrawn lines at December 31, 2023, on tranches E, F, G and H of the External Growth Credit line.

It should also be noted that part of this financing is subject to compliance with financial covenants (leverage ratio and debt service coverage ratio). These covenants are met at December 31, 2023.

# 3. Preparation framework

### 3.1. International Financial Reporting Standards (IFRS)

#### *3.1.1. New standards, amendments and interpretations at January 1, 2023*

Since January 1, 2023, the Group has applied the following new amendments, standards and interpretations previously approved by the European Union:

- IFRS 17: Insurance contracts;
- Amendments to IAS 1: Classification of liabilities as current or non-current;
- Amendments to IFRS 17: Insurance Contracts;
- Amendments to IAS 1: Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting Policies;
- Amendments to IAS 8: Accounting policies, changes in accounting estimates and errors: definition of accounting estimates and errors;
- Amendments to IAS 12: Income taxes: Deferred taxes on assets and liabilities arising from a single transaction;
- Amendment to IFRS 17: Initial application of IFRS 17 and IFRS 9 - Comparative information;
- Amendments to IAS 12: International Tax Reform - Second Pillar Model Rules.

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

#### *3.1.2. New standards, amendments and interpretations with effect for future periods*

The Group has not applied in advance any mandatory standards and interpretations from a fiscal year after December 31, 2023, whether or not they are adopted by the European Commission.

The following new or amended standards and interpretations have not yet been adopted by the European Union:

- Amendments to IAS 7 and IFRS 7 Supplier Financing Arrangements (applicable in accordance with the IASB for accounting periods beginning on or after January 1, 2024);
- Amendment to IFRS 16 Leaseback Liabilities (applicable in accordance with the IASB for accounting periods beginning on or after January 1, 2024);
- Amendments to IAS 1 Non-current liabilities with covenants (applicable in accordance with the IASB for accounting periods beginning on or after January 1, 2024);
- Amendments to IAS 1 Classification of liabilities as current or non-current (applicable in accordance with the IASB for accounting periods beginning on or after January 1, 2024);
- Amendments to IAS 21 Lack of exchangeability (applicable in accordance the IASB for accounting periods beginning on or after January 1, 2025).

### 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;
- Determining the recoverable amount of tangible assets with an indefinite useful life.

*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.

**3.3. Going concern**

The Group was profitable at December 31, 2023 and had equity of €27,821 thousand and cash of €11,329 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. Summary of significant accounting policies

### *3.4.1. 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.

### *3.4.2. 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:

| Entité | Pays d'intégration | % détention au 31/12/2023 | % détention au 31/12/2022 | Méthode d'intégration |
|---|---|---|---|---|
| **Groupe Berkem** | **France** | **Parent** | | |
| Berkem Développement | France | 100% | 100% | Intégration globale |
| Biopress | France | 100% | | Intégration globale |
| SCI GIB | France | 100% | | Intégration globale |
| Ibioceuticals Inc | Etats-Unis | 100% | | Intégration globale |
| Berkem Inc | Etats-Unis | 100% | | Intégration globale |
| Adkalis | France | Fusionnées sur l'exercice | 100% | Intégration globale |
| Lixol Laboratoire Français du Sud-Ouest | France | | 100% | Intégration globale |
| Berkem | France | | 100% | Intégration globale |
| Eurolyo | France | | 100% | Intégration globale |

| | |
|---|---|
| **Entité** | **Entity** |
| **Pays d'intégration** | **Integration countries** |
| **% détention au 31/12/2023** | **% held at 12/31/2023** |
| **% détention au 31/12/2022** | **% held at 12/31/2022** |
| **Méthode d'intégration** | **Integration method** |
| **Groupe Berkem** | **Groupe Berkem** |
| **France** | **France** |
| **Parent** | **Parent** |

| | |
|---|---|
| Berkem Développement | Berkem Développement |
| France | France |
| 100% | 100% |
| 100% | 100% |
| Intégration globale | Full consolidation |
| Biopress | Biopress |
| France | France |
| 100% | 100% |
| Intégration globale | Full consolidation |
| SCI GIB | SCI GIB |
| France | France |
| 100% | 100% |
| Intégration globale | Full consolidation |
| Ibioceuticals Inc | i.Bioceuticals Inc |
| Etats-Unis | United States |
| 100% | 100% |
| Intégration globale | Full consolidation |
| Adkalis | Adkalis |
| France | France |
| 100% | 100% |
| Intégration globale | Full consolidation |
| Lixol Laboratoire Français du Sus-Ouest | Lixol Laboratoire Français du Sud-Ouest |
| France | France |
| Fusionnées sur l'exercice | Merged during the year |
| 100% | 100% |
| Intégration globale | Full consolidation |
| Berkem | Berkem |
| France | France |
| Fusionnées sur l'exercice | Merged during the year |
| 100% | 100% |
| Intégration globale | Full consolidation |
| Eurolyo | Eurolyo |
| France | France |
| 100% | 100% |
| Intégration globale | Full consolidation |

### *3.4.3. Currency translation*

#### *3.4.3.1. 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.

#### *3.4.3.2. Foreign currency translation of the financial statements of foreign entities*

As the Group has no subsidiaries operating in hyperinflationary economies, the financial statements of all foreign companies whose functional currency is not the euro are translated into euros using the following method:

- Balance sheet items, with the exception of equity which is maintained at the historical rate, are translated at the exchange rate prevailing at the closing date;
- Income statement items are translated at the average exchange rate for the period;
- Cash flows are translated at the average exchange rate for the period.

Translation adjustments arising from the application of this method are recorded under “translation adjustments” in consolidated equity, and are recognized in the income statement when the net investment is sold.

Transactions denominated in foreign currencies are translated into euros at the exchange rate prevailing on the transaction date.

Monetary assets and liabilities denominated in foreign currencies are translated into euros at the year-end exchange rate. The resulting exchange differences are recognized in profit or loss for the period.

Non-monetary assets and liabilities denominated in foreign currencies and measured at historical cost are translated at the exchange rate prevailing on the date of the initial transactions.

Non-monetary assets and liabilities denominated in foreign currencies and measured at fair value are translated at the exchange rate prevailing on the date on which the fair value was determined.

### *3.4.4. 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.

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).

#### *3.4.5. Other non-recurring 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.

#### *3.4.6. Cost of gross financial debt and other financial income and expenses*

##### *3.4.6.1. Cost of gross financial debt*

The cost of gross financial debt includes interest expense, interest-rate and currency hedging gains and losses on borrowings.

##### *3.4.6.2. Other financial income and expenses*

These are financial income and expenses that are not included in the gross cost of debt. This item includes gains and losses on the disposal of financial assets, foreign exchange gains and losses, and impairment or reversals of other financial assets.

