

NORTEM CHEM, S.A.

Calle Alexander Humboldt 12,

11500, Puerto de Santa María, Cádiz, Spain

<https://nortembiogroup.com/en/>



INFORMATION DOCUMENT

SEPTEMBER 2023

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PARIS**

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Le présent Document d'Information ne constitue pas un prospectus au sens du règlement européen (UE) 2017/1129 du Parlement européen et du Conseil du 14 juin 2017 concernant le prospectus à publier en cas d'offre au public de valeurs mobilières ou en vue de l'admission de valeurs mobilières à la négociation sur un marché réglementé.

Ce document peut également être consulté sur le site internet NORTEM CHEM, S.A. (<https://nortembiogroup.com/en/>)

Copy of this Information Document is available free of charge at NORTEM CHEM, S.A. website (<https://nortembiogroup.com/en/>)

L'opération proposée ne nécessite pas de visa de l'Autorité des Marchés Financiers (AMF). Ce document n'a donc pas été visé par l'AMF. / The proposed transaction does not require a visa from the Autorité des Marchés Financiers (AMF). This document was therefore not endorsed by the AMF.

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GLOSSARY

(A)

Absorption: The process in which one substance penetrates into the body of another substance, termed the absorbent. An example is the absorption of water into soil.

Acidity: The quantitative capacity of a water or water solution to neutralize an alkali or base. It is usually measured by titration with a standard solution of sodium hydroxide, and expressed in ppm or mg/L of its calcium carbonate equivalent.

Active Immunity: This is a type of immunity that is acquired so as to built up resistance to disease. Such immunity can be acquired either by having the disease or through vaccination against it.

Antibodies: Y-shaped proteins produced by specialised white blood cells (called B lymphocytes or B cells) to recognise and neutralise foreign objects like bacteria, viruses and pollen.

Antigens: These are substances that are capable of inducing a specific immune response and of reacting with the products of the response such as specific antibodies or T-lymphocytes.

Aqueous: Containing water; watery.

(B)

Bacteria: Microscopic organisms that have a simple, one-celled structure and live in a variety of environments, including water, soil, plants and living bodies. Bacteria lack nuclei and endoplasmic reticulum. There are billions of bacteria living naturally in the human digestive system—some beneficial and some potentially disease-causing.

Bacteroides: Pathogenic bacterium that produces urease, which results in excess ammonia production.

Biotechnology: Biotechnology refers to the use of cellular and living organisms or their components, including genes, to develop products that improve human health, food and the environment.

Buffer: A chemical which causes a solution to resist changes in pH, or to shift the pH to a specific value.

Bypass: A connection or a valve system that allows untreated water to flow to a water system while a softener or filter is being regenerated, backwashed or serviced; also applied to a special water line installed to provide untreated water to a particular tap, such as a sill cock.

(C)

Calcium: One of the primary elements of the earth's crust commonly found in water as a dissolved solid. The presence of calcium in water is a factor contributing to the formation of scale and insoluble soap curds which are means of clearly identifying hard water. It is sometimes referred to as lime.

Carbon dioxide: Water with a low pH value usually contains free carbon dioxide. Its presence is caused generally by absorption of carbon dioxide (CO₂) from the air as water falls as rain, or by decay of organic matter in the earth. Well water containing substantial quantities of CO₂ has a resultant low pH and corrosive qualities. Carbon dioxide in water forms a weak carbonic acid.

Chemical stability: Resistance to chemical change which ion exchange resins must possess despite contact with aggressive solutions.

Chlorine: Widely used in the disinfection of water and as an oxidizing agent for organic matter, iron, hydrogen sulfide, etc. It is available as a gas, as a liquid in sodium hypochlorite, or as a solid in calcium hypochlorite. In water chlorine reacts with organics to form trihalomethanes (THM) which can cause cancer.

Contamination: The addition of any physical, chemical, biological or radiological substance to water which reduces the value of the water, or interferes with its intended use.

Corrosion: The destructive disintegration of metals by electromechanical means. Corrosion of iron and steel is commonly called rusting.

Cytoplasm: A fluid-filled space between the cell nucleus and the outer membrane.

(D)

Dealkalization: A process for the reduction of alkalinity in a water supply. It is generally accomplished by a chemical feed processor combined cation and anion exchange systems.

DNA: This stands for DeoxyriboNucleic acid, which is a complex chemical found in the nucleus and mitochondria of a cell. It provides the genetic instructions needed for an organism to develop, survive and reproduce.

Drinking Water Standards: National Primary Drinking Water Standards are established by the U.S. Environmental Protection Agency (EPA) are health related and establish the maximum

contaminant levels (MCL's) for regulated substances in drinking water. A MCL is the highest permissible level of a contaminant allowed in water delivered to the consumer's tap. These standards relate to public water systems. National Secondary Drinking Water Standards are also issued by the EPA and pertain to aesthetic characteristics of water and are recommended only.

(E)

Effluent: The outflow of a water treatment device. Sometimes used to mean the product water of a given water conditioning device or system.

Electrodialysis: A dialysis process using semi-permeable membranes.

Electrolyte: A chemical compound which dissociates or ionizes in water to produce a solution which will conduct an electric current. Could be an acid, base, or salt.

Enteric: Pertaining to the intestines.

Enzyme-linked immunosorbent assay: A method that uses antibodies to detect specific proteins.

(F)

Fractionation: A separation process that divides a certain quantity of a mixture into a number of smaller quantities.

Free amino acids: Singular molecules not bound by peptide bonds to other amino acids.

Functional foods and beverages: Foods that serve a helpful effect on the body beyond normal satiation and nutrition. There are actually two kinds of functional foods. The first is naturally-occurring foods, e.g. cranberries, which help with urinary tract health; cruciferous vegetables (broccoli, cauliflower, Brussels sprouts, cabbage, etc.), which contain elements which may increase activity of enzymes that help to detoxify carcinogens. The second is modified foods, where an added ingredient imparts the functionality.

(G)

Genetics: A branch of science that studies how physical and behavioural characteristics, including medical conditions, are passed down from parents to offspring through genes.

Genomics: A branch of genetics established in the 1980s directed towards studying the structure, function, evolution and mapping genomes in organisms.

Glycoprotein: A molecule that consists of a carbohydrate and a protein.

Groundwater: The term describing all subsurface water and the source of well water. It can be found in aquifers as deep as several miles.

(H)

Haemoglobin: A protein molecule present in red blood cells that delivers oxygen to cells in the body.

Head loss: The reduction on liquid pressure associated with the passage of a solution through a bed of exchange material; a measure of the resistance of a resin bed to the flow of the liquid passing through it.

Hybrid: An animal or plant that has been produced through cross-breeding two different species or plant varieties.

Hydrolysis: The process by which chemical bonds in a molecule are broken down through the addition of water or another substance such as an acid.

(I)

Information Document: This document, prepared by the Company and submitted to Euronext as part of the Company's application for listing on Euronext Paris. An Information Document includes details of the company's business operations, financial position, products or services, risks associated with the investment, and other relevant information.

Influent: The water entering a water treatment device.

Insulin: A hormone secreted by the pancreas that helps the body regulate sugar levels in the blood.

Intellectual property rights: Rights given to a person or company for an invention, including new technologies or new organisms. Such rights allow the owner to control their use and to earn rewards from their use.

Inulin: A prebiotic fiber that nourishes or helps to stimulate the growth of probiotics. Inulin is perhaps the best-known prebiotic. It is a naturally-occurring fructan. Inulin occurs naturally in thousands of edible plants, including asparagus, artichokes, bananas, barley, chicory, garlic, rye and wheat.

(L)

Lactic acid bacteria: A group of gram-positive, non-sporing bacteria which cause fermentation of sugars.

Leakage: The phenomenon in which some of the influent ions are not adsorbed and appear in the effluent. It is usually caused by an under-regenerated exchange resin bed or by excessive flow rate.

Lysine: Essential nutrient in the human diet.

(M)

Magnesium: One of the elements making up the earth's crust, the compounds of which when dissolved in water make the water hard. The presence of magnesium in water is a factor contributing to the formation of scale and insoluble soap curds.

Metabolism: The chemical reactions that occur in a living cell or organism to build and break down substances.

Microorganism: A general term for simple, one-celled organisms like bacteria.

Mineral: A term applied to inorganic substances, such as rocks and similar matter found in the earth's strata, as opposed to organic substances such as plant and animal matter. Minerals normally have definite chemical composition and crystal structure. The term is also applied to matter derived from minerals, such as the inorganic ions found in water. The term has been incorrectly applied to ion exchangers, even though most of the modern materials are organic ion

Molecular biology: A branch of science that studies the composition, structure, function and interactions of cellular molecules, such as proteins and nucleic acids.

Myoglobin: A protein found in heart tissue and other muscles.

(O)

Ordinary Shares: The ordinary shares of the Company that will be listed on Euronext.

Organic: Having the characteristics of or being derived from plant or animal matter, as opposed to inorganic matter derived from rocks and minerals. Organic matter is characterized by its carbon-hydrogen structure.

Osmosis: A process of diffusion of a solvent such as water through a semi-permeable membrane which will transmit the solvent but impede most dissolved substances. The normal flow of solvent is from the dilute solution to the concentrated solution. Osmosis causes the stronger solution to become more diluted and tends to equalize the opposing solutions.

Oxalic acid: Can be used for the removal of iron stains from most washable fabrics. Oxalic acid crystals can be obtained at most drug stores. It is poisonous and a skin irritant, therefore precautions must be used.

Oxidation: A chemical process in which electrons are removed from an atom, ion or compound. The addition of oxygen is a specific form of oxidation. Combustion is an extremely rapid form of oxidation, while the rusting of iron is a slow form. Oxidation never occurs alone but always as a part of the oxidation-reduction (redox) reaction.

Oxidizing agent: A chemical substance that brings about the oxidation of other substances in chemical oxidation and reduction reactions. Examples of oxidizing agents include oxygen, ozone, chlorine and peroxide.

(P)

Patent: A patent is a form of intellectual property rights granted by a government to an inventor or their assignee for a limited amount of time in exchange for the public disclosure of the invention. A patent provides the right to exclude all others from making, using, or selling an invention or products made by an invented process.

Pathogenic: Term used to describe a bacterium, virus or other microorganism that has the ability to cause disease.

Precipitate: To cause a dissolved substance to form a solid particle that can be removed by settling or filtering. The term also refers to the solid thus formed.

Preferential adsorption: Adsorption in which a certain component or certain components are adsorbed to a much greater extent than others.

Probiotic: The generally accepted definition is the one issued by the Food and Agricultural Organization (FAO) of the United Nations and the World Health Organization (WHO), which defines probiotics as “live microorganisms which when administered in adequate amounts, confer a beneficial health effect on the host.” These microorganisms do not promote or cause disease. They comprise multiple species and subspecies of bacteria, as well as one species of yeast called *Saccharomyces*. It is important to note that to date, the term “adequate amounts” of live microbes has not been defined by any official body or research authority.

Protein: Proteins are large complex molecules that do most of the work in the cells in a living organism. They play a crucial role in almost all biological processes, being involved in building, maintaining and replacing tissues in the body.

Purification: The removal of undesirable matter from water or wastewater. It is the disinfection of water by the killing of microbial contaminants, such as coliform bacteria. A strict definition means the removal from water of all contaminants.

(R)

Radium: Naturally occurring radioactive elements such as radium 226 and radium 228 created in the decay of the uranium and thorium series. It can be removed from water by cation exchange softening.

Reverse Deionization: The use of an anion exchange unit ahead of a cation exchange unit- in that order- in a deionization system.

Reverse Osmosis: A process for the removal of dissolved ions from water, in which pressure is used to force the water through a semi-permeable membrane, which will transmit the water but reject

most other suspended and dissolved materials. It is called reverse osmosis because mechanical pressure is used to force the water to flow in the direction that is the reverse of natural osmosis, namely from the dilute to the concentrated solution.

(S)

Saturated solution: A solution containing the maximum amount of the dissolved substance that such a solution can hold at this temperature.

Serine proteases: Enzymes that cleave peptide bonds in proteins.

Sodium hydrosulfite: A strong reducing agent used as the main ingredient of several resin cleaners used to clean iron fouled in ion exchange resin beds.

Softened water: Any water that is treated to reduce hardness minerals to 1.0 GPG (17.1 mg/L) or less, expressed as calcium carbonate.

Solvent: The liquid, such as water, in which other materials (solutes) are dissolved.

Sulfur: A yellowish solid chemical element. The term is also used as a slang expression to refer to water containing hydrogen sulfide gas (H₂S).

Sulphonamides: Also called sulpha drugs, sulphonamides are a group of synthetic antibacterial drugs that stop bacteria from reproducing and interfere with bacteria's ability to synthesize folic acid.

(T)

TCE: A toxic volatile organic chemical typically used as an industrial solvent.

TDS: The abbreviation for "total dissolved solids".

TFC: Reverse osmosis membrane produced with polyamide-based polymer. It is resistant to bacteria and can withstand a wide pH range. However, it cannot tolerate chlorine.

Total acidity: The total of all forms of acidity, including mineral acidity, carbon dioxide, and acid salts. Total acidity is usually determined by titration with a standard base solution to the phenolphthalein endpoint (pH 8.3).

Total alkalinity: The alkalinity of a water as determined by titration with standard acid solution to the methyl orange endpoint (pH approximately 4.5); sometimes abbreviated as "M alkalinity". Total alkalinity includes many alkalinity components, such as hydroxides, carbonates, and bicarbonates.

Total chlorine: The total amount of chlorine in a solution, which includes the combined chlorine as well as the free available chlorine.

(U)

Ultrafiltration: A membrane type system that removes small colloids and large molecules from solutions. Ultrafiltration removes particles in size range between 0.002 to 0.1 micron range. The process falls between reverse osmosis and microfiltration as far as the size of particles removed is concerned.

Ultrapure water: No standards exist describing ultrapure water though it is not considered to be sterile. It is water that has been deionized and provides high resistivity and contains no organics.

Uranium: A radioactive metallic element found naturally in combination with other materials. Uranium 238 is the most common form.

(V)

Vector: A vector in molecular biology is a vehicle that is used carry foreign genetic material from one cell into another where it can be replicated and/or expressed. Typically a vector is a DNA sequence that consists of an insert (transgene) and a larger sequence that serves as the 'backbone' of the vector. The most common form of vector used in genetic engineering are plasmids.

Virus: The smallest form of life known to be capable of producing disease or infection, usually considered to be of large molecular size. They multiply by assembly of component fragments in living cells, rather than by cell division, as do most bacteria. Being parasitic infectious microbes, they are much smaller than bacteria.

(W)

Whole genome sequencing: Laboratory process to determine the complete DNA sequence of an organism's genome.

Water Conditioning: Virtually any form of water treatment designed to improve the quality of water, by neutralization, inhibition or removal of undesirable substances.

Company representative for Information Document

NORTEM CHEM, S.A. incorporated under the laws of Spain, is a Spanish company domiciled in Calle Alexander Humboldt 12B, Polígono Industrial Salinas de Poniente, Puerto de Santa María (Cádiz), 11500, Spain. The Company is registered with the Commercial Registry of Vizcaya at volume 4241, sheet 63, page number BO-35520, first inscription, with tax identification number A95234191, is duly represented by José Luis Vázquez González, Chairman of the Board of Directors and founder who is also the person responsible for the present Information Document. Transformed into a public limited company ("*Sociedad Anónima*") by agreement of the Universal General Meeting adopted at a session held on 15 June 2019, which was recorded in a deed granted on 3 September 2019, before the Notary Public of this city, Antonio-Manuel Torres Dominguez, under protocol number 1656, which was registered in the Mercantile Register of this province in volume 2065, folio 197, page CA. 44093 and inscription 7^a.

Person responsible for the Information Document

José Luis Vázquez González, as Chairman of the Board of Directors and ultimate beneficial owner, acting for and on behalf of **NORTEM CHEM, S.A.** (hereinafter, the "**Company**" or the "**Issuer**" or "**Nortem**" or "**Nortem Biogroup**") hereby declares, after taking all reasonable measures for this purpose and to the best of his knowledge, that the information contained in this Information Document is in accordance with the facts and that the Information Document makes no material omission.

Liability Statement

Pursuant to as provided for by the Euronext Access Rule Book, Nortem's President and ultimate beneficial owner declare the following: "We declare that, to the best of our knowledge, the information provided in the Information Document is fair and accurate and that, to the best of our knowledge, the Information Document is not subject to any material omissions, and that all relevant information is included in the Information Document."

Jose Luis Vázquez Digital Signature:

Listing Sponsor

NORTEM CHEM, S.A. designed **SOLVENTIS S.V., S.A.** (hereinafter, “**Solventis**”) as a Listing Sponsor in order to lead the incorporation to Euronext Access of the Issuer. It was authorised by the Euronext Listing Board on the 27th of July 2022. SOLVENTIS S.V., S.A. is domiciled in Paseo de la Castellana 60, 4th right floor, 28046, Madrid, Spain, registered in the Mercantile Registry, with Identification Code: A63593552. It is represented in this operation by Mr. Mariano Colmenar, Managing Director of the firm. Solventis is represented by a multidisciplinary team of professionals with high experience in security issuance and overall capital markets activities both in public as well as in private markets. No other consultants concur in the incorporation process or in the preparation of this information document.

1. GENERAL INFORMATION ABOUT NORTEM CHEM, S.A.

Company Name: Nortem Chem, S.A.

Address: Calle Alexander Humboldt 12B, Polígono Industrial Salinas de Poniente, Puerto de Santa María (Cádiz), 11500, Spain.

ID/NIF number: A95234191

Register number: Incorporated as a limited company under the name of "Valltis Lan, S.L." by deed dated 21 November 2002, before the Notary Public of Bilbao Mr. Ignacio de Aguilar y Aguilar, under number 280 of the protocol order and registered in the Property Register of Vizcaya in volume 4241, folio 62, page BO-35520 and 1st inscription, having changed its name to the current name by resolution adopted by the Universal General Meeting on 31 October 2012, which was recorded in a deed granted on the same day, before the Notary Public of this City, Patricio Monzón, under number 522 of the protocol.

Transformed into a public limited company ("*Sociedad Anónima*") by agreement of the Universal General Meeting adopted at a session held on 15 June 2019, which was recorded in a deed granted on 3 September 2019, before the Notary Public of this city, Antonio-Manuel Torres Dominguez, under protocol number 1656, which was registered in the Mercantile Register of this province in volume 2065, sheet 197, page CA. 44093 and inscription 7^a.

Business Information: NORTEM CHEM, S.A. is a group of own brands focused on developing and distributing products related to the health and wellbeing of consumers. It was born as a biotechnological company, specifically in the field of food and chemical industry, concentrating its efforts in research and development of more natural and healthier products, as it has evolved as a company.

1.1 Company purpose

The company purpose is set out in Article 2 of its bylaws.

"Article 2 –Corporate Purpose

1. *The Company is dedicated to the following activities:*
 - a. *Manufacturing of food products, nutritional supplements and probiotics. Import and distribution.*
 - b. *Manufacturing of cosmetics. Import and distribution.*

- c. *Manufacturing of chemical and biochemical products. Import and distribution.*
 - d. *Manufacturing, import and distribution of healthcare products.*
 - e. *Scientific and technical research.*
 - f. *Purchase, sale, leasing, all types of temporary transfers of assets, management, administration, operation, mere ownership, development of all types of rural and urban property. Engineering contracts, acting at all times under best-efforts contracts and not as a professional partnership.*
 - g. *Creation and management of documentary and bibliographic resources; compilation, documentation and recording of any activities and the corresponding filing, reporting, disclosure, editing, distribution and marketing by the Company or a third party in any media and by any means allowed by law. Preparation, purchase and sale and marketing, including advertising distribution, of all types of products and services related to the activities undertaken in the Company.*
2. *The Company may undertake the aforementioned activities fully, partially and indirectly through shareholdings in companies with the same or similar purpose.*
 3. *According to the Spanish National Classification of Economic Activities (CNAE), the code assigned to the main activity of the Company's purpose is 1089, defined as "preparation of other food products not elsewhere classified".*

1.2 Duration

The company duration is set out in Article 4 of its bylaws.

"Article 3 – Duration

The company is incorporated for an indefinite period of time."

1.3 Financial Year

The company financial year is set out in Article 24 of its bylaws.

"Article 21 – Financial Year

The financial year shall commence on the 1st of January and end on the 31st of December of each year."

1.4 Dividends

The Issuer has not distributed dividends as of the date of this document, as per the recent constitution of the Company and the stage of its development. The company does not plan in the short term to distribute dividends to their shareholders once they are listed on Euronext Access Paris.

1.5 Administrative, management and controlling bodies

1.5.1 Board of directors

“Article 8 – Governing Bodies

The general shareholders’ meeting and the board of directors are responsible for the governance of the Company.”

“Article 15 – Structure of Board of Directors

- 1. The Company shall be managed by a board of directors consisting of a minimum of three and a maximum of 12 members.*
- 2. The general shareholders’ meeting shall determine the number of board members.*
- 3. The board of directors shall have the power to regulate its functioning in accordance with the provisions of law and these articles of association.*
- 4. Unless other majorities are specifically defined by the law or herein, resolutions put to vote at board meetings shall pass with legally established majorities. In the event of a tie vote, the chair shall have the deciding vote.”*

“Article 16 – Location of Board Meetings and Remote Attendance

- 1. Each board meeting shall be held at the location indicated in the call. If the call does not indicate a location, it shall be understood that the meeting will be held at the Company’s registered office.*
- 2. Board members may attend meetings remotely. To this end, calls for meetings shall specify the means to be used, which must ensure the recognition and identification of the attendees and continuous communication among them.”*

“Article 17 – Delegated Bodies and Committees

1. *Within the limits defined by law, the board of directors may delegate on a permanent basis its powers in an executive committee and/or in one or several managing directors. The board may also appoint members of the board to the delegated body and, where applicable, determine the manner in which the conferred powers shall be exercised.*
2. *In any event, the board of directors must create at least one audit committee that is comprised of board members and has the powers defined under applicable legislation as well as the general or special powers conferred by the board.”*

“Article 18 – Term of Office

Board members shall be appointed as such for periods of six years.”

“Article 19 – Remuneration of Directors

The office of member of the Board of Directors shall be remunerated in the form of an attendance fee for attendance at meetings of the Board of Directors and its committees.

The maximum amount of the annual remuneration of all the directors in their capacity as such must be approved by the General Meeting and shall remain in force until such time as it is amended. The exact amount to be paid within this maximum amount, as well as its distribution among the different directors, shall be determined by a decision of the Board of Directors.”

1.5.2 Board of directors composition

José Luis Vázquez González acts as the Chairman of the Board of Directors of the Company, a position for which he was appointed and accepted for a term of 6 years as of 19th of June of 2023, by resolution passed at the Company’s Extraordinary General Meeting with all members being present.

- ❖ **Chairman:** José Luis Vázquez González
- ❖ **ID/NIF:** 30551526M
- ❖ **Status:** Legal age and Spanish nationality

Susana Villegas de Burgos acts as the Vicepresident of the Board of Directors of the Company, a position for which she was appointed and accepted for a term of 6 years as of 19th of June of 2023,

by resolution passed at the Company's Extraordinary General Meeting with all members being present.

- ❖ **Vicepresident:** Susana Villegas de Burgos
- ❖ **ID/NIF:** 31642515N
- ❖ **Status:** Legal age and Spanish nationality

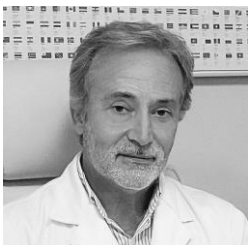
Carlos Miguel Velasco Díez acts as a member of the Board of Directors of the Company, a position for which he was appointed and accepted for a term of 6 years as of 19th of June of 2023, by resolution passed at the Company's Extraordinary General Meeting with all members being present.

- ❖ **Member:** Carlos Miguel Velasco Díez
- ❖ **ID/NIF:** 32855896M
- ❖ **Status:** Legal age and Spanish nationality

1.5.3 Directors and Management Team

The management team of Nortem has a horizontal structure with a flat hierarchy between the main managers of each department. Altogether, there is 1 president, 1 CEO, 1 CFO and 9 managers. These managers are responsible for managing the different business areas of Nortem's key brands. At the head of the company's corporate, strategic and operational management is: Jose Luis Vázquez, as Chairman; Victor Aragon, as Chief Executive Director; and Carmen Carrillo, as Financial Director.

The main persons in charge of supervising and managing each department of the group are listed below:



President | José Luis Vázquez

Licensed as an Industrial Engineer in the University of Industrial Technical Engineering of Bilbao, Jose Luis Vázquez is the founder and president of Nortem Chem SA. His professional career prior to Nortem involved working as a development engineer for the Basque Government, and also being a manager and industrial development engineer for the Basque Government and other own companies.



CEO | Victor Aragon

Graduated in Business Administration in the Universidad de Cadiz, Victor Aragón is the Chief Executive Officer and controls the management department of the company. His professional career prior to Nortem involved working in the wholesale industry for C&D Wines Ltd London from 2014 to 2022. Prior to this, Victor had experience in the Retail and the Naval industries working for SSP Select Service Partner Ltd London and Navantia, S.A. respectively.

Finance & Administration | Carmen Carrillo Cepero

Superior Degree in Administration and Finance. She has multiple experience in consulting, in addition to being an accountant, tax and labor manager. She has worked for several companies achieving great results despite her young age. She will be in charge of leading the financial/accounting division.

Marketing Sales | Gemma Aguete Sancho

Graduate in Journalism from the University of Santiago de Compostela, Master's Degree in Criticism and Argumentation from the Autonomous University of Madrid and Postgraduate in Digital Marketing and Corporate Communication from the ENEB. More than five years of experience coordinating teams in the marketing agency and media sector. Founder of several entrepreneurial projects, obtaining several awards from the University of Seville. She considers herself to be a proactive person, with a capacity for resolution and a personal interest in constant learning and innovation on a daily basis.

Marketing Amazon | Arturo Javier Priego Aguilar

Graduate in Marketing and Market Research from the University of Granada, Master's Degree in Digital and Social Marketing Management from the University of Cadiz. Specialist in the implementation of product campaigns, branding and web design. With extensive experience in the management of digital marketing actions, he believes that one of the keys to success lies in the perfection of the details and in committing to a continuous process of improvement and self-improvement.

R&D | José Alberto Román Sánchez

Graduate in Biology, with a Master's degree in Microbiology applied to industrial biotechnology, specialising in microbiome and probiotics. He has experience in the food industry, food safety sector, as well as in the field of research in different areas of R+D+i.

