

# **Naturhouse Health, S.A. and Subsidiaries**

Consolidated Financial Statements  
for the financial year ending 31  
December 2024, prepared in  
accordance with the International  
Financial Reporting Standards  
adopted in the European Union (EU-  
IFRS) and Consolidated Management  
Report

Naturhouse Health S.A. and Subsidiaries  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS OF 31 December 2024**  
(Thousands of Euros)

ASSETS	Explanatory Notes	31/12/2024	31/12/2023	EQUITY AND LIABILITIES	Explanatory Notes	31/12/2024	31/12/2023
<b>NON-CURRENT ASSETS:</b>				<b>EQUITY:</b>			
Intangible assets	Note 8	371	444	<b>Capital and reserves-</b>			
Tangible fixed assets	Note 9	3,332	3,665	Subscribed capital	Note 14	3,000	3,000
Non-current financial assets	Note 11.1	456	467	Issue premium		2,149	2,149
Investments in associates-				Reserves		23,086	20,564
Investments recognised using the equity method	Note 11.2	10,199	9,821	Own shares	Note 14	(142)	(142)
Deferred tax assets	Note 18.3	58	79	Conversion differences	Note 14	(275)	(237)
<b>Total non-current assets</b>		<b>14,416</b>	<b>14,476</b>	Profit / (Loss) for the financial year		9,863	11,293
				Interim dividend	Note 5	(6,000)	(6,000)
				<b>EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT COMPANY</b>		<b>31,681</b>	<b>30,627</b>
				<b>EQUITY - MINORITY INTERESTS</b>	Note 14	<b>6</b>	<b>6</b>
				<b>Total Equity</b>		<b>31,687</b>	<b>30,633</b>
				<b>NON-CURRENT LIABILITIES:</b>			
				Non-current provisions	Note 15	930	1,641
				Non-current debts	Note 16	3,268	3,538
				Deferred tax liabilities	Note 18.5	244	275
				<b>Total non-current liabilities</b>		<b>4,442</b>	<b>5,454</b>
<b>CURRENT ASSETS:</b>				<b>CURRENT LIABILITIES:</b>			
Stock	Note 12	3,445	2,753	Current provisions	Note 15	388	465
Trade receivables for sales and provision of services		1,737	2,280	Current debts	Note 16	1,003	4,515
Customers, related companies	Note 20.1	227	234	Trade creditors and other accounts payable	Note 17	1,877	2,274
Current tax assets and other credits				Suppliers, related companies	Note 20.1	2,672	2,715
with public administrations	Note 18.1	702	1,544	Current tax liabilities and other debts			
Other current assets	Note 11.3	1,384	3,172	with public administrations	Note 18.1	524	2,790
Cash and cash equivalents	Note 13	20,682	24,387	<b>Total current liabilities</b>		<b>6,464</b>	<b>12,759</b>
<b>Total current assets</b>		<b>28,177</b>	<b>34,370</b>	<b>TOTAL EQUITY AND LIABILITIES</b>		<b>42,593</b>	<b>48,846</b>
<b>TOTAL ASSETS</b>		<b>42,593</b>	<b>48,846</b>				

Notes 1 to 24 described in the consolidated explanatory notes and Annex I attached are an integral part of the consolidated statement of financial position as of 31 December 2024.

Naturhouse Health S.A. and Subsidiaries

**CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE 2024 FINANCIAL YEAR**  
(Thousands of Euros)

	Explanatory Notes	Financial year 2024	Financial year 2023
Net turnover	<b>Note 19.1</b>	49,425	50,407
Supplies	<b>Note 19.2</b>	(13,962)	(13,701)
<b>Gross Margin</b>		<b>35,463</b>	<b>36,706</b>
Other operating income		177	473
Staff costs	<b>Note 19.3</b>	(9,806)	(9,334)
Other operating expenses	<b>Note 19.5</b>	(10,418)	(9,294)
<b>Operating result before amortisation, impairment and other income</b>		<b>15,416</b>	<b>18,551</b>
Amortization of fixed assets	<b>Notes 8 and 9</b>	(1,950)	(2,263)
Impairment and income from disposal of fixed assets	<b>Note 9</b>	14	(14)
Other results		(331)	(10)
<b>OPERATING RESULT</b>		<b>13,149</b>	<b>16,264</b>
<b>Financial income</b>	<b>Note 19.4</b>	<b>542</b>	<b>43</b>
Other financial income		542	43
<b>Financial expenses</b>	<b>Note 19.4</b>	<b>(596)</b>	<b>(616)</b>
Debts with third parties		(596)	(616)
<b>Exchange differences</b>	<b>Note 19.4</b>	<b>(26)</b>	<b>(126)</b>
<b>FINANCIAL RESULT</b>		<b>(80)</b>	<b>(699)</b>
<b>Income from equity-accounted entities</b>	<b>Note 11.2</b>	<b>473</b>	<b>(150)</b>
<b>PRE-TAX CONSOLIDATED PROFIT OR LOSS</b>		<b>13,542</b>	<b>15,415</b>
Corporate Tax	<b>Note 18.2</b>	(3,679)	(4,168)
<b>NET PROFIT OR LOSS FROM CONTINUING OPERATIONS</b>		<b>9,863</b>	<b>11,247</b>
<b>NET CONSOLIDATED RESULT - PROFIT</b>		<b>9,863</b>	<b>11,247</b>
Less profit or loss - minority interests	<b>Note 14</b>	-	(46)
<b>NET PROFIT OR LOSS FOR THE FINANCIAL YEAR ATTRIBUTABLE TO THE PARENT COMPANY</b>		<b>9,863</b>	<b>11,293</b>
<b>Earnings per share (in euros per share):</b>			
- Basic	<b>Note 14</b>	<b>0.16</b>	<b>0.19</b>
- Diluted	<b>Note 14</b>	<b>0.16</b>	<b>0.19</b>

Notes 1 to 24 described in the consolidated explanatory notes and Annex I attached are an integral part of the consolidated profit and loss account for the 2024 financial year.

**Naturhouse Health S.A. and Subsidiaries**  
**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE 2024 FINANCIAL YEAR**  
**(Thousands of Euros)**

	Financial year 2024	Financial year 2023
<b>A- PROFIT AND LOSS ACCOUNT BALANCE</b>	<b>9,863</b>	<b>11,247</b>
<b>B- OTHER COMPREHENSIVE INCOME RECOGNISED DIRECTLY IN EQUITY</b>		
<b>Items not to be transferred to income:</b>	-	-
<b>Items that can later be transferred to income:</b>		
Differences due to the conversion of financial statements in foreign currency	(38)	517
<b>TOTAL CONSOLIDATED COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR (A+B+C)</b>	<b>9,825</b>	<b>11,764</b>
<b>Total Comprehensive Income attributable to:</b>		
- The Parent Company	9,825	11,810
- Minority shareholders	-	(46)
<b>TOTAL CONSOLIDATED COMPREHENSIVE INCOME</b>	<b>9,825</b>	<b>11,764</b>

Notes 1 to 24 described in the attached consolidated explanatory notes and Annex I are an integral part of the consolidated statement of comprehensive income for the 2024 financial year.

Naturhouse Health S.A. and Subsidiaries

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE 2024 FINANCIAL YEAR**  
(Thousands of Euros)

	Share Capital	Issue premium	Reserves	Own shares	Conversion differences	Profit or loss for the financial year attributable to the Parent Company	Interim dividend	Minority interests	Total Equity
<b>Balance at 31 December 2022</b>	<b>3,000</b>	<b>2,149</b>	<b>16,930</b>	<b>(142)</b>	<b>(754)</b>	<b>9,627</b>	<b>(3,000)</b>	<b>52</b>	<b>27,862</b>
Recognised income and expenses	-	-	-	-	517	11,293	-	(46)	<b>11,764</b>
Distribution of profit for the 2022 financial year	-	-	-	-	-	-	-	-	-
- Distribution to reserves	-	-	3,627	-	-	(3,627)	-	-	-
- Distribution of dividends	-	-	-	-	-	(6,000)	-	-	<b>(6,000)</b>
Transactions with shareholders:	-	-	-	-	-	-	-	-	-
- Transactions with shares (net)	-	-	-	-	-	-	-	-	-
- Distribution of dividends	-	-	-	-	-	-	3,000	-	<b>3,000</b>
Other changes in equity	-	-	7	-	-	-	(6,000)	-	<b>(5,993)</b>
<b>Balance at 31 December 2023</b>	<b>3,000</b>	<b>2,149</b>	<b>20,564</b>	<b>(142)</b>	<b>(237)</b>	<b>11,293</b>	<b>(6,000)</b>	<b>6</b>	<b>30,633</b>
<b>Balance at 01 January 2024</b>	<b>3,000</b>	<b>2,149</b>	<b>20,564</b>	<b>(142)</b>	<b>(237)</b>	<b>11,293</b>	<b>(6,000)</b>	<b>6</b>	<b>30,633</b>
Recognised income and expenses	-	-	-	-	(38)	9,863	-	-	<b>9,825</b>
Distribution of profit for the 2023 financial year	-	-	-	-	-	-	-	-	-
- Distribution to reserves	-	-	2,293	-	-	(2,293)	-	-	-
- Distribution of dividends	-	-	-	-	-	(9,000)	6,000	-	<b>(3,000)</b>
Transactions with shareholders:	-	-	-	-	-	-	-	-	-
- Transactions with shares (net)	-	-	-	-	-	-	-	-	-
- Distribution of dividends	-	-	-	-	-	-	(6,000)	-	<b>(6,000)</b>
Other changes in equity	-	-	229	-	-	-	-	-	<b>229</b>
<b>Balance at 31 December 2024</b>	<b>3,000</b>	<b>2,149</b>	<b>23,086</b>	<b>(142)</b>	<b>(275)</b>	<b>9,863</b>	<b>(6,000)</b>	<b>6</b>	<b>31,687</b>

Notes 1 to 24 described in the consolidated explanatory notes and Annex I attached are an integral part of the Consolidated Statement of Changes in Equity for the 2024 financial year

**Naturhouse Health S.A. and Subsidiaries**

**CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE 2024 FINANCIAL YEAR**  
**(Thousands of Euros)**

	<b>Explanatory Notes</b>	<b>Financial year 2024</b>	<b>Financial year 2023</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		<b>11,559</b>	<b>20,950</b>
<b>Pre-tax result for the financial year</b>		<b>13,542</b>	<b>15,415</b>
<b>Adjustments to the result:</b>		<b>1,743</b>	<b>2,432</b>
- Amortization of fixed assets (+)	Notes 8 and 9	1,950	2,263
- Variation in provisions (+/-)		(788)	(694)
- Income from derecognition or disposal of fixed assets (+/-)	Notes 9	(14)	14
- Financial income (-)	Note 19.4	(542)	(43)
- Financial expenses (+)	Note 19.4	596	616
- Exchange differences (+/-)	Note 19.4	26	126
- Interests in equity-accounted entities net of dividends (+/-)	Note 11.2	(473)	150
- Other income / (expenses) (+/-)		988	-
<b>Changes in working capital</b>		<b>(751)</b>	<b>107</b>
- Stock (+/-)	Note 12	(692)	(84)
- Debtors and other accounts receivable (+/-)		66	(111)
- Other current assets (+/-)		276	(222)
- Creditors and other accounts payable (+/-)		(401)	524
<b>Other cash flows from operating activities</b>		<b>(2,975)</b>	<b>2,996</b>
- Interest payments (-)		(596)	(90)
- Receipt of dividends (+)	Note 11.2	152	292
- Interest receivable (+)		542	43
- Sums received /(paid) for tax on profits (+/-)		(3,073)	2,751
<b>CASH FLOWS FROM INVESTMENT ACTIVITIES</b>		<b>862</b>	<b>(459)</b>
<b>Payments for investments (-)</b>		<b>(338)</b>	<b>(570)</b>
- Intangible and tangible assets	Notes 8 and 9	(338)	(570)
- Other financial assets		-	-
- Payments from related companies	Note 11.2	-	-
<b>Sums received from divestments (+)</b>		<b>1,200</b>	<b>111</b>
- Intangible and tangible assets	Note 9	189	49
- Other financial assets		1,011	62
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		<b>(16,100)</b>	<b>(7,695)</b>
<b>Sums received and paid for equity instruments</b>			-
- Net disposals (acquisitions) of Parent Company assets	Note 14.f		-
<b>Collections and payments for financial liability instruments</b>		<b>(4,100)</b>	<b>(7,695)</b>
- Repayment and net amortization of:			
Amounts owed to credit institutions and other debts (-)		(4,100)	(1,695)
<b>Dividend payments and remuneration on other equity instruments</b>			
- Dividends (-)	Note 5	(12,000)	(6,000)
<b>EFFECT OF VARIATIONS IN EXCHANGE RATES</b>		<b>(26)</b>	<b>(517)</b>
<b>NET INCREASE / DECREASE OF CASH OR CASH EQUIVALENTS</b>		<b>(3,705)</b>	<b>12,279</b>
Cash or cash equivalents at start of financial year		24,387	12,108
Cash or cash equivalents at year end		20,682	24,387

Notes 1 to 24 described in the consolidated explanatory notes and Annex I attached are an integral part of the consolidated statement of cash flows for the 2024 financial year.

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Annex I - Companies included in the consolidation

## **Management Report**



# Naturhouse Health, S.A. and Subsidiaries

## Explanatory Notes to the Consolidated Financial Statements for the 2024 financial year

### **1. Nature and corporate purpose of the Group companies**

Naturhouse Health, S.A., (hereinafter, the "Company" or the "Parent Company") was established for an indefinite period in Barcelona on 29 July 1991 and has the tax identification number A-01115286. Its registered offices are at Calle Claudio Coello, 91 (Madrid).

The Company's corporate purpose, coinciding with its activity and in accordance with its articles of association, is the export and wholesale and retail sales of all kinds of products related to dietetics, herbal remedies and natural cosmetics, as well as the preparation, promotion, creation, edition, dissemination, sale and distribution of all kinds of magazines, books and brochures and the marketing of dietary products, herbal remedies and natural cosmetics. This activity is mainly carried out through franchisees and its own stores. In addition to the operations carried out directly, the Parent Company is the parent of a group of subsidiaries that engage in the same activity and which, together with it, make up Grupo Naturhouse Health (hereinafter, the "Group" or "Naturhouse Group"). Note 3 and Annex I detail the main data related to the subsidiaries in which the Parent Company, directly or indirectly, has a holding that have been included in the scope of the consolidation.

At present, Naturhouse Group mainly operates in Spain, Italy, France and Poland.

The Parent Company's securities have been listed on the stock market in Spain since 24 April 2015.

### **2. Basis of presentation of the consolidated financial statements**

#### ***a) Basis of presentation***

The consolidated financial statements for Naturhouse Health, S.A. and Subsidiaries, which have been obtained from the accounting records kept by the Parent Company and the other entities making up the Group, were prepared by the Directors of the Parent Company on 28 March 2025.

These consolidated financial statements for the financial year ending 31 December 2024 have been prepared in accordance with the provisions of the International Financial Reporting Standards, as approved by the European Union (EU-IFRS), in accordance with Regulation (EC) No. 1606/2002 of the European Parliament and the European Council, as well as taking into consideration all the accounting principles and standards and valuation criteria that are mandatory, as well as the Commercial Code, the circulars of the Comisión Nacional del Mercado de Valores, Spanish Corporate Law and other corporate legislation applicable.

They have been prepared from the Parent Company's individual accounts and those of each of the consolidated companies (detailed in Annex I) and they accurately present the assets, financial position, results of the Group, changes in consolidated equity and consolidated cash flows under EU-IFRS and other regulatory financial reporting frameworks applicable.

The consolidated financial statements for the 2023 financial year were approved at the Annual General Meeting on 28 June 2024 and filed with the Companies Registry of Madrid.

Under the IFRS, these consolidated financial statements include the Group's following consolidated statements:

- Statement of financial position
- Profit and loss account
- Statement of comprehensive income
- Statement of changes in equity
- Cash flow statement

Since the accounting principles and valuation criteria used in preparing the Group's consolidated financial statements for the 2024 financial year (EU-IFRS) on occasion differ from those used by the Group companies (local regulations), during the consolidation process all the adjustments and reclassifications required to standardise such principles and criteria and to adapt them to the International Financial Reporting Standards adopted by the European Union have been introduced.

The consolidated financial statements have been prepared based on the principle of uniformity of recognition and valuation. In the event of new regulations being applicable which modify existing valuation principles, this will be applied in accordance with the standard's own transition criterion.

Certain amounts in the consolidated profit and loss account and consolidated statement of financial position have been grouped together for clarity, duly broken down in the notes to the consolidated financial statements.

The distinction presented in the consolidated statement of financial position between current and non-current items has been made according to the receipt or extinction of assets and liabilities before or after one year.

Additionally, the consolidated financial statements include all the information considered necessary for a fair presentation in accordance with current corporate legislation in Spain.

Finally, the figures contained in all the financial statements forming part of the consolidated financial statements (consolidated statement of financial position, consolidated profit and loss account, consolidated statement of comprehensive income, consolidated statement of changes in equity, consolidated cash flow statement) and the notes to the consolidated financial statements are expressed in thousands of euros, unless otherwise stated.

Also, in order to present the different items making up the consolidated financial statements in a standardised manner, the valuation standards and principles used by the Parent Company have been applied to all the companies included within the scope of the consolidation.

#### ***b) Adoption of the International Financial Reporting Standards***

Naturhouse Group's consolidated financial statements are presented in accordance with the International Financial Reporting Standards, in accordance with the provisions of Regulation (EC) No. 1606/2002 of the European Parliament and the Council of 19 July 2002. In Spain, the obligation to present consolidated financial statements under the IFRS adopted by the European Union was also regulated in Final Provision Eleven of Law 62/2003 of 30 December on fiscal and administrative measures and social order.

The main accounting policies and valuation standards adopted by Naturhouse Group are presented in Note 6.

**c) Changes in accounting policies and breakdown of information effective in the 2024 financial year**

The accounting policies used in drawing up these consolidated financial statements are the same as those applied in the previous financial year, since none of the rules, interpretations or amendments that are applicable for the first time this financial year have had an impact on the Group's accounting policies.

The Group intends to adopt the rules, interpretations and amendments to the rules issued by the IASB, which are not mandatory in the European Union, when they come into force, if they are applicable. Although the Group is currently analysing their impact, based on the analyses conducted to date, the Group believes that their initial application will not have a significant impact on its consolidated financial statements.

**c.1) Rules and interpretations approved by the European Union applied for the first time this financial year**

New rules, amendments and interpretations not yet approved for use in the European Union		IASB application date
IAS 1 Presentation of financial statements.	<p>These amendments clarify the requirements to be applied in the classification of liabilities as current or non-current. Specifically, these amendments clarify the following points:</p> <ul style="list-style-type: none"> <li>• Right to defer settlement. If an entity's right to defer settlement depends on future covenants, the entity has the right to defer payment even if it does not meet those future covenants at the closing date.</li> <li>• Expected deferrals. The classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement for at least 12 months after the end of the period.</li> <li>• Settlement through own equity instruments. There is an exception to the requirements for settling liabilities through own equity instruments that has an impact on the classification of the liability.</li> </ul> <p>The Group has not been affected by the application of these amendments.</p>	01 January 2024
Lease liability in a sale and leaseback (amendments to IFRS 16)	<p>This amendment specifies the requirements that a seller-lessee must use to quantify the lease liability in a sale and leaseback, with the objective that the seller-lessee does not recognise any profit or loss related to the right of use retained.</p> <p>The Group has not been affected by the application of this amendment.</p>	01 January 2024
Supplier financing agreements (amendments to IAS 7 and IFRS 7)	<p>The amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments; Disclosures clarify the characteristics of financing agreements and introduce new disclosures to help users of financial statements understand the effects of these agreements on liabilities, cash flows and exposure to liquidity risk.</p>	01 January 2024

	The Group has not been affected by the application of these amendments.	
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**d) Rules and interpretations issued by the IASB, but not applicable in this financial year**

The Group intends to adopt the rules, interpretations and amendments to the rules issued by the IASB, which are not mandatory in the European Union, when they come into force, if they are applicable. Although the Group is currently analysing their impact, based on the analyses conducted to date, the Group believes that their initial application will not have a significant impact on its financial statements, except for the following standards, interpretations and amendments issued:

**Amendments to IAS 21 Lack of Exchangeability**

The amendments clarify how entities should assess whether a currency is convertible and how they should determine the spot exchange rate when there is no convertibility; as well as requiring disclosures to enable users of financial statements to understand the impact of a currency not being convertible.

The amendments apply to annual periods beginning on or after 1 January 2025.

**Amendments to IFRS 9 Classification and Measurement of Financial Instruments**

The amendments clarify that financial liabilities are derecognised on the "settlement date". However, they introduce an accounting policy option to derecognise liabilities that are settled by means of an electronic payment system before the settlement date, provided that certain conditions are met.

On the other hand, the amendments clarify, through additional guidelines, the classification of financial assets with ESG (Environmental, Social and Governance) characteristics. Clarifications on non-recourse loans and contractually linked instruments have also been developed. Finally, new disclosures have been introduced for financial instruments with characteristics of equity and equity instruments classified at fair value through other comprehensive income.

The amendments are effective for annual periods beginning on or after 1 January 2026, pending the date of adoption in the European Union.

**IFRS 18 Presentation and Disclosure in Financial Statements**

IFRS 18 mainly introduces, among other changes, three new requirements to improve companies' reporting of their financial performance and provide investors with a better basis for analysing and comparing companies:

- it improves the comparability of financial performance reporting by introducing three new categories: operating, investing and financing; as well as new subtotals: operating profit and profit before financing and income taxes.
  - it provides greater transparency of management-defined performance measures by introducing new guidance and breakdowns
  - it provides guidance to provide a more useful grouping of information in financial statements.

This standard will apply from 1 January 2027, pending the date of adoption in the European Union.

The Parent Company's Directors have not considered the early application of the aforementioned Standards and Interpretations and, in any case, their application will be considered by the Group once approved, where appropriate, by the European Union.

In any case, the Parent Company's Directors are assessing the potential impact of the future application of these standards and consider that their entry into force will not have a significant effect on the consolidated financial statements.

***e) Functional currency***

These consolidated financial statements are presented in euros as this is the presentation currency and, in turn, the functional currency of the primary economic environment in which the majority of the companies comprising the Group operate. Foreign operations are accounted for in accordance with the policies described in Note 6.l.

***f) Responsibility for the information and accounting estimates and judgements made***

The preparation of the consolidated financial statements under IFRS requires the Parent Company's Directors to perform certain accounting estimates and to consider certain elements of judgement. These are continually evaluated and are based on historical experience and other factors, including expectations of future events, that have been considered reasonable under the circumstances. While the estimates have been made on the best information available as of the date of preparing these consolidated financial statements, in accordance with IAS 8, any amendment in the future to these estimates would be applied prospectively from such time, recognising the effect of the change in the estimate made in the consolidated profit and loss account for the financial year in question.

The main estimates and judgements considered in preparing the consolidated financial statements are as follows:

- Useful lives of intangible and tangible fixed assets (see Notes 6.a and 6.b).
- Impairment losses of non-financial assets (see Note 6.c).
- Evaluation of occurrence and quantification of litigation, commitments, contingent assets and liabilities at close (see Note 6.h).
- Estimate of impairments for defaults in accounts receivable and inventory obsolescence (see Notes 6.e and 6.f).
- Estimate of income tax expenses and recoverability of deferred tax assets (see Note 6.k).
- Estimation of the recoverable amount of investments in equity-consolidated companies (see Note 11.2).
- Determination of the ability to exercise significant influence versus control of equity-consolidated companies (see Note 11.2).

### **g) Information comparison**

The information contained in this consolidated report referring to the 2024 financial year is presented, for comparison purposes, with information from the 2023 financial year.

### **h) Relative importance**

When determining the information to be broken down in the consolidated notes on the different items of the consolidated financial statements or other matters, the Group has taken into consideration the relative importance in relation to these consolidated financial statements for the 2024 financial year.

## **3. Consolidation criteria**

The accounting closing date of the individual financial statements for all the companies included within the scope of the consolidation is the same as that of the Parent Company. Additionally, in order to present the different items comprising these consolidated financial statements in a standardised manner, accounting standardisation criteria have been applied, using the Parent Company's accounting criteria as the basis. The preparation of the consolidated financial statements has been based on applying the following methods:

### **a) Subsidiaries and associates**

"Subsidiaries" are those over which the Parent Company has the capacity to exercise effective control, this capacity is generally manifested, but not exclusively, by the direct or indirect ownership of over 50% of the voting rights of the subsidiaries or, if this percentage is lower or null, there are agreements with other shareholders thereof which give the Company control. In accordance with IFRS 10, control is understood to mean the power to exercise rights that give the current ability to direct the relevant activities. The most important information on these companies is provided in Annex I of these Notes.

The subsidiaries' financial statements are consolidated with those of the Parent Company by using the full integration method. Consequently, all balances and effects of transactions made between the consolidated companies have been eliminated in the consolidation process. If necessary, adjustments are made to the subsidiaries' financial statements in order to adapt the accounting policies used to those used by the Group.

Additionally, the following must be considered for the participation of third parties:

- The assets of its subsidiaries is presented under "Equity attributable to third-party shareholders" in the consolidated statement of financial position in the chapter on the Group's Equity (see Note 14).
- The income from the financial year is presented under "Income attributable to third-party shareholders" in the consolidated profit and loss account (Note 14).

The consolidation of income generated by the companies acquired during a financial year is made by only taking into consideration those relating to the period between the date of acquisition and the relevant year end. In parallel, the consolidation of income generated by the companies disposed of during a financial year is made by only taking into consideration those relating to the period between the start of the financial year and the date of disposal.

In addition, as is standard practice, the attached consolidated financial statements only include the tax which, if applicable, may arise as a result of the distribution of the profit and reserves of the consolidated companies to the Parent Company, except for what will be used as financing resources in each company and, therefore, not distributed as dividends.

Companies over which Naturhouse Health, S.A. has a significant influence or joint control are consolidated by the equity method in cases where the requirements of IFRS 11 to be classified as "joint operations" are not met.

The equity method consists of incorporating in the consolidated balance line "Investments in associates - Investments accounted under the equity method" the value of the net assets and goodwill, if any, corresponding to the holding in the associate. The net result obtained each financial year corresponding to the percentage holding in these companies is reflected in the consolidated statements of income as "Income from equity-accounted entities".

***b) Conversion of financial statements in currencies other than the euro***

The financial statements of subsidiaries whose records are in currencies other than the euro included in the consolidation process are converted by applying the closing rate to all their assets and liabilities, except for equity, which is valued at the historical exchange rate. The income, in turn, is converted at the average exchange rate for the financial year. The difference arising from applying the conversion process described above is recorded on the Consolidated Statement of Comprehensive Income as "Conversion differences".

***c) Variations in the scope of the consolidation***

The consolidation perimeter has not undergone any changes in 2024 or 2023.

**4. Business evolution in the current economic context**

Armed conflicts in Ukraine and the Middle East continue to be the main factors leading to an uncertain economic context. The fight against inflation through interest rate hikes continues to be the norm, and although these policies seem to have succeeded in containing price rises in the euro area, economies such as Germany and France are showing signs of slowing down. In this regard, the Spanish economy is an exception due to the tourism sector. In short, the economic outlook remains uncertain, with high energy prices, disruptions in the supply of certain raw materials, and global transport problems.

In the opinion of the Parent Company's Directors, while these factors continue to influence demand for the Group's products, cost containment policies continue to be adopted to maintain adequate levels of profitability, especially taking into account the current economic context.

## 5. Distribution of profit

The proposed distribution of the individual profit of Naturhouse Health, S.A. for the 2024 financial year, prepared by the Parent Company's Directors, to be submitted for approval at the Annual General Meeting, is as follows:

	Thousands of euros	
	2024	2023
<b>Distribution basis:</b>		
Voluntary Reserves		-
Profit for the financial year	14,140	10,117
	<b>14,140</b>	<b>10,117</b>
<b>Distribution:</b>		
To dividends	6,000	3,000
To interim dividend	6,000	6,000
To voluntary reserves	2,140	1,117
	<b>14,140</b>	<b>10,117</b>

The proposed distribution of the individual profit of Naturhouse Health, S.A. for 2023 drawn up by the Parent Company's Directors and submitted for approval at the Annual General Meeting on 28 June 2024 consisted of the distribution of a dividend against the profit for 2023 amounting to 9,000 thousand euros, of which 6,000 thousand euros had been approved as an interim dividend (the distribution of which was approved in two parts on 25 May 2023 and 29 September 2023, the latter being paid after yearend 2023), leaving 3,000 thousand euros to be distributed in 2024, as well as an amount of 1,117 thousand euros against voluntary reserves.

Additionally, on 28 June 2024, the Parent Company approved the distribution of dividends amounting to 6,000 thousand euros as an interim amount against the profit for the 2024 financial year, which was paid 3 September 2024.

The provisional accounting statement prepared by the Parent Company's Directors that demonstrates that there is sufficient liquidity for the distribution of such dividend is as follows:

	Thousands of euros
	Provisional Accounting Statement Prepared
Estimated profits at 31 December 2023	15,415
Estimated Corporate Tax	(420)
Interim dividends distributed	(3,000)
<b>Maximum amount available for distribution</b>	<b>11,995</b>
Liquid Assets and Short-Term Financial Investments, Parent Company	3,787
Liquid Assets and Short-Term Financial Investments, rest of Group	21,752
Interim dividends	(6,000)
<b>Remaining liquid assets after payment, Group</b>	<b>19,539</b>
Estimated sums received at 30 June 2024	22,212
Estimated sums paid at 30 June 2024	(16,623)
<b>Net sums received and paid</b>	<b>5,589</b>
<b>Estimated liquid assets at 30 June 2024</b>	<b>37,123</b>



## **6. Valuation standards**

As stated in Note 2, the Group has applied accounting policies in accordance with IFRS and interpretations published by IASB (International Accounting Standards Board) and the IFRS Interpretations Committee (IFRSIC) and adopted by the European Commission for application in the European Union (EU-IFRS).

### ***a) Intangible assets***

As a general rule, intangible assets are initially valued at their acquisition price or production cost. Subsequently, they are valued at cost less any accumulated amortization and, if applicable, impairment losses under the criteria described in Note 6.c. These assets are amortized according to their useful life.

#### *Research and Development*

The Group's activity, due to its nature, does not involve significant Research and Development expenses, not generating more R&D&I expenses than those relating to registering the brand and product formula with the appropriate department of health. The Group's policy is to directly record as expenses, the expenses incurred in both Research as well as Development, deeming that they do not meet the criteria for activation established by IAS 38 and as they are not significant, given that the majority of these activities are performed directly by the Group's suppliers.

The expenses recorded in the consolidated profit and loss account for the 2024 financial year amounted to 24 thousand euros (4 thousand euros in the 2023 financial year).

#### *Transfer rights*

Correspond to the amounts paid by way of transfer of premises in acquiring new shops. Amortised by the straight-line method over a period of 5 to 10 years.

#### *Industrial property*

The amounts paid for acquiring property or right of use for the different manifestations of the same, or for expenses incurred in registering the brand developed by the Group are recorded in this account. During the 2014 financial year, brands were acquired as stated in Note 8. The industrial property is amortized by the straight-line method over its useful life, which has been estimated as 10 years.

#### *Software*

Licenses for software acquired from third parties, or internally developed software, are capitalized on the basis of the costs incurred to acquire or develop them and to prepare them for use.

Software is amortized by the straight-line method over its useful life, at a rate of between 20% to 33% annually.

Software maintenance costs incurred during the financial year are recorded in the consolidated profit and loss account.

### ***b) Tangible fixed assets***

Tangible fixed assets are initially valued at acquisition price or production cost and are subsequently reduced by accumulated amortization and impairment losses, if any, according to the criteria described in Note 6.c.

Upkeep and maintenance costs for the different elements making up the tangible fixed assets are allocated to the consolidated profit and loss account for the financial year in which they are incurred. On the contrary, the amounts invested in improvements contributing to increased capacity or efficiency or extended useful life for these assets are recognised as a higher cost of the same.

Replacements or renewals of complete fixed asset elements are accounted for as assets, with the resulting accounting derecognition of the elements replaced or renewed.

Financial expenses, incurred during the construction or production period prior to commissioning the assets, are capitalized, with both the sources of specific financing intended expressly for acquiring the fixed asset element, as well as the sources of generic financing in accordance with the guidelines established for qualifying assets in IAS 23. During the 2024 and 2023 financial years, there were no financial expenses capitalized as a higher value of an asset.

The years of useful life estimated by the Group for each group of elements are listed below:

	Estimated Useful Years of life
Buildings	33.33
Other facilities, tools and furnishings	8.33 - 30
Information processing equipment	3 - 4
Transport elements	6.25 - 10

The total tangible fixed assets is amortized by the straight-line method based on the years of estimated useful life.

"Assets in construction" includes the additions made to technical facilities and transport elements that are not yet operational. The transfer of assets in construction to assets in operation is performed when the assets are ready to become operational.

An item in tangible fixed assets is derecognised when sold or when no future economic benefits are expected from the continuing use of the asset. Profits or losses derived from the disposal or derecognition of an item of tangible fixed assets are determined as the difference between the profit from the sale and the book value of the asset, and are recognised in the consolidated profit and loss account.

The investments made by the Group in leased (or assigned) premises, which are not separable from the leased (or assigned) asset, are amortized by the straight-line method over their useful life, which corresponds to the lesser of the duration of the lease (or transfer) contract including the renewal period when there is evidence to support that it will occur, and the asset's economic life.

### **c) Impairment of non-current assets**

Where there is an indication of impairment, the Group estimates, using the "impairment test", the possible existence of impairments reducing the recoverable value of such assets to an amount below their book value.

Assets subject to amortization are reviewed for impairments whenever events or changes in circumstances indicate that the book value may not be recoverable. An impairment loss is recognised by the amount that the asset book value exceeds its recoverable amount.

The recoverable amount is the higher of an asset's fair value less costs to sell and its value in use.

#### **d) Leases**

In accordance with IFRS 16 Leases, the Group recognises an asset for the right of use and a lease liability for all lease agreements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low-value assets. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease, unless there is another systematic basis that is more representative of the time frame in which the economic benefits of the leased asset are consumed.

Assets for the right of use include the initial valuation of the corresponding lease liability, the lease payments made on or before the start date and any initial direct costs. Subsequently, the accumulated depreciation and impairment losses are measured at cost.

The lease liability is initially measured at the current value of the lease payments that are not paid on the start date, discounted using the rate implicit in the lease. If this rate cannot be easily determined, the Group uses its incremental borrowing rate. The book value of the lease liability increases when the interest on said liability is reflected (using the effective interest method) and decreases when the lease payments made are reflected.

The Group determines the term of the lease to be the non-cancellable term of the contract, together with any period covered by an extension (or termination) option, the exercise of which is at the discretion of the Group, if there is reasonable certainty that it will be exercised (or not exercised).