### *3.4.7. 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.

### *3.4.8. 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.”

### *3.4.9. 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.

### *3.4.10. Business combinations*

#### *3.4.10.1. 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.

#### *3.4.10.2. 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.

### *3.4.11. 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.

#### *3.4.11.1. 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.

#### *3.4.11.2. 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

### *3.4.12. Property, plant and equipment owned and leased*

#### *3.4.12.1. 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

### ***3.4.12.2. Property, plant and equipment leased***

#### *3.4.12.2.1. 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.”

#### *3.4.12.2.2. 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.

#### *3.4.12.2.3. 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.

#### *3.4.12.2.4. 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.

### *3.4.13. 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.

### *3.4.14. Financial instruments*

#### *3.4.14.1. 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.

##### *3.4.14.1.1. Non-current financial assets*

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

##### *3.4.14.1.2. 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.

*3.4.14.1.3. Cash and cash equivalents*

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

### *3.4.14.2. 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.

## *3.4.15. Inventories*

### *3.4.15.1. 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.

### *3.4.15.2. 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%.

### *3.4.16. 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.

### *3.4.17. 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.

### *3.4.18. Segment information*

In accordance with IFRS 8 "Segment Information," the Group, when issuing shares listed on a regulated market, must 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 operating segments are:

- Construction and materials
- Health, beauty and nutrition
- Hygiene and protection
- Industry
- Central - Common

Following the acquisitions made during the period and the Group's strategy of addressing specific markets, the historical operating sectors (Formulation and Extraction) have been discontinued. As a result, the analysis of operating results and the assessment of performance by the entity's main operational decision-maker, enabling him to allocate resources to them, is now based on four operating segments.

## 4. Financial risk management

#### 4.1. Foreign exchange risk

Foreign exchange risk corresponds to the exposure to currency exchange rates. As of December 31, 2023, 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. Tax consolidation

The head company of the Group is Groupe Berkem, registered with the Bordeaux Trade and Companies Register under number 820 941 490. The companies included in the tax consolidation scope at December 31, 2023 are Groupe Berkem and Berkem Développement.

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.

#### 4.3. 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).

#### 4.4. 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 three interest-rate cap floors and an interest-rate swap taken out in 2022 and 2023:

- 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;
- With La Banque Palatine, a cap floor on a notional amount of €3,250 thousand for the period from June 30, 2026 to June 30, 2027;
- With La Banque Palatine, a swap on a notional amount of €5,000 thousand for the period from June 30, 2023 to June 30, 2026.

These financial instruments are recorded in the balance sheet at their value at 12/31/2023 and break down as follows:

| | | | | | | | Nominal | | MtM | |
|---|---|---|---|---|---|---|---|---|---|---|
| Type de dérivés | Nominal de départ | Taux varible | Taux fixe | Strike | Fréquence | Base Calcul | 31/12/2022 | 31/12/2023 | 31/12/2022 | 31/12/2023 |
| CACIB CAP | 3 000 000 | EURIBOR 3 mois | | 2,00% | Trimestrielle | Exact/360 | 3 000 000 | 2 675 000 | 70 299 | 33 467 |
| La Banque Postale CAP | 3 000 000 | EURIBOR 3 mois | | 2,00% | Trimestrielle | ACT/360 | 3 000 000 | 3 000 000 | 71 988 | 34 121 |
| Banque Palatine CAP | 3 250 000 | EURIBOR 3 mois | | 5,95% | Trimestrielle | Exact/360 | 0 | 3 250 000 | 0 | 2 385 |
| Banque Palatine Swap | 5 000 000 | EURIBOR 3 mois | 3,570% | | Trimestrielle | Exact/360 | 0 | 5 000 000 | 0 | -129 076 |

| **Type de dérivés** | **Type of derivatives** |
|---|---|
| **Nominal de départ** | **Initial nominal value** |
| **Taux variable** | **Variable rate** |
| **Taux fixe** | **Fixed rate** |
| **Strike** | **Strike** |
| **Fréquence** | **Frequency** |
| **Base Calcul** | **Calculation basis** |
| **Nominal** | **Nominal** |
| **31/12/2022** | **12/31/2022** |
| **31/12/2023** | **12/31/2023** |
| **MtM** | **MtM** |
| **31/12/2022** | **12/31/2022** |
| **31/12/2023** | **12/31/2023** |
| CACIB CAP | CACIB CAP |
| 3 000 000 | 3,000,000 |
| EURIBOR 3 mois | EURIBOR 3 months |
| 2,00% | 2.00% |
| Trimestrielle | Quarterly |
| Exact/360 | Exact / 360 |
| 3 000 000 | 3,000,000 |
| 2 675 000 | 2,675,000 |
| 70 299 | 70,299 |
| 33 467 | 33,467 |
| La Banque Postale CAP | La Banque Postale CAP |
| 3 000 000 | 3,000,000 |
| EURIBOR 3 mois | EURIBOR 3 months |
| 2,0% | 2.0% |
| Trimestrielle | Quarterly |
| ACT/360 | ACT / 360 |
| 3 000 000 | 3,000,000 |
| 3 000 000 | 3,000,000 |

| | |
|---|---|
| 71 988 | 71,988 |
| 34 121 | 34,121 |
| Banque Palatine CAP | Banque Palatine CAP |
| 3 250 000 | 3,250,000 |
| EURIBOR 3 mois | EURIBOR 3 months |
| 5,95% | 5.95% |
| Trimestrielle | Quarterly |
| Exact/360 | Exact / 360 |
| 0 | 0 |
| 3 250 000 | 3,250,000 |
| 0 | 0 |
| 2 385 | 2,385 |
| Banque Palatine Swap | Banque Palatine Swap |
| 5 000 000 | 5,000,000 |
| EURIBOR 3 mois | EURIBOR 3 months |
| 3,570% | 3.570% |
| Trimestrielle | Quarterly |
| Exact/360 | Exact / 360 |
| 0 | 0 |
| 5 000 000 | 5,000,000 |
| 0 | 0 |
| - 129 076 | -129,076 |

**4.5. 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

The tax consolidation group formed on January 1, 2022 is headed by Groupe Berkem. The companies included in the tax consolidation group were Adkalis, Berkem, Berkem Développement, Eurolyo and Lixol until December 31, 2022.

As a result of the mergers that took place in 2023, only Berkem Développement is now included in the tax consolidation scope of Groupe Berkem.

Since March 8, 2021, Groupe Berkem has consolidated the financial statements of the companies included in its scope: Adkalis, Berkem, Berkem Développement, Eurolyo and Lixol.

In view of:

- Berkem Développement's acquisition of 100% of the share capital of SAS BIOPRESS for a symbolic €1. The latter holds 100% of the share capital of SCI GIB. Both companies are thus included in the scope of consolidation of Groupe Berkem. The restated net assets of these two entities represented €908,532 and €1,710,296, respectively, at the acquisition date;

- The absorption of Eurolyo, Adkalis, Berkem and Lixol by Berkem Développement;

- The acquisition by Berkem Inc, a previously dormant subsidiary of Berkem Développement, of 100% of the share capital of i.Bioceuticals Inc (a US company based in Massachusetts) for €4,103,976. The restated net assets of this entity represented €798,782 at the acquisition date. Following this transaction, Berkem Inc and i.Bioceuticals Inc entered Groupe Berkem's scope of consolidation on the same date. Berkem Inc's equity of -€587,000 at the date of consolidation was recycled to the income statement under Other non-recurring income and expenses (see note 5.23).

In 2023, Groupe Berkem's scope of consolidation thus includes Berkem Développement, Berkem Inc, Biopress, i.Bioceuticals and SCI GIB.

