

Report on Limited Review

NATURHOUSE HEALTH, S.A. AND SUBSIDIARIES
Consolidated Abridged Interim Financial Statements
and Consolidated Management Report corresponding
to the six-month period ended
June 30, 2021

REPORT ON LIMITED REVIEW OF THE CONSOLIDATED ABRIDGED INTERIM FINANCIAL STATEMENTS

Translation of a report originally issued in Spanish. In the event of discrepancy, the Spanish-language version prevails

To the shareholders of NATURHOUSE HEALTH, S.A. at the request of management:

Introduction

We have carried out a limited review of the accompanying consolidated abridged interim financial statements (hereinafter to be referred as the interim financial statements) of Naturhouse Health, S.A., (the Parent) and its subsidiaries (the Group), which consists of the balance sheet at June 30, 2021, the profit and loss account, the statement of changes in equity, the cash flow statement and the explanatory notes (all of them consolidated and abridged) for the six-month period then ended. The members of Management are responsible for the preparation of the Company's interim financial statements in accordance with International Accounting Standard (IAS) 34, Interim Financial Reporting, as adopted by the European Union, for the preparation of consolidated abridged interim financial information as per article 12 of Royal Decree 1362/2007. Our responsibility is to express a conclusion on said interim financial statements based on our limited review.

Scope of the review

We conducted our limited review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A limited review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A limited review is substantially less in scope than an audit conducted in accordance with prevailing audit regulations in Spain and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on the accompanying interim financial statements.

Conclusion

As a result of our limited review, which under no circumstances should be considered an audit of financial statements, nothing came to our attention that would lead us to conclude that the accompanying interim financial statements for the six-month period ended at June 30, 2021 are not prepared, in all material respects, in conformity with International Accounting Standard (IAS) 34, Interim Financial Reporting, as adopted by the European Union in conformity with article 12 of Royal Decree 1362/2007 for the preparation of interim financial statements.

Report on other legal and regulatory requirements

The attached consolidated interim management report for the six-month period ended June 30, 2021 contains the explanations that the Parent's management consider appropriate regarding the important events that occurred in this period and their impact on the interim financial statements presented, of which it is not an integral part, as well as on the information required in conformity with article 15 of Royal Decree 1362/2007. We have verified that the accounting information contained in the management report is consistent with the interim financial statements for the six-month period ended June 30, 2021. Our work is limited to verifying the consolidated interim management report with the scope mentioned in this paragraph and does not include the review of information other than that obtained from the accounting records of Naturhouse Health, S.A. and its subsidiaries.

Paragraph on other issues

This report has been prepared at the request of the management of Naturhouse Health, S.A. in relation to the publication of the half-year financial report required by article 119 of the consolidated text of the Securities Market Law, approved by Legislative Royal Decree 4/2015, of October 23.

ERNST & YOUNG, S.L.

(Signature on the original in Spanish)

María del Tránsito Rodríguez Alonso

September 17, 2021

Naturhouse Health, S.A. and Subsidiaries

Consolidated Abridged Interim Financial Statements and Consolidated Management Report for the six-month period ending 30 June 2021, drawn up in accordance with International Accounting Standard 34, together with the Limited Review Report

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NATURHOUSE HEALTH, S.A. and Subsidiaries

CONSOLIDATED ABRIDGED INTERIM STATEMENT OF FINANCIAL POSITION AS OF 30 JUNE 2021 AND 31 DECEMBER 2020
(thousands of euros)

ASSETS	Notes	30/06/2021 (Unaudited)	31/12/2020	EQUITY AND LIABILITIES	Notes	30/06/2021 (Unaudited)	31/12/2020
NON-CURRENT ASSETS:				EQUITY:			
Intangible assets	5	875	972	Capital and reserves-		3,000	3,000
Tangible fixed assets	5	3,321	3,998	Subscribed capital		2,149	2,149
Non-current financial assets	6	566	696	Issue premium		19,174	13,452
Investments in associates-				Reserves		(142)	(142)
Equity-accounted holdings	7	3,415	3,276	Own shares		(1,738)	(1,875)
Loans to related and equity-accounted companies	14	828	-	Conversion differences		8,389	9,379
Deferred tax assets	10.1	112	197	Profit or loss for the financial year		-	-
Total non-current assets		9,115	9,139	Interim dividend		-	-
				EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT COMPANY		30,832	25,963
				EQUITY - MINORITY INTERESTS	8	50	65
				Total Equity		30,882	26,028
CURRENT ASSETS:				NON-CURRENT LIABILITIES:			
Inventory		3,170	3,256	Non-current provisions	13	1,199	1,224
Trade receivables for sales and provision of services		3,746	3,798	Non-current debts	9	4,959	5,441
Customers, related companies		211	236	Deferred tax liabilities	10,2	166	154
Current tax assets and other credits	14			Total non-current liabilities		6,324	6,819
with Public Administrations				CURRENT LIABILITIES:			
Other current assets		2,863	4,006	Current provisions		467	479
Investments in associates		558	531	Current debts	9	4,733	1,592
Loans to related and equity-accounted companies	14	1,000	-	Trade creditors and other accounts payable		3,568	4,144
Cash and cash equivalents		31,744	21,611	Suppliers, related companies	14	3,912	2,627
				Current tax liabilities and other debts with Public Administrations		2,521	888
Total current assets		43,292	33,438	Total current liabilities		15,201	9,730
TOTAL ASSETS		52,407	42,577	TOTAL EQUITY AND LIABILITIES		52,407	42,577

Notes 1 to 16 and Annex I attached are an integral part of the consolidated abridged statement of financial position as of 30 June 2021.