#### **e) Financial instruments**

Financial assets and liabilities are recognised in the consolidated statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

##### *Financial assets*

The financial assets held by the Group are classified, based on the characteristics of the contractual cash flows of the financial asset and the entity's business model for managing its financial assets, into the following categories:

- Loans and accounts receivable.
- Financial assets at fair value through profit or loss.

The classification depends on the financial asset's nature and function and is determined at the time of initial recognition.

##### **1. Loans and accounts receivable**

Loans and accounts receivable are non-derivative financial assets with fixed or determinable payments that are not listed on an active market. Loans and accounts receivable (including trade debtors and other accounts receivable, cash and bank balances etc.) are valued at amortized cost using the effective interest rate method, less any impairment loss.

Interest income is recognised by applying the effective interest rate, except for short term accounts receivable with terms under 12 months, as in this case the effect of discounting is not significant.

The effective interest rate method is used to calculate the amortized cost of a debt instrument and to allocate interest income over the relevant period. The effective interest rate is that which allows the estimated future cash receipts (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) to be accurately discounted over the expected life of the debt instrument or, where appropriate, for a shorter period until reaching the net book value at the time of initial recognition.

The Group recognises a provision for expected losses in its sales operations of goods to franchisees and master franchisees, which have not been collected in advance or bank guarantees have not been obtained. Said provision estimate is based on the historical experience of credit loss, adjusted for the debtors' specific factors, general economic conditions and the individual evaluation carried out by Management.

## 2. Financial assets at fair value through profit or loss

Equity instruments that were acquired with the objective of monetizing the investment on a date not initially foreseen are included.

As at 31 December 2024, the Group holds shares in listed entities amounting to 649 thousand euros (702 thousand US dollars), which are recognised at fair value through the consolidated profit and loss account. As at 31 December 2023, the Group held shares in listed entities amounting to 1,800 thousand euros (1,987 thousand US dollars), which are recognised at fair value through the consolidated profit and loss account. These acquisitions were recognised as a result of the execution of put options by the counterparty when the market value was below the strike price. Likewise, the derivative corresponding to these put options was recognised at fair value at each accounting close, recognising the changes in value in the consolidated profit and loss account. As at 31 December 2024, there are no outstanding put options.

### *Initial measurement*

The financial assets are initially recorded at the fair value of the consideration paid plus the transaction costs that are directly attributable.

### *Subsequent measurement*

Loans, receivables and investments held to maturity are valued at their amortized cost using the effective interest rate method. In the consolidated statement of financial position, loans and accounts receivable with maturities under 12 months from the date of the same are classified as current.

For financial assets accounted for at fair value through profit or loss, changes in said fair value are recognised in income for the period.

The Group derecognises financial assets when they expire or the rights to the cash flows for the financial asset concerned have been transferred and the risks and rewards inherent to their ownership have been substantially transferred. On the contrary, the Group does not derecognise financial assets, and recognizes a financial liability for an amount equal to the consideration received, in transfers of financial assets in which the risks and rewards inherent to their ownership are substantially retained.

### *Financial liabilities*

Financial liabilities are the debits and payables that the Group has and that have arisen from the purchase of goods and services in the ordinary course of business, or those that do not have commercial substance and cannot be considered as financial derivatives.

Debits and payables are initially valued at the fair value of the consideration received, adjusted for directly attributable transaction costs. These liabilities are subsequently valued at amortized cost, considering the effective interest rate.

The Group derecognise financial liabilities when the obligations generated are extinguished.

**f) Stock**

Stock is valued at the lower of the acquisition price, production cost or net realisable value.

The net realisable value represents the estimated selling price less all estimated costs to finish manufacture and the costs to be incurred in the marketing, sales and distribution processes.

In assigning value to its stock, the Group uses the weighted average price method.

The Group makes the appropriate value adjustments, recognising them as an expense in the consolidated profit and loss account when the net realisable value of the stock is less than the acquisition price (or production cost).

**g) Cash and other equivalent liquid assets**

Cash and cash equivalents include cash on hand, demand deposits with credit institutions and other short term highly liquid investments with an original maturity of three months or less.

**h) Provisions and contingencies**

The Group's Directors make a distinction between the following in preparing the annual consolidated statements:

- a. Provisions: credit balances covering current obligations arising from past events, whose cancellation is likely, causing an outflow of resources, but the amount and/or timing of the cancellation is uncertain.
- b. Contingent liabilities: possible obligations arising as a result of past events, whose future existence is conditional on the occurrence, or otherwise, of one or more future events beyond the Group's control.

The consolidated statement of financial position attached includes all the provisions with respect to which it is estimated that the likelihood of having to meet the obligation is greater than it not being the case.

Contingent liabilities are not recognised in the consolidated financial statements but are disclosed in the notes to the consolidated financial statements, unless they are considered to be remote.

The provisions are valued at the current value of the best estimate possible of the amount required to settle or transfer the obligation, taking into consideration the information available on the event and its consequences, and reporting any adjustments arising from updating such provisions as a financial expense as they accrue.

The compensation received from a third party in settlement of the obligation, provided there are no doubts that such reimbursement will be received, is recorded as an asset, except in the event that there is a legal relationship whereby part of the risk has been externalised and by virtue of which the Group is not obliged to respond; in this situation, the compensation will be taken into consideration when estimating the amount by which, if appropriate, the relevant provision will be included.

**i) Redundancies**

In accordance with current legislation, the Group is required to pay redundancies to employees with whom, under certain conditions, it terminates their employment relationship. Therefore, redundancies that may be reasonably quantified are recorded as an expense in the financial year in which the decision to terminate employment is made. In the consolidated financial statements attached, no provision for this item has been recorded with a significant amount.

**j) Commitments to staff**

The long term benefits liability recognised in the consolidated statement of financial position attached represents the current value of the obligations assumed at the date of closure by the Italian subsidiary Naturhouse, S.R.L. (see Note 15). The Group recognises as an expense or accrued income by way of long term benefits the net cost of the services provided during the financial year, as well as that corresponding to any reimbursements and the effect of any reduction or settlement of commitments assumed.

**k) Corporate tax and deferred taxes**

The expense or revenue for Spanish corporate tax and similar taxes applicable to the foreign consolidated entities is recognised in the consolidated profit and loss account, except when it is a consequence of a transaction whose results are directly recorded in the consolidated equity, in which case the tax concerned is also recorded in the equity.

The tax on profits represents the sum of the current tax payment and the variation in deferred tax assets and liabilities recognised.

The current tax expense is calculated on the consolidated companies' taxable base for the financial year. The consolidated taxable base differs from the net profit or loss presented in the consolidated profit and loss account as it excludes income or expense items that are taxable or deductible in other financial years and it also excludes items that will never become taxable or deductible. The Group's liability by way of current tax is calculated using tax rates approved on the date of the consolidated statement of financial position.

The deferred tax assets and liabilities include temporary differences, which are identified as the amounts expected to be payable or recoverable for the differences between the book value of assets and liabilities and their tax value, as well as the negative tax bases to be offset and the credits for tax deductions not applied. These amounts are recorded by applying the tax rate at which they are expected to be recovered or settled to the temporary difference or credit.

The deferred tax assets identified with temporary differences are only recognised if it is deemed likely that the consolidated entities will have sufficient future taxable profits against which to utilize them, not deriving from the initial recognition (except in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. The remaining deferred tax assets (negative tax bases and deductions to be offset) are only recognised if it is deemed likely that the consolidated entities will have sufficient future taxable profits against which to utilize them.

At each close, the deferred taxes recognised (both assets as well as liabilities) are reviewed in order to check whether they are still current, making the appropriate adjustments to them according to the results of the analyses conducted.

Under deferred tax liabilities, the Naturhouse Group has recognised an amount of 222 thousand euros in the 2024 financial year for aggregated undistributed profits in subsidiaries and associates (260 thousand euros in 2023).

## ***l) Foreign currency***

The Group's consolidated financial statements are presented in euros, which is the Parent Company's functional currency. When preparing the financial statements of each individual entity in the Group, the transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the exchange rates prevailing on the date of the transaction. At the close of each financial year, the monetary items denominated in foreign currencies are converted at the rates prevailing on that date. Non-monetary items recognised at fair value and denominated in foreign currencies are converted at the rates prevailing on the date when the fair value was determined. Non-monetary items valued at historical cost in a foreign currency are not re-converted.

Exchange differences in monetary items are recognised in the consolidated profit and loss account in the period in which they occurred.

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's foreign operations are converted into euros at the exchange rates prevailing at the close of each financial year. Income and expense items are converted at the average exchange rates for the period, except if the rates significantly fluctuate during such period, in which case those prevailing on the dates of the transactions will be used. Exchange differences, if any, are recognised in other comprehensive income and are accumulated in assets (allocating them to external shareholders, as appropriate).

## ***m) Recognition of income***

Revenue is recognised in such a way that the transfer of goods or services provided to customers is shown for an amount that reflects the consideration to which the Group expects to be entitled in exchange for said goods or services. Income is measured at the fair value of the consideration received or receivable.

Sale of goods

The Company uses a five-step revenue recognition approach for the sale of goods:

- Identify the contract or contracts with a customer.
- Identify the obligations arising from the contract.
- Determine the transaction price.
- Distribute the transaction price between the obligations arising from the contract.
- Recognise the revenue when the entity meets each of the obligations.

The Group's main activity is the sale of goods (dietary products), primarily through the sale of products to the franchisee customer or to the end customer (consumer), with this being the performance obligation acquired for which the transaction price is determined.

The recognition of income in these activities is not complex and occurs on fulfilment of said contractual performance obligation in accordance with the conditions of transfer of ownership of the goods sold. On the other hand, in owned stores, the performance obligations for product sales and dietary advice are likewise met at a determined and specific moment in time and their price is not variable, there are no guarantee commitments, free second visits with customers or any other kinds of commitments acquired with them, for which reason the Group considers that the performance obligations are, in any case, met under the same conditions.

#### Provision of services

The Group's income from the provision of services mainly relates to the annual fee that the Group directly charges its franchisees, and on the other hand, "master franchise" contracts, which the Group charges a third party for such third party to directly operate the Group's franchises in a given country. This master franchise is usually signed for a period of 7 years and the amount varies between 50,000 and 300,000 euros, which is billed once and charged in advance.

The performance obligations taken on by the Group in contracts with franchisees and "master franchisees" are primarily based on the assignment of the right to use and exploit the brand and the subsequent commitment to supply and sell Naturhouse brand products (the recognition of which is defined as stipulated in the "Sale of goods" section).

Revenues from master franchises are recognised under "Trade creditors and other accounts payable" on the current balance sheet and are recognised on the profit and loss account by the straight-line method over the term of the contract (7 years in most cases), it being in this period when the benefits associated with the exploitation by the Master Franchise of the rights obtained for the aforementioned fee are transferred.

Likewise, the income from royalties that the Company charges to Group companies and third parties in accordance with the terms and conditions included in the "Master Franchise" contracts it has signed are eliminated in the consolidation.

#### Other operating income

Under this heading, the Group primarily recognises rebilling of expenses to related companies or third-party franchisees for transactions in which the group acts as the principal.

#### Interest and dividend income

Dividends from investments are recognised when the shareholder's right to receive payment has been established (provided it is likely that the Group will receive the economic benefits and that the amount of income can be reliably measured).

Interest income arising from a financial asset is recognised when it is likely that the Group will receive the economic benefits and the amount of income can be reliably measured. Interest income is accrued on a time proportion basis, depending on the principal outstanding and the effective interest rate applicable, which is the rate that allows the estimated future cash flows to be discounted over the expected life of the financial asset in order to accurately obtain such asset's net book value.

### ***n) Recognition of expenses***

Expenses are recognised in the consolidated statement of income when a decrease in future economic benefits related to a reduction of an asset, or an increase of a liability occurs which can be reliably measured. This implies that the recording of expenses occurs simultaneously with the recording of a liability increase or asset reduction.

An expense is immediately recognised when a payment does not generate future economic benefits or when it does not meet the requirements for recognition as an asset.

Additionally, an expense is recognised when incurred in a liability and no asset is recorded.

The Group's main expenses relate to Supplies (purchase of finished products from its suppliers), Other Operating Expenses (leases, advertising, transport, services received from its majority shareholder, and independent professional services, primarily) and Personnel Expenses (salaries, social security contributions and redundancies).



As stated in Note 20.2, the majority of the purchases of finished products are made with related parties.

***ñ) Transactions with related parties***

The Group conducts its business transactions with related parties (sales, services provided, purchases, services received and leases) as defined in IAS 24, at market prices (see Note 20.2).

The Parent Company's Directors and its tax advisers consider that there are no significant risks in this regard that could lead to significant liabilities in the future, considering the transfer pricing to be duly justified based on a report issued by the same (see Note 20.2).

***o) Environmental information***

Assets that are constantly used in the Group's business, whose main purpose is to minimise environmental impact and protect and improve the environment, including the reduction or elimination of future pollution, are considered to be environmental assets.

These assets are valued, as with any other tangible assets, at acquisition price or production cost.

The Group amortizes these elements on a straight-line basis, according to the years of estimated useful life remaining for the different elements.

The environmental expenses for managing the environmental impact of the Group's operations, as well as the prevention of pollution related to the operation thereof and/or treatment of waste and disposals, are allocated to the consolidated profit and loss account based on an accrual basis, regardless of when the resulting monetary or financial flow occurs.

The Group's activity, by its nature, has no significant environmental impact.

***p) Segment information***

The business segments broken down in the consolidated notes are included consistently based on the internal information available to the Parent Company's Directors. The operating segments are components of Naturhouse Group involving business activities where income is generated and expenses incurred, including ordinary income and expenses from transactions with other Group components. Regarding the segments, the financial information is regularly broken down and the operating income reviewed by the Parent Company's Director in order to decide which resources should be allocated to the segments and to evaluate their performance.

In the Group's consolidated financial statements, the Parent Company's Directors have considered the following segments: Spain, Italy, France, Poland and Other countries (see Note 23).

#### **q) Consolidated statement of cash flows**

In the consolidated statement of cash flows, the following expressions are used:

- Cash flows: inflows and outflows of cash and cash equivalents, including short-term investments with high liquidity and low risk of variations in value.
- Operating activities: the usual activities of the Group's business operations, as well as other activities that cannot be classified as investment or financing activities.
- Investment activities: those regarding the acquisition, disposal or sale by other means of long-term assets and other investments not included in cash and cash equivalents.
- Financing activities: activities that result in changes in the size and composition of the equity and liabilities that are not part of the operating activities.

#### **r) Earnings per share**

The basic earnings per share are calculated as the quotient of the net profit or loss for the financial year attributable to the Parent Company and the weighted average number of ordinary shares outstanding during the period, excluding the Parent Company's average number of shares held by the Group companies.

On the other hand, the diluted earnings per share are calculated as the quotient of the net profit or loss for the financial year attributable to ordinary shareholders adjusted for the effect attributable to the potential dilutive ordinary shares and the weighted average number of ordinary shares outstanding during the financial year, adjusted by the weighted average number of ordinary shares that would be issued if all potential ordinary shares were converted into the Parent Company's ordinary shares. To this end, it is considered that the conversion takes place at the start of the financial year or when the potential ordinary shares are issued, if the latter were issued during the current financial year.

## **7. Risk Exposure**

### **Financial risks**

The Group's activities are exposed to different financial risks: market risk (including exchange rate risk), credit risk, liquidity risk and interest rate risk on cash flows.

#### **1. Credit risk**

In general, the Group holds its liquid assets and cash equivalents in financial institutions with high credit ratings. It also appropriately monitors accounts receivable individually in order to determine potential situations of default.

The Group's principal financial assets are cash and cash equivalents, trade debtors and other accounts receivable and investments, which represent the Group's highest exposure to credit risk in connection with its financial assets.

The Group's credit risk is, therefore, mainly attributable to its trade debtors. The amounts are presented in the consolidated statement of financial position net of provisions for bad debts, estimated by the Group's Directors based on experience from previous financial years and their assessment of the current economic environment. The detail of impairment losses recognised under "Trade Receivables for Sales and Services" on the attached consolidated statement of financial position as of 31 December 2024 is as follows:

	Thousands of euros	
	31-12-2024	31-12-2023
Impairment of credits (expected loss)	(24)	(24)

The Group does not have a significant concentration of credit risk, with exposure spread over a large number of customers, markets and areas and their individual amounts being insignificant.

However, the Group's Financial Management considers this risk to be a key aspect in daily business management, focusing all efforts on the appropriate control and monitoring of the development of accounts receivable and arrears, especially in sectors of activity with increased risk of default. Additionally, it is one of the Group's policies to obtain guarantees or deposits from customers in order to ensure compliance with their commitments.

In addition, the Group has a policy in place of accepting customers based on periodic liquidity and solvency risk assessments and the establishment of credit limits for debtors. Moreover, the Group conducts periodic analysis of the age of the debt with commercial customers in order to cover potential risks of default.

The average collection period varies, depending on the country, between 30 and 60 days, although a very significant portion of sales is collected in advance or at the time it is performed.

## 2. Liquidity risk

In order to ensure liquidity and meet all payment obligations arising from its activities, the Group has the liquid assets shown on its statement of financial position, as well as the financing available detailed in Note 16.

In this regard, the Group performs liquidity risk management, based on maintaining sufficient cash and marketable securities, the availability of financing through an adequate number of credit facilities and sufficient capacity to settle market positions.

On the other hand, it has always sought to utilize the liquid assets available for anticipative payment obligation and debt commitment management.

## 3. Interest rate and exchange rate market risk:

The Group's operating activities are largely independent with respect to variations in market interest rates.

The Group's interest rate risk arises from long-term borrowings. Borrowings issued at variable rates expose the Group to interest rate risk on the cash flows. As of yearend 2024 and 2023, 100% of the borrowings were at variable interest rates.

However, as at year end 2024 and 2023, the Group has an amount available in liquid assets that is much higher than its debt, including its obligations under leases, consequently, the Directors consider that its exposure to interest rate risk is not significant in any case.

In this way, the Group has not considered it necessary to cover such interest rate fluctuations, consequently, it did not take out derivative instruments during the 2024 and 2023 financial years.

With regard to exchange rate risk, the Group does not operate significantly internationally in countries with currencies other than the euro and, therefore, its exposure to exchange rate risk from foreign currency transactions is not significant, except for its exposure to the Zloty (Poland), which represents 11% and 3% of the Group's sales and assets, respectively (11% and 4% of the Group's sales and assets, respectively, in 2023).

### **Capital management**

The Group manages its capital to ensure that Group companies will be able to continue as profitable businesses. The Group's capital structure includes debt, which is, in turn, composed of loans and credit facilities, cash and liquid assets, detailed in Note 16, and own funds, including capital and reserves as discussed in Note 14. In this regard, the Group is committed to maintaining leverage levels in line with the objectives of growth, solvency and profitability.

The Parent Company's Management, which is responsible for financial risk management, periodically reviews the capital structure.

The net financial debt ratio (positive net cash flow) to Operating Income before amortization, impairment and other income as of 31 December 2024 and 2023 is at 0.93 and 0.88, respectively. In calculating this ratio, the Parent Company has considered the headings of the consolidated statement of financial position of net non-current and current debts in cash and cash equivalents as net financial debt. The change between the two financial years is due to the improvement in net cash flow (increase in cash and cash equivalents) in the financial year.

## 8. Intangible assets

The changes in this heading in the consolidated statement of financial position for the 2024 and 2023 financial years were as follows:

Cost	Thousands of euros				
	Transfer Rights	Industrial property	Software	Other Intangible Assets	Total
<b>Balance at 31 December 2022</b>	<b>22</b>	<b>2,350</b>	<b>813</b>	<b>59</b>	<b>3,244</b>
Additions	-	1	194	2	197
Withdrawals	-	-	(1)	(4)	(5)
<b>Balance at 31 December 2023</b>	<b>22</b>	<b>2,351</b>	<b>1,006</b>	<b>57</b>	<b>3,436</b>
Additions	-	8	173	15	196
Withdrawals	-	-	(1)	(12)	(13)
<b>Balance at 31 December 2024</b>	<b>22</b>	<b>2,359</b>	<b>1,178</b>	<b>60</b>	<b>3,619</b>

Accumulated amortization	Thousands of euros				
	Transfer Rights	Industrial property	Software	Other Intangible Assets	Total
<b>Balance at 31 December 2022</b>	<b>(22)</b>	<b>(2,005)</b>	<b>(567)</b>	<b>(41)</b>	<b>(2,635)</b>
Additions	-	(233)	(125)	(3)	(361)
Withdrawals	-	-	-	4	4
<b>Balance at 31 December 2023</b>	<b>(22)</b>	<b>(2,238)</b>	<b>(692)</b>	<b>(40)</b>	<b>(2,992)</b>
Additions	-	(98)	(156)	(3)	(257)
Withdrawals	-	-	1	-	1
<b>Balance at 31 December 2024</b>	<b>(22)</b>	<b>(2,336)</b>	<b>(847)</b>	<b>(43)</b>	<b>(3,248)</b>

Net Book Value	Thousands of euros	
	31-12-2024	31-12-2023
Transfer rights	-	-
Industrial property	23	113
Software	331	314
Other intangible assets	17	17
<b>Total intangible assets</b>	<b>371</b>	<b>444</b>

During the 2024 and 2023 financial years, the main additions have corresponded to software for the Parent Company's E-commerce department. There have been no other significant additions in intangible assets during the 2024 and 2023 financial years.

Industrial Property basically corresponded to a set of brands acquired in 2014 amounting to 2,331 thousand euros, fully amortised at 31 December 2024 (net book value of 98 thousand euros at 31 December 2023). These brands were amortised by the straight-line method over a useful life of 10 years.

As at year end 2024, the Group had fully amortized intangible assets still in use amounting to 4,037 thousand euros (1,573 thousand euros in the 2023 financial year).

The intangible assets located outside of Spain as of 31 December 2024 and 2023 are not significant (see Note 23).

## 9. Tangible fixed assets

The movement during the 2024 and 2023 financial years in the different tangible fixed asset accounts and their corresponding accumulated amortizations were as follows:

Cost	Thousands of euros						Total
	Land and Natural Assets	Buildings	Other Facilities, Tools and Furnishings	Information Processing Equipment	Transport Elements	Assets in Construction and Advances	
<b>Balance at 31 December 2022</b>	-	<b>5,857</b>	<b>3,095</b>	<b>300</b>	<b>313</b>	-	<b>9,565</b>
Additions	-	2,695	121	34	24	-	2,874
Withdrawals	-	(2,862)	(382)	(12)	(37)	-	(3,293)
Conversion differences	-	18	(24)	-	-	-	(6)
<b>Balance at 31 December 2023</b>	-	<b>5,708</b>	<b>2,810</b>	<b>322</b>	<b>300</b>	-	<b>9,140</b>
Additions	-	319	75	5	-	-	399
Withdrawals	-	(158)	(115)	(10)	-	-	(283)
Re-assessment lease term	-	1,130	-	-	-	-	-
Conversion differences	-	-	-	-	-	-	-
<b>Balance at 31 December 2024</b>	-	<b>6,999</b>	<b>2,770</b>	<b>317</b>	<b>300</b>	-	<b>9,256</b>

Accumulated Amortisation	Thousands of euros					Total
	Buildings	Other Facilities, Tools and Furnishings	Information Processing Equipment	Transport Elements		
<b>Balance at 31 December 2022</b>	<b>(3,067)</b>	<b>(2,167)</b>	<b>(245)</b>	<b>(107)</b>		<b>(5,586)</b>
Allocations	(1,581)	(219)	(21)	(81)		(1,902)
Applications	1,618	320	11	59		2,008
Conversion differences	(13)	18	-	-		5
<b>Balance at 31 December 2023</b>	<b>(3,043)</b>	<b>(2,048)</b>	<b>(255)</b>	<b>(129)</b>		<b>(5,475)</b>
Allocations	(1,409)	(191)	(19)	(74)		(1,693)
Applications	13	105	2	-		120
Conversion differences	-	(6)	-	-		-
<b>Balance at 31 December 2024</b>	<b>(4,439)</b>	<b>(2,140)</b>	<b>(272)</b>	<b>(203)</b>		<b>(7,048)</b>

Net Book Value	Thousands of euros	
	31-12-2024	31-12-2023
Land and natural assets	-	-
Buildings	2,560	2,665
Other facilities, tools and furnishings	630	762
Information processing equipment	45	67
Transport elements	97	171
Assets in construction and advances	-	-
<b>Total tangible assets</b>	<b>3,332</b>	<b>3,665</b>

As in the previous financial year, the additions and derecognitions in 2024 correspond mainly to investments for new openings and closures of the Group's physical points of sale due to the growing omnichannel integration of the business, as well as the reassessment of the term of its most significant leases under IFRS 16 (see Note 10). Likewise, derecognitions of fixed assets include the sale of material in own stores transferred to franchisees or other third parties.

The Group defines each of its own points of sale as Cash-Generating Units (CGU), since these constitute the smallest asset groups that generate cash inflows that are largely independent of the inflows produced by other assets or asset groups.

The main assets associated with each CGU are the rights of use of the leases associated with the commercial spaces at each point of sale, which are recognised on the consolidated statement of financial position in accordance with IFRS 16 Leases. The other assets in each CGU are insignificant and most are relocatable to other points of sale.

The Group's policy is to take out insurance policies to cover the potential risks to which the tangible fixed asset elements are subject. As of yearend 2024, the Parent Company's Directors deem that there was no deficit in insuring against these risks.

The tangible fixed assets located outside the Spanish territory as of 31 December 2024 and 2023 are detailed below:

	Thousands of euros	
	31-12-2024	31-12-2023
<b>Net book value:</b>		
Land and natural assets		
Buildings	733	742
Other facilities, tools and furnishings	296	371
Information processing equipment	10	27
Transport elements	47	73
<b>Total net book value</b>	<b>1,086</b>	<b>1,213</b>

The fully amortized tangible fixed assets still in use at yearend 2024 amount to 3,318 thousand euros (3,129 thousand euros at yearend 2023).

#### **Firm purchase commitments**

As of yearend 2024 and 2023, the Group had no firm commitments to purchase tangible assets of a significant amount.

## 10. Leases

### Rights of use

The breakdown and changes by class of assets for the right of use during the 2023 financial year have been as follows:

Cost	Thousands of euros		
	Buildings	Transport Elements	Total
<b>Balance at 31 December 2022</b>	<b>6,256</b>	<b>58</b>	<b>6,314</b>
Additions	2,693	20	2,713
Derecognitions	(2,862)	-	(2,862)
<b>Balance at 31 December 2023</b>	<b>6,087</b>	<b>78</b>	<b>6,165</b>
Additions	319	-	319
Re-assessment lease term	1,130	-	1,130
Derecognitions	(158)	-	(158)
<b>Balance at 31 December 2024</b>	<b>7,378</b>	<b>78</b>	<b>7,456</b>

Accumulated Amortisation	Thousands of euros		
	Buildings	Transport Elements	Total
<b>Balance at 31 December 2022</b>	<b>(3,017)</b>	<b>(52)</b>	<b>(3,069)</b>
Allocations	(1,578)	(9)	(1,587)
Derecognitions	1,618	-	1,618
<b>Balance at 31 December 2023</b>	<b>(2,977)</b>	<b>(61)</b>	<b>(3,038)</b>
Allocations	(1,400)	(9)	(1,409)
Derecognitions	13	-	13
<b>Balance at 31 December 2024</b>	<b>(4,364)</b>	<b>(70)</b>	<b>(4,434)</b>

Impairment	Thousands of euros		
	Buildings	Transport Elements	Total
<b>Balance at 31 December 2022</b>	<b>(462)</b>	<b>-</b>	<b>(462)</b>
Allocations	-	-	-
Derecognitions (Note 9)	-	-	-
<b>Balance at 31 December 2023</b>	<b>(462)</b>	<b>-</b>	<b>(462)</b>
Allocations	-	-	-
Derecognitions (Note 9)	-	-	-
<b>Balance at 31 December 2024</b>	<b>(462)</b>	<b>-</b>	<b>(462)</b>

	Thousands of euros	
	31-12-2024	31-12-2023
<b>Net book value:</b>		
Buildings	2,552	2,648
Information processing equipment	-	-
Transport elements	8	17
<b>Total net book value</b>	<b>2,560</b>	<b>2,665</b>

During the 2024 financial year, the Group's Management reassessed the term of its most significant leases under IFRS 16, with the most relevant rights of use being those related to the central offices.



## Relevant breakdowns and amounts in the lease agreements

The relevant breakdowns and amounts in the lease agreements by asset class are as follows:

2024 financial year	Thousands of euros			
	Buildings	Information Processing Equipment	Transport Elements	Total
<b>Amounts:</b>				
Fixed lease payments	1,455	-	8	1,463
Expenses recognised, variable payments	-	-	-	-
Financial expenses, lease liabilities	53	-	-	53
Lease liabilities	3,040	-	1	3,041
<b>Conditions:</b>				
Lease term	2 – 10 years	2 years	2 – 4 years	
Interest rate	0.75% - 4.3%	1.59%	1.59% - 1.85%	

2023 financial year	Thousands of euros			
	Buildings	Information Processing Equipment	Transport Elements	Total
<b>Amounts:</b>				
Fixed lease payments	1,618	-	24	1,642
Expenses recognised, variable payments	-	-	-	-
Financial expenses, lease liabilities	63	-	-	63
Lease liabilities	3,150	-	9	3,159
<b>Conditions:</b>				
Lease term	2 – 10 years	2 years	2 – 4 years	
Interest rate	0.75% - 4.3%	1.59%	1.59% - 1.85%	

## Breakdown of lease liabilities

The lease liabilities recognised, classified by maturity, are broken down as follows:

	Thousands of euros	Thousands of euros
Payments	31/12/2024	31/12/2023
Less than one year	880	1,371
Between one and five years	1,247	919
More than five years	914	869
<b>Total (note 16)</b>	<b>3,041</b>	<b>3,159</b>

## **11. Financial assets**

### **11.1 Non-current financial assets**

The breakdown of this heading as at 31 December 2024 and 2023 is as follows:

	Thousands of euros	
	31-12-2024	31-12-2023
<b>Equity instruments:</b>		
Other equity instruments	79	79
<b>Other financial assets:</b>		
Loans to related companies	-	-
Long-term deposits and guarantees	377	388
	<b>456</b>	<b>467</b>

*Fair value of financial instruments: Valuation techniques and assumptions applicable to the measurement of fair value*

Financial instruments are grouped into three different levels according to the degree to which fair value is observable.

- Level 1: those referenced to quoted prices (without adjustment) on active markets for identical assets or liabilities.
- Level 2: those referenced to other inputs (other than the quoted prices included in level 1) observable for the asset or liability, either directly (that is, prices) or indirectly (that is, derived from prices).
- Level 3: those referenced to valuation techniques, which include inputs for the asset or liability that are not based on observable market data (non-observable inputs).

### **11.2 Investments in associates and related companies**

*Investments recognised using the equity method*

The interest in equity-accounted companies corresponds to the owned company Ośrodek Badawczo-Produkcyjny Politechniki Łódzkiej ICHEM Sp. z o.o. (hereinafter, "Ichem, Sp. Zo.o."), the owned company Indusen, SA and the owned company Girofibra, S.L.

In relation to Ichem, Sp. Zo.o., the Parent Company carries out an annual analysis to determine whether there has been any change in circumstances that would affect its assessment and conclusion regarding the existence of control, joint control or significant influence.

In this regard, the Parent Company continues to conclude that at 31 December 2024 it does not have control over Ichem, Sp. Zo.o. as it does not hold the majority of voting rights in its governing body in accordance with the applicable regulatory framework, nor does it have the power or capacity to direct its significant business activities.

Following this initial assessment of the absence of control, the analysis carried out considers that the voting rights that the Parent Company has within the board of directors of Ichem, Sp. Zo.o., together with the relevance that the Naturhouse Group still has as a client for Ichem, Sp. Zo.o., mean that, in practice, decisions on certain significant business activities are usually taken by consensus, these being mainly decisions relating to the preparation of the budget and the business plan, and the purchase of goods, services or investments, as well as the assumption of obligations above relatively low thresholds.

In addition, the Parent Company has neither the power nor, clearly, the capacity to direct other significant business activities relating to the production model, such as the technology applied to key business processes and executive personnel, among other aspects.

Taking into account these aspects and value judgements, the Group has concluded that at 31 December 2024, from an economic and accounting perspective, it continues to have joint control over Ichem.

The Parent Company's Directors consider that it does not have control of Indusen or Girofibra as it does not hold the majority of the voting rights or members of the Board of Directors, and it does not have the power to direct most of these companies' relevant business activities. Therefore, the Parent Company's Directors consider that it only exercises significant influence over Indusen and Girofibra and, therefore, consolidates both by the equity method.

Information related to the direct and indirect financial shareholdings held by the Parent Company are broken down in Annex I.

All the product purchase transactions are made at market prices (supported by a study conducted by the Group's tax advisers) (see Note 20).

The breakdown on investment in equity accounted companies at year end 2024 and 2023, as well as the movement occurring during both periods, is as follows:

*2024 financial year*

	Thousands of euros					
	Balance at 1 January 2024	Dividends	Conversion Differences	Income from Equity- Accounted Entities	Impairment	Balance at 31 December 2024
Ichem Sp. zo.o	5,791	(117)	57	160	-	5,891
Indusen, S.A.	3,576	(35)	-	255	-	3,796
Girofibra, S.L.	454	-	-	58	-	512

2023 financial year

	Thousands of euros					
	Balance at 1 January 2023	Dividends	Conversion Differences	Income from Equity- Accounted Entities	Impairment	Balance at 31 December 2023
Ichem Sp. zo.o	6,207	(221)	424	(226)	(393)	5,791
Indusen, S.A.	3,548	(71)	-	99	-	3,576
Girofibra, S.L.	799	-	-	(23)	(322)	454

Other information related to said investees is as follows (figures as at 31 December 2024 and 31 December 2023):

Name and Registered Offices	Activity	Thousands of euros			
		Total Assets	Equity	Sales (*)	Result after tax (*)
Indusen, S.A. Lugar Monte de la Abadesa, 3 09001 Burgos (Spain)	Production and marketing of dietary products	7,925	6,324	4,384	645
Girofibra, S.L. Polígono industrial Mas Portella, 8 17853 Girona (Spain)	Production and marketing of dietary products	1,278	1,073	1,802	118
Ichem Sp. zo.o. Dostawcza 12 93-231 Łódź (Poland)	Production and marketing of dietary products	14,487	12,692	10,770	322

(\*) The total assets and equity of Ichem Sp. Zo.o is presented at the closing rate as at 31 December 2024, while sales and the post-tax profit or loss is presented at the average exchange rate for the 2024 financial year. The Company Ichem Sp. zo.o. is required to undergo a statutory audit as of 31 December 2024 (as in the previous financial year).