Quality | Marta Fernández Ortiz

Graduate in Biotechnology, with a Master's degree in Advances in Food Quality and Technology, also has training in the management and design of self-control systems based on the Analysis of Critical Control Points (HACCP). In this same company, she has gained experience, first as a quality technician, in charge of final product review, and maintenance and management of quality control systems, and then as head of Quality and Food Safety.

Production | Immaculada Ortega Valle

Graduate in Pharmacy from the University of Seville. University expert in Cosmetics and Dermopharmacy. She has extensive experience as head of production and quality control of cosmetic products. Responsible for the production of food supplements and food packaging. Development of SOPs for the correct application of good working practices. Collaboration in R&D projects. Leadership skills, teamwork. Ability to solve problems and to ensure proper communication. Ability to manage resources, planning and project development.

Logistics | Álvaro Manuel Rodríguez Carbú

With a degree in Chemical Engineering, specialising in Management Systems, and an Inter-University Master's Degree in Chemical Engineering, specialising in Biotechnological Food Industries, as well as a Master's Degree in Occupational Risk Prevention. In this company he has acquired experience in coordinating production tasks, logistical transport and team management.

Design | Felipe Monge Corbalán

Master's Degree in Graphic Design from the Instituto Artes Visuales. He has more than 15 years of experience in corporate design, layout, social networks and web design, as well as multimedia

projects. Together with us, he has developed packaging and product labelling designs, as well as control and supervision of the advertising content creation department.

Purchases | Yasmine Ameddah

Degree in Pharmacy from the University of Granada. Master in Oncology from the University of Valencia. Her wide knowledge in pharmacology, chemical elements and biology as well as her wide range of languages allows us to have a professional who makes decisions in key processes of selection of suppliers, study of new cosmetic products as well as the use of her advice for key internal decisions.

IT & Technology | Samuel Andrades

Master in Digital Marketing & Ecommerce, CFGS Animación 3D, Juegos y Entornos Interactivos, CFGS Desarrollo de Aplicaciones Web, CFGM Sistemas Microinformáticos y Redes (SMR). His knowledge and technical skills make him a key player in the technological development of NortemBioGroup in the coming years.

1.5.4 Assessment of the board of directors related to Bankruptcy, liquidation, and/or fraud related convictions

The Board of Directors declares that they have not been subject to fraud convictions in the past, neither are there any on-going procedures in this regard in which any person in the management and/or Board of the Issuer has been involved.

2. HISTORY AND KEY FIGURES

The history of the company since its inception is detailed below, and the financial statements for the years 2021 and 2022 will be presented. The financial analysis will be provided in section 7.1. and 7.2. of the present document.

2.1 History

Nortem Chem, S.A. is currently located in El Puerto de Santa María, Cádiz, where it has its headquarters and production facilities. The company was incorporated on the 31st of October, 2002 under the name Valltis Lan, S.L. in Bilbao, País Vasco, but they were focused on a different business than the current one. Subsequently, in 2012 they changed its legal name to Nortem Chem, S.L. starting its activity based on the development and sale of healthy products for human consumption, which later would be transformed into an S.A. (public limited company) under the legal name Nortem Chem, S.A., on the 15th of June 2019 with a share capital of 2,800,700 euros.

At the beginning, Nortem was initially dedicated to the production and distribution of organic citric acid, being the first company in Europe with this certification. However, Nortem's vision of the future and diversification meant that it not only manufactured and sold citric acid, but also focused its activity on the production and marketing of sodium bicarbonate, molasses, Epsom salt and fertiliser salt. Since then, the company has always been committed to the development of natural and organic products which target to improve overall health and wellbeing of consumers.

In 2012, with an extension in 2013, Nortem was the beneficiary of a Reindus grant for its citric acid production plant equipped with 21 bioreactors of 8 m³ volume, as well as the necessary equipment for the purification of the citric acid produced: vacuum filters, precipitation reactors, vacuum evaporators, crystallisers and the necessary and appropriate tanks for the different chemical products used. The company's activity continued and made significant progress, as can be seen in the revenue inflow in the company's recent history. In 2018 and 2019 the financial year closed with a sales turnover of 3,271,865.90 and 4,612,430 Euros respectively, and in 2020 it closed with a turnover of 7,612,430 Euros.

Subsequently, Nortem was a beneficiary in 2020 of the Industrial Doctorates grant from the Ministry of Science and Innovation, for the project "Obtaining biological agents as ingredients for the development of functional foods for the reduction of mucositis", and in the same year it was a beneficiary of the Direct Line of Expansion LICA 20200058. Subsequently, a CDTI grant has been applied for under the R&D line, for the recruitment of several PhDs and graduates in the 2020 call, through a project entitled "Mibiorecover, improve your quality of life", led by the biologists Raquel

Parra Millán, PhD in Biology. These facilities were designed with innovative production engineering that allows Nortem to adapt to the production of any product related to biotechnology. Therefore, it is considered to be one of the largest facilities in the European Union for the development and manufacture of biotechnological products, accounting for more than 5,100m² of work surface. In the last two years, the company has dedicated itself to diversifying the number of products it develops and sells by creating new trademarks, which is why investment in R&D has been strong. In 2023, the company is targeting a listing on the Euronext Access Paris market, in order to enhance the company's international presence and increase its current sources of financing. In May 2023, it executed a stock split of the nominal value of the shares of the share capital in order to facilitate the listing operation.

2002	❖ Valltis Lan, SL incorporation
2012	❖ Valltis Lan, SL transforms to Nortem Chem, SL ❖ Nortem Chem, SL becomes beneficiary of Reindus grant
2016	❖ Nortembio brand inception
2017	❖ Ecodescalk brand inception
2018	❖ Nortem Chem, SL generates more than €3M in revenue ❖ Awarded with Innovative SME (PYME Innovadora) recognised by the Directorate-General for Innovation and Competitiveness of the Ministry of Economy and Competitiveness in Spain
2019	❖ Nortem Chem, SL transforms to Nortem Chem, S.A. ❖ Nortem Chem, SA generates more than €4M in revenue ❖ Ecodescalk awarded best non-food innovative ecological product – Feria Organic Food Iberia
2020	❖ Nortem Chem, SA becomes beneficiary of Industrial Doctorates and LICA 2020058 ❖ Nortem Chem, SA generates more than €7M in revenue ❖ LG health systems brand inception
2022	❖ Top Amazon Seller. Leaders in online sales of food additives, food supplements or bath salts. ❖ Biosalt Nortem Pearls, Bio Marine and Natural Pharma brand inception ❖ Financing acquired through the FILPE fund ❖ New distribution channels signed: Miravia and Makro

❖ ALAS award for International Ecommerce

The following is a review of the main balance sheet and income statement items on a historical basis as of 2018:

Table 1: Key financial items on the balance sheet and income statement (€ Euro)

(in euros)	2018	2019	2020	2021	2022
Revenue	3,271,865	4,856,605	7,418,118	6,789,940	6,983,261
EBT	74,943	443,810	841,910	795,856	570,045
EBITDA	492,296	1,011,457	1,283,035	1,036,035	936,194
Net Income	44,185	137,981	644,675	564,181	500,250
Total assets	6,189,098	6,601,616	8,266,819	9,434,014	13,467,840
Non current assets	5,645,607	5,231,527	5,056,118	6,047,589	7,949,378
Current assets	543,490	1,370,088	3,210,700	3,386,424	5,518,462
Shareholder equity	2,889,392	3,373,569	3,610,975	5,136,232	6,616,329
Non current liabilities	3,148,548	2,532,047	2,962,759	2,313,794	3,464,480
Current liabilities	151,157	695,999	1,693,084	1,983,987	3,387,032

Source: Nortem Chem SA

2.2 Selected financial data

2.2.1 Balance Sheet Account

ASSETS

**NORTEM CHEM, S.A. AUDITED AGGREGATED BALANCE SHEET AS OF 31st OF DECEMBER
2022 AND 2021**

(expressed in EUR €)

ASSETS	Var	2022	2021
A) NON CURRENT ASSETS	31 %	7,949,378	6,047,590
I. Intangible assets	31%	2,105,851	1,607,292
II. Property, Plant and Equipment	34%	5,418,118	4,036,908
III. Deferred tax assets	-	23,117	0
IV. Long-term investments in group and associated companies	-	356,900	356,900
V. Long-term financial investments	-3%	45,392	46,490
B) CURRENT ASSETS	63%	5,518,462	3,386,425
I. Inventory	89%	4,087,613	2,167,513
II. Trade and other receivables	22%	1,265,978	1,039,156
III. Short-term investments in group and associated companies	66%	76,162	46,000
IV. Short-term financial investments	-68%	23,335	73,058
VI. Cash and cash equivalents	8%	65,374	60,698
TOTAL ASSETS	43%	13,467,840	9,434,015

Source: Nortem Chem SA

LIABILITIES & SHAREHOLDER'S EQUITY

NORTEM CHEM, S.A. AUDITED AGGREGATED BALANCE SHEET AS OF 31st OF DECEMBER 2022 AND 2021

(expressed in EUR €)

LIABILITIES & SHAREHOLDER'S EQUITY	Var	2022	2021
A) SHAREHOLDER'S EQUITY	29%	6,616,329	5,136,233
I. Share Capital	23%	5,157,000	4,187,000
II. Reserves	149%	960,073	385,051
III. Result of the year	-11%	500,250	564,182
IV. Adjustments for value changes	-	-994	0
B) NON CURRENT LIABILITIES	50%	3,464,480	2,313,794
II. Long-term debt	49%	3,385,262	2,276,753
IV. Deferred tax liabilities	114%	79,218	37,041
C) CURRENT LIABILITIES	71%	3,387,032	1,983,987
II. Short-term debt	95%	2,975,782	1,522,768
III. Short-term debt with group and associated companies	-100%	0	55,819
IV. Trade and other accounts payables	1%	411,250	405,400
TOTAL SHAREHOLDER'S EQUITY & LIABILITIES	43%	13,467,840	9,434,015

Source: Nortem Chem SA

2.2.2 Profit & Loss Account

NORTEM CHEM, S.A. AUDITED AGGREGATED PROFIT AND LOSS ACCOUNT AS OF 31st OF DECEMBER 2022 AND 2021 (expressed in EUR €)

Item	Var	2022	2021
1. Revenue	3%	6,983,261	6,789,940
2. Work performed by the company for its assets	332 %	465,770	107,868
3. Procurement	-20%	-1,027,288	-1,283,418
GROSS PROFIT (1+2+3)	14%	6,421,743	5,614,390
4. Other operating income	-10%	16,076	17,834
5. Personnel expenses	16%	-788,703	-681,566
6. Other operating expenses	22%	-4,794,827	-3,914,187
EBITDA (C-8-7-2)	-10%	936,194	1,036,035
7. Depreciation of fixed assets	14%	-301,993	-265,774
8. Impairment and gain or loss on disposal of fixed assets	-97%	753	25,596
9. Other results	18,872%	81,845	-436
C) OPERATING INCOME (1+2+3+4+5+6+7+8+9)	-20%	634,954	795,857
10. Financial income	175%	11	4
11. Financial expenses	-35%	-68,176	-105,385
12. Exchange differences	-68%	3,256	10,308
D) FINANCIAL RESULT (10+11+12)	-32%	-64,909	-95,073
E) EBT (C+D)	-19%	570,045	700,783
13. Taxes on profits	-48%	-69,795	-136,601.64
F) NET INCOME (E+13)	-11%	500,250	564,182

Key Performance Indicators		2022	2021
Gross Profit Margin %	11%	92	83
EBITDA Margin %	-50%	7	14

Source: Nortem Chem SA

3. COMPANY ACTIVITY

The following provides extensive details of the issuer's business, as well as its business model, the strategy it will employ in the coming years and the market in which it operates.

3.1 Business Overview

Nortem main objective is the research, development, innovation and industrialisation in the field of biochemistry and biotechnology, as well as the production and sale of products based on biochemical and/or biotechnological processes. It emerged as a biotechnological company in the field of the food and chemical industry, with maximum environmental awareness, concentrating its research and product development efforts on the development of environmentally friendly alternatives from renewable sources and obtaining its own microorganisms (*Aspergillus Niger* and *Yarrowia lipolytica*) with outstanding capabilities from adaptation and selection processes, avoiding the use of genetic modification technologies. This was done in response to increasing market demand for products not derived from genetically modified crops and without the involvement of genetically modified micro-organisms. The company's strategy seeks to satisfy the consumer's need for natural, ecological, environmentally friendly and, high quality products, both in terms of food, personal care and other everyday consumer needs, through 5 different business brands: Nortembio, EcoDescalk, NaturalPharma Laboratories, LG Health Systems and Luxury & Grace. Nortem currently operates and elaborates its products in their 5,100m² work surface facilities located in Puerto de Santa María, Cadiz.

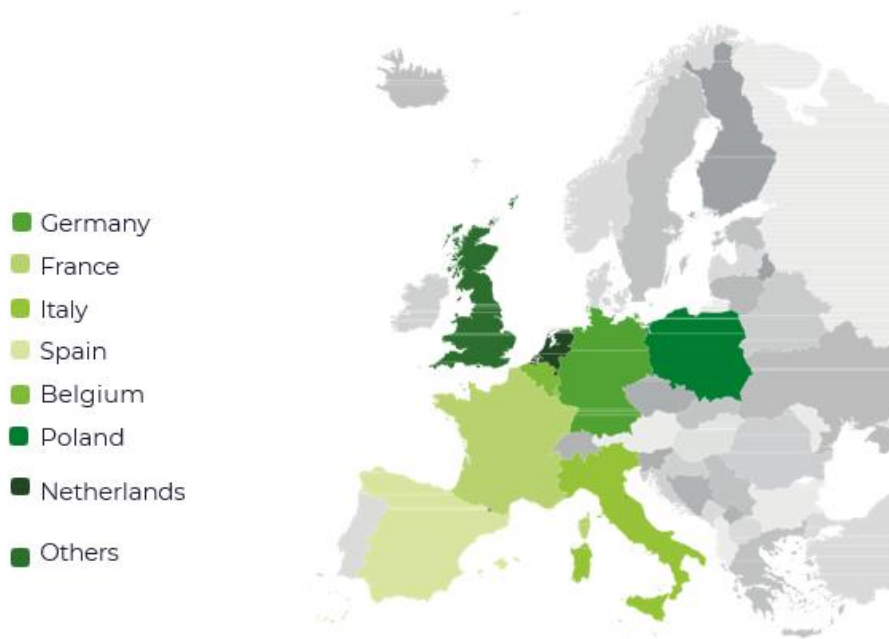


Source: Nortem Chem SA

Since its inception, Nortem is committed to the development of the environment, is honest, transparent and responsible with its business and social behaviour. It is also committed to the use

of good governance policies in decision-making bodies, procedures and rules, and to the integration of ethics in daily management, transparency, internal communication, product quality, and the mission and vision of the organisation. The company aims to achieve national and international relevance, providing competitive solutions that, due to their investment, operating and technical performance costs, allow it to obtain a clear profitability in the medium term.

Figure 1: Nortem Biogroup's International Presence



Source: Nortem Chem SA

In short, Nortem Biogroup is a group of proprietary brands focused on improving people's well-being through the development and distribution of food, cosmetic and household products. Nortem prioritises the trade of products to the end consumer, through its own website and using online distributors such as Amazon. In this way, the differentiating characteristics of the products will be highlighted: ecological, of renewable origin and respectful of the environment and animals. The use of sustainable products more than an option, is a necessity that arises from the need to reduce the pollution that affects the environment, and the high generation of waste in developed countries. Making efficient use of resources helps to conserve them, reduce water pollution and reduce CO2 emissions. At the same time, reducing the demand for unsustainable raw materials improves the negative impact of obtaining them.

3.2 Organization structure

3.2.1 Ownership and shareholding structure

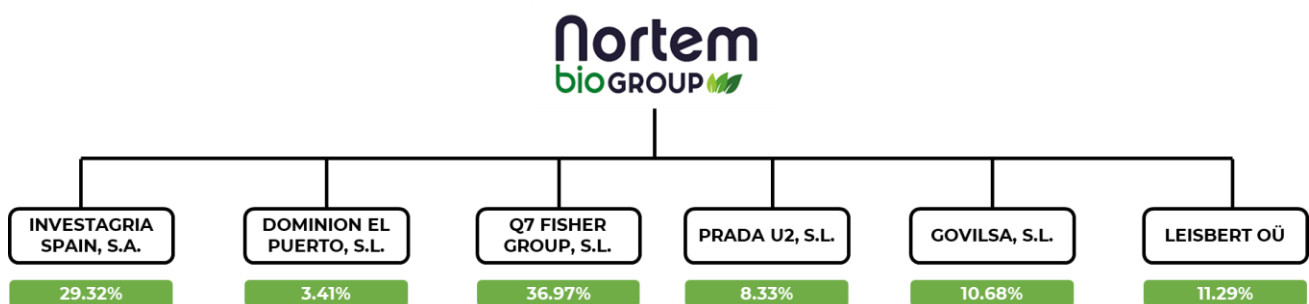
At the time of publication of this document, the ownership of Nortem Chem SA is structured and divided as follows:

- Q7 Fischer Group, S.L. (B-11907375) holding 1,906,801.67 shares (36.98%)
- Investagria Spain, S.A. (A-86925849) holding 429,418.72 shares (29.32%)
- Govilsa, S.A. (A-82697244) holding 550,799.85 shares (10.68%)
- Prada U2, S.L. (B-95217915) holding 1,512,000.15 shares (8.33%)
- Dominion El Puerto, S.L. (B-95413670) holding 175,979.61 shares (3.41%)
- Leisbert OÜ (B-36105040169) holding 582,000 shares (11.29%)

José Luis Vázquez is the indirect owner of the 60% of Nortem Chem SA shareholding, as he has 100% ownership of the shareholding of: Q7 Fisher Group SL (36.97%), Prada U2 SL (8.33%), Dominion El Puerto SL. (3.41%) and Leisbert OÜ (11.29%).

The share capital is €5,157,000 divided into 2,578,500 shares of €2 par value each, numbered sequentially from one to two million five hundred and seventy-eight thousand five hundred, both inclusive.

Figure 2: Nortem Biogroup's Shareholding Structure (%)



Source: Nortem Chem SA

Nortem Chem SA was founded in 2003 under the legal name Valltis Lan SL This company started with a share capital of 182,000 € divided into 1,820 shares of 100 € par value each. After changing its name to Nortem Chem, SL in 2012, the Company has been active in capital raises, executing four increases of capital until the end of 2019, when they converted into an SA (public limited company) followed by another capital raise in 2021, resulting in a share capital of € 4,187,000. In 2022, a capital increase of €970,000 was carried out, resulting in a final capital stock of €5,157,000. Subsequently, in 2023, the company decided to carry out a stock split of the nominal value of the

shares, thus keeping the same capital stock and varying the number of shares. The main reason for this split was to facilitate the company's listing on Euronext.

All capital increases from the beginning of the group's operations are detailed below as well as a picture of the current share capital structure.

Table 2: Evolution of Share Capital (%)

	2012	2014	2015	2019	2021	2022	2023 - SPLIT	CURRENT SITUATION
DOMINION EL PUERTO SL	18.76%	8.03%	6.28%	5.50%	4.20%	3.41%		3.41%
INVESTAGRIA SPAIN SA	0.64%	5.00%	8.49%	20%	26.85%	29.32%		8.33%
Q7 FISCHER GROUP SL	29.50%	55.95%	60.94%	53.33%	45.54%	36.98%		36.98%
PRADA U2 SL	35.11%	15.02%	11.76%	10.29%	10.26%	8.33%		29.32%
GOVILSA SA	15.99%	16%	12.53%	10.96%	13.16%	10.68%		10.68%
LEISBERT OÜ	-	-	-	-	-	11.29%		11.29%
Share capital	€ 938,200	€2,192,700	€2,800,700	€3,200,700	€4,187,000	€5,157,000		€5,157,000
Number of shares	€ 9.382	21.927	28.007	32.007	41.870	51,570		2,578,500
Nominal Value	€ 100	€ 100	€ 100	€ 100	€ 100	€100		€ 2

Source: Nortem Chem SA

Table 3: Evolution of Capital Increases (%)

Year of Capital Increase	Amount (€)	N° Shares
2012	€756,200	7,562
2014	€1,254,500	12,545
2015	€608,000	6,080
2019	€400,000	4,000
2021	€986,300	9,863
2022	€970,000	9,700

Source: Nortem Chem SA

Table 4: Split of the Nominal Value of Shares (%)

Year of Nominal Value Split	Nominal Value (€)	N° of total Shares
2022	€100	51,570
2023	€2	2,578,500

Source: Nortem Chem SA

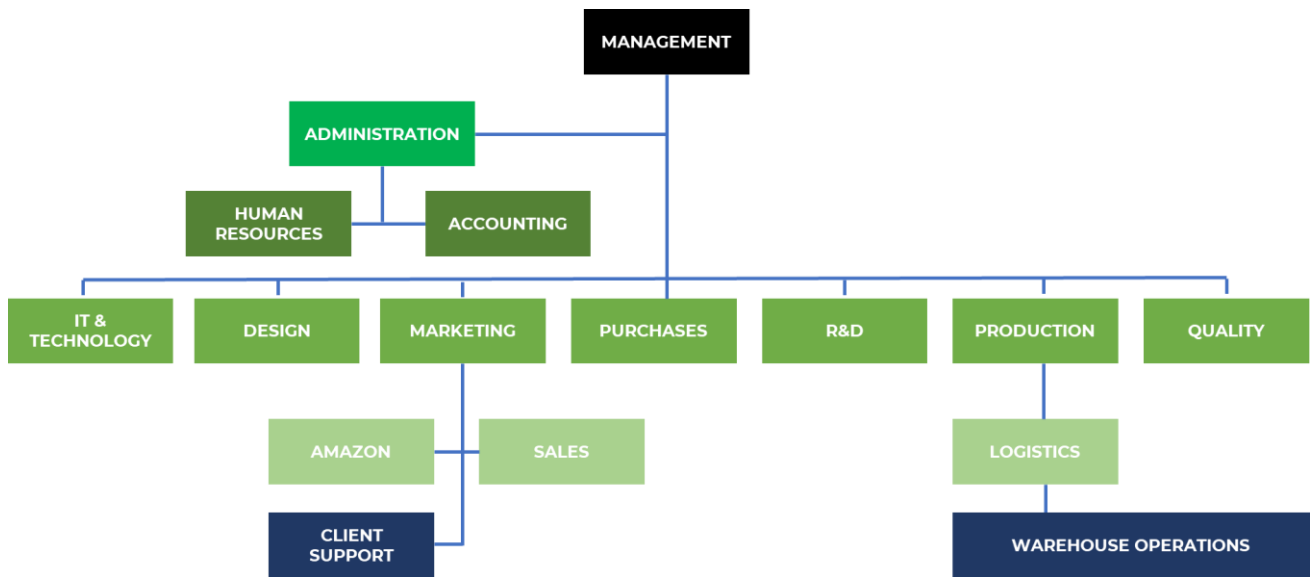
The company held a shareholders' meeting on May 22nd, 2023, where it was agreed to execute a split of the nominal value of shares from €100 to €2, thereby increasing the number of shares from 51,570 to 2,578,500. The share capital remained the same.

3.2.2 Organisational structure

Nortem is committed to the development of the environment, is transparent and responsible with its business and social behavior. It is also committed to good governance policies, both in decision-making bodies, procedures and for the integration of ethics in daily management. Nortem avoids as much as possible a vertical structure, favoring horizontal structures. In order to achieve greater flexibility to the workload and favoring the formation of multidisciplinary work teams. The company has a functional structure, and the teams are grouped by specialties: Accounting, Human Resources, Logistics, Quality, Production, Purchasing, Marketing, Design, Commercial Department and R&D&I.

There are 35 people employed in these departments, of whom 21 are men and 14 are women, ensuring almost absolute gender parity (60% men versus 40% women). The Company's commitment is to balance through the future hiring of new personnel. For each job position, they take into account the responsibilities and obligations that derive from the position, together with the conditions under which the work must be performed and the tasks involved in the position. This structure revolves around qualified and competent personnel, capable of making immediate decisions. On the technical side of the team, Nortem's pharmacists are a team of young professionals who bring experience in the different fields of work where they are located. Thanks to their technical skills and professional development within the pharmaceutical branch, they can count on a successful tandem that provides them with everything the company needs at all times, especially in the most complex and technical situations.

Figure 3: Nortem Biogroup's Organisational Structure



Source: Nortem Chem SA

Below is a breakdown of all the activities carried out in all the departments that make up the company:

Business Department	Head of department	Function description
Management	Victor Aragón	<ul style="list-style-type: none"> Budgetary control. Organization and allocation of resources. Control and organization of general processes. Negotiation with customers and suppliers. Long-term strategies
Administration	Carmen Carrillo Cepero	<ul style="list-style-type: none"> Elaboration of accounting and financial information. Budget control and elaboration. Relations with financial entities. Liquidity management of the company. Cost control. treasury, investment projects, etc.

		<ul style="list-style-type: none"> • Accounting and finance duties • Create recruitment and selection strategies. • Create job offers and publish them on different job portals. • Develop the interview procedure and interview questions.
Quality	Marta Fernandez Ortiz	<ul style="list-style-type: none"> • Maintenance and management of all documentation and quality records. • Monitoring of quality processes. • Quality control of finished products. • Traceability and internal audits for quality control. • HR management..
Production	Immaculada Ortega Valle	<ul style="list-style-type: none"> • Management of manufacturing processes. • Organization of manufacturing processes. • Plant planning. • Plant maintenance. • Logistics coordination and supervision.
Purchases	Yasmine Ameddah	<ul style="list-style-type: none"> • Receiving purchasing proposals from the other departments. • Drawing up the purchasing files: requesting quotations, receiving them; in collaboration with the other departments, examining the best offers and proposing the most advantageous offers, being responsible for demanding that suppliers comply with the economic conditions, quality standards and delivery deadlines. • Planning the execution in time, prioritising the most urgent purchase orders. • Informing and attending to suppliers in collaboration with the departments involved. • Manage complaints to suppliers.

