



INFORME FINANCIERO

FINANCIAL REPORT 2024

NORTEM CHEM, S.A.

Financial year ended 31 December 2024

1. COMPANY DESCRIPTION

Nortem Chem S.A., part of the **Nortem BioGroup** business group, is a Spanish biotechnology company founded in 2015 and strategically located in El Puerto de Santa María, Cádiz. The company focuses its activity on the research, development, manufacture and marketing of innovative solutions and products based on biotechnology for various economic sectors, including human and animal health, sustainable agriculture, specialised nutrition, food supplements and wellness care.

Since its creation, Nortem Chem has stood out for its strong commitment to technological innovation, quality in all production phases and environmental sustainability, positioning itself as a benchmark in Spain and Europe in the marketing of natural, organic and biotechnological products, mainly for international markets.

Throughout the 2024 financial year, Nortem Chem has operated mainly in the field of e-commerce at European level, using the Amazon platform as a strategic channel to directly reach more than 500,000 customers in all European Union member countries.

However, during the 2024 financial year, the company faced an exceptional crisis due to the temporary suspension of its Amazon Europe account for almost two months. This event significantly affected its operations and caused a significant decline in annual revenue. This critical situation acted as a strategic catalyst, prompting the company to radically transform its business model, beginning a transition towards the in-house and industrialised manufacture of specific biotechnology products, with a particular focus on amino acids for animal feed, the flagship product being **liquid lysine**.

Nortem Chem's strategic commitment to the manufacture of liquid lysine responds not only to a need for independence from third-party marketing channels, but also to a clear market opportunity arising from the lack of local producers and new anti-dumping regulations established by the European Union in early 2025. This positions Nortem Chem as a potential national leader and one of the first industrial operators in Europe within this niche market, with a clear competitive advantage over imports from Asia, especially China.

During the 2024 financial year, significant investments were made to adapt the company's existing facilities, including the acquisition and installation of advanced industrial machinery, the adaptation of clean rooms for product packaging and

formulation, as well as the hiring of specialised personnel and the technical and scientific development of proprietary procedures.

At the same time, Nortem Chem has been in active negotiations to establish strategic alliances, particularly a joint venture under negotiation with a leading Chinese amino acid production group. This alliance seeks to ensure the efficient supply of high-quality raw materials and guarantee competitive prices with it in a European market that now heavily penalises direct imports from China.

Although the financial results for 2024 clearly reflect the exceptional difficulties experienced during the year, Nortem Chem's management has decided to focus its efforts and vision on this profound transformation, accepting significant losses as an investment in a more solid and profitable future in the long term.

In short, Nortem Chem ends 2024 with a strengthened business model, much less dependent on e-commerce and more focused on becoming a leading industrial player in Europe in the field of liquid amino acid manufacturing. The 2025 financial year will mark the culmination of this strategic transformation, with plans to begin the effective commercialisation of liquid lysine during the fourth quarter of next year, with expectations of returning to operational profitability in subsequent years.

2. EXECUTIVE SUMMARY

The purpose of this financial report is to provide a clear, transparent and comprehensive overview of the performance of NORTEM CHEM, S.A. during the financial year ended 31 December 2024. It presents, in a structured and detailed manner, the financial results obtained, the most significant events that have impacted the development of the business, as well as the transformation strategy that the company has implemented to address an exceptional situation that arose during the period under review.

2.1 Objectives of the Report

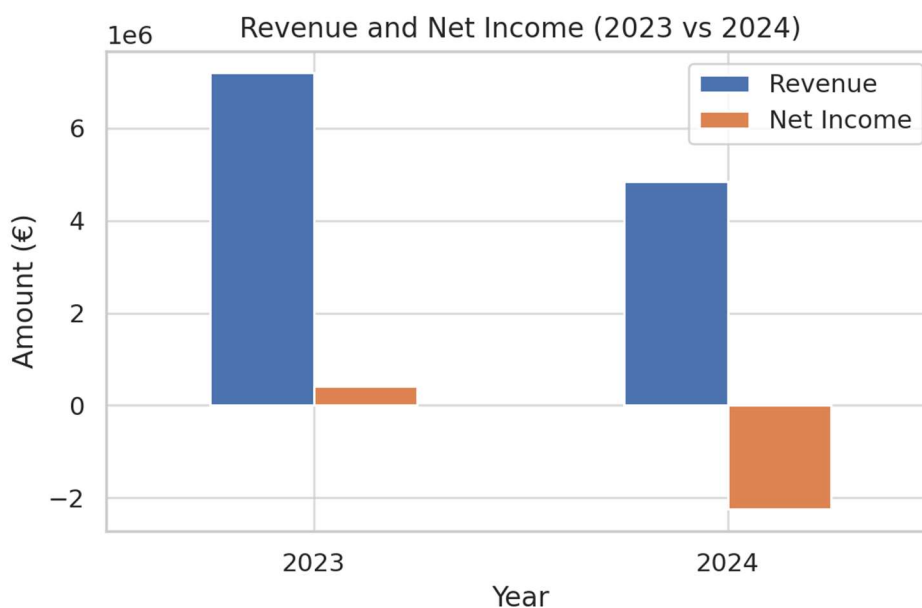
This financial report has been prepared with the following main objectives:

- To provide shareholders, investors and interested parties with a true, accurate and rigorous picture of the company's financial, economic and operating position at the end of the 2024 financial year.
- To analyse in depth the financial statements for the year, clearly identifying the causes of the results obtained and any deviations from the previous year.
- To evaluate the main financial ratios in order to adequately measure the company's profitability, liquidity, operating efficiency and level of indebtedness in the current context.

- To describe and justify in detail the exceptional factors that negatively affected the financial results during the year, especially the temporary suspension of the main sales channel (Amazon) and its consequences.
- Provide a detailed explanation of the new business strategy adopted by the company, focused on industrial transformation for the in-house manufacture of liquid amino acids, particularly liquid lysine, in order to diversify sources of income and reduce dependence on third parties.
- Identify potential financial, operational and regulatory risks, proposing specific management strategies to minimise them in the coming years.
- Project the future outlook for the business for 2025 and 2026, highlighting the expected impacts of the new strategic direction and the gradual recovery of operating profitability.

2.2 Summary of Main Results

Chart: Revenue and Net Income (2023 vs 2024)



The key results obtained during the 2024 financial year are summarised below:

Turnover

Net turnover in 2024 amounted to **€4,840,153**, representing a decrease of 32.8% compared to the previous year (€7,198,359 in 2023). This reduction in revenue was directly attributable to the temporary suspension of the Amazon account, which severely affected sales for almost two months and led to subsequent operational difficulties during the second half of the year.

Results for the financial year

The net result for the 2024 financial year showed a loss of **€2,242,495**, in contrast to the net profit of €416,804 obtained in 2023. This sharp decline is explained by the loss of revenue, the substantial increase in operating and financial costs resulting from the aforementioned crisis, and the initial investments made in industrial restructuring.

Evolution of Net Equity

Net equity at the end of the financial year amounted to **€4,661,608**, reflecting a reduction compared to the **€6,904,103** recorded at the end of the previous year. This decrease is directly related to the losses for the financial year.

Liquidity and Cash Position

The company has experienced a significant reduction in its operating liquidity, forcing it to manage its cash flow very actively and rigorously, resorting to bank financing, negotiations with suppliers, and other specific financial support measures.

Debt and Indebtedness

The total level of debt increased due to financial tensions during the year, reaching a debt-to-asset ratio higher than in the previous year. At year-end, non-current liabilities amounted to **€7,023,419**, and current liabilities to **€4,587,281**, reflecting an increase over the previous year, mainly due to the financial effort required to address the temporary revenue crisis and finance the ongoing industrial restructuring.