### 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** |

| | 31/12/2022 | Acquisition | Ecart de conversion | Reclassement | Valeur brute | Dépréciation | 31/12/2023 |
|---|---|---|---|---|---|---|---|
| Pôle Construction et matériaux | 5 878 | - | | | 5 878 | - | 5 878 |
| Pôle Hygiène et protection | 3 165 | - | | | 3 165 | - | 3 165 |
| Pôle Santé Beauté Hygiène | - | 3 204 | 81 | 148 | 3 433 | - | 3 433 |
| **Total** | **9 043** | **3 204** | **81** | **148** | **12 476** | **-** | **12 476** |

| | |
|---|---|
| **31/12/2022** | **12/31/2022** |
| **Acquisition** | **Acquisition** |
| **Ecart de conversion** | **Translation adjustment** |
| **Reclassement** | **Reclassification** |
| **Valeur brute** | **Gross value** |
| **Dépréciation** | **Impairment** |

| 31/12/2023 | 12/31/2023 |
|---|---|
| Pôle Construction et matériaux | Construction & Materials Division |
| Pôle Hygiène et protection | Hygiene & Protection Division |
| Pôle Santé Beauté Hygiène | Health, Beauty & Hygiene Division |
| **Total** | **Total** |
| 5 878 | 5,878 |
| - | - |
| 5 878 | 5,878 |
| - | - |
| 5 878 | 5,878 |
| 3 165 | 3,165 |
| - | - |
| 3 165 | 3,165 |
| - | - |
| 3 165 | 3,165 |
| - | - |
| 3 204 | 3,204 |
| 81 | 81 |
| 148 | 148 |
| 3 433 | 3,433 |
| - | - |
| 3 433 | 3,433 |
| **9 043** | **9,043** |
| **3 204** | **3,204** |
| **81** | **81** |
| **148** | **148** |
| **12 476** | **12,476** |
| **-** | **-** |
| **12 476** | **12,476** |

In accordance with IFRS 3, Groupe Berkem has a period for allocating its new goodwill ending at the close of the fiscal year following the date of acquisition.

### *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, 2023, the discount rate determined on the basis of market data was between 10.5% and 11.5% (previous year: between 10.2% and 11.6%). The discount rate used for the four CGUs for fiscal year 2023 was 11% (10.5% for fiscal year 2022).

After reviewing the value of goodwill, no impairment was recognized at December 31, 2023.

The Group has carried out sensitivity analyzes. No reasonably possible variation could lead to impairment. In fact, the following sensitivity calculations were performed on the basis of the business plan adopted:

- A 100 bp drop in the EBITDA / revenue ratio,
- A 100 bp increase in the discount rate.

None of these calculations would lead to an impairment of goodwill.

#### 5.3. Intangible assets

| *in € thousands* | 12/31/2021 | Acquisitions | Disposals | Allocations in the fiscal year | Changes in exchange rates | Changes in scope | 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** |

| *in € thousands* | 12/31/2022 | Acquisitions | Disposals | Allocations in the fiscal year | Changes in exchange rates | Changes in scope | Reclassifications | 12/31/2023 |
|---|---|---|---|---|---|---|---|---|
| R&D costs | 2,627 | 1,435 | - | - | - | - | - | 4,062 |
| Concessions, patents and similar | 12,147 | 283 | -1,000 | - | - | 3 | 1,075 | 12,508 |
| Business assets | - | 137 | - | - | 27 | 256 | -420 | - |
| Intangible assets in progress | 1,044 | 2,107 | - | - | - | - | -801 | 2,350 |
| Other intangible assets | 3 | - | - | - | - | - | - | 3 |
| **Total intangible assets** | **15,821** | **3,962** | **-1,000** | **-** | **27** | **259** | **-146** | **18,923** |
| Amortization and impairment of R&D costs | -1,347 | - | - | -385 | - | - | - | -1,732 |
| Amortization and impairment of goodwill | - | - | - | -34 | -6 | -212 | 252 | - |
| Amortization and impairment of concessions, patents and similar | -8,323 | - | 1,000 | -582 | - | -3 | - | -7,909 |
| Amortization and impairment of other intangible assets | -3 | - | - | - | - | - | - | -3 |
| **Total amortization and impairment of intangible assets** | **-9,673** | **-** | **1,000** | **-1,001** | **-6** | **-215** | **252** | **-9,644** |
| **Total net value** | **6,148** | **3,962** | **-** | **-1,001** | **21** | **44** | **105** | **9,279** |

### 5.4. Property, plant and equipment

| *in € thousands* | 12/31/2021 | Acquisitions | Disposals | Allocations in the fiscal year | Changes in scope | 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** | **-** | **-** | **18,892** |

| *in € thousands* | 12/31/2022 | Acquisitions | Disposals | Allocations in the fiscal year | Changes in scope | Reclassifications | 12/31/2023 |
|---|---|---|---|---|---|---|---|
| Land | 717 | - | - | - | 645 | - | 1,362 |
| Site fixtures | 266 | 54 | - | - | 680 | 265 | 1,264 |
| Buildings | 13,015 | 712 | -220 | - | 2,965 | 382 | 16,855 |
| Buildings - leases (IFRS 16) | 2,039 | - | - | - | - | - | 2,039 |
| Technical facilities, machinery and equipment | 15,894 | 1,601 | -1,889 | - | 1,353 | 2,379 | 19,337 |
| Technical facilities, machinery and equipment - leases (IFRS 16) | 2,155 | 1,042 | - | - | - | - | 3,196 |
| Office equipment | - | 1 | - | - | 5 | - | 6 |
| Transportation equipment | 64 | 5 | -6 | - | - | - | 62 |
| Transportation equipment - leases (IFRS 16) | 357 | - | - | - | 0 | - | 357 |
| IT equipment | 573 | 133 | -76 | - | 15 | - | 645 |
| Other property, plant and equipment - leases (IFRS 16) | 1,792 | 116 | - | - | - | - | 1,908 |
| Property, plant and equipment in progress | 4,223 | 2,394 | -13 | - | - | -2,836 | 3,767 |
| Advances and prepayments on property, plant and equipment | 689 | 1,057 | -7 | - | - | -678 | 1,061 |
| Other property, plant and equipment | 1,101 | 415 | - | - | - | 236 | 1,752 |
| **Total property, plant and equipment** | **42,884** | **7,528** | **-2,212** | **-** | **5,662** | **-253** | **53,611** |
| Amortization and impairment of office equipment | - | - | - | -2 | - | - | -2 |
| Amortization and impairment of site fixtures | -187 | - | - | -16 | - | - | -203 |
| Amortization and impairment of transportation equipment | -45 | - | 4 | -17 | - | - | -58 |
| Amortization and impairment of transportation equipment - leases (IFRS 16) | -95 | - | - | -860 | - | - | -955 |
| Amortization and impairment of computer equipment | -483 | - | 76 | -51 | -14 | - | -472 |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Amortization and impairment of buildings | -8,223 | - | 235 | -709 | -920 | - | -9,617 |
| Amortization and impairment of buildings - leases (IFRS 16) | -407 | - | - | -420 | - | - | -828 |
| Amortization and impairment of technical facilities, machinery and equipment | -12,603 | - | 785 | -898 | -567 | - | -13,282 |
| Amortization and impairment of technical facilities, machinery and equipment - leases (IFRS 16) | -472 | - | - | -12 | - | - | -484 |
| Amortization and impairment of other property, plant and equipment | -600 | - | - | -97 | - | - | -697 |
| Amortization and impairment of other property, plant and equipment - leases (IFRS 16) | -877 | - | - | - | - | - | -877 |
| **Total amortization and impairment of property, plant and equipment** | **-23,992** | **-** | **1,101** | **-3,081** | **-1,501** | **-** | **-27,474** |
| **Total net value** | **18,892** | **7,528** | **-1,111** | **-3,081** | **4,161** | **-253** | **26,137** |

The column *Change in scope* includes the acquisition of the tangible assets of SAS BIOPRESS and SCI GIB, acquired in the first half of 2023. These assets were revalued at fair value, in accordance with IFRS 3 - Business combinations, for amounts of €1,495 thousand and €1,828 thousand, respectively.