		<ul style="list-style-type: none"> • Follow up on accounts payable generated with each supplier.
Marketing	Gemma Agüete and Arturo Javier Priego Aguilar	<ul style="list-style-type: none"> • Design and implement the marketing plan. • Defining the strategies for product or service offerings. • Planning, elaborating and managing the department's budget, under efficiency standards. • Analyze the actions and evaluate and control their results. • Leading the work team.
Design	Felipe Monge Corbalán	<ul style="list-style-type: none"> • Create designs to include a specific message or create a visual effect. • Create layouts for a wide range of products such as posters, brochures and leaflets, stationery and foldouts, stationery and logos, packaging products and websites. • Devise and review detailed designs, models and prototypes. • Gathers, interprets and presents information. • Makes decisions on how to use images, space, colour and style. • Naming (devising names for products or brands to be registered). • Registration of designs in an intellectual property protection system. • Close liaison with suppliers and manufacturers during the processes of quotation, approval and process monitoring (including receipt and checking).
IT & Technology	Samuel Andrades	<ul style="list-style-type: none"> • Managing and maintaining the organization's computer systems, servers, networks and databases.

		<ul style="list-style-type: none"> • Providing technical assistance and troubleshooting for end-users, resolving hardware, software and network issues. • Implementing and maintaining security measures to protect the organization's data and systems from unauthorized access or breaches. • Planning, designing, implementing and maintaining the organization's IT infrastructure, including hardware, software and networking components.
R&D	José Alberto Román	<ul style="list-style-type: none"> • Analyze, evaluate and research improvements in existing and new products. • Design, plan and implement the different product creation or modification projects. • Coordinate and control the development of projects in internal and external research centers. • Tests, research and development in laboratories. • Proposals for new products and business lines.

3.2.3 Employees

The selection of personnel has allowed Nortem to have a solid team, where the existing synergies have allowed the differentiation of roles. This dynamic is adapted to the characteristics of each workload, in which some profiles may stand out over others. In other words, it leaves freedom to the internal organization in each department (self-management) to distribute duties and responsibilities for each project. This dynamic provides the employee with a climate of comfort and professional freedom. Nortem does not assign specific positions but assigns specific roles that are executed within the structure, giving rise to a work system in which employees can work on various projects in different roles. In this way, greater agility and efficiency is achieved by allowing the management of each employee according to his own skills.

As recorded in the databases of the General Treasury of Social Security in the company Nortem Chem, S.A. the average number of workers who have remained on active employment during the stipulated periods is as follows:

Table 5: Evolution of the number of employees

Years	2020	2021	2022	2023
Managaement	1	1	1	2
Design	4	4	4	3
Audiovisual	2	2	2	2
Finance & Admin	3	3	3	2
Quality	4	4	4	3
Logistics	2	3	5	3
Purchases	1	1	1	1
Marketing	5	5	8	4
Human Resources	1	1	1	1
I.T.	1	1	2	1
Production	11	13	12	8
R&D	3	4	5	5
TOTAL	36	42	48	35

Source: Nortem Chem SA

Due to the launch of new products and new business lines, new people will be hired for the production process, as well as a greater quality control of the products, so that once the new business lines such as Biocosmetics and Bioalimenticia are established, they will have a total of 35 employees.

3.3 Business Description

Nortem Chem SA is a company active in the development of functional supplements and products that promote human well-being. The company operates under 5 different brands which will be described below. Each brand is focused on a different line of business, having as the common component the use of ecologic products and materials in the elaboration of the final product, and as a common target, people interested in improving their well-being. The main distribution channel for Nortem's products is usually online marketplace platforms such as Amazon or Promofarma. However, they also distribute their products through Nortem's webpage. Although the final user of Nortem products will always be the end consumer, Nortem works under both the B2C (retail) and B2B (distributors) business models. Given that the group's core business is R&D and product development, it is important to consider the timelines that the company manages throughout its production cycle. The average time from product development and manufacturing to the final sale usually depends on whether the product development requires highly technical and specific processes. If it is a highly technical product such as probiotics, the time can take up to 3 years. If the product is more standard and does not require as much research, it can take around 1 year.

3.3.1 NORTEMBIO

Nortembio[®]

A brand specialising in products aimed at the wellbeing of the people who consume them. With a wide variety of organic, natural and healthy products, made from organic and biodegradable raw materials. The current market is full of products made with toxic substances that are harmful to health and the environment. Nortembio takes a proactive stance in this regard and is committed to the manufacture of natural products, using organic and biodegradable substances.

There four fundamental pillars of Nortembio's business are the following:

❖ **Investing in natural-based products**

Nortembio's aim is to ensure, through the responsible use of the planet's renewable organic material, the safety of their customers, biodiversity, and the protection of the environment, thus further advancing the generation of economic value and social welfare.

❖ **Environmental sustainability**

Characterised by a production model based on innovation and optimisation of the use of energy and raw materials, prioritising the use of renewable materials. Thanks to the organic and biodegradable nature of their products, they contribute reducing their environmental footprint, therefore contributing to a more sustainable future.

❖ **Products not tested on animals**

In addition to considering the preservation of the environment, Nortembio is characterised by its socially responsible behaviour and commitment to all living beings, producing natural products that are not tested on animals.

❖ **Highest effectiveness**

Thanks to the high-quality standards of all Nortembio's products, maximum efficiency is guaranteed in all uses and applications.

The wide variety of products offered by Nortembio through its website and different marketplaces in B2B and B2C format is detailed below:

CITRIC ACID



Nortembio Citric Acid is a weak organic acid that stands out on the market for its high degree of purity. To adapt to all needs, Nortembio's customers can find the Nortembio Anhydrous Citric Acid and Nortembio Food Citric Acid ranges of products.

“NortemBio Citric Acid Special Food” is the ideal food additive for a multitude of dishes, thanks to its multiple uses and its high solubility, which make it an easy product to use in the kitchen. It acts as a preservative and antioxidant, a flavour enhancer, a gelling agent for jams, it is used to marinate meats, as a flavouring in confectionery or as a texturising agent in the production of pasteurised cheeses, among many other functions. NortemBio Citric Acid Special Food is organic, suitable for vegans and people with gluten intolerance. Their Food Citric Acid is endorsed with the official certification granted by the Andalusian Committee for Organic Agriculture CAAE, which certifies it as an input that can be used in processed organic foodstuffs.

“NortemBio Citric Acid” is an effective ally for household cleaning. This product, ecological and without any artificial additives, acts as a cleaner for tiles, carpets, bathrooms, sinks and many other surfaces. It can be used to degrease kitchen utensils, for the care of textile garments and for the maintenance of outdoor decorative elements, among many other applications. In addition, NortemBio Citric Acid is fully biodegradable, which guarantees environmentally sustainable cleaning.

SODIUM BICARBONATE



NortemBio Sodium Bicarbonate is a high-quality product, used as a natural, environmentally friendly product. The Sodium Bicarbonate range has multiple applications within the home, being an excellent natural cleaner. In addition, with the special Food Baking Soda range consumers can use this product to make numerous recipes and preparations. The quality of NortemBio Sodium Bicarbonate is guaranteed by the official certification granted by the Andalusian Committee for Organic Agriculture CAAE, which certifies it as a usable input in organic production.

“NortemBio Sodium Bicarbonate Special Food” is a totally natural and ecological product, suitable for vegans and gluten intolerant people and totally free of transgenic agents, additives and aluminium. Its most recognised use in the kitchen is as a leavening agent, ideal to give volume and fluff up doughs. It is also used to effectively wash fruits and vegetables, eliminate the acidity of certain foods, soften meats, neutralise bad odours during the cooking of certain foods such as cauliflower, soften purees and other liquids, etc.

“NortemBio Sodium Bicarbonate” is the ecological cleaner par excellence. Thanks to its superior quality, this natural product, free of aluminium and any other transgenic agents, is the ideal product for effective and sustainable home maintenance. It can be used to clean and polish surfaces, deodorise bad odours, remove stains, maintain household appliances and many other applications.

EPSOM SALTS



NortemBio Epsom Salt, composed of Hydrated Magnesium Sulphate crystals, is a superb, concentrated source of Magnesium, which promotes the good health of the body and can be used in immersion baths, flotation therapies, beauty treatments and natural cosmetics. Currently available in different fragrances and hydrated with Vitamins C and E.

HIMALAYAN SALTS



Sourced from Khewra, the most mineral-rich salt mine in the Himalayas, Nortembio Himalayan Salts are renowned for their excellent quality. Nortembio's salts are rich in essential minerals and trace elements, promoting good health and general well-being.

Nortembio Himalayan Salt is rich in trace elements and contains a multitude of minerals in the proportion that the human body needs. Its mild salty taste makes it a good alternative to common table salt, making it the ideal seasoning for use in domestic and professional cooking. Furthermore, salts can be ordered in different sizes and textures.

AGRICULTURE



At Nortembio they are committed to a sustainable future, which is why they offer natural products that can be also used in organic farming. With their range of products for agriculture Nortembio manages to cover all the needs of consumer's plants, while

guaranteeing high levels of safety that ensure the environment and the health of consumers.

Within the section of products for agricultural use, we find:

- ❖ Molasses: NortemBio Agro Molasses is a totally natural product that stands out for its high nutrient and mineral content. It is a natural treatment that improves the microbial structure, texture, and mineral content of the soil, favouring root and aerial development of crops and plants.
- ❖ PH Reducer: It is an effective solution to maintain a correct pH level of the soil in consumer's garden, guaranteeing an optimal assimilation of nutrients by the crops; at the same time achieving harvests of greater flavour, aroma and quality.
- ❖ Magnesium Sulphate: Nortembio Agro Hydrated Magnesium Sulphate 99.7%, is a superb, concentrated source of Magnesium, traditionally used to promote the absorption of the fundamental nutrients needed by plants.
- ❖ Garden Boxes: With the Garden Box consumer's will have everything they need for their small vegetable garden at home, with which they can grow vegetables with a delicious flavour, more intense aroma and greater nutritional value.

NATURAL TREATMENTS FOR SWIMMING POOLS



“Nortembio pH balancers”, formulated with 100% natural ingredients, are an effective treatment for enjoying safe baths quickly and effectively. They stabilise pH levels without the need for conventional chemical products, thus protecting the health of the whole family.

“Nortembio natural flocculants” are the perfect alternative to eliminate turbidity in water without any health risk. The range of clarifiers detects even the smallest impurities, allowing consumers to enjoy water with maximum transparency.

3.3.2 NATURAL PHARMA

NaturalPharma[®] Laboratories

NaturalPharma's main objective is to understand and satisfy the needs of their customers, from product conception to final sale. Therefore, they are committed to developing products made with the highest quality ingredients, strict control measures and continuous improvement through research and innovation in the development of natural probiotic supplements with ecologic certification.



The business makes a specific selection of the best probiotic strains supported by CAEE certification and Euro-leaf label, according to their mechanisms of action, avoiding the microbial antagonism generated by the coexistence of a high number of probiotic species that compete with each other for the use of nutrients and space. The formulation of their probiotics is developed with the appropriate dose of CFU that guarantees the desired health benefit, thus optimising the amount of probiotics ingested. The effectiveness of these probiotics is ensured by the Smart BioCaps[®] gastroresistant capsules that allow the protection of the total CFU against stomach acids, guaranteeing their release at the correct site of absorption.

NaturalPharma's Quality Department, equipped with the most modern and advanced equipment, carries out an exhaustive control of the raw materials used in the manufacture of the products.

Moreover, the quality technicians work together with the production staff, supervising the procedures and methods carried out from the beginning of the manufacturing process until the product is finished and ready for sale.

At NaturalPharma they have their own R&D team, made up of highly qualified specialists in the development of food supplements based on natural resources. All their products are developed taking into account the latest innovations and innovative formulas scientifically backed by official studies. Furthermore, all the probiotics elaborated by NaturalPharma have the following characteristics:

- Gluten free
- Lactose free
- Milk protein free
- Sugar free
- OGM free
- Palm oil free
- Colorant free
- No added flavours

The following, are the main probiotics and products of the NaturalPharma business line which are presented in 30 SmartBioCaps capsules per box:



PROVITAL

A food supplement that provides 10 billion probiotic cultures per capsule, guaranteed at the end of the product's shelf life. ProVital, formulated with specifically selected active ingredients, provides multiple benefits to the body. Thiamine (vitamin B1) contributes to normal heart function, vitamin C and vitamin B5 (pantothenic acid) help to reduce tiredness and fatigue and zinc

contributes to the maintenance of normal bones. ProVital is formulated with Bifidobacterium bifidum, Lactobacillus plantarum and Lactobacillus acidophilus strains, which have been specifically selected not only for their individual characteristics, but also for the synergistic and complementary effect between them.

PRODIGESTIVE

ProDigestive is formulated with specifically selected probiotic cultures which, together with a complex of specific digestive enzymes (Alpha Amylase, Protease, Lactase, Cellulase and Lipase), can help the digestion process and the absorption of nutrients, promoting good daily digestive maintenance. It also contains organic extract of yarrow (*Achillea millefolium*), which helps regulate gastrointestinal motility and gas elimination, and zinc, which promotes the normal metabolism of carbohydrates, macronutrients and fatty acids.

PROFIT

ProFit is formulated with specifically selected probiotic cultures which, together with organic artichoke extract, can help the transformation and correct absorption of macronutrients, favouring the reduction of body fat and the purifying function of the organism. ProFit is formulated with Lactobacillus acidophilus, Lactobacillus plantarum, Lactobacillus gasseri and Bifidobacterium lactis.

PROBEAUTY

ProBeauty is formulated with specifically selected probiotic cultures that can be the perfect alternative to combat oxidative stress, prevent the signs of ageing and revitalise the most damaged and dull skin. In addition, probiotics have been shown to improve skin barrier function and cellular bonding, which decreases moisture loss and results in smoother, healthier-looking skin. ProBeauty, formulated with specifically selected active ingredients, provides multiple benefits to the body. Vitamin C helps protect cells from oxidative damage and helps form collagen for skin maintenance, zinc helps maintain healthy nails and hair, and vitamin B6 helps regulate hormonal activity.

PROINTIMATE

ProIntimate helps restore the natural balance of a woman's intimate area through a series of active ingredients that help restore the vaginal flora when it has suffered any type of alteration. Its combination of Lactobacillus and Bifidobacterium bacteria plays a key role in helping to maintain a balanced vaginal flora and offer protection against the growth of potentially pathogenic bacteria and fungi. Vitamin C helps the immune system function, while cranberry (*Vaccinium*

macrocarpon Aiton) contains proanthocyanidins that help prevent recurrent infections in the intimate area by preventing pathogens from attaching to the inner walls of the urinary tract.

PROIMMUNE

The beneficial microorganisms that colonise the gut stimulate the immune system to perform optimal defence functions. These microorganisms in the gastrointestinal tract also strengthen the barrier function of the intestinal lining, decreasing the passage of pathogenic bacteria or antigens from the gut into the bloodstream. ProImmune survives the digestive processes and colonises the gut, where it performs its function and supports the maintenance of the body's natural defences. ProImmune is formulated with Lactobacillus acidophilus, Bifidobacterium bifidum, Lactobacillus rhamnosus, Lactobacillus casei, Bifidobacterium longum and Bifidobacterium lactis.

PROHEART

It is an excellent food supplement that provides 11 billion probiotic cultures per capsule, secured at the end of the product's shelf life. ProHeart is formulated with organic red yeast rice, which provides the established daily amount of Monacolin K per dose, and vitamin B1 (thiamine), which contributes to normal heart function.

PROENERGY

It is an excellent food supplement that provides 10 billion probiotic cultures per capsule, guaranteed at the end of the product's shelf life. ProEnergy, formulated with specifically selected active ingredients, provides multiple benefits for the body. Vitamin B12 contributes to the normal functioning of the immune system and biotin (vitamin B7) and thiamine (vitamin B1) contribute to the maintenance of normal energy metabolism.

PROFLORA+

It is an excellent food supplement that provides 10 billion probiotic cultures per capsule, guaranteed at the end of the product's shelf life. ProFlora+, formulated with specifically selected active ingredients, provides multiple benefits to the body. Vitamin C contributes to normal energy metabolism, folates maintain the normal functioning of the immune system and riboflavin (vitamin B2) helps to reduce tiredness and fatigue.



MARINE ELCTROLYTES

NaturalPharma's 100% natural marine electrolytes contain more than 70 essential minerals and trace elements that your body needs in the right proportions, thus contributing to the proper functioning of your body. Among the more than 70 minerals provided by electrolytes, you can find calcium, magnesium chloride, potassium, zinc, iodine and manganese, among others. Their unique composition helps prevent the loss of essential minerals and trace elements after exercise, helps restore osmotic balance and even regulates intestinal health.



DETOXSIL

DetoxSil by NaturalPharma Labs is a product manufactured under the highest quality standards whose function is to prevent the accumulation of different toxins in the body, such as aluminium, mercury and other heavy metals. In this way, DetoxSil, or silicon dioxide, helps the body to perform a detox function. It is an excellent silicon-based food supplement that provides antioxidant and regenerative properties.

3.3.3 LUXURY & GRACE



Luxury and Grace is a brand specialising in the development and sale of high-quality household products that guarantee optimal food preservation. BPA-free containers. BPA stands for bisphenol A, an industrial chemical that has been used to make certain plastics and resins since the 1950s. Bisphenol A is found in polycarbonate plastics and epoxy resins. The average price of the products are in the range of €15-€50 euros. The main product categories of Luxury & Grace are listed below:

WATER BOTTLES



This line sells different types of high-quality water bottles categorized in 4 categories: Travel, Daily, Sport and Home. Additionally, consumers can order these bottles in packs and the average price is of €15 euro.

GLASS CONTAINERS



Another of the brand's main product lines are jars and containers for food storage. There are currently 6 product categories: glass containers, glass jars with stainless steel lids, jars with bamboo lids, airtight glass jars, canning jars and polyethylene jars.

KITCHENWARE



One of the lines with the smallest number of products is kitchenware, which includes saltshakers and grinders for seasoning dishes with salt, pepper and other spices.

BOTTLES FOR BATH AND HOUSEHOLD PRODUCTS



Finally, there are two lines focused on the sale of containers and bottles for products related to household cleaning, bathing and storage of cosmetic products such as colognes and perfumes.

3.3.4 ECODESCALK

EcoDescalk®

Ecodescalk offers a range of products for descaling coffee machines, dishwashers, kettles and washing machines, in 500ml liquid and 30 gram powder formats. The quality of the products is guaranteed by the CAAE, the European certification body specialising in organic production. Additionally, they are also up to 4 times more effective and faster at dissolving limescale deposits compared to traditional water softeners, and they increase the energy efficiency of household appliances whilst preventing breakdowns due to limescale build-up.

ECODESCALK COFFEE



Used regularly, it helps to avoid problems caused by limescale, such as lack of steam, deteriorating coffee taste or lack of foam in the brew. Thanks to EcoDescalk Coffe, the consumer can extend the life of his coffee machine, protecting the appliance and preventing corrosion. The product offers some unique characteristics such as:

- ❖ 100% natural: Its organic composition makes it the perfect formula to ensure a totally natural and environmentally friendly maintenance of a coffee machine.
- ❖ Multi-use: This limescale remover can be used in all types of coffee machines, espresso, capsule and filter machines (Nespresso, DeLonghi, Krups, Tassimo, Saeco, etc).
- ❖ Ease of use: EcoDescalk is available in liquid and powder form, both of which are easy and safe to apply, thanks to the dosage cap and the single-dose sachets respectively.
- ❖ Improve overall performance: This product cleans each and every part of the coffee machine's circuit, which guarantees a better performance of the machine.
- ❖ Taste improvement: Regular maintenance of the coffee machine ensures a better taste and aroma of the coffee, as well as more frothy brews.

ECODESCALK UNIVERSAL



The water used by consumer's appliances can cause problems caused by an excessive concentration of calcium and magnesium salts, leading to limescale build-up. This limescale residue can in turn cause blockages in the pipes and internal valves of your machine, causing problems in its operation. EcoDescalk Universal Ecological is ideal for restoring the optimum hygienic condition of appliances such as washing machines, dishwashers or boiling kettles. Its regular use helps to avoid problems caused by limescale in tanks and ducts, improving their performance and electricity consumption. The product offers the following characteristics:

- ❖ Universal use: EcoDescalk Universal Ecological is suitable for small and large household appliances: kettles, washing machines, dishwashers, etc. Compatible with all brands.
- ❖ 100% Ecologic product: The quality of the product is guaranteed by the CAAE, European certification body specialising in organic production.
- ❖ Multiple benefits: Its high quality, environmentally friendly origin removes limescale, cleans and prevents corrosion in a natural way. It increases the energy efficiency of household appliances and prevents breakdowns caused by limescale build-up.
- ❖ Biodegradable: EcoDescalk Universal Ecological is a water softener made of biodegradable organic compounds. It cares for and respects the natural environment. In line with the green philosophy of the EcoDescalk brand.

3.3.5 LG HEALTH SYSTEMS



LG Health Systems is a company dedicated to the research and development of products aimed at improving the health, well-being and quality of life of the customers and the planet. It is focused on the sale of a water filtering and heating device to remove toxic substances from tap water through a reverse osmosis system with four filters. Its domestic reverse osmosis system is capable of filtering out the toxic elements present not only in tap water, but also in bottled water.



All of the following toxic elements are present in the water people drink every day, to a greater or lesser extent, but they are present. Whether in bottled water or tap water. LG Health Systems' domestic reverse osmosis is able to completely eliminate the presence of these elements in the water.

- ❖ Virus and bacteria: Bacteria such as Escherichia coli and coliforms are among the most common bacteria in water systems. They can cause problems in the digestive system such as diarrhoea, severe abdominal pain or gastrointestinal infections.
- ❖ Water pesticides: Pesticides are used to kill, repel or regulate the growth of pests, but the problem is that through misuse, they end up in water systems.
- ❖ Arsenic: A study by the Society for Risk Analysis (SRA) states that the consumption of inorganic arsenic has a cumulative effect on bodies and could cause long-term illness.
- ❖ Heavy metals: According to Greenpeace, the Ministry of Ecological Transition and Demographic Challenge states that 30% of groundwater monitoring stations and 50% of surface waters are of sub-optimal quality due to nitrate contamination causing methaemoglobinaemia in infants and in higher concentrations, asphyxia and gastric problems.
- ❖ Chlorine: Chlorine, present in water, can form chlorination by-products that have been associated with an increase in various diseases. This depends mainly on the amount of chlorine used. In addition, it has been shown that high levels of chlorine in water can alter its odour and taste.
- ❖ Chloroform: The Spanish Government's Registro Estatal de Emisiones y Fuentes Contaminantes and the Agency for Toxic Substances and Disease Registry by the CDC state that exposure to large amounts of this substance can affect the central nervous system, liver and kidneys.
- ❖ Aluminium: Aluminium is considered a non-toxic element. However, it is a health risk when there is high exposure to it. Likewise, the larger the reduction the levels of aluminium in water, the better.

- ❖ Iron and manganese: Iron and manganese are two of the most common chemical contaminants in drinking water sources. Water contaminated with iron and manganese almost always contains bacteria, which feed on the minerals in the water that people drink.
- ❖ Sulphate: According to a study carried out by the Directorate General for Public Health and Participation of the Balearic Islands Government's Department of Health and Consumer Affairs, drinking water with a high sulphate content can have a laxative effect on humans.
- ❖ Calcium and magnesium: The high presence of lime and magnesium predominates in water with a high hardness. Although drinking hard water provides us with more minerals than soft water, drinking water with a high content of magnesium and calcium salts can lead to the formation of kidney stones, according to a study carried out by the Institute of Public and Labour Health of Navarre.
- ❖ Strontium: Strontium comes into contact with us through food and drinking water. According to the Agency for Toxic Substances and Disease Registry (ATSDR), breathing or ingesting high levels of strontium can disrupt bone growth in children and lead to anaemia.
- ❖ Glyphosate: Exposure to large or continuous amounts of glyphosate can cause severe symptoms such as abdominal cramps, shortness of breath, drowsiness, low blood pressure and even kidney failure.

3.3.6 New Business Lines

Continuing with the diversification of the company, in the next three years Nortem will create new lines of business that will increase the sales, providing technological innovations that will improve the health and wellbeing of people, with these products forming part of their business line. This is the result of their large investment in R&D&I projects. The company is working to launch the following new lines of business (the following list is chronologically ordered based on the proximity date on which each brand will begin to be marketed):

BIOMARINE LABORATORIES

BioMarine Laboratories offers safe and effective alternatives by developing sulphite- and phosphate-free additives for use as part of anti-melting and moisturising treatments for fishery products. BioMarine's goal is to exceed customers' expectations through quality, bringing to market products that are committed to consumer health and respect for the environment. Immersed in a constant process of innovation, BioMarine Laboratories has a highly qualified technical team. Their industry research, combined with the application of international standards and state-of-the-art technology, allows them to offer a complete range of superior quality anti-melanosis and moisturising additives to ensure greater competitiveness for customers and suppliers. BioMarine treatments have been formulated under the premise of promoting growth

and productive yield through three different products: EcoMel, EcoMel Frost and Hydro+. Thus, while EcoMel and EcoMel Frost prevent the phenomenon of melanosis in crustaceans after capture, Hydro+ produces a weight gain by preventing losses due to dehydration. Their products do not contain sulphites or phosphates and are also free of any type of allergen. Moreover, thanks to their composition, they preserve the organoleptic characteristics of the crustaceans intact, maintaining the colour, taste and smell of fresh seafood. At BioMarine Laboratories they work every day to create innovative and sustainable products, reducing the amount of chemicals that negatively impact the lives of consumers and the environment. The products are described below:

- ❖ EcoMel is an innovative sulphite-free product formulated to prevent melanosis in shrimps and other crustaceans. Ideal for in situ treatment of crustaceans after capture either on board or on land. It deactivates the PPO enzyme responsible for the development of melanosis in crustaceans once they are caught. Due to their sulphite-free composition, these products are positioned as healthy treatments to combat melanosis in crustaceans without adverse effects on the health of consumers, thus guaranteeing their food safety. EcoMel and EcoMel Frost enhance the brightness, colour and texture of crustaceans for longer than other treatments, guaranteeing optimum product quality and preserving the seafood's properties intact.
- ❖ Hydro+ is a phosphate-free moisture retainer that prevents dehydration losses that occur in post-harvest production processes, thus maintaining the organoleptic properties of the fresh product. Since it increases the water retention capacity of the proteins, it produces a weight gain in the treated crustaceans. In this way, the best product is obtained in terms of quality and profitability. Furthermore, it stabilises and texturises proteins, preventing lipid oxidation and providing firmness and juiciness to muscle tissue.