2.3 Main Significant Events of the Financial Year

The 2024 financial year was deeply marked by three decisive events:

Suspension of the Amazon Channel

The unexpected suspension during July and August 2024 caused an immediate paralysis in revenues and logistical disruptions in Europe, negatively affecting the entire second half of the year. After the account was restored, difficulties persisted due to the algorithm and digital positioning.

Industrial transformation towards liquid lysine

As a strategic response to the crisis, Nortem Chem began industrial reconversion to manufacture liquid lysine, taking advantage of its previously underutilised industrial facilities. This project involved significant investments in technical adaptation and specialised personnel.

Joint venture under negotiation

Under negotiation with a leading Chinese amino acid production group. Considerable progress was made in negotiations to establish a strategic alliance (joint venture) with a

leading Chinese amino acid production group. The aim is to secure a supply of raw materials at competitive costs and take advantage of recent European anti-dumping regulations.

2.4 Conclusions of the Executive Summary

In conclusion, although 2024 has been an exceptionally challenging year for Nortem Chem, marked by a temporary crisis in its main sales channel and a significant drop in revenue, this situation has become a key catalyst for a profound strategic transformation towards a solid and sustainable industrial model.

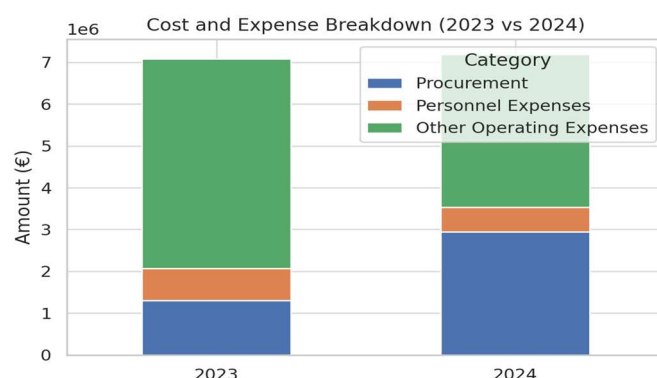
Nortem Chem's management faces the future with a clear vision and a commitment to restoring profitability, diversifying revenues and achieving greater operational independence. The investments made in 2024 have laid the necessary foundations to begin the effective commercialisation of liquid lysine in 2025, positioning the company as an industrial benchmark in a highly attractive and profitable sector.

With a clear strategy, a strengthened team, advanced strategic alliances and a solid industrial base, Nortem Chem faces the coming years with realistic optimism, confidence and determination.

3. FINANCIAL ANALYSIS

3.1 PROFIT AND LOSS ACCOUNT

Chart: Cost and Expense Breakdown (2023 vs 2024)



During the 2024 financial year, the profit and loss account clearly shows the strong negative impact caused by the temporary suspension of the main sales channel (Amazon), together with the associated extraordinary costs and investments made in industrial transformation.

Revenue

Net turnover amounted to **€4,840,153 in 2024**, a significant decrease of 32.8% compared to the previous year (**€7,198,359 in 2023**). This reduction is directly attributable to the total interruption of sales for almost two months and the subsequent

penalty imposed by Amazon's algorithm, which affected the entire second half of the year.

Supply costs

Supply costs rose substantially to **€2,943,810**, compared to **€1,307,324 in 2023**, due to logistical imbalances in European inventories and additional costs to recover stock, reposition products and launch aggressive promotions following the restoration of the Amazon account.

Personnel Expenses

In 2024, personnel expenses decreased to **€585,671** from **€765,057 in 2023**, thanks to adjustments in the workforce made to adapt the organisational structure to the new operating reality and future industrial strategy.

Other Operating Expenses

Other operating expenses fell significantly to **€3,666,377** from €5,009,567 in the previous year, reflecting active cost containment management during the operational crisis, particularly in external services and marketing.

Operating profit (EBIT)

The operating result for 2024 shows significant losses of **€2,825,649**, compared to a positive operating result of **€644,326 in 2023**, clearly showing the direct impact of the Amazon crisis and initial strategic investments.

Financial Result

The negative financial result for the year was **(€117,261)**, compared to **(€151,629) in 2023**, slightly improved due to an active debt control and renegotiation policy, although still high due to cash flow tensions.

Net Result

Finally, the net result for the 2024 financial year stood at a loss of **€2,242,495**, compared to a profit of **€416,804 in 2023**, fully reflecting the exceptional nature of the financial year under review.

3.2 CASH FLOW STATEMEN

Chart: Final Cash Position (2023 vs 2024)



During the 2024 financial year, cash flow was clearly strained by the sharp drop in revenue and the need to meet operating, logistics and industrial investment payments. Active cash management partially mitigated the impact through bank financing, renegotiation with suppliers and payment adjustments.

However, the cash balance decreased significantly, closing the year at **€56,644** (compared to €367,087 in the previous year), highlighting the demands of working capital management and operating financing.

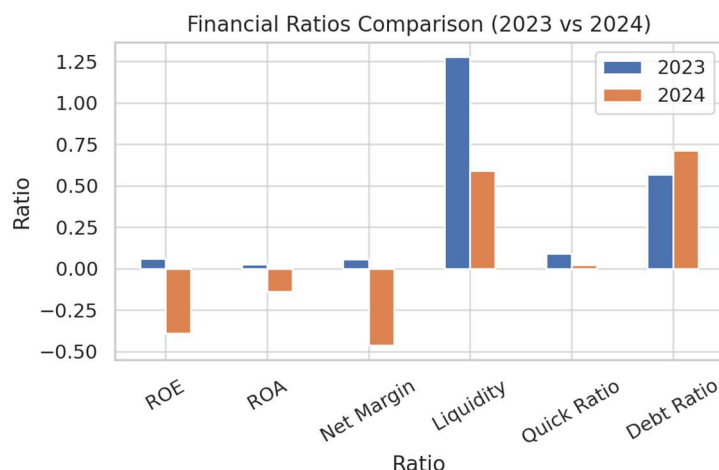
3.3 CONCLUSIONS OF THE FINANCIAL ANALYSIS

In short, the 2024 financial year transparently and rigorously reflects the strong financial impact of an exceptional crisis (Amazon's suspension) and the beginning of a profound strategic industrial transformation towards the in-house manufacture of liquid amino acids (liquid lysine).

Despite the negative results for the year, the company's financial structure remains solid, with non-current assets strengthened by new investments, clear prospects for a gradual recovery in operating profitability, and a unique strategic position in Europe that it expects to capitalise on in the coming years.

4. FINANCIAL RATIO ANALYSIS

Chart: Financial Ratios Comparison (2023 vs 2024)



This chapter provides a comprehensive and rigorous analysis of the main financial ratios reflecting the profitability, liquidity, indebtedness and operating efficiency of NORTEM CHEM, S.A. in the 2024 financial year. These indicators provide a clear and accurate picture of the company's current economic and financial situation, enabling the identification of strengths, weaknesses and key areas for strategic decision-making.

4.1 PROFITABILITY

Profitability measures the company's ability to generate positive results from the resources invested, both internal and external. During 2024, due to the exceptional operational crisis and initial investments for industrial transformation, profitability indicators have deteriorated considerably compared to the previous year.