NATURHOUSE HEALTH, S.A. and Subsidiaries

CONSOLIDATED ABRIDGED INTERIM PROFIT AND LOSS ACCOUNT FOR THE FIRST HALF OF 2021 AND 2020
(thousands of euros)

	Notes	First Half 2021 financial year (Unaudited)	First Half 2020 financial year (Unaudited)
CONTINUING OPERATIONS:			
Net turnover	12	32,104	28,224
Supplies		(9,174)	(8,152)
Gross Margin		22,930	20,072
Other operating income		25	219
Personnel expenses	11.a	(5,359)	(6,285)
Other operating expenses		(4,940)	(5,835)
Operating income before amortisation, impairment and other income		12,656	8,171
Amortization of fixed assets		(1,256)	(1,697)
Impairment and income from disposal of fixed assets		(59)	(1,014)
Other Results		39	(137)
OPERATING RESULT		11,380	5,323
Financial income	11.b	(55)	32
Share in profits from equity-accounted companies	7	261	95
PRE-TAX CONSOLIDATED PROFIT OR LOSS		11,586	5,450
Corporate Tax		(3,194)	(1,824)
NET PROFIT OR LOSS FROM CONTINUING OPERATIONS		8,392	3,626
NET CONSOLIDATED PROFIT OR LOSS		8,392	3,626
Profit or loss - minority interests		(3)	4
NET PROFIT OR LOSS ATTRIBUTABLE TO THE PARENT COMPANY		8,389	3,630
Profit per share (in euros per share):	8		
- Basic		0.14	0.06
- Diluted		0.14	0.06

Notes 1 to 16 and Annex I attached are an integral part of the consolidated abridged interim profit and loss account for the first half of the 2021 financial year.

NATURHOUSE HEALTH, S.A. and Subsidiaries

CONSOLIDATED ABRIDGED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE FIRST HALF OF 2021 AND 2020
 (thousands of euros)

	First Half 2021 financial year (Unaudited)	First Half 2020 financial year (Unaudited)
A. PROFIT AND LOSS ACCOUNT BALANCE	8,389	3,630
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	137	(185)
C. TRANSFER TO THE PROFIT AND LOSS ACCOUNT		
TOTAL CONSOLIDATED COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR (A+B+C)	8,526	3,445
Total Comprehensive Income attributable to:		
- The Parent Company	8,526	3,445
- Minority shareholders	(15)	(12)
TOTAL CONSOLIDATED COMPREHENSIVE INCOME	8,511	3,433

Notes 1 to 16 and Annex I attached are an integral part of the consolidated abridged interim statement of comprehensive income for the first half of the 2021 financial year.

NATURHOUSE HEALTH, S.A. and Subsidiaries

CONSOLIDATED ABRIDGED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE FIRST HALF OF 2021 AND 2020
(thousands of euros)

(Note 8)	Share Capital	Issue Premium	Reserves	Own shares	Conversion Differences	Profit or Loss for the Period 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
Comprehensive income for the first half of the 2020 financial year	-	-	-	-	(185)	3,630	-	(12)	3,433
Distribution of profit for the 2019 financial year:	-	-	1,857	-	-	(1,857)	-	-	-
- Distribution to reserves	-	-	1,374	-	-	(11,400)	11,400	-	1,374
- Distribution of dividends	-	-	-	-	-	-	-	-	-
Balance at 30 June 2020 (Unaudited)	3,000	2,149	14,406	(142)	(1,772)	3,630	-	50	21,321

(Note 8)	Share Capital	Issue Premium	Reserves	Own shares	Conversion Differences	Profit or Loss for the Period Attributable to the Parent Company	Interim Dividend	Minority Interests	Total Equity
Balance at 31 December 2020	3,000	2,149	13,452	(142)	(1,875)	9,379	-	65	26,028
Comprehensive income for the first half of the 2021 financial year	-	-	-	-	137	8,389	-	(15)	8,511
Distribution of profit for the 2020 financial year:	-	-	1,622	-	-	(1,679)	-	-	(57)
- Distribution to reserves	-	-	7,700	-	-	(7,700)	-	-	-
- Distribution of dividends	-	-	-	-	-	-	-	-	-
Other transactions with shareholders	-	-	(3,600)	-	-	-	-	-	(3,600)
- Distribution of dividends	-	-	-	-	-	-	-	-	-
Balance at 30 June 2021 (Unaudited)	3,000	2,149	19,174	(142)	(1,738)	8,389	-	50	30,882

Notes 1 to 16 and Annex I attached are an integral part of the consolidated abridged interim statement of changes in equity for the first half of the 2021 financial year.

NATURHOUSE HEALTH, S.A. and Subsidiaries

CONSOLIDATED ABRIDGED INTERIM STATEMENT OF CASH FLOWS
FOR THE FIRST HALF OF 2021 AND 2020
(thousands of euros)

	First Half 2021 financial year (Unaudited)	First Half 2020 financial year (Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES	12,877	6,369
Pre-tax result for the financial year	11,586	5,450
Adjustments to the result:	1,109	2,589
- Amortization of fixed assets (+)	1,256	1,697
- Impairment losses of tangible fixed assets and stock (+/-)	-	947
- Variation in provisions (+/-)	-	5
- Income from derecognition or disposal of fixed assets (+/-)	59	67
- Financial income (-)	(51)	(207)
- Financial expenses (+)	58	114
- Exchange differences (+/-)	48	61
- Share in profits/(losses) from equity-accounted companies (+/-)	(261)	(95)
Changes in working capital:	845	(2,349)
- Stock (+/-)	86	1,106
- Debtors and other accounts receivable (+/-)	77	(1,350)
- Other current assets (+/-)	(27)	492
- Creditors and other accounts payable (+/-)	709	(2,597)
Other cash flows from operating activities	(663)	679
- Interest payments (-)	(58)	(114)
- Interest receivable (+)	51	207
- Sums received /(paid) for tax on profits (+/-)	(656)	586
CASH FLOWS FROM INVESTMENT ACTIVITIES:	(1,666)	485
Payments for investments (-)	(1,841)	(7)
- Intangible and tangible assets	(15)	(7)
- Payments to related companies	(1,826)	-
Collections from divestments (+)	175	492
- Intangible and tangible assets	45	-
- Other financial assets	130	492
CASH FLOWS FROM FINANCING ACTIVITIES:	(941)	(1,452)
Sums received and paid for financial liability instruments-	(941)	(1,452)
- Repayment and amortization of: Other debts (-)	(941)	(1,452)
EFFECT OF VARIATIONS IN EXCHANGE RATES	(137)	(181)
NET INCREASE / DECREASE OF CASH OR CASH EQUIVALENTS	10,133	5,221
Cash or cash equivalents at start of financial year	21,611	10,305
Cash or cash equivalents at year end	31,744	15,526

Notes 1 to 16 and Annex I attached are an integral part of the consolidated abridged interim statement of cash flows for the first half of the 2021 financial year.

Naturhouse Health, S.A. and Subsidiaries

Explanatory Notes to the Consolidated Abridged Interim Financial Statements for the first half of 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 established for an indefinite period in Barcelona on 29 July 1991 and has the tax identification number A-01115286. Its registered offices are at Calle Claudio Coello, 91 (Madrid).