BIOSALT PEARLS

Nortem Chem SA is very active in product and brand development. This year it has decided to launch a new own brand under the name BioSalt Nortem Pearls. The main characteristics of its products are as follows:

- ❖ Origin: This salt is produced in Nortem's own salt mines, located in the heart of a protected area such as the Natural Park of the Bay of Cadiz. A natural environment, far from urban centers, with clean, salubrious and brackish waters, surrounded by nature, and a unique and protected biodiversity.
- ❖ Natural properties: The salt has a balanced and beneficial mineral content for health (complying with the WHO determinations on salt consumption). It is a salt devoid of microplastics and microfibers, being totally healthy.

- ❖ Exquisite processing: Nortem respects the natural crystallization of the salt, so they allow it to crystallize naturally by harvesting at its optimum moment. In all salt mines worldwide, there are multiple harvests per year (2-3 harvests), but the company only does one harvest per year. In this way, they ensure that salt has all the microelements and minerals that the body needs, without forcing the salt works to increase yield at the expense of quality. They harvest using traditional and artisanal methods that have been evolving and perfecting for more than 3000 years, meticulously taking care of each process and its timing in a respectful and sustainable way with the environment. In short, Nortem ensures food quality and safety by complying with the current legislation contained in Spanish (21-23), European (24) and Codex Alimentarius (25) regulations, more than fulfilling the objectives set out in the CAAE certification for organic sea salts. The company respect the processing and packaging of the salt, and they will try to achieve the 'Climate Pledge Friendly' and 'Compact by design' certifications from Amazon, which involve environmental respect and the maximization of the packaging to make it more sustainable, recyclable and environmentally friendly.

LG HEALTH

High quality borosilicate glass bottles with bamboo cap. Thermal and sports bottles free of BPA and phthalates.

2ND GEN PROBIOTICS

New range of products that will revolutionise the probiotic market with innovative solutions for people with gluten, lactose and other intolerances. The lines are Oncobiotic, Gluten Digest, Gluten protect, Lactose protect, Anti-Anging and Psychobiotic.

BIOKOKOA

Launch of an Organic and Ecological cocoa paste. This, together with Biosalt will lead Nortem to increase their production and facilities.

BIOCOSMETICS

Development of new lines of innovative natural cosmetics products worldwide, focused on solving the daily concerns of the population such as rejuvenation, hydration, strengthening and hair growth, photoprotection, dermatological conditions, circulatory problems and scarring. All this through SERUMS, creams, nutricosmetics, lotions, oils, gels and tonics.

LG BIOFOOD

Food alternative to the Nortembio brand, with a view to a higher quality product.

SEADIAMOND

Food alternative to the Nortembio brand, with a view to Gourmet products.

3.3.6 Trademarks

As of the date of publication of this document, Nortem is licensed to operate under the following trademarks and licenses. All the following brands are owned entirely by Nortem Chem SA:

Figure 4: Nortem Biogroup’s Licensed Trademarks



Source: Nortem Chem, S.A.

Within the BioSalt and 2nd Gen Probiotics brands, they have not been included as existing lines of business because they are just starting to sell the product at the time this Information Document was developed. As for Biofood, BioKokoa and SeaDiamond, they are brands that have been registered at different times in Nortem’s history as a company, but they do not yet have any product assigned under their name.

3.3.7 Values

Commitment to health

Being healthy and natural is part of Nortem’s DNA. All its brands are a benchmark for customers looking for natural products, free of additives and GMO ingredients.

Aiming for natural

At Nortem, they work every day to create innovative and sustainable products using natural substances that have a positive impact on the lives of their consumers. The goal is to ensure, through the responsible use of the planet's renewable organic material, the safety of their customers, biodiversity and the protection of the environment, in order to continue making progress in the generation of economic value and social well-being.

Environment allies

In the same way that Nortem strives to offer natural and quality products to customers, they are characterised by a production model based on innovation and optimisation of the use of energy and raw materials, prioritising the use of renewable materials. Thanks to the organic and biodegradable nature of their products, they contribute to reducing their environmental footprint and to achieving a more sustainable future.

No animal testing

In addition to taking into account the preservation of the environment, Nortem is characterised by its socially responsible behaviour and commitment to all living beings, producing natural products that are not tested on animals.

3.3.8 Awards

During the 1st Organic Food Iberia Fair, held at IFEMA on the 6th of June of 2019, EcoDescalk, the brand developed by Nortem, won the award for Best Innovative Non-Food Organic Product. Organic Food Iberia is a high-level international trade fair that brings together numerous professionals from the organic produce industry from the Iberian region and the rest of Europe. Since its launch in 2016, EcoDescalk has crossed borders, being installed in homes all over Europe and far exceeding sales expectations. Its ecological character has won over the most demanding and environmentally-conscious public.



Source: Nortem Chem SA

In addition, the company has been certified as an Innovative SME by the Ministry of Industry, in recognition of the constant work of innovation, dedication and effort of its R&D&I team and highly qualified specialists.



Source: Nortem Chem SA

3.4 Business model

3.4.1 Key activities

Nortem operates as a developer and distributor of products made from environmentally friendly components to improve the well-being of consumers. As the company is present at all stages of product development and distribution, the main activities of the company could be illustrated as follows:



i) Purchase of raw materials

At Nortem they procure top quality raw materials from suppliers all over the world. The supplier search process is carried out with the utmost rigour, entrusting their orders only to those who meet their quality standards. The raw material is controlled at all times through their traceability system, in which the batch and expiry date are verified, in order to be able to determine the route of the raw material throughout the production process. Once received, it is stored in the best conditions and made available to the operators for use in the production processes.

ii) Production

Once batched and quality checked, the raw material is used to create Nortem products, depending on the type of product:

a) Citric Acid: For environmentally friendly cleaning citric acid, the raw material used is chemical citric acid for the solid product, and a solution of citric acid for the liquid version, with the following formats:

- Automated line specialized in 10x18cm and 10x20cm packaging for 1,15kg format.
- Automated line specialized in 2,5L and 5L bucket for 2,5 and 5kg format.
- Automatic equipment specialized in packing doypack bags for 850g format
- Automatic equipment specialized in packaging heat-sealed bags for 500g format.
- 700g, 800g, 1kg and 25kg formats are produced using a hopper.
- Format 1L, 5L, 10L and 20L. First the dissolution is carried out, and when the mixture is finished, it is verified that it has the desired concentration. The different formats are packaged by means of dispensers.

b) Sodium Bicarbonate: Sodium bicarbonate is used as raw material for ecological cleaning, with the following formats:

- One hopper for 800g, 1.43kg, 3kg, 5kg and 6kg formats
- An automatic machine specialized in packing doypack bags for the 850g format.

- c) Natural fertilizer salt: Magnesium sulfate is used as raw material, with the following formats:
- Automated line specialized in 10x18cm and 10x20cm packaging for 1,2kg format.
 - Automated line specialized in 2,5L and 5L bucket for
- d) Molasses: For agricultural molasses, cane molasses is used as raw material. Regardless of the format to be produced, the process is the same: The corresponding format is packaged through injectors capable of dosing the required amount of molasses. Before closing the containers, they must be opened for 24 hours to ensure that the raw material has released all the gases it contains.
- e) Swimming pool ph elevators: Chemical sodium bicarbonate is used as raw material. Regardless of the format to be produced, the process is the same: A hopper is used to produce the formats 1.4 kg, 3 kg, 5 kg and 6.5 kg.
- f) Agro ph reducers: A citric acid solution is used. As with the rest of the pH modifiers, it is verified that the solution has the desired concentration and then the product is packaged using dispensers prepared for the 1 l and 5 l formats.
- g) Coffee or universal liquid descaler: Acitric acid solution is used, depending on the use of the descaler, only coffee machine or universal use, the concentration of the solution will vary. The process is identical: check that the concentration of the solution is as desired and, if so, proceed to fill the corresponding format (500 ml).
- h) Coffee or universal solid descaler: The equipment is capable of packaging 30 g sachets automatically.
- i) EPSOM Salts: Regardless of the type of food grade Epsom salt produced, the working process is the same: first, the corresponding mixing is carried out using mixers. Once the mixing is finished, the product is packaged in a hopper prepared for the 1.25 kg format. In addition, different formats are used with fragranced and unfragranced bath salts.
- j) Himalayan Pink Salts: As raw material, three different Himalayan pink salts are used as food, each one with a different type of grain size. There are several formats with different types of packaging (850 g – 6.4kg). In addition, different formats are used for personal care.

iii) **Logistics and Distribution**

The logistics process of Nortem Chem S.A. is divided into two different branches:

- a) Direct logistics: The company contracts with transportation providers to ship orders to direct customers and to Amazon's warehouses.
- b) Amazon logistics: Once the merchandise is deposited in Amazon's warehouses, Amazon will ship it to end customers who purchase through its platform, or forward it to warehouses in the rest of Europe to ensure fast delivery to all customers. Firstly, Nortem sends its products to Amazon, entrusting them with the storage and management of their inventory, whether it's just a single unit or its entire stock. By utilizing Amazon's vast logistics network, Nortem offers gain increased visibility and competitiveness in the marketplace. As part of their comprehensive services, Amazon takes charge of preparing and shipping the products to customers in Spain and across the globe. Furthermore, they handle customer support inquiries and reimbursements, ensuring a seamless experience for Nortem's clients by addressing their concerns in their local language.

Selling products through Amazon's logistics system allows Nortem to deliver orders to customers throughout Europe in the shortest possible time, benefiting from Amazon's Prime program.

3.4.2 Revenue stream

Nortem Chem S.A. generates revenues mainly through the sale of products on the online platform Amazon Marketplace with immediate billing derived from its sale. Amazon charges two fees to each customer who works with its services: (i) Commission of 15.45% on the platform's selling price. (ii) Logistics cost per product, which is calculated using pre-established tables based on the dimensions and weight of each of the products that Nortem sends to their logistics warehouses for future distribution. As for the rest of Nortem channels they provide them with invoices for their services rendered on Nortem's behalf without any kind of commission. Nevertheless, despite the company selling its branded products through other online marketplaces, the Amazon sales channel accounts for more than 90% of Nortem's total sales. The main reason why Nortem chooses to sell the majority of its products through this channel is due to the following factors:

:

- Online marketplace of reference at a global level

- Amazon is responsible for collecting the product and delivering it to the end consumer.
- Amazon has an efficient AI to manage the Support Client process.
- The platform has reviews and ratings from customers. In this way, Nortem can evaluate the acceptance of its brands and reorganise its strategy.

On the other hand, the company wants to diversify the distribution channels through which it generates revenue by entering physical spaces such as supermarkets and other online sales channels.

Regarding the contribution of each company product, this is highlighted on Table 6:

Table 6: Sales distribution by products for the year 2022 (€ Euro)

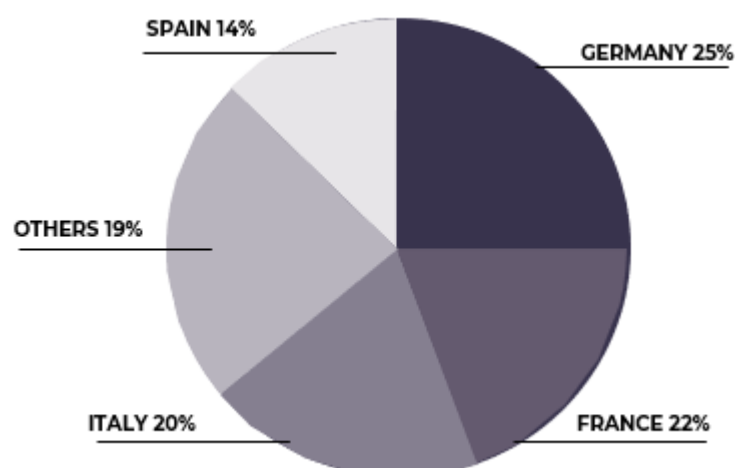
Products	% Sales	Total Sales 2022
Citric Acid	19%	1,352,218€
Sodium Bicarbonate	16%	1,138,710€
Epsom Salts	15%	1,067,540€
PH stabiliser	14%	996,371 €
Water Softner	11%	782,863 €
Himalayan Salts	9%	640,524 €
Molasses	8%	569,355 €
Others	5%	355,847 €
Fertilising Salts	3%	213,508 €

Source: Nortem Chem, S.A.

As the table shows, at year-end 2022, the product with the highest sales was Citric Acid, followed by Sodium Bicarbonate and Epsom Salts, the three of them accounting for approximately 50% of total sales. These three products are very well positioned in the market compared to competitors and have higher reviews and ratings than the competition; on average 4.8 stars out of 5 stars. In the coming months Nortem intends to keep investing in R&D to develop new products in new verticals which can add value to the current portfolio and diversify the company sales towards other verticals within the food and organic products sector.

On another note, it is important to highlight the geographic diversification of Nortem's revenues, which are broadly diversified amongst the main EU countries, such as Germany, France, Italy and Spain, in that order. The management expects that its listing on Euronext should foster the group's European presence even further

Figure 5: Sales Distribution by countries for the year 2022 (€ Euro)



Source: Nortem Chem, S.A.

As far as the group's main brand categories are concerned their sales contribution in 2022 were as follows:

Table 7: Sales Distribution by brand for the year 2022 (€ Euro)

Brands	Total Sales 2022
NORTEMBIO	5,909,706€
LUXURY & GRACE	606,951 €
ECODESCALK	207,138 €
LG HEALTH SYSTEMS	134,066 €
NATURAL PHARMA	23,192 €

Source: Nortem Chem, S.A.

Those represented in the Brand/Year Table only reflect sales on AMAZON, excluding all sales generated on the various marketplaces where they are registered. As highlighted in the table, the Nortembio brand is the flagship of the group, generating 87% of total sales. This was the group's first brand launched in 2012, in which the company has invested the most, especially in R&D and in improving the quality of its products. Other brands with considerable growth are Luxury & Grace, with a 114% in 2022 vs. In the coming years, the company's intention is to expand the group's brands and products, and to invest in the brands already in operation that have been on the market for less time and have a smaller share of the group's sales.

The average unit price charged by Nortem for each operating brand is shown in Table 8, ranging from €13 to €25 in the case of LG Health Systems.

Table 8: Average price of all aggregated products per brand (€ Euro)

Brands	Average Price
ECODESCALK	13 €
NORTEMBIO	19 €
LUXURY & GRACE	15€
NATURAL PHARMA	13 €
LG HEALTH SYSTEMS	25 €

Source: Nortem Chem, S.A.

Table 9: Purchase recurrence per brand (%)

Brands	Average %	Spain	Germany	Italy	France	UK
NORTEMBIO	73.12	83.75	65.91	70.25	69.00	78.70
ECODESCALK	22.71	17.10	30.46	16.30	21.55	28.15
BIOSALT	66.06	94.80	67.45	61.25	57.63	49.15
LG HEALTH SYSTEM	69.04	53.40	113.99	77.90	29.40	70.50
NATURAL PHARMA	30.04	69.40	15.38	40.78	13.34	11.30
LUXURY & GRACE	11.62	12.65	10.81	10.69	11.49	12.47

Source: Nortem Chem, S.A.

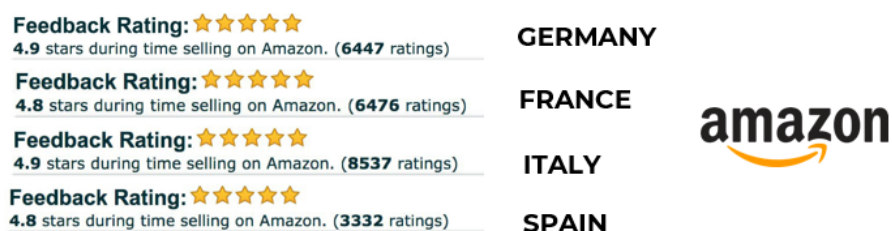
3.4.3 Clients

Nortem’s target client is one interested in buying organic and natural products with high quality and benefits for overall health wellbeing. According to Nortem’s internal research its main customer niches are as follows:

- ❖ Companies: Small and large companies interested in buying wholesale and selling healthy products.
- ❖ Families: People with small and large families. They will use the products for cleaning, consumption, etc.
- ❖ Agricultural producers (private, small and large): Need organic products for their plantations and crops.
- ❖ Individual customers, men and women between 24 and 65 years of age. A mature and adult public, with concerns and daily needs for health products, with wellness, food, ethical consumer and environmental issues.
 - Young customers: An emerging age group with average low economic resources but a high concern about society and environmental issues.
 - Old customers: With high income who value quality as a priority when searching for products.

The main platform through which the company sells its products to its target customers is Amazon Marketplace. Below is the average rating that Nortem has in the main countries where they sell their products. As can be seen, the average rating throughout the group's key market is at the top end of the range, with positive reviews from the target customer base.

Figure 6: Average rating of Nortem Biogroup's product portfolio



Source: Nortem Chem, S.A.

3.4.4 Partners and Alliances

Nortem Chem S.A. currently has no partnership agreements with other entities as such. Its main ties are with national and international suppliers to ensure the best possible quality of its entire range of products.

3.4.5 Channels

As highlighted earlier, Amazon is the main e-commerce platform through which Nortem distributes its whole product range. Once an account is created and active, sellers can add and list products for sale, manage orders and inventory, and place orders. The high variety and selection of products sold on Amazon, as well as the strength and innovation of the brand, is what most attracts buyers.

Amazon offers a complete management of Nortem’s catalog as well as its storage. It is through the Amazon platform that the company can manage their customer service, answering any questions that their customers might have about the products, solve incidents about them and maintain a good level of score and reputation of Nortem’s catalogue.

In parallel, Nortem is expanding its catalog to new e-commerce portals where their products are gaining ground against other brands already well positioned. These channels are detailed below:

Figure 7: Nortem Biogroup Distribution Channels



Source: Nortem Chem SA

- ❖ **Amazon:** A multinational technology company based in Seattle, Washington, United States. It was founded in 1994 by Jeff Bezos and initially started as an online bookstore. Since then, it has grown into one of the world's largest online retailers, offering a wide range of products and services, including books, electronics, clothing, home goods, and more.
- ❖ **Ankorstore:** Ankorstore is a B2B (business-to-business) online marketplace that connects independent retailers with brands and suppliers. It was founded in 2019 in France and has

since expanded to other countries in Europe, including Germany, Spain, and the United Kingdom.

- ❖ **Zerca!:** Is a chain of discount supermarkets based in Spain. The company was founded in 2002 and has since grown to over 300 stores across Spain, Portugal, and Andorra. Zerca! supermarkets offer a wide variety of food and household products at discounted prices, with a focus on high-quality, locally sourced products. The company's mission is to provide customers with a convenient and affordable shopping experience while supporting local farmers and producers.
- ❖ **ComprarBIO:** an online marketplace based in Spain that specializes in organic and natural products. The company was founded in 2013 and offers a wide range of products, including food, beverages, cosmetics, cleaning supplies, and more. ComprarBIO's mission is to promote healthy and sustainable living by providing customers with easy access to high-quality, organic products.
- ❖ **PromoFarma:** Promofarma is an e-commerce platform based in Spain that specializes in health, wellness, and beauty products. The company was founded in 2013 and has since grown to become one of the largest online pharmacies in Spain, offering a wide range of products from both local and international brands.
- ❖ **Nortembio:** Nortem sells and distributes a wide range of its products through the Nortembio website.
- ❖ **Makro:** Nortem has recently signed with Makro, a leading wholesale distribution company, wholesales food and non-food products to provide a comprehensive service to the supply needs of professionals. Its customers are mainly hoteliers, traders, food retailers, large consumers and institutions. In September 1972, the company opened its first center in Madrid, introducing the Cash & Carry concept in Spain.

3.5 Strategy

Nortem's strategic plan is based on the following pillars:

1. Expansión of facilities.
2. New industrial machinery
3. IFS certificate
4. New product lines
5. Expansion of existing distribution channels.
6. Listing on Euronext Access

3.5.1 Expansion of facilities

The expansion of the company's facilities with the addition of a new industrial building of approximately 600 square meters marks a significant milestone in the future strategy of the company, particularly in the production and manufacturing of ecological products. This expansion brings the total industrial area to 5,100 square meters, offering numerous advantages and opportunities for the company's sustainable endeavors.

Firstly, the increased space allows for the storage of new raw materials. As the company focuses on producing ecological products, it is crucial to have a diverse range of environmentally friendly materials readily available. The additional storage area enables the company to stock a wider selection of sustainable inputs, ensuring a consistent supply chain for the manufacturing process. With an expanded inventory of raw materials, the company can meet the growing demand for eco-friendly products without compromising their quality or facing potential shortages.

Furthermore, the incorporation of two new clean rooms in the expanded facilities is a significant advantage for the production of ecological products. Clean rooms provide a controlled environment free from contaminants such as dust, airborne particles, and microorganisms. By installing these clean rooms, the company can ensure the highest standards of cleanliness and purity during the manufacturing process. This is particularly important for ecological products, as maintaining the integrity and purity of these goods is paramount to their environmental impact and consumer perception.

Expanding the existing facilities also facilitates streamlined operations and enhanced production efficiency. With the increased space, the company can optimize the layout of equipment, production lines, and workflows. This improved organization leads to more efficient processes, reduced bottlenecks, and increased productivity. By streamlining operations, the company can meet the growing demand for ecological products while minimizing waste and resource consumption, aligning with its commitment to sustainability.

In addition to the operational benefits, expanding the facilities shows the company's commitment to sustainability and environmental stewardship. By investing in the expansion and enhancement of its infrastructure, the company showcases its long-term vision for producing ecological products. This commitment can attract environmentally conscious customers who seek out businesses that prioritize sustainable practices. The expanded facilities also provide a platform for potential collaborations and partnerships with other organizations, allowing for knowledge sharing and the development of innovative solutions to environmental challenges.

3.5.2 New industrial machinery

Additionally, new industrial machinery production lines will be acquired to complete the Biosalt and Spreadable Cocoa Cream projects. With the following lines:

- ❖ Crushing and storage line: The inclusion of a crushing and storage line allows for efficient processing of raw materials. By crushing or grinding materials into smaller particles, the machinery increases the surface area, facilitating better mixing and reaction during the production process. Additionally, the storage capabilities ensure that a sufficient quantity of materials can be readily available, enabling continuous production and preventing delays or disruptions in the supply chain. This leads to improved productivity, reduced lead times, and enhanced responsiveness to customer demands.
- ❖ Mixing and homogenizing line: The mixing and homogenizing line plays a crucial role in achieving consistent quality and uniformity in chemical and bioecological products. These machineries ensure that ingredients are thoroughly mixed and blended, resulting in a homogeneous product with evenly distributed properties. This process is particularly important for products that require precise formulations, such as cleaning agents, fertilizers, or cosmetics. By utilizing advanced mixing and homogenizing technology, Nortem can guarantee product integrity, minimize batch variations, and enhance customer satisfaction.
- ❖ Packaging line: The addition of a packaging line offers several advantages for the distribution and marketing of chemicals and bioecological products. Efficient packaging machinery enables automated and standardized packaging processes, ensuring consistent product presentation and minimizing the risk of errors or damage during packaging. This not only improves the overall product aesthetics but also enhances product safety and extends shelf life. Additionally, packaging machinery can be tailored to meet specific requirements, such as eco-friendly packaging materials or customizable packaging formats, which align with the company's commitment to sustainability and consumer preferences.

In summary, the expansion of industrial machinery production lines, including crushing and storage, mixing and homogenizing, and packaging lines, brings multiple advantages for the production and distribution of chemicals and bioecological products destined for consumers. These advantages include efficient raw material processing, consistent product quality, standardized and customized packaging, increased production capacity, and enhanced quality control and traceability. By leveraging these machineries, Nortem can strengthen its position in the market, meet consumer demands, and further promote its commitment to sustainability and product excellence.

3.5.3 IFS Certificate

As part of the expansion strategy, Nortem is in the process of obtaining the International Food Standard IFS certificate, which gives them access to be able to sell in large supermarket chains. This will mean a radical change in their production structure. The International Food Standard (IFS) certificate is a globally recognized standard that sets criteria for food safety and quality management systems. It provides a framework for assessing and certifying companies involved in the production, processing, and distribution of food products. While initially focused on the food industry, the IFS standard has expanded to include other sectors such as biotech companies that produce food-related products, including bioecological products. Overall, the IFS certificate provides biotech companies with a recognized standard for food safety and quality management systems. Obtaining this certification enables companies to access large supermarket chains, enhance food safety and quality, comply with regulatory requirements, foster supplier relationships, and drive continuous improvement

3.5.4 New product lines

Research into new product lines and maintaining its commitment to quality are its main factors in offering the best solutions to its customers, who increasingly demand better and more features, for which it is committed to investing in new assets in order to achieve its objectives. The company relies on the creation of new technologies through acquired know-how, as well as on the adaptation of its processes. At present, the lines of action are based on three types of investment:

- ❖ Investment in technological process development.
- ❖ Investment in staff and their training.
- ❖ R&D investment related to the sector.

During the next few months, the company will launch several new product lines such as food spices, new line of probiotics, new cosmetic products, etc. All this will provide Nortem with increased sales within the AMAZON platform and the rest of the e-commerce platforms where they advertise the brands. Furthermore, the intention is to reduce the dependency to the flagship brand Nortembio, as of today accounts for nearly 80% of total sales.

3.5.5 Expand existing channels

Currently, the company has a high dependence on Amazon's distribution channel, as around 90% of sales come through this channel. The reason for this is that Amazon has several advantages when it comes to supporting Nortem's customers and managing the logistics chain of the product from processing and collection to sale. There are several companies which, as of today, rely entirely on Amazon for the distribution of their products.

However, the company wants to look at additional opportunities and reduce this risk of dependency. That is why they are currently closing agreements with several supermarkets and other physical spaces to sell and distribute products of some of Nortem's brands. This will allow the Nortem group brands to be positioned in physical stores and to be able to reach another type of target, especially the older ones, since they are the ones who usually buy products offline and in a more traditional way. These types of customers prefer to compare and contrast products in person, feel them, compare prices and see product unit sizes in a physical way.

Finally, Nortem understands that product sales are moving towards an online format in the future. Therefore, they continue to strive and work to broaden the spectrum of online distribution channels, and in this way, evaluate online alternatives to Amazon. Currently, they have other online sales platforms through which they sell products, including their own Nortembio website.