Return on Equity (ROE)

ROE (Return on Equity) measures the net profit generated in relation to the company's net equity. In the 2024 financial year, with a net loss of **(2,242,495)** and average net equity for the year of approximately **5,782,856**, the ROE obtained is negative:

$$\text{ROE} = \frac{\text{Net profit}}{\text{Average net equity}} = \frac{(2,242,495)}{5,782,856} \approx (38.77\%)$$

$$\text{ROE} = \frac{\text{Average net equity}}{\text{Net profit}} = \frac{5,782,856}{(2,242,495)} \approx (38.77\%)$$

This indicator clearly reflects the exceptional negative performance of the financial year, with considerable losses in relation to available equity.

Return on Assets (ROA)

ROA (Return on Assets) shows the efficiency in generating profits in relation to total available assets. Considering the average assets during the financial year (**€16,231,656**), the negative net result also produces a negative ROA:

$$\text{ROA} = \frac{\text{Net result}}{\text{Average total assets}} = \frac{(2,242,495)}{(16,231,656)} \approx (13.82 \%)$$

ROA = Average total assets Net result = 16,231,656 / (2,242,495) \approx (13.82 %)

The negative ROA reflects the significant reduction in the operating capacity to generate profits, mainly due to the negative impact on income and increased costs.

Net Profit Margin

This ratio measures what percentage of sales is ultimately converted into net profit. In the 2024 financial year, with total sales of **€4.840.153** and significant losses, the net profit margin is negative:

Net margin = Net profit Total sales = (2,242,495) / 4,840,153 \approx (46.33 %)

Net margin = Total sales Net profit = 4,840,153 / (2,242,495) \approx (46.33%)

This ratio shows the sharp contraction in the operating margin due to the abrupt drop in sales and extraordinary costs arising from the suspension of the main sales channel.

4.2 LIQUIDITY

Liquidity ratios reflect the company's ability to meet its short-term obligations using available current assets.

Current Ratio

In 2024, with current assets of **€2.686.350** and current liabilities of **€4,587,281**, the general liquidity ratio is:

Current Ratio = Current Assets / Current Liabilities = 2,686.350 / 4,587,281 \approx 0.59

Current Ratio = Current Assets / Current Liabilities = 4,587,281 / 2,686,350 \approx 0.59

This result, which is less than 1, shows clear tensions in immediate liquidity, requiring active and demanding cash management.

Immediate Cash Ratio (Acid Test)

Considering only the most liquid assets (cash and cash equivalents: **€56,644** + short-term financial investments: **€50,945**), this ratio is even more demanding:

Immediate Cash Ratio = Current Assets / Current Liabilities = 107,589 / 4,587,281 \approx 0.023

Immediate Cash Ratio = Current Liabilities / Current Assets = 4,587,281 / 107,589 \approx 0.023

This indicates strong pressure on immediate liquidity availability, highlighting the critical importance of negotiations with banks and suppliers during the financial year.

4.3 INDEBTEDNESS

Debt ratios reflect the financial structure of the company and its dependence on external resources (bank debt and other creditors).

Total Debt Ratio

With total liabilities (current + non-current) of **€11,610,700** and total assets of **€16,272,308**, the total debt ratio is:

Total Indebtedness = Total Liabilities / Total Assets = $11,610,700 / 16,272,308 \approx 71.36\%$

Total Indebtedness = Total Assets / Total Liabilities = $16,272,308 / 11,610,700 \approx 71.36\%$

This indicator shows a high level of debt, which has increased significantly compared to the previous year, mainly due to the exceptional financial situation experienced in 2024.

Debt to Equity Ratio

This ratio, also known as financial leverage, reflects the relationship between total debt and equity:

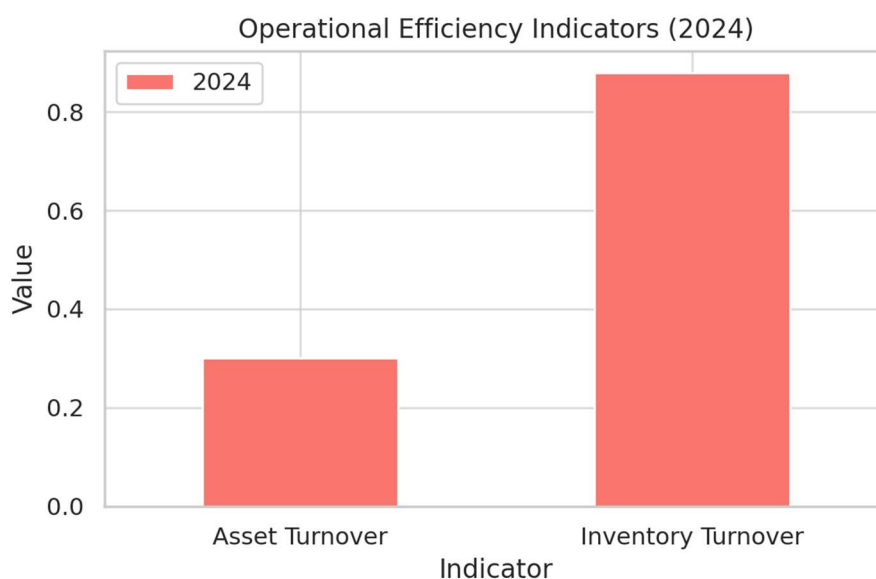
Financial Leverage = Total Liabilities / Net Equity = $11,610,700 / 4,661,608 \approx 2.49$

Financial Leverage = Net Equity / Total Liabilities = $4,661,608 / 11,610,700 \approx 0.40$

The increase in this ratio compared to the previous year reflects growing external financial dependence, a direct result of the tensions generated by the fall in income and investments made in industrial adaptation.

4.4 EFFICIENCY

Chart: Operational Efficiency Indicators (2024)



These ratios assess the efficient management of assets in generating income and controlling inventory.

Asset Turnover

Asset turnover measures the efficiency with which available assets are used to generate income. Considering sales (**€4,840,153**) and average assets (**€16,231,656**), the turnover is:

Asset Turnover = Total Sales / Average Total Assets = 4,840,153 / 16,231,656 \approx 0.30

Asset Turnover = Average Total Assets / Total Sales = 16,231,656 / 4,840,153 \approx 0.30

This indicator shows relatively low efficiency in generating income from available assets, mainly caused by the temporary crisis in the main commercial channel.

Inventory turnover

Inventory turnover shows how quickly stocks are renewed in warehouses. With total procurement costs (**€2,943,810**) and approximate average inventories during the year (**€3,329,976**):

Inventory turnover = Cost of sales Average inventory = 2,943,810 / 3,329,976 \approx 0.88

Inventory turnover = Average inventory Cost of sales = 3,329,976 / 2,943,810 \approx 0.88

This reflects a certain slowness in turnover due to logistical imbalances and the operational crisis suffered by Amazon.

4.5 CONCLUSIONS OF THE RATIO ANALYSIS

The 2024 financial year clearly reflects a temporary and exceptional deterioration in the main financial ratios, explained by the crisis suffered by the Amazon platform and initial strategic investments. Despite this, the company maintains a solid structure and is actively working to recover margins, liquidity and financial stability, confident that the strategic industrial shift initiated will deliver positive results from 2025 onwards, and especially in 2026.

5. ANALYSIS OF CHANGES FROM THE PREVIOUS YEAR

This section provides an in-depth analysis and explanation of the main changes that occurred between the 2023 and 2024 financial years in the financial statements of NORTEM CHEM, S.A. The analysis focuses on clearly identifying the fundamental causes of these changes, as well as their operational and financial implications for the company.

5.1 CHANGES IN THE INCOME STATEMENT

Net turnover

Turnover in the 2024 financial year stood at **€4,840,153**, representing a significant reduction of 32.8% compared to **the €7,198,359** achieved in the 2023 financial year.

The significant decrease is mainly explained by:

- The sudden and total interruption of the main sales channel (Amazon Europe), which remained suspended for almost two months in July and August 2024.