The Parent Company's corporate purpose, in accordance with its articles of association, is the export and wholesale and retail sales of all kinds of products related to dietetics, herbal remedies and natural cosmetics, as well as the preparation, promotion, creation, edition, dissemination, sale and distribution of all kinds of magazines, books and brochures and the marketing of dietary products, herbal remedies and natural cosmetics. This activity is mainly carried out through its own stores or 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"). Annex I details the main data related to the subsidiaries in which the Parent Company, directly or indirectly, has a holding and 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 Abridged Interim Financial Statements

a) Basis of presentation

These consolidated abridged interim financial statements for the six months ending 30 June 2021 have been drawn up in accordance with International Accounting Standard 34 (IAS 34) "Interim Financial Information" included in the International Financial Reporting Standards adopted by the European Union (EU-IFRS).

These interim financial statements do not include all the information required of complete consolidated financial statements under the EU-IFRS. Therefore, these consolidated abridged interim financial statements should be read in conjunction with the consolidated financial statements for the financial year ending 31 December 2020, which were drawn up in accordance with EU-IFRS. Consequently, it has not been necessary to repeat or update certain notes or estimates included in the aforementioned consolidated financial statements. Instead, the accompanying selected explanatory notes include an explanation, where appropriate, of any events or variations that are material to understanding the changes in the consolidated financial position and in the consolidated results of operations, the consolidated comprehensive income and the consolidated cash flows of the Naturhouse Group from 31 December 2020, the date of the aforementioned consolidated financial statements, to 30 June 2021.

In accordance with IAS 8, the accounting principles and valuation rules applied by the Group have been applied uniformly across all transactions, events and items in the first half of the 2021 financial year and in the 2020 financial year.

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

Also, in order to present the different items making up the consolidated abridged interim 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.

The consolidated abridged financial statements for the first half of 2021 have been subjected to a limited review by the auditor.

b) Responsibility for the information and accounting estimates and judgements made

The preparation of the consolidated abridged interim financial statements under EU-IFRS requires the Parent Company's Directors to perform certain accounting estimates and to consider certain elements of judgement. These are continually evaluated and are based on historical experience and other factors, including expectations of future events, that have been considered reasonable under the circumstances. While the estimates have been made on the best information available as of the date of preparing these consolidated abridged interim financial statements, in accordance with IAS 8, any amendment in the future to these estimates would be applied prospectively, 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 accounting principles and policies and valuation criteria are given in Explanatory Notes 2 and 6 to the consolidated annual financial statements for the 2020 financial year, together with the issues indicated in Explanatory Note 4.a on the new rules that entered into force in 2021.

The main estimates and judgements considered in drawing up the consolidated abridged interim financial statements are as follows:

- Useful lives of intangible and tangible fixed assets.
- Impairment losses of non-financial assets.
- Evaluation of occurrence and quantification of legal disputes, commitments, contingent assets and liabilities at close.
- Estimate of impairments in accounts receivable and inventory obsolescence.
- Estimate of income tax expenses (which, according to IAS 34, is recognised in interim periods based on the best estimate of the average weighted tax rate that the Group expects for the annual period) and recoverability of deferred tax assets.

c) Information comparison

According to paragraph 20 of IAS 34, and in order to have comparative information available, these consolidated abridged interim financial statements include the consolidated abridged statements of financial position as of 30 June 2021 and 31 December 2020 and the consolidated abridged interim profit and loss accounts, the consolidated abridged interim statements of comprehensive income, the consolidated abridged interim statements of changes in equity and the consolidated abridged interim statements of cash flows for the six-month periods ending 30 June 2021 and 2020, in addition to the explanatory notes to the consolidated abridged interim financial statements for the six-month period ending 30 June 2021.

The main variations in the scope of the consolidation are described in Note 4.c.

d) Seasonality of transactions

The Group is subject to seasonal fluctuations in the demand for its dietary, medicinal herbal and natural cosmetic products, primarily. In this regard, it tends to experience higher sales in the months preceding the summer (March to July), although without the seasonality having a very significant impact. Consequently, this aspect should be taken into consideration when comparing the Group's half-yearly and yearly information, as well the interim periods.

e) Relative importance

When determining the information to be broken down in these explanatory notes on the different items of the financial statements or other matters, the Group, in accordance with IAS 34, has taken into consideration the relative importance in relation to the half-yearly consolidated abridged financial statements.

f) Correction of errors

There have been no correction of errors in the consolidated abridged financial statements for the six-month period ending 30 June 2021.

3. Business evolution in the context of COVID-19

During the first half of 2021, the gradual relaxation of the containment scenarios for the COVID-19 pandemic in the main markets in which the Group operates has brought with it 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 financial year ending 31 December 2020 in order to guarantee the continuity of the Group's activities within adequate levels of profitability and financial solvency.

4. Accounting policies and valuation rules

The accounting policies used in drawing up these consolidated abridged interim financial statements are the same as those applied in the consolidated annual financial statements for the financial year ending 31 December 2020, since none of the rules, interpretations or amendments that are applicable for the first time this financial year have had an impact on the Group's accounting policies.

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

a) Rules and interpretations approved by the European Union applied for the first time this financial year

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).	01 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.	01 January 2021

b) Rules and interpretations issued by the IASB, but not yet applicable in this financial year

New rules, amendments and interpretations not yet approved for use in the European Union		IASB application date
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

b) Rules and interpretations issued by the IASB, but not yet applicable in this financial year (Continuation)

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. Includes the principles for the recognition, valuation, presentation and breakdown of insurance contracts with the aim of the entity providing relevant and reliable information that allows users of the financial information to determine the effect that 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 -Annual improvements 2018-2020	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".	01 January 2022
Amendments to IAS 1 and IFRS Practice Statement 2 - Disclosure of Accounting Policies	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.	01 January 2023
Amendments to IAS 8 - Definition of Accounting Estimates	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.	01 January 2023
Amendments to IAS 12 - Deferred Taxes related to Assets and Liabilities arising from a single transaction.	The amendments to IAS 12 reduce the scope of the exception to the initial recognition of deferred taxes such that the initial recognition giving rise to the same taxable and deductible temporary differences does not apply to transactions. It also clarifies that when the payments that settle a liability are tax deductible, judgement must be applied, considering the tax laws, to determine whether the deductions are attributed to the recognized liability, and its interest expenses, or to the related asset, and its interest expenses.	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.