3.5.6 Listing on Euronext Access Paris

Part of Nortem's strategy relies upon a future listing on a stock market of reference for scale-ups and companies with innovative business proposals that intend to grow and become world leaders in their relevant sectors. By listing on Euronext Access, in Paris, part of Europe's largest stock market, the Company expects to achieve higher levels of internationalization and visibility while allowing new partners to join the corporation in the years to come. According to European market rules, the company will do that by way of a technical admission. Then, six months to one year after its public listing in Euronext, it will start working on the admission process upgrade by bringing along new shareholders in the company. In conclusion, the company has chosen to go public (as opposed to other mechanisms) as it will allow the company to:

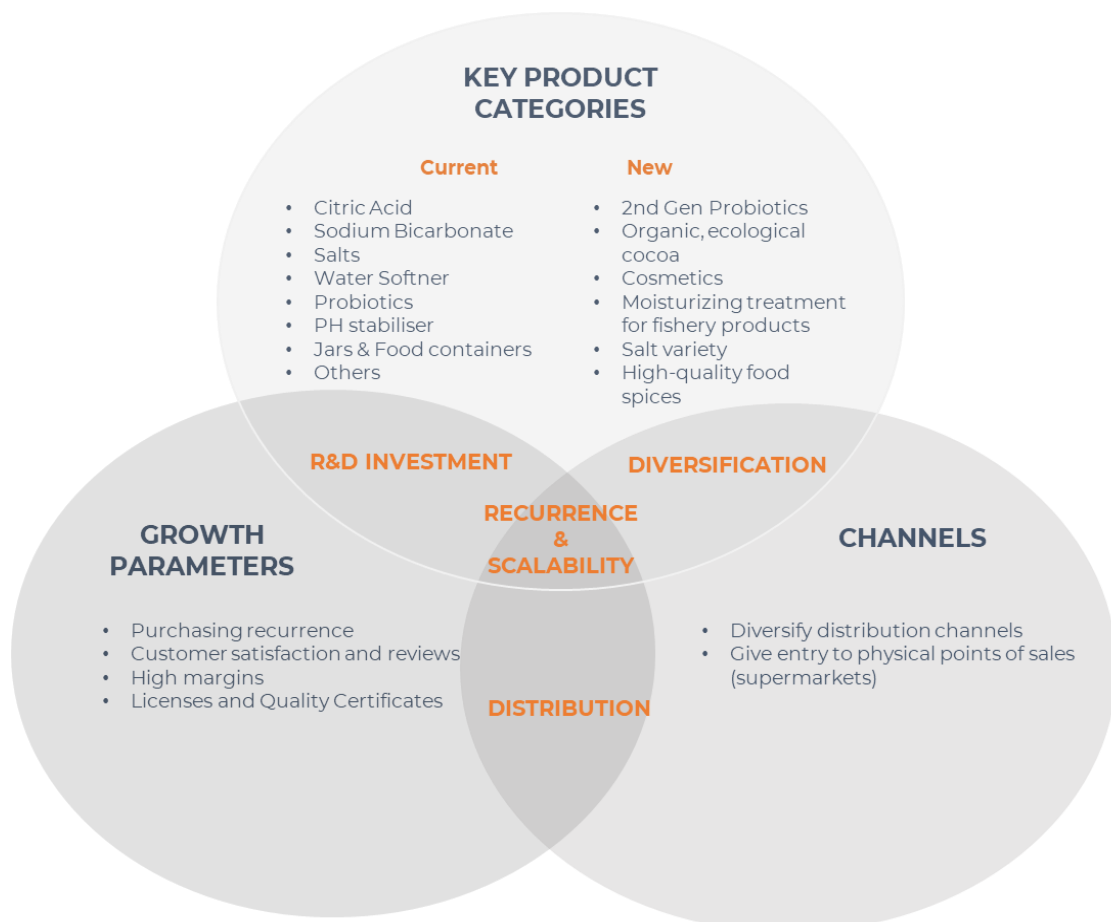
- ❖ Strengthen its global position, and increase its profile, notoriety and trustworthiness before the market.
- ❖ Develop new tools for the retention and acquisition of key talent through equity and/or profit participation.
- ❖ Enable solid financing mechanisms that will allow the company to raise the necessary resources to finance the future growth of the company.

- ❖ To provide a liquidity mechanism that can benefit the Company's shareholders while expanding its shareholder base.

3.5.7 Nortem Biogroup Long-Term Growth Strategy

Nortem's main long-run objective is to expand the number of categories per product that they offer to their target customers. To this end, it invests in R&D and expands its machinery and facilities to diversify the number of products in development. The change of name from Nortem Biotechnology to Nortem Biogroup is a clear example of the company's intention to be a conglomerate of several brands focused on different types of products, with a common theme: to improve people's health and wellbeing. The company seeks to achieve Customer Success among its clients through the sale of high-quality and environmentally friendly products, which will result in an increase in number of customers, and the income generated by each one, as soon as they achieve higher recurrence.

Figure 7: Nortem Biogroup Growth Strategy



Source: Nortem Chem SA

3.6 Market

The Global Health & Wellness Food Market size was estimated at USD 113.80 billion in 2022, USD 124.26 billion in 2023, and is projected to grow at a Compound Annual Growth Rate (CAGR) of 9.33% to reach USD 232.46 billion by 2030.

In the case of Nortem Chem SA, as it has several products in different verticals related to food, supplements and health, its market can be divided into six specific segments as follows:

❖ **Probiotics | Natural Pharma target**

Probiotics market size was valued at US\$ 2.5 Bn in 2022 and is projected to witness over 8% CAGR from 2023 to 2032. Driven by increasing consumption of functional food. (Global Market Insights, Mar 2023). Some key factors that will drive this market in the next years are the following:

- **Growing consumer awareness:** There is a growing awareness among consumers about the benefits of probiotics for digestive health, immunity, and overall well-being. This has led to an increase in demand for probiotic supplements, foods, and beverages.
- **Increasing prevalence of digestive disorders:** Digestive disorders such as irritable bowel syndrome, inflammatory bowel disease, and gastroesophageal reflux disease are becoming increasingly common. Probiotics have been shown to be effective in managing these conditions, which has led to a surge in demand for probiotic products.
- **Rising interest in preventive healthcare:** Consumers are becoming more interested in maintaining good health and preventing illness rather than simply treating symptoms. Probiotics are seen as a natural and effective way to promote digestive and immune health, which has led to increased demand for probiotic products.
- **Growing demand for natural and organic products:** Consumers are increasingly looking for natural and organic products that are free from synthetic chemicals and additives. Probiotics are often seen as a natural and healthy alternative to traditional medicines, which has helped to drive demand for probiotic products.
- **Increasing use of probiotics in animal feed:** Probiotics are also being increasingly used in animal feed to promote animal health and improve the quality of animal products such as milk and meat. This has led to increased demand for probiotic products in the animal nutrition market.

❖ **Food Containers | Luxury & Grace target**

The global food container market was valued at US\$ 148.5 billion in 2021 and is expected to grow at a CAGR of 4.4% during the forecast period (Polaris Market Research, Apr 2022). The rising trend of convenience food in the market is increasing at a significant pace, which is likely to drive the demand for containers. These are used to shorten the time of meal preparation at home. There are some convenience foods that can be eaten immediately or after adding some water or heating. Some other key factors that will drive this market in the next years are the following:

- **Growing demand for convenience:** Busy lifestyles and increasing urbanization have led to a rise in demand for convenient food storage and on-the-go options. Food containers provide a convenient solution for packaging and preserving meals, snacks, and leftovers.
- **Increasing focus on sustainability:** With rising environmental concerns, there is a growing preference for sustainable and eco-friendly packaging options. Consumers are seeking food containers made from recyclable, biodegradable, or compostable materials to reduce waste and minimize the ecological footprint.
- **Emphasis on food safety and hygiene:** Food containers play a crucial role in maintaining food safety and hygiene standards. Consumers are increasingly conscious of product quality, freshness, and preventing contamination. Containers with secure seals, tamper-evident features, and BPA-free materials are in demand.
- **Changing consumer preferences and lifestyle trends:** Dietary shifts, such as increased demand for fresh and organic foods, have influenced the need for specific food storage solutions. Containers that facilitate portion control, meal prep, and freezer storage align with health-conscious consumer preferences.
- **E-commerce and food delivery growth:** The expansion of e-commerce and food delivery services has created a significant demand for food containers suitable for transportation and delivery. Leak-proof, microwave-safe, and stackable containers are essential for maintaining food quality during transit.

❖ **Water Softner | EcoDescalk target**

The global Water Softner market size was valued at US\$ 2.96 Bn in 2022. It is projected to surpass around US\$ 5.44 Bn by 2031 growing at a CAGR of 7% during the forecasted period (Straits Research, Jan 2023). Some key factors that will drive this market in the next years are the following:

- **Hard water issues:** Many regions around the world have hard water, which contains high levels of minerals like calcium and magnesium. Hard water can cause

problems like mineral buildup in pipes and appliances, soap scum on surfaces, and dry skin and hair. Water softeners remove these minerals, improving the quality of water and reducing these issues.

- **Growing demand for home water treatment systems:** The market for home water treatment systems is growing due to concerns about water quality and safety. Water softeners are a popular option for treating hard water, as they are effective and relatively affordable.
- **Health concerns:** Hard water can also have negative effects on skin and hair health, leading to dryness and irritation. Water softeners can help to alleviate these issues, making them a popular choice for consumers who are concerned about the health of their skin and hair.
- **Energy efficiency:** Water softeners can also help to improve the efficiency of appliances like water heaters and washing machines, as they reduce mineral buildup in the equipment. This can lead to lower energy costs and a longer lifespan for the appliances.
- **Environmental concerns:** Water softeners can reduce the amount of soap and detergent needed for cleaning, as well as the amount of water needed to rinse off soap residue. This can help to reduce water usage and the amount of chemicals released into the environment. As environmental concerns continue to grow, this is becoming an increasingly important factor for consumers when choosing water treatment system

❖ Citric Acid | Nortembio target

The Global Citric Acid market size was worth US\$ 3.7 Bn in 2022 and is anticipated to reach US\$ 5.3 Bn by 2028 at a CAGR of 4.8%. (MarketDataForecast, Mar 2023). Some key factors that will drive this market in the next years are the following:

- **Food and beverage industry:** Citric acid is widely used in the food and beverage industry as a preservative, flavoring agent, and acidulant. It is used in a variety of products, including soft drinks, canned and frozen fruits and vegetables, juices, and candies. As the demand for processed and convenience foods continues to grow, the demand for citric acid is also increasing.
- **Pharmaceutical industry:** Citric acid is also used in the pharmaceutical industry as an excipient in tablets and capsules, and as a buffering agent in injections. As the demand for pharmaceutical products continues to grow, the demand for citric acid is also increasing.

- **Cleaning industry:** Citric acid is a natural cleaning agent that is effective at removing stains and scaling from surfaces. It is used in a variety of cleaning products, including dishwashing detergents, bathroom cleaners, and descaling agents. As consumers continue to look for natural and eco-friendly cleaning products, the demand for citric acid in this industry is growing.
- **Industrial applications:** Citric acid is used in a variety of industrial applications, including in the production of detergents, cosmetics, and textiles. It is also used in metal cleaning and finishing processes. As industrial production continues to grow, the demand for citric acid in these applications is also increasing.
- **Health and wellness industry:** Citric acid is also used in the health and wellness industry as a dietary supplement, as it is a natural source of antioxidants and can help to improve digestion. As consumers continue to focus on improving their health and wellness, the demand for citric acid as a dietary supplement is also increasing.

❖ Salts and Minerals | Nortembio target

- **Epsom Salt** market size was US\$ 1.7 Bn in 2022 and will reach US\$ 3.5 Bn by 2028 at a 3% CAGR (MarketDataForecast, Mar 2023). The main factor driving the market of Epsom salts is its widespread use in personal care and healthcare products. Epsom salts, also known as magnesium sulfate, are a popular natural remedy for a variety of ailments and are commonly used in Bath Salts, Foot Soaks and Laxatives.
- **Himalayan Salt** market size was valued at US\$ 11.4 Bn in 2022 and will reach US\$ 18.5 Bn by 2032 at a CAGR of 4.9%(Fact.MR, Dec 2022). The main factor driving the market of Himalayan salts is its increasing use in the health and wellness industry. Himalayan salt is a type of rock salt that is mined from the Khewra Salt Mine in Pakistan. It is known for its unique pink color and high mineral content, including potassium, calcium, and magnesium particularly demanded in the dietary supplement industry for its health benefits and the personal care industry.
- **Vitamins & Minerals** market size was valued at US\$ 23.29 Bn in 2021 and is expected to expand at a CAGR of 4.6% from 2022 to 2028 (GrandViewResearch, Dec 2021). The main factor driving the market of vitamins and minerals is the increasing consumer awareness about the importance of maintaining a healthy lifestyle and preventing chronic diseases. Vitamins and minerals are essential micronutrients that are required by the body to maintain good health, support immune function, and prevent nutrient deficiencies. Aging population, poor dietary habits and rise in chronic diseases are some of the factors that will drive the demand for these kind of supplements.

❖ Reverse Osmosis Products | LG Health Systems

In terms of revenues, the global reverse osmosis (RO) membrane market size was valued at around USD 3.35 Bn in 2021 and is projected to reach USD 8 Bn, by 2030 at a CAGR of 10%. The market is projected to grow at a significant rate due to the growing emphasis on industrial water treatment processes. Some key factors that will drive this market in the next years are the following:

- **Increasing demand for clean water:** With growing concerns over water pollution and access to clean water, there is an increasing demand for water treatment technologies such as reverse osmosis. RO systems are capable of removing a wide range of contaminants from water, including bacteria, viruses, and chemicals.
- **Industrial applications:** Reverse osmosis is commonly used in industrial applications such as power generation, food and beverage processing, and pharmaceutical manufacturing. The demand for RO products in these industries is driven by the need to produce high-quality water for use in production processes.
- **Residential and commercial applications:** Reverse osmosis systems are also commonly used in residential and commercial settings to provide clean drinking water. The market for home water treatment systems is growing as more consumers become aware of the potential contaminants in their tap water and seek out ways to improve its quality.
- **Environmental regulations:** Environmental regulations are driving the demand for RO products, particularly in industries such as wastewater treatment. Reverse osmosis is a highly effective method of removing pollutants from wastewater, making it a popular choice for meeting regulatory standards.

3.7 Competition

When analyzing the product positioning within the platforms where Nortem markets them, and analyze the key factors that define their success. Examining one of the most important products such as Citric Acid, existing in two product families such as the food branch and the chemical branch, it can be determined that the sales platform stipulates its score in a high range compared to the competition. This score, which helps to position the product and to achieve sales objectives, is determined by the requirements that the market-place predetermines as key to its success. These requirements are centered on the trade regulations stipulated by each country in which it is marketed. In addition, it has the keys to formalize the product detail page that helps to fully inform Nortem's customers and adapt the use of their products to the needs of their target audience. This

information is given by the presentation of the product by means of some main images that must respect the measures and the format that the platform tolerates.

In addition, one of the most important parts that are analyzed to carry out the scoring of the listing of the products is the one referred to the texts, such as: respecting the limit of characters within the title of which at least five must be keywords that will help the positioning of the product in its search. Each product has a description given by six bulletpoints which highlight the key description that the products must have, as well as the most detailed and concrete description of them. It also has a rich content (A+ content) which requires that it contains keywords used both in the texts and in the titles of the images that make the ecommerce interface position the product along with the advertising. If we take into account other comparative aspects, although there is no laboratory that uses the same techniques or materials, nor meets the same standards, it is convenient to analyze other large corporations to know what works and what does not work in the sector. The following are some examples of competitors in each category where Nortem competes, including companies that develop and sell different categories through the same brand such as Nortem:

HERMETIC GLASS JARS AND TUPPERS (FOOD CONTAINERS)

- ❖ Glasslock: Founded in Germany, all glass products by Glasslock are made of silica, soda ash, limestone and other natural components, making it eco-friendly and recyclable. Glasslock products are all BPA free and do not contain any harmful environmental hormones, neither in the glass, lids nor silicone. Concerned about environmental issues, Glasslock chose an eco-oriented production process since manufacturing soda-lime glass emits less carbon dioxide and consumes less energy compared to the production of other types of glass.
- ❖ Kigima: A Swiss company that offers a range of plastic food storage containers, including hermetic options. The lid maintains a 100% airtight seal and is ideal for storage in the refrigerator and for dry storage of small portions.
- ❖ Rosti Mepal: Rosti Mepal is a brand that manufactures its products in the Netherlands, guaranteeing the highest quality for the most demanding consumers. A lifetime manufacturing kitchen utensils and containers. Materials in melamine, ABS, nylon, silicone, etc. Very resistant materials, easy to clean, design and ergonomics that provide great results and good value for money.

WATER SOFTNERS

- ❖ CalConditioner: A German company that offers a range of water conditioning and softening products for households, including electronic descalers. The Calconditioner water softener is different from other water softeners. The limestone in the water does not disappear, but

the state of the limestone particles changes through electromagnetic waves. The limestone will no longer bind to your pipes and the calcium and magnesium minerals remain.

- ❖ EcoWater Systems: A French company that produces a range of water treatment solutions, including water softeners, filtration systems, and reverse osmosis systems. Ecowater Systems is represented by a worldwide network of more than 3,000 authorised distributors, water treatment specialists in the United States, Europe, Africa, Asia and the Middle East. Since obtaining its first patent in 1925, Ecowater Systems has continued to develop its expertise in residential water treatment.
- ❖ Dropson: A Spanish company that offers a range of water softeners and filtration systems for households and commercial applications. The Dropson range of anti-limescale systems is an environmentally friendly alternative for optimum energy efficiency and limescale-free installation.

EPSOM, HIMALAYAN AND FERTILIZING SALTS

- ❖ Westlab: A UK-based company that produces a range of high-quality mineral salts for use in bathing, beauty, and wellness, including Epsom and Himalayan salts. All their mineral salts are responsibly sourced and of the highest grade. They undergo thorough independent testing and analysis to ensure they meet their strict purity and natural credentials. The company has always been 100% vegan and cruelty-free and will continue to be so. Their products never contain less than 97% natural ingredients.
- ❖ Detox Trading: A UK-based company that offers a wide range of organic and natural products, including Epsom and Himalayan salts for culinary and therapeutic use. The company was founded in 2007 with the goal of providing high-quality, natural products that promote health and well-being. Detox Trading's product range includes organic foods, natural supplements, superfoods, herbal teas, and natural skincare products, as well as a wide variety of salts and minerals.
- ❖ Naturitas: A Barcelona-based company that offers a wide range of natural and organic products, including Himalayan and Epsom salts, as well as vitamins, supplements, and other health and wellness products. The mission of Naturitas is to promote health and wellness through the largest online offer of natural products and therapies at the best prices.

PROBIOTICS

- ❖ Probiotical: Probiotical was born in 1985 from the thirty years' experience of Laboratorio Microbiologico ALCE, leader in the production of direct inoculum lactic acid bacteria for dairy industry, and it immediately gained a worldwide prominent role in the research and

manufacturing of probiotics for health and well-being. The company's activities consist of several stages: research and development, strain isolation, characterization and production of probiotic strains for the prevention and treatment of different diseases; design and implementation of specific probiotics and synbiotics finished products for many therapeutic areas, supported by clinical studies.

- ❖ SoriaNatural: A Spanish company that specializes in the development and production of natural supplements and health products. The company was founded in 1982 in Soria, Spain, and has since grown to become a leading producer of natural health products in Spain and beyond. Soria Natural's product range includes a wide variety of natural supplements, including probiotics, vitamins, minerals, herbal remedies, and other natural health products. The company places a strong emphasis on using natural and organic ingredients and follows strict quality control standards to ensure the purity and potency of its products.
- ❖ NutriBIOLITE: NutriBIOLITE is a Spanish company that produces a range of natural health products, including probiotics and other dietary supplements, as well as natural cosmetics and personal care products. The company was founded in 2011 and is based in the city of Almería in southern Spain. NutriBIOLITE's product range includes a variety of dietary supplements, including probiotics for digestive health, immune support, and other health concerns. The company uses high-quality, natural ingredients and follows strict quality control standards to ensure the purity and efficacy of its products.

CITRIC ACID AND SODIUM BICARBONATE

- ❖ Jungbunzlauer: Jungbunzlauer's products are manufactured utilising fermentation, a technology based on the ability of micro-organisms to transform renewable raw material (carbohydrates from corn, grains or sugar beets) into useful biodegradable products. Committed to rigorous quality standards, Nortem guarantees for the excellence and sustainability of the products and services. Jungbunzlauer manufactures citric acid, gluconates, lactics, special salts, specialties, sweeteners and biogums for the food, beverage, pharmaceutical, cleaners and detergents and cosmetic industry as well as for various other industrial applications.
- ❖ Fagron: Fagron is a global pharmaceutical compounding company that specializes in developing, manufacturing, and distributing personalized medicines. The company was founded in 1990 in the Netherlands and has since expanded to have operations in over 30 countries around the world. Fagron's product portfolio includes a wide range of active pharmaceutical ingredients, excipients, and other compounding materials, as well as innovative technologies and software solutions that support the compounding process.

The company's customers include pharmacists, hospitals, clinics, and other healthcare providers.

- ❖ Hyperbiotics: Hyperbiotics is a company that develops and sells probiotic supplements to support digestive and immune health. The company was founded in 2014 and is headquartered in Henderson, Nevada. Hyperbiotics' mission is to create high-quality, effective, and affordable probiotics that are accessible to everyone. The company's products are formulated with specific strains of beneficial bacteria that have been shown to improve gut health and boost the immune system. Hyperbiotics' product line includes a variety of probiotic supplements, including capsules, chewables, and powders, as well as specialized formulas for women, children, and pets.

PH STABILIZERS AND AGRICULTURE

- ❖ Romar Body & Home Care: At Quimi Romar they are dedicated to the development, production and distribution of drugstore, perfumery and cosmetic products of all kinds. They are also great specialists in aerosol filling of all kinds, and they have clean room facilities. Romar takes care of the entire process, from product conception and the development of its formula and design, to its manufacture, packaging and subsequent sale and promotion. Another of Quimi Romar's strengths is its versatility, which is reflected in its constant multi-channel and global approach. In addition, they sell PH regulators and products for agriculture separately.
- ❖ PanReac AppliChem: Panreac Química is a Spanish company that specializes in the production and distribution of chemicals, reagents, and laboratory equipment for the pharmaceutical, biotechnology, chemical, and research industries. The company was founded in 1945 and is headquartered in Barcelona, Spain. Panreac Química's product portfolio includes a wide range of chemicals, including acids, solvents, salts, and other analytical reagents, as well as laboratory equipment such as pipettes, centrifuges, and balances.
- ❖ Scharlab: Scharlab is a Spanish company that specializes in the production and distribution of chemicals and laboratory equipment for the pharmaceutical, biotechnology, chemical, and research industries. The company was founded in 1948 and is headquartered in Barcelona, Spain. Scharlab offers a wide range of products, including laboratory reagents, fine chemicals, analytical standards, and laboratory equipment such as pipettes, centrifuges, and balances. The company's product range also includes a range of products for microbiology, including culture media and microbiology reagents. Scharlab also offers custom manufacturing services for special requests, including the development and production of tailor-made reagents and chemicals for specific applications.

COMBINED CATEGORY COMPETITORS

There are other competitors in the international landscape that develop and distribute several categories in which Nortem competes through their five brands. Some of these competitors sell several categories at the same time. However, one of the competitive advantages and key points of difference which Nortem has, is that most companies have a much shorter catalog for ecological products as compared to Nortem's well-diversified product portfolio.

Figure 8: Nortem Biogroup Combined Category Competitors



Source: Nortem Chem SA, Solventis SV SA

3.8 Suppliers

Since its origins, Nortem has been a company that continues to open new frontiers on all fronts, whether in terms of target markets, strategies, innovation or, in this particular case, in terms of suppliers.

Nortem's company's suppliers can be divided into two main categories:

- ❖ European suppliers: These are Nortem's most direct clients with whom they have years of relationship and trust. The search and selection process by the R&D&I team is complex given the exponential increase of organic products in their portfolio. Nortem must always ensure that their food suppliers comply with all the ecological certifications required. One of the most reputable to mention would be:

- Superfood supplier: Abbot Blackstone (<https://abbottblackstone.com/>)
- Protein supplier: Organic (<https://www.organic.nl/>)
- Spices supplier: Nutriboost Superfoods (<https://nutriboostsuperfoods.com/>)
- Spices and oils supplier: Mapryser (<https://www.mapryser.com/>)
- Flocculant supplier: Medir Ferrer (<https://medirferrer.com/>)

European Suppliers



NutriBoost



medirferrer

Mapryser

- ❖ International Suppliers: This has been the Company's branch of expansion for more specific products. Thanks to their extensive experience in international trade, they have managed to expand the portfolio of suppliers around the Asian continent being able to operate with different freight forwarders and numerous international cargo ports. From raw materials, machinery, components, packaging, etc. The selection process for international suppliers is more complex as Nortem's level of demand and commitment in terms of certifications must meet the standards that Nortem sells as a company philosophy. To this end, they carry out a traceability exercise from the origin where they acquire the raw materials until the finished product is placed on shelves. One of the most reputable to mention would be:
 - Citric Acid supplier: Ensign World (<http://www.ensignworld.com/>)
 - Sodium Bicarbonate: Weifang Haizhiyuan Chemistry (<http://en.haizhiyuan2008.com/>)
 - Himalayan salt supplier: Suhail International (<https://www.suhail-international.com/>)
 - Espom salt supplier: Laiyu Chemical (<http://www.laiyuchem.com/>)
 - Plastics supplier: Vanjoin Plastics (<https://www.vjplastics.com/>)

Other International Suppliers



AL AMIN SALT WORKS (PVT.) LTD
Established Since 1974

natural micron
Natural Micron International Co.,Ltd



Table 10: Nortem Biogroup List of Key Suppliers 2022 (\$ US Dollars)

Product	Supplier	Amount (US\$)	%
Glass jar tupper	Zibo Jiachang Trade Co	306,045	29.8%
Buckets/Lids	Dijkstra Plastics B.V.	238,678	23.2%
Citric Acid	Shandong Ensign Industry Co	224,500	21.8%
Sodium Bicarbonate	Weifang Haizhiyuan Chemistry and Industry Co	93,700	9.1%
Cosmetic jars	Su Kai Import and Export Trade Co	76,410	7.4%
Plastic jars	Vanjoin Group	24,400	2.4%
Molasses	United Molasses España	18,500	1.8%
Himalayan salts	Suhail International	17,830	1.7%
Epsom salts	Laizhou City Laiyu Chemical Co	16,500	1.6%
Species	Organic Land	6,500	0.6%
Superfoods	Nutrifoods SL	5,000	0.5%
Total		1,0298,063	

Source: Nortem Chem, S.A.