- The penalty imposed by Amazon's algorithm, which caused a further reduction in sales after the account was reactivated, negatively affecting the visibility and positioning of products in the following months.

Supplies

Procurement increased significantly in 2024 to **€2,943,810**, compared to **€1,307,324** in 2023. This sharp increase (125%) is explained by:

- The adjustment of European inventories, which caused significant logistical disruptions following Amazon's suspension.
- Additional expenses incurred to recover inventory, relocate stock, return blocked products and aggressive promotions necessary to reposition products after the crisis.

Personnel expenses

Personnel expenses decreased significantly in 2024, standing at **€585,671**, representing a reduction of 23.4% compared to **€765,057** in 2023. This reduction is directly related to:

- One-off adjustments to the workforce to adapt the organisational structure to the new financial and operational situation following the Amazon crisis.
- Greater internal operational efficiency resulting from an active cost management plan during the crisis period.

Other operating expenses

General operating expenses (mainly external services) fell significantly in 2024, from **€5,009,567** in 2023 to **€3,666,377** in 2024 (a reduction of 26.8%). The reduction is mainly explained by:

- Active measures to control and reduce general and marketing expenses during the crisis period, limiting unnecessary advertising investments during the suspension of Amazon.
- Internal optimisation of operational and logistical processes, achieving significant savings in administrative management, shipping and logistics.

Operating profit (EBIT)

EBIT in 2024 showed significant losses of **€2,825,649**, compared to a positive operating profit of **€644,326** in 2023. The radical change in this indicator is directly related to the sharp drop in revenue and the extraordinary impact of costs arising from the operational crisis of the main sales channel.

Net Result for the Financial Year

The net result went from a positive profit of **€416,804** in 2023 to significant losses of **€2,242,495** in 2024. This negative variation is closely linked to:

- The drop in sales and the total interruption of revenue for almost two months.
- Exceptional additional costs related to operational adjustments following the suspension.
- Significant initial investments in industrial adaptation towards in-house production of liquid amino acids (liquid lysine).

5.2 CHANGES IN THE BALANCE SHEET

Non-current assets

Non-current assets recorded a significant increase in 2024, rising from **€11,292,094** in 2023 to **€13,585,957**, representing an increase of 20.3%. This increase is mainly due to:

- Strategic investments in tangible and intangible fixed assets to adapt industrial facilities for the manufacture of liquid lysine, including the acquisition of machinery, technical development, licences and necessary certifications.

Current assets

Current assets experienced a sharp decline, falling from **€4,898,910** in 2023 to **€2,686,350** in 2024 (a reduction of 45.2%). This is explained by:

- The significant decrease in inventories due to logistical disruptions resulting from the temporary suspension of Amazon.
- The drastic reduction in cash and liquid assets, a direct result of the financial tensions generated by the operational crisis.

Net equity

Net equity decreased considerably in 2024 to **€4,661,608**, compared to **€6,904,103** in the 2023 financial year. This reduction (32.5%) is a direct result of the losses recorded in the financial year.

Total liabilities (debt)

Total liabilities (current + non-current) increased in 2024, standing at **€11,610,700**, compared to **€9,286,900** in 2023. This increase (25%) is explained by:

- Greater need for bank financing to cover the temporary drop in income.
- A one-off increase in debt with suppliers negotiated during the operational crisis.
- Additional financing needed to make initial investments in industrial adaptation.

5.3 CHANGES IN THE CASH FLOW STATEMENT

During 2024, the cash flow statement clearly reflects the tensions arising from the sharp drop in revenue. Cash and cash equivalents at year-end decreased significantly to **€56,644**, compared to **€367,087** at year-end 2023.

This sharp negative variation is explained by:

- The temporary loss of revenue due to the suspension of the Amazon channel.
- Higher cash outflows associated with extraordinary operational recovery costs.
- Cash outflows for investments in fixed assets necessary for strategic industrial restructuring.

5.4 CONCLUSIONS OF THE ANALYSIS OF VARIATIONS

The 2024 financial year showed significant variations in the company's financial and operating situation compared to the previous year, mainly caused by the temporary operational crisis in its main commercial channel.

However, management considers these variations to be one-off and manageable, directly linked to an extraordinary situation that has already been resolved, and highly values the transformative effort made in terms of strategic investments in industrial restructuring. This will enable the company to position itself in a market with high demand, high potential profitability and less dependence on external channels.

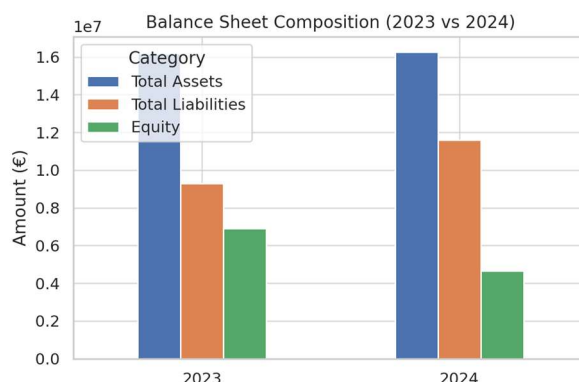
In short, although the financial variations for the year are negative in absolute terms, the company maintains a solid strategic position for the future, with full confidence in a gradual operational and financial recovery from the end of 2025 onwards.

6. ANALYSIS OF THE FINANCIAL POSITION

This chapter provides a comprehensive analysis of the financial position of NORTEM CHEM, S.A. at the end of the 2024 financial year, focusing on key aspects related to solvency, liquidity, capital structure and financial capacity to meet both operating commitments and strategic investments.

6.1 SOLVENCY AND CAPITAL STRUCTURE

Chart: Balance Sheet Composition (2023 vs 2024)



During the 2024 financial year, the company faced a particularly challenging financial environment due to extraordinary circumstances arising from the temporary suspension of its main sales channel, which had a negative impact on its financial structure.

Equity Structure

At the end of 2024, the company's total assets amounted to **€16,272,308**, while net equity stood at **€4,661,608**, representing 28.6% of the total balance sheet. The ratio of net equity to total assets reflects a deterioration compared to the previous year (42.6% in 2023), directly attributable to the losses incurred during this financial year.

The reduction in net equity, from **€6,904,103** in 2023 to **€4,661,608** in 2024, reflects the direct impact of the significant losses for the year. Despite this reduction, the equity level is considered sufficient to sustain business activity and support the industrial restructuring strategy initiated during the year.

Debt Structure and Leverage

NORTEM CHEM's financial structure reflects a substantial increase in financial leverage in 2024 due to financial pressures during the year. Total debt at year-end was **€11,610,700**, an increase of 25% compared to the previous year (€9,286,900 in 2023).

The composition of the debt is as follows:

- **Non-current liabilities:** €7,023,419 (mainly long-term bank debt, finance leases and deferred tax liabilities).
- **Current liabilities:** €4,587,281 (mainly short-term bank debt, trade payables and other accounts payable).

The debt-to-equity ratio (financial leverage ratio) stood at **2.49 times** at the end of the 2024 financial year, compared to **1.34 times** in 2023. This increase in the ratio reflects greater external financial dependence, directly resulting from the temporary tensions generated by the operational crisis and investments in industrial transformation.

Although financial leverage has increased significantly, the company maintains open and fluid relations with its financial institutions, which has enabled it to renegotiate and

extend available financing lines, facilitating the management of the exceptional financial situation experienced.

6.2 LIQUIDITY AND CASH FLOW

The company's liquidity was negatively affected during 2024 by the temporary interruption of the usual flow of income from the Amazon channel, which had been its main source of income until then. This exceptional scenario forced the company to manage its cash flow extremely tightly throughout the year.

