

Naturhouse Health, S.A. and Subsidiaries

Consolidated Financial Statements
for the year ended 31 December
2021, prepared in accordance with
the International Financial Reporting
Standards adopted in the European
Union (IFRS-EU) and Consolidated
Management Report

Naturhouse Health, S.A. and Subsidiaries
Consolidated Statement of Financial Position to 31 December 2021
(Thousands of Euros)

ASSET	Explanatory notes	31/12/2021	31/12/2020	NET EQUITY AND LIABILITIES	Explanatory notes	31/12/2021	31/12/2020
NON-CURRENT ASSETS:				NET EQUITY:			
Intangible fixed assets	Note 8	753	972	Capital and reserves-			
Tangible fixed assets	Note 9	2,674	3,998	Subscribed capital	Note 14	3,000	3,000
Non-current financial assets	Note 11.1	1,399	696	Issue premium		2,149	2,149
Investments in associates -				Premium		18,443	13,452
Investments recognised using the equity method	Note 11.2	6,793	3,276	Own Shares	Note 14	(142)	(142)
Deferred tax assets	Note 18.3	107	197	Conversion differences	Note 14	(790)	(1,875)
Non-current assets		11,726	9,139	Profit / (Loss) for the financial year		13,361	9,379
				NET EQUITY ATTRIBUTABLE TO MEMBERS OF THE PARENT COMPANY		36,021	25,963
				NET EQUITY ATTRIBUTABLE TO MINORITY INTERESTS	Note 14	60	65
				Total net equity		36,081	26,028
				NON-CURRENT LIABILITIES:			
				Non-current provisions	Note 15	1,188	1,224
				Non-current liabilities	Note 16	3,375	5,441
				Deferred tax liabilities	Note 18.5	294	154
				Non-current liabilities		4,857	6,819
CURRENT ASSETS:				CURRENT LIABILITIES:			
Inventory	Note 12	2,550	3,256	Current provisions	Note 15	982	479
Customer receivables for sales and services		2,691	3,798	Current liabilities	Note 16	992	1,592
Customers, related companies	Note 20.1	17	236	Trade creditors and other receivables	Note 17	2,375	4,144
Current tax assets and other receivables				Suppliers, related companies	Note 20.1	2,008	2,627
with public administrations	Note 18.1	3,988	4,006	Current tax liabilities and other payables			
Other current assets		779	531	with public administrations	Note 18.1	1,706	888
Cash and cash equivalents	Note 13	27,250	21,611	Total current liabilities		8,063	9,730
Total current assets		37,275	33,438	TOTAL NET EQUITY AND LIABILITIES		49,001	42,577
TOTAL ASSETS		49,001	42,577				

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 2021.

Naturhouse Health, S.A. and Subsidiaries

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE 2021 FINANCIAL YEAR
(Thousands of Euros)

	Explanatory notes	Financial year 2021	Financial year 2020
Net amount of revenue	Note 19.1	57,594	55,081
Supplies	Note 19.2	(16,335)	(15,876)
Gross Margin		41,259	39,205
Other operating income		344	1,157
Personnel costs	Note 19.3	(10,765)	(12,376)
Other operating costs	Note 19.5	(10,306)	(10,607)
Operating income before depreciation and amortization, impairment and other results		20,532	17,379
Depreciation and amortization	Notes 8 and 9	(2,457)	(3,258)
Impairment losses and income from disposal of fixed assets	Note 9	(206)	(1,146)
Other results		(531)	250
OPERATING INCOME		17,338	13,225
Financial income	Note 19.4	361	24
Other financial incomes		361	24
Financial expenses	Note 19.4	(100)	(185)
Debts with third parties		(100)	(185)
Exchange differences	Note 19.4	56	153
FINANCIAL RESULT		317	(8)
Result in entities valued by the equity method	Note 11.2	590	297
CONSOLIDATED PROFIT BEFORE TAX		18,245	13,514
Corporation Tax	Note 18.2	(4,879)	(4,127)
NET INCOME FROM CONTINUING OPERATIONS		13,366	9,387
CONSOLIDATED NET INCOME - BENEFITS		13,366	9,387
Profit or loss attributable to minority interests	Note 14	(5)	(8)
NET PROFIT OR LOSS FOR THE FINANCIAL YEAR ATTRIBUTABLE TO THE PARENT COMPANY		13,361	9,379
Profit per share (in Euros per share):			
- Basic	Note 14	0,22	0,16
- Diluted	Note 14	0,22	0,16

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 2021 financial year.

Naturhouse Health, S.A. and Subsidiaries

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE 2021 FINANCIAL YEAR
 (Thousands of Euros)

	Year 2021	Year 2020
A- PROFIT AND LOSS ACCOUNT BALANCE	13,366	9,387
B- OTHER COMPREHENSIVE INCOME RECOGNISED DIRECTLY IN EQUITY		
Items not to be transferred to income:	-	-
Items that can later be transferred to income:		
Differences due to the conversion of financial statements in foreign currency	297	(288)
TOTAL CONSOLIDATED COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR (A+B+C)	13,653	9,099
Total Comprehensive Income attributable to:		
- The parent company	13,658	9,091
- Minority shareholders	(5)	8
TOTAL CONSOLIDATED COMPREHENSIVE INCOME	13,653	9,099

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 2021 financial year.

Naturhouse Health, S.A. and Subsidiaries
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE 2021 FINANCIAL YEAR
(Thousands of Euros)

	Share Capital	Issue premium	Premium	Own Shares	Conversion differences	Profit or loss for the financial year attributable to the Parent Company	Interim dividend	Minority interests	Total equity
Balance at 31 December 2019	3,000	2,149	11,175	(142)	(1,587)	13,257	(11,400)	62	16,514
Recognised income and expenses	-	-	-	-	(288)	9,379	-	8	9,099
Distribution of profit for the 2019 financial year	-	-	-	-	-	-	-	-	-
- Distribution to reserves	-	-	1,857	-	-	(1,857)	-	-	-
- Distribution of dividends	-	-	420	-	-	(11,400)	11,400	-	420
Transactions with shareholders:	-	-	-	-	-	-	-	-	-
- Transactions with shares (net)	-	-	-	-	-	-	-	-	-
- Distribution of dividends	-	-	-	-	-	-	-	-	-
Other changes in equity	-	-	-	-	-	-	-	(5)	(5)
Balance at 31 December 2020	3,000	2,149	13,452	(142)	(1,875)	9,379	-	65	26,028
Recognised income and expenses	-	-	-	-	297	13,361	-	(5)	13,653
Distribution of profit for the 2020 financial year	-	-	-	-	-	-	-	-	-
- Distribution to reserves	-	-	9,379	-	-	(9,379)	-	-	-
Transactions with shareholders:	-	-	-	-	-	-	-	-	-
- Transactions with shares (net)	-	-	-	-	-	-	-	-	-
- Distribution of dividends	-	-	(3,600)	-	-	-	-	-	(3,600)
Other changes in equity	-	-	(788)	-	788	-	-	-	-
Balance at 31 December 2021	3,000	2,149	18,443	(142)	(790)	13,361	-	60	36,081

Notes 1 to 24 in the explanatory notes and Annex I attached are an integral part of the consolidated statement of financial position as of 31 December 2021

Naturhouse Health, S.A. and Subsidiaries

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE 2021 FINANCIAL YEAR
(Thousands of Euros)

	Explanatory notes	Financial year 2021	Financial year 2020
CASH FLOWS FROM OPERATING ACTIVITIES		16,173	14,580
Pre-tax result for the financial year		18,245	13,514
Adjustments to the result:		2,223	4,711
- Amortization of fixed assets (+)	Notes 8 and 9	2,457	3,258
- Variation in provisions (+/-)		467	596
- Income from derecognition or disposal of fixed assets (+/-)	Notes 9	206	1,146
- Financial income (-)	Note 19.4	(361)	(24)
- Financial expenses (+)	Note 19.4	100	185
- Exchange differences (+/-)	Note 19.4	(56)	(153)
- Interests in equity-accounted entities net of dividends (+/-)	Note 11.2	(590)	(297)
Changes in working capital		(586)	(799)
- Stock (+/-)	Note 12	706	868
- Debtors and other accounts receivable (+/-)		1,326	(528)
- Other current assets (+/-)		(230)	424
- Creditors and other accounts payable (+/-)		(2,388)	(1,563)
Other cash flows from operating activities		(3,709)	(2,846)
- Interest payments (-)		(100)	(185)
- Receipt of dividends (+)	Note 11.2	139	-
- Interest receivable (+)		361	24
- Sums received /(paid) for tax on profits (+/-)		(4,109)	(2,685)
CASH FLOWS FROM INVESTMENT ACTIVITIES		(4,268)	112
Payments for investments (-)		(4,270)	(201)
- Intangible and tangible assets	Notes 8 and 9	(50)	(201)
- Other financial assets		(703)	-
- Payments from related companies	Note 11.2	(3,517)	-
Sums received from divestments (+)		2	313
- Intangible and tangible assets	Note 9	2	181
- Other financial assets			132
CASH FLOWS FROM FINANCING ACTIVITIES		(6,266)	(3,386)
Sums received and paid for equity instruments		-	-
- Net disposals (acquisitions) of Parent Company assets	Note 14.f	-	-
Sums received and paid for financial liability instruments		(6,266)	(3,386)
- Repayment and net amortization of:			
Amounts owed to credit institutions and other debts (-)		(2,666)	(3,386)
Dividend payments and remuneration on other equity instruments			-
- Dividends (-)	Note 5	(3,600)	-
EFFECT OF VARIATIONS IN EXCHANGE RATES		-	-
NET INCREASE / DECREASE OF CASH OR CASH EQUIVALENTS		5,639	11,306
Cash or cash equivalents at start of financial year		21,611	10,305
Cash or cash equivalents at year end		27,250	21,611

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 2021 financial year.

INDEX

Page

Consolidated Statement of Financial Position to 31 December 2021	
Consolidated Profit and Loss Account for the 2021 financial year	
Consolidated Statement of Comprehensive Income for the 2021 financial year	
Consolidated Statement of Changes in Equity for the 2021 financial year	
Consolidated Statement of Cash Flows for the 2021 financial year	
Explanatory Notes to the Consolidated Financial Statements for the 2021 financial year	
1. Nature and corporate purpose of the Group companies	7
2. Basis of presentation of the consolidated financial statements	7
3. Consolidation criteria	12
4. COVID-19	13
5. Distribution of the result	14
6. Valuation standards	14
7. Exposure to risk	23
8. Intangible fixed assets	25
9. Tangible fixed assets	26
10. Leases	28
11. Financial assets	30
12. Inventory	33
13. Cash and other equivalent liquid assets	33
14. Net equity	33
15. Provisions and contingencies	36
16. Financial Debts	37
17. Trade creditors and other receivables	38
18. Tax situation	39
19. Income and expenses	42
20. Balances and transactions with related parties	43
21. Information about the environment	47
22. Other information	48
23. Information by segments	49
24. Subsequent events	52
Annex I - Companies included in the consolidation	
Management Report	

Naturhouse Health, S.A. and Subsidiaries

Explanatory Notes to the Consolidated Financial Statements for the 2021 financial year

1. Nature and corporate purpose of the Group companies

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

The Company's corporate purpose, in accordance with its activity and articles of association, is the export and wholesale and retail sales of all kinds of products related to dietetics, medicinal herbs 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, medicinal herbs and natural cosmetics. This activity is mainly carried out through its own shops and through franchisees. 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 February 2022.