### 5.5. Financial assets

| *In € thousands* | 12/31/2021 | Acquisitions | Disposals | Charges and reversals for the fiscal year | 12/31/2022 |
|---|---|---|---|---|---|
| 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** | **-** | **245** |
| **Total impairment of financial assets** | **-** | **-** | **-** | **-37** | **-37** |
| **Total net value** | **226** | **215** | **-196** | **-37** | **208** |

| *In € thousands* | 12/31/2022 | Acquisitions | Disposals | Charges and reversals for the fiscal year | Changes in scope | 12/31/2023 |
|---|---|---|---|---|---|---|
| Long-term investments (AFS - non-current) | 18 | - | - | - | - | 18 |
| Loans, guarantees and other receivables - non-current | 226 | 10 | - | - | 10 | 246 |
| **Total financial assets** | **245** | **10** | **-** | **-** | **10** | **265** |
| **Total impairment of financial assets** | **37** | **-** | **-** | **37** | **-** | **-** |
| **Total net value** | **208** | **10** | **-** | **37** | **10** | **265** |

Non-current financial assets mainly comprise loans, guarantees and other receivables, as well as long-term securities. An impairment is recognized if their value in use for the Group falls below their carrying amount.

### 5.6. Deferred taxes

Deferred taxes at December 31, 2023 break down as follows:

- Deferred tax assets:
  - Deferred tax on tax loss carryforwards: €894 thousand
  - Deferred tax on temporary differences: €981 thousand
- Deferred tax liabilities amount to €811 thousand

### 5.7. Inventories

| *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** |

| *In € thousands - 12/31/2023* | Gross value | Impairment | Net value |
|---|---|---|---|
| Inventories of raw materials, consumables and other supplies | 4,786 | -43 | 4,744 |
| Inventories of intermediate and finished goods | 8,480 | -39 | 8,440 |
| **Total inventories** | **13,266** | **-82** | **13,184** |

Impairment of inventories was recorded as follows:

| *In € thousands* | 12/31/2021 | Movements | Additions/reversals | 12/31/2021 |
|---|---|---|---|---|
| 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** |

| *In € thousands* | 12/31/2022 | Movements | Additions/reversals | 12/31/2022 |
|---|---|---|---|---|
| Raw materials and supplies | 3,034 | 1,615 | 95 | 4,744 |
| Intermediate and finished goods | 8,343 | 97 | - | 8,440 |
| **Total inventories** | **11,377** | **1,712** | **95** | **13,184** |

### 5.8. Trade and other receivables

The breakdown of trade receivables is as follows:

| *In € thousands* | 12/31/2023 | 12/31/2022 |
|---|---|---|
| Trade receivables | 13,852 | 7,959 |
| Un-issued invoices | 525 | - |
| Impairment of trade receivables and related accounts | -162 | -214 |
| **Total trade receivables and related accounts** | **14,215** | **7,745** |
| Payables - advances and prepayments paid | 143 | 227 |
| Receivables - personnel and social welfare agencies | 39 | 20 |
| Tax receivables - excluding corporate tax - current | 185 | 1,394 |
| Group current account assets - current | 427 | 341 |
| Other receivables - current | 1,599 | 1,253 |
| **Other receivables** | **2,392** | **3,235** |
| **Total trade and other receivables** | **16,607** | **10,980** |

After analysis, the Group considers that the factoring contract is not deconsolidating. The restated amounts are €10,448 thousand at December 31, 2022 and €9,894 thousand at December 31, 2023.

### 5.9. Tax receivables

They amounted to €1,995 thousand at December 31, 2023 and consist mainly of CIR/CII receivables.

### 5.10. Other current assets

The breakdown of other current assets is as follows:

| *In € thousands* | 12/31/2023 | 12/31/2022 |
|---|---|---|
| Loans, guarantees and other receivables - current | 94 | 729 |
| Prepaid expenses | 481 | 403 |
| **Other current assets** | **575** | **1,132** |

### 5.11. Cash and cash equivalents

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

| *in € thousands* | 12/31/2023 | 12/31/2022 |
|---|---|---|
| Marketable securities | 19 | 18 |
| Cash and cash equivalents | 11,366 | 11,532 |
| **Total assets** | **11,385** | **11,549** |
| Bank overdrafts | 56 | 148 |
| **Total liabilities** | **56** | **148** |
| **Net cash position** | **11,329** | **11,401** |

### 5.12. Share capital

At December 31, 2023, the share capital of the parent company, Groupe Berkem, comprised 17,767,652 shares with a par value of €2.25. The share capital has been increased to pay up the shares in the AGA plan.

Basic earnings per share were as follows (no potentially dilutive shares were outstanding in 2022 or 2023):

| | 12/31/2023 | 12/31/2022 |
|---|---|---|
| Net income in € | 367,229 | -1,567,226 |
| Number of shares issued | 17,767,652 | 17,685,025 |
| **Basic earnings per share** | **0.02** | **-0.09** |
| Net income in € | 367,229 | -1,567,226 |
| Number of shares issued | 17,767,652 | 17,685,025 |
| Potentially dilutive shares | 0 | 0 |
| Number of diluted shares | 17,767,652 | 17,685,025 |
| **Diluted earnings per share in €** | **0.02** | **-0.09** |

### 5.13. Share premium

On March 3, 2023, the Chairman and Chief Executive Officer of SA Groupe BERKEM decided:

- To record the creation of 82,627 shares with a par value of €2.25 each and;
- To pay up said shares, deduct the amount of €185,910 from "Share premium, merger premium, contribution premium."

### 5.14. Treasury shares

Acquisition and resale 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 2023. These transactions were carried out in accordance with the share buyback program authorized by its Shareholders' Meeting. The company has thus:

- Purchased 139,046 shares for a total transaction value of €463,568.85;

- Sold 115,398 shares for a total transaction value of €400,398.91.

At December 31, 2023, treasury shares held by the company were deducted from equity in the amount of €401 thousand.

