

Groupe Berkem announces the signature of a contribution agreement and the conclusion of an investment agreement between its main shareholder and Eurazeo in view of a simplified tender offer project

- **Signature of a contribution agreement by Kenercy¹ for 100% of its Groupe Berkem shares to Kenerzeo²**
- **Simplified tender offer project initiated by Kenerzeo for all Groupe Berkem shares it will not hold, at a price of €3.10 per share**
- **Conclusion of an investment agreement between Kenercy and Eurazeo, concerning the financing, by funds managed by Eurazeo, of Kenerzeo up to a maximum amount of €23.5 million (including €18.5 million dedicated to the simplified tender offer project) through the issue of convertible bonds and the subscription of Kenerzeo shares**

Blanquefort (France), July 18, 2024, at 07:00am CEST - Groupe Berkem (ISIN code: FR00140069V2 – ticker: ALKEM) (the « **Group** »), a leading player in bio-based chemistry, announces the signature of a contribution agreement by Kenercy of 100% of the Groupe Berkem shares it holds to Kenerzeo and the conclusion of an investment agreement between Kenercy and Eurazeo (ISIN code: FR000121121 - ticker: RF) concerning the financing, by funds managed by Eurazeo, of Kenerzeo up to a maximum amount of €23.5 million in view, in particular, of a simplified tender offer project initiated by Kenerzeo for the Groupe Berkem shares it will not hold. In parallel, Kenerzeo and Danske Bank Asset Management (shareholder of Groupe Berkem) signed today reciprocal commitments for the acquisition by Kenerzeo, and the sale by Danske Bank Asset Management, of 1,322,931 Groupe Berkem shares, representing 7.5% of Groupe Berkem's capital share.

Olivier Fahy, Chairman and CEO of Groupe Berkem stated: *“We are delighted to join forces with Eurazeo, a leading European investment group whose values and commitment to excellence we share, through Kenerzeo. Groupe Berkem demonstrated the resilience of its business model in a changing and highly uncertain economic and geopolitical environment. In this context, the investment agreement signed with Eurazeo opens a new chapter for Groupe Berkem, which will be characterized by the same ambition that has driven our Group since its creation: to become the benchmark player in plant-based chemistry, responding as effectively as possible to industries' growing demand for natural products. “*

¹ Limited liability company (RCS 804 788 503) with Olivier FAHY as manager.

² Simplified joint-stock company (RCS 928 791 813) with Kenercy as Chairman.

Signature of a contribution-in-kind agreement between Kenercy and Kenerzeo

Kenerzeo is a newly simplified joint-stock company (RCS 928 791 813) incorporated under French law, 100% owned by Kenercy (RCS 804 788 503), itself managed by Olivier Fahy. On July 17, 2024, Kenercy and Kenerzeo signed a contribution agreement under which Kenercy will transfer to Kenerzeo 100% of the Groupe Berkem shares it holds, i.e. 12,069,833 shares representing 67.93% of Groupe Berkem's share capital to date. Under the terms of the contribution agreement, Groupe Berkem shares were valued at €3.10 each.

Signature of a commitment concerning 1,322,931 Groupe Berkem shares with a shareholder of Groupe Berkem

Kenerzeo and Danske Bank Asset Management (shareholder of Groupe Berkem) today signed reciprocal commitments for the acquisition and sale concerning the acquisition by Kenerzeo, and the sale by Danske Bank Asset Management, of 1,322,931 Groupe Berkem shares. Under the terms of these commitments, Kenerzeo irrevocably agreed to acquire, and Danske Bank Asset Management irrevocably agreed to sell, 1,322,931 Groupe Berkem shares, representing 7.5% of Groupe Berkem's share capital, at a price of €3.10 per share. Completion of these commitments and the transfer of ownership of the shares are expected to take place on July 31, 2024.

After the final completion of the contribution and commitments described above, scheduled for July 31, 2024, Kenerzeo will hold 75.43% of Groupe Berkem's share capital.

Conclusion of an investment agreement between Kenercy, Eurazeo and members of Groupe Berkem's management team

On July 17, 2024, Kenercy, Eurazeo and members of Groupe Berkem's management team entered into an investment agreement defining, in particular:

- (i) **the terms and conditions of the issue by Kenerzeo, to funds managed by Eurazeo, of convertible bonds³** into Kenerzeo shares for a total amount of €20 million;
- (ii) **the terms of participation of funds managed by Eurazeo in a Kenerzeo capital increase**, for a total amount of €3.5 million, enabling them to hold 8.6% of Kenerzeo's share capital;
- (iii) **Kenercy's commitments** to transfer, in accordance with the terms of the contribution agreement signed today, 100% of the Groupe Berkem shares it holds to Kenerzeo; and
- (iv) commitments by certain members of Groupe Berkem's management team to transfer their Groupe Berkem shares, representing 0.7% of the share capital, to the simplified tender offer that Kenerzeo plans to initiate.

The convertible bond issue (€20 million) and the Kenerzeo capital increase (€3.5 million) are intended to finance:

- up to €5 million for the development of the Group's activities; and

³ Convertible bonds are not intended for conversion and would only be converted in the event of default.

- up to €18.5 million for the acquisition project by Kenerzeo of all Groupe Berkem shares it will not hold following the contribution described above, via the completion of a simplified tender offer (as well as the costs relating to the simplified tender offer).

The conversion assumptions for these convertible bonds were established on the basis of a valuation of Groupe Berkem based on a price of €3.10 per share.

A shareholders' agreement was signed today between Kenercy and Eurazeo. It will come into force on the issue date of the first convertible bond tranches, scheduled for July 31, 2024.