These consolidated financial statements for the financial year ending 31 December 2021 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 CNMV, 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 financial consolidated statements for the 2020 financial year were approved by the Annual General Meeting held 18 June 2021 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
- Statement of Cash Flows

Since the accounting principles and valuation criteria used in preparing the Group's consolidated financial statements for the 2021 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 statement of cash flows) 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 effective breakdowns of information in the year 2021

New accounting standards came into effect in the 2021 financial year, therefore, they have been taken into consideration in the preparation of the attached consolidated financial statements. The following standards have been applied in these consolidated financial statements, but they did not have a significant impact on the figures and breakdown therein:

New standards, amendments and interpretations		Mandatory application for financial years from:
Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16: Reforms to the reference interest rate - phase 2	In August 2020, the IASB published the amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16: Reforms to the reference interest rate - phase 2 These amendments provide temporary relief in financial reporting as interbank offered rates (IBORs) are replaced with risk-free interest rates (RFRs).	1 January 2021
Amendment to IFRS 4 Insurance policies - deferral of IFRS 9	Currently, with IFRS 4 Insurance policies, the date of application of IFRS 9 Financial Instruments for companies that apply this standard is 1 January 2021. The IASB has decided to delay the entry into force, for these companies, to periods starting 1 January 2023. This rule does not apply to the Group.	1 January 2021
Amendment to IFRS 16 Covid-19-related rent concessions to 30 June 2022	<p>This amendment permits, as a practical solution, the lessee to choose not to recognise rent concessions arising due to Covid-19 as a modification of the lease. If applicable, if the lessee so chooses, they can recognise the concessions by applying the criteria of IFRS 16 Leases as if said concessions were not a modification.</p> <p>This practical solution can only be applied to rent concessions that have been a direct consequence of Covid-19, consequently, a series of conditions must be met.</p>	01 April 2021

d) Accounting policies issued not in force for the 2021 financial year

At the date of preparing these consolidated financial statements, the following standards and interpretations had been published by the International Accounting Standard Board (IASB) but had not yet entered into force, either because their effective date is later than the date of these consolidated financial statements, or because they have not yet been adopted by the European Union (EU-IFRS):

New rules, amendments and interpretations not yet approved for use in the European Union		IASB application date
IFRS 17 Insurance policies (published in May 2017)	Replaces IFRS 4. It includes the principles of registration, valuation, presentation and disclosure of insurance contracts with the objective that the entity provides relevant and reliable information that allows the users of the financial information to determine the effect that the insurance contracts have on the financial statements.	01 January 2023
IAS 1 Presentation of financial statements.	Classification of liabilities as current or non-current	01 January 2023
Amendments to: -IFRS 3 Business combinations -IAS 16 Property, plant and equipment -IAS 37 Provisions, contingent liabilities and contingent assets -2018 - 2020 annual improvements	These amendments, issued by the IASB in May 2020, are intended to replace the reference to the 1989 Conceptual Framework with a reference to that of 2018, without significantly changing the requirements. These amendments, issued by the IASB in May 2020, prohibit deducting from the acquisition cost of the assets the amount of the sales obtained from the asset while it is being brought to the location and conditions necessary for it to operate in the manner envisaged by Management. Instead, these amounts will be recognised on the income statement. These amendments, issued by the IASB in May 2020, detail the costs that companies have to include when assessing whether a contract is onerous or at a loss. The amendments propose a "direct cost approach". As part of the 2018-2020 annual improvements to the IFRS, the IASB has published an amendment to IFRS 9 and IAS 40.	01 January 2022
Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)	In these amendments, the IASB has included guidance and examples to apply judgement when identifying which accounting policies are material. The amendments replace the criterion of breaking down significant accounting policies by material accounting policies. It also provides guidance on how to apply the concept of materiality to decide which accounting policies are material. These amendments are effective for periods beginning on or after 1 January 2023. The Group is currently analysing the impact of these amendments.	01 January 2023

New rules, amendments and interpretations not yet approved for use in the European Union		IASB application date
Definition of Accounting Estimates (Amendments to IAS 8)	In these amendments, the IASB has introduced a new definition of "accounting estimate" that clarifies the difference between changes in accounting estimates, changes in accounting policies and corrections of errors. These amendments are effective for periods beginning on or after 1 January 2023	01 January 2023
Deferred Taxes related to Assets and Liabilities arising from a Single Transaction - Amendments to IAS 12	The proposed amendments would require an entity to recognise deferred taxes in the initial recognition of specific transactions to the extent that the transaction gives rise to equal amounts of deferred tax assets and liabilities. The proposed amendments would apply to specific transactions for which an entity recognises an asset and a liability, such as leases and dismantling obligations. These amendments are effective for periods beginning on or after 1 January 2023.	01 January 2023

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 evaluating the potential impacts 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 of the Group.

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 most significant 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, which 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 Notes 6.k).

g) Information comparison

The information contained in this consolidated report referring to the 2020 financial year is presented, for comparison purposes, with information from the 2021 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 2021 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. Under IFRS 10, control is understood as the power to direct an entity's financial and operating policies so as to obtain benefits from its 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 yearend. 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.

Furthermore, as is usual practice, the accompanying consolidated financial statements only include the tax effect which, if appropriate, may arise as a result of the distribution of the consolidated companies' income and reserves to the Parent Company, except for those funds which will be used as sources of financing 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 participation method in cases where the requirements of IFRS 11 to be classified as "joint operations" are not met.

The equity method consists in the inclusion in the line of the consolidated balance sheet "Investments in associated companies - Investments accounted for using the equity method" of the value of net assets and goodwill, if there are any, corresponding to the shareholding held in the associated company. The net result obtained each year corresponding to the percentage of shareholding in these companies is reflected in the consolidated income statements as "Results in entities valued using the equity method".

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

During the first half of 2021, the Parent Company acquired 100% of the shares of Takk Asia Pte. Ltd. (company located in Singapore, not operational) for 45 thousand euros, thus acquiring control of the Company and changing its name to Naturhouse Pte. Ltd. In addition, during the first half of 2021, the Parent Company constituted 100% of the share capital of Naturhouse Health Limited, located in Ireland, for an amount of 100 thousand euros.

The consolidation perimeter has not undergone any other variation except for the one mentioned above.

4. COVID-19

Despite the impact of the new COVID-19 variants in the second half of the year, the 2021 financial year has brought with it a gradual relaxation of the containment scenarios for the COVID-19 pandemic in the main markets in which the Group operates. This has allowed for an improvement in commercial activity and consolidated turnover. Irrespective of the foregoing, the Group's Management has continued with the line of prudence in the liquidity risk management, credit risk and capital and market risk management policies, and likewise, has kept the other measures in place described in the consolidated annual financial statements for the previous financial year in order to guarantee the continuity of the Group's activities within adequate levels of profitability and financial solvency.

5. Distribution of the result

The proposal for the distribution of the individual result of Naturhouse Health, S.A. for the year 2021 formulated by the Directors of the Parent Company, subject to the approval of the General Shareholders' Meeting, is as follows:

	Thousands of Euros	
	2021	2020
Distribution basis:		
Premium	1,013	-
Profit for the financial year	10,987	5,725
	12,000	5,725
Distribution:		
To dividends	12,000	-
To reserves	-	5,725
	12,000	5,725

The proposed distribution of the individual profit of Naturhouse Health, S.A. for the 2020 financial year drawn up by the Directors of the Parent Company, which was submitted for approval at the Annual General Meeting on 18 June 2021, consisted of the distribution of the entire profit for the 2020 financial year to reserves, amounting to 5,725 thousand euros. In addition, the Annual General Meeting agreed on the same date to distribute dividends amounting to 3,600 thousand euros against reserves.

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 (IFRS IC) 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, in addition to the expenses incurred in Research, those of Development, deeming that these last ones 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 2021 financial year amounted to 8 thousand euros (32 thousand euros in the 2020 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 at 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 recorded as a higher cost thereof.

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 2021 and 2020 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:

	Years of estimated useful life
Buildings	33.33
Other facilities, tools and furniture	8,33 - 30
Information processing equipment	3 - 4
Transportation 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 business model of the entity to manage its financial assets, as follows:

- Loans and accounts receivable.
- Financial assets available for sale.

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 recognizes a provision for expected losses in its operations, sale 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 loss of credit, adjusted for specific factors of the debtors, general economic conditions and the individual evaluation carried out by the Management.

2. Financial assets at fair value through profit or loss

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

As of 31 December 2021, the Group does not have significant financial assets that are classified as accounted for at fair value through profit or loss.

Initial valuation

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

Subsequent valuation

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 recognises 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.

Each time the accounts are closed, the deferred tax (both assets as well as liabilities) is reviewed in order to check whether it is still current, making the appropriate adjustments to them according to the results of the analyses performed.

Under deferred tax liabilities, the Naturhouse Group has recognised an amount of 217 thousand euros in the 2021 financial year for aggregated undistributed profits in subsidiaries and associates (145 thousand euros in 2020).

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

Revenues are recognized in such a way that the transfer of goods or services provided to customers is shown at 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 an income recognition approach for the sale of goods based on five steps:

- Identify the contract or contracts with a customer.
- Identify the obligations of the contract.
- Determine the price of the transaction.
- Distribute the price of the transaction between the obligations of the contract.

- Recognize income when the entity complies with each of the obligations.

The main activity of the Group corresponds to the sale of goods (dietary products), mainly, through the sale of the product to the franchised client or to the final customer (consumer), this being the performance obligation acquired and for which the price of the transaction is determined.

The recognition of income in these activities is not complex and this occurs upon the fulfilment of said contractual performance obligation in accordance with the conditions of transfer of ownership of the merchandise sold. On the other hand, in own stores, the performance obligations of product sales and dietary advice are equally satisfied at a specific moment and time and their price is not variable nor are there guarantee commitments or second free visits with customers, nor any other type of commitment acquired with them, for which reason the Group considers that, in any case, the performance obligations are met under the same conditions as the current method of income recognition.

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, as well as "master franchise" contracts, an amount that 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 in advance.

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

Master franchise income cashed-in but pending to be recognized as revenue is recorded against the "Trade payables and other accounts payable" heading of the current balance sheet and its recognition in the income statement occurs linearly for the period of the contract (7 years in most cases).

Other operating income

Under this heading, the Group primarily recognises rebilling of expenses to related companies or third-party franchisees in transactions where the Group is a 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 geographical 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. Exposure to risk

Financial risks

The Group's activities are exposed to various 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 performs adequate monitoring of accounts receivable individually, in order to determine situations of potential insolvency.