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

The characteristics of the stock option plan remained unchanged in 2023.

| | |
|---|---|
| **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 |
|---|---|---|---|
| 12/31/2023 | 176 | 35 | 211 |

### 5.16. Provisions

| *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** |

| *in € thousands* | 12/31/2022 | Allocations in the fiscal year | Reclassifications | Changes in scope | Specific transactions | 12/31/2023 |
|---|---|---|---|---|---|---|
| Provisions for litigation - non-current | - | - | - | 11 | - | 11 |
| Provisions for litigation - current | 4 | 4 | - | - | - | 8 |
| **Total provisions for liabilities** | **4** | **4** | **-** | **11** | **-** | **19** |
| Provisions for pensions and retirement - non-current | 1,283 | 24 | - | 53 | -197 | 1,163 |
| Provisions for pensions and retirement - current | 190 | - | - | - | - | 190 |
| Provision for income tax - current | 100 | 594 | - | - | - | - |
| **Total provisions for expenses** | **1,573** | **618** | **-694** | **53** | **-197** | **1,353** |
| **Total provisions for liabilities and expenses** | **1,577** | **622** | **-694** | **64** | **-197** | **1,372** |

At December 31, 2023 provisions for expenses were mainly composed of a provision for retirement benefits of €1,353 thousand, of which €190 thousand is classified as current.

For the Group's pension obligations, the method used is prospective. The provision was €1,353 thousand at December 31, 2023. It should be noted that the pension reform introduced in 2023 has no effect on the Group's commitments, as the retirement age has already been set at 64.

The assumptions used are as follows:

| Assumptions used | 12/31/2023 | 12/31/2022 |
|---|---|---|
| Discount rate: Iboxx corporate AA10+ | 3.52% | 3.75% |
| Retirement age | 64 years old (manager and non-manager) | 64 years old (manager and non-manager) |
| Salary progression rate | 3.5% (manager and non-manager) | 3.5% (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 | Decreasing curves, canceling out at age 60, with averages of 2.9% for managers and 4.0% for non-managers |
| 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* | 12/31/2023 | 12/31/2022 |
|---|---|---|
| **Total liabilities at opening** | **1,473** | **1,193** |
| Cost of services rendered | 168 | 101 |
| Net financial interest | 54 | 13 |
| Actuarial gains and losses generated over the period | -196 | 169 |
| Benefits paid by the company to employees | -146 | 0 |
| Other | 0 | -3 |
| **Total liabilities at closing** | **1,353** | **1,473** |

### 5.17. Financial liabilities

The breakdown of financial liabilities was as follows:

| *in € thousands* | **12/31/2021** | **Increases** | **Repayments** | **Changes in scope** | **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* | *-0* | - | *-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** |

| *in € thousands* | **12/31/2022** | **Increases** | **Repayments** | **Changes in scope** | **Other** | **12/31/2023** |
|---|---|---|---|---|---|---|
| Bonds | 6,290 | - | - | - | -6 | -6,284 |
| Loans from credit institutions | 18,043 | 6,250 | -216 | 427 | -1,053 | 23,451 |
| *o/w IFRS 16* | *3,610* | - | *-98* | - | - | *3,412* |
| Other borrowings and similar debt | - | - | - | 8 | - | 8 |
| **Non-current borrowings and financial debt** | **24,334** | **6,250** | **-216** | **435** | **-1,053** | **29,743** |
| Loans from credit institutions | 2,853 | 6,750 | -2,147 | - | 1,135 | 8,591 |
| *o/w IFRS 16* | *1,166* | - | - | - | - | *1,166* |
| Accrued interest on loans | 219 | 401 | -218 | - | - | 402 |
| Bank overdrafts (cash flow liabilities) | 148 | - | -92 | - | - | 56 |
| **Current borrowings and bank overdrafts** | **3,220** | **7,151** | **-2,457** | **-** | **1,135** | **9,049** |
| **Total borrowings and financial debt** | **27,553** | **13,401** | **-2,673** | **435** | **76** | **38,793** |

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

| *in € thousands* | 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** |

| *in € thousands* | 12/31/2023 | < 1 year | 1 to 5 years | > 5 years |
|---|---|---|---|---|
| Bonds | 6,284 | - | - | 6,284 |
| Loans from credit institutions | 23,451 | - | 14,373 | 9,078 |
| Other borrowings and similar debt | 8 | | 8 | - |
| **Non-current borrowings and financial debt** | **29,743** | **-** | **14,381** | **15,362** |

The fixed and variable rate portions are as follows:

| *en k euros* | 31/12/2023 | 31/12/2022 |
|---|---|---|
| Emprunts à taux fixe | 15 293 | 10 967 |
| Emprunts à taux variable | 23 500 | 16 586 |
| **Total emprunts** | **38 793** | **27 553** |

| *en k euros* | *in € thousands* |
|---|---|
| **31/12/2023** | **12/31/2023** |
| **31/12/2022** | **12/31/2022** |
| **Emprunts à taux fixe** | **Fixed-rate borrowings** |
| **Emprunts à taux variable** | **Variable-rate borrowings** |
| **Total emprunts** | **Total borrowings** |
| 15 293 | 15,293 |
| 10 967 | 10,967 |
| 23 500 | 23,500 |
| 16 586 | 16,586 |
| **38 793** | **38,793** |
| **27 553** | **27,553** |

### 5.18. Trade and other payables

| *In € thousands* | 12/31/2023 | 12/31/2022 |
|---|---|---|
| Trade payables | 6,041 | 5,491 |
| Unpaid invoices | 808 | 810 |
| Current accounts | 182 | |
| Social security payables | 1,993 | 2,077 |
| Tax liabilities | 54 | 293 |
| Other debts | 8,361 | 4,829 |
| **Total trade and other payables** | **17,468** | **13,499** |

### 5.19. Other current liabilities

| *In € thousands* | 12/31/2023 | 12/31/2022 |
|---|---|---|
| Debts on acquired assets | 495 | 977 |
| Receivables - advances and prepayments received | 6,222 | 947 |
| **Total other current liabilities** | **6,717** | **1,925** |

### 5.20. Revenue

#### *5.20.1. Breakdown of revenue by business sector*

| | 2023 | | 2022 | |
|---|---|---|---|---|
| | En K€ | En % du CA | En K€ | En % du CA |
| Santé Beauté Nutrition | 17 821 | 34% | 15 809 | 31% |
| Materiaux Construction | 21 798 | 42% | 23 975 | 46% |
| Hygiene Protection | 10 981 | 21% | 11 401 | 22% |
| Industrie | 1 345 | 3% | 188 | 0% |
| Divers | | | 192 | 0% |
| TOTAL | 51 944 | | 51 566 | |

| | |
|---|---|
| **2023** | **2023** |
| **2022** | **2022** |
| **En K€** | **In € thousands** |
| **En % du CA** | **As a % of revenue** |
| **En K€** | **In € thousands** |
| **En % du CA** | **As a % of revenue** |
| Santé Beauté Nutrition | Health Beauty Nutrition |

| | |
|---|---|
| 17 821 | 17,821 |
| 34% | 34% |
| 15 809 | 15,809 |
| 31% | 31% |
| Materiaux Construction | Construction Materials |
| 21 798 | 21,798 |
| 42% | 42% |
| 23 975 | 23,975 |
| 46% | 46% |
| Hygiene Protection | Hygiene Protection |
| 10 981 | 10,981 |
| 21% | 21% |
| 11 401 | 11,401 |
| 22% | 22% |
| Industrie | Industry |
| 1 345 | 1,345 |
| 3% | 3% |
| 188 | 188 |
| 0% | 0% |
| Divers | Misc. |
| 192 | 192 |
| 0% | 0% |
| **TOTAL** | **TOTAL** |
| **51 944** | **51,944** |
| **51 566** | **51,566** |

### *5.20.2. Geographical breakdown of revenue*

| | 2023 | | 2022 | |
|---|---|---|---|---|
| | **In € thousands** | **As a % of revenue** | **In € thousands** | **As a % of revenue** |
| France | 37,192 | 72% | 36,973 | 72% |
| Export | 14,752 | 28% | 14,593 | 28% |
| **Total revenue** | **51,944** | **100%** | **51,566** | **100%** |

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

Four customers account for more than 11.9% of Groupe Berkem's revenue, for a total of €6,187 thousand.