Name and Registered Offices	Activity	Thousands of euros			
		Total Assets	Equity	Sales (*)	Result after tax (*)
Indusen, S.A. Lugar Monte de la Abadesa, 3 09001 Burgos (Spain)	Production and marketing of dietary products	7,219	5,816	5,064	251
Girofibra, S.L. Polígono industrial Mas Portella, 8 17853 Girona (Spain)	Production and marketing of dietary products	1,187	964	1,560	(48)
Ichem Sp. zo.o. Dostawcza 12 93-231 Łódź (Poland)	Production and marketing of dietary products	14,717	12,429	10,307	(454)

(\*) The total assets and equity of Ichem Sp. Zo.o is presented at the closing rate as at 31 December 2023, while sales and the post-tax profit or loss is presented at the average exchange rate for the 2023 financial year. The Company Ichem Sp. zo.o. is required to undergo a statutory audit as of 31 December 2023 (as in the previous financial year).

The difference with respect to the value of the investment in the equity-consolidated companies and their equity is due to the existence of implicit goodwill arising from the commercial and production synergies that the Group obtains through its shareholdings in these entities.

At 31 December 2024, the Parent Company's Directors have determined that there are no further indicators of impairment on the investments accounted for using the equity method.

At 31 December 2023, the Group conducted an analysis of the existence of objective indicators of potential impairment of the investment in Girofibra, S.L.U. and in Ichem Sp. Zo.o., both accounted for using the equity method

In accordance with the applicable regulatory framework (see Note 6), the amount of the valuation restatement will be determined by the difference between the book value of said investment and the recoverable amount, taken as the greater of the fair value less selling costs and the current value of the future cash flows arising from the investment, obtained from any of the following procedures:

- By estimating what is expected to be received as a result of the dividend distribution made by the investee and the disposal or derecognition of the investment in it, or;
- By estimating the share of the cash flows expected to be generated by the investee from both its ordinary activities and its disposal or derecognition.

Taking the foregoing into account, the Group determined in 2023 the recoverable amount through the value in use based on the estimated future cash flows from its ordinary activities, discounted at a rate that reflects current market valuations with respect to the value of money and the specific risks associated with the investment.

The Group prepared 5-year cash flow forecasts, incorporating the best available estimates of income and expenses using sector forecasts, Girofibra and Ichem's historical results and future expectations (the company's budgets, business plans etc.) as well as macroeconomic indicators that reflected the current and foreseeable market situation at the end of the previous financial year. Another forecast estimate considered was the margin according to the nature of the business-product.

The Group's management considered a weighted average sales growth rate for the next 5 years consistent with past experience, taking into account the expansion plans and the evolution of the macroeconomic indicators (inflation, GDP etc.).

For discounted cash flows, the weighted average cost of capital was used, which is determined after tax and is adjusted for country risk, the corresponding business risk and other variables dependent on the market situation. The average discount rate at yearend 2023 was 9% for Girofibra, S.L.U. and 13% for Ichem Sp. Zo.o..

Additionally, a terminal value was calculated based on the normalized cash flow of the last year forecast, to which a perpetual growth rate (terminal value "g") of 2% was applied, which under no circumstances exceeded the growth rates of previous years. The cash flow used to calculate the terminal value took into account the investments required for future business continuity at the estimated growth rate.

As a result of the impairment test carried out at 31 December 2023, an impairment of the Girofibra, S.L.U. shareholding was revealed amounting to 322 thousand euros, as well as an impairment of the Ichem Sp. Zo.o. shareholding amounting to 393 thousand euros.

### **11.3. Current financial assets**

	Thousands of euros	
	31/12/2024	31/12/2023
<b>Other financial assets:</b>		
Other receivables	51	116
Short-term financial investments:		
Equity instruments	649	1,800
Other financial assets	342	911
Short-term accruals	342	345
	<b>1,384</b>	<b>3,172</b>

*Fair value of financial instruments: Valuation techniques and assumptions applicable to the measurement of fair value*

Financial instruments are grouped into three different levels according to the degree to which fair value is observable.

- Level 1: those referenced to quoted prices (without adjustment) on active markets for identical assets or liabilities.
- Level 2: those referenced to other inputs (other than the quoted prices included in level 1) observable for the asset or liability, either directly (that is, prices) or indirectly (that is, derived from prices).
- Level 3: those referenced to valuation techniques, which include inputs for the asset or liability that are not based on observable market data (non-observable inputs).

### *Short-term financial investments*

As at 31 December 2024, the Group holds shares in listed entities amounting to 649 thousand euros (702 thousand US dollars), which are recognised at fair value through the consolidated profit and loss account. As at 31 December 2023, the Group held shares in listed entities amounting to 1,800 thousand euros (1,987 thousand US dollars). These acquisitions were recorded as a result of the execution of put options by the counterparty when the market value was below the strike price. Likewise, the derivative corresponding to these put options was recognised at fair value at each accounting close, recognising the changes in value in the consolidated profit and loss account. As at 31 December 2024, there are no put options maturing.

The equity instruments in listed entities amounting to 649 thousand euros described above are included in level one on the fair value hierarchy.

Likewise, as at 31 December 2024, the Group has a total of 219 thousand euros deposited (788 thousand euros as at 31 December 2023) in the form of legal guarantees to cover the different contingencies of the French Company S.A.S. Naturhouse (see Note 15).

## **12. Stock**

The breakdown of "Stock" on the consolidated statement of financial position as at 31 December 2024 and 2023 is as follows:

	Thousands of euros	
	31-12-2024	31-12-2023
Goods	3,445	2,753

The Group has not recognised impairment losses given that the net realisable value of the stock is higher than the acquisition price (or production cost), which is why no losses have been recorded for this in 2024 and 2023.

## **13. Cash and cash equivalents**

Practically all the balances under this heading on the consolidated statement of financial position as at 31 December 2024 and 2023 correspond to the amount deposited in current accounts and financial deposits of under 3 months that the Group held on said dates with financial institutions, unrestricted and remunerated at market rates, with the amount of cash on hand not being significant.

## **14. Equity**

### ***a) Share capital***

On 9 April 2015, the Board of Directors of the Parent Company, exercising the delegation of the Sole Shareholder dated 2 October 2014, unanimously agreed to the public new stock offering on the Stock Market.

On 24 April 2015, the Comisión Nacional del Mercado de Valores admitted to trading 15 million shares of the Parent Company's share capital, with a nominal value of 5 euro cents each, which were sold by Kiluva, S.A. at the price of 4.8 euros. Subsequently, on 22 May 2015, the Green Shoe option was executed, expanding the number of shares admitted to trading by 1,097,637, reaching a total of 16,097,637 shares.

As of 31 December 2024, the Parent Company's share capital is represented by 60,000,000 ordinary shares of 0.05 euros nominal value each, fully subscribed and paid.

In accordance with communications on the number of corporate actions made before the Comisión Nacional del Mercado de Valores, the shareholders with significant holdings in the Parent Company's share capital, both directly as well as indirectly, higher than 3% of the share capital as of 31 December 2024 are as follows:

Shareholder	%
Kiluva, S.A.	72.60
Ferev Uno Strategic Plans	5.65

The Directors of the Parent Company have no knowledge of other shares equal to or higher than 3% of the Parent Company's share capital or voting rights, or that are lower than the percentage established, allowing significant influence to be exercised over the Parent Company.

#### **b) Distribution of profit and dividends**

The proposed distribution of the individual profit of Naturhouse Health, S.A. for 2023 drawn up by the Parent Company's Directors and submitted for approval at the Annual General Meeting on 28 June 2024 consisted of the distribution of a dividend against the profit for 2023 amounting to 9,000 thousand euros, of which 6,000 thousand euros had been approved as an interim dividend (the distribution of which was approved in two parts on 25 May 2023 and 29 September 2023, the latter being paid after yearend 2023), leaving 3,000 thousand euros to be distributed in 2024, as well as an amount of 1,117 thousand euros against voluntary reserves.

Additionally, on 28 June 2024, the Parent Company approved the distribution of dividends amounting to 6,000 thousand euros as an interim amount against the profit for the 2024 financial year, which was paid 3 September 2024 (see Note 5).

#### **c) Legal reserve**

In accordance with the Revised Text of the Spanish Corporate Law, a figure equal to 10% of profits from the financial year must be allocated to the legal reserve until this reaches at least 20% of the share capital. The legal reserve may be used to increase the capital to the extent of the balance of the legal reserve that exceeds 10% of the increased capital.

Except for the aforementioned purpose, and provided that it does not exceed 20% of the share capital, this reserve may only be used to offset losses, provided sufficient other reserves are not available for this purpose.

As of 31 December 2024, this reserve of the Parent Company has been completely established.



**d) Equity - minority interests**

The breakdown of this item on the consolidated statement of financial position as at 31 December 2024 and 2023 is as follows:

	Thousands of euros	
	31-12-2024	31-12-2023
Zamodiet México, S.A. de C.V.	6	6
Name 17, S.A. de C.V.	-	-
	<b>6</b>	<b>6</b>

The movement that occurred during 2024 and 2023 in this section of the consolidated statement of financial position is shown below:

	Thousands of Euros
<b>Balance at 31 December 2022</b>	<b>52</b>
Business combination	-
Profit or loss attributable to minority interests	(48)
Conversion differences	2
<b>Balance at 31 December 2023</b>	<b>6</b>
Business combination	-
Profit or loss attributable to minority interests	-
Conversion differences	-
<b>Balance at 31 December 2024</b>	<b>6</b>

**e) Conversion differences**

The breakdown of "Conversion differences" on the consolidated statement of financial position as at 31 December 2024 and 2023 corresponds to the conversion into euros of the financial statements of investees whose local currency is not the euro: Naturhouse Franchising Co, Ltd (UK), Naturhouse Sp. zo.o. (Poland), Ichem Sp. zo.o (Poland), Zamodiet México, S.A. (Mexico) and Naturhouse Inc. (USA), according to the following breakdown:

	Thousands of euros	
	31-12-2024	31-12-2023
Naturhouse Inc.	40	53
Naturhouse Sp. zo.o.	(344)	(332)
Ichem Sp. Zo.o	62	75
Others	(33)	(33)
	<b>(275)</b>	<b>(237)</b>

**f) Own shares**

As of yearend 2024 and 2023, the Parent Company held company shares in accordance with the following breakdown:

Year	No. of Shares	Euros		
		Nominal Value	Average Acquisition Price	Total Acquisition Cost
2024	50,520	2,526	2.81	141,886
2023	50,520	2,526	2.81	141,886

As of 31 December 2024, the Parent Company's shares held by it represent 0.08% of the Parent Company's share capital, totalling 50,520 shares with a cost of 142 thousand euros and an average purchase price of 2.81 euros per share.

There has been no movement of own shares during 2024 and 2023.

#### **g) Earnings per share**

The profit or loss per share is calculated based on the profit or loss corresponding to the Parent Company's shareholders for the average number of ordinary shares outstanding during the period. At year end 2024 and 2023, the earnings or losses per share were as follows:

	31-12-2024	31-12-2023
Weighted average number of outstanding shares	60,000,000	60,000,000
Average number of own shares	50,520	50,520
Average number of shares to determine basic earnings per share	59,949,480	59,949,480
Parent Company's Consolidated Net Profit or Loss (Thousands of euros)	9,863	11,293
Earnings per share (in euros per share) (*):		
Basic	0.16	0.19
Diluted	0.16	0.19

(\*) The Group presents earnings per share in accordance with IAS 33.

There are no financial instruments that could dilute the earnings or loss per share.

## **15. Provisions and contingencies**

### **a) Non-current provisions**

As at 31 December 2024, the group has recognised 257 thousand euros under "Non-current provisions" corresponding to the provision for risks and expenses intended to cover the contingencies of the French company S.A.S. Naturhouse in relation to the legal proceedings against said Company by franchisees, as well as to cover the probable risk of other less significant lawsuits (914 thousand euros as at 31 December 2023).

In addition, the amount presented under "Non-current provisions" also refers to a commitment that the Group has with certain employees of the Italian company Naturhouse S.R.L. amounting to 498 thousand euros as at year end 2024 (526 thousand euros as at year end 2023). Said TFR commitment (end-of-contract compensation) is payable at the time of termination of the employment relationship, regardless of whether the termination is voluntary or not. As of 1 January 2007, with the regulatory change in Italy, the reserve established for the TFR to 31 December 2006 has remained in the company, revalued with the parameters of Act 297/82 and the deductions from the salary paid to each employee by the company to the INPS (the Italian state agency for social security). This commitment is not outsourced and the expenses thereof are recognised under "Personnel Costs" on the consolidated profit and loss account, amounting to 124 thousand euros and 126 thousand euros for 2024 and 2023, respectively. During the 2024 financial year, the TFR commitment was updated actuarially and an adjustment to reduce the provision amounting to 28 thousand euros (35 thousand euros increase in the provision at year end 2023) was recognised.

The remaining non-current provisions recognised correspond to obligations and risks that the Group keeps provisioned due to considering them to be probable.

### **b) Current provisions**

Current provisions essentially includes the short-term part of the provision for the TFR described above.

### c) Contingencies

The Parent Company's Directors consider that there are no contingencies that could lead to unregistered liabilities or that could have a significant impact on the attached consolidated financial statements.

## 16. Financial debt

The breakdown of the Group's current and non-current financial debt as at 31 December 2024 and 2023 is as follows:

### 2024 financial year

	Thousands of euros			
	Initial Amount or Limit	Maturity		
		Current	Non Current	Total
<b>Current debts:</b>				
Lease liabilities	-	880	-	880
Other financial liabilities	-	123	-	123
Dividend to be paid (Note 14 b)	-	-	-	-
<b>Non-current debts:</b>				
Lease liabilities	-	-	2,161	2,161
Other financial liabilities	-	-	1,107	1,107
	-	<b>1,003</b>	<b>3,268</b>	<b>4,271</b>

### 2023 financial year

	Thousands of euros			
	Initial Amount or Limit	Maturity		
		Current	Non Current	Total
<b>Current debts:</b>				
Lease liabilities	-	1,371	-	1,371
Other financial liabilities	-	144	-	144
Dividend to be paid (Note 14 b)	-	3,000	-	3,000
<b>Non-current debts:</b>				
Lease liabilities	-	-	1,788	1,788
Other financial liabilities	-	-	1,750	1,750
	-	<b>4,515</b>	<b>3,538</b>	<b>8,053</b>

This heading includes lease liabilities for a total amount of 3,041 thousand euros (880 thousand euros short-term and 2,161 thousand euros long-term) recognised in accordance with IFRS 16 *Leases*. As at 31 December 2023, the amount for this item was 3,159 thousand euros (1,371 thousand euros short-term and 1,788 thousand euros long-term).

Similarly, lease liabilities with the related company Tartales S.L.U. are included (see Note 20.1).

Additionally, the amounts paid as guarantee deposits for the franchisees of S.A.S. Naturhouse (France) in guarantee of compliance with their contractual obligations are included under "Other non-current financial liabilities". In the other Group companies, these guarantees are obtained through bank guarantees. As at 31 December 2023, these guarantee deposits are valued at amortised cost.

The Group considers that the fair value of these guarantee deposits is reasonably close to their amortised cost, which is why their fair value is not broken down in accordance with IFRS 7.29.

At 31 December 2023, "Other current financial liabilities" included 24 thousand euros corresponding to the fair value of the financial derivative of the put options described in note 11.3 above.

## **17. Trade creditors and other accounts payable**

The balances of this item under current liabilities on the consolidated statement of financial position as at 31 December 2024 and 2023 have the following breakdown:

	Thousands of euros	
	31-12-2024	31-12-2023
Suppliers	955	1,377
Sundry creditors	440	315
Staff (remuneration pending payment)	246	326
Short-term accruals	236	256
	<b>1,877</b>	<b>2,274</b>

The book value of trade creditors and other accounts payable does not significantly differ from their fair value.

Remuneration pending payment corresponds mainly to the accrual of the extra summer pay, as well as the variable remuneration of certain Group workers.

Short-term accruals include the anticipated revenue for "master franchises" that is charged against income during the term of the contract (normally 7 years).

The Group's Directors have recognised all anticipated revenue in current liabilities, regardless of the years pending allocation to long-term, as they do not consider its effect to be significant.

### Information on the average supplier payment period

The information required by the Third Additional Provision of Law 15/2010 of 5 July (as amended by the Second Final Provision of Law 31/2014 of 3 December) is broken down below, drawn up according to the ICAC Resolution of 29 January 2016 on the information to be included in the explanatory notes to consolidated financial statements in connection with the average supplier payment period in commercial operations.

	Days	
	31-12-2024	31-12-2023
Average supplier payment period	38.74	49.27
Ratio of paid operations	33.26	46.33
Ratio of operations pending payment	63.79	69.12

	Thousands of euros	
	31-12-2024	31-12-2023
Total payments made	8,683	8,911
Total outstanding payments	1,899	1,320

The data presented in the above table on payments to suppliers refers to those made by the Spanish consolidable group company. In accordance with the ICAC Resolution, in order to calculate the average supplier payment period, commercial operations corresponding to delivering goods or providing services accrued from the date of entry into force of Law 31/2014 of 3 December have been taken into account.

For the sole purpose of providing the information required by this Resolution, suppliers includes trade creditors for debts with suppliers of goods or services included under "Trade creditors and other accounts payable" and "Suppliers, related companies" of the current liabilities of the consolidated statement of financial position.

"Average payment period to suppliers" is understood to mean the time that elapses from the delivery of goods or the provision of services by the supplier and material payment for the operation.

The maximum legal payment period applicable to the Spanish consolidable group company under Law 3/2014 of 29 December, which establishes measures to combat delays in payments for commercial operations, and in accordance with the transitional provisions established under Law 15/2010 of 5 July, was 60 days before publication of Law 11/2013 of 26 July and 30 days from publication of this Law and to the present (unless the conditions established in the same are met, which would allow the maximum payment period to be raised to 60 days).

The monetary value of invoices paid within the term established under Act 3/2004 of 29 December was 6,298 thousand euros, representing 73% of the total monetary value (8,517 thousand euros, representing 96% of the total monetary value in 2023). The number of invoices paid amounts to 3,451 invoices paid within said term, representing 97% of total invoices (3,658 invoices paid within said term, representing 99% of total invoices in 2023).

## **18. Tax situation**

### **18.1 Current balances with Public Administrations**

The breakdown of the current balances with Public Administrations as at 31 December 2024 and 2023 is as follows:

#### *Debtor balance*

	Thousands of euros	
	31-12-2024	31-12-2023
Tax Authorities, debtor due to IVA (VAT)	117	38
Tax Authorities, debtor due to Corporate Tax	585	1,506
<b>Total other credits with Public Administrations</b>	<b>702</b>	<b>1,544</b>

#### *Creditor balance*

	Thousands of euros	
	31-12-2024	31-12-2023
Tax Authorities, creditor due to IVA (VAT)	39	53
Tax Authorities, creditor due to income tax withholdings	143	108
Social Security agencies, creditors	342	401
Tax Authorities, creditor due to Corporate Tax	-	2,228
<b>Total other debts with Public Administrations</b>	<b>524</b>	<b>2,790</b>

### **18.2 Reconciliation between accounting profit and Corporate Tax expense**

As at 31 December 2024 and 2023, the Group is not subject to the consolidated tax return regime, therefore, "Tax on Profits" on the consolidated profit and loss account reflects the sum of the figures resulting from the individual tax returns of each of the Group companies from the time of incorporation into the scope of each of them.

The Tax on Profits expense on the consolidated profit and loss account is determined from the consolidated pre-tax result, increased or decreased by the permanent differences between the tax base for said tax and the accounting profit and the consolidation adjustments. The corresponding tax rate is applied to said adjusted accounting profit that according to legislation is applicable to each company, reduced by the discounts and deductions accrued during the financial year, and in turn adding the positive or negative differences between the tax estimate for the closure of the accounts for the previous financial year and the subsequent settlement of the tax at the time of payment.

The reconciliation between the consolidated pre-tax result and the Corporate Tax expense is presented below:

	Thousands of euros	
	2024	2023
Consolidated pre-tax result	13,542	15,415
Permanent differences and consolidation adjustments	970	821
<b>Adjusted result</b>	<b>14,512</b>	<b>16,236</b>
Tax rate	25%	25%
<b>Tax rate adjusted result</b>	<b>3,628</b>	<b>4,059</b>
Tax rate differences	51	109
Other adjustments	-	-
<b>Total tax expense</b>	<b>3,679</b>	<b>4,168</b>

The different companies calculate the Corporate Tax expense based on their respective legislation. The main tax rates applicable to the Group at year end 2024 are as follows:

Country	Tax Rate
Spain	25%
France	25%
Italy	24%
Poland	19%
Portugal	21%
Mexico	30%
United Kingdom	25%
Belgium	25%
Germany	15%
Croatia	10%
Ireland	13%
United States (Federal)	21%

Likewise, the tax expense breakdown between current and deferred is as follows:

	Thousands of euros	
	2024	2023
Expense / (Income) for deferred tax	29	12
Expense / (Income) for current tax	3,650	4,156
<b>Total tax expense (Income)</b>	<b>3,679</b>	<b>4,168</b>

During the 2024 financial year, the Parent Company has made instalment payments for the Corporate Tax corresponding to April, October and December of the 2024 financial year amounting to 501 thousand euros. On this basis, at yearend the company holds a balance to be recovered from the Tax Authorities, which has been recognised as a current tax asset.

### 18.3 Deferred tax assets recognised

The breakdown of this account balance at year end 2024 and 2023 and the movement in 2024 is as follows:

	Thousands of euros		
	31-12-2023	Derecognitions	31-12-2024
<b>Temporary differences (Prepaid taxes):</b>			
Tax effect of consolidation adjustments	51	(2)	49
Limit 70% amortization	28	(19)	9
<b>Total deferred tax assets</b>	<b>79</b>	<b>(21)</b>	<b>58</b>

	Thousands of euros		
	31-12-2022	Derecognitions	31-12-2023
<b>Temporary differences (Prepaid taxes):</b>			
Tax effect of consolidation adjustments	53	(2)	51
Limit 70% amortization	28	-	28
Other	-	-	-
<b>Total deferred tax assets</b>	<b>81</b>	<b>(2)</b>	<b>79</b>

The deferred tax assets indicated above have been recognised on the consolidated statement of financial position as the Parent Company's Directors consider, in line with the best estimates of the Group's future results, including certain tax planning measures, that it is likely that these assets will be recovered.

The aforementioned deferred tax assets specified above were registered by applying the tax rate estimated to be recovered.

### 18.4 Deferred tax assets not recognised

At year end 2024 and 2023, there are only deferred tax assets for deductible temporary differences on which their offset with taxes to be paid in the future is probable in accordance with the likelihood of recovery requirement established in the standard.

### 18.5 Deferred tax liabilities

The breakdown of this account balance at year end 2024 and 2023 and the movement in 2024 is as follows:

	Thousands of euros		
	31-12-2023	Additions/ (Derecognitions)	31-12-2024
<b>Temporary differences (Deferred taxes):</b>			
Taxation on the distribution of dividends	260	(39)	221
Other	15	8	23
<b>Total deferred tax liabilities</b>	<b>275</b>	<b>(31)</b>	<b>244</b>



	Thousands of euros		
	31-12-2022	Additions/ (Derecognitions)	31-12-2023
<b>Temporary differences (Deferred taxes):</b>			
Taxation on the distribution of dividends	260	-	260
Other	46	(31)	15
<b>Total deferred tax liabilities</b>	<b>306</b>	<b>(31)</b>	<b>275</b>

Under deferred tax liabilities, the Naturhouse Group has recognised an amount of 221 thousand euros in the 2024 financial year for aggregated undistributed profits in subsidiaries and associates (260 thousand euros in 2023).

### **18.6 Financial years pending verification and inspections**

The Group's activity, by its nature, is not effected by any significant tax risks.

Provisional tax returns are filed and tax payments on account are made regularly based on the transactions on the accounts, but they are not considered final until the tax authorities inspect them or the statute of limitations expires, which in Spain is four years for all applicable taxes.

In the opinion of the Parent Company's Directors and its tax advisors, there are no tax contingencies of significant amounts that could arise, in the event of an inspection, from possible differing interpretations of the tax regulations applicable to the operations carried out by the Parent Company and its subsidiaries.

## **19. Income and expenses**

### **19.1 Net turnover**

The Group's net turnover corresponding to the 2024 and 2023 financial years is broken down below:

	Thousands of euros	
	2024	2023
Sales	48,789	49,528
Provision of services	636	879
	<b>49,425</b>	<b>50,407</b>

### **19.2. Supplies**

The amount recognised under "Goods consumed" for 2024 and 2023 has the following breakdown:

	Thousands of euros	
	2024	2023
<b>Goods consumed:</b>		
Purchases	14,654	13,617
Changes in stocks (Note 12)	(692)	84
	<b>13,962</b>	<b>13,701</b>

The breakdown of the purchases made by the Group during 2024 and 2023, based on their origin, is as follows:

	Thousands of euros	
	2024	2023
Spain	4,101	5,498
Europe	10,553	8,119
Other	-	-
<b>Total purchases</b>	<b>14,654</b>	<b>13,617</b>

### 19.3. Staff costs

The breakdown of staff expenses accrued during the 2024 and 2023 financial years is as follows:

	Thousands of euros	
	2024	2023
Wages, salaries and similar	7,481	7,211
Social Security costs	2,085	2,006
Compensation	240	117
	<b>9,806</b>	<b>9,334</b>

### 19.4 Financial income and expenses

The breakdown of the Group's financial result in 2024 and 2023 is as follows:

	Thousands of euros	
	2024	2023
Financial income:		
Third party	542	43
Financial expenses:	(622)	(107)
Debts with third parties	(139)	(107)
Exchange differences	(26)	(126)
Impairment and income from disposal of financial instruments	(457)	(509)
<b>Financial income</b>	<b>(80)</b>	<b>(699)</b>

Financial income and expenses from transactions with third parties include the variation in the fair value of the shares described in Note 11. Likewise, as at 31 December 2024, "Financial expenses, debts with third parties" includes 53 thousand euros due to the effect of updating the lease liability (see Note 10) (63 thousand euros as at 31 December 2023).

### 19.5 Other operating expenses

The amount recognised under "Other operating expenses" for 2024 and 2023 has the following breakdown:

	Thousands of euros	
	2024	2023
Leases	691	592
Repairs	185	201
Transport	1,674	1,593
Supplies	815	405
Advertising	3,376	2,671
Other external services	3,677	3,832
	<b>10,418</b>	<b>9,294</b>

The heading "Leases and fees" includes, as of 31 December 2024, leases with a maturity of less than one year and low-value assets.

## 20. Balances and transactions with related parties

The following are considered to be related parties:

- The majority shareholder of the Parent Company, Kiluva, S.A., as well as all the companies related to said majority shareholder as defined in IAS 24.
- The Directors and executives of any company belonging to the Naturhouse Group or its majority shareholder, Kiluva, S.A., as well as their close family, with "Directors" meaning a member of the Board of Directors, and "executives" meaning those who report directly to the Board or the chief executive of the Parent Company.

### 20.1 Balances with related companies

As at 31 December 2024 and 2023, the Group held the following balances with related companies:

Company	Thousands of euros			
	Debtor Balance		Creditor Balance	
	2024	2023	2024	2023
<b>Short-term trade balances:</b>				
Finverki	-	-	-	-
Girofibra, S.L.	-	-	60	109
Healthouse Sun, S.L.	-	-	74	-
Ichem, Sp. zo.o.	-	-	2,086	1,894
Indusen, S.A.	-	-	408	551
Kiluva, S.A.	-	-	17	-
Laboratorios Abad, S.L.U.	-	-	1	1
U.D. Logroñés, SAD	-	-	-	138
Distrito TV, S.L.	-	-	26	4
Tartales LLC	217	234	-	-
Zamodiet, S.A.	-	-	-	-
Tartales, S.L.U.	10	-	-	17
Ferev S.A.R.L.	-	-	-	1
<b>Total short-term trade balances</b>	<b>227</b>	<b>234</b>	<b>2,672</b>	<b>2,715</b>
	<b>227</b>	<b>234</b>	<b>2,672</b>	<b>2,715</b>

As a general rule the Group records the debt or credit balances of a commercial nature with related companies as current balances.

Additionally, the headings "Non-current debt" and "Current debt" on the consolidated statement of financial position as at 31 December 2024 include lease liabilities with Tartales, S.L.U. amounting to 2,018 thousand euros (418 thousand euros in the short term and 1,600 thousand euros in the long term). As at 31 December 2023, the headings "Non-current debt" and "Current debt" on the consolidated statement of financial position included lease liabilities with Tartales, S.L.U. amounting to 2,136 thousand euros (351 thousand euros in the short term and 1,785 thousand euros in the long term).

Lastly, as detailed in note 11.2 above, the Parent Company acquired from its related company Kiluva, S.A. a stake in Indusen, S.A. and Girofibra, S.L., equivalent to 39.58% and 49%, amounting to 3,562 thousand euros and 826 thousand euros respectively.

## 20.2 Transactions with related companies

During the 2024 and 2023 financial years, the Group carried out the following transactions with related companies:

Company	Thousands of euros	
	2024	2023
<b>Sales:</b>		
Healthhouse Sun, S.L.	1	-
<b>Services provided</b>		
Laboratorios Abad, S.L.U.	-	-
Kiluva, S.A.	1	-
Tartales, S.L.U.	8	-
Tartales LLC	-	-
<b>Other operating income</b>	<b>10</b>	<b>-</b>
<b>Sales of tangible fixed assets:</b>		
Ferev Uno Strategic Plans	1	-
Healthhouse Sun, S.L.	-	-
<b>Total sales of fixed assets</b>	<b>1</b>	<b>-</b>
<b>Purchases:</b>		
Girofibra, S.L.	564	613
Ichem, Sp. zo.o	10,112	8,119
Indusen, S.A.	2,016	1,991
Laboratorios Abad, S.L.U.	46	45
Tartales, S.r.l.	-	-
Healthhouse Sun, S.L.	-	-
<b>Services received:</b>		
Tartales, S.r.l.	10	12
El León de El Español Publicaciones, S.A.	-	40
Kiluva, S.A.	70	166
Healthhouse Sun, S.L.	107	58
Tartales Portuguesa, S.A.	32	-
U.D. Logroñés, SAD	257	138
Distrito TV, S.L.	24	28
Ichem, Sp. zo.o	28	-
Laboratorios Abad, S.L.U.	-	-
<b>Leases and insurance policies (*):</b>		
Casewa, S.A.U.	42	41
Tartales, S.L.U.	742	795
<b>Other operating costs</b>	<b>14,050</b>	<b>12,046</b>

(\*) Lease expenses with Casewa, S.A.U. and Tartales, S.L.U. in the 2024 financial year include lease payments made to these entities, which have been recognised in accordance with IFRS 16.

Consideration should be given to the dividend distributions described in Note 14.

Likewise, there are transactions with a company related to a member of the Parent Company's Board of Directors amounting to 60 thousand euros in the 2024 financial year (60 thousand euros in the 2023 financial year).

The Parent Company's Directors and its tax advisers believe that the transfer prices are properly accounted for, based on a report issued by the latter, consequently, they believe that there are no significant risks in this regard that could lead to significant liabilities in the future.

As of the date of drawing up these consolidated financial statements, the Parent Company has updated the transfer pricing report corresponding to the 2023 financial year together with its tax advisors, which includes the main transactions that the Parent Company performs with its related companies:

- Royalties for assignment of trademarks
- Management fees
- Product sales
- Product purchases
- Financial operation: liquid asset management.

The report does not include significant limitations, caveats or safeguards, except for those typical of this type of work. Likewise, in order to analyse whether the prices agreed between related parties as a result of the transactions described above comply with the applicable regulations and to determine that they are in line with market values, the following methodology has been used, depending on the type of each transaction:

- Obtaining comparables, that is, comparison of the circumstances of related-party transactions with the circumstances of transactions between independent persons or entities that could be comparable (CUP - comparable uncontrolled price method).
- On the other hand, the transactional net margin method ("TNMM") has also been applied. Under this method, the objective profitability indicators obtained by independent entities performing the same activity under similar circumstances has been analysed.
- Finally, the resale price method (RPM) has been used, by which the margin applied by the reseller itself is subtracted from the sale price of goods or services in identical or similar transactions with independent persons or entities or, failing that, the margin that independent persons or entities apply to comparable transactions, making, where necessary, the necessary adjustments to obtain equivalence and consider the particularities of the transaction.

In the particular case of product purchases from related companies, the analysis provides a comparison of the gross margin on sales (both through owned as well as franchised centres) in purchases from related companies compared to that obtained in purchases made from comparable independent companies, among others. Based on said analysis, it has been determined that these transactions are at market value.

Said report has been issued in relation to the transactions carried out with related companies in the 2023 financial year. The Directors believe that there have been no relevant or significant changes in transfer pricing during the 2024 financial year, consequently, they believe that they are duly backed up.

### **20.3 Remuneration of the Parent Company's Directors and Senior Management**

During the 2024 financial year, the current Directors of the Parent Company accrued remuneration by way of fixed allowance and expenses for attending board meetings amounting to 284 thousand euros (316 thousand euros in 2023). Likewise, a member of the Board of Directors has provided services to the Parent Company amounting to 60 thousand euros during the 2024 financial year (60 thousand euros during the 2023 financial year). In addition, the members of the Board of Directors with executive positions have received the remuneration stated in the following paragraph. On the other hand, in the current financial year and in the 2023 financial year, no member of the Board of Directors has held with the Parent Company any advances, had any guarantees granted or held any other commitments in terms of pensions or life insurance contracted with the Directors. The Parent Company's current Directors were re-elected at the Annual General Meeting held on 17 May 2022.

The remuneration received during the 2024 financial year by the Group's Senior Management amounted to 1,453 thousand euros for wages and salaries, the provision of services and severance pay (670 thousand euros has been received by members of the Board of Directors in the development of their executive positions). The Group's Senior Management has not received any remuneration for other concepts. The remuneration received by the Group's Senior Management in the 2023 financial year amounted to 1,155 thousand euros for wages and salaries, the provision of services and severance pay (545 thousand euros has been received by members of the Board of Directors in the development of their executive positions).

At year end 2024 and 2023, the Group's Senior Management body is made up of the following people:

Categories	2024		2023	
	Men	Women	Men	Women
Senior Management	3	-	5	-

As of yearend 2024 and 2023, there are no advances, loans granted, pension obligations or life insurance obligations with Senior Management.

The Board of Directors is made up of five men and one woman as of yearend 2024 (six men and one woman as of yearend 2023).

The Parent Company has signed a civil liability policy for directors and executives to cover the members of the Board of Directors, the CEO and all directors of the Naturhouse Group with a cost amounting to 9 thousand euros to 31 December 2024 (9 thousand euros in 2023).

### **20.4 Information in relation to situations involving conflicts of interest on the part of the Directors**

As of yearend 2024, neither the members of the Board of Naturhouse Health, S.A. nor any persons related to them as defined by the Revised Text of the Spanish Corporate Law, have communicated to the other members of the Board of Directors any situation involving direct or indirect conflict that they or persons related to them, as defined by the Revised Text of the Spanish Corporate Law, may have with the Parent Company's interests.