Simplified mandatory tender offer project

After the completion of the contribution planned by Kenercy and the commitments concluded with Danske Bank Asset Management, Kenerzeo, controlled by Kenercy, will file during the 4th quarter of 2024 on a mandatory basis a simplified tender offer project for the remaining outstanding shares of Groupe Berkem, at a price of €3.10 per share. Kenerzeo intends to implement a mandatory squeeze-out at the end of the tender offer if the Company's minority shareholders who have not tendered their shares to the offer represent less than 10% of Groupe Berkem's share capital and voting rights. The Group will continue to be managed by the current management team.

The price of €3.10 per share generates premiums of:

- +64.5% compared with the closing price of €1.88 on July 17, 2024;
- +66.0% compared with the volume-weighted average share price over the last 20 trading days
- +57.9% compared with the volume-weighted average share price over the last 60 trading days; and
- +53.6% compared with the volume-weighted average share price over the last 120 trading days.

A transaction supported by the Group's Board of Directors

At its meeting on July 17, 2024, the Group's Board of Directors supported the proposed transaction and decided to enable Kenerzeo to file a tender offer during the 4th quarter of 2024. It decided to initiate an information-consultation procedure with the Group's employee representative bodies. In accordance with article 261-1 of the general regulations of the Autorité des Marchés Financiers, the Board of Directors set up an *ad hoc* committee made up of Mr. Michael WOOD, Mr. Thierry LAMBERT and Mrs. Karen LE CANNU, independent directors, which will be in charge of the process of examining the tender offer and the steps required to deliver a reasoned opinion when the time comes.

Olivier Fahy did not take part in the discussions or vote at this Board meeting.

No change in the governance of Groupe Berkem is planned until completion of the tender offer project. In the event that Groupe Berkem remains a listed company following the proposed tender offer, Eurazeo's appointment as a director of Groupe Berkem will be put to a vote at the General Meeting.

An independent expert whose mission is to prepare a report on the financial terms of the tender offer in accordance with the provisions of article 261-1 of the AMF's general regulations will be appointed shortly. The Group will keep the market informed of the terms and conditions of the independent expert's appointment, as well as the terms and conditions of his mission.

The Group's Board of Directors will be asked to give its reasoned opinion on the merits of the tender offer and its consequences for the Group, its shareholders and its employees. This reasoned opinion will be prepared based on the report drawn up by the independent expert and the opinion of the employee representative bodies and will be reproduced in the draft response memorandum prepared by the Group.

Completion of the tender offer is subject to the AMF's declaration of conformity and could take place during the fourth quarter of 2024. Groupe Berkem and Eurazeo will keep the market informed of any significant developments in the planned transaction.

Kenerzeo is advised by TP ICAP as financial advisor, Banque Delubac & Cie as presenting bank and Fieldfisher as legal advisor. NewCap is Groupe Berkem's communications advisor.

Outlook

In the year ended December 31, 2023, Groupe Berkem recorded consolidated revenue of €51.9 million, stable compared with the previous year, and an EBITDA⁴ of €5.9 million, representing an EBITDA margin of 11.4%.

Within the framework of the transaction announced today, Groupe Berkem has reconsidered its business plan and financial projections. This revision takes into account the persistent difficulties affecting the Construction & Materials business area since the Ukrainian crisis, as well as delays in obtaining marketing authorizations for its bio-based products, both in France and internationally. Lastly, in view of the numerous investments to be made at its new production site in Valencia, Spain, and the ever-changing economic and geopolitical context, Groupe Berkem has no immediate plans to make any new acquisitions in the short to medium term.

In view of the above, Groupe Berkem now expects to achieve revenue of at least €70 million by 2025, and an EBITDA margin of at least 16% by 2027.

As a reminder, the Group planned to achieve an EBITDA margin of around 25% by 2027, and revenue of at least €85 million by 2025. These targets are now obsolete.

Next financial publication

- 2024 First-Half Revenue: July 25, 2024 (after market close)

⁴ Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA), corresponds to the operating cash flow generated by the Group, taking into account other operating income and other operating expenses, but excluding depreciation and amortization and the Group's financing policy.

ABOUT GROUPE BERKEM

Founded in 1993 by Olivier Fahy, Chairman and Chief Executive Officer, Groupe Berkem is a leading force in the bio-based chemicals market. Its mission is to advance the environmental transition of companies producing the chemicals used in everyday life (Construction & Materials, Health, Beauty & Nutrition, Hygiene & Protection, and Industry). By harnessing its expertise in both plant extraction and innovative formulations, Groupe Berkem has developed bio-based boosters—unique high-quality bio-based solutions augmenting the performance of synthetic molecules. Groupe Berkem achieved revenue of €51.9 million in 2023. The Group has almost 200 employees working at its head office (Blanquefort, Gironde) and 5 production facilities in Gardonne (Dordogne), La Teste-de-Buch (Gironde), Chartres (Eure-et-Loir), Tonneins (Lot-et-Garonne) and Valence (Spain).

Groupe Berkem has been listed on Euronext Growth Paris since December 2021 (ISIN code: FR00140069V2 - ALKEM).

www.groupeberkem.com



CONTACTS

Groupe Berkem

Olivier Fahy, Chairman and CEO
Anthony Labrugnas, Chief Financial Officer

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

investisseurs@berkem.com

NewCap

Investor Relations
Mathilde Bohin / Nicolas Fossiez

Phone: +33 (0)1 44 71 94 94

berkem@newcap.eu

NewCap

Media Relations
Nicolas Merigeau / Antoine Pacquier

Phone: +33 (0)1 44 71 94 94

berkem@newcap.eu

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