3.9 Dependence on permits, licenses and patents

Nortem does not currently hold any patents, permits or licences. However, the company does have certain certifications, which are very prestigious in the food and health sector in which it operates. These certifications are listed below:

- ❖ CAAE: All Nortem's products are endorsed by the CAAE and identified with the Euroleaf seal, which guarantees that their products have been produced in accordance with the European regulations for organic farming: European Council Regulation (EC) No. 834/2007 of 28 June 2007 on organic production and labelling of organic products.
- ❖ AENOR: Nortem also has the AENOR certificate for the packaging of food additives, food supplements, cocoa and spices and salt processing and packaging. AENOR stands for Asociación Española de Normalización y Certificación, which translates to the Spanish Association for Standardization and Certification. AENOR is the national standardization body of Spain and is responsible for developing and promoting technical standards and certification processes in various fields. AENOR certificates are issued by AENOR after an evaluation process to determine compliance with specific standards or requirements. These certificates provide recognition that a product, service, management system, or process meets established criteria or standards. Obtaining an AENOR certificate signifies that the organization or product has undergone an assessment and meets the relevant standards, demonstrating its commitment to quality, safety, environmental sustainability, or other specific areas. AENOR certification is widely recognized and respected in Spain and can enhance the credibility and competitiveness of certified entities in the marketplace.
- ❖ APPCC (Hazard analysis and critical control point analysis): A food safety management system certificate. It is an internationally recognized framework developed to identify, assess, and control hazards related to food production and ensure the safety of food products. The main purpose of the APPCC/HACCP certificate is to prevent, eliminate, or reduce hazards that can pose a significant risk to consumers' health. It focuses on identifying critical control points (CCPs) in the food production process where hazards can be effectively controlled.

3.10 Related party transactions

The Board of Directors is responsible for making the decisions concerning the financial and strategic policies of the Company.

The Company has no transactions with related party transactions with related parties or members of the Board of Directors, except for contributions made by shareholders.

3.11 Research and Development

The company has a wide variety of organic products. The company's production model focuses on innovation and optimization of the use of energy and raw materials. In addition, thanks to the ecological and organic nature of its products, it contributes to reducing the environmental footprint and to achieving a more sustainable future. In addition, Nortem Chem S.A. has several clean rooms with the necessary conditions for ISO 7 certification, to protect the food safety and hygienic-sanitary of its production. It is currently in a stage of growth thanks to the expansion of its facilities, which will include new clean rooms.

Since the beginning of the company's creation, Nortem has made a significant commitment to R&D and has invested heavily in the development of differential solutions with high added value, with the aim of increasing competitiveness in the sector.

Table 11: Nortem Biogroup's R&D Investment (€ Euro)

Year	2020	2021	2022
R&D investment amount (€)	€152,994	€107,868	€236,244

Source: Nortem Chem, S.A.

The R&D strategy is given by its continuous desire to improve both products and manufacturing processes. Therefore, Nortem invests in the development of new products through research and development, as well as in the acquisition of new technology to undertake such developments. The company is aware that as a result of such research and innovation, it will be able to enter new market niches, not yet considered, and gain market share with totally new products capable of providing significant and differentiating improvements.

Nortem currently has no patents or utility models registered in its name, as the company relies on the existing directive on the protection of trade secrets (2016/943D) to protect the industrial and intellectual property of new knowledge generated through research and development activities. However, it is worth noting the fact that the company is considering, due to its strategic nature, to investigate additional formulas to protect the results derived from R&D activities.

3.12 Environmental Social Governance






Environmental Social Governance (ESG) is becoming increasingly important in the business world as companies recognise the need to prioritise sustainability and ethical practices. As a company involved in the development and sale of ecological food supplements targeted at human wellbeing, Nortem aligns with ESG principles and positively impact both the environment and society through their product portfolio.

One way Nortem demonstrates its commitment to ESG is by prioritizing sustainability in the production and packaging of its supplements. This include using organic, locally sourced ingredients, reducing waste and packaging materials, and minimizing the carbon footprint of production and transportation. By implementing sustainable practices, Nortem reduces its environmental impact and appeal to consumers who prioritize eco-friendly products.

Another way Nortem aligns with ESG principles is by promoting social responsibility. This includes sourcing ingredients from fair trade or ethically responsible suppliers, ensuring fair labor practices throughout the supply chain, and supporting community initiatives that align with Nortem's values. In addition to taking into account the preservation of the environment, Nortem is characterized by a socially responsible behavior and committed to all living beings, producing natural products that are not tested on animals.

Finally, Nortem also prioritises governance and transparency to demonstrate its commitment to ESG principles. This includes implementing strong governance policies to ensure ethical decision-making and accountability, as well as providing transparent information about the company's practices and performance related to ESG issues. By prioritizing governance and transparency, Nortem tries to build trust with customers and stakeholders and position itself as a leader in the ESG space.

The key SDG's (Sustainable Development Goals) on which Nortem focuses are the following:

<p>3 GOOD HEALTH AND WELL-BEING</p> 	<ul style="list-style-type: none"> • Brands: Nortembio, LG Health Systems, Natural Pharma • Objective: Ensuring healthy living and promoting wellness at all ages is essential for Nortem.
<p>5 GENDER EQUALITY</p> 	<ul style="list-style-type: none"> • Brands: Nortem Chem S.A. (The Group) • Objective: Focuses on empowering women and girls to reduce gender inequality, with the purpose of avoiding the social stagnation caused by the latter. The company currently has 45% of women working in the company, and this figure is increasing.
<p>6 CLEAN WATER AND SANITATION</p> 	<ul style="list-style-type: none"> • Brands: Ecodescalk • Objective: Ensure availability and sustainable management of water and sanitation for all. The water softener product is explicitly intended to solve this SDG by purifying the water and its chemicals.
<p>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</p> 	<ul style="list-style-type: none"> • Brands: Nortem Chem S.A. (The Group) • Objective: Ensuring sustainable consumption and production patterns, which is key to sustain the livelihoods of current and future generations.
<p>15 LIFE ON LAND</p> 	<ul style="list-style-type: none"> • Brands: Nortem Chem S.A. (The Group) • Objective: Protect and restore terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and stop biodiversity loss. All Nortem's products are elaborated with ecological raw materials to minimize biodiversity impact.

4. RISK FACTORS

Investing in the Company involves inherent risks. Prospective investors should carefully consider, among other things, the risk factors set out in this section before making an investment decision in respect of the Shares. The risks and uncertainties described below are not the only ones facing the Group. Additional risks not presently known to the Company or that the Company currently deems immaterial, may also impair the Group's business, and adversely affect the price of the Shares. If any of the following risks materialise, individually or together with other circumstances, the Group's business, prospects, financial position and/or operating results could be materially and adversely affected, which in turn could lead to a decline in the value of the Shares and the loss of all or part of an investment in the Shares.

A prospective investor should consider carefully the factors set forth below, and elsewhere in the Information Document, and should consult his or her own expert advisors as to the suitability of an investment in the Shares. An investment in the Shares is suitable only for investors who understand the risk factors associated with this type of investment and who can afford a loss of all or part of an investment in the Shares.

The information herein is presented as of the date hereof and is subject to change, completion or amendment without notice.

All forward-looking statements included in this document are based on information available to the Company on the date hereof, and the Company assumes no obligation to update any such forward-looking statements except as required by applicable law or regulation. Investors are cautioned that any forward-looking statements are not guarantees of future performance and are subject to risks and uncertainties and that actual results may differ materially from those included within the forward-looking statements as a result of various factors. Factors that could cause or contribute to such differences include, but are not limited to, those described in this Information Document.

The order in which the below risks are presented is not intended to provide an indication of the likelihood of their occurrence nor their severity or significance.

4.1 General risks

4.1.1 Geographical concentration in terms of sales

In terms of sales, Nortem has a slight geographic dependency in the European region, one of the primary risks is that the company's revenue is heavily dependent on a single region, making it vulnerable to any economic, political, or social changes in that region. If there is a downturn in the European market, the company's sales could decrease, and its financial performance could suffer. Additionally, any changes to trade regulations or tariffs in Europe could also impact the company's ability to sell its products or increase its costs. This lack of geographical diversification could also limit the company's potential for growth in other regions. Therefore, Nortem may need to consider expanding its customer base in other regions to mitigate these risks and ensure long-term sustainability.

Due to the type of operations Nortem develops, geographic concentration is not an operational problem for the brands, since thanks to the AMAZON platform they can deliver the products to any country where they have registered on its platform. It allows Nortem to make controlled and measured territorial expansions, sending a customized product to the consumer profile of each new country. Externally, the inclusion of new contracts with third party companies helps the company to expand its business to new heights within the national and European territory without much difficulty thanks to their current logistics network. In parallel, the development of their own online store and new website, as well as the inclusion of their product portfolio within other platforms, has allowed Nortem to process orders to private customers throughout the European Union.

4.1.2 Geographic concentration related to suppliers

Several suppliers of Nortem are from China. There have been several problems with China and raw materials distribution over the years. One issue is the uneven distribution of natural resources across the world, with China being a major producer and supplier of many raw materials, including rare earth minerals, which are essential in the manufacturing of electronics and other high-tech products. This concentration of raw material production and supply in China has created a situation where many companies worldwide rely heavily on Chinese suppliers, leading to potential supply chain disruptions and increased costs. One of the main risks is the potential disruption to the company's supply chain if there are any political, economic, or social changes in China that affect the availability or cost of the company's raw materials or components. Any unexpected delays or interruptions to the company's supply chain could impact its ability to manufacture and sell products in a timely manner, potentially leading to lost sales and reduced profitability. Furthermore, if the company is unable to find alternative suppliers in a timely manner, it could result in increased costs and reduced profit margins. Another risk is the potential impact of trade disputes or tariffs on the cost of importing goods from China. Any increase in costs could

negatively affect the company's bottom line. To mitigate these risks, the company may need to consider diversifying its supplier base, finding alternative suppliers or even considering the option of vertical integration.

Given the nature of Nortem's products, updating and adapting to new regulations becomes essential so that they can continue to maintain their degree of competitiveness with respect to the competition. Therefore, the commitment of their suppliers must be total. With an increasing demand, it is necessary a constant communication with each and every one of the suppliers about what are Nortem's needs and requirements and above all what the market demands. The quality of the materials must always be excellent so that the result of their final products is up to the standards demanded by consumers. The constant search for new and better suppliers becomes an essential task in the market research process and consequently in the development of future products. The appearance of new techniques or technological advances, among other factors, are vital in order to be pioneers in their incorporation into their production processes.

4.1.3 Economic Cycle

The current economic cycle risk for companies in Europe is relatively uncertain. While the European economy has shown signs of recovery in recent months, with increasing vaccination rates and the easing of pandemic-related restrictions, there are still significant risks associated with the ongoing pandemic and potential future waves. Additionally, inflation rates have been increasing globally, leading to concerns about potential interest rate hikes and their impact on businesses. Moreover, the ongoing global supply chain disruptions and shortage of raw materials are likely to continue affecting businesses' operations and profitability. Analyzing the current economic situation, Nortem is in a mature phase of the economic cycle. It has been almost eleven years since the last recession that ended the previous economic cycle. Business cycles usually last between seven and nine years on average, so it can be determined that we are in an abnormally long cycle. In fact, this economic cycle is already the longest in history. The shadow cast by the pandemic is slowly receding and economies are reaching Precovid growth levels. This middle or late phase of the economic cycle is characterized by moderating GDP growth rates. In parallel, Central banks raise official interest rates to prevent inflation from rising excessively. Nortem Chem's commitment in this scenario is focused on the expansion of its industrial facilities as well as the acquisition of new production equipment. Thanks to the development of new R&D projects and the development of new product lines, this will help to strengthen their production processes for the coming years. The company is expected to grow in the coming years organically and inorganically, through capital raises and acquisition of smaller companies in different verticals where Nortem competes, respectively.

4.1.4 Global pandemic

Undoubtedly, the year 2020 marked a before and after in the history of mankind. This health crisis caused by Covid-19 had an unprecedented impact on a global level, not only on the health of the population but also on the world economy. There was practically no country's economy that were not affected by the effects of this terrible crisis. The confinement and suspension of non-essential activities had a negative effect on companies and especially on their financial aspect. As a result, many companies became insolvent. As far as Nortem is concerned, they had the advantage of being able to continue selling products through the AMAZON platform, which allowed them to continue working with their business plans in force at that time or to continue developing the creation of new and future products. The following are some positive and negative aspects of the pandemic affecting Nortem:

- ❖ Being a food company, the company was able to remain open and operate relatively normally (food companies did not stop operating during the pandemic).
- ❖ Nortem's two star products, Citric Acid and Sodium Bicarbonate of Soda, were a big hit in sales due to their sanitizing and cleaning properties. Numerous media outlets listed the benefits of these products and gave advice on how to use them to prevent the spread of the virus during prime time (free marketing).
- ❖ The confinement was characterized by an increase in on-line shopping. To a greater or lesser extent, all Nortem's products, given its business model, were favored by this circumstance.
- ❖ As they do not have physical points of sale, they did not suffer the consequences of commercial closures.
- ❖ While some staff members, especially office staff, were able to perform their duties from home, other positions could not enjoy this advantage as their presence on site was required (production, logistics, marketing, accounting, quality, graphic design, etc.).
- ❖ Given the high volume of sales, Amazon established sales criteria for some product categories (for example, they limited the sale of products with a healthcare profile). Amazon initially blocked some of Nortem's products during the first weeks of the pandemic (Nortem was eventually able to demonstrate that none of them were subject to such restrictions).

4.1.5 Brand and reputation damage

An ecological products manufacturer may suffer from a brand or reputation risk due to the increasing consumer awareness and demand for sustainability and eco-friendliness. If the company makes false or misleading claims about the environmental benefits of its products or is found to engage in unsustainable or unethical practices, it could damage its reputation and erode consumer trust. Any negative publicity or public backlash could also lead to decreased sales and revenue. Furthermore, as environmental concerns become more significant, the standards for eco-friendliness and sustainability are becoming increasingly strict, and any failure to meet those standards could harm the company's reputation. To mitigate these risks, the ecological products manufacturer should be transparent about its environmental practices and certifications, engage in sustainable sourcing and production methods, and proactively address any potential concerns or criticisms from consumers or environmental organizations.

At Nortem, they strive to deliver the best brand image to its customers. In an increasingly competitive and demanding market, it is their pursue to keep working on creating the best products to ensure that the company's philosophy is innate in every product that leaves their warehouses. As Nortem moves deeper and deeper into the development of ecologic products, they consider to understand progressively the challenge they face for the future. From the sourcing of raw materials, until their final products leave their facilities, Nortem must ensure the highest quality standards so that its products remain the leaders in all markets, especially on the AMAZON platform where they must guarantee the highest customer satisfaction.

4.1.6 Rising Competitors

A risk for Nortem, a company that sells in several categories of products and faces competition from several different companies worldwide, with the products not being highly differentiated, is the challenge of standing out in a crowded market. If the company is unable to differentiate itself from its competitors, it may struggle to attract and retain customers, leading to decreased sales and revenue. Furthermore, competition from established players in each category may make it difficult for the company to gain market share, particularly if it does not have the same brand recognition or marketing budget as its competitors. This could lead to pricing pressure, as the company may need to offer discounts to remain competitive. Additionally, any new entrants into each category could increase competition and further erode the company's market share.

In an increasingly competitive and demanding market, Nortem must always look at what the competition is doing, how they are adapting to changes in European and ecological regulations in both raw materials and packaging materials. Within the AMAZON platform it is vital that they

make sure that their product portals are up to par with the competition, always offering richer content than most direct rivals, clear, accurate, non-repetitive, positive information that is targeted to all audiences. Currently, there are few European companies offering so many products in such a wide variety of categories primarily focused on wellness and health for consumers as Nortem. In addition, the company pretends to expand the number of categories which will always have as a common denominator the following characteristics: eco-friendly, health improvement, high-quality. To mitigate these risks, Nortem will focus on product innovation, invest in marketing and advertising to increase brand recognition, and explore potential collaborations or partnerships that could help differentiate its products and increase its competitiveness.

4.2 Operational risks

4.2.1 Cybersecurity

In an increasingly connected world, cyber security is crucial to ensure the integrity and confidentiality of a business' data and systems. Failure to take adequate security measures can result in a myriad of damages, including loss of confidential data, business disruption and reputational damage. Therefore, it is vital to implement a sound and effective cyber security strategy.

To implement an effective and robust cybersecurity strategy Nortem will collect data on the following assets, assess the situation and implement measures to address potential problems, as well as continuous monitoring to assess their effectiveness.

- ❖ Identification of critical assets: It is essential to identify the critical assets of the business, including sensitive data, key systems and critical infrastructures. This will allow Nortem to determine what security measures they should implement to protect these assets.
- ❖ Risk assessment: Once the critical assets have been identified, it is necessary to assess the risks to which they are exposed. This assessment will include an analysis of the types of threats that can affect Nortem's business, including cyber attacks, human error and technical failures.
- ❖ Implement technical measures: Based on the risk assessment, it is time to implement technical measures to protect critical assets. This will include encrypting sensitive data, implementing security software, performing regular backups and constantly monitoring systems.
- ❖ Employee training: It is important that Nortem's business employees are trained on cyber security issues. This will allow them to teach employees cyber risk awareness, training in good security practices and the definition of clear policies and procedures.

- ❖ Continuous evaluation and monitoring: Finally, it is important to continuously evaluate and monitor the effectiveness of the implemented security measures. This will allow Nortem to detect and address any security issues and ensure that their business remains protected against cyber risks.

In conclusion, Nortem points out that cyber security is crucial to ensure the protection of their business data and systems. Implementing an effective cyber security strategy requires identification of critical assets, risk assessment, implementation of technical measures, employee training, and continuous evaluation and monitoring. By following these steps, the business will be better protected against cyber risks and can continue to operate securely and efficiently. For all these reasons, it is important to allocate sufficient resources and budgets to ensure a robust and effective cyber security strategy.

4.2.3 Dependence on client contracts

A potential risk of having more than 90% of sales coming from Amazon distribution channel is the heavy reliance on a single platform. Any changes to Amazon's policies or practices could significantly impact the company's sales and profitability. For example, if Amazon were to change its commission rates or introduce new fees, the company's profit margins could be negatively affected. Additionally, if Amazon were to prioritize other sellers or products, the company's sales could decrease, leading to a potentially significant revenue loss. Moreover, if there were any technical glitches or issues with Amazon's platform, the company could be unable to process orders or receive payments, leading to disruptions in its operations. Therefore, it is important for the company to consider diversifying its sales channels and expanding its customer base to mitigate the risk of heavy reliance on a single platform. This could include building a website, selling on other marketplaces, or establishing a physical retail presence.

The use of the AMAZON platform helps Nortem to sell and charge products instantly at the moment any purchase is made by their customers. At the same time, Nortem has joined forces to expand its portfolio of contracts with third-party companies interested in buying large volumes of their products. This has been a challenge for Nortem's operating and production models due to their storage capacities and the replenishment cycles of certain raw materials. The company understands that they must gradually move away from the dependence they currently have on the AMAZON platform, so they have established a timeline to reduce the percentage of total sales. Nortem will follow a two-fold approach: The first is to increase the sales of the platform annually, while jointly reducing the annual sales volumes within the AMAZON platform by an average of 10% per year with respect to the total sales in that period. In this way, in a medium term of about 5

years, they want to ensure a reduction in dependence on the platform. Furthermore, the company intends to start distributing their products in supermarkets and other online-distribution platforms, as a result of this initiative, the company considers this will allow a minor dependency to online distribution channels.

4.2.4 Lack of technological advancements

Biotech and ecological product manufacturing are fields that are rapidly evolving, with new scientific breakthroughs and technological advancements emerging regularly. Without investing in technological advancements, the company may struggle to remain competitive and may not be able to develop and manufacture products as efficiently or cost-effectively as its competitors. This could result in decreased profitability and market share. Additionally, if the company is unable to stay ahead of regulatory changes or meet industry standards, it may face legal and reputational risks. Furthermore, technological advancements could lead to increased efficiency and productivity, allowing competitors who have adopted these advancements to reduce their prices, potentially leading to pricing pressure for the company. Therefore, it is crucial for the company to prioritize investment in technological advancements to remain competitive and meet evolving industry demands.

In a market as varied and dynamic as the one in which Nortem competes, being at the forefront of technological advances is essential for development, research and competitiveness. The company profile is familiar with the product dynamism that floods its catalog. Being a biotechnology company, R&D is closely linked to all product research processes, so it is of vital importance to always be at the forefront of product development processes and methods. The positive side of the company is that they can find other ways of product expansion different from any other that they have done before, so if at any time they detect that some sector is somewhat stagnant in the market, they can always choose to develop in another direction and avoid this possible temporary setback. Times change and in turn, markets are becoming more demanding, putting companies in the spotlight of customers, who are demanding more and more. Failure to update in due time can have very negative consequences for any company.

4.2.5 Inability to retain key persons

It has been one of the biggest challenges for Nortem Chem in recent times. The youth of their workforce means that corporate efforts to retain so much talent are key to its success. The change of generational mentality means that the classic formulas are no longer sufficient as a convincing

factor in these new times, which requires a process of adaptation and understanding of the new times. One of the aspects that the COVID 19 pandemic has taught Nortem is that there are other formulas for developing various current jobs that, combined with new technologies, allow interconnection between companies anywhere in the world. Nowadays, the combined formula between face-to-face and remote work is gaining ground in many of the sectors of the market. At the same time, there are other formulas linked to the fact that company employees have the possibility of having access to the company's shares as part of an indirect salary. Benefits such as health insurance and access to company vehicles are other formulas that coexist today. On a general level, the main reasons that determine whether an employee decides to leave a company are the following:

- ❖ Work environment. A good working environment has been established as vital for the proper functioning of any company and is a determining factor for any worker.
- ❖ Fear of salary stagnation. The requirement of an annual review is indispensable to guarantee the permanence of an employee in the medium term.
- ❖ Among the youngest employees, access to training courses provided by the company helps to promote professional growth in knowledge and is highly valued among the new generations.

- ❖ Finally, it should also be noted that a comfortable, flexible work schedule that facilitates family reconciliation is vital to the attraction of talent in any company in the 21st century.

4.2.6 Client Satisfaction

A risk of having low ratings on Amazon for a company that primarily sells through the platform is the potential impact on sales and profitability. Amazon's customer ratings and satisfaction are crucial in influencing purchasing decisions, and low ratings could lead to a decrease in sales as potential customers may opt to purchase from higher-rated competitors. Additionally, low ratings could lead to Amazon taking actions that negatively impact the company's visibility on the platform, such as reducing its search rankings or eligibility for promotions. This could result in decreased exposure to potential customers and ultimately a decline in sales. Furthermore, low ratings could harm the company's reputation and erode consumer trust, leading to decreased customer loyalty and repeat purchases. It is essential for the company to prioritize customer satisfaction and strive to maintain high ratings on Amazon to mitigate these risks.

Knowing the degree of satisfaction of the customers is essential to detect areas for improvement in the conception, design and production of Nortem products. Likewise, the analysis and subsequent monitoring of their consumers' experience allows them to establish correction and optimization mechanisms in their pricing strategies and logistics processes, building, day by day, a stronger and closer relationship between both parties.

Currently, they have several methods to know the degree of satisfaction of Nortem customers:

- ❖ Seller ratings - Amazon tool. Through seller ratings, which vary between negative, neutral and positive, buyers can rate the overall performance of Sellers on the Amazon platform. Users in each country freely send their comments expressing their shopping experience, which is permanently recorded in each seller's account. Through the Ratings Manager, it is possible to track the satisfaction of buyers with Nortem's service, being able to visualize the results in the short and long term, with detailed information of each rating, the customer's email and its corresponding order number. Since its beginnings on Amazon, Nortembio brand has a seller satisfaction rate between 95 and 100%.
- ❖ Product reviews on Amazon. All products can be rated by buyers through a convenient system based on yellow stars, with one star being the lowest rating and five stars the highest. In addition, customers can accompany their rating with written comments, images and videos, thus sharing their shopping experience publicly with other Amazon users. Amazon reviews are an invaluable source of information that, as sellers, makes it easier for the company to detect weaknesses in any of the areas surrounding the marketing of a product (labeling, image, price, distribution processes, etc.). Currently, more than 90% of Nortembio products have an overall rating of 4.5 or more stars.
- ❖ Customer feedback - Amazon tool. The alternatives that Amazon offers its users to express their opinion on their purchases are endless. Every Seller account has a section called "Customer Reviews" where each product is classified in different ranges according to the rating that consumers have made of them. In this way, each reference can be labeled Excellent, Good, Acceptable, Poor or Very Poor. As a result of the daily monitoring of each review and message from Nortem's buyers, 94% of their references have the highest score (excellent).

4.2.8 High dependency on NortemBio brand

Nortembio brand is the flagship of the group, which generates 87% of the company's sales. One of the main reasons why this brand accounts for such a high share of sales is the fact that it is the first brand that Nortem launched in 2012 and therefore they have had time to take care of it by

including a wide variety of products focused on people's wellbeing, and by investing a lot of money in it over the years, especially in R&D aimed at improving the quality of its products.

A risk for a company that sells through five separate brands but generates more than 87% of its total revenues from one brand is the potential vulnerability to market fluctuations and brand-specific risks. Dependence on a single brand for the majority of revenues exposes the company to the risk of changes in consumer preferences or market conditions that could negatively impact that brand's sales and profitability. This could include increased competition, changes in consumer behavior or preferences, or shifts in market dynamics. Furthermore, any reputational or legal issues that arise with the high-revenue brand could have a significant impact on the entire company's financial performance and reputation. Moreover, the company may struggle to allocate resources effectively across its different brands, potentially leading to underinvestment in the lower-performing brands.

The company's current strategy to reduce the current dependence on the Nortembio brand is to launch food products under other registered brands, such as Biosalt, Biokokoa or the new range of probiotics, which in the medium term will help to reduce this degree of dependence on its flagship brand.

4.2.9 Corporate Governance

Currently, Nortem's Corporate Governance is managed by a Sole Director, which is Jose Luis Vázquez. A risk for a company that has a sole director instead of a Board of Directors is the potential for a lack of oversight and accountability. Without a Board of Directors, there may be a lack of checks and balances on the director's decision-making, potentially leading to conflicts of interest or decisions that are not in the best interest of the company. Moreover, a sole director may face increased personal liability for the company's actions or decisions, potentially exposing them to significant legal or financial risks. Therefore, Nortem finds important for the company to consider establishing a Board of Directors once they find suitable and well-prepared members that may occupy that position with diverse expertise and experience to provide oversight and guidance to the director, as well as to ensure that the company is managed in the best interest of its stakeholders. The company plans to establish a Board of Directors in the long term.