General Liquidity Ratio (Current Assets/Current Liabilities)

This ratio measures the company's ability to meet its short-term obligations using assets available in the short term. At the end of the 2024 financial year, overall liquidity stood at **0.59**, compared to **1.28** in 2023, showing a considerable reduction that clearly reflects the operational tensions generated by the temporary crisis experienced during the financial year.

Immediate Cash Ratio

Immediate liquidity (Acid Test), which measures immediate liquidity excluding inventories, was **0.023**, compared to **0.09** in 2023. This level of immediate liquidity is very limited, clearly highlighting the operating cash flow pressures during the year and the need for extremely active management of available liquid resources.

Cash Management during the Financial Year

In view of the reduction in liquidity, management implemented specific measures to improve the immediate financial position, including:

- Active negotiation with financial institutions to obtain short-term financing and ease cash flow tensions.
- Renegotiating and extending payment terms with strategic suppliers.
- Internal optimisation of working capital, adjusting inventories and commercial policies to reduce unnecessary cash outflows.

These actions have enabled the company to remain operational and ensure the timely fulfilment of essential strategic and operational commitments.

6.3 INVESTMENT CAPACITY

During 2024, despite specific financial difficulties, NORTEM CHEM made significant strategic investments to transform its business model towards in-house industrial manufacturing of liquid lysine, taking advantage of opportunities generated by the European regulatory context and the absence of local competition for this product.

Investments made during the year included:

- Acquisition and installation of specific machinery for the industrial manufacture of liquid amino acids.
- Technical adaptation of existing facilities (clean rooms, mixing and homogenisation areas).
- Hiring of personnel specialised in industrial processes and laboratory technicians.
- Development of new proprietary production processes, including industrial licences and certifications.

The company financed these investments through a combination of its own resources, long-term bank financing and specific agreements with strategic suppliers.

6.4 CONCLUSIONS OF THE FINANCIAL POSITION ANALYSIS

At the end of the 2024 financial year, NORTEM CHEM's financial position was clearly affected by the extraordinary circumstances experienced during the year, reflected in lower levels of immediate liquidity, higher financial leverage and a reduction in available net equity.

However, management considers this financial situation to be temporary and specific, directly linked to the operational crisis suffered, and has taken clear and effective measures to mitigate its impact. The company maintains open access to additional bank financing and has initiated an industrial transformation that will generate more stable, predictable and profitable alternative sources of income in the coming years.

The solid industrial and technological asset base generated during this financial year, together with the company's unique strategic position in Europe in the production of liquid lysine, will enable it to gradually recover its financial equilibrium and operating capacity, with a substantial improvement in its financial position projected from 2025 onwards.

7. RISK MANAGEMENT

This section provides a detailed analysis of the main risks that could affect the activity, financial results, equity position or growth strategy of NORTEM CHEM, S.A. It also describes the specific measures adopted by management to adequately manage these risks and minimise their potential negative impact on the company.

7.1 COMMERCIAL RISK AND DEPENDENCE ON EXTERNAL CHANNELS

The company has traditionally operated using Amazon Europe as its main strategic channel for marketing its products, with this channel accounting for approximately 98% of total sales in previous years.

During 2024, this risk materialised with the temporary suspension of the Amazon channel for almost two months, resulting in significant losses due to the total interruption of revenue and subsequent operational difficulties.

Measures taken:

- A commercial diversification strategy was initiated, focusing efforts on the development of a new industrial business line (liquid lysine) aimed at direct B2B customers (feed manufacturers, livestock integrators).
- Establishment of alternative commercial channels for future business lines, thereby reducing total dependence on a single marketplace.

7.2 OPERATIONAL AND LOGISTICAL RISK

The temporary suspension of Amazon caused a major logistical disruption in European warehouses, negatively affecting inventories, distribution and the subsequent repositioning of products on the market.

Measures taken:

- Comprehensive review of the logistics model to optimise inventories and reduce exposure to external operational risks.
- Implementation of reinforced protocols to anticipate and manage future similar operational crisis events in an agile manner, including specific contingency plans.
- Progressive diversification of the operating model through the direct incorporation of industrial and logistical control, especially in new in-house production lines (liquid lysine).

7.3 FINANCIAL AND LIQUIDITY RISK

During the 2024 financial year, the company faced significant liquidity pressures due to the temporary interruption of normal revenue flows, requiring active cash management and additional bank financing.

Measures adopted:

- Proactive and ongoing renegotiation with financial institutions, extending credit lines and renegotiating repayment terms to alleviate short-term financial pressures.
- Optimisation of working capital, including controlled reduction of inventories, adjustment of collection and payment terms, and rigorous management of trade credit.

- Obtaining additional financing for strategic investments necessary for industrial adaptation to the manufacture of liquid lysine, ensuring financial stability in future stages.

7.4 REGULATORY AND GEOPOLITICAL RISK

As of January 2025, significant anti-dumping measures imposed by the European Union on amino acids from China came into force, which could directly affect the supply chain of raw materials for the company's new industrial line (liquid lysine).

Measures taken:

- Significant progress in negotiations to establish a strategic alliance (joint venture) with a leading Chinese amino acid production group, ensuring competitive prices and guaranteed availability of essential raw materials.
- Additional diversification of the supply strategy, identifying alternative suppliers in different regions of the world to reduce exposure to specific regulatory risks and exclusive dependence on a single supplier country.

7.5 STRATEGIC AND INDUSTRIAL TRANSFORMATION RISK

The strategic transformation initiated in 2024 towards the in-house and industrialised manufacture of liquid lysine involves inherent risks arising from the technical execution of the project, industrial integration, production scalability and commercial acceptance of the new product by the target market.

Measures adopted:

- Significant investment in advanced industrial technology and the hiring of highly specialised technical personnel, ensuring quality and production reliability from the outset.
- Conducting exhaustive market studies, establishing advanced contacts with large potential customers in the livestock sector and feed manufacturers, ensuring initial and commercial acceptance of the new product from its planned launch at the end of 2025.
- Rigorous application of health, food and industrial certification protocols, ensuring regulatory compliance and building solid trust among future strategic customers.

7.6 HUMAN RESOURCE RISK

The industrial adaptation to an in-house production model requires the recruitment of highly qualified specialised personnel and the training of existing staff in new technical

processes, which generates potential risks related to the availability, retention and qualification of the necessary talent.

Measures adopted:

- Design and implementation of an internal continuous training programme specialised in industrial processes, aimed at existing staff to facilitate their rapid technical adaptation to the new business model.
- Active recruitment and early hiring of specialised personnel, ensuring sufficient availability of highly trained technicians from the early stages of the industrial project.
- Continuous improvement of internal working conditions and specific talent retention policies, including specific career plans, financial incentives and professional development within the company's new strategic industrial framework.

7.7 CONCLUSIONS OF THE RISK MANAGEMENT ANALYSIS

In summary, during 2024, NORTEM CHEM faced a number of significant and extraordinary risks, many of which materialised for the first time during this financial year. The company has demonstrated a remarkable ability to respond quickly and effectively to these challenges, implementing specific measures to minimise their financial and operational impact.

Management continues to prioritise active and rigorous risk management, identifying areas for continuous improvement and implementing clear strategies to ensure that the ongoing strategic transformation towards in-house industrial manufacturing of liquid amino acids is successfully implemented and enables a rapid return to financial and operational stability, consolidating a more robust, diversified and profitable business model in the near future.

8. OUTLOOK AND BUSINESS STRATEGY

This chapter presents the business outlook and strategy defined by the management of NORTEM CHEM, S.A. for the financial years 2025 and 2026, in a context of recovery after an exceptional situation and in the midst of a transformation towards an industrial model of its own.