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

#### 5.21. Other operating income

Other operating income consists of the resale of kWh rights under the electricity supply contract signed with the energy supplier.

#### 5.22. Other operating income and expenses

### *5.22.1. Capitalized production*

Capitalized production amounted to €4,670 thousand at December 31, 2023, compared with €1,854 thousand at December 31, 2022. 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, construction of buildings);
- The deployment of a new ERP.

The breakdown of capitalized production is as follows at December 31, 2023:

- Wages: €2,576 thousand
- Fees: €53 thousand
- Other expenses: €380 thousand
- General subcontracting: €964 thousand
- Studies and research: €697

### *5.22.2. External expenses*

| *en k euros* | 31/12/2023 | 31/12/2022 |
|---|---|---|
| Achat d'études | -25 | 24 |
| Autres achats | -11 | 0 |
| Achats non stockés de matières et fournitures | -3 335 | -1306 |
| Sous-traitance générale | 0 | -379 |
| Redevances de location-financement | 0 | -819 |
| Locations et charges locatives | -379 | 505 |
| Entretiens et réparations | -1 058 | -807 |
| Primes d'assurance | -613 | -535 |
| Etudes et recherches | -286 | -471 |
| Divers | -228 | -388 |
| Personnel mis à disposition | -296 | -606 |
| Rémun. d'intermédiaires & honoraires | -2 577 | -1886 |
| Publicités | -912 | -1034 |
| Transports | -1 879 | -1842 |
| Déplacements, missions | -1 096 | -981 |
| Frais postaux | -181 | -152 |
| Services bancaires | -175 | -121 |
| Autres charges externes | -121 | -169 |
| **Total Charges externes** | **-13 171** | **-10 964** |

| *en k euros* | *in € thousands* |
|---|---|
| **31/12/2023** | **12/31/2023** |
| **31/12/2022** | **12/31/2022** |
| Achats ‘études | Purchase of studies |
| Autres achats | Other purchases |
| Achats non stockés de matières et fournitures | Non-stock purchases of materials and supplies |
| Sous-traitance générale | General subcontracting |
| Redevances de location-financement | Finance lease fees |
| Locations et charges locatives | Rent and rental expenses |
| Entretiens et réparations | Maintenance and repairs |
| Primes d’assurance | Insurance premiums |
| Etudes et recherches | Studies and research |
| Divers | Misc. |
| Personnel mis à disposition | Personnel made available |
| Rémun. d’intermédiaires & honoraires | Compensation of intermediaries and fees |
| Publicités | Advertisements |
| Transports | Transportation |
| Déplacements, missions | Travel, missions |

| | |
|---|---|
| Frais postaux | Postal charges |
| Services bancaires | Banking services |
| Autres charges externes | Other external expenses |
| **Total Charges externes** | **Total external expenses** |
| -25 | -25 |
| 24 | 24 |
| -11 | -11 |
| 0 | 0 |
| -3 335 | -3,335 |
| -1306 | -1,306 |
| 0 | 0 |
| -379 | -379 |
| 0 | 0 |
| -819 | -819 |
| -379 | -379 |
| 505 | 505 |
| -1 058 | -1,058 |
| -807 | -807 |
| -613 | -613 |
| -535 | -535 |
| -286 | -286 |
| -471 | -471 |
| -228 | -228 |
| -388 | -388 |
| -296 | -296 |
| -606 | -606 |
| -2 577 | -2,577 |
| -1886 | -1,886 |
| -912 | -912 |
| -1034 | -1,034 |
| -1 879 | -1,879 |
| -1842 | -1,842 |
| -1 096 | -1,096 |
| -981 | -981 |
| -181 | -181 |
| -152 | -152 |

| | |
|---|---|
| -175 | -175 |
| -121 | -121 |
| -169 | -169 |
| **-13 171** | **-13,171** |
| **-10 964** | **-10,964** |

### *5.22.3. Personnel expenses*

| *in € thousands* | 2023 | 2022 |
|---|---|---|
| Personnel compensation | -7,883 | -10,538 |
| Social security and welfare expenses | -4,210 | -3,885 |
| Other personnel expenses (including profit-sharing) | -35 | -58 |
| **Total personnel expenses** | **-12,128** | **-14,481** |

### *5.22.4. Additions to and reversals of depreciation, amortization and provisions*

| *in € thousands* | 12/31/2023 | 12/31/2022 |
|---|---|---|
| Additions/amortization and impairment of intangible assets | -1,001 | -934 |
| Additions/amortization and impairment of property, plant and equipment | -3,075 | -2,460 |
| Additions/impairment of inventories of raw materials and goods | -258 | -174 |
| Additions/impairment of current assets | -55 | -47 |
| Additions to operating provisions | 0 | -1,140 |
| Reversals of impairment on inventories of raw materials and goods | 353 | 251 |
| Reversals/impairment of receivables (current assets) | 107 | 178 |
| **Total additions and reversals of amortization and operating provisions** | **-3,929** | **-4,755** |

## 5.23. Breakdown of gross margin by business sector

*Data as of 12/31/2022*

| | Santé Beauté Nutrition | Materiaux Construction | Hygiene Protection | Industrie | TOTAL |
|---|---|---|---|---|---|
| CA | 15 809 | 23 975 | 11 401 | 188 | 51 566 |
| MB | 12 446 | 9 221 | 5 810 | 34 | 27 511 |

| | |
|---|---|
| **Santé Beauté Nutrition** | **Health Beauty Nutrition** |
| **Matériaux Construction** | **Construction Materials** |

| | |
|---|---|
| **Hygiène Protection** | **Hygiene Protection** |
| **Industrie** | **Industry** |
| **TOTAL** | **TOTAL** |
| CA | Revenue |
| MB | MB |
| 15 809 | 15,809 |
| 23 975 | 23,975 |
| 11 401 | 11,401 |
| 188 | 188 |
| 51 566 | 51,566 |
| 12 446 | 12,446 |
| 9 221 | 9,221 |
| 5 810 | 5,810 |
| 34 | 34 |
| 27,511 | 27,511 |