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 breakdown of impairment losses recognised under "Trade Receivables for Sales and Services" on the consolidated statement of financial position attached as of 31 December 2021 is as follows:

	Thousands of Euros	
	31-12-2021	31-12-2020
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.

Furthermore, the Group has established a policy 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 available financing 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. Market risk in the interest rate and the exchange rate:

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

The interest rate risk of the Group arises from long-term borrowings. Borrowings issued at variable rates expose the Group to interest rate risk on the cash flows. As of yearend 2021 and 2020, 100% of the borrowings were at variable interest rates.

However, as of yearend 2021 and 2020, the Group has an amount available in liquid assets that is equivalent to its debt, including its obligations under leases, consequently, the Directors consider that its exposure to interest rate risk is not significant in any case.

This way, the Company has not considered it necessary to cover such interest rate fluctuations, consequently, it did not take out derivative instruments during the 2021 and 2020 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 12% and 4% of the Group's sales and assets, respectively.

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 to Operating Income before amortization, impairment and other income as of 31st December 2021 and 2020 is at -1.11 and -0.84, 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 variation in the same between the two financial years is due to the increase in cash and cash equivalents as a consequence of the liquidity protection measures adopted by the Group in the financial year.

8. Intangible fixed assets

The changes in this heading in the consolidated statement of financial position for the financial years 2021 and 2020 were as follows:

Cost	Thousands of Euros				
	Transfer rights	Industrial property	Software	Other intangible assets	Total
Balance at 31 December 2019	22	2,352	444	88	2,906
Additions	-	-	39	46	85
Withdrawals	-	-	(7)	(122)	(129)
Balance at 31 December 2020	22	2,352	476	12	2,862
Additions	-	-	157	38	195
Withdrawals	-	(2)	(1)	-	(3)
Balance at 31 December 2021	22	2,350	632	50	3,054

Accumulated amortization	Thousands of Euros				
	Transfer rights	Industrial property	Software	Other intangible assets	Total
Balance at 31 December 2019	(17)	(1,306)	(212)	(75)	(1,610)
Allocations	-	(233)	(157)	(267)	(657)
Applications	-	-	43	334	377
Balance at 31 December 2020	(17)	(1,539)	(326)	(8)	(1,890)
Allocations	(5)	(233)	(143)	(32)	(413)
Applications	-	-	2	-	2
Balance at 31 December 2021	(22)	(1,772)	(467)	(40)	(2,301)

Net book value	Thousands of Euros	
	31-12-2021	31-12-2020
Transfer rights	-	5
Industrial property	578	813
Software	165	150
Other intangible assets	10	4
Total Intangible Assets	753	972

During the 2021 and 2020 financial years, the main additions have corresponded to software for the Parent Company's new E-commerce department. During the 2021 and 2020 financial years, there have been no significant additions to intangible assets.

The main asset under intangible assets basically corresponds to a set of brands acquired in the 2014 financial year amounting to 2,331 thousand euros, the net book value of which amounts to 564 and 797 thousand euros as of 31 December 2021 and 31 December 2020, respectively. These brands are amortized by the straight-line method over a useful life of 10 years.

In accordance with the margins obtained in marketing these brands' products, the Group's Management has concluded that said brands do not present impairment indicators as of 31 December 2021.

As of yearend 2021, the Group had fully amortized intangible assets still in use amounting to 958 thousand euros (526 thousand euros in the 2020 financial year).

The intangible assets located outside of Spain as of 31 December 2021 and 2020 are not significant (see Note 23).

9. Tangible fixed assets

The movement during the 2021 and 2020 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 furniture	Information processing equipment	Transportation elements	Assets in construction and advances	
Balance at 31 December 2019	-	10,007	3,887	313	166	24	14,397
Additions	-	88	578	35	58	-	759
Withdrawals	-	(1,898)	(859)	(79)	(14)	-	(2,850)
Conversion differences	-	-	-	-	-	-	-
Balance at 31 December 2020	-	8,197	3,606	269	210	24	12,306
Additions	-	1,657	(242)	11	13	20	1,459
Withdrawals	-	(5,713)	(512)	(11)	(92)	(35)	(6,363)
Conversion differences	-	-	5	1	2	-	8
Balance at 31 December 2021	-	4,141	2,857	270	133	9	7,410

Accumulated amortization	Thousands of Euros				Total
	Buildings	Other facilities, tools and furniture	Information processing equipment	Transportation elements	
Balance at 31 December 2019	(2,410)	(2,125)	(171)	(73)	(4,779)
Allocations	(3,585)	(597)	(85)	(67)	(4,334)
Applications	153	590	62	-	805
Conversion differences	-	-	-	-	-
Balance at 31 December 2020	(5,842)	(2,132)	(194)	(140)	(8,308)
Allocations	(1,837)	(127)	(51)	(29)	(2,044)
Applications	5,271	245	10	92	5,618
Conversion differences	-	(1)	(1)	-	(2)
Balance at 31 December 2021	(2,408)	(2,015)	(236)	(77)	(4,736)

Net book value	Thousands of Euros	
	31-12-2021	31-12-2020
Land and natural assets	-	-
Buildings	1,733	2,355
Other facilities, tools and furniture	842	1,474
Information processing equipment	34	75
Transportation elements	56	70
Assets in construction and advances	9	24
Total Tangible Fixed Assets	2,674	3,998

As in the previous financial year, the additions and derecognitions in 2021 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. 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.

In order to come to a conclusion as to the existence of potential impairment, the Group conducted an analysis in the previous financial year with a view to identifying the points of sale with less profitability that have had their business expectations deteriorate as a result of the effects of COVID-19. This exercise revealed impairments of rights of use over leases amounting to 861 thousand euros, and 86 thousand euros of impairment of tangible fixed assets. During the 2021 financial year, there have been results from impairment and derecognitions of fixed assets amounting to 206 thousand euros, corresponding mostly to penalties for the cancellation and disposal of the rights of use over the lease of the Dolphin Mall in the United States (Note 10).

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 2021, 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 2021 and 2020 are broken down below:

	Thousands of Euros	
	31-12-2021	31-12-2020
Net book value		
Land and natural assets	-	-
Buildings	1,081	2,355
Other facilities, tools and furniture	423	996
Information processing equipment	13	45
Transportation elements	48	57
Assets in construction	9	24
Total Net book value	1,574	3,477

The fully amortized tangible fixed assets still in use at yearend 2021 amount to 3,175 thousand euros (2,247 thousand euros at yearend 2020).

Firm purchase commitments

At the close of the 2021 and 2020 financial years, the Group did not have firm commitments to purchase property, plant and equipment for any significant amount.

10. Leases

Rights of use

The breakdown and changes by class of assets for the right of use during the 2021 financial year have been as follows:

Cost	Thousands of Euros			
	Buildings	Information processing equipment	Transportation elements	Total
Balance at 01 January 2021	7,239	12	69	7,320
Additions	2,790	-	36	2,826
Disposals	(5,494)	(12)	(36)	(5,542)
Balance at 31 December 2021	4,535	-	69	4,604

Accumulated amortization	Thousands of Euros			
	Buildings	Information processing equipment	Transportation elements	Total
Balance at 01 January 2021	(3,627)	(10)	(54)	(3,691)
Allocations	(1,849)	(2)	(26)	(1,877)
Disposals	3,121	12	26	3,159
Balance at 31 December 2021	(2,355)	-	(54)	(2,409)

Impairment	Thousands of Euros			
	Buildings (note 4 f)	Information processing equipment	Transportation elements	Total
Balance at 01 January 2021	(861)	-	-	(861)
Allocations	-	-	-	-
Derecognitions (Note 9)	399	-	-	399
Balance at 31 December 2021	(462)	-	-	(462)

	Thousands of Euros	
	31-12-2021	31-12-2020
Net book value		
Buildings	1,717	2,751
Information processing equipment	-	2
Transportation elements	16	15
Total Net book value	1,733	2,768

Due to the application of IFRS 16, as of 31 December 2020, the Group recognised assets for the right of use net of accumulated amortisation amounting to 2,768 thousand euros.

In addition, the assets for the right of use guarantee the associated lease liabilities. The lease liabilities were recognised as of 31 December 2020 under long-term and short-term liabilities on the attached Statement of Financial Position, amounting to 3,695 thousand euros (see Note 16).

Relevant breakdowns and amounts in the lease agreements

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

Year 2021	Thousands of Euros			
	Buildings	Information processing equipment	Transportation elements	Total
Amounts:				
Fixed lease payments	1,866	2	23	1,891
Expenses recognised, variable payments	-	-	-	-
Financial expenses, lease liabilities	47	-	1	48
Lease liabilities	2,206	-	23	2,229
Conditions:				
Lease term	2 – 5 years	2 years	2 – 4 years	
Interest rate	0,75% - 2.50%	1.59%	1,59% - 1.85%	

2020 financial year	Thousands of Euros			
	Buildings	Information processing equipment	Transportation elements	Total
Amounts:				
Fixed lease payments	2,554	5	43	2,602
Expenses recognised, variable payments	-	-	-	-
Financial expenses, lease liabilities	121	-	2	123
Lease liabilities	3,604	2	89	3,695
Conditions:				
Lease term	2 – 5 years	2 years	2 – 4 years	
Interest rate	0.75% - 2.50%	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	31/12/2021	31/12/2020
Less than one year	894	1,229
Between one and five years	1,322	2,034
More than five years	13	432
Total (Note 16)	2,229	3,695

11. Financial assets

11.1 Non-current financial assets

At 31 December 2021 and 2020, the breakdown under this heading is as follows:

	Thousands of Euros	
	31-12-2021	31-12-2020
Equity instruments		
Other equity instruments	79	76
Other financial assets		
Loans to related companies	826	-
Long term deposits and guarantees	494	620
	1,399	696

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

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

Level 1: those tied to quoted prices (unadjusted) in 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 (i.e. prices) or indirectly (i.e. derived from the prices).

Level 3: are referenced to valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

In the 2021 financial year, the Company granted a loan to Tartales, L.L.C., amounting to 826 thousand euros, maturing in 2023. Said loan accrues an annual interest rate of 0.5%.

11.2 Investments in associates and affiliates

Investments recognised using the equity method

The participation in companies valued following the participation method corresponds to the investee company Ośrodek Badawczo-Produkcyjny Politechniki Łódzkiej ICHM Sp. z o.o. (hereinafter, "Ichem, Sp. z o.o").

On 22 November 2021, the Parent Company acquired from its shareholder and related company Kiluva, S.A. a total of 99 additional shares in the share capital of Ichem Sp. z o.o. for a price of 3,208,010 euros after the agreements reached by this company with Zamodiet, S.A.

This acquisition increases a 24.8% direct stake in the capital of Ichem Sp. z o.o., therefore holding a total of 49.75% of the capital of said company as of 31 December 2021. The remaining shares of Ichem Sp. z o.o. are held by natural persons and local Polish entities with no connection to the Naturhouse Group or its related companies.