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 changes except for those mentioned above.

5. Non-current assets of a non-financial nature

a) Intangible assets

During the first half of the 2021 financial year, there have been no significant variations in intangible assets. The decrease mainly corresponds to the amount allocated for amortization in the period. Likewise, the main asset recognised under this item corresponds to brands acquired in previous financial years from Kiluva, S.A. for an amount of 2,331 thousand euros and which as of 30 June 2021 have a net book value of 680 thousand euros (797 thousand euros as of 31 December 2020) since the useful life is defined as 10 years.

b) Tangible fixed assets

During the first half of 2021, there have been significant variations in the Group's tangible fixed assets mainly due to the amortisation on the rights of use recognised under IFRS 16 *Leases* (note 5 c)). Additionally, the variation in this heading corresponds to the amount allocated for amortization of the same.

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 30 June 2021, the Parent Company's Directors deemed that there was no deficit in insuring against these risks.

As of the end of the first half of the 2021 financial year, the Group had no significant firm commitments to purchase tangible assets.

c) Leases

Rights of use

The breakdown and changes by class of assets for rights of use during the six-month period ending 30 June 2021 have been as follows:

	Thousands of Euros (Unaudited)			
	Initial Balance 01.01.2021	Additions	Withdrawals	Final Balance 30.06.2021
Cost	7,320	673	(1,274)	6,719
Accumulated amortization	(3,691)	(945)	1,035	(3,601)
Impairment	(861)	-	-	(861)
Conversion differences	-	51	-	51
Net total	2,768	(221)	(239)	2,308

Practically all the rights of use recognised under IFRS 16 correspond to leased commercial premises where the Group carries out its sales to end customers.

6. Non-current financial assets

As of 30 June 2021 and 31 December 2020, the breakdown on the various non-current financial investment accounts is as follows:

	Thousands of Euros	
	30/06/2021 (Unaudited)	31/12/2020
Equity instruments:		
- Assets available for sale	-	-
- Other equity instruments	3	76
Other financial assets:		
- Long-term deposits and guarantees	563	620
Total	566	696

All the financial assets correspond to level three on the fair value hierarchy.

During the first half of the 2021 financial year, there have been no significant movements under this heading.

7. Investments in associates

Share in equity-accounted companies

The share in equity-accounted companies corresponds to the investee Ichem, Sp (24.9%). Zo.o. The breakdown on investment in equity-accounted companies at the end of the first half of the 2021 financial year and the movement occurring during this period is as follows:

	30 June 2021 - thousands of euros (Unaudited)					
	Balance at 01 January 2021	Share in profits from equity- accounted companies	Conversion differences	Other movements	Dividends	Balance at 30 June 2021
Share in equity- accounted companies	3,276	261	(108)	(14)	+-	3,415
Total	3,276	261	(108)	(14)	-	3,415

Other information related to said investee is as follows (figures as of 30 June 2021 and in thousands of euros):

		30 June 2021 - thousands of euros (Unaudited)			
Name and Registered Offices	Activity	Total Assets	Equity	Sales (*)	Result after tax (*)
Ichem Sp. Zo.o. Dostawcza 12 93-231 Łódź (Poland)	Production and marketing of dietary products	17,440	13,717	6,365	1,050

(*) The sales and results of Ichem, Sp. Zo.o included correspond to the 6-month period ending 30 June 2021. The total assets and equity is presented at the closing exchange rate at 30 June 2021, while sales and the post-tax profit or loss is presented at the average exchange rate for the six-month period ending 30 June 2021.

8. Net Equity

a) Share Capital

As of 30 June 2021 and 31 December 2020, the Parent Company's share capital is represented by 60,000,000 ordinary shares of 0.05 euros nominal value each, fully subscribed and paid.

In accordance with communications on the number of corporate actions made before the Comisión Nacional del Mercado de Valores, the shareholders with significant holdings in the Parent Company's share capital, both directly as well as indirectly, higher than 3% of the share capital as of 30 June 2021 are as follows:

Shareholder	%
Kiluva, S.A.	72.60
Ferev Uno Strategic Plans	4.52

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

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. Likewise, the Annual General Meeting agreed on the same date to the dividend distribution amounting to 3,600 thousand euros against reserves (see note 9), which was pending payment as of 30 June 2021 under other current financial liabilities on the consolidated abridged interim statement of financial position, which was settled on 7 September 2021 (see note 16).

c) Own shares

As of the end of the first half of 2021, the Parent Company held own shares in accordance with the following breakdown:

No. of shares	Nominal value (euros)	Average acquisition price (euros)	Total acquisition cost (euros)
50,520	2,526	2.81	141,886

As of 30 June 2021, the Parent Company's shares held by it represented 0.08% of the Parent Company's outstanding shares, totalling 50,520 shares with a value of 141,886 euros and an average purchase price of 2.81 euros per share.

d) Earnings per share

The earnings per share are calculated based on the earnings corresponding to the Parent Company's shareholders for the average number of ordinary outstanding shares during the period; the earnings per share as of 30 June 2021 and 30 June 2020 are as follows:

	30.06.2021 (Unaudited)	30.06.2020 (Unaudited)
Weighted average number of outstanding shares	60.000.000	60.000.000
Average number of own shares	50.520	50.273
Average number of shares to determine basic earnings per share	59.949.480	59.949.727
Parent Company's Consolidated Net Profit or Loss (thousands of euros)	8.389	3.626
Earnings/ per share (in euros per share)		
- Basic	0,14	0,06
- Diluted	0,14	0,06

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

e) Equity - minority interests

The balance under this heading on the attached consolidated abridged interim statement of financial position as of 30 June 2021 includes the value of the minority shareholders' share in the consolidated companies. In addition, the balance shown on the attached consolidated abridged interim profit and loss account in "Profit or loss attributable to minority interests" represents the share of such minority shareholders in the consolidated abridged interim profit or loss.