An advantage of having a Sole Director instead of a Board of Directors is that it can lead to more streamlined decision-making and a more agile business operation. With a single decision-maker, the company can act quickly and decisively, without the potential delays and disagreements that can arise with a board structure. Additionally, a sole director may be able to develop a more

focused vision and strategy for the company, without the need to navigate differing opinions or priorities from board members. This can enable the company to be more responsive to market changes and emerging opportunities. Moreover, with a sole director, there may be fewer formalities and administrative requirements to comply with, which can lead to cost savings and greater flexibility.

4.2.9 Patents and licenses risk

A risk for a biotech manufacturer of ecological and healthy products that has no patents on its manufacturing processes or products is the potential for competitors to replicate its products or processes and enter the market. This can lead to increased competition and pricing pressure, as well as the potential loss of market share for the company. Without patent protection, the company may also find it more difficult to attract investment or secure partnerships, as potential investors or partners may be wary of the lack of intellectual property protection. Additionally, the company may struggle to establish a unique brand identity, as competitors may be able to create similar products and packaging. Furthermore, without patent protection, the company may be vulnerable to legal disputes, such as claims of infringement or theft of intellectual property. Therefore, it is important for the company to consider the potential benefits of securing patents on its manufacturing processes or products, as this can provide a competitive advantage, attract investment, and mitigate the risks associated with intellectual property disputes. Nevertheless, one of the reasons for why Nortem does not patent any of their manufacturing process is particularly so that no other competitor can replicate or emulate the process, as if it is not patented, it is therefore private and not public.

4.3 Financial Risks

4.3.1 High interest rates

The volatility in interest rates may have an impact on the cost of the financial resources necessary for the development of the activity. In addition, indirectly, interest rate variations affect the disposable income of present and future consumers and may affect Nortem's revenues. A higher interest rate will make it more expensive for the company to finance through debt which may cause a variation in the financing strategies followed by the group in the near term. Accessing capital and funding opportunities is often essential for businesses when they seek to expand and grow, and when interest rates rise, the cost can become prohibitive. Business owners may choose to scale back their plans to ensure that short-term liabilities do not exceed their coming income.

Together, these effects can serve to limit the growth rate of potentially successful endeavors. To mitigate this risk, Nortem may consider the following strategies:

- ❖ Reduce exposure to rising interest rates by reducing debt levels. This can involve refinancing debt at a lower rate, paying down debt, or reducing the use of debt financing altogether if interest rates keep rising.
- ❖ Adjust pricing strategies to account for changes in interest rates. For example, Nortem may need to raise prices to offset the increased cost of debt, or they may need to offer promotions or discounts to encourage consumer spending.
- ❖ Diversifying their revenue streams, such as by expanding into new markets or product lines. This can help to offset any declines in demand in one area of the business or the dependency for Nortembio brand.

4.3.2 Liquidity

If a company does not have enough cash or easily convertible assets to cover its immediate financial obligations, such as debt payments or operating expenses, it may struggle to meet its financial obligations and maintain its listing on the stock market. This can lead to a decline in the company's stock price, as investors become concerned about the company's financial health. Furthermore, a lack of liquidity can make it difficult for the company to raise capital through additional share issuances or debt offerings. This can limit the company's ability to invest in growth opportunities or fund new projects, which can hinder the company's long-term prospects.

Nortem closed the year 2022 with a liquidity ratio of 2.19%, which clearly demonstrates that their current assets are double the amount of their current liabilities, hence they can manage to have a sufficient liquidity base in case current payments exceed the unexpected. Nevertheless, the company may plan to follow the following strategies in case they see a potential liquidity risk. First of all, Nortem must reduce expenditures that are dispensable and do not bring them any value. They can check office costs, advertising that is not profitable, third party contracts, etc. At the same time, if they have unused assets, they have two options for them, to put them into production or to sell them, so they have to make a decision. Therefore, they have to optimise the process of collecting from their customers so that they always have money in reserves.

For more information related to Nortem's liquidity, please refer to section 6.3 – Cash Flow Table Projection 12 months post-listing.

4.3.3 Credit

Credit risk refers to the risk a counterparty defaults on its payment obligations. Credit risk is the possibility of a loss resulting from a borrower's failure to repay a loan or meet contractual obligations. Traditionally, it refers to the risk that a lender may not receive the owed principal and interest, which results in an interruption of cash flows and increased costs for collection. Excess cash flows may be written to provide additional cover for credit risk. When a lender faces heightened credit risk, it can be mitigated via a higher coupon rate, which provides for greater cash flows. Although it's impossible to know exactly who will default on obligations, properly assessing and managing credit risk can lessen the severity of a loss. Interest payments from the borrower or issuer of a debt obligation are a lender's or investor's reward for assuming credit risk.

The company's shareholding, composed mostly by the founding partner Jose Luis Vazquez with a 60% of the shareholding, implies a high capacity of the company to raise capital through capital increase mechanisms that can mitigate credit risk or a potential problem related to the management of current loans. Nortem can also refinance their debt to obtain better terms or lower interest rates, which can reduce the cost of borrowing and make it easier to meet credit deadlines and repayments, which historically, have never raised a problem with any bank through which Nortem has ordered credit. Furthermore, Nortem can meet their credit deadlines and repayments by generating sufficient cash flows through their operations. This involves increasing sales, reducing costs, or improving operational efficiency to increase profitability and cash flow as they have done historically for the last 3 years.

Table 12: Nortem Biogroup's Debt as of May 2023 (€ Euro)

TOTAL AMOUNT	START DATE	END DATE	MATURITY	OUTSTANDING/DRAWN BALANCE	ENTITY
250,000 €	01/07/2022	30/06/2028	5 YEARS (1 GRACE)	250,000 €	BANCO DE SABADELL SA
240,000 €	08/04/2020	31/03/2026	5 YEARS (2 GRACE)	181,342 €	BANCO DE SABADELL SA
80,000 €	30/08/2018	31/08/2023	5 YEARS	5,937 €	BANCO DE SABADELL SA
46,000 €	12/12/2018	31/12/2023	5 YEARS	6,781 €	BANCO DE SABADELL SA
500,000 €	25/01/2023	25/01/2030	7 YEARS	500,000 €	BANCO SANTANDER SA
600,000 €	19/04/2020	01/04/2025	5 YEARS (2 GRACE)	386,460 €	BANCO SANTANDER SA
200,000 €	07/09/2022	07/09/2027	5 YEARS (1 GRACE)	200,000 €	BANKINTER SA
400,000 €	06/04/2020	06/04/2025	5 YEARS (2 GRACE)	268,871 €	BANKINTER SA
200,000 €	01/06/2022	31/05/2028	5 YEARS (1 GRACE)	200,000 €	DEUTSCHE BANK SAE
250,000 €	06/04/2020	06/04/2025	5 YEARS (1 GRACE)	178,831 €	DEUTSCHE BANK SAE

Source: Nortem Chem, S.A.

Table 13: Nortem Biogroup's Other Non-Financial debt as of May 2023 (€ Euro)

TOTAL AMOUNT	START DATE	END DATE	MATURITY	OUTSTANDING/DRAWN BALANCE	ENTITY
398,475 €	31/12/2020	31/03/2028	8 YEARS (1 GRACE)	275,195 €	CDTI

Source: Nortem Chem, S.A.

4.3.4 Foreign Currency Exchange

Foreign exchange risk arises when a company engages in financial transactions denominated in a currency other than the one where that company is based. Any appreciation/depreciation of the base currency or the depreciation/appreciation of the denominated currency will affect the cash flows emanating from that transaction. Foreign exchange risk can also affect investors, who trade in international markets, and businesses engaged in the import/export of products or services to multiple countries.

Companies in a strong competitive position selling a product or service with a strong brand may be able to transact in only one currency. This passes the exchange risk onto the local customer/supplier. In practice, this may be difficult since there are certain costs that must be paid in local currency, such as taxes and salaries.

In the case of Nortem all the company's purchase transactions in the import area are made in US Dollars. Fluctuations in the exchange rate between the US dollar and the euro can impact the cost of raw materials, potentially leading to higher expenses or reduced profitability. Mitigation: The company can consider using financial instruments such as forward contracts, options, or currency hedging strategies to minimize exchange rate risks. Establishing long-term contracts with suppliers that include predetermined exchange rates can also provide stability. As of today, all the sales Nortem makes through Amazon and the different marketplaces are made in euros. Purchases in different currencies are made through various financial institutions, which provide them with the service of financial exchange insurance at the end of the months. Due to the increase in the volume of Nortem's imports, they are studying the implementation of other measures such as the purchase of foreign currencies when the scenario is more favorable and thus be able to save in the process.

4.3.5 High dependency of revenues involving one unique brand

A significant financial risk for Nortem which has 5 different brands but one of them accounts for 87% of total revenues is the over-reliance on a single brand. If the company's top-performing brand Nortembio, experiences a decline in sales or market share, the company's overall financial performance could be adversely affected. This can be particularly risky if the company does not have a diversified revenue base across its different brands or business units. Another financial risk associated with a heavy reliance on a single brand is the impact on the company's valuation. If investors perceive the company's revenue streams as being heavily concentrated in a single brand, they may be less willing to invest in the company or pay a premium for its stock. In addition, a lack

of diversification in revenue streams can limit the company's ability to weather external shocks, such as changes in market conditions or shifts in consumer preferences. This can leave the company vulnerable to fluctuations in demand for its products or services and can impact its overall financial stability.

To mitigate these risks, Nortem will diversify its revenue streams and reduce their dependence on a single brand and give more weight to the rest of the brands. This will involve investing in new products or services, expanding into new markets or geographies, and acquiring complementary businesses or brands to broaden the company's overall revenue base.

4.4 Legal and regulatory risks

4.4.1 Regulatory changes

Nortem which operates and sells in several countries such as Germany, Spain, Italy, France, etc. is exposed to risks associated with regulatory changes. Regulatory changes can impact the company's operations, supply chain, and sales, as well as increase compliance costs. For example, changes in tax laws or import/export regulations can impact the company's ability to conduct business in certain markets, while changes in labor laws or environmental regulations can impact the company's operations and supply chain.

In the case of a manufacturer of eco-friendly consumer products focused on boosting health and wellbeing, regulatory changes can pose significant risks. Regulations around the use of certain ingredients or manufacturing processes can impact the company's ability to produce its products or make it more expensive to do so. For example, if a regulatory agency bans a certain chemical that the company relies on for its products, it may need to reformulate its products or find alternative ingredients, which can be time-consuming and costly. Moreover, regulatory changes around environmental sustainability can impact the company's brand and reputation if it fails to comply with new standards or regulations.

In addition, regulatory changes can also impact the company's ability to market its products. For example, if regulators impose stricter rules around product claims or labeling requirements, the company may need to revise its marketing materials or incur additional compliance costs. Moreover, regulatory changes can impact the company's ability to enter new markets or expand its product offerings.

To mitigate these risks, Nortem stays informed about regulatory changes and anticipates potential impacts on its business. They also establish effective compliance programs and engage with

regulatory agencies to ensure that its products meet evolving standards and regulations. Nortem is compliant with current licenses to sell their products, like for example their Food Citric Acid, which is endorsed with the official certification granted by the Andalusian Committee for Organic Agriculture CAAE, which certifies it as an input that can be used in processed organic foodstuffs. Additionally, Nortem prioritizes and invests in research and development to find alternative ingredients or manufacturing processes that are in compliance with new regulations and standards.

4.4.2 Different Jurisdictions

A company that manufactures in Spain but distributes in several countries, such as Nortem, faces risks associated with different jurisdictions. Each country has its own set of laws and regulations regarding product safety, labeling, advertising, and distribution. Failure to comply with these laws and regulations can result in legal and financial consequences, such as fines, product recalls, and damage to the company's reputation.

In addition, the company may also face risks associated with different cultural norms and preferences. What is acceptable or desirable in one country may not be the same in another, which can impact the company's ability to market and sell its products. For example, certain product claims or marketing messages that are effective in one country may not resonate with consumers in another, requiring the company to adapt its marketing strategy.

Moreover, differences in distribution channels and logistics in each country can also pose risks. The company needs to navigate different import and export regulations, as well as work with different distribution partners and transportation providers, which can impact delivery times, product quality, and customer satisfaction.

To mitigate these risks, the company conducts thorough research on each country's laws and regulations, as well as cultural norms and preferences, and adapt its product, marketing, and distribution strategies accordingly. Nortem also establishes effective communication channels with its customers to ensure that their needs and preferences are being met in each market where it distributes, currently, through the Amazon web platform for client support.

4.4.3 Insurance against customer harm

Nortem does not have a type of insurance against customer harm. The measures against customer harm which Nortem would implement in any case would be: Withdrawal from the market, recall from consumers, and notification to the competent authorities by the Food Business Operators, in this case, us. Article 19 Regulation (EC) 178/2002. Since inception, Nortem has not had any bad experience related to this matter with any customer.

4.4.4 Procedures and litigations

Although the Issuer is not currently party (either as a claimant or as a defendant) to neither material nor non-material litigation, it may be subject to such litigation in the future. In addition, the Issuer may be subject to other disputes, claims and complaints, including adversarial actions, by customers, suppliers, insurers and others in the ordinary course of business. Significant claims or a substantial number of small claims may be expensive to defend, may divert the time and focus of management away from the Issuer's operations and may result in the Issuer having to pay monetary damages, any of which could have a material adverse effect on the Issuer's financial condition, business, prospectus, and results of operations. In addition, adverse publicity or substantial litigation against the Issuer could negatively impact its reputation, even if the Issuer is not found liable, which could have a material adverse effect on the Issuer's business and financial condition.

4.5 Risk of the Listing of shares

4.5.1 Increase costs following listing of shares

As a listed company, the Issuer will be subject to rules and regulations that listed companies must follow in the market. In order to be compliant, the Issuer may need to establish certain procedures as well as adopt certain policies, which may result in significant compliance costs for the Issuer. Such increased costs may adversely affect the Issuer's business, financial and economic positions and results of operations. Some examples are provided below:

- ❖ **Compliance costs:** Listed companies are required to comply with various regulatory requirements, such as filing financial statements, disclosing material information, and maintaining certain governance standards. These compliance costs can be substantial, particularly for smaller companies.

- ❖ Listing fees: Listing a company's shares on a stock exchange involves paying various fees, such as application fees, annual listing fees, and transaction fees. These costs can add up, particularly if the company decides to list on multiple exchanges.
- ❖ Investor relations costs: As a publicly listed company, the company will need to invest in investor relations to communicate effectively with its shareholders and the wider market. This can involve hiring dedicated staff, engaging with financial analysts and media, and hosting investor events. These costs can be significant, particularly if the company has a large and diverse shareholder base.

The increase of costs will not be significant compared to the expected revenue and liquidity within the first 2 -3 years.

4.5.2 Risk of dividend payment

The Company's ability to pay dividends on Shares may be restricted by the terms of any future debt incurred or preferred securities issued by the Company or law. Payments of future dividends, if any, may be proposed after considering various factors, including Impulse business, financial conditions, results of operations, current and anticipated cash needs, plans for expansion and any legal or contractual limitation on the Company's ability to pay dividends. There can be no assurance that, in the future, the Company will be able to make dividend payments. If cash is not available to pay dividends, the board may decide to pay in shares.

If cash is not available to pay dividends, the board may decide to pay in shares. Nevertheless, the Company does not plan to distribute dividends to its shareholders in the short-term, hence this risk will not happen at least in the first year of listing.

4.5.3 Liquidity of the listed shares

An investment in the Shares is associated with a high degree of risk and the price of the Shares may not develop favourably. Prior to the Admission to Trading, there has been no public market for the Shares, as the Shares have not been listed or admitted to trading on any, stock exchange, regulated market or multilateral trading facility. Following an Admission to Trading on Euronext Access, an active or liquid trading market for the Shares may not develop or be sustained. If such market fails to develop or be sustained, it could have a negative impact on the price of the Shares. Investors may not be able to sell their shares quickly, at the market price or at all if there is no active trading in the Shares.

4.5.4 Risk related to the volatility of shares / market

The share prices of companies admitted to trading on Euronext Access can be highly volatile and the trading volume and price of the Shares could fluctuate significantly. Some of the factors that could negatively affect the Share price or result in fluctuations in the price or trading volume of the Shares include, for example, changes in the Company's actual or projected results of operations or those of its competitors, changes in earnings projections or failure to meet investors' and analysts' earnings expectations, investors' evaluations of the success and effects of the Company's strategy, as well as the evaluation of the related risks, changes in general economic conditions or the equities markets generally, changes in the industries in which the Company operates, changes in shareholders and other factors. This volatility has had a significant impact on the market price of securities issued by many companies. Those changes may occur without regard to the operating performance of these companies. The price of the Shares may therefore fluctuate due to factors that have little or nothing to do with the Company, and such fluctuations may materially affect the price of the Shares.

The market price of the Shares may be affected by high level of volatility. In fact, market price for newly listed shares, as the Shares, is often volatile for a period after the Listing. The share market in general, and for smaller companies, may be subject to significant price and volume fluctuations, which are not possible to predict out of the companies' developments or disclosed results. As a result of this potential volatility, Shareholders may not be able to sell their Shares at or above the initial Listing Price. The market price of the Shares may fluctuate significantly in response to several factors, many of which are beyond the Company's control, including, among others:

- ❖ Actual or anticipated fluctuations in the Company or Group's revenues and results of operations.
- ❖ Announcements by the Company or its competitors of significant technical innovations, acquisitions, strategic partnerships, joint ventures, or capital commitments.
- ❖ The standalone and/or consolidated financial projections that the Company may provide to the public, any changes in these projections, or the Company or the Group's failure to meet these projections.
- ❖ Failure of securities analysts to initiate or maintain coverage of the Company and the Group, changes in ratings and financial estimates and the publication of other news by any securities analysts who follow the Company and its Group, or the Company and/or Group's failure to meet these estimates or the expectations of investors.
- ❖ The size of the Issuer's free float.

- ❖ Price and volume fluctuations in the trading of the Shares and in the overall stock market, including as a result of trends in the economy.
- ❖ New laws or regulations or new interpretations of existing laws or regulations applicable to the Group's business or industry, including data privacy, data protection, and information security.
- ❖ Lawsuits threatened or filed against the Company and its Group.
- ❖ Changes in the Company's Board of Directors or key management.

4.5.5 Risk of ownership dilution

The Company may in the future decide to offer and issue new Shares or other securities to finance new capital-intensive projects, in connection with unanticipated liabilities or expenses or for any other purposes. Depending on the structure of any future offering, certain existing shareholders may not have the ability to purchase additional equity securities. An issuance of additional equity securities or securities with rights to convert into equity could reduce the market price of the Shares and would dilute the economic and voting rights of the existing shareholders if made without granting subscription rights to existing shareholders. Accordingly, the Company's shareholders bear the risk of any future offerings reducing the market price of the Shares and/or diluting their shareholdings in the Company. Additionally, the Company could implement stock compensation schemes for employees that could dilute previous shareholders.

4.5.6 Tax risk

By purchasing and holding the Shares, investors should take their own tax advice as to the consequences of owning such Shares as well as receiving returns from them. Investors should be aware that ownership of the Shares could be treated in different ways in different jurisdiction.

4.5.7 Obligations as a listed company

Though the constraints are lower than those applicable for a company listed on a regulated market, as a public company, the Company will incur significant legal, accounting, audit, reporting and other expenses in connection with its obligations under applicable securities laws, including the internal and external costs of maintaining the system of internal controls as well as the costs of preparing and distributing periodic public reports, including financial statements and notes,

and including the costs related to the ongoing reporting obligations under the EU regulation N°596/2014 of the European Parliament dated April 16th, 2014 on market abuse.

Effective internal controls are necessary for the Company to provide reliable financial reports and, together with adequate disclosure controls and procedures, are designed to prevent fraud. Any failure to implement required new or improved controls, or difficulties encountered in their implementation, could cause the Company to fail to meet its reporting obligations. In addition, changing laws, rules and regulations relating to corporate governance and public disclosure, including regulations implemented by Euronext for companies listed on the Euronext Access market, increase the Companies legal and financial costs, including costs relating to monitoring, evaluating and complying with such laws, rules and regulations.

These laws, rules and regulations are subject to varying interpretations and may evolve over time as new guidance is provided by regulatory and governing bodies, which may result in increased compliance and governance costs and the diversion of management resources. If the Companies efforts to comply with such laws, rules and regulations are not successful, it could be subject to fines, penalties or regulatory proceedings, which can be time consuming and costly to litigate and could lead to negative publicity. If any of these risks occur, or if these requirements divert the management's attention from other business concerns, they could have a material adverse effect on the Companies business, financial condition and results of operations.

5. INFORMATION CONCERNING THE OPERATION

The following provides details relating to the operation of the technical listing of Nortem Chem, S.A. on Euronext Access Paris, as well as the objectives of the listing and reference to the amendments to the articles of association required by the market.

5.1 Registration with Euronext Access

Admission to trading procedure: Registration of shares for trading on Euronext Access Paris through Technical Admission.

ISIN: ES0105719001

Euronext Ticker: MLBIO

Number of shares to be listed: 2,578,500 shares

Nominal price per share: 2.00 EUR €

Reference price per share: 5.00 EUR €

Market capitalisation: 12,892,500 EUR €

Initial listing and trading date: 14th September 2023

Listing Sponsor: SOLVENTIS S.V., S.A.

Paying Agent: Renta 4 Banco

Central Securities Depository: IBERCLEAR – Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores S.A. Unipersonal

Audit: Paez y Serrano Auditores

5.2 Objectives of the listing

This transaction is carried out within the procedure for a technical admission to trading on the Euronext Access Market operated by Euronext Paris S.A. The proposed transaction does not require a visa from the Autorité des Marchés Financiers (AMF). The listing on Euronext Access will give the company greater credibility among customers, suppliers and investors, allowing it to build stronger relationships and giving it a competitive advantage. The listing gives the company access to a broader and more diverse universe of investors and an indication on how the market evaluates its business model. Moreover, being listed gives current shareholders and new investors access to a built-in liquidity event in the medium-term.

5.3 Company's share capital

“Article 6. – Share Capital

1. *The Company's share capital amounts to 5,157,000 euros, consisting of 2,578,500 shares, each with a face value of two euros, all fully subscribed and paid up and of the same class and series.”*

5.4 Main characteristics of the shares and general meeting rules

5.4.1 Characteristics of the shares

“Article 6 – Share Capital

2. *The shares are represented by book entries and are constituted as such by virtue of their entry in the corresponding accounting register. A Central Securities Depository and its participating entities shall be responsible for the accounting register for the shares. The entitlement to exercise shareholder rights, transfer and other rights is obtained by registration in the accounting register, which presumes legitimate ownership and entitles the registered holder to demand that the company recognise him/her as a shareholder.*
3. *Each of the Company's shares is indivisible and confers on its registered holder the status of shareholder and confers on him/her the rights and obligations established in the applicable legislation, in these Articles of Association and, if applicable, in the Regulations of the General Shareholders' Meeting and of the Board of Directors.”*

5.4.2 General Shareholders' Meeting rules

Article 9, 10, 11, 13 and 14 of the articles of association sets out the operation of the General Meeting:

“Article 9 – Responsibilities of the General Shareholders’ Meeting

General meetings shall vote on the matters corresponding to them, provided that legally established quorums and majorities are constituted.”

“Article 10 – Calling General Shareholders’ Meetings

1. *General meetings must be called in accordance with legally established requirements by publishing an announcement on the Company’s website.*
2. *General meetings may be called for exclusively remote attendance, without the physical presence of shareholders, their proxies or, where applicable, the members of the board of directors, insofar as it is permitted by applicable regulations. Exclusively remote attendance of general meetings shall take place in observance of the law, these articles of association and the indications of the announcement calling the meeting.*
3. *Ordinary and extraordinary general meetings shall be called remotely when possible, and the board of directors shall identify the necessary means by which the Company and its shareholders will be duly and remotely notified of calls for meetings.”*

“Article 11 – Location of General Shareholders’ Meetings

1. *General meetings shall be held at the location indicated in the call. The board of directors shall determine in each call the location of the meeting, which may be at any point in the world.*
2. *In the event that a call does not specify the location, it shall be understood that the meeting will be held at the Company’s registered office.*
3. *The Company’s registered office shall be considered the location of general meetings when they are held exclusively by remote means.*
4. *General meetings may be attended physically at the location indicated in the preceding article or via videoconference or other technically equivalent systems that allow recognition and identification of the attendees and continuous communication among them, regardless of their location, as well as their ability to speak and vote in real time. When the board of directors opts for remote attendance, the call shall indicate the possibility of attendance via videoconference or a technically equivalent means, specifying how it may be done, what type of connection system will be used and where the technical*

means of attending and taking part in the meeting are available. In such cases, the passing of resolutions shall be considered to have taken place at the Company's registered office."

"Article 12 – Universal Shareholders' Meetings

- 1. General meetings shall be validly constituted to deliberate on any matter without calls for such meetings when the whole of the share capital is present or represented and the attendees vote unanimously in favour of the holding of the meeting and of its agenda.*
- 2. Universal meetings may be held at any location in Spain or elsewhere."*

"Article 13 – Attendance and Proxies

- 1. General shareholders' meetings may be attended by shareholders whose shares have been recorded in the book-entry register at least five days prior to the holding of the meeting, provided that the said shareholders can provide proof of the recording of the shares at the Company's registered office or in the entities indicated in the call for the meeting in the form of the corresponding share certificate or proxy card issued by the Company or by the entities overseeing the book-entry register, or in any other form allowed by*
- 2. The chair of the general meeting may authorise the attendance of any other person he or she deems suitable, although the authorisation may be revoked by the general shareholders' meeting.*
- 3. Any shareholder who is entitled to attendance may be represented at the meetings by any other person whom the shareholder has appointed as his or her proxy. Proxy notices must be submitted in writing prior to each meeting, in observance of the terms and the scope defined under the Spanish Corporate Enterprises Act. In regard to public proxy requests and, in particular, potential conflicts of interest of the proxy, the provisions of applicable law shall be observed.*
- 4. At all types of general meetings, voting on resolutions may be delegated or exercised by the shareholder by post, email or any other means of remote communication when the call for the meeting indicates this possibility and the identity of the voting shareholder may be verified."*

"Article 14 – Presiding Board and Proceedings

- 1. The meetings shall be presided by the chair of and the secretary to the board of directors*

or, in their absence, by the persons designated by the attending shareholders at the start of the meeting. In the event that no such persons are designated, the oldest shareholder shall preside over the meeting and the youngest shareholder shall act as secretary.