8.1 OUTLOOK FOR THE 2025 FINANCIAL YEAR

The 2025 financial year is expected to be a year of transition and consolidation of the new industrial business model. Although the company expects to close the year with a negative result, internal forecasts indicate a substantial improvement compared to 2024, both in terms of reducing losses and in terms of financial and operational balance.

Main lines of action for 2025:

- **Completion of industrial adaptation:** Completion of technical investments and start-up of the liquid lysine production line at the company's own facilities in El Puerto de Santa María.
- **First industrial sales:** Start of production and marketing of liquid lysine in the fourth quarter of the year, with deliveries already committed to relevant domestic customers in the livestock sector and feed manufacturers.
- **Revenue diversification:** Progressive reduction of dependence on the Amazon channel and increase in the weight of the B2B channel in the company's commercial mix.
- **Cost control:** Optimisation of the operating structure to improve efficiency and reduce the impact of fixed and variable costs during the industrial start-up process.
- **Strategic alliances:** Finalisation of the joint venture with the Chinese group to ensure competitive supply of raw materials and preferential access to technology and industrial know-how.

8.2 MEDIUM-TERM OBJECTIVES AND STRATEGY (2026 AND BEYOND)

For the period 2026 and beyond, NORTEM CHEM's strategy focuses on consolidating its leading position in the liquid amino acids for animal feed segment, as well as maximising the added value generated by the new industrial line.

Main objectives for 2026 and beyond:

- **Industrial growth:** Gradually increase the production and sales capacity of liquid lysine, achieving full utilisation of the facilities and maximum possible production efficiency.
- **Portfolio expansion:** Explore and develop the manufacture of other liquid amino acids and related biotechnological solutions for the agri-food and livestock sectors, increasing the product offering and diversifying revenue streams.
- **Strengthening the B2B channel:** Consolidate stable and lasting relationships with the main national and international customers in the sector, securing long-term supply contracts that provide stability and predictability to cash flow.
- **Sustainable profitability:** Recover operating and financial profitability, with an estimated gross margin of between 20% and 40% in the new industrial line, and positive EBITDA from the first full year of industrial sales.
- **Innovation and quality:** Maintain a continuous commitment to technological innovation, process improvement and the attainment of quality and sustainability certifications that reinforce the company's position in the most demanding markets.

- **Sustainability and circular economy:** Promote sustainability, energy efficiency and environmental footprint reduction initiatives in industrial production, contributing to the circular economy and aligning the company with the ESG (Environmental, Social and Governance) criteria increasingly demanded by investors and institutional customers.

8.3 MAIN CHALLENGES AND OPPORTUNITIES

Main challenges:

- Successfully complete industrialisation and guarantee the quality and traceability of the new product from the outset.
- Attract and retain key customers in the sector, competing not only on price but also on service, added value and security of supply.
- Properly manage cash flow and financial leverage during the final investment phase and the start of industrial operations.

Key opportunities:

- Be the first national operator and one of the first European operators in liquid lysine, in a favourable regulatory environment with very high barriers to entry for new competitors.
- Leverage the technological and commercial synergies of the international joint venture to accelerate growth and diversify risks.
- Position ourselves as a national leader in innovation and quality in the amino acids and animal feed supplements sector.

8.4 CHAPTER CONCLUSIONS

The 2025 financial year will be a turning point for NORTEM CHEM, marking the real start of the company's new industrial phase. With the completion of strategic investments, the start of industrial sales and the consolidation of international alliances, the company is ready to return to profitability, grow sustainably and strengthen its leadership in the European liquid amino acid market. Management remains fully committed to executing this strategy, convinced that it will lay the foundations for a solid and profitable future in the medium and long term.

9. HUMAN RESOURCES AND ORGANISATION

This chapter analyses the organisational structure, the evolution of human resources and the personnel management policies implemented during the 2024 financial year, in a context of strategic transformation towards a proprietary and sustainable industrial model.

9.1 ORGANISATIONAL STRUCTURE

During 2024, the company maintained an organisational structure adapted to the needs of the business, integrating commercial, administrative and technical functions to support the transition to industrial manufacturing.

Management strengthened the technical and production areas during the year to adapt the plant, although at the end of the financial year there was a significant adjustment in the workforce to bring it into line with the new operating reality.

9.2 EVOLUTION OF THE NUMBER OF EMPLOYEES

Throughout 2024, the number of employees fluctuated, reaching a maximum of approximately 45 workers during the year, with an increase in technical and operational staff during the industrial adaptation phase.

However, in the **last quarter of 2024**, the workforce was reduced to **20 employees**, reflecting operational and cost adjustments following the initial investment and reorganisation phase. This reduction mainly affected support staff and areas not critical to the ongoing industrial process.

The workforce at the end of the financial year was distributed approximately as follows:

- **Technical and industrial operational staff:** 10 employees, directly responsible for production, quality control and maintenance.
- **Sales and marketing department:** 4 employees, focused on B2B customer management and the development of alternative channels.
- **Administrative and financial area:** 3 employees, responsible for accounting and administrative management.
- **Research and development (R&D):** 2 professionals, dedicated to innovation and continuous improvement.
- **Management:** 1 executive position, including general management and technical coordination.

9.3 HUMAN RESOURCES POLICIES

In 2024, the company has implemented policies aimed at:

- **Continuous technical training**, focused on industrial processes and quality.
- **Recruitment and retention** of key profiles for the production model.
- **Incentive and professional development plans** to promote commitment and stability.
- **Occupational health and safety**, adapting conditions to the chemical industry.

9.4 CHALLENGES AND FUTURE PLANS

The main challenge for 2025 is to consolidate the technical team needed for stable industrial production, with a gradual increase in staff as production activity grows.

The following is anticipated:

- An increase in production and quality control personnel.
- Commercial reinforcement for new B2B channels.
- Expansion of the R&D area for new developments.

9.5 CONCLUSIONS

NORTEM CHEM has adapted its human resources structure to respond to the challenges of industrial transformation, making strategic adjustments to its workforce to ensure the efficiency and sustainability of the project. The company remains firmly committed to the training and well-being of its employees, which is fundamental to the success of this new phase.

10. INVESTMENT AND FINANCING

This chapter provides an in-depth analysis of the investment and financing policies and results of NORTEM CHEM during the 2024 financial year, as well as the short- and medium-term financial outlook to support the company's strategic transformation towards in-house industrial manufacturing.

10.1 INVESTMENT MADE IN 2024

During the 2024 financial year, the company made significant investments mainly aimed at adapting and modernising its industrial facilities for the manufacture of liquid lysine, in line with its strategy of diversifying and strengthening its business model.

Main investment items:

- **Industrial machinery and technical equipment:** acquisition and installation of specific technology for the production, mixing and packaging of liquid amino acids.
- **Infrastructure upgrades:** remodelling and refurbishment of clean rooms, production areas and storage areas to comply with health and quality regulations.
- **Technological development and R&D:** investments in applied research, development of proprietary industrial processes and obtaining industrial certifications and licences.
- **Specialised human resources:** recruitment and training of technical and production personnel.

The total amount invested in 2024 amounted to approximately **€2,300,000**, financed through own resources and bank debt.

10.2 FINANCING POLICY

In view of the exceptional circumstances experienced in 2024, management adopted an active and flexible financial policy, seeking to ensure the liquidity necessary to keep the company operational and support strategic investments.