The breakdown on the interests of minority interests in companies that are consolidated by the full integration method in which ownership is shared with third parties is as follows:

	Thousands of Euros	
	30.06.2021 (Unaudited)	31.12.2020
Zamodiet México, S.A de C.V.	6	6
Name 17, S.A. de C.V.	44	59
Total	50	65

9. Financial debt

The composition of financial debts as of 30 June 2021 and 31 December 2020 on the attached consolidated abridged interim statement of financial position is as follows, according to maturity:

	30 June 2021 (Unaudited) Thousands of Euros			
	Amount Initial Limit	Maturity		Total
		Current	Non- Current	
Current debts:				
Lease liabilities	-	955	-	955
Other financial liabilities	-	3,778	-	3,778
Non-current debts				
Lease liabilities	-	-	2,218	2,218
Other financial liabilities	-	-	2,741	2,741
Total	-	4,733	4,959	9,692

	31 December 2020 - thousands of euros			
	Amount Initial Limit	Maturity		Total
		Current	Non- Current	
Current debts:				
Lease liabilities	-	1,230	-	1,230
Other financial liabilities	-	362	-	362
Non-current debts				
Lease liabilities	-	-	2,465	2,465
Other financial liabilities	-	-	2,976	2,976
Total	-	1,592	5,441	7,033

This heading includes lease liabilities for a total amount of 3,173 thousand euros (955 short-term and 2,218 long-term) recognised in accordance with IFRS 16 *Leases*.

Additionally, the dividend against reserves that was approved and pending payment amounting to 3,600 thousand euros (see note 8.b)) is included under "Other current financial liabilities", and the amounts paid by S.A.S. Naturhouse (France) 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. As of 30 June 2021 and 31 December 2020, these guarantees are valued at amortised cost, which does not differ significantly from their fair value.

Likewise, the Company has bill discounting facilities with a limit of 1,000 thousand euros, which as of 30 June 2021 and 31 December 2020 has not been drawn on.

10. Tax on Profits

10.1 Deferred tax assets

The breakdown of deferred tax assets as of 30 June 2021 and 31 December 2020 is as follows:

	Thousands of Euros	
	30.06.2021 (Unaudited)	31.12.2020
Temporary differences (Prepaid taxes):		
Tax effect of consolidation adjustments	1	65
Limit 70% amortization	111	118
Others	-	14
Total deferred tax assets	112	197

10.2 Deferred tax liabilities

The heading "Deferred tax liabilities" in the liability figures for the attached consolidated abridged statement of financial position is composed of the following, as of 30 June 2021 and 31 December 2020:

	Thousands of Euros	
	30.06.2021 (Unaudited)	31.12.2020
Temporary differences (Deferred taxes):		
Financial lease	-	-
Others	166	154
Total deferred tax liabilities	166	154

10.3 Financial years pending verification and inspections

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

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

11. Income and expenses

a) Personnel expenses

The composition of Personnel Expenses in the attached consolidated abridged interim profit and loss account is as follows:

	Thousands of Euros (Unaudited)	
	30.06.2021	30.06.2020
Wages, salaries and similar	4,194	4,851
Compensation	76	174
Social Security costs	1,089	1,260
Total	5,359	6,285

The average number of people employed by Group companies, distributed by professional category, was as follows:

Professional category	Average no. of employees (Unaudited)	
	First half of 2021	First half of 2020
Senior Management	9	10
Other Management Personnel	15	22
Administrative and technical	48	45
Salespersons, sellers and operators	204	429
Total	276	506

In addition, the gender distribution at the end of the first half of 2021 and 2020, detailed by category, is as follows:

Professional category	No. of employees		
	30.06.2021 (Unaudited)		
	Men	Women	Total
Senior Management	8	1	9
Other Management Personnel	13	1	14
Administrative and technical	14	33	47
Salespersons, sellers and operators	8	182	190
Total	43	217	260

Professional category	No. of employees		
	30.06.2020 (Unaudited)		
	Men	Women	Total
Senior Management	9	1	10
Other Management Personnel	17	5	22
Administrative and technical	14	30	44
Salespersons, sellers and operators	20	329	349
Total	60	365	425

b) Financial income

The breakdown of financial income during the first half of 2021 and 2020, broken down by the nature thereof, is as follows:

	Thousands of Euros (Unaudited)	
	30/06/2021	30/06/2020
Financial income		
From marketable securities and other financial instruments		
Waivers of lease payments	-	58
Third party	51	149
Financial expenses		
Leases under IFRS 16	(26)	(69)
Debts with third parties	(32)	(45)
Exchange differences	(48)	(61)
Financial result	(55)	32

12. Segment information

As the Group operates in different countries, the information has been segmented by geographical areas. The information for the consolidated abridged interim profit and loss account for the first half of 2021 and 2020 (both unaudited), broken down by segment, is as follows:

	Miles de Euros																	
	Segmentos						Eliminaciones				Otros		Impacto NIIF 16		Total			
	España		Francia		Italia		Polonia		Resto de Países		Eliminaciones		Otros		Impacto NIIF 16		Total	
	30/06/2021	30/06/2020	30/06/2021	30/06/2020	30/06/2021	30/06/2020	30/06/2021	30/06/2020	30/06/2021	30/06/2020	30/06/2021	30/06/2020	30/06/2021	30/06/2020	30/06/2021	30/06/2020	30/06/2021	30/06/2020
Ventas externas	7,649	5,719	11,238	10,552	9,430	7,406	3,784	3,668	992	879	(989)	-	-	-	-	-	32,104	28,224
Ventas entre segmentos	-	766	-	166	-	24	-	8	-	-	(966)	-	-	-	-	-	-	-
Otros ingresos de explotación	1,520	1,600	233	359	-	44	33	44	60	122	(1,821)	(2,011)	105	105	25	219	28,443	28,443
Total ingresos	9,169	8,085	11,471	11,079	9,430	7,430	3,817	3,720	1,052	1,001	(2,977)	105	105	105	32,129	28,443	32,129	28,443
Aprovisionamientos	(2,465)	(2,137)	(3,059)	(3,254)	(2,811)	(2,219)	(1,471)	(1,348)	(336)	(300)	968	-	138	-	(9,174)	(8,152)	(6,285)	(6,285)
Personal	(2,379)	(2,734)	(1,072)	(919)	(1,194)	(1,463)	(339)	(714)	(375)	(350)	-	-	(105)	(105)	(5,359)	(4,285)	(1,284)	(1,284)
Amortización	(205)	(231)	(27)	(36)	(53)	(105)	(11)	(45)	(15)	(21)	-	-	27	27	(945)	(1,256)	(1,256)	(1,697)
Otros gastos de explotación	(2,193)	(2,185)	(2,496)	(3,052)	(1,868)	(2,197)	(814)	(1,057)	(378)	(599)	1,843	2,003	(7)	(13)	973	1,265	(4,940)	(5,835)
Otros resultados	(101)	(129)	(8)	(9)	54	-	-	(4)	94	5	-	-	-	-	-	39	(137)	(137)
Deletorio y resultado enajenaciones de inmovilizado	(9)	(67)	(50)	-	-	-	-	-	-	-	-	-	(947)	(947)	(59)	(1,014)	(1,014)	(1,014)
Resultado de explotación	1,817	602	4,759	3,807	3,558	1,446	1,182	552	42	(264)	1	(6)	(7)	(795)	28	(19)	11,380	5,323
Ingresos financieros	8,001	3,435	2	4	-	1	-	147	-	1	(7,956)	(3,439)	-	-	4	58	51	207
Gastos financieros	(20)	(11)	(1)	(7)	(2)	(19)	(46)	(62)	(9)	(16)	-	9	-	-	(26)	(69)	(106)	(175)
Resultado financiero	7,981	3,424	1	(3)	(2)	(18)	(48)	85	(9)	(15)	(7,956)	(3,430)	-	-	(22)	(11)	(55)	32
Resultado de sociedades puesta en equivalencia	-	-	-	-	-	-	-	-	-	-	261	95	-	-	-	-	261	95
Beneficio / (Pérdida) antes de impuestos	9,798	4,026	4,760	3,804	3,556	1,428	1,134	637	33	(279)	(7,694)	(3,341)	(7)	(795)	6	(30)	11,586	5,450