## **21. Environmental information**

The Group is highly committed to the environment; proof of this commitment can be seen in the environmental policies developed by the Parent Company's Management insofar as they contribute to more sustainable growth through the implementation of initiatives that mitigate the impact of the Group's activity on the environment, for example, through the use of recycled materials in the bags of the products sold, promotion of more sustainable materials in the packaging etc.

At year end, the Group has no liabilities, expenses, assets or provisions and contingencies of an environmental nature that could be significant in relation to the equity, financial position and results of the Group. The potential impact arising from climate change has been considered and analysed without, as a result of said analysis, the most significant estimates and judgements made for the preparation of the consolidated financial statements having been significantly affected.

## **22. Other information**

### **22.1 Staff**

The average number of persons employed during the 2024 and 2023 financial years, broken down by category, is as follows:

Categories	Number of Employees	
	2024	2023
Senior Management	4	5
Other management personnel	12	13
Administrative and technical	24	35
Salespersons, sellers and operators	155	154
	<b>195</b>	<b>207</b>

In addition, the Group's gender distribution at the end of 2024 and 2023, detailed by category, is as follows:

Categories	2024		2023	
	Men	Women	Men	Women
Senior Management	3	-	5	-
Other Management Personnel	8	4	13	1
Administrative and technical	8	14	8	27
Salespersons, sellers and operators	13	141	12	141
	<b>32</b>	<b>159</b>	<b>38</b>	<b>169</b>

As at 31 December 2024 and 2023, the Group had 3 and 2 people employed with disabilities equal to or above 33%, respectively.

## 22.2 Audit fees

During the 2024 and 2023 financial years, the fees for audit services and other services provided by the auditor of the Group's consolidated financial statements have been as follows:

	Services Provided by the Lead Auditor	
	EY	EY
	2024 financial year	2023 financial year
The Company's audit services (individual and consolidated)	170,136	160,500
Other verification services (*)	32,324	30,500
<b>Total audit and related services</b>	<b>202,460</b>	<b>191,000</b>
Tax services	-	-
Other services	-	-
<b>Total professional services</b>	<b>202,460</b>	<b>191,000</b>

(\*) The 'Other verification services' section includes the limited review of the Group's Half-Yearly Financial Statements as well as a report on agreed procedures (same concept in the 2023 financial year).

## 23. Segment reporting

Considering that IFRS 8 establishes the obligatory nature of the application and breakdown of information by segments for companies whose equity or debt securities are publicly traded or for companies that are in the process of issuing securities to be traded on public stock markets, the Group presents said information in four segments on the attached consolidated financial statements.

### Segmentation criteria

For management reasons, the Group is currently made up of the following operating segments, which are the following geographical areas:

- Spain
- France
- Italy
- Poland
- Other countries

The main activities developed by the Group are described in Note 1 of these consolidated notes. The Group does not carry out differentiated activities for significant amounts that entail the identification of additional operating segments.

The Parent Company's Directors have identified said segments based on the following criteria:

- It carries out business activities for which it can obtain ordinary income and incur expenses (including ordinary income and expenses from transactions with other components of the same entity),
- Whose operating results are regularly reviewed by management, which makes the entity's operating and management decisions, to decide on the resources that should be allocated to the segment and evaluate its performance, and
- Differentiated financial information is available.



### **Bases and methodology for reporting by business segments**

The segment reporting set out below is based on the reports prepared by the Group's Management and is generated by the same computer application used to obtain all the Group's accounting data.

The segment's ordinary income corresponds to ordinary income directly attributable to the segment plus the relevant proportion of the Group's general income that can be allocated to it using reasonable distribution bases.

The expenses of each segment are determined by the expenses arising from its operating activities that are directly attributable to it, plus the corresponding proportion of the expenses that can be allocated to the segment using a reasonable distribution basis.

The segment's result is presented pre-tax on profits and before any adjustments that may correspond to minority interests.

The "Consolidation eliminations" column on the consolidated profit and loss account essentially includes the eliminations of sales and purchases between segments and the costs passed on by the Parent Company and other consolidation adjustments.

The information for the consolidated profit and loss account for 2024 and 2023, broken down by segment, is as follows:

	Thousands of euros															
	Segments												Other		Total	
	Spain		France		Italy		Poland		Other Countries		Eliminations and other consolidation adjustments					
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
External sales	9,231	9,615	18,787	18,837	14,706	14,998	5,396	5,471	1,437	1,486	-	-	(132)	-	49,425	50,407
Sales between segments	1,510	1,440	182	152	12	6	9	9	-	-	(1,713)	(1,607)	-	-	-	-
Other operating income	2,168	1,988	222	97	-	-	24	117	344	386	(2,581)	(2,531)	-	416	177	473
<b>Total income</b>	<b>12,909</b>	<b>13,043</b>	<b>19,191</b>	<b>19,086</b>	<b>14,718</b>	<b>15,004</b>	<b>5,429</b>	<b>5,597</b>	<b>1,781</b>	<b>1,872</b>	<b>(4,294)</b>	<b>(4,138)</b>	<b>(132)</b>	<b>416</b>	<b>49,602</b>	<b>50,880</b>
Supplies	(3,178)	(3,333)	(5,593)	(5,305)	(3,975)	(4,029)	(2,322)	(2,270)	(511)	(512)	1,617	1,604	-	144	(13,962)	(13,701)
Personal	(3,150)	(3,094)	(2,625)	(2,514)	(2,871)	(2,594)	(709)	(627)	(451)	(505)	-	-	-	-	(9,806)	(9,334)
Amortisation	(339)	(461)	(78)	(49)	(57)	(84)	(49)	(52)	(18)	(29)	(1,409)	-	-	(1,588)	(1,950)	(2,263)
Other operating expenses and other results	(4,808)	(4,956)	(4,547)	(3,860)	(3,264)	(2,922)	(1,562)	(1,309)	(710)	(709)	4,142	2,531	-	1,921	(10,749)	(9,304)
Impairment and income, disposal of fixed assets	(2)	7	15	(20)	-	-	-	-	1	(1)	-	-	-	-	14	(14)
<b>Operating result</b>	<b>1,432</b>	<b>1,206</b>	<b>6,363</b>	<b>7,338</b>	<b>4,551</b>	<b>5,375</b>	<b>787</b>	<b>1,339</b>	<b>92</b>	<b>116</b>	<b>56</b>	<b>(3)</b>	<b>(132)</b>	<b>893</b>	<b>13,149</b>	<b>16,264</b>
Financial income	13,403	9,706	540	116	600	58	3	-	251	-	(14,255)	(9,852)	-	15	542	43
Financial expenses	(200)	(80)	-	-	(20)	(21)	(31)	(156)	(64)	(59)	150	160	-	(77)	(165)	(233)
Impairment and income from disposal of financial instruments	(133)	(322)	-	-	-	-	-	-	(481)	206	(133)	(393)	24	-	(457)	(509)
<b>Financial income</b>	<b>13,070</b>	<b>9,304</b>	<b>540</b>	<b>116</b>	<b>580</b>	<b>37</b>	<b>(28)</b>	<b>(156)</b>	<b>(294)</b>	<b>147</b>	<b>(13,972)</b>	<b>(10,085)</b>	<b>24</b>	<b>(62)</b>	<b>(80)</b>	<b>(699)</b>
<b>Income from equity-accounted entities</b>											<b>473</b>	<b>(150)</b>			<b>473</b>	<b>(150)</b>
<b>Pre-tax profit</b>	<b>14,502</b>	<b>10,510</b>	<b>6,903</b>	<b>7,454</b>	<b>5,131</b>	<b>5,412</b>	<b>759</b>	<b>1,183</b>	<b>(202)</b>	<b>263</b>	<b>(13,443)</b>	<b>(10,238)</b>	<b>(108)</b>	<b>831</b>	<b>13,542</b>	<b>15,415</b>
<b>IFRS 16 Impact on Amortisation</b>	<b>(613)</b>	<b>(734)</b>	<b>(345)</b>	<b>(375)</b>	<b>(190)</b>	<b>(172)</b>	<b>(88)</b>	<b>(95)</b>	<b>(173)</b>	<b>(211)</b>	-	-	-	-	<b>(1,409)</b>	<b>(1,587)</b>
<b>IFRS 16 impact on Other operating expenses</b>	<b>(635)</b>	<b>(761)</b>	<b>(358)</b>	<b>(387)</b>	<b>(200)</b>	<b>(178)</b>	<b>(93)</b>	<b>(99)</b>	<b>(178)</b>	<b>(217)</b>	-	-	-	-	<b>(1,464)</b>	<b>(1,642)</b>
<b>IFRS 16 impact on Financial Result</b>	<b>(18)</b>	<b>(35)</b>	<b>(12)</b>	<b>(13)</b>	<b>(13)</b>	<b>(5)</b>	<b>(5)</b>	<b>(5)</b>	<b>(5)</b>	<b>(5)</b>	-	-	-	-	<b>(53)</b>	<b>(63)</b>

The "Eliminations" segment includes the consolidation eliminations and the "Others" segment includes financial income and expenses considered to be corporate and not allocable to any specific segment. No distribution of general income and expenses has been made between segments.

The breakdown by segment of certain items on the consolidated statement of financial position as of 31 December 2024 and 2023 is as follows:

	Thousands of euros													
	Segments												Total	
	Spain		France		Italy		Poland		Other Countries		Eliminations and other consolidation adjustments			
	31-12-2024	31-12-2023	31-12-2024	31-12-2023	31-12-2024	31-12-2023	31-12-2024	31-12-2023	31-12-2024	31-12-2023	31-12-2024	31-12-2023	31-12-2024	31-12-2023
ASSETS														
Other intangible assets	262	358	88	45	13	14	5	22	3	6	-	12	371	444
Tangible fixed assets	505	610	160	199	98	148	58	76	36	52	2,475	2,580	3,332	3,665
Total Assets	33,631	31,224	9,291	12,227	6,823	7,999	1,919	2,496	2,178	5,588	(11,249)	(10,688)	42,593	48,846
Total Liabilities	2,279	4,889	5,931	6,132	2,416	3,940	654	609	2,508	4,512	(2,881)	(1,869)	10,907	18,213
IFRS 16 impact (Assets)	338	1,758	237	512	258	356	45	135	206	368	1,476	(462)	2,560	2,667
IFRS 16 impact (Liabilities)	348	1,772	243	519	264	358	47	138	201	372	1,938	-	3,041	3,159

The "Others and eliminations" segment includes assets and liabilities considered to be corporate non-assignable to any specific segment, that is, "Investments in related companies" and "Current financial assets", and "Non-current debt" and "Current debt", respectively, as well as the consolidation eliminations.

### Other segment information

None of the Group's customers accounts for more than 10% of the income from its ordinary activities.

Movements in tangible fixed assets, intangible assets and rights of use by segment were as follows:

	In Thousands of Euros					
	Spain	France	Italy	Poland	Others	Total
IFRS 16 movements	-	70	79	2	7	<b>158</b>
Movements 2024	2	(4)	(13)	(29)	2	<b>(42)</b>

During the 2024 financial year, no significant additions of fixed assets have been carried out at the segment level.

### **24. Subsequent events**

There have been no significant subsequent events between the close of 31 December 2024 and the date these financial statements were drawn up.

## ANNEX I

### Companies included in the consolidation

As at 31 December 2024 and 2023, the subsidiaries consolidated by full integration and the information related to them is as follows:

#### 2024 financial year

Company	Activity	% Holding
<b>Naturhouse Health S.A.</b> Claudio Coello, 91 Madrid (Spain)	Marketing of dietary products herbal remedies and natural cosmetics	
<b>Housediet S.A.R.L.</b> 75 rue Beaubourg 75003 Paris (France)	Marketing of dietary products herbal remedies and natural cosmetics	100%
<b>Kiluva Portuguesa –Nutrição e Dietetica, Lda</b> Avenida Dr. Luis SA, 9 9ª Parque Ind Montserrat Fração "M" Abruheira 2710 Sintra (Portugal)	Preparation and marketing of dietary products	100%
<b>Ichem Sp. zo.o. (*)</b> ul. Dostawcza 12 93-231 Łódź (Poland)	Production and marketing of dietary products	49.75%
<b>Indusen, S.A. (*)</b> Nacional 1, km.233-U.E. 38.02-Parcela 3 P.I. Monte de la Abadesa-09001 Burgos (Spain)	Production and marketing of dietary products	39.58%
<b>Girofibra, S.L. (*)</b> PG Can Portella 8 17853 Argelaguer – Girona (Spain)	Production and marketing of dietary products	49%
<b>Naturhouse Belgium S.P.R.L.</b> Avenida de la porte, Hall 11b 1060 Saint Gilles (Belgium)	Marketing of dietary products herbal remedies and natural cosmetics	100%
<b>Naturhouse Franchising Co, Ltd</b> 257 Old Brompton Road, Earl´s Court SW5 9HP London (Great Britain)	Marketing of dietary products herbal remedies and natural cosmetics	100%
<b>Naturhouse, Gmbh</b> Rathausplatz, 5 91052 Erlangen (Germany)	Marketing of dietary products herbal remedies and natural cosmetics	100%
<b>Naturhouse Inc.</b> 1395 Brickellave 800 STE Miami FL (US)	Marketing of dietary products herbal remedies and natural cosmetics	100%

(\*) Companies integrated by the equity method, the others are by full integration.

(\*\*) Company not consolidated due to being inactive.

Company	Activity	% Holding
<b>Naturhouse Sp. zo.o.</b> Ul/Dostawcza, 12 93-231 Łódź (Poland)	Marketing of dietary products herbal remedies and natural cosmetics	100%
<b>Naturhouse S.R.L.</b> Via Federico Fellini, 6 44122 Ferrara (Italy)	Marketing of dietary products herbal remedies and natural cosmetics	100%
<b>Nutririon Naturhouse Inc. (**)</b> Rue de la Guachetière Ouest Montréal Québec (Canada)	Marketing of dietary products herbal remedies and natural cosmetics	100%
<b>Naturhouse d.o.o.</b> Ilica 126, City of Zagreb (Croatia)	Marketing of dietary products herbal remedies and natural cosmetics	100%
<b>S.A.S. Naturhouse</b> 12, Rue Philippe Lebon Zone de Jarlard, 81000 Albi, France	Marketing of dietary products	100%
<b>Zamodiet México S.A. de C.V.</b> Boulevard Interlomas, nº 5 L4 Lomas Anahuac (Mexico)	Marketing of dietary products	79%
<b>Name 17, S.A. de C.V.</b> Doctor Balmis, 222 Mexico City (Mexico)	Marketer of dietary products	51%
<b>Naturhouse Health Limited</b> 165 Lower Kimmage Road Dublin 6, (Ireland)	Marketer of dietary products	100%
<b>Naturhouse Pte. Ltd.</b> 64D Kallang Pudding Road (Tannery Building) 349323 Singapore	Marketer of dietary products	100%

(\*) The only company integrated by the equity method, the others are by full integration.

(\*\*) Company not consolidated due to being inactive.

## **2023 financial year**

Company	Activity	% Holding
<b>Naturhouse Health S.A.</b> Claudio Coello, 91 Madrid (Spain)	Marketing of dietary products herbal remedies and natural cosmetics	
<b>Housediet S.A.R.L.</b> 75 rue Beaubourg 75003 Paris (France)	Marketing of dietary products herbal remedies and natural cosmetics	100%
<b>Kiluva Portuguesa –Nutrição e Dietetica, Lda</b> Avenida Dr. Luis SA, 9 9ª Parque Ind Montserrat Fração "M" Abruheira 2710 Sintra (Portugal)	Preparation and marketing of dietary products	100%
<b>Ichem Sp. zo.o. (*)</b> ul. Dostawcza 12 93-231 Łódź (Poland)	Production and marketing of dietary products	49.75%
<b>Indusen, S.A. (*)</b> Nacional 1, km.233-U.E. 38.02-Parcela 3 P.I. Monte de la Abadesa-09001 Burgos (Spain)	Production and marketing of dietary products	39.58%
<b>Girofibra, S.L. (*)</b> PG Can Portella 8 17853 Argelaguer – Girona (Spain)	Production and marketing of dietary products	49%
<b>Naturhouse Belgium S.P.R.L.</b> Avenida de la porte, Hall 11b 1060 Saint Gilles (Belgium)	Marketing of dietary products herbal remedies and natural cosmetics	100%
<b>Naturhouse Franchising Co, Ltd</b> 257 Old Brompton Road, Earl´s Court SW5 9HP London (Great Britain)	Marketing of dietary products herbal remedies and natural cosmetics	100%
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Company	Activity	% Holding
<b>Naturhouse Sp. zo.o.</b> Ul/Dostawcza, 12 93-231 Łódź (Poland)	Marketing of dietary products herbal remedies and natural cosmetics	100%
<b>Naturhouse S.R.L.</b> Via Federico Fellini, 6 44122 Ferrara (Italy)	Marketing of dietary products herbal remedies and natural cosmetics	100%
<b>Nutririon Naturhouse Inc. (**)</b> Rue de la Guachetière Ouest Montréal Québec (Canada)	Marketing of dietary products herbal remedies and natural cosmetics	100%
<b>Naturhouse d.o.o.</b> Ilica 126, City of Zagreb (Croatia)	Marketing of dietary products herbal remedies and natural cosmetics	100%
<b>S.A.S. Naturhouse</b> 12, Rue Philippe Lebon Zone de Jarlard, 81000 Albi, France	Marketing of dietary products	100%
<b>Zamodiet México S.A. de C.V.</b> Boulevard Interlomas, nº 5 L4 Lomas Anahuac (Mexico)	Marketing of dietary products	79%
<b>Name 17, S.A. de C.V.</b> Doctor Balmis, 222 Mexico City (Mexico)	Marketer of dietary products	51%
<b>Naturhouse Health Limited</b> 165 Lower Kimmage Road Dublin 6, (Ireland)	Marketer of dietary products	100%
<b>Naturhouse Pte. Ltd.</b> 64D Kallang Pudding Road (Tannery Building) 349323 Singapore	Marketer of dietary products	100%

(\*) The only company integrated by the equity method, the others are by full integration.

(\*\*) Company not consolidated due to being inactive.



**Management Report**  
**FOR THE FINANCIAL YEAR ENDING**  
**31 December 2024**

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## **1. Business situation and evolution**

The Naturhouse Group is a business group dedicated to the dietetics and nutrition sector with its own exclusive business model based on the Naturhouse method. At yearend 2024, it had an active presence in 29 countries through a network of 1324 centres, with its most relevant markets being France, Italy, Spain and Poland.

The companies included in the consolidation by full integration in the 2024 financial year are as follows: Naturhouse Health S.A. (Spain), S.A.S. Naturhouse (France), Naturhouse S.R.L. (Italy), Naturhouse Sp Zo.o (Poland), Kiluva Portuguesa - Nutricao e Dietética, Ltd (Portugal), Naturhouse Belgium S.P.R.L. (Belgium), Naturhouse Franchising Co, Ltd (UK), Naturhouse, GmbH (Germany), Zamodiet México S.A. de C.V. and Name 17 S.A. de C.V. (Mexico), Nutrition Naturhouse Inc. (Canada), Naturhouse d.o.o. (Croatia), Naturhouse Inc. (US), Naturhouse Health Limited (Ireland), Naturhouse Pte. Ltd. (Singapore) and Naturhouse Health S.A.S. (Dominican Republic).

The Naturhouse Group closed the 2024 financial year with a positive result of 9.9 million euros net profit.

In 2024, following the macroeconomic trend, mainly in Europe, of high interest rates, household consumption, especially of non-essential goods, such as those marketed by the Naturhouse Group, has been negatively impacted. However, turnover shows an improvement compared to the first half of the year.

In order to continue providing profitability and value for its shareholders, the Naturhouse Group continues to maintain strict control of operating costs. It is also continuing its policy of internalising the Group, whether through Master Franchise contracts or by opening directly-operated stores, which it expects to achieve during 2024.

The Annual General Meeting was held on 28 June 2024, approving the following;

- Financial Statements of Naturhouse Health S.A., Individual and Consolidated (Balance Sheet, Profit and Loss Account, Statement of Changes in Equity for the financial year, Cash Flow Statement and explanatory notes, Individual and Consolidated), and Management Reports of Naturhouse Health S.A. and its Consolidated Group for the financial year ending 31 December 2023.
  - The proposed distribution of profit and management of the Naturhouse Health, S.A. Board of Directors for the 2023 financial year. Authorisation for the distribution of unrestricted voluntary reserves.
  - Approval of the Board of Directors' management for the 2023 financial year.
  - Vacancy on the Board of Directors due to the death of a director. Setting the number of directors within the minimum and maximum established in the Articles of Association.
  - Remuneration of the company's Board of Directors.
- 5.1 Advisory vote on the Annual Report on Remuneration of the Board Directors of Naturhouse Health, S.A. for the 2023 financial year.
- 5.2 Approval of the remuneration policy for the Board Directors of Naturhouse Health, S.A. for the 2024 financial year.
- 5.3 Approval of the remuneration of the Board of Directors of Naturhouse Health, S.A. for the 2024 financial year.
- Re-election or extension of the appointment of Ernst & Young, S.L. as the Company's auditors for a three-year period, i.e. for the audit of the individual and consolidated financial statements of Naturhouse Health, S.A. and its Consolidated Group for the 2024, 2025 and 2026 financial years, or alternatively, appointment of new auditors for a minimum of three years and a maximum of nine years for the audit of the individual and consolidated financial statements of Naturhouse Health, S.A. and its Consolidated Group, i.e. at least for the 2024, 2025 and 2026 financial years.

Delegation of powers to supplement, develop, execute, remedy and formalise the resolutions adopted by the General Meeting.

## 2. Evolution of the main figures on the consolidated profit and loss account Consolidated Profit and Loss Account

Naturhouse Health S.A. and Subsidiaries

### CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE 2024 FINANCIAL YEAR (Thousands of Euros)

	Explanatory Notes	Financial year 2024	Financial year 2023
Net turnover	<b>Note 19.1</b>	49,425	50,407
Supplies	<b>Note 19.2</b>	(13,962)	(13,701)
<b>Gross Margin</b>		<b>35,463</b>	<b>36,706</b>
Other operating income		177	473
Staff costs	<b>Note 19.3</b>	(9,806)	(9,334)
Other operating expenses	<b>Note 19.5</b>	(10,418)	(9,294)
<b>Operating result before amortisation, impairment and other income</b>		<b>15,416</b>	<b>18,551</b>
Amortization of fixed assets	<b>Notes 8 and 9</b>	(1,950)	(2,263)
Impairment and income from disposal of fixed assets	<b>Note 9</b>	14	(14)
Other results		(331)	(10)
<b>OPERATING RESULT</b>		<b>13,149</b>	<b>16,264</b>
<b>Financial income</b>	<b>Note 19.4</b>	<b>542</b>	<b>43</b>
Other financial income		542	43
<b>Financial expenses</b>	<b>Note 19.4</b>	<b>(596)</b>	<b>(616)</b>
Debts with third parties		(596)	(616)
<b>Exchange differences</b>	<b>Note 19.4</b>	<b>(26)</b>	<b>(126)</b>
<b>FINANCIAL RESULT</b>		<b>(80)</b>	<b>(699)</b>
<b>Income from equity-accounted entities</b>	<b>Note 11.2</b>	<b>473</b>	<b>(150)</b>
<b>PRE-TAX CONSOLIDATED PROFIT OR LOSS</b>		<b>13,542</b>	<b>15,415</b>
Corporate Tax	<b>Note 18.2</b>	(3,679)	(4,168)
<b>NET PROFIT OR LOSS FROM CONTINUING OPERATIONS</b>		<b>9,863</b>	<b>11,247</b>
<b>NET CONSOLIDATED RESULT - PROFIT</b>		<b>9,863</b>	<b>11,247</b>
Less profit or loss - minority interests	<b>Note 14</b>	-	(46)
<b>NET PROFIT OR LOSS FOR THE FINANCIAL YEAR ATTRIBUTABLE TO THE PARENT COMPANY</b>		<b>9,863</b>	<b>11,293</b>
<b>Earnings per share (in euros per share):</b>			
- Basic	<b>Note 14</b>	<b>0.16</b>	<b>0.19</b>
- Diluted	<b>Note 14</b>	<b>0.16</b>	<b>0.19</b>

Notes 1 to 24 described in the consolidated explanatory notes and Annex I attached are an integral part of the consolidated profit and loss account for the 2024 financial year.

- Net turnover is comprised of two main aspects:

1. Sale of goods: Corresponds to product sales through the Naturhouse channel (whether through franchises, master franchises, online sales or through our own centres). This represents the bulk of the income, 98.38% in 2024.
  2. Provision of services:
    - a. Annual fee of 600 euros per franchise to the Group's subsidiaries. This represents 1.62% of net turnover in the 2024 financial year.
    - b. Master franchise fee: corresponds to the entry fee that the Group invoices the master franchisees for exclusively operating the business in a new country. This fee is collected in advance during the first year of operation of the business and grants the right to operate the Naturhouse channel for the following 7 years. The amount of this fee varies according to the estimated potential number of Naturhouse centres in the country in question.
- Net turnover in the 2024 financial year amounted to 49,425 thousand euros, representing a decrease of 1.95% compared to the previous year. This variation mainly includes the following effects:
    - In France, sales were 18,787 thousand euros. In the 2023 financial year, it was 18,837 thousand euros, a decrease of 0.27%, as a result of the closure of 21 centres during the 2023 financial year.
    - In Spain, sales were 9,231 thousand euros. In the 2022 financial year, it was 9,615 thousand euros, a decrease of 3.99%.
    - In Italy, sales were 14,706 thousand euros. In the 2023 financial year, it was 14,998 thousand euros, representing a decrease of 1.95%.
    - In Poland, sales were 5,396 thousand euros. In the 2023 financial year, it was 5,471 thousand euros, a reduction of 1.37%.
  - The gross margin on net turnover represents 71.75%.
  - "Other operating income" corresponds to revenue from activities outside of the Naturhouse business.
  - During the 2024 financial year, the Group's average workforce was 195 employees, of which 79.49% are direct employees of the Naturhouse centres under the Group's own management and salespersons that control the proper development of all the centres, both franchises and own centres. The remaining 20.51% of the personnel correspond to general management, administration and accounting, logistics, marketing and technicians.

Personnel Costs represents 19.84% of net turnover.

- The "Operating Result before amortisation, impairment and other income" on turnover decreased by 6 percentage points compared to 2023, from 37% to 31%, of the contingent control of operating costs.
- As a result of the 49.75% stake in the company Ichem Sp Z.o.o, and the acquisition of shares and interests in the companies Indusen, S.A. (39.58%) and Girofibra (49%) in the 2024 financial year, income of 473 thousand euros is recognised in "Income from equity-accounted entities" on the attached abridged profit and loss account.
- The net result on turnover decreased 2.45 percentage points from 22.4% to 19.96% compared to the 2023 financial year as a result of the decrease in operating expenses in the 2024 financial year.

### 3. Consolidated Statement of Financial Position

ASSETS	Explanatory Notes	31/12/2024	31/12/2023
<b>NON-CURRENT ASSETS:</b>			
Intangible assets	Note 8	371	444
Tangible fixed assets	Note 9	3,332	3,665
Non-current financial assets	Note 11.1	456	467
Investments in associates-			
Investments recognised using the equity method	Note 11.2	10,199	9,821
Deferred tax assets	Note 18.3	58	79
<b>Total non-current assets</b>		<b>14,416</b>	<b>14,476</b>
<b>CURRENT ASSETS:</b>			
Stock	Note 12	3,445	2,753
Trade receivables for sales and provision of services		1,737	2,280
Customers, related companies	Note 20.1	227	234
Current tax assets and other credits			
with public administrations	Note 18.1	2,028	1,544
Other current assets	Note 11.3	1,384	3,172
Cash and cash equivalents	Note 13	20,682	24,387
<b>Total current assets</b>		<b>29,503</b>	<b>34,370</b>
<b>TOTAL ASSETS</b>		<b>43,919</b>	<b>48,846</b>

EQUITY AND LIABILITIES	Explanatory Notes	31/12/2024	31/12/2023
<b>EQUITY:</b>			
<b>Capital and reserves-</b>			
Subscribed capital	Note 14	3,000	3,000
Issue premium		2,149	2,149
Reserves		23,086	20,564
Own shares	Note 14	(142)	(142)
Conversion differences	Note 14	(275)	(237)
Profit / (Loss) for the financial year		9,863	11,293
Interim dividend	Note 5	(6,000)	(6,000)
<b>EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT COMPANY</b>		<b>31,681</b>	<b>30,627</b>
<b>EQUITY - MINORITY INTERESTS</b>	Note 14	6	6
<b>Total Equity</b>		<b>31,687</b>	<b>30,633</b>
<b>NON-CURRENT LIABILITIES:</b>			
Non-current provisions	Note 15	930	1,641
Non-current debts	Note 16	3,268	3,538
Deferred tax liabilities	Note 18.5	244	275
<b>Total non-current liabilities</b>		<b>4,442</b>	<b>5,454</b>
<b>CURRENT LIABILITIES:</b>			
Current provisions	Note 15	388	465
Current debts	Note 16	1,003	4,515
Trade creditors and other accounts payable	Note 17	1,877	2,274
Suppliers, related companies	Note 20.1	2,672	2,715
Current tax liabilities and other debts			
with public administrations	Note 18.1	1,850	2,790
<b>Total current liabilities</b>		<b>7,790</b>	<b>12,759</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>43,919</b>	<b>48,846</b>

- The change in "Tangible fixed assets" is due to the following reasons:
  - In 2024, accumulated amortization of the company's assets following the same historical accounting criteria.
  - The impact of the application of IFRS 16, which has led to the recognition of assets for the right of use amounting to 2,560 thousand euros compared to 2,667 thousand euros in 2023.
- "Investments in associates" corresponds to the 49.75% stake in the company Ichem Sp Z.o.o, the main supplier of the Naturhouse Group, as well as the acquisition of shares and interests in the companies Indusen, S.A. (39.58%) and Girofibra (49%).

- "Current tax assets" includes the amount paid to the Tax Authorities as an advance corporate tax payment for the 2023 and 2024 financial years. The main change is due to the Group's improved tax planning, resulting in less cash being tied up for this reason.
- "Other Current Assets" includes the company's securities portfolio in the United States, as well as guarantees and short-term accruals.
- As at year end 2024, the company held a balance in own shares and company shares of 141,886 euros, represented by a total of 50,520 shares at an average acquisition price of 2.81 euros/share, as a result of the development of the liquidity contract signed with Renta 4 in January 2019.
- The decrease in "Non-current debt" corresponds mainly to the application of IFRS 16, with the figure decreasing by 3,268 thousand euros. This item also includes, among other concepts, 1,107 thousand euros of deposits that the French subsidiary has from franchisee customers by way of a commercial guarantee.
- The increase in "Current debt" is due to the interim dividend, which was paid in January 2024.
- The average payment period of the Naturhouse Group was 49.27 days, in compliance with the period set out in the regulations on late payments.

#### **4. Financial risk management and use of hedging instruments**

The Group's activities are exposed to different financial risks: market risk (including exchange rate risk and interest rate risk), credit risk, liquidity risk and interest rate risk on cash flows.

##### *Interest rate and exchange rate market risk:*

The Group's operating activities are largely independent with respect to variations in market interest rates. The Group's interest rate risk arises from long-term borrowings. As of 31 December 2024, 100% of borrowings were at variable interest rates. However, the Group has not considered it necessary to hedge these interest rate fluctuations given that the Group's external financing is not significant, consequently, it has not taken out hedging instruments during the financial years in question.

With regard to exchange rate risk, the Group does not operate significantly internationally in currencies other than the euro, consequently, its exposure to exchange rate risk from foreign currency transactions is not significant.

##### *Credit risk:*

In general, the Group holds its liquid assets and cash equivalents in financial institutions with high credit ratings. It also appropriately monitors accounts receivable individually in order to determine potential situations of default.

The Group's credit risk is mainly attributable to its trade debtors. There is no significant concentration of credit risk, with exposure spread over a large number of customers, markets and areas.

##### *Liquidity risk:*

In order to ensure liquidity and meet all payment obligations arising from its activities, the Group has ample financing and credit lines with financially responsible institutions. A proactive policy has been maintained with respect to liquidity risk management, essentially focused on preserving the same by maintaining sufficient cash and marketable securities, the availability of financing through an adequate number of credit facilities and sufficient capacity to settle market positions.

## **5. Risk factors**

The activities of the Group's companies are carried out in different countries with different socio-economic environments and regulatory frameworks. The authorities in the countries in which the Group operates may adopt laws and regulations that impose new obligations entailing an increase in operating costs.

As for the competitive environment, the company is competing with self-administered weight loss systems and other commercial programmes from other competitors, together with other food suppliers and distributors who are entering this market. This competition and any future increase in it that the development of pharmaceutical products and other technological and scientific advances in the field of weight loss entail could have a negative impact on the Group's activities, operating results and financial situation.

## **6. R&D&i activities**

The procedure that the company uses in connection with the research and development of new products is as follows:

It is in the commercial, technical and marketing department where the initial need arises to study the expansion of the range of products offered by Naturhouse or simply modify existing products. This need is conveyed to one or more of our current suppliers, according to the product format (sachets, vials or capsules). The suppliers develop and present proposals for the needs in question, and if they are met from a commercial, technical and financial point of view, a new product or format is launched. Consequently, the company does not generate higher spending on R&D&i than registering the trademark and the formula with the corresponding department of health.

The company's main supplier is the Polish company Ichem Sp. zo.o, as it accounts for 72.39% of total consolidated purchases to 31 December 2024. Naturhouse Health, S.A. holds 49.75% of its capital. The benefits sought with this holding are as follows:

1. Faster launch of new products by sharing know-how in R&D
2. Guaranteeing the supply and reducing dependence on third-party manufacturers outside the Group
3. Guaranteeing product quality while maintaining high levels of competitiveness

With this, it is achieved that Naturhouse Health, S.A. is differentiated from its competitors because it is present throughout the entire nutritional supplement sector value chain, from R & D and product manufacturing to the final sale and customer advice.

Besides Ichem, the Group acquired from its main shareholder, Kiluva, S.A., the shares that the latter held in the Spanish companies Indusen and Girofibra, specifically 39.58% and 49% respectively.

## **7. Own shares**

As of 31 December 2024, the Parent Company holds a total of 50,520 treasury shares. No subsidiary owns any shares or holding in the Parent Company.

## **8. Subsequent events**

There have been no relevant significant events.

## **9. Capital structure and significant holdings**

As of 31 December 2024, the Naturhouse Group has no restrictions on the use of capital resources that, directly or indirectly, have affected or may significantly affect operations, except for those legally established.

As of 31 December 2024, the share capital is represented by 60,000,000 shares. The Group's main shareholders are: Kiluva, S.A. with a 72.60% stake and Ferev Uno Strategic Plans, S.L. with 5.65%.

#### **10. Shareholders' agreements and restrictions on transferability and voting**

There are no kinds of shareholders' agreements or statutory restrictions on the free transferability of the Parent Company's shares, nor statutory restrictions or regulations on voting rights.