*Data as of 12/31/2023*

| *Données en K€* | **Santé Beauté Nutrition** | **Materiaux Construction** | **Hygiene Protection** | **Industrie** | **TOTAL** |
|---|---|---|---|---|---|
| CA | 17 821 | 21 798 | 10 981 | 1 345 | 51 944 |
| MB | 11 180 | 12 699 | 6 400 | 611 | 30 891 |

| | |
|---|---|
| *Données en K€* | *Data in € thousands* |
| **Santé Beauté Nutrition** | **Health Beauty Nutrition** |
| **Matériaux Construction** | **Construction Materials** |
| **Hygiène Protection** | **Hygiene Protection** |
| **Industrie** | **Industry** |
| **TOTAL** | **TOTAL** |
| CA | Revenue |
| MB | MB |
| 17 821 | 17,821 |
| 21 798 | 21,798 |
| 10 981 | 10,981 |
| 1 345 | 1,345 |
| 51 944 | 51,944 |
| 11 180 | 11,180 |
| 12 699 | 12,699 |
| 6 400 | 6,400 |

| | |
|---|---|
| 611 | 611 |
| 30 891 | 30,891 |

The Group defines gross margin as the sum of the following items:

- Revenue
- (+) Other operating income net of purchases consumed
- (-) Purchases consumed
- (+/-) Change in work-in-progress and finished goods inventory

### 5.24. Other non-recurring income and expenses

At December 31, 2023, other non-recurring income and expenses break down as follows:

- Badwill related to the acquisition of BIOPRESS SAS and SCI GIB: €2,537 thousand
- Other operating expenses: - €1,544 thousand (of which €587 thousand related to the recycling of Berkem Inc. negative equity to income)

The badwill relating to the acquisition of Biopress SAS and SCI GBI results from the allocation of the purchase price in accordance with IFRS 3. As part of this process, revaluations of property, plant and equipment amounting to €3,322 thousand (before the impact of deferred taxes) were identified, supported by an appraisal carried out by an independent firm.

### 5.25. Cost of gross financial debt

| *en k euros* | 2023 | 2022 |
|---|---|---|
| Charges d'intérêts sur emprunt | - 1 862 | - 674 |
| Charges d'intérêts sur emprunt - Location (IFRS 16) | - 74 | - 138 |
| **Total Coût de l'endettement financier brut** | **- 1 936** | **- 812** |

| | |
|---|---|
| *en k euros* | *in € thousands* |
| **2023** | **2023** |
| **2022** | **2022** |
| Charges d'intérêts sur emprunt | Interest expense on borrowings |
| - 1 862 | -1,862 |
| - 674 | -674 |
| Charges d'intérêts sur emprunt – Location (IFRS 16) | Interest expense on borrowings – Leases (IFRS 16) |
| - 74 | -74 |
| - 138 | -138 |
| **Total Coût de l'endettement financier brut** | **Total Cost of gross financial debt** |
| **- 1 936** | **-1,936** |

| | |
|---|---|
| **- 812** | **-812** |

### 5.26. Other financial income and expenses

| *en k euros* | **2023** | **2022** |
|---|---|---|
| Variation de juste valeur (charge) | - 79 | - 21 |
| Variation de juste valeur (produit) | 3 | 37 |
| Pertes de change sur autres dettes et créances - réalisées | - 81 | - 60 |
| Autres charges financières | - 279 | - 80 |
| Autres produits financiers | 409 | 61 |
| **Total autres produits et charges financières** | **- 27** | **- 63** |

| *en k euros* | *in € thousands* |
|---|---|
| **2023** | **2023** |
| **2022** | **2022** |
| Variation de juste valeur (charge) | Change in fair value (expense) |
| - 79 | -79 |
| - 21 | -21 |
| Valeur de juste valeur (produit) | Fair value (income) |
| 3 | 3 |
| 37 | 37 |
| Pertes de change sur autres dettes et créances – réalisées | Foreign exchange losses on other debts and receivables – realized |
| - 81 | -81 |
| - 60 | -60 |
| Autres charges financières | Other financial expenses |
| - 279 | -279 |
| - 80 | -80 |
| Autres produits financiers | Other financial income |
| 409 | 409 |
| 61 | 61 |
| **Total autres produits et charges financières** | **Total other financial income and expenses** |
| **- 27** | **-27** |
| **- 63** | **-63** |

### 5.27. Income tax

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

| *In € thousands* | 2023 | 2022 |
|---|---|---|
| Deferred taxes | -205 | 333 |
| Current taxes | -43 | -502 |
| **Total income tax** | **-248** | **-169** |

Current taxes are calculated according to the tax consolidation regime.

### 5.28. 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 | 2022 |
|---|---|---|
| Net income of consolidated companies | 367 | -1,567 |
| Income tax | -248 | -169 |
| **Net taxable income** | **615** | **-1,398** |
| Parent company tax rate | 25.83% | 25.0% |
| **Theoretical tax expense** | **-159** | **350** |
| Permanent differences | -95 | -261 |
| Consolidation restatements not subject to tax treatment | 75 | -234 |
| Tax credits | - | 12 |
| Interest rate differential | -14 | 20 |
| Other differences | -55 | -56 |
| **Actual tax expense recognized** | **-248** | **-169** |

## 6. Headcount

As of December 31, 2023, the average headcount was 200. It breaks down as follows:

| | Average salaried headcount |
|---|---|
| Managers | 65 |
| Supervisors and technicians | 61 |
| Employees | 30 |
| Workers | 44 |
| **Total** | **200** |

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** |

## 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 merger with 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.

There are also transactions with Kenercy, notably concerning rental payments for the Blanquefort premises and insurance rebilling by Kenercy.

### 7.1. Statutory Auditors' fees

Statutory Auditors' fees amounted to €263 thousand for the audit of the Group's annual and consolidated financial statements as of December 31, 2022. At December 31, 2023, they amounted to €281 thousand.

# 8. Off-balance sheet commitments

## 8.1. Commitments given

| Société concernée | Description | 31.12.2023 (en K€) | 31.12.2022 (en K€) |
|---|---|---|---|
| Groupe Berkem | Nantissement des titres de filiale en garantie du prêt senior | 26 700 | |
| | Cautionnement solidaire de Groupe Berkem pour l'intégralité des en-cours dans le cadre du prêt senior | 63 500 | |
| Berkem Développement | Privilège de prêteur de dernier rang sur prêt d'équipement obtenu de la Caisse d'Epargne Aquitaine Poitou Charentes | 639 | |
| | Nantissement de titres des filiales en garantie du prêt senior de 63,5 M€ de 2022 consenti par le pool bancaire | | 12 171 |
| Lixol | Privilège de prêteur de dernier rang sur prêt d'équipement obtenu de la Caisse d'Epargne Aquitaine Poitou Charentes | | 852 |
| **Total** | | **90 839** | **13 023** |