The Parent Company's Directors consider that, as in the previous year, they still do not have control over Ichem Sp. z o.o. given that, regardless of this increase in participation, the Parent Company still does not hold the majority of the voting rights, consequently, the situation prior to said acquisition is maintained, which was already the subject of a communication to the Comisión Nacional del Mercado de Valores on the occasion of the IPO in April 2015. Therefore, in accordance with the provisions of IFRS 11, the Parent Company's Directors consider that joint control over Ichem Sp. z o.o. is maintained, given that the Parent Company has the capacity to appoint three of the six board members of Ichem Sp. z o.o, while the Polish shareholders (non related) appoint the three remaining board members, including the Chairperson of the Board of Directors, who has the casting vote in the event of a tie. Likewise and finally, the Parent Company can only exercise its right to veto relevant economic decisions with a protective nature.

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

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

The detail of the investment in companies valued by the equity method at the close of the 2021 and 2020 financial years, as well as the movement that took place during both periods are as follows:

Year 2021

	Thousands of Euros					Balance on 31 December 2021
	Balance on 1 January 2021	Result in Entities Valued by the Equity Method	Dividends	Conversion differences	Other movements	
Ichem Sp, Zo,o	3,276	590	(139)	(129)	3,195	6,793

Year 2020

	Thousands of Euros					Balance on 31 December 2020
	Balance on 1 January 2020	Result in Entities Valued by the Equity Method	Dividends	Conversion differences	Other movements	
Ichem Sp, Zo,o	3,152	297	-	(227)	54	3,276

As has been previously commented, on 22 November 2021, the Company acquired 99 shares in Ichem Sp. zo.o for a price of 3,208 thousand euros from Kiluva, S.A. This acquisition represents 24.8% of the capital of Ichem Sp. zo.o, thus obtaining a total of 49.75% of the capital at year end 2021.

Other information related to this investee is as follows (figures as of 31 December 2021):

Name and Registered Office	Activity	Thousands of Euros			
		Total Assets	Equity	Sales	Result after tax
Ichem Sp. zo.o. Dostawcza 12 93-231 Lodz (Poland)	Production and marketing of dietetic products	16,212	13,654	11,443	1,180

The total assets and equity is presented at the closing rate as of 31 December 2021, while sales and the post-tax profit or loss is presented at the average exchange rate for the 2021 financial year. The Company is required to undergo a statutory audit as of 31 December 2021 (as in the previous financial year).

12. Inventory

The breakdown of "stock" in the consolidated statement of financial position attached, to 31 December 2021 and 2020 is as follows:

	Thousands of Euros	
	31-12-2021	31-12-2020
Goods	2,550	3,256

The Group has not made any adjustments for impairment since the net realizable value of the inventories is higher than its acquisition price (or production cost), which is why no losses have been made under this item in the years 2021 and 2020.

13. Cash and other equivalent liquid assets

Almost all of the balances of this heading in the consolidated statement of financial position at 31 December 2021 and 2020 correspond to the amount deposited in current accounts and financial deposits for periods less than 3 months that the Group held on those dates with financial institutions, freely disposed and remunerated at market rates, with the amount of cash not being significant.

14. Net 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 admitting to trading by 1,097,637, reaching a total of 16,097,637 shares.

As of 31 December 2021, the Parent Company's share capital is represented by 60 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 2021 are as follows:

Shareholder	%
Kiluva, SA	72.60
Ferev Uno Strategic Plans	4.83

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 profit for the 2020 financial year drawn up by the Directors of the Company, which was submitted for approval at the Annual General Meeting on 18 June 2021, consisted of the distribution of the entire profit for the 2020 financial year to reserves, amounting to 5,725 thousand euros. In addition, the Annual General Meeting agreed on the same date to distribute dividends amounting to 3,600 thousand euros against reserves.

c) Legal reserve

In accordance with Consolidated Text of Capital Company Law, an amount equal to 10% of the annual profit must be assigned to the legal reserve until said reserve reaches an amount of 20% of the Company's share capital. The legal reserve can be used to increase capital provided that the remaining reserve balance does not fall below 10% of the increased capital.

With the exception of that mentioned above, and while it does not exceed 20% of the share capital, said reserve may only be used to offset losses, provided that there are no sufficient other reserves available for this purpose.

As of December 31, 2021, the Parent Company's reserve is fully constituted.

d) Net equity attributable to minority interests

The breakdown of this heading in the consolidated statement of financial position to 31 December 2021 and 2020 is as follows:

	Thousands of Euros	
	31-12-2021	31-12-2020
Zamodiet México, S.A de C.V.	6	6
Name 17, S.A. de C.V.	54	59
	60	65

The variations in the years 2021 and 2020 in this section of the consolidated statement of financial position is shown below:

	Thousands of Euros
Balance on 31 December 2019	62
Business combination (Note 3.c)	-
Profit attributable to minority interests	(8)
Conversion differences	11
Balance on 31 December 2020	65
Business combination (Note 3.c)	-
Profit attributable to minority interests	(5)
Conversion differences	-
Balance on 31 December 2021	60

e) Conversion differences

The breakdown of the heading "conversion differences" in the consolidated statement of financial position, 31 December 2021 and 2020 corresponds to the exchange differences that occur as a result of the conversion into Euros of financial statements of subsidiaries whose local currency is not the Euro: Naturhouse Franchising Co, Ltd (United Kingdom), Naturhouse Sp. zo.o. (Poland), Ichem Sp. zo.o (Poland), Zamodiet México, S.A. (Mexico), Naturhouse Inc. (US) and Naturhouse d.o.o. (Croatia), according to the following breakdown:

	Thousands of Euros	
	31-12-2021	31-12-2020
Naturhouse Inc.	67	(77)
Naturhouse Sp. zo.o.	(408)	(434)
Ichem Sp. Zo.o	(380)	(470)
Other	(69)	(894)
	(790)	(1.875)

f) Own shares

As of yearend 2021 and 2020, the Parent Company held company shares in accordance with the following breakdown:

Year	Number of shares	Euros		
		Nominal value	Average acquisition price	Total acquisition cost
2021	50,520	2,526	2.81	141,886
2020	50,520	2,526	2.81	141,886

As of 31 December 2021, 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.

The movement in company own shares during the 2021 and 2020 financial years has been as follows:

Number of shares	2021	2020
Start of the financial year	50,520	50,520
Sales	-	(14,782)
Purchases	-	14,782
Yearend	50,520	50,520

g) Earnings per share

The profit or loss per share is calculated based on the profit or loss attributable to shareholders of the parent company by the average number of ordinary shares outstanding during the period. At yearend 2021 and 2020, the profit or loss per share is as follows:

	31-12-2021	31-12-2020
Weighted average number of shares in circulation	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
Consolidated Net Income of the Parent Company (Thousands of Euros)	13,361	9,379
Profit per share (in Euros per share)(*)		
Basic	0.22	0.16
Diluted	0.22	0.16

(*) The Group's 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

The balance of other non-current provisions mainly refers to a commitment that the Group has with certain employees of the Italian company Naturhouse S.R.L. amounting to 874 thousand euros at yearend 2021 (903 thousand euros in 2020). This TFR commitment (end-of-contract severance pay), 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 constituted for TFR up until 31 December 2006 remains in the company, and is revalued within the parameters of Law 297/82, and the withholding of wages paid to each employee is paid by the company to INPS (Italian state entity equivalent to Social Security). This commitment is not outsourced and the expense thereof is recorded under "Personnel expenses" in the consolidated income statement, which amounted to 132 and 158 thousand Euros for the years 2021 and 2020, respectively. During the 2021 financial year, the TFR commitment was updated actuarially, having recognised an adjustment of 101 thousand euros.

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

b) Current provisions

The current provisions heading essentially includes the short-term part of the TFR provision described above and the provision for the cancellation expenses for the Dolphin Mall lease in the United States amounting to 528 thousand euros.

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 Debts

The breakdown of current and non-current financial debt of the Group at 31 December 2021 and 2020 is as follows:

Year 2021

	Thousands of Euros			
	Initial Amount or Limit	Maturity		
		Current	Non Current	Total
Current liabilities				
Lease liabilities	-	894	-	894
Other financial liabilities	-	98	-	98
				-
Non-current liabilities				
Lease liabilities	-	-	1,335	1,335
Other financial liabilities	-	-	2,040	2,040
	-	992	3,375	4,367

Year 2020

	Thousands of Euros			
	Amount Initial Amount or Limit	Maturity		
		Current	Non Current	Total
Current liabilities				
Lease liabilities	-	1,230	-	1,230
Other financial liabilities	-	362	-	362
Non-current liabilities				
Lease liabilities	-	-	2,465	2,465
Other financial liabilities	-	-	2,976	2,976
		1,592	5,441	7,033

This heading includes lease liabilities for a total amount of 2,229 thousand euros (894 short-term and 1,335 long-term) recognised in accordance with IFRS 16 *Leases*.

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 Naturhouse S.A.S. franchise holders 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 guarantees. At 31 December 2021, these deposits are valued at amortized cost.

The Group considers that the fair value of these guarantees reasonably approximates their amortized cost, which is why their fair value is not disclosed in accordance with IFRS 7.29.

Likewise, the Parent Company has bill discounting facilities with a limit of 1,000 thousand euros, which as of 31 December 2021 and 31 December 2020 has not been drawn on.

17. Trade creditors and other receivables

The balances of this heading in the current liabilities of the consolidated statement of financial position at 31 December 2021 and 2020 have the following composition:

	Thousands of Euros	
	31-12-2021	31-12-2020
Suppliers	1,238	3,041
Various creditors	474	230
Staff (remuneration pending payment)	283	385
Short-term accruals	380	488
	2,375	4,144

The book value of commercial creditors and other accounts payable does not differ materially from its fair value.

Outstanding remuneration relates mainly to the accrual of the summer bonus as well as the variable compensation of certain employees of the Group.

The short-term accruals include the anticipated income for the "master franchise" that is charged to income in the contract period (normally 7 years).

Group directors have recorded all anticipated income in current liabilities, regardless of the years pending long-term allocation, in consideration of their non-significant effect.

Information on the average payment period to suppliers

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 3rd December) is detailed below, drawn up according to the ICAC Resolution of 29th January 2016 on the information to be included in the explanatory notes to financial consolidated statements in connection with the average payment period to suppliers in commercial operations.

	Days	
	31-12-2021	31-12-2020
Average payment period to suppliers	47.29	46.80
Ratio of paid operations	48.66	47.93
Ratio of operations pending payment	36.97	42.90

	Euros	
	31-12-2021	31-12-2020
Total payments made	9,280	14,529
Total outstanding payments	1,232	1,471

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 payment period to suppliers, 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 balance sheet.

"Average payment period to suppliers" is understood to be 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 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).

18. Tax situation

18.1 Current balances with Public Administrations

The composition of current balances with Public Administrations at 31 December 2021 and 2020 is as follows:

Debit balances

	Thousands of Euros	
	31-12-2021	31-12-2020
VAT (refund) receivable	97	110
Corporation tax (refund) receivable	3,891	3,896
All other credit with Public Administration bodies	3,988	4,006

Credit balances

	Thousands of Euros	
	31-12-2021	31-12-2020
VAT (refund) payable	56	60
VAT (refund) withholdings payable	243	169
Creditor Social Security Organisms	234	227
Corporation tax (refund) payable	1,173	432
All other debts with Public Administration bodies	1,706	888

18.2 The reconciliation between income and expenses for Corporation Tax

At 31 December 2021 and 2020, the Group is not established in the consolidated statement regime, therefore the heading "Income Tax Payments" in the consolidated income statement reflects the sum of the amounts reported in the individual statements of each of the Group companies from the time of inclusion in the scope of each one of them.