#### **11. Administrative bodies. Board**

The Parent Company's administrative body is made up of a Board of Directors composed of 7 members, Mr Félix Revuelta Fernández, Mr Kilian Revuelta Rodríguez, Ms Vanesa Revuelta Rodríguez, Mr Rafael Moreno Barquero, Mr José María Castellanos and Mr Pedro Nueno Inieta.

#### **12. Significant agreements**

There are no significant agreements, both in relation to changes of control of the Parent Company and between the Parent Company and its positions of Directors and Management or Employees in relation to severance pay for resignation or redundancies.

#### **13. Annual Directors' Remuneration Report**

The Annual Directors' Remuneration Report that is part of the management report can be seen on the Comisión Nacional del Mercado Valores (CNMV) website and on the Naturhouse Group website.

<https://www.cnmv.es/portal/otra-informacion-relevante/resultado-oir.aspx?nif=A01115286>

<https://www.naturhouse.com/relacion-con-inversores/informe-anual-de-remuneraciones-de-los-consejeros/>

#### **14. Annual Corporate Governance Report**

The annual corporate governance report that is part of the management report can be seen on the Comisión Nacional del Mercado Valores (CNMV) website and on the Naturhouse Group website.

<https://www.cnmv.es/portal/otra-informacion-relevante/resultado-oir.aspx?nif=A01115286&page=1>

<https://www.naturhouse.com/relacion-con-inversores/informe-anual-gobierno-corporativo/>



## **NATURHOUSE HEALTH, S.A.**

The consolidated financial statements –consolidated balance sheet, consolidated profit and loss account, consolidated statement of comprehensive income, statement of changes in consolidated equity, Consolidated Cash Flow Statement and Consolidated Financial Statements (which includes reference to the separate presentation of the Annual Corporate Governance Report and the Annual Director Remuneration Report) have been prepared in accordance with the European Single Electronic Format (ESEF), in accordance with the provisions of Delegated Regulation (EU) 2019/815, and have been formulated by the Board of Directors of Naturhouse Health, S.A. at the meeting held on 28 March 2025.

Signed in accordance by all the Directors, in compliance with Article 253 of the Spanish Companies Act.

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D. Félix Revuelta Fernández  
Chairman – CEO

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Dña. Vanessa Revuelta Rodríguez  
Vice-president

---

D. Kilian Revuelta Rodríguez  
Vice-president

---

D. Rafael Moreno Barquero  
Board member

---

D. José María Castellano Ríos  
Board member

---

D. Pedro Nueno Iniesta  
Board member

---

D. Alfonso Barón Bastarreche  
Secretary (non-board member)

# **Naturhouse Health, S.A.**

Financial Statements for the  
financial year ending 31 December 2024 and  
Management Report

**NATURHOUSE HEALTH, S.A.**  
**BALANCE SHEET AT 31 DECEMBER 2024**  
(euros)

ASSETS	Explanatory notes	31/12/2024	31/12/2023	EQUITY AND LIABILITIES	Explanatory notes	31/12/2024	31/12/2023
<b>NON-CURRENT ASSETS:</b>				<b>EQUITY:</b>			
<b>Intangible assets</b>	<b>Note 6</b>	<b>262,415</b>	<b>358,124</b>	<b>Own funds</b>			
Industrial property		-	97,761	<b>Capital</b>		<b>3,000,000</b>	<b>3,000,000</b>
Software		182,196	195,203	<b>Issue premium</b>		<b>2,148,996</b>	<b>2,148,996</b>
Other intangible assets		80,219	65,160	<b>Reserves</b>		<b>18,338,053</b>	<b>17,210,841</b>
<b>Tangible fixed assets</b>	<b>Note 7</b>	<b>504,724</b>	<b>609,568</b>	Legal and statutory		600,000	600,000
Technical facilities and other tangible assets		504,724	609,568	Other reserves		17,738,053	16,610,841
<b>Long-term investments in Group companies</b>		<b>15,757,626</b>	<b>18,347,964</b>	<b>Own shares</b>		<b>(141,886)</b>	<b>(141,886)</b>
Equity instruments	Note 9	15,757,626	15,757,626	Own shares		(141,886)	(141,886)
Loans to companies	Note 16	-	2,590,338	<b>Profit / (Loss) for the financial year</b>		<b>14,007,341</b>	<b>10,117,107</b>
<b>Long-term financial investments</b>	<b>Note 10</b>	<b>145,474</b>	<b>147,149</b>	<b>(Interim dividend)</b>	<b>Note 4</b>	<b>(6,000,000)</b>	<b>(6,000,000)</b>
<b>Total non-current assets</b>		<b>16,670,239</b>	<b>19,462,805</b>	<b>Total Equity</b>	<b>Note 12</b>	<b>31,352,504</b>	<b>26,335,058</b>
<b>CURRENT ASSETS:</b>				<b>NON-CURRENT LIABILITIES:</b>			
<b>Stock</b>	<b>Note 11</b>	<b>1,208,166</b>	<b>716,125</b>	<b>Deferred tax liabilities</b>		<b>18,047</b>	<b>6,393</b>
<b>Trade and other accounts receivable</b>		<b>843,664</b>	<b>834,728</b>	<b>Total non-current liabilities</b>		<b>18,047</b>	<b>6,393</b>
Trade receivables for sales and provision of services		113,828	129,626	<b>CURRENT LIABILITIES:</b>			
Customers, group and associated companies	Note 16	505,837	514,826	<b>Short-term debts</b>	<b>Note 14</b>	<b>52,464</b>	<b>3,042,563</b>
Other receivables		3,727	6,675	Other financial liabilities		52,464	3,042,563
Personal		10,833	28,868	<b>Short-term debts with Group and associated companies</b>	<b>Note 16</b>	<b>-</b>	<b>100,000</b>
Current tax assets	Note 15	171,943	129,948	<b>Trade creditors and other accounts payable</b>		<b>2,208,159</b>	<b>1,725,821</b>
Other credits with Public Administrations	Note 15	37,496	24,785	Suppliers		132,706	133,381
<b>Short-term investments in Group companies</b>	<b>Note 16</b>	<b>3,670,114</b>	<b>964</b>	Suppliers, group and associated companies	Note 16	1,549,738	1,155,698
Loans to companies		670,114	-	Sundry creditors		385,290	274,328
Other financial assets		3,000,000	964	Personal		25,329	11,607
<b>Short-term financial investments</b>		<b>123,032</b>	<b>123,200</b>	Current tax liabilities	Note 15	-	31,916
<b>Short-term accruals</b>		<b>160,333</b>	<b>199,454</b>	Other debts with Public Administrations	Note 15	115,096	118,891
<b>Cash and cash equivalents</b>		<b>10,955,626</b>	<b>9,886,845</b>	<b>Short-term accruals</b>		<b>-</b>	<b>14,286</b>
<b>Total current assets</b>		<b>16,960,935</b>	<b>11,761,316</b>	<b>Total current liabilities</b>		<b>2,260,623</b>	<b>4,882,670</b>
<b>TOTAL ASSETS</b>		<b>33,631,174</b>	<b>31,224,121</b>	<b>TOTAL EQUITY AND LIABILITIES</b>		<b>33,631,174</b>	<b>31,224,121</b>

Notes 1 to 23 described in the Report and Annex I attached are an integral part of the balance sheet as of 31 December 2024.

# NATURHOUSE HEALTH, S.A.

## **PROFIT AND LOSS ACCOUNT FOR THE FINANCIAL YEAR ENDING** **31 December 2024** (euros)

	Explanatory Notes	Financial year 2024	Financial year 2023
<b>CONTINUING OPERATIONS:</b>			
<b>Net turnover</b>	<b>Note 17.1</b>	<b>10,741,344</b>	<b>11,055,606</b>
- Sales		9,418,051	9,748,715
- Provision of services		1,323,293	1,306,891
<b>Supplies</b>	<b>Note 17.2</b>	<b>(3,178,540)</b>	<b>(3,333,043)</b>
- Goods consumed		(3,178,540)	(3,333,043)
<b>Other operating income</b>		<b>2,168,729</b>	<b>1,987,693</b>
- Ancillary and other current operating income		2,168,729	1,987,693
<b>Staff costs</b>		<b>(3,149,500)</b>	<b>(3,093,549)</b>
- Wages, salaries and similar		(2,653,897)	(2,566,923)
- Social Security costs	Note 17.4	(495,603)	(526,626)
<b>Other operating expenses</b>		<b>(4,807,241)</b>	<b>(4,962,021)</b>
- External services		(4,580,443)	(4,508,082)
- Taxes		(122,801)	(135,838)
- Losses, impairment and changes in trade provisions	Note 10	93,803	-
- Other current operating expenses		(197,800)	(318,101)
<b>Amortisation of fixed assets</b>	<b>Notes 6 and 7</b>	<b>(338,784)</b>	<b>(461,155)</b>
<b>Impairment and income from disposal of fixed assets</b>	<b>Note 7</b>	<b>(1,585)</b>	<b>7,006</b>
- Impairment and other losses		-	(11,176)
- Income from disposals and other		(1,585)	18,182
<b>Other results</b>		<b>(1,684)</b>	<b>5,699</b>
- Exceptional expenses and income		(1,684)	5,699
<b>Operating Profit / (Loss)</b>		<b>1,432,739</b>	<b>1,206,236</b>
<b>Financial income</b>	<b>Note 17.5</b>	<b>13,402,508</b>	<b>9,705,595</b>
- Income from shares in equity instruments, group and associated companies	Note 9.1	13,188,462	9,692,611
- Other income from marketable securities and other financial instruments		214,046	12,984
<b>Financial expenses</b>	<b>Note 17.5</b>	<b>(200,390)</b>	<b>(103,719)</b>
- Debts with group and associated companies	Note 18	(194,390)	(99,719)
- Debts with third parties		(6,000)	(4,000)
<b>Exchange differences</b>		<b>365</b>	<b>23,341</b>
<b>Impairment and income from disposal of financial instruments</b>	<b>Notes 9.1 and 16</b>	<b>(132,813)</b>	<b>(321,733)</b>
<b>Financial Profit / (Loss)</b>		<b>13,069,670</b>	<b>9,303,484</b>
<b>Pre-tax Profit / (Loss)</b>		<b>14,502,409</b>	<b>10,509,720</b>
Tax on profits	Note 15	(495,068)	(392,613)
<b>Profit / (Loss) for the financial year</b>		<b>14,007,341</b>	<b>10,117,107</b>

Notes 1 to 23 described in the Report and Annex I attached are an integral part of the profit and loss account for the financial year ending 31 December 2024.

**NATURHOUSE HEALTH, S.A.**  
**STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDING 31**  
**December 2024**  
(euros)

**A) STATEMENT OF RECOGNISED INCOME AND EXPENSE**

	Financial year 2024	Financial year 2023
<b>PROFIT AND LOSS ACCOUNT BALANCE (I)</b>	<b>14,007,341</b>	<b>10,117,107</b>
<b>INCOME AND EXPENSE RECOGNISED DIRECTLY IN EQUITY (II)</b>	-	-
<b>TRANSFERS TO THE PROFIT AND LOSS ACCOUNT (III)</b>	-	-
<b>RECOGNISED INCOME AND EXPENSE (I+II+III)</b>	<b>14,007,341</b>	<b>10,117,107</b>

Notes 1 to 23 and Annex I in the explanatory notes attached are an integral part of the statement of recognised income and expense for the financial year ending 31 December 2024.

**NATURHOUSE HEALTH, S.A.**  
**STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDING 31 December 2024**  
(euros)

**B) STATEMENT OF CHANGES IN TOTAL EQUITY**

	<b>Explanatory Notes</b>	<b>Capital</b>	<b>Issue Premium</b>	<b>Legal Reserve</b>	<b>Voluntary Reserves</b>	<b>Own Shares</b>	<b>Profit for the financial year</b>	<b>Interim Dividend</b>	<b>Total</b>
<b>Balance at 31 December 2022</b>		<b>3,000,000</b>	<b>2,148,996</b>	<b>600,000</b>	<b>6,204,908</b>	<b>(141,886)</b>	<b>16,400,881</b>	<b>(3,000,000)</b>	<b>25,212,899</b>
Total recognised income and expense		-	-	-	-	-	10,117,107	-	10,117,107
Distribution of profit for the 2022 financial year:									
- Distribution to reserves		-	-	-	10,400,881	-	(10,400,881)	-	-
- Distribution of dividends		-	-	-	-	-	(6,000,000)	-	(6,000,000)
Transactions with shareholders:									
- Transactions with own shares (net)		-	-	-	-	-	-	-	-
- Distribution of dividends	Note 12	-	-	-	-	-	-	3,000,000	3,000,000
Other changes in equity		-	-	-	5,052	-	-	(6,000,000)	(5,994,948)
<b>Balance at 31 December 2023</b>		<b>3,000,000</b>	<b>2,148,996</b>	<b>600,000</b>	<b>16,610,841</b>	<b>(141,886)</b>	<b>10,117,107</b>	<b>(6,000,000)</b>	<b>26,335,058</b>
Total recognised income and expense		-	-	-	-	-	14,007,341	-	14,007,341
Distribution of profit for the 2023 financial year:									
- Distribution to reserves		-	-	-	1,117,107	-	(1,117,107)	-	-
- Distribution of dividends		-	-	-	-	-	(9,000,000)	6,000,000	(3,000,000)
Transactions with shareholders:									
- Transactions with own shares (net)		-	-	-	-	-	-	-	-
- Distribution of dividends	Note 12	-	-	-	-	-	-	(6,000,000)	(6,000,000)
Other changes in equity		-	-	-	10,105	-	-	-	10,105
<b>Balance at 31 December 2024</b>		<b>3,000,000</b>	<b>2,148,996</b>	<b>600,000</b>	<b>17,738,053</b>	<b>(141,886)</b>	<b>14,007,341</b>	<b>(6,000,000)</b>	<b>31,352,504</b>

Explanatory Notes 1 to 23 and Annex I attached are an integral part of the statement of changes in equity for the financial year ending 31 December 2024.

**NATURHOUSE HEALTH, S.A.**  
**CASH FLOW STATEMENT FOR THE FINANCIAL YEAR ENDING**  
**31 December 2024**  
(euros)

	Explanatory Notes	Financial year 2024	Financial year 2023
<b>Pre-tax result for the financial year</b>		<b>14,502,409</b>	<b>10,509,720</b>
<b>Adjustments to the result</b>		<b>(12,860,065)</b>	<b>(8,831,693)</b>
- Amortisation of fixed assets	Notes 6 and 7	338,784	461,155
- Income from derecognition or disposal of fixed assets	Note 7	1,585	(7,006)
- Impairment and income from derecognition or disposal of financial instruments	Note 9.1	-	321,733
- Financial income	Note 17.5	(13,402,508)	(9,705,595)
- Financial expenses	Note 17.5	200,390	103,719
- Other income and expenses		1,684	(5,699)
<b>Changes in working capital</b>		<b>49,323</b>	<b>(338,557)</b>
- Stock	Note 11	(492,041)	56,400
- Debtors and other accounts receivable		33,059	(153,408)
- Other current assets		40,253	(35,838)
- Creditors and other accounts payable		482,338	(220,041)
- Other current liabilities		(14,286)	14,330
<b>Other cash flows from operating activities</b>		<b>9,695,574</b>	<b>14,005,722</b>
- Interest payments		(200,390)	(103,719)
- Receipt of dividends	Note 9	10,188,462	9,692,611
- Interest receivable		214,056	12,984
- Sums received /(paid) for tax on profits	Note 15	(504,870)	4,398,147
- Other sums received (paid)		(1,684)	5,699
<b>CASH FLOWS FROM OPERATING ACTIVITIES (I)</b>		<b>11,387,241</b>	<b>15,345,192</b>
<b>Payments for investments</b>		<b>(139,994)</b>	<b>(202,236)</b>
- Intangible and tangible fixed assets	Notes 6 and 7	(139,994)	(202,236)
- Investments in related companies	Note 9	-	-
<b>Sums received from divestments</b>		<b>1,921,899</b>	<b>24,752</b>
- Group and associated companies	Note 9	1,920,224	-
- Other financial assets		1,675	6,570
- Tangible fixed assets	Note 7	-	18,182
<b>CASH FLOWS FROM INVESTMENT ACTIVITIES (II)</b>		<b>1,781,905</b>	<b>(177,484)</b>
<b>Collections and payments for financial liability instruments</b>		<b>(100,000)</b>	<b>(1,400,000)</b>
- Issuance and repayment of other debts		-	-
- Issuance and repayment of debts with group companies	Note 16	(100,000)	(1,400,000)
<b>Dividend payments and remuneration on other equity instruments</b>		<b>(12,000,000)</b>	<b>(6,000,000)</b>
- Dividend payments	Note 12	(12,000,000)	(6,000,000)
<b>CASH FLOWS FROM FINANCING ACTIVITIES (III)</b>		<b>(12,100,000)</b>	<b>(7,400,000)</b>
<b>EFFECT OF VARIATIONS IN EXCHANGE RATES (IV)</b>		<b>(365)</b>	<b>(23,341)</b>
<b>NET INCREASE / DECREASE OF CASH OR CASH EQUIVALENTS (I+II+III+IV)</b>		<b>1,068,781</b>	<b>7,744,367</b>
Cash or cash equivalents at start of financial year		9,886,845	2,142,478
Cash or cash equivalents at year end		10,955,626	9,886,845

Notes 1 to 23 and Annex I in the explanatory notes attached are an integral part of the cash flow statement for the financial year ending 31 December 2024.

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# Naturhouse Health, S.A.

Explanatory Notes for the financial year ending  
31 December 2024

## **1. Company activities**

Naturhouse Health, S.A., (hereinafter, the "Company") was established for an indefinite period in Barcelona on 29 July 1991 and has the tax identification number A-01115286. Its registered offices are at Calle Claudio Coello, 91 (Madrid).

The Company's corporate purpose, coinciding with its activity and in accordance with its articles of association, is the export and wholesale and retail sales of all kinds of products related to dietetics, herbal remedies and natural cosmetics, as well as the preparation, promotion, creation, edition, dissemination, sale and distribution of all kinds of magazines, books and brochures and the marketing of dietary products, herbal remedies and natural cosmetics. This activity is mainly carried out through franchisees and its own stores. In addition to the operations carried out directly, the Company is the parent of a group of subsidiaries that engage in the same activity and which, together with it, make up Grupo Naturhouse Health (hereinafter, the "Group" or "Naturhouse Group").

At present, Naturhouse Group mainly operates in Spain, Italy, France and Poland.

On 29 July 2013, the merger by acquisition between the company Naturhouse Health, S.A. as the acquiring company, and Kiluva Diet S.L.U. as the acquired company, was registered with the Companies Registry of Barcelona. The date from which the transactions were considered to be performed for accounting purposes for the account of the acquiring company was 1 January 2013. The explanatory notes that formed part of the financial statements for the 2013 financial year included detailed information concerning the merger process, as required under Royal Legislative Decree 4/2004 of 5 March, approving the consolidated text of the Spanish Corporate Tax Law.

On 9 April 2015, the Board of Directors of the Company, exercising the delegation of its Sole Shareholder of 2 October 2014, requested official listing for trading on the Stock Exchanges of Madrid, Barcelona, Bilbao and Valencia and the subsequent public stock offering on the Spanish Stock Market, which culminated successfully, consequently, the securities of the Company have been listed since 24 April 2015 (see Note 12).

## **2. Basis of presentation of the financial statements**

### ***2.1 Regulatory financial reporting framework applicable to the Company***

The financial statements have been prepared in accordance with the regulatory financial reporting framework applicable to the Company, as established in the Spanish Generally Accepted Accounting Principles approved by Royal Decree 1514/2007 of 16 November, which since its publication has been subject to various amendments, the last of which was through Act 7/2024 of 20 December and its implementing regulations, as well as with the other commercial legislation in force.

The financial statements have been drawn up by the Company's Directors for approval at the Annual General Meeting, and are expected to be approved without any modifications.

The figures included in the financial statements are expressed in euros, unless otherwise stated.

## **2.2. True and fair view**

The attached financial statements have been prepared from the Company's accounting records and are presented in accordance with the applicable regulatory financial reporting framework and, in particular, the accounting principles and standards contained therein, so as to show a true and fair view of the Company's equity, financial position and results, as well as the cash flows for the relevant financial year. These financial statements, which have been drawn up by the Company's Directors, are subject to approval at the Annual General Meeting, and are expected to be approved without any modifications.

The financial statements for the 2023 financial year were approved by the Annual General Meeting held 28 June 2024 and filed with the Companies Registry of Madrid.

## **2.3 Comparative effect with consolidated financial statements**

The Company is a majority shareholder of several companies (Note 9). These financial statements refer to the individual Company and, therefore, do not show the variations that would occur in the different components of equity or the profit and loss account with the consolidation of the aforementioned Subsidiaries.

The Company prepares consolidated financial statements based on International Financial Reporting Standards (IFRS), which differ from the regulatory framework described in Note 2.1 under which these financial statements have been drawn up. In accordance with the consolidated financial statements drawn up under International Financial Reporting Standards (IFRS), the consolidated equity attributable to the Parent Company as at 31 December 2024 amounts to 31,681 thousand euros (30,627 thousand euros in 2023), consolidated profit attributable to the Parent Company amounts to 9,863 thousand euros (11,293 thousand euros in 2023) and the figure for assets and net turnover amounts to 42,593 and 49,425 thousand euros, respectively (48,846 and 50,407 thousand euros in 2023).

The Naturhouse Group's consolidated financial statements for the 2024 financial year have been drawn up by the Parent Company's Directors at the meeting of its Board of Directors held on 28 March 2025. Likewise, they will be submitted for approval at the Annual General Meeting, and are expected to be approved without any modifications.

## **2.4 Non-mandatory accounting principles applied**

No non-mandatory accounting principles have been applied. Additionally, the Company's Directors have drawn up these financial statements taking into consideration all the mandatory accounting principles and rules that have a significant effect on these financial statements. There is no accounting principle which, being mandatory, has not been applied.

## **2.5 Critical aspects in assessing and estimating uncertainty**

In preparing the attached financial statements, estimates made by the Company's Directors have been used to assess some of the assets, liabilities, income, expenses and commitments reported herein. These critical estimates basically refer to:

- Useful lives of intangible and tangible fixed assets (Notes 5.1 and 5.2).
- Impairment losses of non-financial assets (Note 5.1).
- Estimate of impairments for defaults in accounts receivable and inventory obsolescence (Notes 5.4 and 5.9).

- Estimate of Tax on Profits expense (Note 5.12).
- Evaluation of occurrence and quantification of litigation, commitments, contingent assets and liabilities at close (Note 5.13).

Although these estimates have been made on the basis of the best information available as of yearend 2024, it is possible that events that could take place in the future require them to be adjusted (upwards or downwards) in coming financial years, which would be done, where appropriate, prospectively, recognising the effects of the change in estimate in the profit and loss account for the financial year affected.

## **2.6 Grouping items**

Certain items on the balance sheet, the profit and loss account, the statement of changes in equity and the cash flow statement are presented grouped together to facilitate the understanding thereof, while, to the extent that it is significant, the disaggregated information has been included in the corresponding notes of the explanatory notes.

## **2.7 Correction of errors**

In drawing up the attached financial statements, no significant errors have been detected that have led to the restatement of the amounts included in the financial statements for the 2023 financial year.

## **2.8 Changes in accounting standards**

When drawing up the attached financial statements, the same accounting standards have been applied as when drawing up the financial statements for the 2023 financial year.

## **2.9 Information comparison**

The information contained in these financial statements referring to the 2024 financial year is presented, for comparison purposes, with information from the 2023 financial year.

# **3. Business evolution in the current economic context**

Armed conflicts in Ukraine and the Middle East continue to be the main factors leading to an uncertain economic context. The fight against inflation through interest rate hikes continues to be the norm, and although these policies seem to have succeeded in containing price rises in the euro area, economies such as Germany and France are showing signs of slowing down. In this regard, the Spanish economy is an exception due to the tourism sector. In short, the economic outlook remains uncertain, with high energy prices, disruptions in the supply of certain raw materials, and global transport problems.

In the opinion of the Company's directors, while these factors continue to influence demand for the products, cost containment policies continue to be adopted to maintain adequate levels of profitability, especially taking into account the current economic context.

#### **4. Distribution of profit**

The proposed distribution of profit for the financial year drawn up by the Company's Directors, subject to approval at the Annual General Meeting, is as follows:

	Thousands of euros	
	2024	2023
<b>Distribution basis:</b>		
Voluntary Reserves		-
Profit for the financial year	14,007	10,117
	<b>14,007</b>	<b>10,117</b>
<b>Distribution:</b>		
To dividends	6,000	3,000
To interim dividend	6,000	6,000
To voluntary reserves	2,007	1,117
	<b>14,007</b>	<b>10,117</b>

The proposed distribution of profit for 2023 drawn up by the Company's Directors and submitted for approval at the Annual General Meeting on 28 June 2024 consisted of the distribution of a dividend against the profit for 2023 amounting to 9,000 thousand euros, of which 6,000 thousand euros had been approved as an interim dividend (the distribution of which was approved in two parts on 25 May 2023 and 29 September 2023, the latter being paid after year-end 2023), leaving 3,000 thousand euros to be distributed in 2024, as well as an amount of 1,117 thousand euros against voluntary reserves.

Additionally, on 28 June 2024, the Company approved the distribution of dividends amounting to 6,000 thousand euros as an interim amount against the profit for the 2024 financial year, which was paid 3 September 2024.

The provisional accounting statement prepared by the Directors that demonstrates that there is sufficient liquidity for the distribution of such dividend is as follows:

	Thousands of euros
	Provisional Accounting Statement Prepared
Estimated profits at 31 December 2023	15,415
Estimated Corporate Tax	(420)
Interim dividends distributed	(3,000)
<b>Maximum amount available for distribution</b>	<b>11,995</b>
Liquid Assets and Short-Term Financial Investments, Parent Company	3,787
Liquid Assets and Short-Term Financial Investments, rest of Group	21,752
Interim dividends	(6,000)
<b>Remaining liquid assets after payment, Group</b>	<b>19,539</b>
Estimated sums received at 30 June 2024	22,212
Estimated sums paid at 30 June 2024	(16,623)
<b>Net sums received and paid</b>	<b>5,589</b>
<b>Estimated liquid assets at 30 June 2024</b>	<b>37,123</b>

## **5. Valuation and registration rules**

The main valuation and registration rules used by the Company in drawing up its financial statements, in accordance with the rules set out under Spanish Generally Accepted Accounting Principles, have been the following:

### ***5.1 Intangible assets***

As a general rule, intangible assets are initially valued at their acquisition price or production cost. Subsequently, they are valued at cost less any accumulated amortisation and, if applicable, impairment losses. These assets are amortized according to their useful life. When the useful life of these assets cannot be reliably estimated, they are amortised over a 10-year period.

#### *Research and Development expenses*

The Company's activity, due to its nature, does not involve significant Research and Development expenses, not generating more R&D&I expenses than those relating to registering the brand and product formula with the appropriate department of health. The Company's policy is to recognise Research and Development expenses directly as an expense, deeming that they do not meet the criteria for activation and are not significant, given that the majority of these activities are carried out directly by the Company's suppliers.

The expenses recognised in the profit and loss account for the 2024 financial year amounted to 24 thousand euros (4 thousand euros in the 2023 financial year).

#### *Transfer rights*

Correspond to the amounts paid by way of transfer of premises in acquiring new shops. Amortised by the straight-line method over a period of 5 to 10 years.

#### *Industrial property*

The amounts paid for acquiring property or right of use for the different manifestations of the same, or for expenses incurred in registering the brand developed by the Company are recognised in this account. During the 2014 financial year, brands were acquired as stated in Note 6. The industrial property is amortized by the straight-line method over its useful life, which has been estimated as 10 years.

#### *Software*

Licenses for software acquired from third parties, or internally developed software, are capitalized on the basis of the costs incurred to acquire or develop them and to prepare them for use.

Software is amortized by the straight-line method over its useful life, at a rate of between 20% to 33% annually.

Software maintenance costs incurred during the financial year are recognised in the profit and loss account.

#### *Impairment of intangible and tangible assets*

Where there is an indication of impairment, the Company estimates, using the "impairment test", the possible existence of impairments reducing the recoverable value of such assets to an amount below their book value.

Assets subject to amortization are reviewed for impairments whenever events or changes in circumstances indicate that the book value may not be recoverable. An impairment loss is recognised by the amount that the asset book value exceeds its recoverable amount.

The recoverable amount is the higher of an asset's fair value less costs to sell and its value in use.

## **5.2 Tangible fixed assets**

Tangible fixed assets are initially valued at acquisition price or production cost and are subsequently reduced by accumulated amortization and impairment losses, if any, according to the criteria described in Note 5.1.

Expenses for enlargements, modernisation or improvements which lead to increased productivity, capacity or efficiency or which extend the useful life of assets, are capitalised as the greater cost of the corresponding assets.

Assets in construction is transferred to tangible fixed assets in use at the time that it is available to start operation or, where appropriate, once the corresponding test period has elapsed, with the amortisation thereof starting at such time.

Upkeep and maintenance costs are allocated to the profit and loss account for the financial year in which they are incurred.

The Company amortises its tangible fixed assets using the straight-line method, distributing the cost of the assets over the years of estimated useful life. The following table shows the estimated useful life for the 2024 and 2023 financial years for each fixed asset item:

	Estimated Useful Years of life
Other facilities, tools and furnishings	8.33 - 30
Information processing equipment	3 - 4
Transport elements	6.25 - 10

Profits or losses arising from the sale or withdrawal of an asset are determined as the difference between the net book value and the sale price, recognised under "Impairment and income from disposal of fixed assets" on the profit and loss account.

For fixed assets that require a period of more than one year to be serviceable, the capitalised costs include the financial expenses accrued prior to the asset being put into operating condition and which have been charged by the supplier or correspond to loans or other external financing, specific or generic, directly attributable to the acquisition or manufacture of the same. During the 2024 and 2023 financial years, there were no financial expenses capitalized as a higher value of an asset.

## **5.3 Leases**

Leases are classified as financial leases whenever, from the conditions thereof, it is demonstrated that the risks and rewards of ownership of the asset under the contract are substantially transferred to the lessee. All other leases are classified as operating leases.

#### *Financial lease*

In financial leasing transactions in which the Company acts as the lessee, the cost of the leased assets is presented on the balance sheet according to the nature of the asset under the contract as well as, simultaneously, a liability for the same amount. This amount is the lower of the fair value of the leased asset and the present value at the start of the lease of the minimum amounts agreed, including the purchase option, when there are no reasonable doubts about the exercise of such. Contingent rent, the cost of services and taxes to be passed on to the lessor will not be included in this calculation. The total financial burden of the contract is allocated to the profit and loss account for the financial year in which it accrues, using the effective interest rate method. Contingent rents are recognised as an expense in the financial year in which they are incurred.

The assets recognised for these kinds of transactions are amortised using standards similar to those applied to tangible assets, according to their nature.

#### *Operating lease*

The expenses arising from operating lease agreements are allocated to the profit and loss account for the financial year in which they accrue.

Any collection or payment that could be made on contracting an operating lease will be treated as an advance payment or collection to be allocated to income throughout the term of the lease, as the income from the asset leased is ceded or received.

### **5.4 Financial instruments**

#### Classification and measurement

At the time of initial recognition, the Company classifies all financial assets in one of the categories listed below, which determines the applicable initial and subsequent valuation method:

- Financial assets at fair value through the profit and loss account.
- Financial assets at amortized cost
- Financial assets at fair value with changes reported in equity
- Financial assets at cost

#### *Financial assets at fair value through the profit and loss account.*

The Company classifies a financial asset in this category unless it is classified in one of the others.

In any case, held-for-trading financial assets are included in this category. The Company considers that a financial asset is held for trading when at least one of the following three situations is met:

- a) It arises or is acquired with the purpose of selling it in the short term.
- b) It forms part, at the time of its initial recognition, of a portfolio of financial instruments identified and managed jointly for which there is evidence of recent actions to obtain profits in the short term.
- c) It is a derivative financial instrument, provided that it is not a financial guarantee contract and has not been designated as a hedging instrument.

In addition to the foregoing, the Company has the possibility, at the time of initial recognition, of irrevocably designating a financial asset as measured at fair value through the profit and loss account, that otherwise would have been included in another category (often referred to as the "fair value option"). This option may be chosen if a measurement inconsistency or accounting mismatch that would otherwise arise from measuring the assets or liabilities on different bases is eliminated or significantly reduced.

Financial assets classified in this category are initially measured at fair value which, unless there is evidence to the contrary, is assumed to be the transaction price, which is equivalent to the fair value of the consideration paid. Transaction costs that are directly attributable are recognised in the profit and loss account for the financial year (that is, not capitalised).

After initial recognition, the Company measures the financial assets included in this category at fair value through the profit and loss account (financial result).

#### *Financial assets at amortized cost*

The Company classifies a financial asset in this category, even when it is admitted to trading on an organised market, if the following conditions are met:

- The Company maintains the investment under a management model whose objective is to receive the cash flows arising from the performance of the contract.

The management of a portfolio of financial assets to obtain their contractual flows does not imply that all the instruments must necessarily be held to maturity; financial assets may be considered to be managed for this purpose even if sales have occurred or are expected to occur in the future. To this end, the Company considers the frequency, amount and schedule of sales in previous financial years, the reasons for such sales and the expectations regarding future sales activity.

- The contractual characteristics of the financial asset give rise, on specified dates, to cash flows that are only sums received concerning the principal and interest on the amount of principal outstanding. That is, the cash flows are inherent to an agreement that has the nature of an ordinary or common loan, notwithstanding the fact that the operation is agreed at a zero interest rate or below the market rate.

It is assumed that this condition is met in the event that a bond or a straightforward loan with a certain maturity date, and for which the Company charges a variable market interest rate, may be subject to a limit. In contrast, this condition is assumed not to be met in the case of instruments convertible into equity instruments of the issuer, loans with inverse variable interest rates (i.e. a rate that has an inverse relationship with market interest rates) or those in which the issuer can defer payment of the interest, if said payment would affect its solvency, without the deferred interest accruing additional interest.

In general, credits due to trade transactions ("trade receivables for sales and provision of services", including group companies) and credits due to non-trade transactions ("other receivables") are included in this category.

Financial assets classified in this category are initially measured at fair value which, unless there is evidence to the contrary, is assumed to be the transaction price, which is equivalent to the fair value of the consideration paid, plus the transaction costs that are directly attributable. That is, inherent transaction costs are capitalised.

However, credits due to trade transactions with a maturity of no more than one year and that do not have an explicit contractual interest rate, as well as credits to staff, dividends receivable and disbursements required on equity instruments, the amount of which is expected to be received in the short term, are measured at their nominal value when the effect of not updating the cash flows is not significant.



For subsequent valuation, the amortised cost method is used. Accrued interest is recognised in the profit and loss account (financial income) by applying the effective interest rate method.