- 2. Before proceeding to the reading of the agenda, the names of the attending shareholders shall be listed, indicating those physically present and those attending by proxy, as well as the number of own or third-party shares in attendance. Shareholders who have voted remotely ahead of time or are in attendance through remote means, pursuant to Article 182 of the Spanish Corporate Enterprises Act, shall be considered to be in attendance at meetings.*
- 3. The list shall conclude with the number of shareholders who are physically present and those in attendance by proxy as well as the monetary amount of the shares they represent, specifying the amount corresponding to shareholders with voting rights.*
- 4. The list of attendees shall appear at the beginning of the minutes of the meeting or shall be attached therein as an appendix.*
- 5. After compiling the names of the attendees, the chair, where applicable, shall declare the meeting to be validly constituted and shall determine whether or not all the items on the agenda may be discussed and, where applicable, shall seek the shareholders' authorisation of the attendance of other persons at the meeting.*
- 6. Once the meeting has been called to order, the secretary shall read the items on the agenda and the shareholders shall discuss them. The first to speak shall be the chair and the persons designated by the chair.*
- 7. When the speakers have finished, the chair shall give the floor to the shareholders who have requested to speak, ensuring that the deliberation remains relevant to the agenda and moving on to the next item when he or she considers that each has been discussed sufficiently. Lastly, the proposed resolutions shall be put to vote."*

“Article 20 – Withdrawal and Expulsion

The withdrawal and expulsion of shareholders shall be governed by the provisions of law.”

5.5 Conditions for the transfer shares

“Article 7 – Transfer of shares

The shares and their associated economic rights, including that of pre-emptive subscription, are freely transferrable by any means permitted by law.”

5.6 Scheduled date for first shareholder´s general meeting and first publication of earnings figures

The Company will hold its first Shareholder's General Meeting as a listed company on the second quarter of 2024, although the scheduled date has not been determined at the time of writing. Publication of the Company's earnings figures following the listing admission, corresponding to FY 2023, will be expected to be published on the first quarter 2024.

5.7 Applicable law to financial instruments admitted to negotiation

The Shares have been issued under the national laws of Spain.

5.8 Publication of relevant information and market notices

“Article 5 – Corporate Website

The Company shall operate with a corporate website for the purposes and with the contents prescribed by law, herein and under other applicable legislation. The website shall include any information that the Company deems suitable.

The board of directors shall be responsible for the modification, transfer or elimination of the corporate website.”

5.9 Lock-up clause agreement

The Company has agreed to establish a lock-up clause of 90% of the founding partners shares for a period of 12 months commencing on the 14th of September 2023 and concluding on the 14th of September of 2024. The remaining 10% will function as a safety mechanism in the event of an exceptional liquidity shortage or other corporate needs.

6. COMPANY VALUATION & FINANCIAL FORECAST

The following is an explanation of how the valuation of Nortem Biogroup has been determined in order to achieve a market capitalisation range for listing on Euronext Access Paris. This valuation was carried out in February 2023.

6.1 Valuation

The Discounted Cash Flow (DCF) and Comparable Multiples Approach valuation methodologies were employed for the company's valuation:

6.1.1 Discounted Cash Flow (DCF)

The Discounted Cash Flow is a business valuation method that estimates a company value based on its ability to generate cash flows in the future (free cash flows), which are discounted to present value at a rate that is determined by the company's characteristics, its investors' risk profile and industrial conditions.

An **average cost of equity (Ke) of 14.8%** and an **average cost of debt (Kd) of 2.9%** have been taken into account in order to estimate Nortem weighted average cost of capital (WACC). Also, a **company-specific-risk premium of 5.9%** has been incorporated to include the company's own operating and execution non-systemic risks (company size, projects pipeline, customer base, among others). In this way, after considering the company profile, risks, capital structure and market trends, the resulting average **WACC** for the upcoming years equals **9.6%**. Additionally, a **long-term growth rate (g) of 2.0%** has been assumed to estimate a terminal value beyond the forecasted period, that terminal value has also been discounted to present value with the same DCF approach and has been included to determine the Enterprise Value and thus the Equity Value of Nortem.

With these assumptions, the resulting Enterprise Value and Equity Value amounts to € 17,169,767 and € 13,674,241 respectively. This implies a fair value per share of € 5.30.

Table 14: Nortem Biogroup's DCF Valuation Summary

Enterprise Value	€ 17,169,767
Cash 31/12/2023	€ 2,788,817
Financial Debt 31/12/2023	€ 6,284,343
Equity Value	€ 13,674,241
No. Of Shares	2,578,500
FV per Share	€ 5.30

6.1.2 Comparable Multiples Approach

The **Comparable Multiples Approach** valuation method uses comparable companies' analysis through specific financial metrics and ratios to estimate a company valuation. For this purpose, a pool of 7 public companies that operate within the biochemical process for health, wellness, and nutrition industry has been taken into account for the market comparable analysis. Several of these comparables develop and supply products similar in nature to the 5 brands owned by Nortem Chem SA.

Table 15: Comparable Listed Companies and Multiples

Companies	Enterprise Value	Revenues €M	EBITDA €M	EV/EBITDA	EV/SALES
ACOMO	1,044	1,523	106	9.82	0.69
CORBION	2,630	1,561	179	14.74	1.68
DSM KON	21,720	8,984	1,321	16.44	2.42
GLANBIA PLC	4,753	6,042	424	11.21	0.79
TREATT PLC	547	157	25	21.97	3.50
ALZCHEM GROUP	213	581	58	3.65	0.37
AFYREN	78	4	6	N.A.	21.03

The company's business model for the next decade relies on the success of the development and continuous R&D+I investments of their current brands and new product lines in the way, as well as future investments within its facilities involved in the manufacturing of their product portfolio. Even though this business plan is already ongoing, it is considered to be on initial stages therefore it makes sense to take into account a forward consensus multiple (2023e) a year in which the new plan should be fully up and running, with expected accounting sales of €7.9M. The average EV/EBITDA for the peer group for that year stands at **12.97x, which has been the one considered for valuation purposes.** Under this framework, the Enterprise Value and the Equity Value stand at € 14,563,964 and € 11,068,438 respectively, implying a fair value per share of € 4.29.

Table 16: Comparable Multiple Approach Valuation Summary

(‘2023) EBITDA	€ 1,122,908
EV / EBITDA Peer Group Multiple	12.97x
Enterprise Value	€ 14,563,964
Cash 31/12/2023	€ 2,788,817
Financial Debt 31/12/2023	€ 6,284,343
Equity Value	€ 11,068,438
No. Of Shares	2,578,500
FV per Share	€ 5.00

Source: Solventis SV SA

According to the selected methodologies, Nortem’s **Equity Value ranges from € 11,068,438 to € 13,674,241**, which implies a **fair value range from € 4.3 to € 5.3 per share**.

After performing an analysis on each methodology and its results, and assigning the relevant weights to each valuation approach the implied valuation for Nortem’s stands at **€ 12,892,500** implying a price per share of **€ 5.00**, which is the reference price used for the listing of the shares.

Table 17: Nortem’s Valuation Summary

Valuation Approach	Weight Assigned	Estimated Equity Value
Discounted Cash Flows (DCF)	70%	€ 13,674,241
Comparable Multiples	30%	€ 11,068,438
Total Equity Value		€ 12,892,500
No. Of Shares		2,578,500
Price per Share		€ 5.00

Source: Solventis SV SA

6.2 Company's financial resources for at least twelve months after the first day trading

Table 18: Nortem Biogroup's Cash Flow Forecast 12 Months (€ Euro)

	2 QUARTER 2023	3 QUARTER 2023	4 QUARTER 2023	1 QUARTER 2024	2 QUARTER 2024	GLOBAL
INCOME	2,624,641 €	2,967,337 €	2,121,270 €	2,188,379 €	1,854,112 €	10,067,628 €
AMAZON EXPENSES	- 1,207,335 €	- 1,364,975 €	- 963,267 €	- 978,175 €	- 834,350 €	- 4,581,557 €
PROCUREMENT AND TRANSPORT	- 524,928 €	- 593,467 €	- 424,254 €	- 437,676 €	- 370,822 €	- 2,013,526 €
STAFF COSTS	- 209,971 €	- 237,387 €	- 169,702 €	- 175,070 €	- 148,329 €	- 805,410 €
BANK LOANS	- 276,333 €	- 276,333 €	- 276,333 €	- 279,096 €	- 186,064 €	- 1,109,016 €
TAXES	- 209,971 €	- 237,387 €	- 169,702 €	- 175,070 €	- 148,329 €	- 805,410 €
OTHER PAYMENTS	- 105,001 €	- 105,000 €	- 105,000 €	- 105,000 €	- 70,000 €	- 420,000 €
CASH FLOW RESULT	91,101 €	152,788 €	13,013 €	38,291 €	96,217 €	332,708 €
ACCUMULATED	91,101 €	243,889 €	256,902 €	295,194 €	394,422 €	

Source: Nortem Chem SA

In recent years the company's financial needs have increased as they have been making the necessary investments to complete all the facilities and infrastructure required for its future projects. Once completed, Nortem's financial position should stabilize. These investments, the company expects, will translate into higher turnover, recovering the upward trend seen since the beginning of its activity. Based on the revenue trends and run rate seen in the first half of the year, year-end 2023 revenues should be up by approximately 15% year on year. Additionally, internal optimization policies will be applied in many areas of the company, minimizing costs, human resources, among others, which should have a positive impact on the overall P&A.

7. FINANCIAL INFORMATION

The Annual Accounts of the Company, comprise the Balance Sheet, the attached Profit and Loss Account, Statement of Changes in Equity and the Annual Report.

The financial statements are prepared using the accounting records of the Company.. The Directors of the company are responsible for the preparation of the accompanying financial statements so that they give a true and fair view of the equity, financial position and results, in accordance with Spanish GAAP, and in according with Law 16/2007 of 4 July, 2007 concerning the reform and adaptation of the commercial legislation in terms of accounting for its international harmonisation based on European Union legislation, Royal Decree 1514/2007 of 16 November, 2007 approving the General Accounting Plan, and Royal Decree 1159/2010 of 17 September, 2010 approving the standards for the preparation of annual accounts, in all that does not expressly oppose that set out in the commercial reform mentioned with the aim of presenting a true image of the equity, financial situation and results of the group as well as the accuracy of the cash flows included in the cash flow statement.

7.1 Balance Sheet

Audited Balance Sheet Account for NORTEM CHEM S.A. ended the 31st of December, 2022

NORTEM CHEM, S.A. AGGREGATED AUDITED BALANCE SHEET AS OF 31st OF DECEMBER 2022 AND 2021

(Expressed in EUR €)

ASSETS	Var	2022	2021
A) NON CURRENT ASSETS	31 %	7,949,378	6,047,590
I. Intangible assets	31%	2,105,851	1,607,292
II. Property, Plant and Equipment	34%	5,418,118	4,036,908
III. Deferred tax assets	-	23,117	0
IV. Long-term investments in group and associated companies	-	356,900	356,900
V. Long-term financial investments	-3%	45,392	46,490
B) CURRENT ASSETS	63%	5,518,462	3,386,425
I. Inventory	89%	4,087,613	2,167,513
II. Trade and other receivables	22%	1,265,978	1,039,156
III. Short-term investments in group and associated companies	66%	76,162	46,000
IV. Short-term financial investments	-68%	23,335	73,058
VI. Cash and cash equivalents	8%	65,374	60,698
TOTAL ASSETS	43%	13,467,840	9,434,015

Source: Nortem Chem SA

❖ Intangible assets (+31%)

This increase is due to the incorporation of new brands, greater market recognition, the incorporation of new computer applications and the R&D expenditure that the company applies to the development of new projects and future product lines.

❖ **Property, Plant & Equipment (+34%)**

The increase is due to the incorporation of new machinery and furniture for Nortem Biogroup's warehouses and offices. During 2022, Nortem started to invest in the Biosalt project in conjunction with the expansion of their manufacturing facilities with the addition of a new warehouse adjacent to its existing premises.

❖ **Inventory (+89%)**

During the financial years 2021 and 2022, Nortem experienced the global supply crisis. Faced with such a scenario, the company was forced to increase its stock to record levels in order to guarantee the constant flow of goods and components that could meet the shipments to the different platforms and avoid any possible breakage of stocks. Similarly, freight rates increased tenfold in many cases and they had to make exhaustive purchases as, in addition, delivery times increased enormously. As inventory levels increase to high levels, inventory turnover periods increase. The level of sales was fairly similar in both periods while the level of inventory in stock was significantly higher compared to the previous year. Hence the large increase in the turnover period between 2021 and 2022. Stock-outs due to international market conditions caused mainly by the supply-chain crisis. The rapid recovery of demand after the pandemic at global levels caused breaks in supply chains that conditioned the recovery of the international market. This situation not only led to stock-outs, but also pushed container prices to record highs. These stock-outs had a significant impact on Nortem for much of 2021 and throughout the first half of 2022. During the last months of 2021, work began on stockpiling goods to avoid a repetition of these stock ruptures, which meant a financial effort that would continue in the 2022 financial year. Financial actions were necessary to generate liquidity in order to be able to build minimum inventory levels to protect the company from potential unfavorable international scenarios in global trade conditions.

❖ **Trade and other receivables (+22%)**

There is a slowdown in Nortem's collection period. This slowdown is linked to the way companies are charged on the Amazon platform. The time to reclassify and allocate all income and expenses related to activity within the Amazon platform wallet has increased due to increased sales activity within Nortem's brands. On the other hand, most of the accounts receivable item corresponds to outstanding payments owed by the Spanish public administration to Nortem, which are gradually being collected according to the deadlines indicated by the tax authorities.

❖ **Short-term investments in group and associated companies (+66%)**

The explanation lies in a reclassification proposed by the auditors with the related NORTEM BIOGROUP, the value of which represents an increase of 66 % compared to 2021 at the end of 2022.

❖ **Short-term financial investments (-68%)**

This is a pre-2020 deposit with Banco Santander, which was reflected in the short term.

❖ **Cash and cash equivalents (+8%)**

This item has been increased by small changes in account balances due to cyclical circumstances. The firm is financed by the turnover of sales, and the cash flow statement shows that 2.16 M has been paid in 2022 under the heading of financing.

**NORTEM CHEM S.A. AGGREGATED AUDITED BALANCE SHEET AS OF 31st OF DECEMBER
2022 AND 2021**

(Expressed in EUR €)

LIABILITIES & SHAREHOLDER'S EQUITY	Var	2022	2021
A) SHAREHOLDER'S EQUITY	29%	6,616,329	5,136,233
I. Share Capital	23%	5,157,000	4,187,000
II. Reserves	149%	960,073	385,051
III. Result of the year	-11%	500,250	564,182
IV. Adjustments for value changes	-	-994	0
B) NON CURRENT LIABILITIES	50%	3,464,480	2,313,794
II. Long-term debt	49%	3,385,262	2,276,753
IV. Deferred tax liabilities	114%	79,218	37,041
C) CURRENT LIABILITIES	71%	3,387,032	1,983,987
II. Short term debt	95%	2,975,782	1,522,768
III. Short-term debt with group and associated companies	-100%	0	55,819
IV. Trade and other accounts payables	1%	411,250	405,400
TOTAL SHAREHOLDER'S EQUITY & LIABILITIES	43%	13,467,840	9,434,015

Source: Nortem Chem SA

❖ Shareholders' Equity (+29%)

The latest capital increase in the first half of 2023 by the existing shareholders justifies this 29% increase in the shareholders equity capital.

❖ Reserves (149%)

It is company policy not to distribute dividends until self-imposed criteria for growth and investment items have been met. Hence the increase in the item, explained by the distribution of the 2022 result.

❖ Long-term debt (+49%)

The increase is due to new credit lines for the financing of new industrial installations currently underway. All credit lines are bank loans with a medium-term maturity of 5 years. For more information on Nortem's credit lines, please refer to section 4.3.3 of this document.

❖ Deferred tax liabilities (+114%)

Deferral of accelerated depreciation - corporate income tax - on the acquisition of new fixed assets. The Company has recognised liabilities for taxable temporary differences amounting to €42,177 as a result of accelerated depreciation on new fixed assets acquired in 2021. The Company has also recognised deferred tax assets of €17,382 arising from R&D deductions pending application.

❖ Short-term debt (+95%)

The increase is due to the purchase of industrial equipment for the assembly of the new production lines within the new facilities. This is also due to the reclassification of several ICO - Investment loans with financial institutions, for the procurement of machinery and industrial equipment.

❖ Short-term debt with group and associated companies (-100%)

This reduction is due primarily to a royalty with the group company Nortem Biotechnology group S.L. for the use and exploitation of trademarks. Of the €55,819 Nortem has been able to settle €42,000 of the total during the financial year 2022, with the remaining amount being reclassified to current liabilities on the advice of its auditors.

7.2 Profit & Loss

Audited Profit and Loss Account for NORTEM CHEM S.A. ended the 31st of December, 2022

NORTEM CHEM S.A. AGGREGATED AUDITED PROFIT AND LOSS ACCOUNT AS OF 31st OF DECEMBER 2022 AND 2021

(Expressed in EUR €)

Item	Var	2022	2021
1. Revenue	3%	6,983,261	6,789,940
2. Work performed by the company for its assets	332 %	465,770	107,868
3. Procurement	-20%	-1,027,288	-1,283,418
GROSS PROFIT (1+2+3)	14%	6,421,743	5,614,390
4. Other operating income	-10%	16,076	17,834
5. Personnel expenses	16%	-788,703	-681,566
6. Other operating expenses	22%	-4,794,827	-3,914,187
EBITDA (C-8-7-2)	-10%	936,194	1,036,035
7. Depreciation of fixed assets	14%	-301,993	-265,774
8. Impairment and gain or loss on disposal of fixed assets	-97%	753	25,596
9. Other results	18,872%	81,845	-436
C) OPERATING INCOME (1+2+3+4+5+6+7+8+9)	-20%	634,954	795,857
10. Financial income	175%	11	4
11. Financial expenses	-35%	-68,176	-105,385
12. Exchange differences	-68%	3,256	10,308
D) FINANCIAL RESULT (10+11+12)	-32%	-64,909	-95,073
E) EBT (C+D)	-19%	570,045	700,783
13. Taxes on profits	-48%	-69,795	-136,601.64
F) NET INCOME (E+13)	-11%	500,250	564,182

Key Performance Indicators		2022	2021
Gross Profit Margin %	11%	92	83
EBITDA Margin %	-50%	7	14

❖ Revenue (+3%)

This increase is linked to the launch of new online sales platforms, in addition to higher revenue levels through Amazon. Brexit had a material effect on the company, and the UK market previously accounted for more than 20% of global turnover. Due to the estrangement of the United Kingdom from the rest of Europe, the Amazon platform (through which approximately 95% of sales are made) deactivated shipments of goods to this country in its Pan-European Logistics programme, stopping the shipments to supply the warehouses located there. This situation continued throughout 2021 and the first quarter of 2022. It was after April 2022, that the company started to recover, reaching previous sales levels at the end of the Summer. Nortembio's products drove the group in 2022 through their broad product diversity, accounting for 82% of total sales. This has resulted in an increase in sales of 5% compared to 2021's figure.

❖ Work performed by the company for its assets (+332%)

This is the activation of R&D expenses for a value of €465,000 (35% in R&D and 65% in personnel expenses). According to IFRS and Spanish accounting principles, work carried out for its assets is used to withdraw the expenses that can be capitalized like for example R&D investments in form of personnel expenses or equipment. "Work carried out for the company" includes those accounts and sub-accounts which have been carried out for the company's fixed assets during the year. These accounts are as follows: work on intangible fixed assets, work on tangible fixed assets, work on investment property and work on tangible fixed assets under construction. The items comprising this subgroup relate to those offsets to the expenses incurred by the company for its fixed assets that are capitalised, using both its equipment and personnel.

❖ Procurement (-20%)

In the item procurement there is an amount in 2021 on import costs to the supplier Operinter. As this item does not exist in 2022, the procurement ratio in 2022 compared to 2021 shows a decrease of 20%.

❖ Other operating expenses (+22%)

Due to heavy stock-outs throughout 2022, Nortem had higher volumes and operating expenses.

❖ **Impairment and gain or loss on disposal of fixed assets (-97%)**

This is machinery acquired in the past that Nortem was forced to sell because it did not meet the technical expectations for new production lines, and as it is practically depreciated, it has generated a small positive result.

❖ **Other Results (-18,872%)**

This stands for the regularisation of trademarks. These amounts in rate may seem very significant, but as there are no items in the financial year 2021, the ratio to be analysed appears quite relevant.

❖ **EBITDA (-10%)**

As previously mentioned, due to heavy stock-outs throughout 2022, the Company had higher procurement and operating expenses. 2022 was a year of stabilization for Nortem Bio, investing in new products and manufacturing capacity and, ultimately, setting up the foundations for the coming years. In its quest to offer products of the highest quality and with a healthy character, the company made investments to increase the product range and to optimise its manufacturing activity in order to achieve a higher degree of automation and improvement of its facilities in general. The financial year 2022 was marked by the late impact of the Covid-19 pandemic. The effects of the global pandemic was still felt in financial year 2021 and part of 2022, in some instances even more than in 2020. This explains the reduction in the Group's 2022 EBITDA vs 2021. Nonetheless, despite this deceleration, the group managed to keep an EBITDA margin in 2022 in excess of 11%, which the company expects to recover in coming years.

8. OTHER INFORMATION

8.1 Other Memorandum and Articles of Association

8.1.1 Company Name, Purpose, Registered Office and Duration

“Article 1 – Company Name

The name of the company is Nortem Chem, S.A. (“the Company”).

“Article 4 – Registered and Branch Offices

The Company’s registered office is in the town of El Puerto de Santa Marfa (postal code 11500), in calle Alexander Humboldt 12, polgono Industrial Salinas de Poniente.

The board of directors has sufficient power to transfer the registered office to other locations within Spain.

The board of directors has sufficient power to resolve to create, close or transfer branch offices, departments and offices within Spain and elsewhere.”

8.1.2 Other Provisions

“Article 22 – Dissolution of The Company

The Company shall be dissolved for the reasons and with the effects defined under the Spanish Corporate Enterprises Act.”

“Article 23 – Liquidators

1. *Upon dissolution of the Company, all the members of the board of directors whose appointments remain valid and are recorded in the Mercantile Registry shall become liquidators, unless the general shareholders’ meeting has designated liquidators in the dissolution agreement.*
2. *The liquidators shall act internally pursuant to the rules of the board of directors, whatever the latter’s structure may be.”*

“Article 24 – Applicable Legislation

The provisions of the Spanish Corporate Enterprises Act and of applicable legislation shall be observed in the event of matters not addressed herein."

8.2 Ongoing Obligations

In accordance with Euronext Access Rule Book, the next Shareholders 'meeting following the Technical Admission will be held by May 2024, in order to resolve upon the approval of the financial statements for the financial year ended on 2023.

Website

An Issuer shall maintain an up-to-date website containing general information on its operations, governance and contact details. In accordance with the Market Abuse Regime an Issuer shall post inside information on its website.

Accounting Standards

An Issuer must establish its accounting standards in accordance with the accounting standards of IFRS for consolidated accounts and PGC for individual accounts without prejudice to the National Regulations. An Issuer must publish on its website its annual financial statements in accordance with National Regulations timetable. In case no publication is foreseen in local rules and regulation, financial statements shall be published before the end of the first semester of the next year.

Report of changes

An Issuer shall report to Euronext the changes to its senior executive's team (managers with the power to take managerial decisions affecting the future developments and business prospects of the issuer) and the composition of its board as well as any changes to its Beneficial Owners to be made public in accordance with the Market Abuse Regime as soon as the Issuer becomes aware of it. This information shall be sent to Euronext as soon as it is disclosed on the website.

Annual Certificate

An Issuer shall provide Euronext in December of each year a certificate in the form prescribed by Euronext confirming – among other things – that it has and will comply with the Market Abuse Regime and that the changes in the management, board composition and shareholders have been duly notified to Euronext. This provision does not apply to Issuers that are admitted to trading

on a Regulated Market or on another organised market subject to equivalent standards as determined by Euronext.

Corporate action

Each Issuer shall inform Euronext of events affecting Securities that Euronext deems necessary to run a fair, orderly and efficient market. The relevant information shall be provided to Euronext in due time before the event affecting the Securities or the relevant corporate action, so that Euronext may take any appropriate technical measure. The events covered by this provision include the corporate actions as referred to in Article 61004/2 of Euronext Rule Book I.

Application of new securities

An application for admission to trading must cover all the Issuer's Securities of the same class issued at the time of the application or proposed to be issued for the admission planned. When additional Securities of the same class as Securities already admitted to trading are issued, application for admission to trading of such additional Securities shall be made:(a) as soon as they are issued in the case of a Public Offer of the Securities; and/or(b) no later than ninety (90) days after their issue in cases other than Public Offer.

Legal Entity Identifier

An Issuer shall take all necessary measures to have its LEI for as long as its Securities are admitted to trading on Euronext Access.

9. LISTING SPONSOR

SOLVENTIS S.V, S.A.

Address: Paseo de la Castellana nº 60, 4th right floor– 28046, Madrid, Spain

Telephone: +34 932 00 95 78

Web: <https://www.solventis.es/es/>

NORTEM CHEM, S.A. designated SOLVENTIS S.V., S.A. as a Listing Sponsor in order to lead the incorporation to Euronext Access of the Issuer. It was authorised by the Euronext Listing Board on the 27th of July 2022.

Solventis is domiciled in Paseo de la Castellana nº60, 4th right floor, 28046, Madrid, Spain, registered in the Mercantile Registry, with Identification Code: A63593552. It is represented in this operation by Mr. Mariano Colmenar, Managing Partner of the firm.

Solventis is represented by a multidisciplinary team of professionals with high experience in security issuance and overall capital markets activities both in public as well as in private markets. No other consultants concur in the incorporation process or in the preparation of this information document.

CONFIDENTIALITY NOTICE

All the information contained in this document is confidential. It has been provided to you solely for your possible investment. For 2 years from the date of access to this document, you are obliged to: I. Maintain the Information in strict confidentiality, i.e. not to transmit it (in whole or in part) to any natural or legal person. This information shall not be transmitted to any other person or entity except with prior authorisation or in cases where its disclosure is legally required, in which case you shall immediately inform the company concerned. II. Use the Information exclusively for the purpose of studying its participation in the Project.



NOTICE

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