The expense for income tax payments under the consolidated profit and loss account is determined from consolidated profit before tax, increased or decreased by the permanent differences between the taxable income of said tax and book income and the consolidation adjustments. To the adjusted book income is applied the tax rate applicable under the law that applies to each company and which decreases according to tax credits and deductions accrued during the year, adding in turn those differences, positive or negative, between the estimated tax on closure of accounts for the previous year and the subsequent settlement of tax at the time of payment.

The reconciliation between the consolidated profit before tax and income tax expense is as follows:

	Thousands of Euros	
	2021	2020
Consolidated profit before tax	18,245	13,514
Permanent differences and consolidation adjustments	1,271	2,994
Adjusted profit	19,516	16,508
Tax rate	25%	25%
Profit adjusted according to tax rate	4,879	4,127
Differences according to tax rate	-	-
Other adjustments	-	-
Total tax expense	4,879	4,127

Different companies calculate corporate income tax expense based on their respective legislation. The main tax rates applicable to the Group at yearend 2021 are as follows:

Country	Tax rate
Spain	25%
France	33.33%
Italy	24%
Poland	19%
Portugal	21%
Mexico	30%
United Kingdom	20%
Belgium	33.99%
Germany	30%
Croatia	20%
Lithuania	15%
United States	21%

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

	Thousands of Euros	
	2021	2020
Expense/(income) deferred tax	230	86
Expense/(income) current tax	4,649	4,041
Total expense (income) due to tax	4,879	4,127

During the 2021 financial year, the Parent Company has made instalment payments on account for the Corporate Tax corresponding to April and October of the 2021 financial year amounting to 2,844 thousand euros. On this basis, at yearend the parent company holds a balance to be recovered from the Tax Authorities amounting to 2,254 thousand euros, which has been registered as a current tax asset.

18.3 Recorded deferred tax assets

The detail of the balance of this account at the close of the 2021 and 2020 financial years and the movement that took place in 2020 is as follows:

	Thousands of Euros		
	31-12-2020	Disposals	31-12-2021
Temporary differences (prepaid taxes):			
Tax effect of the consolidation adjustments	65	-	65
70% depreciation limit	118	(90)	28
Others	14	-	14
Total deferred tax assets	197	(90)	107

The deferred tax assets referred to above have been recorded in the consolidated financial statement since the Directors of the Company consider that, in accordance with the best estimation regarding the future results of the Group, including certain tax planning measures, it is likely that said assets will be recovered.

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

18.4 Non-recorded deferred tax assets

At the close of the 2021 and 2020 financial years, there are only unregistered deferred tax assets corresponding to entities included in the "Other countries" segment (See Note 23) and which have not been recognized, since the expected recovery probability requirement was not met, nor are they broken down due to their insignificance.

18.5 Deferred tax liabilities

The detail of the balance of this account at the close of the 2021 and 2020 financial years and the movement that took place in 2021 is as follows:

	Thousands of Euros		
	31-12-2020	Additions	31-12-2021
Temporary differences (deferred taxes):			
Others	154	140	294
Total deferred tax liabilities	154	140	294

Under deferred tax liabilities, the Naturhouse Group has recognised an amount of 217 thousand euros in the 2021 financial year for aggregated undistributed profits in subsidiaries and associates (145 thousand euros in 2020).

18.6 Years pending approval and auditing actions

The Group's activity, by its nature, is not affected by significant fiscal risks.

The interim statements and income to tax account are made regularly and based on the book record transactions, but are not considered definitive until the tax authorities have inspected them or the statute of limitation has lapsed, which in Spain is four years for all the applicable taxes. The Parent Company has the last four financial years open for inspection 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 amount of revenue

The breakdown of net revenues for the years of 2021 and 2020 of the Group is detailed below:

	Thousands of Euros	
	2021	2020
Sales	56,693	54,193
Provision of services	901	888
	57,594	55,081

19.2. Supplies

The amount recorded under "Consumption of Merchandise" for the years 2021 and 2020 has the following composition:

	Thousands of Euros	
	2021	2020
Consumption of merchandise:		
Purchases	15,629	15,008
Changes in stocks (Note 12)	706	868
	16,335	15,876

The breakdowns of the purchases made by the Group during 2021 and 2020, by source, is as follows:

	Thousands of Euros	
	2021	2020
Spain	6,105	6,092
Europe	9,524	8,916
Others	-	-
Total purchases	15,629	15,008

19.3. Personnel costs

The breakdown of staff expenses accrued during 2021 and 2020 is as follows:

	Thousands of Euros	
	2021	2020
Wages, salaries and similar expense	8,386	9,374
Social security contributions	1,958	2,764
Severance indemnities	421	238
	10,765	12,376

19.4 Financial income and expenses

The breakdowns of the financial result of the Group during the year 2021 and 2020 are as follows:

	Thousands of Euros	
	2021	2020
Financial income	361	24
Group	140	-
In third parties	221	24
Financial expenses:	(100)	(185)
Debts with third parties	(100)	(185)
Exchange differences	56	153
Financial Result	317	(8)

As of 31 December 2021, the heading "Other financial expenses" includes 48 thousand euros due to the effect of updating the lease liability (see Note 10) (126 thousand euros as of 31 December 2020).

19.5 Other operating expenses

The amount recorded under "Other operating expenses" for the years 2021 and 2020 has the following composition:

	Thousands of Euros	
	2021	2020
Leases	267	1,009
Repairs	245	237
Transportation	1,740	1,686
Supplies	658	757
Advertising	3,933	2,865
Other external services	3,463	4,053
	10,306	10,607

The heading "Leases and fees" includes, as of 31 December 2021, leases with a maturity of less than one year and low-value assets.

20. Balances and transactions with related parties

The following are considered related parties:

- The main shareholder of the Parent Company, Kiluva, S.A. and all affiliates of said main shareholder as defined in IAS 24.
- The Directors and Managers of any company belonging to the Naturhouse Group or its main shareholder, Kiluva, S.A., and their immediate family, where "Administrator" is understood to be a member of the Board of Directors, and "Manager" is understood to be a person who reports directly to the Board or the Chief Executive of the Parent Company.

20.1 Balances with affiliate companies

As of December 31 and 2020, the Group had the following balances with affiliated companies:

Sociedad	Thousands of Euros			
	Debit balances		Credit balances	
	2021	2020	2021	2020
Short-term commercial balances				
Finverki	5	-	-	-
Girofibra, S.L.	-	-	72	139
Healthouse Sun, S.L.	-	-	36	-
Ichem, Sp. zo.o.	6	-	1.428	1.990
Indusen, S.A.	-	-	409	464
Kiluva, S.A.	4	-	26	24
Laboratorios Abad, S.L.U.	-	-	2	2
Tartales LLC	2	-	-	-
Zamodiet, S.A.	-	-	-	8
Tartales, S.L.U.	-	16	35	-
Ferev S.A.R.L.	-	220	-	-
Total Short-term commercial balances	17	236	2.008	2.627
	17	236	2.008	2.627

In a general way, the Group recorded as current balances the debit or credit balances of a commercial nature with related companies.

Additionally, the headings "Non-current debt" and "Current debt" on the consolidated statement of financial position as of 31 December 2021 include lease liabilities with Tartales, S.L.U. amounting to 1,023 thousand euros (458 thousand euros in the short term and 565 thousand euros in the long term).

As has been described in Note 11.1, in the 2021 financial year, the Company granted a loan to Tartales, L.L.C., amounting to 826 thousand euros, maturing in 2023. Said loan accrues an annual interest rate of 0.5%.

Lastly, as detailed in note 11.2 above, the Parent Company has acquired from its related company Kiluva, S.A. an additional stake in Ichem SP Z.o.o. equivalent to 24.8% amounting to 3,208,010 euros.

20.2 Transactions with affiliate companies

During the years 2021 and 2020, the Group performed the following transactions with related companies:

Company	Thousands of Euros	
	2021	2020
Sales:		
Ichem Sp. Zo.o	6	-
Healthhouse Sun, S.L.	3	-
Ferev S.A.R.L.	-	49
Services provided		
Ferev S.A.R.L.	-	4
Finverki	5	-
Healthhouse Sun, S.L.	6	-
Kiluva, SA	4	-
Laboratorios Abad, S.L.U.	2	-
Tartales LLC	2	-
Total operating revenues	28	53
Sales of fixed assets:		
Kiluva, SA	-	-
Tartales, S.r.l.	-	-
Tartales, Lda	-	-
Tartales, SLU	-	-
Total sales of fixed assets (Note 9)	-	-
Purchases:		
Girofibra, SL	716	745
Ichem Sp. Zo.o	9.524	8.916
Indusen, SA	2.143	2.086
Laboratorios Abad, S.L.U.	77	92
Services received:		
Tartales, S.r.l.	3	9
Ichem Sp. Zo.o	22	28
Kiluva, SA	188	20
Healthhouse Sun, S.L.	83	10
Tartales Portuguesa, S.A.	41	-
U.D. Logroñés, SAD	175	188
Ferev S.A.R.L.	-	-
Leasing and Insurance:		
Casewa, S.A.U.	107	108
Tartales, SLU	788	597
Total operating expenses	13.867	12.799

(*) Lease expenses with Casewa, S.A.U. and Tartales, S.L.U. in the 2021 financial year include lease payments made to these entities, which have been recognised in accordance with IFRS 16.

The distribution of dividends indicated in Note 14 should be taken into consideration.

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 2021 financial year (63 thousand euros in the 2020 financial year).

The Directors of the Parent Company and its tax advisers, consider that the transfer prices are adequately justified on the basis of a report issued by the above parties, and therefore consider that there are no significant risks, in this sense, that they 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 2020 financial year together with its tax advisors, which includes the main transactions that the Parent Company performs with its related companies:

- Royalties from the sale of brands
- Support services to the management (management fees).
- Sale of products
- Purchase of products
- Financial operation: liquid asset management.

The report does not include limitations, cautions or significant safeguards, except for the characteristics inherent to this type of work. Furthermore, in order to examine whether the prices agreed between the related parties as a result of the above-described transactions comply with applicable regulations and in order to determine its suitability to market values, the following methodology has been used depending on each kind of transaction:

- Obtaining comparable examples, i.e. comparing the circumstances of transactions related to the circumstances of transactions between independent persons or entities that may be comparable (comparable uncontrolled price method "CUP").
- 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 also been used, where a margin is subtracted from the selling price of a good or service applied by the reseller itself, in identical or similar operations with independent persons or entities, or, in the absence thereof, the margin that independent persons or entities apply to comparable transactions, performing, where applicable, the necessary corrections for equivalence and taking into account 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 these analyses it was determined that these operations are in accordance with the market.