The "Others and eliminations" segment includes the consolidation eliminations and the "Others" segment includes financial income and expenses considered to be corporate and not allocable to any specific segment. No distribution of general income and expenses has been made between segments. Likewise, the impact of IFRS 16 is included aggregated.

The breakdown by segment of certain items on the consolidated statement of financial position as of 30 June 2021 (unaudited) and 31 December 2020, together with the impact of IFRS 16, is as follows:

	Miles de Euros																	
	Segmentos						Eliminaciones				Otros		Impacto NIIF 16		Total			
	España		Francia		Italia		Polonia		Resto de Países		Eliminaciones		Otros			Impacto NIIF 16		
30/06/2021	31/12/2020	30/06/2021	31/12/2020	30/06/2021	31/12/2020	30/06/2021	31/12/2020	30/06/2021	31/12/2020	30/06/2021	31/12/2020	30/06/2021	31/12/2020	30/06/2021	31/12/2020	30/06/2021	31/12/2020	
ACTIVOS																		
Otros activos intangibles	793	915	15	16	31	33	36	8	-	-	-	-	-	-	-	-	875	972
Inmovilizado Material	472	525	207	258	259	305	47	73	114	155	2.682	-	2.682	2.222	2.768	-	3.321	6.766
Total Activo	31.318	21.483	12.566	15.994	8.955	6.804	5.424	3.973	3.488	2.502	(8.179)	(11.310)	(8.179)	2.222	-	-	52.407	42.577
Total Pasivo	6.347	2.118	6.022	7.104	5.065	3.449	1.625	1.007	2.972	2.346	(3.825)	146	525	3.173	-	-	21.525	16.549

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

Other segment information

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

The net additions and disposals of intangible and tangible assets during the first half of the 2021 financial year is as follows (thousands of euros):

	Spain	France	Italy	Poland	Others	Total
Capex first half 2021	(34)	(43)	3	(14)	(76)	(164)

During the first half of the 2021 financial year, no significant additions of fixed assets have been carried out.

13. Provisions and contingencies

a) Non-current provisions

The balance of other non-current provisions mainly refers to a commitment that the Group has with employees of the company Naturhouse S.R.L. amounting to 878 thousand euros as of 30 June 2021 (903 thousand euros as of 31 December 2020). Said TFR commitment (end-of-contract compensation) is payable at the time of termination of the employment relationship, regardless of whether the termination is voluntary or not. As of 1 January 2007, with the regulatory change in Italy, the reserve established for the TFR to 31 December 2006 has remained in the company, revalued with the parameters of Act 297/82 and the subsequent retention of each employee paid to INPS (the Italian state agency for social security). This commitment is not externalised and the expenses thereof are recorded under "Personnel Expenses" on the consolidated profit and loss account.

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

b) Contingencies

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

14. Transactions and balances with related parties

Transactions between the Parent Company and its subsidiaries have been eliminated in the consolidation process and are not broken down in this note.

Transactions between the Group and its related companies are broken down below:

Balances with related parties

Company	Thousands of Euros			
	Debtor balance		Creditor balance	
	30.06.2021 (Unaudited)	31.12.2020	30.06.2021 (Unaudited)	31.12.2020
<i>Short-term trade balances</i>				
Girofibra, S.L.	-	-	270	139
Ichem, Sp. Zo.o.	-	-	2.863	1.990
Indusen, S.A.	-	-	732	464
Laboratorios Abad, S.L.U.	-	-	13	2
Zamodiet, S.A.	-	-	-	8
Ferev, S.A.R.L.	211	220	2	-
Tartales, S.L.U.	-	16	7	-
Kiluva, S.A.	-	-	25	24
Total short-term trade balances	211	236	3.912	2.627
<i>Short-term financial balances</i>				
Kiluva, S.A.	1.000	-	-	-
Total short-term financial balances	1.000	-	-	-
<i>Long-term financial balances</i>				
Tartales LLC	826	-	-	-
Total long-term financial balances	826	-	-	-
Total balances with related companies	2.037	236	3.912	2.627

"Loans to related and equity-accounted companies" includes a loan granted to Kiluva, S.A. on 30 April 2021 amounting to 1,000 thousand euros, with an applicable annual nominal interest rate of 0.5% and maturing on 30 April 2022. Additionally, it includes a loan granted to Tartales LLC on 28 May 2021 amounting to 826 thousand euros, with an applicable annual nominal interest rate of 0.5% and maturing on 29 May 2023.