Credits maturing in no more than one year which, as stated above, are initially measured at their nominal value, will continue to be measured at that amount, unless there is impairment.

In general, when the contractual cash flows of a financial asset at amortised cost are modified due to the issuer's financial difficulties, the Company analyses whether it is appropriate to recognise an impairment loss.

#### *Financial assets at fair value with changes reported in equity*

Financial assets that meet the following conditions are included:

- The financial instrument is not held for trading nor should it be classified at amortised cost.
- The contractual characteristics of the financial asset give rise, on specified dates, to cash flows that are only sums received concerning the principal and interest on the amount of principal outstanding.

In addition, the Company has the option to classify (irrevocably) investments in equity instruments in this category, provided that they are not held for trading, nor should they be measured at cost price (see cost category below).

Financial assets included in this category are initially measured at fair value which, unless there is evidence to the contrary, is assumed to be the transaction price, which is equivalent to the fair value of the consideration paid, plus the transaction costs that are directly attributable. That is, inherent transaction costs are capitalised.

The subsequent valuation is at fair value, without deducting the transaction costs that could be incurred in its disposal. The changes that occur in the fair value are recognised directly in equity, until the financial asset is written off the balance sheet or is impaired, at which time the amount thus recognised is charged to the profit and loss account.

Impairment losses and gains and losses resulting from exchange differences in monetary financial assets in foreign currency are recognised in the profit and loss account and not in equity.

The amount of interest, calculated according to the effective interest rate method, and accrued dividends (financial income) are also recognised in the profit and loss account.

#### *Financial assets at cost*

The Company in any case includes in this category:

- a) Investments in the equity of group, multi-group and associated companies (in the individual financial statements).
- b) The remaining investments in equity instruments whose fair value cannot be determined by reference to a quoted price on an active market for an identical instrument, or cannot be estimated reliably, and the derivatives underlying these investments.
- c) Hybrid financial assets whose fair value cannot be estimated reliably, unless the requirements for recognition at amortised cost are met.
- d) Contributions made as a result of a joint venture agreement and similar.

- e) Shareholder loans, the interest of which is contingent, either because of agreeing a fixed or variable interest rate subject to the fulfilment of a milestone in the borrowing company (for example, obtaining profits), or because it is calculated exclusively by reference to the evolution of said company's business.
- f) Any other financial asset that should initially be classified in the fair value portfolio through the profit and loss account when it is not possible to obtain a reliable estimate of its fair value.

The investments included in this category are initially measured at cost, which is equivalent to the fair value of the consideration paid plus the transaction costs that are directly attributable. That is, inherent transaction costs are capitalised.

In the case of investments in group companies, if there was an investment prior to its classification as a group, multi-group or associated company, the cost of said investment will be considered to be the book value that it should have immediately before the company comes under such classification.

The subsequent valuation is also at cost, less the cumulative amount of any impairment losses, where appropriate.

Contributions made as a result of a joint venture agreement and similar are measured at cost, increased or decreased by the profit or loss, respectively, corresponding to the company as a passive investor, and less the cumulative amount of impairment losses, where appropriate.

The same criterion is applied to shareholder loans, the interest of which is contingent, either because of agreeing a fixed or variable interest rate subject to the fulfilment of a milestone in the borrowing company (for example, obtaining profits), or because it is calculated exclusively by reference to the evolution of said company's business. If, in addition to contingent interest, irrevocable fixed interest is agreed, the latter is recognised as financial income on an accrual basis. Transaction costs are charged to the profit and loss account on a straight-line basis throughout the life of the shareholder loan.

#### Derecognition of financial assets on the balance sheet

The Company derecognises a financial asset on the balance sheet when:

- The contractual rights to the asset's cash flows expire. In this regard, a financial asset is derecognised when it has matured and the Company has received the corresponding amount.
- The contractual rights to the financial asset's cash flows have been transferred. In this case, the financial asset is derecognised when the risks and rewards of ownership have been substantially transferred. In particular, in sales transactions with repurchase agreements, factoring and securitisations, the financial asset is derecognised once the Company's exposure before and after the transfer has been compared to the variation in the amounts and in the schedule of the net cash flows of the transferred asset, it is deduced that the risks and rewards have been transferred.

After analysing the risks and rewards, the Company derecognises financial assets when the risks and rewards of ownership of the asset have been substantially transferred. The transferred asset is derecognised on the balance sheet and the Company recognises the result of the transaction: the difference between the consideration received net of attributable transaction costs (considering any new asset obtained less any liability assumed) and the book value of the financial asset, plus any cumulative amount that has been recognised directly in equity.

### Impairment of financial assets

#### *Debt instruments at amortised cost or fair value with changes reported in equity*

At least at year-end, the Company analyses whether there is objective evidence of impairment of a financial asset, or of a group of financial assets with similar risk characteristics measured collectively, as a result of one or more events that have occurred after their initial recognition and that cause a reduction or delay in the estimated future cash flows, which may be caused by the debtor's insolvency.

If there is such evidence, the impairment loss is calculated as the difference between the book value and the present value of the future cash flows, including, where appropriate, those from the execution of collateral and sureties, which is estimated to be generated, discounted at the effective interest rate calculated at the time of initial recognition. For financial assets at a variable interest rate, the effective interest rate corresponding to the closing date of the financial statements is used in accordance with the contractual conditions. In calculating the impairment losses of a group of financial assets, the Company uses models based on statistical methods or formulas.

Impairment losses, as well as their reversal when the amount of said loss decreases for reasons related to a subsequent event, are recognised as an expense or income, respectively, in the profit and loss account. The reversal of impairment is limited to the asset's book value that would be recognised on the date of the reversal if the impairment had not been recognised.

As a substitute for the present value of future cash flows, the Company uses the instrument's market value, provided that this is reliable enough to be considered representative of the value that the company could recover.

In the case of assets at fair value with changes reported in equity, the accumulated losses recognised in equity due to a decrease in fair value, provided there is objective evidence of the asset's impairment, are recognised in the profit and loss account.

#### *Equity instruments at fair value with changes reported in equity*

With this type of investment, the Company assumes that there is impairment if there is a drop lasting one and a half years or forty percent in its price, without its value having recovered, notwithstanding the fact that it could be necessary to recognise an impairment loss before said period has elapsed or the price has fallen by said percentage.

Impairment losses are recognised as an expense in the profit and loss account.

In the event that the fair value increases, the valuation restatement recognised in previous financial years is not charged back with a credit to the profit and loss account, and the increase in fair value is recognised directly against equity.

#### *Financial assets at cost*

In this case, the amount of the valuation restatement is the difference between its book value and the recoverable amount, understood to be the higher of its fair value less selling costs and the present value of the future cash flows arising from the investment, which, in the case of equity instruments, are calculated either by estimating what is expected to be received as a result of the distribution of dividends made by the investee and the disposal or derecognition of the investment therein, or by estimating its participation in the cash flows that are expected to be generated by the investee, both from its ordinary business activities and from the disposal or derecognition thereof. Unless there is better evidence of the recoverable amount of investments in equity instruments, the estimate of the impairment loss of this class of assets is calculated based on the investee's equity and the unrealised gains as of the valuation date, net of the tax effect.

The recognition of impairment losses, as well as their reversal, where appropriate, will be recognised as an expense or as income, respectively, in the profit and loss account. The reversal of impairment is limited to the investment's book value that would be recognised on the date of the reversal if the impairment had not been recognised.

#### *Interest and dividends received from financial assets*

The interest and dividends on financial assets accrued subsequent to the time of acquisition are recognised as income in the profit and loss account. The interest is recognised using the effective interest rate method, and with dividends, when the right to receive them is declared.

If the distributed dividends unequivocally come from profits generated prior to the acquisition date because amounts greater than the profits generated by the investee since the acquisition have been distributed, they will not be recognised as income, and will reduce the investment's book value. The opinion as to whether profits have been generated by the investee will be made based exclusively on the profits recognised in the individual profit and loss account from the acquisition date, unless the distribution charged to said profits should undoubtedly be classified as a recovery of the investment from the perspective of the entity receiving the dividend.

### **5.5 Financial liabilities**

#### *Classification and measurement*

At the time of initial recognition, the Company classifies all financial liabilities in one of the categories listed below:

- Financial liabilities at amortised cost
- Financial liabilities at fair value through the profit and loss account

#### *Financial liabilities at amortised cost*

The Company classifies all financial liabilities in this category except when they should be measured at fair value through the profit and loss account.

In general, debits due to trade transactions ("suppliers") and debits due to non-trade transactions ("other creditors") are included in this category.

Shareholder loans that have the characteristics of an ordinary or common loan are also included in this category without prejudice to the fact that the transaction is agreed at a zero interest rate or below the market rate.

Financial liabilities included in this category are initially measured at fair value which, unless there is evidence to the contrary, is considered to be the transaction price, which is equivalent to the fair value of the consideration received, adjusted by the transaction costs that are directly attributable. That is, inherent transaction costs are capitalised.

However, debits due to trade transactions with a maturity of no more than one year and that do not have a contractual interest rate, as well as the disbursements required by third parties on holdings, the amount of which is expected to be paid in the short term, are measured at their nominal value when the effect of not updating the cash flows is not significant.

For subsequent valuation, the amortised cost method is used. Accrued interest is recognised in the profit and loss account (financial expense) by applying the effective interest rate method.

However, debits with a maturity of no more than one year which, in accordance with the foregoing, are initially measured at their nominal value, will continue to be measured at said amount.

Contributions received as a result of a joint venture agreement and similar are measured at cost, increased or decreased by the profit or loss, respectively, that should be attributed to passive investors.

The same criterion is applied to shareholder loans, the interest of which is contingent, either because of agreeing a fixed or variable interest rate subject to the fulfilment of a milestone in the borrowing company (for example, obtaining profits), or because it is calculated exclusively by reference to the evolution of said company's business. Financial expenses are recognised in the profit and loss account in accordance with the accrual principle, and transaction costs will be charged to the profit and loss account in accordance with a financial criterion or, if not applicable, on a straight-line basis throughout the life of the shareholder loan.

#### *Financial liabilities at fair value through the profit and loss account*

The Company includes in this category financial liabilities that meet any of the following conditions:

- They are held-for-trading liabilities. A financial liability is considered to be held for trading when it meets one of the following conditions:
  - o It is issued or assumed primarily for the purpose of repurchasing it in the short term (for example, obligations and other marketable securities issued listed that the company can buy in the short term based on changes in value).
  - o It is an obligation to deliver financial assets borrowed by a short seller ("short selling").
  - o It forms part, at the time of its initial recognition, of a portfolio of financial instruments identified and managed jointly for which there is evidence of recent actions to obtain profits in the short term.
  - o It is a derivative financial instrument, provided that it is not a financial guarantee contract and has not been designated as a hedging instrument.

- From the time of initial recognition, it has been irrevocably designated to be recognised at fair value through the profit and loss account ("fair value option"), because:
  - o An inconsistency or "accounting mismatch" with other instruments at fair value through the profit or loss is eliminated or significantly reduced; or
  - o A group of financial liabilities or financial assets and liabilities that is managed and its performance assessed on the basis of the fair value in accordance with a documented investment or risk management strategy and group information is also reported on the basis of the fair value to key management staff.
- Optionally and irrevocably, hybrid financial liabilities with a separable embedded derivative may be included in their entirety in this category.

Financial liabilities included in this category are initially measured at fair value which, unless there is evidence to the contrary, is assumed to be the transaction price, which is equivalent to the fair value of the consideration received. The transaction costs that are directly attributable are recognised directly in the profit and loss account for the financial year.

After initial recognition, the company measures the financial liabilities included in this category at fair value through the profit and loss account.

#### Derecognition of financial liabilities on the balance sheet

The Company derecognises a previously recognised financial liability on the balance sheet when any of the following circumstances occur:

- The obligation has been extinguished because payment has been made to the creditor to settle the debt (through cash payments or other goods or services), or because the debtor is legally released from any liability over the liability.
- Own financial liabilities are acquired, even with the intention of relocating them in the future.
- An exchange of debt instruments occurs between a lender and a borrower, provided they have substantially different conditions, recognising the new financial liability that arises; similarly, a substantial change to the current conditions of a financial liability is recorded, as indicated for debt restructuring.

A financial liability is derecognised as follows: the difference between the financial liability's book value (or the part of it that has been derecognised) and the consideration paid, including attributable transaction costs, and in which any asset transferred other than cash or liability assumed must also be included, is recognised in the profit and loss account for the financial year in which it occurs.

#### Debt restructuring

In certain cases the Company restructures its debt obligations with its creditors. For example: extending the payment term of the principal in exchange for a higher interest rate, not paying and adding the interest in a single bullet payment of principal and interest at the end of the life of the debt etc. There are several ways in which these changes to the terms of a debt obligation can be carried out:

- Immediate payment of the nominal amount (before maturity) followed by refinancing of all or part of the nominal amount through a new debt obligation ("debt exchange").
- Modification of the terms of the debt contract before maturity ("debt modification").

In these cases of "debt exchange" or "debt modification" with the same creditor, the Company analyses whether there has been a substantial change to the conditions of the original debt. In the event that there has been a substantial change, the accounting treatment is as follows:

- the book value of the original financial liability (or its corresponding part) is derecognised on the balance sheet;
- the new financial liability is initially recognised at fair value;
- transaction costs are recognised against the profit and loss account;
- the difference between the book value of the original financial liability (or the part thereof that has been derecognised) and the fair value of the new liability is also recognised against profit and loss.

On the other hand, if after the analysis the Company reaches the conclusion that both debts do not have substantially different conditions (it is, in essence, the same debt), the accounting treatment is as follows:

- the original financial liability is not derecognised on the balance sheet (that is, it remains on the balance sheet);
- fees paid in the restructuring operation are carried as an adjustment to the debt's book value;
- a new effective interest rate is calculated from the date of restructuring. The amortised cost of the financial liability is determined by applying the effective interest rate, which is the same as the book value of the financial liability on the modification date with the cash flows to be paid under the new conditions.

The contractual conditions will be considered substantially different, among other cases, when the present value of the cash flows under the new contract, including any fees paid, net of any fees received, differs by at least ten percent from the present value of the remaining cash flows under the original contract, with both amounts updated with the effective interest rate provided in the latter.

Certain modifications in the determination of the cash flows may not pass this quantitative analysis, but may also give rise to a substantial modification of the liability, such as: a change from a fixed to a variable interest rate in the remuneration of the liability, the restatement of the liability to a different currency, a fixed interest rate loan that becomes a shareholder loan, among other situations.

## **5.6 Fair value**

The fair value is the price that would be received for selling an asset or that would be paid to transfer or settle a liability in an orderly transaction between market participants on the valuation date. The fair value will be determined without making any deductions for transaction costs that may be incurred due to sale or disposal by other means. Under no circumstances does it have the character of fair value if it is the result of a forced transaction or distress sale, or as a consequence of an involuntary liquidation.

The fair value is estimated for a certain date and, since market conditions may vary over time, said value may be inappropriate for another date. In addition, when estimating the fair value, the company takes into account the conditions of the asset or liability that market participants would take into account when pricing the asset or liability on the valuation date.

In general, the fair value is calculated by reference to a reliable market value. For items for which there is an active market, the fair value is obtained through the application of valuation models and techniques, where appropriate. Valuation models and techniques include the use of references to recent arm's length transactions between duly informed interested parties, if available, as well as references to the fair value of other assets that are substantially the same, estimated future cash flow discount methods and models generally used to measure options.

In any case, the valuation techniques used are consistent with the methodologies accepted and used by the market for pricing, using techniques that have been demonstrated to obtain the most realistic estimates of prices, where available. Likewise, they take into account the use of observable market data and other factors that their participants would consider when pricing, limiting as far as possible the use of subjective considerations and non-observable or verifiable data.

The Company periodically evaluates the effectiveness of the valuation techniques it uses, using as a reference the observable prices of recent transactions with the same asset that is being measured, or using prices based on observable market indices or data that are available and applicable.

In this way, a hierarchy can be deduced in the variables used to determine the fair value and a fair value hierarchy is established that allows the estimates to be classified into three levels:

- Level 1: estimates that use unadjusted quoted prices on active markets for identical assets or liabilities, which the company can access on the valuation date.
- Level 2: estimates that use quoted prices on active markets for similar instruments or other valuation methodologies in which all significant variables are based on directly or indirectly observable market data.
- Level 3: estimates in which some significant variables are not based on observable market data.

An estimate of fair value is classified at the same level of the fair value hierarchy as the lowest level variable that is significant to the result of the valuation. For these purposes, a significant variable is a variable that has a decisive influence on the result of the estimate. In assessing the importance of a specific variable for the estimate, the specific conditions of the asset or liability being measuring are taken into account.

## **5.7 Hedge accounting**

The Company does not carry out hedge accounting operations.

## **5.8 Own shares**

Treasury shares are recognised in equity as less own funds when they are acquired, and no result is recognised in the profit and loss account for their sale or settlement. Income and expenses arising from transactions with treasury shares are recognised directly in equity as less reserves.

## **5.9 Stock**

Stock is valued at the lower of the acquisition price, production cost or net realisable value.

The net realisable value represents the estimated selling price less all estimated costs to finish manufacture and the costs to be incurred in the marketing, sales and distribution processes.



In assigning value to its stock, the Company uses the weighted average price method.

The Company makes the appropriate value adjustments, recognising them as an expense in the profit and loss account when the net realisable value of the stock is less than the acquisition price (or production cost).

#### **5.10 Cash and cash equivalents**

Cash and cash equivalents include cash on hand, demand deposits with credit institutions and other short term highly liquid investments with an original maturity of three months or less.

#### **5.11 Current and non-current items**

Current assets are considered to be those linked to the normal operating cycle which, in general, is considered to be one year; also other assets whose maturity, disposal or realisation is expected to occur in the short term from yearend, financial assets held for trading, except for financial derivatives whose settlement period exceeds one year and cash and cash equivalents. Assets that do not meet the aforementioned requirements are classified as non-current.

Similarly, current liabilities are those linked to the normal operating cycle, financial liabilities held for trading, except for financial derivatives whose settlement period exceeds one year and, in general, all obligations whose maturity or termination will occur in the short term, including in this category all obligations for which the Company does not hold, at yearend, an irrevocable right to meet the same in a period exceeding one year. Otherwise, they are classified as non-current.

#### **5.12 Tax on Profits**

Tax on profits expense or income comprises the part concerning the current tax expense or income and the part corresponding to the deferred tax expense or income.

Current tax is the amount that the Company pays as a result of tax settlements for the tax on profit for a financial year. Tax credits and other tax benefits, excluding withholdings and payments on account, as well as compensable tax losses from prior financial years and effectively applied in this year, result in a lower amount of current tax.

The deferred tax expense or income corresponds to the recognition and derecognition of deferred tax liabilities and assets. These include temporary differences, which are identified as the amounts expected to be payable or recoverable arising from the differences between the book value of assets and liabilities and their tax value, as well as the negative tax bases to be offset and the credits for tax deductions not applied. These amounts are recorded by applying the tax rate at which they are expected to be recovered or settled to the temporary difference or credit.

Deferred tax liabilities are recognised for all taxable temporary differences, except those arising from the initial recognition of goodwill or other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit and is not a business combination.

On the other hand, deferred tax assets are only recognised to the extent that it is considered likely that the Company will have future taxable profits against which to make them effective.

Deferred tax assets and liabilities arising from transactions charged or credited directly to equity will also be recognised with a balancing entry in equity.

At each accounting close, the deferred tax assets recorded are revised and the appropriate adjustments to them made to the extent that there are doubts concerning the future recovery thereof. Likewise, at each accounting close, the deferred tax assets not recorded on the balance sheet are assessed and recognised to the extent that the recovery thereof becomes probable, with future tax benefits.

### **5.13 Provisions and contingencies**

In preparing the financial statements, the Company's Directors distinguish between:

- a. Provisions: credit balances covering current obligations arising from past events, whose cancellation is likely, causing an outflow of resources, but the amount and/or timing of the cancellation is uncertain.
- b. Contingent liabilities: possible obligations arising as a result of past events, whose future existence is determined by the occurrence, or otherwise, of one or more future events beyond the Company's control.

The financial statements include all the provisions with respect to which it is estimated that the likelihood of having to meet the obligation is greater than the contrary. Contingent liabilities are not recognised in the financial statements, but are disclosed in the notes of the explanatory notes, to the extent that they are not considered to be remote.

The provisions are valued at the current value of the best estimate possible of the amount required to settle or transfer the obligation, taking into consideration the information available on the event and its consequences, and reporting any adjustments arising from updating such provisions as a financial expense as they accrue.

The compensation received from a third party in settlement of the obligation, provided there are no doubts that such reimbursement will be received, is recorded as an asset, except in the event that there is a legal relationship whereby part of the risk has been externalised and by virtue of which the Company is not obliged to respond; in this situation, the compensation will be taken into consideration when estimating the amount by which, if appropriate, the relevant provision will be included.

### **5.14 Redundancies**

In accordance with current legislation, the Company is required to pay redundancies to employees with whom, under certain conditions, it terminates their employment relationship. Therefore, redundancies that may be reasonably quantified are recorded as an expense in the financial year in which the decision to terminate employment is made and a valid expectation is created in third parties respecting the dismissal. No provision for this item has been recognised in the accompanying financial statements as no such situations are expected.

### **5.15 Income and expenses**

Income and expenses are recognised on an accrual basis, that is, when the actual flow of goods and services that they represent occurs, regardless of when the monetary or financial flow arising from the same occurs.

Income is recognised to the extent that it is likely that the Company will obtain economic benefits and if the income can be reliably measured, regardless of when it is collected. Income is measured at the fair value of the consideration received or receivable. The following specific recognition criteria must also be met before recognising income:

### *Sale of goods*

Income from the sale of goods is recognised when the goods are delivered and ownership has been transferred, when all the following conditions are met:

- The Company has transferred to the buyer the main risks and rewards arising from ownership of the goods;
- The Company does not maintain any involvement in the current management of the goods sold, nor does it retain effective control over them;
- The amount of income can be reliably determined;
- It is likely that the Company will receive the economic benefits arising from the transaction;

The sale of goods is primarily carried out through the sale of products to the franchisee customer, or directly to end customers (consumers) through the shops owned by the Company. Likewise, one-time sales to other Group companies are made for marketing abroad.

There are no significant product returns either from the franchisee customer or the end customer.

### *Provision of services*

The Company's income from the provision of services on the one hand relates to the annual fee that the Company directly charges its franchisees, and, on the other, "master franchise" contracts in which the Company charges a third party for such third party to directly operate the Naturhouse Group's franchises in a given country. This master franchise is usually signed for a period of 7 years and the amount varies between 50,000 and 300,000 euros, which is billed once and charged in advance.

Likewise, this heading includes the income from royalties that the Company charges to Group companies and third parties in accordance with the terms and conditions included in the "master franchise" contracts it has signed.

### *Other operating income*

The Company mainly recognises rebilling of expenses (management fees) to Group companies under this heading.

### *Interest and dividend income*

Dividends from investments are recognised when the shareholder's right to receive payment has been established (provided it is likely that the Company will receive the economic benefits and that the amount of income can be reliably measured).

Interest income arising from a financial asset is recognised when it is likely that the Company will receive the economic benefits and the amount of income can be reliably measured. Interest income is accrued on a time proportion basis, depending on the principal outstanding and the effective interest rate applicable, which is the rate that allows the estimated future cash flows to be discounted over the expected life of the financial asset in order to accurately obtain such asset's net book value.

Expenses are recognised in the income statement when there is a decrease in future economic benefits related to a reduction of an asset, or an increase of a liability occurs which can be reliably measured. This implies that the recording of expenses occurs simultaneously with the recording of a liability increase or asset reduction.

An expense is immediately recognised when a payment does not generate future economic benefits or when it does not meet the requirements for recognition as an asset.

Additionally, an expense is recognised when incurred in a liability and no asset is recorded, such as a liability for a guarantee.

#### **5.16 Foreign currency transactions**

The functional currency used by the Company is the euro. Therefore, transactions in currencies other than the euro are considered to be denominated in foreign currency and are recorded at the exchange rates prevailing at the transaction date.

At yearend, monetary assets and liabilities denominated in foreign currencies are converted at the exchange rate on the date of the balance sheet. Any resulting profits or losses are charged directly to the profit and loss account for the financial year in which they arise.

#### **5.17 Transactions with related parties**

Transactions with related parties are recognised in accordance with the valuation rules detailed above, except for the following transactions:

- The non-monetary contributions of a business to a group company are measured, in general, at the book value of the assets and liabilities delivered in the consolidated financial statements on the date on which the transaction is carried out.
- In mergers and divisions, the elements acquired are measured, in general, by the amount that corresponds to them, once the operation has been carried out, on the consolidated financial statements. Any differences occurring are recognised in the reserves.

The Company performs all its transactions with related parties at market values. The Company's Directors and its tax advisers consider that there are no significant risks in this regard that could lead to significant liabilities in the future.

#### **5.18 Cash flow statement**

In the statement of cash flows, the following expressions are used in the following sense:

- Cash flows: inflows and outflows of cash and cash equivalents, including current investments with high liquidity and low risk of variations in value.
- Operating activities: the activities typically carried out, as well as other activities that cannot be classified as investment or financing activities.
- Investment activities: those regarding the acquisition, disposal or sale by other means of non-current assets and other investments not included in cash and cash equivalents.
- Financing activities: activities that result in changes in the size and composition of the equity and liabilities that are not part of the operating activities.

#### **5.19 Environmental assets**

Assets that are constantly used in the Company's business, whose main purpose is to minimise environmental impact and protect and improve the environment, including the reduction or elimination of future pollution, are considered to be environmental assets.

Given the activity in which the Company engages, it has no liabilities, expenses, assets or provisions and contingencies of an environmental nature that could be significant in relation to the equity, financial position and results of the same. Therefore, no specific breakdowns are included in these financial statements with respect to information concerning environmental matters.

## **6. Intangible assets**

The changes in this heading on the balance sheet for the 2024 and 2023 financial years has been as follows:

### **2024 financial year**

Cost	Euros			
	31-12-2023	Additions	Derecognitions	31-12-2024
Industrial property	2,330,638	-	-	2,330,638
Transfer rights	50,000	-	-	50,000
Software	709,877	112,673	-	822,550
Assets in construction and advances	65,160	15,059	-	80,219
<b>Total cost</b>	<b>3,155,675</b>	<b>127,732</b>	-	<b>3,283,407</b>

Amortisations	Euros			
	31-12-2023	Allocations	Derecognitions	31-12-2024
Industrial property	(2,232,877)	(97,761)	-	(2,330,638)
Transfer rights	(50,000)	-	-	(50,000)
Software	(514,674)	(125,680)	-	(640,354)
<b>Total amortisation</b>	<b>(2,797,551)</b>	<b>(223,441)</b>	-	<b>(3,020,992)</b>

Total intangible assets	Euros	
	31-12-2024	31-12-2023
Cost	3,283,407	3,155,675
Amortisations	(3,020,992)	(2,797,551)
<b>Net total</b>	<b>262,415</b>	<b>358,124</b>

## 2023 financial year

Cost	Euros			
	31-12-2022	Additions	Derecognitions	31-12-2023
Industrial property	2,330,638	-	-	2,330,638
Transfer rights	50,000	-	-	50,000
Software	615,318	94,559	-	709,877
Assets in construction and advances	-	65,160	-	65,160
<b>Total cost</b>	<b>2,995,956</b>	<b>159,719</b>	<b>-</b>	<b>3,155,675</b>

Amortisations	Euros			
	31-12-2022	Allocations	Derecognitions	31-12-2023
Industrial property	(1,999,814)	(233,063)	-	(2,232,877)
Transfer rights	(50,000)	-	-	(50,000)
Software	(406,268)	(108,406)	-	(514,674)
<b>Total amortisation</b>	<b>(2,456,082)</b>	<b>(341,469)</b>	<b>-</b>	<b>(2,797,551)</b>

Total intangible assets	Euros	
	31-12-2023	31-12-2022
Cost	3,155,675	2,995,956
Amortisations	(2,797,551)	(2,456,082)
<b>Net total</b>	<b>358,124</b>	<b>539,874</b>

The additions in the 2024 and 2023 financial years have mainly corresponded to software for the Company's e-commerce department.

The main asset under intangible assets corresponds to a set of brands acquired in 2014 amounting to 2,331 thousand euros, fully amortised at 31 December 2024 (net book value of 98 thousand euros at 31 December 2023). These brands were amortised by the straight-line method over a useful life of 10 years.

At yearend 2024 and 2023, the Company had fully amortised intangible assets still in use, as detailed below:

Fully Amortised Intangible Assets	Euros	
	Book Value (Gross)	
	31-12-2024	31-12-2023
Industrial property	2,330,638	-
Rights of use	50,000	50,000
Software	433,757	354,340
	<b>2,814,395</b>	<b>404,340</b>

## 7. Tangible fixed assets

The changes in this heading on the balance sheet in the 2024 and 2023 financial years, as well as the most significant information affecting this heading, have been as follows:

### 2024 financial year

Cost	Euros			
	31-12-2023	Additions	Derecognitions	31-12-2024
Other facilities, tools and furnishings	1,956,124	7,037	(10,236)	1,952,925
Information processing equipment	727,155	5,225	(151)	732,229
Transport elements	302,314	-	-	302,314
<b>Total cost</b>	<b>2,985,593</b>	<b>12,262</b>	<b>(10,387)</b>	<b>2,987,468</b>

Amortisations	Euros			
	31-12-2023	Allocations	Derecognitions	31-12-2024
Other facilities, tools and furnishings	(1,602,569)	(56,873)	8,624	(1,650,818)
Information processing equipment	(709,332)	(10,100)	-	(719,432)
Transport elements	(64,124)	(48,370)	-	(112,494)
<b>Total amortisation</b>	<b>(2,376,025)</b>	<b>(115,343)</b>	<b>8,624</b>	<b>(2,482,744)</b>

Total tangible assets	Euros	
	31-12-2024	31-12-2023
Cost	2,987,468	2,985,593
Amortisation	(2,482,744)	(2,376,025)
<b>Net total</b>	<b>504,724</b>	<b>609,568</b>

### 2023 financial year

Cost	Euros			
	31-12-2022	Additions	Derecognitions	31-12-2023
Other facilities, tools and furnishings	1,982,983	25,854	(52,713)	1,956,124
Information processing equipment	725,794	12,349	(10,988)	727,155
Transport elements	357,462	4,314	(59,462)	302,314
<b>Total cost</b>	<b>3,066,239</b>	<b>42,517</b>	<b>(123,163)</b>	<b>2,985,593</b>

Amortisations	Euros			
	31-12-2022	Allocations	Derecognitions	31-12-2023
Other facilities, tools and furnishings	(1,585,666)	(56,507)	39,604	(1,602,569)
Information processing equipment	(705,369)	(15,076)	11,113	(709,332)
Transport elements	(75,483)	(48,103)	59,462	(64,124)
<b>Total amortisation</b>	<b>(2,366,518)</b>	<b>(119,686)</b>	<b>110,179</b>	<b>(2,376,025)</b>

Total tangible assets	Euros	
	31-12-2023	31-12-2022
Cost	2,985,593	3,066,239
Amortisation	(2,376,025)	(2,366,518)
<b>Net total</b>	<b>609,568</b>	<b>699,721</b>

Additions in the 2024 financial year mainly correspond to installations in new owned stores, as well as to improvements needed to existing stores.

The heading "Impairment and income from disposal of fixed assets" on the attached profit and loss account for the 2024 financial year includes losses of 2 thousand euros as a result of derecognitions of assets relating to owned stores that have been transferred to franchisees or other third parties (losses of 11 thousand euros and profits of 18 thousand euros in the 2023 financial year).

The fully amortized tangible fixed assets still in use at yearend 2024 amount to 1,893 thousand euros (1,872 thousand euros at yearend 2023).

### **Firm purchase commitments**

As of yearend 2024, the Company does not have any firm commitments to purchase fixed assets.

### **Insurance policy**

The Company continues its policy to take out insurance policies to cover the potential risks to which the different elements of its tangible fixed assets are subject. It is estimated that the cover taken out as of yearend 2024 is sufficient so as to cover the risks inherent in the Company's activities.

## **8. Leases**

### **Operating leases**

As of 31 December 2024 and 2023, the Company has contracted with lessors the following non-cancellable minimum lease payments in accordance with the current contracts in force, without taking into account the impact of common expenses, future increases in the CPI or future updates to rents agreed under contract:

Minimum operating lease payments	Euros	
	Nominal Value	
	31-12-2024	31-12-2023
Less than 1 year	40,825	2,765
Between one and five years	78,570	12,074
More than five years	-	-
	<b>119,395</b>	<b>14,839</b>

The amount of operating lease payments recognised as an expense in the 2024 and 2023 financial years is as follows:

Operating lease payments	Euros	
	2024	2023
Office and warehouse rentals	261,835	394,683
Other rentals	563,250	585,697
	<b>825,085</b>	<b>980,380</b>

In its capacity as lessee, the most significant operating lease contract held by the Company as of 31 December 2024 is the following:

- Leasing of a building in which the Madrid offices are located to a related party. The lease contract was renewed on 1 February 2024 with a term lasting to 31 January 2034.



In addition, at 31 December 2023, Naturhouse Health, S.A. held a lease contract with the related company Kiluva Portuguesa- Nutrição e Dietética, Lda for a warehouse where the Company's stock is kept. The lease contract was signed in November 2018 with a term lasting to September 2023, with the lease being extended to January 2024. This lease contract was cancelled in 2024 due to the outsourcing of warehouse management to a third party.

The lease contracts have been classified as operating leases because of the particular terms and conditions thereof.