This report has been issued in relation to transactions with affiliate companies in 2020. The Directors believe that there have been no relevant or significant changes in transfer pricing during the 2021 financial year, consequently, they believe that they are duly backed up.

20.3 Compensation to Directors and Senior Management of the Parent Company

During 2021 the current Directors of the Parent Company accrued compensation in fixed allowance and fees for attending meetings of the Board of Directors amounting to 316 (316 thousand Euros). Likewise, a member of the Board of Directors has provided services to the Company amounting to 60

thousand euros during the 2021 financial year (63 thousand euros during the 2020 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 financial year of 2020, no member of the Board of Directors has any advances, guarantees or other commitments in the area of pensions or life insurance contracted with the Directors. The current Directors of the Parent Company were appointed during the year 2018.

The compensation received in the year 2021 by the senior executives of the Group amounted to 2,236 thousand Euros for salaries and wages and services and compensations (1,529 thousand Euros were received by members of the Board of Directors in the development of their executive positions). The Senior Management of the Group has received no remuneration for other services. The remunerations received by the Group's Senior Management in the 2020 financial year amounted to 2,467 thousand euros (1,447 thousand euros received by members of the Board of Directors in the development of their executive positions).

At the close of the 2021 and 2020 financial years, the Group's Senior Management body is composed of the following persons:

Categories	2021		2020	
	Men	Women	Men	Women
Senior Management	7	1	8	1

No advances or loans granted to senior management at year-end 2021 and 2020, nor pension obligations or life insurance.

The Board of Directors consists of six men and one woman at the end of 2021 (six men and one woman at the end of 2020).

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 5 thousand euros to 31 December 2021 (5 thousand euros in 2020).

20.4 Information relating to conflicts of interest by the Directors

As of year-end 2021, neither the members of the Board of Naturhouse Health, S.A. nor any persons related to them as defined by the refunded 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. Information about the environment

Given the activities in which the Group is engaged, it has no liabilities, expenses, assets, provisions or contingencies of an environmental nature that could be significant in relation to the assets, financial position and results of the Group. For this reason, specific breakdowns are not included in these consolidated notes.

22. Other information

22.1 Staff

The average number of employees during the years 2021 and 2020, broken down by category, is as follows:

Categories	Number of employees	
	2021	2020
Senior Management	9	9
Rest of Senior Staff	15	17
Administrative and technical staff	45	44
Commercial, sales' staff and operators	194	335
	263	405

Likewise, the gender distribution of the Group at the end of the years 2021 and 2020, broken down by category, is as follows:

Categories	2021		2020	
	Men	Women	Men	Women
Senior Management	7	1	8	1
Rest of Senior Staff	14	1	14	1
Administrative and technical staff	11	29	14	33
Commercial, sales' staff and operators	11	157	14	204
	43	188	50	239

As of 31 December 2021 and 2020, the group employed 5 and 6 people with disabilities equal to or above 33%, respectively.

22.2 Audit fees

During the 2021 and 2020 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 (*)
	Year 2021	Year 2020
The Company's audit services (individual and consolidated)	135,990	139,440
Other verification services (**)	26,010	26,010
Total auditing and related services	162,000	165,450
Tax services	-	-
Other services	-	3,000
Total Professional Services	162,000	168,450

(*) The audit fees for the 2020 financial year included fees for the audit of SAS Naturhouse amounting to 32,550 euros, which was carried out by Deloitte, a firm for which the financial year ending 31 December 2020 was the last year of its current appointment.

(**) 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 2020 financial year).

23. Information by segments

The Group, considering that IFRS 8 mandates the application and disclosure of itemized information for those companies whose equity securities or debt is publicly traded, or companies that are in the process of issuing securities in public equity markets, presents this information in four itemized segments in the accompanying consolidated financial statements.

Segmentation criteria

For management purposes, the Group is currently comprised of the following operating segments which are in the following geographical areas:

- Spain
- France
- Italy
- Poland
- Other countries

The principal activities of the Group are described in Note 1 of the consolidated notes. The Group does not perform activities differentiated by relevant amounts that involve the identification of additional operating segments.

The Directors of the Parent Company have identified these segments based on the following criteria:

- It engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity),
- Those whose operating results are regularly reviewed by management, making operational and management decisions of the entity, making decisions about resources to be allocated to the segment, and assess their performance, and
- It has different financial information.

Basis and methodology of the information by business segment

The segment information provided below is based on reports prepared by Group management and is generated using the same software used for all accounting data of the Group.

The ordinary revenue of the segment relates to the ordinary income directly attributable to the segment plus the relevant proportion of overall revenues of the Group which may be assigned to it using reasonable distribution bases.

The expenses of each segment are determined by the costs of operating activities thereof which are directly attributable to same plus the relevant portion of expenses that can be allocated to the segment using reasonable distribution bases.

The segment result is presented before income taxes and any adjustment for minority interests.

In the column "Consolidation Eliminations" of the consolidated income statement it basically includes eliminations of sales and purchases between segments and costs passed on by the Parent Company and other consolidation adjustments.

Information regarding the consolidated income statements for 2021 and 2020, broken down by Segment, is as follows:

	Thousands of Euros															
	Sectors															
	Spain		France		Italy		Poland		Other countries		Eliminations and other consolidation adjustments					
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
External Sales	11,885	11,200	20,156	20,691	16,826	14,191	6,922	7,161	1,805	1,838	-	-	-	-	57,594	55,081
Sales between sectors	1,594	1,586	355	352	-	21	16	8	-	-	(1,965)	(1,967)	-	-	-	-
Other operating income	2,830	2,877	534	1,266	-	-	224	253	653	192	(3,897)	(3,431)	-	-	344	1,157
Total revenues	16,309	15,663	21,045	22,309	16,826	14,212	7,162	7,422	2,458	2,030	(5,862)	(5,398)	-	-	57,938	56,238
Supplies	(4,186)	(4,081)	(5,758)	(6,183)	(4,926)	(4,141)	(2,709)	(2,920)	(638)	(665)	1,965	2,000	(83)	114	(16,335)	(15,876)
Staff	(4,733)	(5,238)	(2,281)	(2,431)	(2,417)	(2,853)	(662)	(1,035)	(672)	(819)	-	-	-	-	(10,765)	(12,376)
Amortization	(398)	(440)	(52)	(82)	(106)	(127)	(28)	(63)	(36)	(49)	-	-	(1,837)	(2,497)	(2,457)	(3,258)
Other operating expenses and other results	(4,689)	(4,655)	(5,767)	(5,381)	(3,550)	(3,727)	(1,565)	(1,814)	(851)	(1,018)	3,705	3,648	1,880	2,590	(10,837)	(10,357)
Impairment losses and income from disposal of fixed assets	(23)	(172)	(39)	(24)	-	(3)	-	-	-	-	-	-	(144)	(947)	(206)	(1,146)
Operating results	2,280	1,077	7,148	8,208	5,827	3,361	2,198	1,590	261	(521)	(192)	250	(184)	(740)	17,338	13,225
Financial income	9,411	5,185	6	7	1	1	-	2	165	1	(9,223)	(5,205)	60	33	420	24
Financial expenses	(34)	(22)	14	-	(7)	(28)	(3)	(1)	(30)	(27)	6	18	(47)	(125)	(101)	(185)
Impairment losses and income from disposal of financial Instruments	1	(242)	(4)	-	-	(20)	-	153	-	-	1	262	-	-	(2)	153
Financial Result	9,378	4,921	16	7	(6)	(47)	(3)	154	135	(26)	(9,216)	(4,925)	13	(92)	317	(8)
Result in entities valued by the equity method		-		-		-		-		-	590	297		-	590	297
Profit before tax	11,658	5,998	7,164	8,215	5,821	3,314	2,195	1,744	396	(547)	(8,818)	(4,378)	(171)	(832)	18,245	13,514
IFRS 16 Impact on Amortisation	(802)	(963)	(285)	(336)	(282)	(534)	(138)	(174)	(330)	(514)	-	-	-	-	(1,837)	(2,521)
IFRS 16 impact on Other operating expenses	831	996	293	347	290	552	139	159	338	546	-	-	-	-	1,891	2,600
IFRS 16 impact on Financial Result	(22)	(36)	(6)	(9)	(6)	(10)	1	(2)	30	(43)	-	-	-	-	(3)	(100)

The segment "Eliminations" includes consolidation eliminations and financial income and expenses considered as corporate not assignable to any particular segment. There has been no distribution of revenue and general expenses between segments.

The breakdown per segment of certain items of the consolidated statement of financial position, to 31 December 2021 and 2020 is as follows:

	Thousands of Euros													
	Sectors												Total	
	Spain		France		Italy		Poland		Other countries		Eliminations and other consolidation adjustments			
	31-12-2021	31-12-2020	31-12-2021	31-12-2020	31-12-2021	31-12-2020	31-12-2021	31-12-2020	31-12-2021	31-12-2020	31-12-2021	31-12-2020	31-12-2021	31-12-2020
ASSETS														
Other intangible assets	677	915	14	16	29	33	33	8	-	-	-	-	753	972
Tangible fixed assets	439	525	172	258	238	305	62	73	115	155	1,648	2,682	2,674	3,998
Total Assets	28,810	21,483	13,113	15,994	9,015	6,804	3,830	3,973	5,379	2,502	(11,146)	(8,179)	49,001	42,577
Total Liabilities	2,055	2,118	4,621	7,104	3,458	3,449	464	1,007	4,531	2,346	(2,209)	525	12,920	16,549
IFRS 16 impact (Assets)	1,615	1,644	348	454	347	490	189	236	592	1,663	(1,358)	(1,719)	1,733	2,768
IFRS 16 impact (Liabilities)	1,635	1,671	351	460	350	496	189	238	599	1,697	(895)	(867)	2,229	3,695

The segment "Other and eliminations" includes assets and liabilities considered as corporate and not attributable to any particular segment, i.e. under "Investments in related companies" and "Current financial assets" and "Non-Current Liabilities" and "Current liabilities", respectively, as well as consolidation eliminations.

Other segment information

None of the Group's customers accounts for over 10% of revenues from ordinary activities.

Furthermore, plant and equipment and intangible assets movements by segment were as follows:

	In Thousands of Euros					Total
	Spain	France	Italy	Poland	Other	
IFRS 16 movements	(86)	(86)	(67)	(11)	(1.073)	(1.323)
Movements 2021	(29)	(106)	(143)	(47)	(709)	(1.034)

During the 2021 financial year, no significant additions of fixed assets have been carried out in relation with these segments.

24. Subsequent events

There have been no significant subsequent events between the close of 31 December 2021 and the date these financial statements were drawn up.