Sources of financing used:

- **Bank credit lines:** extension and renegotiation of terms to provide short- and medium-term liquidity.
- **Long-term financing:** specific loans for investment in industrial fixed assets.
- **Negotiation with suppliers:** extension of payment terms and agreements to facilitate cash flow.
- **Own resources:** reinvestment of profits and contributions from partners to strengthen working capital.

10.3 FINANCIAL STRUCTURE AND COST OF DEBT

At the end of 2024, the company's total financial debt amounted to **€11,610,700**, with the majority consisting of long-term debt and current liabilities arising from ordinary operations and bank financing.

The associated financial cost stood at **€117,261**, slightly lower than in the previous year due to the optimisation of conditions and active debt management.

The financial structure shows a high but controlled degree of leverage, with a debt/equity ratio of **2.49 times**. Management is working to maintain this ratio within sustainable levels through cash generation plans and rigorous cost control.

10.4 INVESTMENT AND FINANCING PLAN FOR 2025 AND 2026

For the coming years, NORTEM CHEM plans to continue with an investment plan focused on:

- **Completion of the liquid lysine industrial line:** investments in automation, process optimisation and expansion of production capacity.
- **Technological innovation:** development of new derivative products and improvements in energy efficiency and sustainability.
- **Commercial strengthening:** investment in CRM systems, B2B marketing and after-sales support.

An approximate investment budget of **€500,000** is estimated for 2025 and **€700,000** for 2026, financed through a combination of internal resource generation and external financing.

10.5 CONCLUSIONS

NORTEM CHEM's investment and financing strategy for 2024 and the coming years is aimed at consolidating the industrial transformation already underway, ensuring the necessary resources to achieve the effective production and commercialisation of liquid lysine and new related products.

Active financial management, combined with a prudent debt policy, will enable the company to maintain financial stability, facilitate sustained growth and progressively improve profitability.

11. LEGAL AND CORPORATE INFORMATION

This chapter covers the legal, regulatory and corporate governance aspects affecting NORTEM CHEM, S.A., as well as the practices and policies implemented during the 2024 financial year to ensure regulatory compliance, transparency and good governance.

11.1 LEGAL STRUCTURE AND REGISTRATIONS

- **Company name:** NORTEM CHEM, S.A.
- **Type of company:** Public Limited Company (S.A.)
- **Registered office:** Calle Alexander Humboldt 12B, 11500 El Puerto de Santa María, Cádiz, Spain
- **Commercial Registry:** Registered in the Commercial Registry of Cádiz, Volume 2314, Folio 117, Page CA-57231
- **Tax ID number:** A72311837

11.2 CORPORATE GOVERNANCE BODIES

The corporate governance structure is maintained in accordance with best practices recommended for listed companies and companies listed on regulated markets:

- **Board of Directors:** composed of the founding partners, chaired by Mr. José Luis Vázquez, CEO and Chairman of the company.
- **Committees:** during 2024, internal committees were established for audit, risk and regulatory compliance, ensuring rigorous oversight and informed decision-making.
- **External supervisory body:** external audit carried out by an independent firm, whose reports are included in this financial report.

11.3 REGULATORY COMPLIANCE AND CORPORATE RESPONSIBILITY

NORTEM CHEM strictly complies with the regulations applicable to its activity, including:

- **Commercial and corporate legislation**
- **Labour and social security regulations**
- **Environmental and health regulations**, particularly in relation to industrial adaptation and the production of liquid amino acids
- **Specific regulations on e-commerce and exports**
- **Compliance with the General Data Protection Regulation (GDPR)**

During the 2024 financial year, the company strengthened its internal procedures to ensure regulatory compliance in new areas of production and marketing.

11.4 CORPORATE SOCIAL RESPONSIBILITY (CSR)

NORTEM CHEM maintains an active commitment to corporate social responsibility, focusing on:

- **Fair and safe working practices**
- **Reducing environmental impact through sustainable processes**
- **Transparency and ethics in relationships with customers, suppliers and partners**
- **Product development based on sustainability criteria and certified quality**

11.5 EXTERNAL AUDIT

The 2024 financial year was subject to an external audit carried out by an independent firm, which verified the integrity and reliability of NORTEM CHEM's consolidated financial statements, issuing a favourable report conditional on the exceptional nature of the financial year.

11.6 GENERAL MEETINGS AND SHAREHOLDER PARTICIPATION

During 2024, the company held ordinary and extraordinary general meetings in accordance with its articles of association, ensuring the active participation and right to information of all shareholders.

11.7 CONCLUSIONS

NORTEM CHEM maintains a solid legal and corporate structure that is appropriate for its strategic objectives, with a firm commitment to transparency, ethics and regulatory compliance. During 2024, the company strengthened its governance and oversight

mechanisms to ensure that it can successfully navigate the ongoing industrial transformation process.

12. EVENTS AFTER THE END OF THE FINANCIAL YEAR

This section describes significant events that occurred after the end of the 2024 financial year that are relevant to the economic, financial and strategic activity of NORTEM CHEM, S.A. and that may affect the company's future prospects.

12.1 DEVELOPMENT OF INDUSTRIAL PRODUCTION OF LIQUID LYSINE

In the first quarter of 2025, the company continued to make progress **on its own** in the industrial development of the liquid lysine production line. The first pilot tests and industrial trials have begun at the El Puerto de Santa María plant, with satisfactory technical results to date.

NORTEM CHEM's management is maintaining its roadmap to begin commercialisation in the fourth quarter of 2025, using its own resources and existing infrastructure, without relying exclusively on external partnerships.

12.2 STATUS OF NEGOTIATIONS WITH THE CHINESE GROUP

During the first months of 2025, negotiations with the Chinese industrial group specialising in amino acids have continued to progress, although **a final agreement has not yet been reached**. The company views the progress positively, but recognises that the process remains open and subject to market developments, regulatory conditions in Europe and the strategic needs of both parties.

NORTEM CHEM believes that, although the joint venture would offer significant advantages in terms of raw material supply and access to technology, the industrial project is viable and is being developed independently in an *in-house* manner, so that the company will continue to produce and develop liquid lysine regardless of the final outcome of these negotiations.

12.3 START OF INDUSTRIAL TRIALS

In February 2025, the company launched the first industrial trials at its facilities, aimed at validating the production processes, operational efficiency and quality of the final product. These trials will continue until the middle of the year, with the aim of optimising the processes before commercial start-up.

12.4 COMMERCIAL AGREEMENTS AND PRE-SALES

During the first half of 2025, NORTEM CHEM has made progress in preliminary supply agreements with feed manufacturers and large Spanish and European livestock integrators, including advance purchase commitments for the last quarter of the year. This ensures initial revenue and commercial visibility for the start-up of the new line.

12.5 IMPROVEMENT IN THE FINANCIAL SITUATION

In January 2025, the company strengthened its liquidity position after renegotiating various bank financing lines, enabling it to face the final phase of investments, the start of industrial production and commercial launch with greater stability.

12.6 ORGANISATIONAL ADAPTATION

As industrialisation progresses, the company has begun to recruit new technical profiles in production and quality, slightly increasing the workforce from 20 employees at the end of 2024, with plans to continue expanding during 2025 as activity grows.

12.7 OTHER RELEVANT EVENTS

No other significant events have occurred at the date of this report that could materially affect the financial, economic or equity position of the company.

12.8 CONCLUSIONS OF THE CHAPTER

Developments since the end of the financial year have consolidated NORTEM CHEM's industrial transformation process. The company has demonstrated its ability to move forward independently, while keeping strategic negotiations open which, if successful, would bring additional benefits but would not affect the industrial development already underway.

Progress in industrial trials, commercial agreements and financial improvement reinforce confidence in the company's ability to achieve its strategic objectives in 2025 and 2026.