## 9. Long-term investments in Group companies

The account balance under "Long-term investments in Group companies" at 31 December 2024 and 2023 is as follows:

	Euros	
	31-12-2024	31-12-2023
Equity instruments	22,245,444	22,245,444
Provision for impairment losses on equity instruments	(6,487,818)	(6,487,818)
<b>Total long-term investments in Group companies</b>	<b>15,757,626</b>	<b>15,757,626</b>

### 9.1 Group company equity instruments

The changes under the headings "Equity instruments" and "Provision for impairment losses on equity instruments" for the 2024 and 2023 financial years are broken down in the following tables:

#### 2024 financial year

	Euros		
	31-12-2023	Additions/ Derecognitions	31-12-2024
<b>Cost:</b>			
Naturhouse, GmBh	288,000	-	288,000
Naturhouse, S.R.L.	193,937	-	193,937
Naturhouse Franchising Co Ltd.	118,833	-	118,833
Zamodiet México, S.A. de C.V.	855,225	-	855,225
Kiluva Portuguesa – Nutrição e Dietética, Lda.	2,800,000	-	2,800,000
Naturhouse, Sp. zo.o.	676,427	-	676,427
S.A.S. Naturhouse	4,735,000	-	4,735,000
Ichem, Sp.zo.o.	5,483,415	-	5,483,415
Indusen, S.A.	3,562,200	-	3,562,200
Girofibra, S.L.	825,965	-	825,965
Naturhouse, Inc.	2,446,018	-	2,446,018
Name 17	112,102	-	112,102
Naturhouse Pte. Ltd.	45,472	-	45,472
Naturhouse Health Limited	100,000	-	100,000
Naturhouse Health, S.A.S.	2,850	-	2,850
<b>Total cost</b>	<b>22,245,444</b>	<b>-</b>	<b>22,245,444</b>
<b>Impairment</b>			
Naturhouse, GmBh	(288,000)	-	(288,000)
Naturhouse Franchising Co Ltd.	(86,940)	-	(86,940)
Zamodiet México, S.A. de C.V.	(855,225)	-	(855,225)
Kiluva Portuguesa – Nutrição e Dietética, Lda.	(2,377,800)	-	(2,377,800)
Naturhouse, Inc.	(2,446,018)	-	(2,446,018)
Name 17	(112,102)	-	(112,102)
Girofibra, S.L.	(321,733)	-	(321,733)
<b>Total impairment</b>	<b>(6,487,818)</b>	<b>-</b>	<b>(6,487,818)</b>
<b>Net total</b>	<b>15,757,626</b>	<b>-</b>	<b>15,757,626</b>

## 2023 financial year

	Euros		
	31-12-2022	Additions/ Derecognitions	31-12-2023
<b>Cost:</b>			
Naturhouse, GmBh	288,000	-	288,000
Naturhouse, S.R.L.	193,937	-	193,937
Naturhouse Franchising Co Ltd.	118,833	-	118,833
Zamodiet México, S.A. de C.V.	855,225	-	855,225
Kiluva Portuguesa – Nutrição e Dietética, Lda.	2,800,000	-	2,800,000
Naturhouse, Sp. zo.o.	676,427	-	676,427
S.A.S. Naturhouse	4,735,000	-	4,735,000
Ichem, Sp.zo.o.	5,483,415	-	5,483,415
Indusen, S.A.	3,562,200	-	3,562,200
Girofibra, S.L.	825,965	-	825,965
Naturhouse, Inc.	2,446,018	-	2,446,018
Name 17	112,102	-	112,102
Naturhouse Pte. Ltd.	45,472	-	45,472
Naturhouse Health Limited	100,000	-	100,000
Naturhouse Health, S.A.S.	2,850	-	2,850
<b>Total cost</b>	<b>22,245,444</b>	<b>-</b>	<b>22,245,444</b>
<b>Impairment</b>			
Naturhouse, GmBh	(288,000)	-	(288,000)
Naturhouse Franchising Co Ltd.	(86,940)	-	(86,940)
Zamodiet México, S.A. de C.V.	(855,225)	-	(855,225)
Kiluva Portuguesa – Nutrição e Dietética, Lda.	(2,377,800)	-	(2,377,800)
Naturhouse, Inc.	(2,446,018)	-	(2,446,018)
Name 17	(112,102)	-	(112,102)
Girofibra, S.L.	-	(321,733)	(321,733)
<b>Total impairment</b>	<b>(6,166,085)</b>	<b>(321,733)</b>	<b>(6,487,818)</b>
<b>Net total</b>	<b>16,079,359</b>	<b>(321,733)</b>	<b>15,757,626</b>

There were no changes in shareholdings in the 2024 financial year.

With regard to changes in 2023, there were no changes in shareholdings, except for the impairment recognised on the stake in Girofibra, S.L.U.

The Company's Directors consider that it does not have control of Indusen or Girofibra as it does not hold the majority of the voting rights or members of the Board of Directors, and it does not have the power to direct most of these companies' relevant business activities. In this regard, the majority of the voting rights are held by majority shareholders with whom the Company has no relationship.

In relation to Ichem, Sp. Zo.o., the Company carries out an annual analysis to determine whether there has been any change in circumstances that would affect its assessment and conclusion regarding the existence of control, joint control or significant influence.

In this regard, the Company continues to conclude that at 31 December 2024 it does not have control over Ichem, Sp. Zo.o. as it does not hold the majority of voting rights in its governing body in accordance with the applicable regulatory framework, nor does it have the power or capacity to direct its significant business activities.

Following this initial assessment of the absence of control, the analysis carried out considers that the voting rights that the Company has within the board of directors of Ichem, Sp. Zo.o., together with the relevance that the Naturhouse Group still has as a client for Ichem, Sp. Zo.o., mean that, in practice, decisions on certain significant business activities are usually taken by consensus, these being mainly decisions relating to the preparation of the budget and the business plan, and the purchase of goods, services or investments, as well as the assumption of obligations above relatively low thresholds.

In addition, the Company has neither the power nor, clearly, the capacity to direct other significant business activities relating to the production model, such as the technology applied to key business processes and executive personnel, among other aspects.

Taking into account these aspects and value judgements, the Company has concluded that at 31 December 2024, from an economic and accounting perspective, it continues to have joint control over Ichem.

Information related to the direct and indirect financial shareholdings held by the Company are broken down in Annex I.

The dividends received by the Company from its subsidiaries have been as follows:

	Euros	
	2024	2023
Naturhouse, S.R.L.	3,500,000	3,900,000
Naturhouse, Sp. zo.o.	1,200,000	1,500,000
S.A.S. Naturhouse	8,000,000	4,000,000
Ichem Sp. zo.o.	116,840	221,367
Indusen, S.A.	35,622	71,244
Kiluva Portuguesa – Nutrição e Dietética, Lda.	336,000	-
	<b>13,188,462</b>	<b>9,692,611</b>

The dividends received correspond entirely to income generated after the constitution or acquisition of the holdings in the aforementioned companies. At 31 December 2024, 3,000 thousand euros were pending collection, corresponding to part of the dividends received from S.A.S. Naturhouse. (see Note 16).

At 31 December 2024, the Directors have determined that there is no further indication of impairment of equity investments in Group companies, jointly controlled entities and associates.

At 31 December 2023, the Company carried out an analysis of the existence of objective indicators that could indicate a potential impairment of equity investments in Group companies, jointly controlled entities and associates, Girofibr, S.L.U. and in Ichem Sp. Z.o.o.

In accordance with the applicable regulatory framework (see Note 5.4), the amount of the valuation restatement will be determined by the difference between the book value of said investments and the recoverable amount, taken as the greater of the fair value less selling costs and the current value of the future cash flows arising from the investment, obtained from any of the following procedures:

- By estimating what is expected to be received as a result of the dividend distribution made by the investee and the disposal or derecognition of the investment in it, or;
- By estimating the share of the cash flows expected to be generated by the investee from both its ordinary activities and its disposal or derecognition.

Taking the foregoing into account, the Company determined in 2023 the recoverable amount through the value in use based on the estimated future cash flows from its ordinary activities, discounted at a rate that reflects current market valuations with respect to the value of money and the specific risks associated with the investment.

The Company prepared 5-year cash flow forecasts, incorporating the best available estimates of income and expenses using sector forecasts, Girofibr and Ichem's historical results and future expectations (the company's budgets, business plans etc.) as well as macroeconomic indicators that reflected the current and foreseeable market situation at the end of the previous financial year. Another forecast estimate considered was the margin according to the nature of the business-product.

The Company's management considered a weighted average sales growth rate for the next 5 years consistent with past experience, taking into account the expansion plans and the evolution of the macroeconomic indicators (inflation, GDP etc.).

For discounted cash flows, the weighted average cost of capital was used, which is determined after tax and is adjusted for country risk, the corresponding business risk and other variables dependent on the market situation. The average discount rate at yearend 2023 was 9% for Girofibra, S.L.U. and 13% for Ichem Sp. Zo.o..

Additionally, a terminal value was calculated based on the normalized cash flow of the last year forecast, to which a perpetual growth rate (terminal value "g") of 2% was applied, which under no circumstances exceeded the growth rates of previous years. The cash flow used to calculate the terminal value took into account the investments required for future business continuity at the estimated growth rate.

As a result of the impairment test carried out at 31 December 2023, an impairment of the Girofibra, S.L.U. shareholding was revealed, amounting to 321,733 euros.

Finally, at 31 December 2024, the Company holds a credit of 670,114 euros with Naturhouse, Inc. after having recognised an impairment loss of 132,813 euros due to differences with the fair value of this subsidiary's assets (note 16).

## **10. Financial investments**

As at 31 December 2024 and 2023, the existing balance under the heading "Long-term financial investments" is as follows:

	Euros	
	31-12-2024	31-12-2023
<b>Other financial assets:</b>		
Long-term deposits and guarantees	145,474	147,149
	<b>145,474</b>	<b>147,149</b>

The financial assets recorded under the heading "Long-term deposits and guarantees" primarily correspond to deposits associated with the leases described in Note 8.

### **Information concerning the nature and level of risk of financial instruments**

The Company's activities are exposed to different financial risks: market risk (including exchange rate risk), credit risk, liquidity risk and interest rate risk on cash flows.

#### *1. Credit risk*

In general, the Company holds its liquid assets and cash equivalents in financial institutions with high credit ratings. It also appropriately monitors accounts receivable individually in order to determine potential situations of default.

The Company's principal financial assets are cash and cash equivalents, trade receivables and other accounts receivable, and investments, which represent the Company's highest exposure to credit risk in connection with its financial assets.

The Company's credit risk is, therefore, mainly attributable to its trade debtors. The amounts are presented in the balance sheet net of provisions for bad debts, estimated by the Company's Directors based on experience from previous financial years and their assessment of the current economic environment. The breakdown of impairment losses recognised under "trade receivables for sales and provision of services with group companies" on the balance sheet as of 31 December 2024 is as follows:

	Euros	
	31-12-2024	31-12-2023
Provision for bad debts	(122,733)	(248,835)

The Company does not have a significant concentration of credit risk, with exposure spread over a large number of customers (franchisees) and their individual amounts being insignificant. During the 2024 financial year, the Company recognised a reversal amounting to 93,803 euros corresponding to finally collectable receivables and a definitive derecognition of 32,299 euros corresponding to definitive derecognitions of provisions for uncollectible losses.

However, the Company's Financial Management considers this risk to be a key aspect in daily business management, focusing all efforts on the appropriate control and monitoring of the development of accounts receivable and arrears, especially in sectors of activity with increased risk of default. Additionally, it is one of the Company's policies to obtain guarantees or deposits from customers in order to ensure compliance with their commitments.

In addition, the Company has a policy in place of accepting customers based on periodic liquidity and solvency risk assessments and the establishment of credit limits for debtors. Moreover, the Company conducts periodic analysis of the age of the debt with commercial customers in order to cover potential risks of default.

The average collection period varies, depending on the country, between 30 and 60 days, although a very significant portion of sales are collected in advance at the time they are performed. Significant balances with third parties overdue for more than 270 days are fully provisioned.

## 2. *Liquidity risk*

In order to ensure liquidity and meet all payment obligations arising from its activities, the Company has the liquid assets shown on its balance sheet, as well as the financing available detailed in Note 14.

In this regard, the Company performs liquidity risk management, based on maintaining sufficient cash and marketable securities, the availability of financing through an adequate number of credit facilities and sufficient capacity to settle market positions.

On the other hand, it has always sought to utilise the liquidity available to manage payment obligations and debt commitments in advance, where applicable.

The Company's financial liabilities with third parties as at 31 December 2024 are not significant and have maturities in 2025 (see Note 14).

## 3. *Interest rate and exchange rate market risk:*

The Company's operating activities are largely independent with respect to variations in market interest rates.

The Company's interest rate risk arises from long-term borrowings. Borrowings issued at variable rates expose the Company to interest rate risk on the cash flows. As of yearend 2024, the Company has no long-term borrowings.

In addition, as of yearend 2024 and 2023, the Company has an amount available in liquid assets that is much higher than its financial debt, consequently, the Directors consider that its exposure to interest rate risk is not significant in any case.

Thus, the Company has not considered it necessary to cover interest rate fluctuations, consequently, it did not take out derivative instruments during the 2024 and 2023 financial years.

With regard to exchange rate risk, the Company does not operate significantly internationally in countries with currencies other than the euro and, therefore, its exposure to exchange rate risk from foreign currency transactions is not significant.

## **11. Stock**

The composition of the Company's stock at 31 December 2024 and 2023 is as follows:

	Euros	
	31-12-2024	31-12-2023
Commercial stocks	1,208,166	716,125
	<b>1,208,166</b>	<b>716,125</b>

The Company has not recognised impairment losses given that the net realisable value of the stock is higher than the acquisition price, which is why no losses have been recorded for this in 2024 and 2023.

## **12. Equity and Own Funds**

### **Share Capital**

On 9 April 2015, the Company's Board of Directors, exercising the delegation of the Sole Shareholder dated 2 October 2014, unanimously agreed to the public new stock offering on the Stock Market.

On 24 April 2015, the Comisión Nacional del Mercado de Valores admitted to trading 15 million shares of the Company's share capital, with a nominal value of 5 euro cents each, which were sold by Kiluva, S.A. at the price of 4.8 euros. Subsequently, on 22 May 2015, the Green Shoe option was executed, expanding the number of shares admitted to trading by 1,097,637, reaching a total of 16,097,637 shares.

As of 31 December 2024, the Company's share capital is represented by 60,000,000 ordinary shares of 0.05 euros nominal value each, fully subscribed and paid.

In accordance with communications on the number of corporate actions made before the Comisión Nacional del Mercado de Valores, the shareholders with significant holdings in the Company's share capital, both directly as well as indirectly, higher than 3% of the share capital, as at 31 December 2024 are as follows:

Shareholder	%
Kiluva, S.A.	72.60
Ferev Uno Strategic Plans	5.65

The Directors of the Company have no knowledge of other shares equal to or higher than 3% of the Company's share capital or voting rights, or that are lower than the percentage established, allowing significant influence to be exercised over the Company.

### **Distribution of profit and dividends**

The proposed distribution of profit for 2023 drawn up by the Company's Directors and submitted for approval at the Annual General Meeting on 28 June 2024 consisted of the distribution of a dividend against the profit for 2023 amounting to 9,000 thousand euros, of which 6,000 thousand euros had been approved as an interim dividend (the distribution of which was approved in two parts on 25 May 2023 and 29 September 2023, the latter being paid after year-end 2023), leaving 3,000 thousand euros to be distributed in 2024, as well as an amount of 1,117 thousand euros against voluntary reserves.

Additionally, on 28 June 2024, the Company approved the distribution of dividends amounting to 6,000 thousand euros as an interim amount against the profit for the 2024 financial year, which was paid 3 September 2024 (see Note 4).

### **Legal reserve**

In accordance with the Revised Text of the Spanish Corporate Law, a figure equal to 10% of profits from the financial year must be allocated to the legal reserve until this reaches at least 20% of the share capital.

The legal reserve may be used to increase the capital to the extent that its balance exceeds 10% of the increased capital. Except for the aforementioned purpose, and provided that it does not exceed 20% of the share capital, this reserve may only be used to offset losses, provided sufficient other reserves are not available for this purpose.

As of 31 December 2024, this reserve has been completely established.

### **Own shares**

As at year end 2024 and 2023, the Company held company shares in accordance with the following breakdown:

Year	No. of Shares	Euros		
		Nominal Value	Average Acquisition Price	Total Acquisition Cost
2024	50,520	2,526	2.81	141,886
2023	50,520	2,526	2.81	141,886

As at 31 December 2024, the Company's shares held by it represent 0.084% of the Company's share capital, totalling 50,520 shares with a cost of 141,886 euros and an average acquisition price of 2.81 euros per share.

The changes in company shares during the 2024 and 2023 financial years has been as follows:

Number of shares	2024	2023
Start of the financial year	50,520	50,520
Sales	-	-
Purchases	-	-
<b>Yearend</b>	<b>50,520</b>	<b>50,520</b>

### **13. Provisions and contingencies**

#### **Provisions**

As of 31 December 2024 and 2023, the Company had no significant contingencies the risk of which led to the recognition of any provisions.

#### **Contingencies**

The Company's Directors consider that there are no contingencies that could lead to unregistered liabilities or that could have a significant impact on the attached financial statements.

### **14. Amounts owed to credit institutions and other financial liabilities**

The account balance under "Long-term debts" and "Short-term debts" at 31 December 2024 and 2023 is as follows:

#### **31 December 2024**

	Initial Amount or Limit	Euros		
		Maturity		Total
		Current	Non Current	
<b>Debts with credit institutions:</b>				
Financial leases	119,395	-	-	-
<b>Subtotal debts credit institutions</b>	<b>119,395</b>	-	-	-
Interim dividend (Note 4)	-	-	-	-
Other financial liabilities	-	52,464	-	52,464
	<b>119,395</b>	<b>52,464</b>	-	<b>52,464</b>

#### **31 December 2023**

	Initial Amount or Limit	Euros		
		Maturity		Total
		Current	Non Current	
<b>Debts with credit institutions:</b>				
Financial leases	79,538	-	-	-
<b>Subtotal debts credit institutions</b>	<b>79,538</b>	-	-	-
Interim dividend (Note 4)	-	3,000,000	-	3,000,000
Other financial liabilities	-	42,563	-	42,563
	<b>79,538</b>	<b>3,042,563</b>	-	<b>3,042,563</b>



Outstanding instalments for financial leases at year end 2023 have been paid in full during the 2024 financial year.

## **15. Public Administrations and Tax Situation**

The breakdown of balances with Public Administrations as at 31 December 2024 and 2023 is as follows:

	Euros			
	Debtor Balance		Creditor Balance	
	31-12-2024	31-12-2023	31-12-2024	31-12-2023
<b>Current balances:</b>				
Tax Authorities, debtor due to IS (corporate tax)	171,943	129,948	-	31,916
Tax Authorities, debtor/creditor due to IVA (VAT)	37,496	24,785	-	28,411
Social Security agencies, creditor	-	-	46,964	63,000
Tax Authorities, creditor due to income tax	-	-	68,132	27,480
<b>Total current balances</b>	<b>209,439</b>	<b>154,733</b>	<b>115,096</b>	<b>150,807</b>

### **15.1 Reconciliation of accounting profit and taxable base**

Corporate Tax is calculated from the book income or accounting profit, obtained by the application of generally accepted accounting principles, which does not necessarily need to coincide with taxable income, understood as the tax base.

The reconciliation of the Company's accounting profit for the financial year ending 31 December 2024 and 31 December 2023 with the Corporate Tax taxable base is as follows:

#### **2024 financial year**

	Euros		
	Increases	Reductions	Amount
Accounting profit for the period (before tax)	-	-	14,502,409
Permanent differences:			
Arising in the financial year	195,822	(12,529,039)	(12,333,217)
Arising in previous financial years	-	-	-
Temporary differences:			
Arising in the financial year	-	(945)	(945)
Arising in previous financial years	-	(45,673)	(45,673)
<b>Total tax base</b>	<b>195,822</b>	<b>(12,575,657)</b>	<b>2,122,574</b>

#### **2023 financial year**

	Euros		
	Increases	Reductions	Amount
Accounting profit for the period (before tax)	-	-	10,509,720
Permanent differences:			
Arising in the financial year	607,074	(9,207,980)	(8,600,906)
Arising in previous financial years	-	-	-
Temporary differences:			
Arising in the financial year	-	(945)	(945)
Arising in previous financial years	-	(45,673)	(45,673)
<b>Total tax base</b>	<b>607,074</b>	<b>(9,254,598)</b>	<b>1,862,196</b>

The permanent differences for the 2024 financial year correspond mainly to the exemption of 95% on dividends received from Group companies, in application of Article 21 of the Corporate Tax Act, as at 31 December 2023 and 2024, to impairments on investments in Group companies and to non-deductible gifts, fines and donations made by the Company.

On the other hand, the temporary differences correspond to the limitation of the amortisation recognised that was not tax deductible in the tax periods that began in the 2013 and 2014 financial years. In this regard, the Company had to make a positive adjustment corresponding to 30% of the recognised amortisation of such fixed assets, with these non-deductible amounts having to be reversed in the next 10 years, and to the reversals due to impairments of credits arising from possible debtor insolvency.

Likewise, during the 2024 financial year, the Company has made instalment payments for the Corporate Tax corresponding to April, October and December of the 2024 financial year amounting to 501 thousand euros. On this basis, at yearend the company holds a balance to be recovered from the Tax Authorities, which has been recognised as a current tax asset.

### 15.2 Reconciliation between accounting profit and Corporate Tax expense

Reconciliation between accounting profit and Corporate Tax expense is as follows:

	Euros	
	2024	2023
Accounting profit before tax	14,502,409	10,509,720
Permanent differences	(12,333,217)	(8,600,906)
Instalment 25%	542,298	477,204
Deductions	(84,183)	(84,591)
Other	36,953	-
<b>Total tax expense recognised on the profit and loss account</b>	<b>495,068</b>	<b>392,613</b>

### 15.3 Breakdown of corporate tax expense or income

The breakdown of the amount recognised for corporate tax corresponding to the 2024 and 2023 financial years is as follows:

	Euros	
	2024	2023
<b>Current tax:</b>		
Continuing operations	483,414	380,959
<b>Deferred tax:</b>		
Continuing operations	11,654	11,654
<b>Total tax expense</b>	<b>495,068</b>	<b>392,613</b>

### 15.4 Deferred tax assets

*Deferred tax assets, registered*

Deferred tax assets basically correspond to temporary differences between accounting and tax amortisations of the Company's fixed assets.

The deferred tax assets indicated above have been recorded on the balance sheet as the Company's Directors consider, in line with the best estimates of the Company's future results, including certain tax planning measures, that it is likely that these assets will be recovered.

*Deferred tax assets, not registered*

At yearend 2024 and 2023, there are no deferred tax assets that are not registered on the attached balance sheet.

**15.5 Financial years pending verification and inspections**

According to current legal provisions, tax returns cannot be considered final until they have been inspected by the tax authorities or the statute of limitations has passed, currently set at four years. In the opinion of the Company's Directors and its tax advisors, there are no tax contingencies of significant amounts that could arise, in the event of an inspection, from possible differing interpretations of the tax regulations applicable to the operations carried out by the Company.

**16. Balances with related parties**

**Balances with related parties**

In addition to the subsidiaries and associates, the "key personnel" in the Company's Management (members of its Board of Directors and the Directors, together with their close relatives) are considered to be "related parties" to the Company, as are the entities over which the key personnel in Management may exercise significant influence or have control. The balances held with Group companies and companies related to shareholders or members of the Board of Directors are shown below.

**2024 financial year**

Company	Euros				
	Current				
	Debit Balance			Credit Balance	
	Loans to companies	Other financial assets	Commercial debts	Other financial liabilities	Commercial transactions
Other Group Companies-					
S.A.S Naturhouse	-	3,000,000	131,568	-	159,807
Naturhouse Franchising Ltd. Co.	-	-	21,843	-	109,146
Naturhouse Sp Zoo	-	-	56,781	-	-
Naturhouse, S.R.L.	-	-	224,599	-	52,787
Naturhouse GMBH	-	-	11,411	-	48,000
Naturhouse Inc	670,114	-	26,553	-	-
Naturhouse Health Limited	-	-	-	-	75,216
Kiluva Portuguesa Lda	-	-	20,101	-	-
Naturhouse Pte. LTD.	-	-	-	-	-
Naturhouse d.o.o	-	-	-	-	18,000
Name 17 SA de CV	-	-	-	-	-
Associates-					
Zamodiet, S.L.	-	-	-	-	-
Indusen, S.A.	-	-	-	-	212,489
Girofibra, S.L.	-	-	-	-	20,785
Ichem, Sp.Z.o.o.	-	-	-	-	736,150
Laboratorios Abad, S.L.U.	-	-	-	-	758
Tartales, S.L.U.	-	-	9,636	-	-
Tartales LLC	-	-	3,345	-	-
Finverki	-	-	-	-	-
Healthouse Sun SL	-	-	-	-	74,250
U.D. Logroñés, SAD	-	-	-	-	-
Distrito TV, S.L.	-	-	-	-	25,410
Parent Company-					
Kiluva, S.A.	-	-	-	-	16,940
	<b>670,114</b>	<b>3,000,000</b>	<b>505,837</b>	<b>-</b>	<b>1,549,738</b>

## 2023 financial year

Company	Euros				
	Non-Current	Current			
	Debit Balance	Debit Balance		Credit Balance	
	Other financial assets	Other financial assets	Commercial debts	Other financial liabilities	Commercial transactions
Other Group Companies-					
S.A.S Naturhouse	-	-	270,576	-	32,987
Naturhouse Franchising Ltd. Co.	-	-	-	-	81,385
Naturhouse Sp Zoo	-	-	35,027	-	8,630
Naturhouse, S.R.L.	-	-	121,130	100,000	39,506
Naturhouse GMBH	-	-	-	-	48,000
Naturhouse Inc	2,590,338	-	40,698	-	-
Naturhouse Health Limited	-	-	20,784	-	120,000
Kiluva Portuguesa Lda	-	-	17,598	-	-
Naturhouse Pte. LTD.	-	-	5,713	-	18,000
Naturhouse d.o.o	-	-	-	-	36,000
Name 17 SA de CV	-	-	-	-	-
Associates-					
Zamodiet, S.L.	-	-	-	-	-
Indusen, S.A.	-	-	-	-	180,777
Girofibra, S.L.	-	-	-	-	25,804
Ichem, Sp.Z.o.o.	-	-	-	-	405,863
Laboratorios Abad, S.L.U.	-	-	-	-	758
Tartales, S.L.U.	-	964	3,300	-	16,858
Tartales LLC	-	-	-	-	-
Finverki	-	-	-	-	-
Healthouse Sun SL	-	-	-	-	-
U.D. Logroñés, SAD	-	-	-	-	137,500
Distrito TV, S.L.	-	-	-	-	3,630
Parent Company-					
Kiluva, S.A.	-	-	-	-	-
	<b>2,590,338</b>	<b>964</b>	<b>514,826</b>	<b>100,000</b>	<b>1,155,698</b>

As at 31 December 2024, other current financial assets correspond to dividends receivable from the Group company S.A.S. Naturhouse (see Note 9).

In the 2023 financial year, the Company renewed the loans granted in 2021 to Naturhouse Inc., amounting to 2,590 thousand euros, initially due in 2023, extending their maturity to 31 December 2025. Said loan accrues an annual interest rate of 0.5%. On 16 April 2024 and 9 December 2024, Naturhouse Inc. partially repaid this loan with amounts of 1,195 thousand euros and 592 thousand euros, respectively. The outstanding balance as at 31 December 2024 is 670 thousand euros after recognising an impairment of 133 thousand euros due to differences with the fair value of said subsidiary's assets.

At 31 December 2023, other current financial liabilities corresponded to the amount outstanding of the loan granted to the Company by Naturhouse, S.R.L. on 30 September 2023, amounting to 1,000 thousand euros. Said loan accrued an annual interest rate of 3%, and was settled on 29 February 2024.

Likewise, during the 2023 financial year, a loan was granted to the Company Naturhouse, S.R.L., amounting to 1,500 thousand euros, with an annual interest rate of 3%, which was settled on 29 December 2023.

## **17. Income and expenses**

### **17.1 Net turnover**

The Company's net turnover corresponding to the 2024 and 2023 financial years is broken down below:

	Euros	
	2024	2023
Sales	9,418,051	9,748,715
Provision of services	1,323,293	1,306,891
	<b>10,741,344</b>	<b>11,055,606</b>

"Provision of services" mainly includes royalties billed to the subsidiaries Naturhouse S.R.L., Naturhouse Sp zo.o and S.A.S. Naturhouse amounting to 1,096,561 euros (1,076,311 euros in 2023) (Note 18), as well as income from royalties billed to franchisees and income from master franchises in other countries.

The main activities developed by the Company are described in Note 1 of these explanatory notes. A segmentation of activities has not been carried out due to considering that there are no activities differentiated by significant amounts which involve the identification of business segments. Moreover, neither the Company nor the Group use information with a distinction between activities in their management.

The distribution of net turnover corresponding to the 2024 and 2023 financial years, distributed by geographical market, is as follows:

	Euros	
	2024	2023
Domestic market	9,102,064	9,438,822
Export market	1,639,280	1,616,784
<b>Total sales</b>	<b>10,741,344</b>	<b>11,055,606</b>

### **17.2 Supplies**

The balance for "Goods consumed" for the 2024 and 2023 financial years has the following breakdown:

	Euros	
	2024	2023
Purchases	(3,670,581)	(3,276,643)
Changes in stocks (Note 11)	492,041	(56,400)
<b>Total supplies</b>	<b>(3,178,540)</b>	<b>(3,333,043)</b>

### **17.3 Breakdown of purchases by origin**

The breakdown of the purchases made by the Company during 2024 and 2023, based on their origin, is as follows:

	Euros			
	2024		2023	
	Domestic	Intra-Community	Domestic	Intra-Community
Purchases	(1,264,523)	(2,406,058)	(1,413,096)	(1,863,547)

#### 17.4 Social costs

The account balance for "Social costs" for the 2024 and 2023 financial years has the following breakdown:

	Euros	
	2024	2023
Social Security paid by the company	(446,132)	(483,489)
Other social expenses	(49,471)	(43,137)
	<b>(495,603)</b>	<b>(526,626)</b>

#### 17.5 Financial income and expenses

The financial income and expenses for the 2024 and 2023 financial years have been as follows:

	Euros			
	2024		2023	
	Financial Income	Financial Expenses	Financial Income	Financial Expenses
Debts with Group companies (Note 18)	8,568	(194,390)	-	(99,719)
Debts with third parties	-	(6,000)	-	(4,000)
Shares in equity instruments, Group companies and associates-Dividends (Note 9.1)	13,188,462	-	9,692,611	-
Marketable securities and other financial instruments with third parties	205,478	-	12,984	-
	<b>13,402,508</b>	<b>(200,390)</b>	<b>9,705,595</b>	<b>(103,719)</b>

## **18. Transactions with related companies**

The transactions carried out by the Company with related companies during the 2024 and 2023 financial years are as follows:

Company	Euros	
	2024	2023
<b>Sales, provision of services and other revenues:</b>		
Parent Company-		
Kiluva, S.A.	643	-
Group companies-		
Naturhouse Franchising Ltd	27,379	40,970
Naturhouse S.R.L.	1,191,541	1,114,036
Naturhouse, Sp. zo.o.	551,893	542,451
Kiluva Portuguesa – Nutrição e Dietética Lda.	308,369	325,942
Naturhouse GmbH	13,076	15,493
S.A.S. Naturhouse	1,561,193	1,422,533
Naturhouse Inc.	8,568	29,946
Naturhouse Health Limited	-	8,573
Naturhouse Pte. LTD	-	-
Related companies-		
Ferev Uno Strategic Plans	1,714	391
Tartales, S.L.U.	8,069	8
Healthhouse Sun, S.L.	359	-
Laboratorios ABAD SLU	440	-
Finverki	236	-
Tartales LLC	-	-
<b>Total income</b>	<b>3,673,480</b>	<b>3,500,343</b>
<b>Purchases:</b>		
Group companies-		
S.A.S. Naturhouse	3,000	-
Naturhouse S.R.L.	12,168	-
Naturhouse, Sp. zo.o.	5,666	-
Related companies-		
Laboratorios Abad, S.L.U.	15,412	16,727
Indusen, S.A.	735,250	711,578
Ichem, Sp.zo.o.	2,270,247	1,746,313
Girofibra, S.L.	111,387	139,767
<b>Total purchases</b>	<b>3,153,130</b>	<b>2,614,385</b>
<b>Services received:</b>		
Parent Company-		
Kiluva, S.A.	70,000	165,600
Group companies-		
Naturhouse Franchising Ltd	109,146	103,885
Naturhouse, GmbH	96,000	96,000
Naturhouse Inc	82,888	110,600
Naturhouse d.o.o.	18,000	72,000
Naturhouse health limited	24,000	48,000
Naturhouse Pte. LTD	18,000	36,000
Related companies-		
U.D. Logroñés, SAD	256,985	137,500
Healthhouse Sun, S.L.	71,923	48,273
Laboratorios Abad, S.L.U.	-	-
Distrito TV, S.L.	24,000	27,600
El León De El Español Publicaciones, S.A.	-	40,000
Leases and insurance policies-		
Tartales, S.L.U.	741,838	794,997
Casewa, S.A.U.	42,530	41,363
<b>Total services received</b>	<b>1,555,310</b>	<b>1,721,818</b>
Financial expenses-		
S.A.S. Naturhouse	126,820	32,987
Naturhouse Sp. Zo.o	-	8,631
Naturhouse, S.R.L.	67,570	58,101
<b>Total financial expenses</b>	<b>194,390</b>	<b>99,719</b>

Similarly, we detail the balances referring to Royalties and Management fees carried out by the Company with related companies in the 2024 and 2023 financial years:

Company	Euros	
	2024	2023
<b>Provision of services for royalties and other income from management support services:</b>		
<u>Royalties</u>		
S.A.S. Naturhouse	530,160	480,711
Naturhouse S.R.L.	337,390	326,754
Naturhouse, Sp. Zo.o.	229,011	268,846
<b>Total Royalties (Note 17.1)</b>	<b>1,096,561</b>	<b>1,076,311</b>
<u>Management fees</u>		
S.A.S. Naturhouse	1,031,034	937,389
Naturhouse S.R.L.	820,904	757,530
Naturhouse, Sp. Zo.o.	299,448	273,606
<b>Total Management fees</b>	<b>2,151,386</b>	<b>1,968,525</b>
<b>Total income</b>	<b>3,247,947</b>	<b>3,044,836</b>

The income for "management fees" is recognised under other ancillary income and other current operating income on the profit and loss account, with the rest of the amount corresponding to other advertising services and other services.

Likewise, the Company received from its subsidiaries and associates a total dividend amounting to 13,188 thousand euros during the 2024 financial year (9,693 thousand euros during the 2023 financial year) (Note 9).

The Company's Directors and its tax advisers believe that the transfer prices are properly accounted for, based on a report issued by the latter, consequently, they believe that there are no significant risks in this regard that could lead to significant liabilities in the future.

As of the date of drawing up these financial statements, the Company has updated the transfer pricing report corresponding to the 2023 financial year together with its tax advisors, which includes the main transactions that the Company performs with its related companies:

- Royalties for assignment of trademarks
- Management fees
- Product sales
- Product purchases
- Financial operation: Liquid asset management

The report does not include significant limitations, caveats or safeguards, except for those typical of this type of work. Likewise, in order to analyse whether the prices agreed between related parties as a result of the transactions described above comply with the applicable regulations and to determine that they are in line with market values, the following methodology has been used, depending on the type of each transaction:

- Obtaining comparables, that is, comparison of the circumstances of related-party transactions with the circumstances of transactions between independent persons or entities that could be comparable (CUP - comparable uncontrolled price method).
- On the other hand, the transactional net margin method ("TNMM") has also been applied. Under this method, the objective profitability indicators obtained by independent entities performing the same activity under similar circumstances has been analysed.



- Finally, the resale price method (RPM) has been used, by which the margin applied by the reseller itself is subtracted from the sale price of goods or services in identical or similar transactions with independent persons or entities or, failing that, the margin that independent persons or entities apply to comparable transactions, making, where necessary, the necessary adjustments to obtain equivalence and consider the particularities of the transaction.