ANNEX I

Companies included in the Consolidation

At 31 December 2021 and 2020 the affiliate companies in full consolidation and the information relating to same is as follows:

Year 2021

Company	Activity	% participation
Naturhouse Health S.A. Claudio Coello, 91 Madrid (Spain)	Retail sales of all kinds of products related to dietetics, medicinal herbs and natural cosmetics	
Housediet S.A.R.L. 75 rue Beaubourg 75003 Paris (France)	Retail sales of all kinds of products related to dietetics, medicinal herbs and natural cosmetics	100%
Kiluva Portuguesa –Nutrição e Dietetica, Lda Avenida Dr. Luis SA, 9 9ª Parque Ind Montserrat Fração "M" Abruheira 2710 Sintra (Portugal)	Manufacturing and marketing of dietetic products	100%
Ichem Sp. zo.o. (*) ul. Dostawcza 12 93-231 Lodz (Poland)	Production and marketing of dietetic products	49.75%
Naturhouse Belgium S.P.R.L. Avenida de la porte, Hall 11b 1060 Saint Gilles (Belgium)	Retail sales of all kinds of products related to dietetics, medicinal herbs and natural cosmetics	100%
Naturhouse Franchising Co, Ltd 257 Old Brompton Road, Earl's Court SW5 9HP London (UK)	Retail sales of all kinds of products related to dietetics, medicinal herbs and natural cosmetics	100%
Naturhouse, GmbH Rathausplatz, 5 91052 Erlangen (Germany)	Retail sales of all kinds of products related to dietetics, medicinal herbs and natural cosmetics	100%
Naturhouse Inc. 1395 Brickellave 800 STE Miami FL (USA)	Retail sales of all kinds of products related to dietetics, medicinal herbs and natural cosmetics	100%
Naturhouse Sp. zo.o. Ul/Dostawcza, 12 93-231 Lozd (Poland)	Retail sales of all kinds of products related to dietetics, medicinal herbs and natural cosmetics	100%
Naturhouse S.R.L. Via Federico Fellini, 6 44122 Ferrara (Italy)	Retail sales of all kinds of products related to dietetics, medicinal herbs and natural cosmetics	100%
Nutriron Naturhouse Inc. Rue de la Guachetière Ouest Montréal Québec (Canada)	Retail sales of all kinds of products related to dietetics, medicinal herbs and natural cosmetics	100%

Naturhouse d.o.o. Ilica 126, Zagreb (Croatia)	Retail sales of all kinds of products related to dietetics, medicinal herbs and natural cosmetics	100%
S.A.S. Naturhouse 12, Rue Philippe Lebon Zone de Jarlard, 81000 Albi, France	Retail sales of all kinds of products related to dietetics,	100%
Zamodiet México S.A. de C.V. Boulevard Interlomas, nº 5 L4 Lomas Anahuac (Mexico)	Retail sales of all kinds of products related to dietetics,	79%
Name 17, S.A. de C.V. Doctor Balmis, 222 Ciudad de México (México)	Retail sales of all kinds of products related to dietetics,	51%
Naturhouse Health Limited 165 Lower Kimmage Road Dublin 6, (Ireland)	Retail sales of all kinds of products related to dietetics,	100%
Naturhouse Pte. Ltd. 64D Kallang Pudding Road (Tannery Building) 349323 Singapore	Retail sales of all kinds of products related to dietetics,	100%

(*) Sole company integrated with the equity-accounted method and the rest by full consolidation.

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

Year 2020

Company	Activity	% participation
Naturhouse Health S.A. Calle Claudio Coello, 91 Madrid (Spain)	Retail sales of all kinds of products related to dietetics, medicinal herbs and natural cosmetics	
Housediet S.A.R.L. 75 rue Beaubourg 75003 Paris (France)	Retail sales of all kinds of products related to dietetics, medicinal herbs and natural cosmetics	100%
Kiluva Portuguesa –Nutrição e Dietetica, Lda Avenida Dr. Luis SA, 9 9ª Parque Ind Montserrat Fração "M" Abruheira 2710 Sintra (Portugal)	Manufacturing and marketing of dietetic products	100%
Ichem Sp. zo.o. (*) ul. Dostawcza 12 93-231 Lodz (Poland)	Production and marketing of dietetic products	24.9%
Naturhouse Belgium S.P.R.L. Rue Du Pont-Gotissart 6 Nijvel, Waals Brabant, 1400 (Belgium)	Retail sales of all kinds of products related to dietetics, medicinal herbs and natural cosmetics	100%
Naturhouse Franchising Co, Ltd 33 church road, Ashford Middlesex (UK)	Retail sales of all kinds of products related to dietetics, medicinal herbs and natural cosmetics	100%
Naturhouse, GmbH Rathausplatz, 5 91052 Erlangen (Germany)	Retail sales of all kinds of products related to dietetics, medicinal herbs and natural cosmetics	100%
Naturhouse Inc. 1395 Brickellave 800 STE Miami FL (USA)	Retail sales of all kinds of products related to dietetics, medicinal herbs and natural cosmetics	100%
Naturhouse Sp. zo.o. Ul/Dostawcza, 12 93-231 Lozd (Poland)	Retail sales of all kinds of products related to dietetics, medicinal herbs and natural cosmetics	100%
Naturhouse S.R.L. Viale Panzacchi, n° 19 Bologna (Italy)	Retail sales of all kinds of products related to dietetics, medicinal herbs and natural cosmetics	100%
Nutririon Naturhouse Inc. (**) Rue de la Guachetière Ouest Montréal Québec (Canada)	Retail sales of all kinds of products related to dietetics, medicinal herbs and natural cosmetics	100%
Naturhouse d.o.o. Ilica 126, Zagreb (Croatia)	Retail sales of all kinds of products related to dietetics, medicinal herbs and natural cosmetics	100%
S.A.S. Naturhouse 12, Rue Philippe Lebon Zone de Jarlard, 81000 Albi, France	Retail sales of all kinds of products related to dietetics,	100%
Zamodiet México S.A. de C.V. Boulevard Interlomas, n° 5 L4 Lomas Anahuac (Mexico)	Retail sales of all kinds of products related to dietetics,	79%
Name 17, S.A. de C.V. Doctor Balmis, 222 Mexico City (Mexico)	Retail sales of all kinds of products related to dietetics,	51%

(*) Sole company integrated with the equity-accounted method and the rest by full consolidation.

(**) Company not consolidated due to being inactive

Management Report
REPORT CORRESPONDING TO THE YEAR
ENDING
31 DECEMBER 2021

INDEX

1. Situation and Business Development
2. Evolution of the main figures of the consolidated profit and loss account
3. Consolidated Statement of Financial Position
4. Financial risk management and use of hedging instruments
5. Risk Factors
6. R + D + i activities
7. Treasury Shares
8. Subsequent events
9. Capital structure and significant shareholdings
10. Shareholder agreements and restrictions on transferability and vote
11. Administrative Body, Board
12. Significant agreements
13. Annual Corporate Governance Report
14. Annual Directors Remuneration Report
15. Non Financial Information

1. Situation and Business Development

Naturhouse Group is a business group dedicated to the dietetic and nutrition sector with its own exclusive business model based on the Naturhouse method. At yearend 2021 it had an active presence in 32 countries through a network of 1,686 centres, with France, Italy, Spain and Poland being its most important markets.

The companies included in full consolidation in the year 2021 are: Naturhouse Health S.A. (Spain), S.A.S. Naturhouse (France), Housediet S.A.R.L. (France), Naturhouse S.R.L. (Italy), Naturhouse Sp Zo.o (Poland), Kiluva Portuguesa - Nutricao e Dietética, Lda (Portugal), Naturhouse Belgium S.P.R.L. (Belgium), Naturhouse Franchising Co, Ltd (United Kingdom), Naturhouse, Gmbh (Germany) and Zamodiet México S.A. of C.V. and Name 17 S.A. of C.V. (Mexico), Nutrition Naturhouse Inc. (Canada), Naturhouse d.o.o. (Croatia), Naturhouse Inc. (US), Naturhouse Health Limited (Ireland), Naturhouse Pte. Ltd. (Singapore).

2021 has been a year of transition, marked by the lifting of restrictions, the progressive advance of the vaccination plan, the favourable evolution of the pandemic and the growth in household consumption, which has contributed to a recovery of economic activities.

The Group Naturhouse closed the year 2021 with a positive result of 13.4 million net profit.

After leaving behind 2020, the most severe year of the pandemic, the company shows signs of recovery. The measures adopted in 2020 and 2021, together with the positive evolution of the pandemic, have allowed the company to return to the path of growth, as well as to recover the staff that were still affected by temporary layoffs (ERTEs). The improvement in the net result is mainly due to the spending containment measures and the optimisation of the commercial structure, adopted as part of the contingency plan initiated since the outbreak of the pandemic, mainly aimed at strengthening the company's liquidity.

The Annual General Meeting was held on 18 June 2021, 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 2020.
 - The proposed distribution of profit and management of the Naturhouse Health, S.A. Board of Directors for the 2020 financial year. Authorisation for the distribution of unrestricted voluntary reserves.
 - Approval of the Non-Financial Information Statement of the Consolidated Group of Naturhouse Health, S.A. and subsidiaries for the 2020 financial year.
 - Approval of the management of the Board of Directors corresponding to the year 2020.
 - Remuneration of the company's Board of Directors.
-
- 5.1 Advisory vote on the Annual Report on Remuneration of Naturhouse Health, S.A. Board Directors for the 2020 financial year.
 - 5.2 Approval of the remuneration policy for Naturhouse Health, S.A. Board Directors for the 2021 financial year.
 - 5.3 Approval of the remuneration for the Naturhouse Health, S.A. Board of Directors for the 2021 financial year.
-
- Amendment to the Naturhouse Health, S.A. articles of association

- In accordance with the proposal to amend the Articles of Association indicated in the previous point, amendment (and introduction of new articles) to the Regulations of the Annual General Meeting.
- Record of the amendment to Article 16 of the Regulations of the Naturhouse Health, S.A. Board of Directors to adjust its wording to the new text proposed for the Articles of Association.
- Delegation for a period of five years in favour of the Board of Directors of the power to increase the share capital at any time.
- Delegation of powers to supplement, develop, execute, remedy and formalise the resolutions adopted by the General Meeting.