Transactions with related companies

During the first half of the 2021 and 2020 financial years, Group companies conducted the following transactions with related companies that are not part of the Group:

Company	Thousands of Euros (Unaudited)	
	30.06.2021	30.06.2020
Sales		
Ferev, S.A.R.L.	-	41
Health House Sun, S.L.	1	-
Total income	1	41
Purchases		
Girofibra, S.L.	457	322
Ichem, Sp. Zo.o.	5,483	4,138
Indusen, S.A.	696	1,013
Laboratorios Abad, S.L.U.	29	54
Ferev, S.A.R.L.	13	-
Services received		
Ichem, Sp. Zo.o.	11	13
Health House Sun, S.L.	-	2
U.D. Logroñés, S.A.D.	175	112
Luair, S.L.U. (directly and indirectly)	-	-
Tartales, S.R.L.	-	7
Casewa, S.L.	56	54
Kiluva, S.A.	50	-
Leases		
Tartales, S.L.U.	425	293
Other operating costs	7,395	6,008

Finally, there are transactions with a company related to a member of the Parent Company's Board of Directors amounting to 30 thousand euros (63 thousand euros in the 2020 financial year).

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

The transactions and balances between the Group and other related parties (Directors and Management) are broken down in Note 15.

15. Information on Directors and Management

Remuneration and commitments to Directors

During the first half of the 2021 financial year, the Parent Company's Directors accrued remuneration by way of fixed allowance and expenses for attending meetings of the Board of Directors amounting to 158 thousand euros (188 thousand euros during the first half of the 2020 financial year). Additionally, they have received the remuneration indicated in the following paragraph for the development of their executive positions. On the other hand, no members of the Board of Directors hold any advances with the Parent Company. Finally, as of 30 June 2021 and 31 December 2020, there are no guarantees granted or other commitments in terms of pensions or life insurance policies with the Directors.

The members of the Parent Company's Board of Directors as of 30 June 2021 are 6 men and 1 woman (6 men and 1 woman as of 31 December 2020).

The remuneration received by the Group's Senior Executives during the first half of the 2021 financial year for salaries and wages and provision of services amounted to 1,637 thousand euros (1,375 thousand euros in the first half of 2020). Of this amount, 1,126 thousand euros were received by members of the Board of Directors in the

development of their executive positions (692 thousand euros in the first half of 2020). The Group's Senior Management has not received any remuneration for other concepts.

As of the end of the period ending 30 June 2021 and 31 December 2020, Senior Management is made up of the following persons:

Categories	30.06.2021 (Unaudited)		31.12.2020	
	Men	Women	Men	Women
Senior Management	8	1	8	1

There are no advances or loans granted to Senior Management, or pensions or life insurance commitments, as of the end of the period ending 30 June 2021.

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

As of the end of the six-month period ending 30 June 2021, neither the members of the Board of Naturhouse Health, S.A. nor any persons related to them as defined by 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 Parent Company's interests.

16. Subsequent events

On 7 September 2021, the Parent Company paid an amount of 3,600 thousand euros corresponding to the dividend against reserves agreed at the Annual General Meeting on 18 June 2021 (see note 8.b)).

With the exception of the above, there have been no other significant subsequent events after the close of 30 June 2021 and the formulation of these consolidated abridged interim financial statements.

Madrid, 17 September 2021

Board of Directors

Management Report
Consolidated abridged interim financial statements
First half of 2021

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1. Business situation and evolution

The Naturhouse Group is a business group dedicated to the dietetics and nutrition sector with its own exclusive business model based on the Naturhouse method. At the close of the first half of 2021, it had an active presence in 28 countries through a network of 1,725 centres, with its most relevant markets being France, Italy, Spain and Poland.

The companies included in the consolidation by full integration in the first half of 2021 are as follows: 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 - Nutrição e Dietética, Ltd (Portugal), Naturhouse Belgium S.P.R.L. (Belgium), Naturhouse Franchising Co, Ltd (UK), Naturhouse, Gmbh (Germany), Zamodiet México S.A. de C.V. and Name 17 S.A. de C.V. (Mexico), Nutrition Naturhouse Inc. (Canada), Naturhouse d.o.o. (Croatia), Naturhouse Inc. (US), Naturhouse Health Limited (Ireland) and Naturhouse Pte. Ltd. (Singapore).

The first half of 2021 has been marked by a progressive de-escalation in Europe after the impact of COVID-19. The reduction in restrictions on mobility and the good rate of vaccination of the population have been reflected in the favourable evolution of commercial activity, especially from the second quarter, with a notable increase in sales compared to the same period in the previous year.

The company is continuing the positive trend shown during the second half of 2020. Sales have been reducing the differential compared to 2019, they remain constant due to the gradual de-escalation, the reopening of centres and the growth in online sales. However, the company is continuing to optimise operating costs to minimise the negative effect of COVID-19.

Naturhouse is continuing the ambitious challenge of implementing and developing the online sales channel with the aim of complementing the current business and attracting a younger target and customers who do not have a physical centre nearby. This can be seen in the launch of the e-commerce platform in Germany in February 2021.

As of 30 June 2021, 8% of the workforce of the main subsidiaries (Spain, France, Italy and Poland) continued to be affected by temporary layoffs (ERTEs).

On 18 June 2021, the Board of Directors of NATURHOUSE HEALTH SA, using the authorisation granted by the Annual General Meeting held on 22 June 2020, agreed to distribute a total of 3,600,000 euros gross against unrestricted voluntary reserves reflected in the accounts for the 2019 financial year, to be paid on 7 September 2021.

The Annual General Meeting was held on 18 June 2021, approving the following;

- Consolidated Annual Financial Statements (Consolidated Balance Sheet, Consolidated Profit and Loss Account, Consolidated Statement of Comprehensive Income, Consolidated Statement of Changes in Equity, Consolidated Statement of Cash Flows and Consolidated Explanatory Notes and the Consolidated Management Report for the Consolidated Naturhouse Health, S.A. Group and subsidiaries for the financial year ending 31 December 2020.
 - The proposed distribution of profit for the 2020 financial year.
 - Authorisation for the distribution of unrestricted voluntary reserves.
 - Non-Financial Information Statement of the Consolidated Group of Naturhouse Health, S.A.
 - Approval of the Board of Directors' management for the 2020 financial year.
 - Remuneration of the company's Board of Directors.
- 5.1 Advisory vote on the Annual Report on Remuneration of the Board Directors of Naturhouse Health, S.A. for the 2020 financial year.
- 5.2 Approval of the remuneration policy for the Board Directors of Naturhouse Health, S.A. for the 2021 financial year.