In the particular case of product purchases from related companies, the analysis provides a comparison of the gross margin on sales (both through owned as well as franchised centres) in purchases from related companies compared to that obtained in purchases made from comparable independent companies, among others. Based on said analysis, it has been determined that these transactions are carried out at market value.

Said report has been issued in relation to the transactions carried out with related companies in the 2023 financial year. The Directors believe that there have been no relevant or significant changes in transfer pricing during the 2024 financial year, consequently, they believe that they are duly backed up.

## **19. Remuneration and other benefits for the Board of Directors and Senior Management**

During the 2024 financial year, the current Directors of the Company accrued remuneration by way of fixed allowance and expenses for attending board meetings amounting to 284 thousand euros (316 thousand euros in 2023). Likewise, a member of the Board of Directors has provided services to the Company amounting to 60 thousand euros during the 2024 financial year (60 thousand euros during the 2023 financial year). In addition, the members of the Board of Directors with executive positions have received the remuneration stated in the following paragraph. On the other hand, in the current financial year and in the 2023 financial year, no member of the Board of Directors has held with the Company any advances, had any guarantees granted or held any other commitments in terms of pensions or life insurance contracted with the Directors. The Company's current Directors were re-elected at the Annual General Meeting held on 17 May 2022.

The remuneration received during the 2024 financial year by the Company's Senior Management amounted to 720 thousand euros for wages and salaries, and the provision of services (670 thousand euros has been received by members of the Board of Directors in the development of their executive positions). The Company's Senior Management has not received any remuneration for other concepts. In the 2023 financial year, the remuneration received by the Company's Senior Management amounted to 648 thousand euros (545 thousand euros received by members of the Board of Directors in the development of their executive positions).

At year end 2024 and 2023, the Company's Senior Management is made up of the following people:

Categories	2024		2023	
	Men	Women	Men	Women
Senior Management	1	-	3	-

As of yearend 2024 and 2023, there are no advances, loans granted, pension obligations or life insurance obligations.

The Board of Directors is made up of five men and one woman as of yearend 2024 (six men and one woman as of yearend 2023).

The Company has signed a civil liability policy for directors and executives to cover the members of the Board of Directors, the CEO and all directors of the Naturhouse Group with a cost amounting to 9 thousand euros in the 2024 financial year (9 thousand euros in 2023).

## **20. Information in relation to situations involving conflicts of interest on the part of the Directors**

As of yearend 2024, neither the members of the Board of Naturhouse Health, S.A. nor any persons related to them, as defined in the Revised Text of the Spanish Corporate Law, have communicated to the other members of the Board of Directors any situation involving direct or indirect conflict that they or persons related to them, as defined by Spanish Corporate Law, may have with the Company's interests.

## **21. Environmental information**

The Company is highly committed to the environment; proof of this commitment can be seen in the environmental policies developed by the Company's Management insofar as they contribute to more sustainable growth through the implementation of initiatives that mitigate the impact of the Company's activity on the environment, for example, through the use of recycled materials in the bags of the products sold, promotion of more sustainable materials in the packaging etc.

At year end, the Company has no liabilities, expenses, assets or provisions and contingencies of an environmental nature that could be significant in relation to the equity, financial position and results of the Company. The potential impact arising from climate change has been considered and analysed without, as a result of said analysis, the most significant estimates and judgements made for the preparation of the consolidated financial statements having been significantly affected.

## **22. Other information**

### **22.1 Staff**

The average number of persons employed during the 2024 and 2023 financial years, broken down by category, is as follows:

Categories	Number of Employees	
	2024	2023
Senior Management	2	3
Other management personnel	5	5
Administrative and technical	6	10
Salespersons, sellers and operators	62	64
	<b>75</b>	<b>82</b>

In addition, the Company's gender distribution at the end of 2024 and 2023, detailed by category, is as follows:

Categories	2024		2023	
	Men	Women	Men	Women
Senior Management	1	-	3	-
Other management personnel	4	-	5	-
Administrative and technical	4	3	3	6
Salespersons, sellers and operators	5	55	6	58
	<b>14</b>	<b>58</b>	<b>17</b>	<b>64</b>

As of 31 December 2024 and 2023, there were no people employed with disabilities equal to or above 33%.

## 22.2 Audit fees

During the 2024 and 2023 financial years, the fees for audit services and other services provided by the auditor of the Company's financial statements have been as follows:

	Services Provided by the Lead Auditor	
	EY 2024 financial year	EY 2023 financial year
The Company's audit services (individual and consolidated)	170,136	160,500
Other verification services (*)	32,324	30,500
<b>Total audit and related services</b>	<b>202,460</b>	<b>191,000</b>
Tax services	-	-
Other services	-	-
<b>Total professional services</b>	<b>202,460</b>	<b>191,000</b>

(\*) The 'Other verification services' section includes the limited review of the Group's Half-Yearly Financial Statements as well as a report on agreed procedures (same concept in the 2023 financial year).

## 22.3 Information on the average supplier payment period

The information required by the Third Additional Provision of Law 15/2010 of 5 July (as amended by the Second Final Provision of Law 31/2014 of 3 December) is detailed below, drawn up according to the ICAC Resolution of 29 January 2016 on the information to be included in the explanatory notes to financial statements in connection with the average supplier payment period in commercial operations.

	Days	
	31-12-2024	31-12-2023
Average supplier payment period	38.74	49.27
Ratio of paid operations	33.26	46.33
Ratio of operations pending payment	63.79	69.12

	Euros	
	31-12-2024	31-12-2023
Total payments made	8,683,083	8,911,357
Total outstanding payments	1,899,038	1,320,470

In accordance with the ICAC Resolution, in order to calculate the average supplier payment period, commercial operations corresponding to delivering goods or providing services accrued from the date of entry into force of Law 31/2014 of 3 December have been taken into account.

For the sole purpose of providing the information required by this Resolution, suppliers are considered to be trade creditors for debts with suppliers of goods or services included under "Trade creditors and other accounts payable - Suppliers" and "Trade creditors and other accounts payable - Suppliers, Group companies and associates" of the current liabilities of the balance sheet.

"Average payment period to suppliers" is understood to mean the time that elapses from the delivery of goods or the provision of services by the supplier and material payment for the operation.

The maximum legal payment period applicable to the Company in the 2016 financial year under Law 3/2014 of 29 December, establishing measures to combat late payment in commercial transactions, is 30 days, although this may be extended by agreement between the parties without, in any case, a period of longer than 60 calendar days being agreed.

The monetary value of invoices paid within the term established under Act 3/2004 of 29 December was 6,298 thousand euros, representing 73% of the total monetary value (8,517 thousand euros, representing 96% of the total monetary value in 2023). The number of invoices paid amounts to 3,451 invoices paid within said term, representing 97% of total invoices (3,658 invoices paid within said term, representing 99% of total invoices in 2023).

Likewise, the monetary value of invoices paid to related companies within the term established by Act 3/2004 of 29 December was 2,513 thousand euros, representing 56% of the total monetary value (4,553 thousand euros, representing 92% of the total monetary value in 2023). The number of invoices paid to related companies amounts to 322 invoices paid within said term, representing 89% of total invoices (388 invoices paid within said term, representing 95% of total invoices in 2023).

#### **22.4 Modification or termination of contracts**

There has been no conclusion, modification or early termination of any contract between the Company and any of its shareholders, Directors or persons acting on their behalf that affects transactions falling outside the Company's ordinary course of business or that has not been carried out under normal conditions.

#### **22.5 Guarantees**

As at 31 December 2024, the Company no had commercial bank guarantees granted (23,409 euros as at 31 December 2023).

### **23. Subsequent events**

There have been no significant subsequent events between the close of 31 December 2024 and the date these financial statements were drawn up.

## ANNEX I TO THE NATURHOUSE HEALTH, S.A. EXPLANATORY NOTES 31 DECEMBER 2024

### Group company equity instruments in the 2024 financial year

Company	Euros					Shareholder
	Capital	Reserves and other Equity	Profit for the period	Holding %		
				Direct	Indirect	
<b>Kiluva portuguesa –Nutrição e Dietetica, Lda</b> <sup>(1)</sup> Avenida Dr. Luis SA, 9 9ª Parque Ind Montserratre Fração "M" Abruhneira 2710 Sintra (Portugal)	49,880	420,079	146,234	28%	- 43% 29%	Naturhouse Health S.A. Naturhouse S.R.L. S.A.S. Naturhouse
<b>Ichem, Sp. zo.o.</b> <sup>(1)</sup> ul. Dostawcza 12 93-231 Łódź (Poland)	183,431	12,186,897	321,667	49.75%	-	Naturhouse Health S.A.
<b>Indusen, S.A.</b> <sup>(1)</sup> Nacional 1, km.233 -Parcela 3 09001 Burgos (Spain)	351,345	5,143,994	859,500	39.58%	-	Naturhouse Health S.A.
<b>Girofibra, S.L.</b> <sup>(1)</sup> PG Can Portella 8 17853 Girona (Spain)	599,974	359,948	117,591	49%	-	Naturhouse Health S.A.
<b>Naturhouse Belgium S.P.R.L.</b> <sup>(1)</sup> Rue Du Pont-Gotissart 6 Nijvel, Waals Brabant, 1400 Belgium	100,000	(989,360)	79,546	-	100%	S.A.S. Naturhouse
<b>Naturhouse Franchising Co, Ltd</b> <sup>(1)</sup> 33 church road, Ashford Middlesex (Great Britain)	345,960	(114,390)	(91,020)	33%	- 67%	Naturhouse Health S.A. Naturhouse S.R.L.
<b>Naturhouse, GmbH</b> <sup>(1)</sup> Rathausplatz, 5 91052 Erlangen (Germany)	500,000	(584,398)	42,242	56%	- 44%	Naturhouse Health S.A. S.A.S. Naturhouse
<b>Naturhouse, Sp. zo.o.</b> <sup>(1)</sup> Ul/Dostawcza, 12 93-231 Lozd (Poland)	87,150	587,836	590,739	100%	-	Naturhouse Health S.A.
<b>Naturhouse S.R.L.</b> <sup>(1)</sup> Viale Panzacchi, nº 19 Bologna (Italy)	100,000	508,092	3,799,487	100%	-	Naturhouse Health S.A.
<b>Naturhouse Inc.</b> <sup>(1)</sup> 1395 Brickellave 800 STE Miami FL (US)	2,518,511	(2,439,876)	(335,335)	100%	-	Naturhouse Health S.A.
<b>Nutrition Naturhouse Inc.</b> <sup>(3)</sup> Rue de la Gauchetière Ouest Montréal Québec (Canada)	-	-	-	-	100%	S.A.S. Naturhouse
<b>Naturhouse d.o.o.</b> <sup>(1)</sup> Ilica 126, City of Zagreb (Croatia)	100,471	(186,151)	(31,209)	-	100%	Naturhouse Sp. zo.o.
<b>S.A.S. Naturhouse</b> <sup>(1)</sup> 12, Rue Philippe Lebon Zone de Jarlard, 81000 Albi, France	100,000	(1,965,541)	5,225,000	100%	-	Naturhouse Health S.A.
<b>Zamodiet México S.A. de C.V.</b> <sup>(1)</sup> Boulevard Interlomas, nº 5 L4 Lomas Anahuac (Mexico)	985,793	(975,176)	-	79%	-	Naturhouse Health S.A.
<b>Name 17 S.A. de C.V.</b> Doctor Balmis, 222 Mexico City (Mexico)	248,381	(243,461)	(4,920)	51%	-	Naturhouse Health S.A.
<b>Naturhouse Health Limited</b> 165 Lower Kimmage Road Dublin 6, (Ireland)	100,000	16,551	(26,353)	100%	-	Naturhouse Health S.A.
<b>Naturhouse Pte. LTD</b> 64D Kallang Pudding Road (Tannery Building) 349323 Singapore	51,518	(2,430)	(28,739)	100%	-	Naturhouse Health S.A.

(1) Financial statements not required to be audited or the statutory external audit on which is not yet available as of 31 December 2024.

(2) Audited financial statements as of 31 December 2024.

(3) Company being formed, pending formalisation.

## Group company equity instruments in the 2023 financial year

Company	Euros					Shareholder
	Capital	Reserves and other Equity	Profit for the period	Holding %		
				Direct	Indirect	
<b>Kiluva portuguesa –Nutrição e Dietetica, Lda</b> <sup>(1)</sup> Avenida Dr. Luis SA, 9 9ª Parque Ind Montserratre Fração "M" Abruhneira 2710 Sintra (Portugal)	49,880	1,451,683	168,396	28%	- 43% 29%	Naturhouse Health S.A. Naturhouse S.R.L. S.A.S. Naturhouse
<b>Ichem, Sp. zo.o.</b> <sup>(1)</sup> ul. Dostawcza 12 93-231 Łódź (Poland)	183,431	12,721,077	(475,361)	49.75%	-	Naturhouse Health S.A.
<b>Indusen, S.A.</b> <sup>(1)</sup> Nacional 1, km.233 -Parcela 3 09001 Burgos (Spain)	351,345	5,213,369	251,007	39.58%	-	Naturhouse Health S.A.
<b>Girofibra, S.L.</b> <sup>(1)</sup> PG Can Portella 8 17853 Girona (Spain)	599,974	412,085	(48,133)	49%	-	Naturhouse Health S.A.
<b>Naturhouse Belgium S.P.R.L.</b> <sup>(1)</sup> Rue Du Pont-Gotissart 6 Nijvel, Waals Brabant, 1400 Belgium	100,000	(1,050,485)	61,125	-	100%	S.A.S. Naturhouse
<b>Naturhouse Franchising Co, Ltd</b> <sup>(1)</sup> 33 church road, Ashford Middlesex (Great Britain)	345,960	(226,892)	82,193	33%	- 67%	Naturhouse Health S.A. Naturhouse S.R.L.
<b>Naturhouse, GmbH</b> <sup>(1)</sup> Rathausplatz, 5 91052 Erlangen (Germany)	500,000	(609,446)	32,546	56%	- 44%	Naturhouse Health S.A. S.A.S. Naturhouse
<b>Naturhouse, Sp. zo.o.</b> <sup>(1)</sup> Ul/Dostawcza, 12 93-231 Lozd (Poland)	87,150	859,056	941,221	100%	-	Naturhouse Health S.A.
<b>Naturhouse S.R.L.</b> <sup>(1)</sup> Viale Panzacchi, nº 19 Bologna (Italy)	100,000	94,772	3,896,317	100%	-	Naturhouse Health S.A.
<b>Naturhouse Inc.</b> <sup>(1)</sup> 1395 Brickellave 800 STE Miami FL (US)	2,518,511	(2,793,740)	349,662	100%	-	Naturhouse Health S.A.
<b>Nutrition Naturhouse Inc.</b> <sup>(3)</sup> Rue de la Gauchetière Ouest Montréal Québec (Canada)	-	-	-	-	100%	S.A.S. Naturhouse
<b>Naturhouse d.o.o.</b> <sup>(1)</sup> Ilica 126, City of Zagreb (Croatia)	100,471	(213,612)	27,461	-	100%	Naturhouse Sp. zo.o.
<b>S.A.S. Naturhouse</b> <sup>(1)</sup> 12, Rue Philippe Lebon Zone de Jarlard, 81000 Albi, France	100,000	466,047	5,528,531	100%	-	Naturhouse Health S.A.
<b>Zamodiet México S.A. de C.V.</b> <sup>(1)</sup> Boulevard Interlomas, nº 5 L4 Lomas Anahuac (Mexico)	985,793	(957,176)	-	79%	-	Naturhouse Health S.A.
<b>Name 17 S.A. de C.V.</b> Doctor Balmis, 222 Mexico City (Mexico)	248,381	(145,738)	(102,643)	51%	-	Naturhouse Health S.A.
<b>Naturhouse Health Limited</b> 165 Lower Kimmage Road Dublin 6, (Ireland)	100,000	9,078	7,472	100%	-	Naturhouse Health S.A.
<b>Naturhouse Pte. LTD</b> 64D Kallang Pudding Road (Tannery Building) 349323 Singapore	51,518	(2,430)	(12,261)	100%	-	Naturhouse Health S.A.

(1) Financial statements not required to be audited or the statutory external audit on which is not yet available as of 31 December 2023.

(2) Audited financial statements as of 31 December 2023.

(3) Company being formed, pending formalisation.

**Management Report**  
**FOR THE FINANCIAL YEAR ENDING**  
**31 December 2024**

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## **1. Business situation and evolution**

Naturhouse Health, S.A. is a company dedicated to the dietetics and nutrition sector with its own exclusive business model based on the Naturhouse method. As at year end 2024, it had a network of 281 centres.

The company closed the 2024 financial year with a positive result of 14 million euros net profit.

During 2024, rising prices and high interest rates, close to record highs, have weighed on consumer behaviour.

As in 2023, the current macroeconomic situation has forced consumers to reevaluate their habits, resulting in a decrease in consumption in order to minimise their expenses.

This macroeconomic situation has had an impact on the Company's sales, since consumers, in a clear example of minimising their expenses, have reduced their consumption of non-essential products, such as food supplements.

The Annual General Meeting was held on 28 June 2024, approving the following;

- Financial Statements of Naturhouse Health S.A., Individual and Consolidated (Balance Sheet, Profit and Loss Account, Statement of Changes in Equity for the financial year, Cash Flow Statement and explanatory notes, Individual and Consolidated), and Management Reports of Naturhouse Health S.A. and its Consolidated Group for the financial year ending 31 December 2023.
  - The proposed distribution of profit and management of the Naturhouse Health, S.A. Board of Directors for the 2023 financial year. Authorisation for the distribution of unrestricted voluntary reserves.
  - Approval of the Board of Directors' management for the 2023 financial year.
  - Vacancy on the Board of Directors due to the death of a director. Setting the number of directors within the minimum and maximum established in the Articles of Association.
  - Remuneration of the company's Board of Directors.
- 5.1 Advisory vote on the Annual Report on Remuneration of the Board Directors of Naturhouse Health, S.A. for the 2023 financial year.
- 5.2 Approval of the remuneration policy for the Board Directors of Naturhouse Health, S.A. for the 2024 financial year.
- 5.3 Approval of the remuneration of the Board of Directors of Naturhouse Health, S.A. for the 2024 financial year.
- Re-election or extension of the appointment of Ernst & Young, S.L. as the Company's auditors for a three-year period, i.e. for the audit of the individual and consolidated financial statements of Naturhouse Health, S.A. and its Consolidated Group for the 2024, 2025 and 2026 financial years, or alternatively, appointment of new auditors for a minimum of three years and a maximum of nine years for the audit of the individual and consolidated financial statements of Naturhouse Health, S.A. and its Consolidated Group, i.e. at least for the 2024, 2025 and 2026 financial years.
  - Delegation of powers to supplement, develop, execute, remedy and formalise the resolutions adopted by the General Meeting.



## 2. Evolution of the main figures on the individual profit and loss account

### Individual Profit and Loss Account

	Explanatory Notes	Financial year 2024	Financial year 2023
<b>CONTINUING OPERATIONS:</b>			
<b>Net turnover</b>	<b>Note 17.1</b>	<b>10,741,344</b>	<b>11,055,606</b>
- Sales		9,418,051	9,748,715
- Provision of services		1,323,293	1,306,891
<b>Supplies</b>	<b>Note 17.2</b>	<b>(3,178,540)</b>	<b>(3,333,043)</b>
- Goods consumed		(3,178,540)	(3,333,043)
<b>Other operating income</b>		<b>2,168,729</b>	<b>1,987,693</b>
- Ancillary and other current operating income		2,168,729	1,987,693
<b>Staff costs</b>		<b>(3,149,500)</b>	<b>(3,093,549)</b>
- Wages, salaries and similar		(2,653,897)	(2,566,923)
- Social Security costs	Note 17.4	(495,603)	(526,626)
<b>Other operating expenses</b>		<b>(4,807,241)</b>	<b>(4,962,021)</b>
- External services		(4,580,443)	(4,508,082)
- Taxes		(122,801)	(135,838)
- Losses, impairment and changes in trade provisions	Note 10	93,803	-
- Other current operating expenses		(197,800)	(318,101)
<b>Amortisation of fixed assets</b>	<b>Notes 6 and 7</b>	<b>(338,784)</b>	<b>(461,155)</b>
<b>Impairment and income from disposal of fixed assets</b>	<b>Note 7</b>	<b>(1,585)</b>	<b>7,006</b>
- Impairment and other losses		-	(11,176)
- Income from disposals and other		(1,585)	18,182
<b>Other results</b>		<b>(1,684)</b>	<b>5,699</b>
- Exceptional expenses and income		(1,684)	5,699
<b>Operating Profit / (Loss)</b>		<b>1,432,739</b>	<b>1,206,236</b>
<b>Financial income</b>	<b>Note 17.5</b>	<b>13,402,508</b>	<b>9,705,595</b>
- Income from shares in equity instruments, group and associated companies	Note 9.1	13,188,462	9,692,611
- Other income from marketable securities and other financial instruments		214,046	12,984
<b>Financial expenses</b>	<b>Note 17.5</b>	<b>(200,390)</b>	<b>(103,719)</b>
- Debts with group and associated companies	Note 18	(194,390)	(99,719)
- Debts with third parties		(6,000)	(4,000)
<b>Exchange differences</b>		<b>365</b>	<b>23,341</b>
<b>Impairment and income from disposal of financial instruments</b>	<b>Notes 9.1 and 16</b>	<b>(132,813)</b>	<b>(321,733)</b>
<b>Financial Profit / (Loss)</b>		<b>13,069,670</b>	<b>9,303,484</b>
<b>Pre-tax Profit / (Loss)</b>		<b>14,502,409</b>	<b>10,509,720</b>
Tax on profits	Note 15	(495,068)	(392,613)
<b>Profit / (Loss) for the financial year</b>		<b>14,007,341</b>	<b>10,117,107</b>

- Net turnover is comprised of two main aspects:
  1. Sale of goods: Corresponds to product sales through the Naturhouse channel (whether through franchises, master franchises, online or through our own centres). This represents the bulk of the income, 88% in 2024.
  2. Provision of services;
    - a. Annual fee of 600 euros paid by each franchise to the Group's subsidiaries. This represents 1.43% of net turnover for the 2024 financial year.
    - b. In the 2024 financial year, 0.37% of total turnover has been recognised as income from the Master Franchise upfront fee. These are master franchise contracts that have been signed since 2016 ; the income is accrued over the 7 year term of the master contract.
    - c. Fee for direct supply to suppliers by the master franchisee; corresponds to the fee of 10% of purchases made directly by the master franchises from suppliers approved by Naturhouse Health, S.A. This represents 10.21% of net turnover in the 2024 financial year.
- Net turnover in the 2024 financial year amounted to 10,741,344 euros, representing a decrease in sales of 3.39% with respect to 2023.
- The gross margin on net turnover remains stable with respect to the values for 2023.
- "Other operating income" corresponds to income from activities that fall outside the Naturhouse business, which in 2024 mainly includes the management fee to the Group's subsidiaries amounting to 2,151,386 euros.
- In the 2024 financial year, the average workforce was 75 employees, of which 62 are direct employees of the Naturhouse centres under the company's own management and salespersons that control the proper development of all the centres, both franchises and own centres. The remaining 12 of the personnel correspond to general management, administration and accounting, logistics, marketing and technicians. Personnel Costs represents 29.32% of net turnover.
- The 27.77% increase in the net result over the 2024 financial year is mainly due to the dividends paid by subsidiaries.

**3. Individual Statement of Financial Position**  
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ASSETS	Explanatory Notes	31/12/2024	31/12/2023
<b>NON-CURRENT ASSETS:</b>			
<b>Intangible assets</b>	<b>Note 6</b>	<b>262,415</b>	<b>358,124</b>
Industrial property		-	97,761
Software		182,196	195,203
Other intangible assets		80,219	65,160
<b>Tangible fixed assets</b>	<b>Note 7</b>	<b>504,724</b>	<b>609,568</b>
Technical facilities and other tangible assets		504,724	609,568
<b>Long-term investments in Group companies</b>		<b>15,757,626</b>	<b>18,347,964</b>
Equity instruments	Note 9	15,757,626	15,757,626
Loans to companies	Note 16	-	2,590,338
<b>Long-term financial investments</b>	<b>Note 10</b>	<b>145,474</b>	<b>147,149</b>
<b>Total non-current assets</b>		<b>16,670,239</b>	<b>19,462,805</b>
<b>CURRENT ASSETS:</b>			
<b>Stock</b>	<b>Note 11</b>	<b>1,208,166</b>	<b>716,125</b>
<b>Trade and other accounts receivable</b>		<b>843,664</b>	<b>834,728</b>
Trade receivables for sales and provision of services		113,828	129,626
Customers, group and associated companies	Note 16	505,837	514,826
Other receivables		3,727	6,675
Personal		10,833	28,868
Current tax assets	Note 15	171,943	129,948
Other credits with Public Administrations	Note 15	37,496	24,785
<b>Short-term investments in Group companies</b>	<b>Note 16</b>	<b>3,670,114</b>	<b>964</b>
Loans to companies		670,114	-
Other financial assets		3,000,000	964
<b>Short-term financial investments</b>		<b>123,032</b>	<b>123,200</b>
<b>Short-term accruals</b>		<b>160,333</b>	<b>199,454</b>
<b>Cash and cash equivalents</b>		<b>10,955,626</b>	<b>9,886,845</b>
<b>Total current assets</b>		<b>16,960,935</b>	<b>11,761,316</b>
<b>TOTAL ASSETS</b>		<b>33,631,174</b>	<b>31,224,121</b>

<b>EQUITY AND LIABILITIES</b>	<b>Explanatory Notes</b>	<b>31/12/2024</b>	<b>31/12/2023</b>
<b>EQUITY:</b>			
<b>Own funds</b>			
<b>Capital</b>		<b>3,000,000</b>	<b>3,000,000</b>
<b>Issue premium</b>		<b>2,148,996</b>	<b>2,148,996</b>
<b>Reserves</b>		<b>18,338,053</b>	<b>17,210,841</b>
Legal and statutory		600,000	600,000
Other reserves		17,738,053	16,610,841
<b>Own shares</b>		<b>(141,886)</b>	<b>(141,886)</b>
Own shares		(141,886)	(141,886)
<b>Profit / (Loss) for the financial year</b>		<b>14,007,341</b>	<b>10,117,107</b>
<b>(Interim dividend)</b>	<b>Note 4</b>	<b>(6,000,000)</b>	<b>(6,000,000)</b>
<b>Total Equity</b>	<b>Note 12</b>	<b>31,352,504</b>	<b>26,335,058</b>
<b>NON-CURRENT LIABILITIES:</b>			
<b>Deferred tax liabilities</b>		<b>18,047</b>	<b>6,393</b>
<b>Total non-current liabilities</b>		<b>18,047</b>	<b>6,393</b>
<b>CURRENT LIABILITIES:</b>			
<b>Short-term debts</b>	<b>Note 14</b>	<b>52,464</b>	<b>3,042,563</b>
Other financial liabilities		52,464	3,042,563
<b>Short-term debts with Group and associated companies</b>	<b>Note 16</b>	<b>-</b>	<b>100,000</b>
<b>Trade creditors and other accounts payable</b>		<b>2,208,159</b>	<b>1,725,821</b>
Suppliers		132,706	133,381
Suppliers, group and associated companies	Note 16	1,549,738	1,155,698
Sundry creditors		385,290	274,328
Personal		25,329	11,607
Current tax liabilities	Note 15	-	31,916
Other debts with Public Administrations	Note 15	115,096	118,891
<b>Short-term accruals</b>		<b>-</b>	<b>14,286</b>
<b>Total current liabilities</b>		<b>2,260,623</b>	<b>4,882,670</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>33,631,174</b>	<b>31,224,121</b>

- "Long-term group financial investments" recognises the shareholdings in associates and group companies, as well as the credit to the US subsidiary.
- "Customers, group companies and associates", presents the debt balance resulting from the supply of products and bills for services from the company to Naturhouse Group subsidiaries.
- "Current tax assets" includes the amount paid to the Tax Authorities as an advance corporate tax payment for the 2024 financial year. The reduction in the amount of this item is the result of improvements in the Company's tax planning.

- As at year end 2024, the company held a balance in own shares and company shares of 141,886 euros, represented by a total of 50,520 shares at an average acquisition price of 2.82 euros/share, as a result of the development of the liquidity contract signed with Renta 4 in January 2019.
- The average payment period of Naturhouse Health, S.A. has been 38.74 days, within the maximum period set out under the regulations on late payments.

#### **4. Financial risk management and use of hedging instruments**

The company's activities are exposed to different financial risks: market risk (including exchange rate risk and interest rate risk), credit risk, liquidity risk and interest rate risk on cash flows.

Interest rate and exchange rate market risk:

The company's operating activities are largely independent with respect to variations in market interest rates. The company's interest rate risk arises from long-term borrowings. As of 31 December 2024, 100% of borrowings were at variable interest rates. However, the company has not considered it necessary to hedge these interest rate fluctuations because the external financing is not significant, consequently, it has not taken out hedging instruments during the financial years in question.

With regard to exchange rate risk, the company does not operate significantly internationally in currencies other than the euro, consequently, its exposure to exchange rate risk from foreign currency transactions is not significant.

##### *Credit risk*

In general, the company holds its liquid assets and cash equivalents in financial institutions with high credit ratings. It also appropriately monitors accounts receivable individually in order to determine potential situations of default.

The company's credit risk is mainly attributable to its trade receivables. There is no significant concentration of credit risk, with exposure spread over a large number of customers.

##### *Liquidity risk*

In order to ensure liquidity and meet all payment obligations arising from its activities, the company has ample financing and credit lines with financially responsible institutions. A proactive policy has been maintained with respect to liquidity risk management, essentially focused on preserving the same by maintaining sufficient cash and marketable securities, the availability of financing through an adequate number of credit facilities and sufficient capacity to settle market positions.

## **5. Risk factors**

Spanish authorities may adopt laws and regulations that impose new obligations entailing an increase in operating costs.

The competitive environment: The company is competing with self-administered weight loss systems and other commercial programmes from other competitors, together with other food suppliers and distributors who are entering this market. This competition and any future increase in it that the development of pharmaceutical products and other technological and scientific advances in the field of weight loss entail could have a negative impact on the company's activities, operating results and financial situation.

## **6. R&D&i activities**

The procedure that the company uses in connection with the research and development of new products is as follows:

It is in the commercial, technical and marketing department where the initial need arises to study the expansion of the range of products offered by Naturhouse or simply modify existing products. This need is conveyed to one or more of our current suppliers, according to the product format (sachets, vials or capsules). The suppliers develop and present proposals for the needs in question, and if they are met from a commercial, technical and financial point of view, a new product or format is launched. Consequently, the company does not generate higher spending on R&D&i than registering the trademark and the formula with the corresponding department of health.

The company's main supplier is the Polish company Ichem Sp. zo.o, as it accounts for 71.42% of total purchases to 31 December 2024. Naturhouse Health, S.A. holds 49.75% of its capital. The benefits sought with this holding are as follows:

1. Faster launch of new products by sharing know-how in R&D
2. Guaranteeing the supply and reducing dependence on third-party manufacturers outside the Group
3. Guaranteeing product quality while maintaining high levels of competitiveness

With this, it is achieved that Naturhouse Health, S.A. is differentiated from its competitors because it is present throughout the entire nutritional supplement sector value chain, from R & D and product manufacturing to the final sale and customer advice.

Besides Ichem, in the previous financial year the Company acquired from its main shareholder, Kiluva, S.A., the stake that the latter held in the Spanish companies Indusen and Girofibra, specifically 39.58% and 49% respectively.

## **7. Own shares**

As of 31 December 2024, the Company holds a total of 50,520 treasury shares. No subsidiary owns any shares or holding in the Company.

## **8. Subsequent events**

There have been no significant subsequent events between the close of 31 December 2024 and the date these financial statements were drawn up.

## **9. Capital structure and significant holdings**

As of 31 December 2024, the Naturhouse Group has no restrictions on the use of capital resources that, directly or indirectly, have affected or may significantly affect operations, except for those legally established.

As of 31 December 2024, the share capital is represented by 60,000,000 shares. The Group's main shareholders are Kiluva, S.A. with a 72.60% stake and Ferev Uno Strategic Plans, S.L. with 5.65%.

## **10. Shareholders' agreements and restrictions on transferability and voting**

There are no kinds of shareholders' agreements or statutory restrictions on the free transferability of the Parent Company's shares, nor statutory restrictions or regulations on voting rights.

## **11. Administrative bodies, board**

The Parent Company's administrative body is made up of a Board of Directors composed of 6 members, Mr Félix Revuelta Fernández, Mr Kilian Revuelta Rodríguez, Ms Vanesa Revuelta Rodríguez, Mr Rafael Moreno Barquero, Mr José María Castellanos and Mr Pedro Nueno Iniesta.

## **12. Significant agreements**

There are no significant agreements, both in relation to changes of control of the Parent Company and between the Parent Company and its positions of Directors and Management or Employees in relation to severance pay for resignation or redundancies.

## **13. Annual Directors' Remuneration Report**

The Annual Directors' Remuneration Report that is part of the management report can be seen on the Comisión Nacional del Mercado Valores (CNMV) website and on the Naturhouse Group website.

<https://www.cnmv.es/portal/otra-informacion-relevante/resultado-oir.aspx?nif=A01115286>

<https://www.naturhouse.com/relacion-con-inversores/informe-anual-de-remuneraciones-de-los-consejeros/>

## **14. Annual Corporate Governance Report**

The annual corporate governance report that is part of the management report can be seen on the Comisión Nacional del Mercado Valores (CNMV) website and on the Naturhouse Group website.

<https://www.cnmv.es/portal/otra-informacion-relevante/resultado-oir.aspx?nif=A01115286>

<https://www.naturhouse.com/relacion-con-inversores/informe-anual-gobierno-corporativo/>

The consolidated financial statements –consolidated balance sheet, consolidated profit and loss account, consolidated statement of comprehensive income, statement of changes in consolidated equity, Consolidated Cash Flow Statement and Consolidated Financial Statements (which includes reference to the separate presentation of the Annual Corporate Governance Report and the Annual Director Remuneration Report) have been prepared in accordance with the European Single Electronic Format (ESEF), in accordance with the provisions of Delegated Regulation (EU) 2019/815, and have been formulated by the Board of Directors of Naturhouse Health, S.A. at the meeting held on 28 March 2025.

Signed in accordance by all the Directors, in compliance with Article 253 of the Spanish Companies Act.

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D. Félix Revuelta Fernández  
Chairman – CEO

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Dña. Vanessa Revuelta Rodríguez  
Vice-president

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D. Kilian Revuelta Rodríguez  
Vice-president

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D. Rafael Moreno Barquero  
Board member

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D. José María Castellano Ríos  
Board member

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D. Pedro Nuevo Iniesta  
Board member

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D. Alfonso Barón Bastarache  
Secretary (non-board member)

Madrid, 28 March 2025

Board of Directors