2. **Evolution of the main figures of the consolidated profit and loss account**

Consolidated Profit and Loss Account

(thousand euros)	31/12/2021	31/12/2021
Net amount of revenue	57,594	55,081
Supplies	(16,335)	(15,876)
Gross Margin	41,259	39,205
Other operating income	344	1,157
Personnel costs	(10,765)	(12,376)
Other operating costs	(10,306)	(10,607)
Operating income before depreciation and amortization, impairment and other results	20,532	17,379
Depreciation and amortization	(2,457)	(3,258)
Impairment losses and income from disposal of fixed assets	(206)	(1,146)
Other results	(531)	250
OPERATING INCOME	17,338	13,225
Financial income	361	24
Other financial incomes	361	24
Financial expenses	(100)	(185)
Debts with third parties	(100)	(185)
Exchange differences	56	153
FINANCIAL RESULT	317	(8)
Income from equity-accounted entities	590	297
CONSOLIDATED PROFIT BEFORE TAX	18,245	13,514
Corporation Tax	(4,879)	(4,127)
NET INCOME FROM CONTINUING OPERATIONS	13,366	9,387
CONSOLIDATED NET INCOME - PROFIT	13,366	9,387
Profit or loss - minority interests	(5)	(8)
NET PROFIT OR LOSS FOR THE FINANCIAL YEAR ATTRIBUTABLE TO THE PARENT COMPANY	13,361	9,379
Earnings per share (in euros per share):		
- Basic	0,22	0,16
- Diluted	0,22	0,22

Average number of employees	263	405
Gross Margin without Sales	72%	71%
Operating Income without Sales	30%	24%
Net Income without Sales	23%	17%

- The net turnover is composed of two main aspects:
 1. Sale of goods Corresponds to the sale of products through the Naturhouse channel (either through franchising, online, master franchising or centres of our property). Represents the bulk of revenues with 98.56% in 2021.
 2. Provision of services
 - a. €600 annual fee paid by each franchise to subsidiaries of the Group. This represents 1.44% of net turnover for the 2021 financial year.
 - b. Master franchise fee: corresponds to the entry fee that the Group bills to the masters franchisees for the operation of the business in an exclusively new country. This fee is charged in advance in the first year of operation of the business and entitles the exploitation of the Naturhouse channel for next 7 years. The amount of the fee varies according to the estimated potential number of Naturhouse centres in that country. This type of income represents a total of 0.22% of the net amount of turnover in the year 2021.
 - Net turnover in the 21 financial year amounted to 57,594 thousand euros, representing an increase of 4.6% over the previous year. This variation mainly includes the following effects:
 - In France sales are 20,156 thousand Euros. In the 2020 financial year, it was 20,691 thousand euros, a decrease of 2.6%, as a result of the closure of 52 centres during the 2021 financial year.
 - In Spain, sales are 11,885 thousand euros. In the 2020 financial year, it was 11,200 thousand euros, an increase of 6.1%.
 - In Italy, sales are 16,826 thousand euros. In the 2020 financial year, it was 14,191 thousand euros, representing an increase of 18.6%.
 - In Poland, sales are 6,922 thousand euros. In the 2020 financial year, it was 7,161 thousand euros, a decrease of 3.3%, as a result of the closure of 10 centres during the 2021 financial year.
 - The gross margin over the net amount of turnover remains at 72%.
 - "Other operating income" corresponds to revenue from auxiliary services of the Naturhouse business.
 - In 2021 there is an average workforce of 263 employees in the Group, of which 74% are direct employees of the Naturhouse centres under self-management and commercial offices that control the smooth running of all the centres, both franchises and the Group's own centres, and the remaining 26% of staff corresponds to general management, administration and accounting, logistics, marketing and technical staff.
- Personnel Costs represents 18.69% of net turnover, lower than its relative weight in the 2020 financial year.
- "Operating Income before amortisation, impairment and other income" on turnover has increased 4 percentage points compared to 2020, 32% to 36%, as a result of the spending containment policy, as well as the restructuring of the commercial network of own centres.

- As a result of the 49.75% stake in the company Ichem Sp Z.o.o, in the 2021 financial year, 590 thousand euros is recognised in the "Income from equity-accounted entities" on the attached abridged profit and loss account.
- The net result on turnover rose 6 percentage points, from 17% to 23%, compared to the 2020 financial year, as a result of the decrease in operating expenses in the 2021 financial year.

3. Consolidated Statement of Financial Position

ASSET (thousand euros)	31/12/2021	31/12/2020
NON-CURRENT ASSETS:		
Intangible fixed assets	753	972
Tangible fixed assets	2,674	3,998
Non-current financial assets	1,399	696
Investments in associated companies		
Investments recognised using the equity method	6,793	3,276
Deferred tax assets	107	197
Non-current assets	11,726	9,139
CURRENT ASSETS:		
Inventory	2,550	3,256
Customer receivables for sales and services	2,691	3,798
Customers, related companies	17	236
Current tax assets and other receivables with public administrations	3,988	4,006
Other current assets	779	531
Cash and cash equivalents	27,250	21,611
Total current assets	37,275	33,438
Total assets	49,001	42,577

EQUITY AND LIABILITIES (thousand euros)	31/12/2021	31/12/2020
NET EQUITY:		
Capital and Reserves		
Subscribed capital	3,000	3,000
Issue premium	2,149	2,149
Premium	18,443	13,452
Treasury Shares	(142)	(142)
Conversion differences	(790)	(1,875)
Profit or loss for the financial year - Benefit	13,361	9,379
Interim dividend	-	-
NET EQUITY ATTRIBUTABLE TO MEMBERS OF THE PARENT COMPANY	36,021	25,963
NET EQUITY ATTRIBUTABLE TO MINORITY INTERESTS	60	65
Total net equity	36,081	26,028
NON-CURRENT LIABILITIES:		
Non-current provisions	1,188	1,224
Non-current liabilities	3,375	5,441
Deferred tax liabilities	294	154
Non-current liabilities	4,857	6,819
CURRENT LIABILITIES:		
Current liabilities	982	479
Current liabilities	992	1,592
Trade creditors and other receivables	2,375	4,144
Suppliers, related companies	2,008	2,627
Current tax liabilities and other payables with public administrations	1,706	888
Total current liabilities	8,063	9,730
TOTAL NET EQUITY AND LIABILITIES	49,001	42,577

- The change in "Tangible fixed assets" is due to the following reasons:
 - In 2021, there was a decrease in euros under "Tangible Fixed Assets" as a result of the divestment and reorganisation of our own centres.
 - The impact of the application of IFRS 16, which has led to the recognition of assets for the right of use amounting to 2,195 thousand euros compared to 2,768 thousand euros in 2020.
- "Investments in associates" corresponds to the 49.8% stake in the company Ichem Sp Z.o.o, the main supplier of the Naturhouse Group.
- "Current tax assets" includes the amount paid to the Tax Authorities as an advance corporate tax payment for the 2021 financial year. All of the amount advanced for corporate tax for the 2020 financial year has been returned in February 2021, with the return of the amount for the 2021 financial year outstanding.
- As of yearend 2021, the company held a balance in own shares and company shares of €141,886, represented by a total of 50,520 shares at an average acquisition price of €2.81/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 negotiations on leases impacting on the application of IFRS 16, with the figure decreasing by 2,066 thousand euros. This item also includes, among other concepts, 2,040 thousand euros of deposits that the French subsidiary has from franchisee customers by way of a commercial guarantee.

- The decrease in "Current debt" corresponds to the impact of the application of IFRS 16, with the figure decreasing by 600 thousand euros.
- The average payment period of the Spanish company included in the Naturhouse Group was 47.29 days, within the maximum period established in the delinquency regulations.

4. Financial risk management and use of hedging instruments

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

Market risk in the interest rate and the exchange rate:

The Group's operating activities are largely independent with respect to changes in market interest rates. The interest rate risk of the Group arises from long-term borrowings. As of 31 December 2021, 100% of borrowings were at variable interest rates. However, the Group has not considered it necessary to cover such interest rate fluctuations because the external financing of the Group is unimportant, so it has not contracted hedging instruments during the years in question.

Regarding the exchange rate risk, the Group does not operate internationally outside the Euro Currency to any great extent, so its exposure to exchange rate risk on foreign currency operations is not significant.

Credit risk:

In general the Group maintains its cash and equivalent liquid assets at banks with high credit ratings. It also performs adequate monitoring of accounts receivable individually, in order to determine situations of potential insolvency.

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

Liquidity risk:

In order to ensure liquidity and be able to meet all payment obligations arising from its activities, the Group has abundant credit lines and financing with credit institutions. It has maintained a proactive policy on the management of liquidity risk, focusing primarily on the preservation of same, maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of credit facilities and the ability to liquidate market positions.

5. Risk Factors

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

Regarding to our competitors, 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 increases in same involving the development of pharmaceuticals and other technological and scientific advances in the field of weight loss could have a negative impact on the business, operating results and financial position of the Group.

6. R + D + i activities

The method used by the Company in relation to research and development of new products is as follows:

It is in the commercial, technical and marketing department where the initial need to consider extending the range of products that Naturhouse offers arises, or simply modify one of the existing offers. This need is transferred to one or more of our current suppliers, according to the product format (sachets, vials or capsules). Suppliers develop and submit proposals according to incoming needs, and if these are covered from a commercial, technical and economic point of view, we proceed to launch the new product or format. Therefore the Company does not generate increased costs in R + D + i in the registration of the brand and the formula in the corresponding department for health.

The company's main supplier is the Polish company Ichem Sp. zo.o, as it accounts for 55% of total consolidated purchases to 31 December 2021. Naturhouse Health, S.A. holds 49.75% of its capital. The benefits sought with this holding are:

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

By doing this Naturhouse Health SA is able to differentiate itself from its competitors because it is present throughout the entire value chain of the nutritional supplement industry, from R & D and product manufacturing to the final sale and client consultation.

Besides Ichem, the Group is affiliated with two other large groups of suppliers, those suppliers in which Kiluva S.A., majority shareholder of Naturhouse Health S.A., has stakes (Indusen, Girofibra, Laboratorios Abad and Zamodiet), which represent approximately 17.07% of total purchases in 2021, and those suppliers that are not affiliated, Naturhouse Health and Kiluva S.A., representing 27% of total purchases in 2021.

7. Treasury Shares

As of 31 December 2021, the Parent Company holds a total of 50,520 treasury shares. No affiliate company owns any shares or holdings of the Parent Company.

8. Subsequent events

There have been no relevant significant events

9. Capital structure and significant shareholdings

As of 31 December 2021, the Naturhouse Group has no restriction on the use of capital resources that, directly or indirectly, have affected or may significantly affect the operations, except those that are legally established.

As of 31st December 2021, the share capital is represented by 60.000.000 shares. The main shareholders of the Group are: Kiluva, S.A. with a 72.60% stake and Ferev Uno Strategic Plans, S.L. with 4.83%.

10. Shareholder agreements and restrictions on transferability and vote

There is no shareholders agreement or statutory restrictions on the free transferability of the shares of the Parent Company and there are no statutory restriction or regulatory restrictions on voting rights.

11. Administrative Body, 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, Mr. Pedro Nueno Iniesta and Mr. Ignacio Bayón Marine.

12. Significant agreements

No significant agreements are recorded in terms of changes in the control of the Parent Company or between the Parent Company and its Manager and Directors or employees concerning compensation for resignation or dismissal.

13. Annual Corporate Governance Report

The annual corporate governance report that is part of the management report can be found on the website of the National Securities Market Commission (CNMV) and on the website of the Naturhouse Group.

14. Annual Directors Remuneration Report

The annual directors remuneration report that is part of the management report can be found on the website of the National Securities Market Commission (CNMV) and on the website of the Naturhouse Group.

15. Non Financial Information

In relation to the diversity and non-financial reporting requirements under Act 11/2018 of 28 December, said information is included in the Non-Financial Information Statement, which has been drawn up separately and can be viewed on the Comisión Nacional del Mercado de Valores (CNMW) website and on the Naturhouse Group website.

www.cnmv.es

www.naturhouse.com

Madrid, 28 February 2022

Board of Directors