INFORME FINANCIERO

(ANEXO)

	31 - Dec - 2024	31 - Dec - 2023
NON-CURRENT ASSETS	13,585,957.24	11,292,093.59
Intangible fixed assets.	3,838,382.18	3,490,209.55
Development	2,773,142.59	2,773,142.59
Patents, licences, trademarks and similar items.	31,520	41,420
Computer applications.	6,478.85	6,878.81
Other intangible fixed assets.	1,027,240.74	668,768.15
Tangible fixed assets.	8,579,577.14	7,364,221.03
Land and buildings.	1,083,587.60	1,083,587.60
Technical installations and other tangible fixed assets.	3,506,454.09	3,827,496.14
Fixed assets in progress and advances.	3,989,535.45	2,453,137.29
Long-term investments in group companies and associates.	356,900	356,900
Equity instruments.	356,900	356,900
Long-term financial investments.	66,906.13	66,906.13
Equity instruments.	66,821.15	66,821.15
Other financial assets.	84.98	84.98
Deferred tax assets.	744,191.79	13,856.88
CURRENT ASSETS	2,686,350.48	4,898,909.68
Inventories	2,368,586.79	4,291,364.11
Trade.	2,368,520.24	4,291,364.11
Advances to suppliers.	66.5	0
Trade payables and other accounts receivable.	126,182.95	114,945.40
Customers for sales and services rendered.	205,296.31	76,259.93
Customers, group companies, and associates.	29,928.65	29,928.65
Miscellaneous debtors.	(212,114.29)	8,756.82
Current tax assets.	852.17	0
Other loans with public administrations.	102,220.11	0
Short-term investments in group companies and associates.	83,992.20	83,462.20
Loans to companies.	83,462.20	83,462.20
Other financial assets.	530	0
Short-term financial investments.	50,944.92	42,050.59
Other financial assets.	50,944.92	42,050.59
Cash and other liquid assets.	56,643.62	367,087.38
Cash	56,643.62	367,087.38
	16,272,307.72	16,191,003.27

31 December 2024 31 - Dec - 2023

NET ASSETS	4,661,607.87	6,904,103.12
Equity	4,661,466.00	6,903,961.25
Capital	5,157,000	5,157,000
Registered capital.	5,157,000	5,157,000
Reserves.	1,746,961.25	1,330,157.49
Legal and statutory.	234,999.33	193,318.95
Other reserves.	1,464,992.61	1,089,869.23
Smoothing reserves	46,969.31	46,969.31
Profit for the year.	(2,242,495.25)	416,803.76
Adjustments for changes in value.	141.87	141.87
Financial instruments available for sale.	141.87	141.87
NON-CURRENT LIABILITIES	7,023,418.95	5,840,331.67
Long-term debt.	6,872,056.44	5,718,889.01
Debts with credit institutions.	1,797,340.95	1,365,988.65
Creditors for finance leases.	759,238.80	1,073,407.11
Other financial liabilities.	4,315,476.69	3,279,493.25
Deferred tax liabilities.	151,362.51	121,442.66
CURRENT LIABILITIES	4,587,280.90	3,446,568.48
Short-term debts.	3,826,817.71	3,073,348.83
Debts with credit institutions.	2,565,518.57	2,832,957.25
Creditors for finance leases.	383,458.84	71,592.89
Other financial liabilities.	877,840.30	168,798.69
Trade payables and other accounts payable.	760,463.19	373,219.65
Suppliers.	426,619.46	15,148
Miscellaneous creditors.	187,239.81	93,110.60
Personnel (remuneration pending payment).	(10,487.72)	413.65
Current tax liabilities.	0	19,992.28
Other debts with public administrations.	157,091.64	244,554.92
TOTAL	16,272,307.72	16,191,003.27

	31-Dec-24	31-Dec-23
1. Net turnover.	4,840,153.46	7,198,359.09
a. Sales.	4,840,153.46	7,198,359.09
3. Work performed by the company for its assets.	0	754,494.89
4. Supplies.	(2,943,809.76)	(1,307,324.39)
a. Consumption of goods.	(2,929,613.71)	(1,277,771.36)
b. Consumption of raw materials and other consumables.	(14,196.05)	(29,553.03)
5. Other operating income.	2,646.30	11,615
a. Ancillary income and other income from ordinary activities.	2,646.30	2,671
b. Operating subsidies included in the result for the fin year.	0	8,944
6. Personnel expenses.	(585,670.67)	(765,056.58)
a. Wages, salaries and similar expenses.	(452,364.51)	(596,084.63)
b. Social security contributions.	(133,306.16)	(168,971.95)
7. Other operating expenses.	(3,666,376.70)	(5,009,566.96)
a. External services.	(3,651,507.82)	(4,999,503.81)
b. Taxes	(14,868.88)	(10,063.15)
8. Depreciation of fixed assets.	(331,342.01)	(295,410.88)
11. Impairment and result from disposal of fixed assets.	0	54,275.32
b. Results from disposals and other items.	0	54,275.32
13. Other income.	(141,250.09)	2,940.01
A.1) OPERATING RESULT		
(1+2+3+4+5+6+7+8+9+10+11+12+13)	(2,825,649.47)	644,325.50
13. Financial income.	140.43	26,850.38
b. From negotiable securities and other financial instruments.	140.43	26,850.38
b2) From third parties.	140.43	26,850.38
14. Financial expenses.	(117,462.47)	(178,100.25)
b. For debts with third parties.	(117,462.47)	(178,100.25)
17. Exchange differences.	61	(378.79)
A.2) FINANCIAL RESULT (14+15+16+17+18+19)	(117,260.84)	(151,628.66)
A.3) RESULT BEFORE TAXES (A.1+A.2)	(2,942,910.31)	492,696.84
20. Income taxes.		
A.4) RESULT FOR THE YEAR FROM CONTINUING OPERATIONS (A.3+20)	700,415.06	(75,893.08)
B.1) RESULT FOR THE YEAR	(242,495.25)	416,803.76

In accordance with the IRFS notes: figures in euros. Negative values are shown in parentheses.

LETTER FROM THE CHAIRMAN

Letter from the Chairman

Dear shareholders, investors and collaborators:

The year 2024 has tested us like never before. What began as an unexpected suspension of our account on Amazon, a platform that until then had channelled virtually all of our sales, became the greatest operational, financial and emotional challenge since the company was founded.

For weeks, our commercial activity was completely paralysed. We did not know what had happened or when it would be resolved. These were moments of absolute uncertainty. However, it was also at this point that we showed what we are really made of: a resilient company with a committed team, capable of reacting and, above all, with vision.

What could have been the beginning of the end became the starting point for a new phase. We understood the message the market was sending us: you cannot depend on a single channel, no matter how profitable it has been up to now. **We therefore rethought our business model from the ground up** and decided to take advantage of what we had, namely high-level industrial facilities, to build something more solid: a technology-based industrial project with international reach.

We have thus begun the transformation of NORTEM CHEM into **the first plant in Spain specialising in the manufacture of liquid lysine for animal feed**. This is a growing market with high demand and no national industrial supply, in a European context marked by new anti-dumping policies that strengthen our position.

Yes, we closed the year with losses of more than two million euros. But these losses are not a sign of decline, but of transformation. We have weathered the storm, we have picked ourselves up, and we have started to build the future with our own hands.

2025 will still be a year of transition, but the direction is clear and the foundations are in place. To those of you who have trusted us from the beginning, and to those of you who are joining us now: thank you. The journey continues, but with a firmer, more autonomous and more ambitious course than ever before.

Sincerely, **José Luis Vázquez**
Chairman
NORTEM CHEM, S.A.