| **Société concernée** | **Company concerned** |
|---|---|
| **Description** | **Description** |
| **31.12.2023 (en K€)** | **12.31.2023 (in € thousands)** |
| **31.12.2022 (en K€)** | **12.31.2022 (in € thousands)** |
| Groupe Berkem | Groupe Berkem |
| Nantissement des titres de filiale en garantie du prêt senior | Pledge of securities of subsidiaries as collateral for the senior loan |
| 26 700 | 26,700 |
| Cautionnement solidaire de Groupe Berkem pour l'intégralité des en-cours dans le cadre du prêt senior | Joint and several guarantee by Groupe Berkem for all outstanding amounts under the senior loan facility |
| 63 500 | 63,500 |
| Berkem Développement | Berkem Développement |
| Privilège de prêteur de dernier rang sur prêt d'équipement obtenu de la Caisse d'Epargne Aquitaine Poitou Charentes | Tier 1 lender's lien for an equipment loan granted by Caisse d'Épargne Aquitaine Poitou-Charentes |
| 639 | 639 |
| Nantissement de titres des filiales en garantie du prêt senior de 63,5 M€ de 2022 consenti par le pool bancaire | Pledge of securities of subsidiaries as collateral for the senior loan of €63.5 million granted by the banking pool in 2022 |
| 12 171 | 12,171 |
| Lixol | Lixol |
| Privilège de prêteur de dernier rang sur prêt d'équipement obtenu de la Caisse d'Epargne Aquitaine Poitou Charentes | Tier 1 lender's lien for an equipment loan granted by Caisse d'Épargne Aquitaine Poitou-Charentes |
| 852 | 852 |
| Total | Total |
| 90 839 | 90,839 |
| 13 023 | 13,023 |

## 8.2. Commitments received

| Société concernée | Description | 31.12.2023 (en K€) | 31.12.2022 (en K€) |
|---|---|---|---|
| Berkem | Garantie Fonds National de Garantie de Prêt Croissance Industrie 2 du prêt BPI à hauteur de 80% | | 374 |
| | Cautionnement Caisse Mutuel Garant INDUST MECA du prêt équipement à hauteur de 30% | | 33 |
| BioPress | Garantie Etat pour prêt LCL à hauteur de 90% | 102 | |
| | Garantie Etat pour prêt SG à hauteur de 90% | 22 | |
| Berkem Développement | Garantie 90% Atout financement BPI de 500 K€ | 169 | |
| | Garantie 60% Atout financement BPI de 2 000 K€ | 194 | |
| | Garantie 80% Atout financement BPI de 720 K€ | 259 | |
| | Garantie Fonds National de Garantie "Garantie Atout ETI" du financement BPI à hauteur de | | 281 |
| | Garantie Fonds National de Garantie du financement du prêt croissance BPI à hauteur de | | 420 |
| **Total** | | **746** | **1 109** |

| | |
|---|---|
| **Société concernée** | **Company concerned** |
| **Description** | **Description** |
| **31.12.2023 (en K€)** | **12.31.2023 (in € thousands)** |
| **31.12.2022 (en K€)** | **12.31.2022 (in € thousands)** |
| Berkem | Berkem |
| Garantie Fonds National de Garantie de Prêt Croissance Industrie 2 du prêt BPI à hauteur de 80% | Fonds National de Garantie de Prêt Croissance Industrie 2 guarantee<br>for the BPI loan up to 80% |
| 374 | 374 |
| Cautionnement Caisse Mutuel Garant INDUST MECA du prêt équipement à hauteur de 30% | Caisse Mutuel Garant INDUST MECA guarantee for the equipment loan up to 30% |
| 33 | 33 |
| BioPress | Biopress |
| Garantie Etat pour prêt LCL à hauteur de 90% | State guarantee for the LCL loan up to 90% |
| 102 | 102 |
| Garantie Etat pour prêt SG à hauteur de 90% | State guarantee for the SG loan up to 90% |
| 22 | 22 |
| Berkem Développement | Berkem Développement |
| Garantie 90% Atout financement BPI de 500 K€ | 90% BPI financing guarantee of €500 thousand |
| 169 | 169 |
| Garantie 60% Atout financement BPI de 2 000 K€ | 60% BPI financing guarantee of €2,000 thousand |
| 194 | 194 |
| Garantie 80% Atout financement BPI de 720 K€ | 80% BPI financing guarantee of €720 thousand |
| 259 | 259 |
| Garantie Fonds National de Garantie "Garantie Atout ETI" du financement BPI à hauteur de | Fonds National de Garantie "Garantie Atout ETI" guarantee of the BPI financing up to |
| 281 | 281 |
| Garantie Fonds National de Garantie du financement du prêt croissance BPI à hauteur de | Fonds National de Garantie guarantee for the financing of the BPI growth loan up to |
| 420 | 420 |

| | |
|---|---|
| Total | Total |
| 746 | 746 |
| 1 109 | 1,109 |

## 9. Events subsequent to the closing of the financial statements

Groupe Berkem set up an interest-rate swap of €3 million on a nominal €5 million over 3 years at a rate of 3.75%.

Groupe Berkem announced the acquisition of the Givaudan site in Valencia (Spain), specialized in the extraction of plant and marine products for the food, nutrition (nutraceuticals) and cosmetics markets. With this acquisition, Groupe Berkem significantly increases its production capacity in plant extracts for the Health, Beauty and Nutrition division. It should be noted that, as part of the sale of Givaudan's industrial site in Valencia (Spain) to Groupe Berkem, the marine ingredients production activity carried out for the Givaudan Group will continue in the form of a long-term partnership. 47 employees at the Valencia (Spain) site will also join Groupe Berkem's headcount and expertise as part of this operation. The acquisition will be 100% financed by the External Growth Credit Line contracted by Groupe Berkem on July 26, 2022, and will be managed by Berkem Développement (a 100% subsidiary of Groupe Berkem). Ownership of the shares is expected to be transferred on May 31, 2024.

# 8. STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS AT DECEMBER 31, 2023

**Statutory Auditors' report**
**on the consolidated financial statements**

**(Fiscal year ended December 31, 2023)**

To the Shareholders' Meeting

**GROUPE BERKEM**

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 SA for the fiscal year ended December 31, 2023, 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, 2023 to the date of publication of our report.

***Rationale for the assessments***

Pursuant to the provisions of Articles L. 821-53 and R. 821-180 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 consolidated financial statements.

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.

*Accounting estimates*

Goodwill, the net amount of which on the balance sheet at December 31, 2023 is €12,476 thousand, is valued and impaired on the basis of its value in use, as described in notes “3.4.10.2. Goodwill” and “5.2 Goodwill”. We have examined the methods used to test for impairment and have verified that notes 3.4.10.2 and 5.2 to the consolidated financial statements provide appropriate disclosures, in particular concerning the sensitivity of the value of goodwill to changes in the main assumptions used by management.

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

**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. 821-55 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 persons or entities included in the scope of consolidation, it gathers information that it considers sufficient and appropriate to express an opinion on the consolidated financial statements. It is responsible for directing, supervising and performing the audit of the consolidated financial statements, and for expressing its opinion on these financial statements.

Bordeaux and Le Tourne, May 6, 2024

Statutory Auditors

**PricewaterhouseCoopers Audit** **Deixis**

**Antoine PRIOLLAUD** **Gaël COLABELLA** **Nicolas de LAAGE de MEUX**

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

**Statutory Auditors' special report on regulated agreements**

**(Shareholders' Meeting for the approval of the financial statements for the fiscal year ended December 31, 2023)**

To the Shareholders' Meeting

**GROUPE BERKEM SA**

20, rue Jean Duvert

33290 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 6, 2024

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

1.
2.
3.
4.
5.
6.
    6.1.

## 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 (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 |