5.3 Approval of the remuneration of the Board of Directors of Naturhouse Health, S.A. for the 2021 financial year.

- Amendment to the Naturhouse Health, S.A. articles of association
- Amendment to the Regulations of the Naturhouse Health, S.A. Annual General Meeting
- Record of the amendment to the Regulations of the Naturhouse Health, S.A. Board of Directors
- Delegation for a period of five years in favour of the Board of Directors of the power to increase the share capital.
- Delegation of powers to supplement, develop, execute, remedy and formalise the resolutions adopted by the General Meeting.

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

Consolidated Profit and Loss Account

(Thousands of Euros)	30.06.2021 (Unaudited)	30.06.2020 (Unaudited)
Net turnover	32.104	28.224
Supplies	(9,174)	(8,152)
Gross Margin	22.930	20.072
Other operating income	25	219
Personnel expenses	(5,359)	(6,285)
Other operating expenses	(4,940)	(5,835)
Operating income before amortizations, impairments and other results	12.656	8.171
Amortization of fixed assets	(1,256)	(1,697)
Impairment and income from disposal of fixed assets	(59)	(1,014)
Other Results	39	(137)
OPERATING RESULT	11.380	5.323
FINANCIAL RESULT	(55)	32
Income from equity accounted companies	261	95
PRE-TAX CONSOLIDATED PROFIT OR LOSS	11.586	5.450
Corporate Tax	(3,194)	(1,824)
NET PROFIT OR LOSS FROM CONTINUING OPERATIONS	8.392	3.626
NET CONSOLIDATED PROFIT OR LOSS	8.392	3.626
	30.06.2021	30.06.2020
Average number of employees	276	506
Gross Margin without Sales	71%	71%
Operating Income before amort. and impairment without Sales	39%	29%
Net Result without Sales	26%	13%

The Group's activity during the first half of 2021 was marked by a progressive de-escalation in Europe after the start of the pandemic in 2020. The reduction in restrictions on mobility and the good rate of vaccination of the population have favoured the reopening of centres and with it a notable increase in sales.

The situation caused by the pandemic has driven the growth in online sales. The company is continuing the development of this business unit with the aim of complementing the current business and attracting a younger target and customers who do not have access to the Naturhouse method because of not having a physical centre nearby.

- Net turnover is comprised of two main aspects:
 1. Sale of goods:

Corresponds to product sales through the Naturhouse channel (whether through franchises, master franchises, own centres or the online channel). This represents the bulk of the income, 98.44% in the first half of 2021.
 2. Provision of services:
 - a. Annual fee of €600 paid by each franchise to the Group's subsidiaries. This represents 1.41% of net turnover for the first half of 2021.
 - b. Master franchise fee: corresponds to the entry fee that the Group invoices the master franchisees for exclusively operating the business in a new country. This fee is collected in advance in the first year of operation of the business and gives the right to operate the Naturhouse channel for 7 years. The amount of this fee varies according to the estimated potential number of Naturhouse centres in the country in question. The Colombia master was closed and no new master franchise contracts were signed during this period, consequently, the income is the proportional part of the contracts signed previously. This represents 0.15% of net turnover for the first half of 2021.

- Net turnover in the first half of 2021 amounted to 32,104 thousand euros, representing an increase of 13.75% compared to the previous year, as a result of the effect of the de-escalation:
 - In France, sales were 11,050 thousand euros. In the first half of 2020, there was 10,553 thousand euros, which represents an increase of 4.71%.
 - In Spain, sales were 6,880 thousand euros. In the first half of 2020, there was 5,719 thousand euros, an increase of 20.30%.
 - In Italy, sales were 9,405 thousand euros. In the first half of 2020, there was 7,407 thousand euros, an increase of 26.98%.
 - In Poland, sales were 3,777 thousand euros. In the first half of 2020, there was 3,668 thousand euros, an increase of 2.99%.

- The gross margin on net turnover has been maintained at 71%.

- "Other operating income" corresponds to revenue from activities outside of the Naturhouse business.

- During the first half of 2021, the Group's average workforce was 276 employees, of which 74% are direct employees of the Naturhouse centres under the Group's own management and salespersons that control the proper development of all the centres, both franchises and own centres. The remaining 26% of the personnel correspond to general management, administration and accounting, logistics, marketing and technicians. Personnel Costs have been reduced by -15% compared to the same period in the previous year, essentially as a result of the extension to the temporary layoffs (ERTEs) during the first quarter. The positive evolution of commercial activity during the second quarter has favoured the incorporation of some of the staff affected by temporary layoffs. The extension to this measure has allowed the weight of this item on total sales to be contained, currently it is 17% of net turnover, four points less compared to the same period in the previous year.

- Other Operating Expenses has reduced by -15.34% compared to the first half of 2020, mainly due to the extension to the measures applied by the Group to contain the spending during the pandemic:
 - Leases: Spending on this item has decreased notably as a result of the closure of loss-making own centres. At the same time, spending on supplies has also decreased by the same proportion.
 - Advertising: Although advertising is a fundamental element in the commercial strategy, the company has moderated the spending on this item since the start of the pandemic. Although the figures are very far from those recognised in 2019, from the second quarter of 2021 there has been a change in trend to levels of cumulative spending close to those recognised in 2020.

- Travel Expenses: Decrease in travel expenses due to mobility being impossible (either partially or completely) for our Sales Network, adapting face-to-face visits to virtual meetings and visits. Said expense containment has been maintained throughout this half with a decrease of 12% compared to the same period in the previous year. However, given the favourable evolution of the commercial activity and the health situation, the company resumed its travel in the second quarter.
- Operating income before amortisation and impairment on turnover amounts to 39% as a result of the recovery in sales due to the de-escalation and the containment measures applied, with which the company has managed to reduce operating expenses.
- As a result of the 24.9% stake of the company Ichem Sp Z.o.o, in the first half of 2020, 261 thousand euros is registered in the "Share in profits from equity accounted companies" in the attached abridged profit and loss account. Positive variation due to the good results of Ichem in the first half, returning to levels prior to the pandemic.
- The net result on turnover has been increased by 13 percentage points, from 13% to 26%, compared to the first half of 2020.

3. Consolidated Statement of Financial Position

ASSETS (Thousands of Euros)	30.06.2021 (Unaudited)	31.12.2020
NON-CURRENT ASSETS:		
Intangible assets	875	972
Tangible fixed assets	3.321	3.998
Non-current financial assets	566	696
Investments in associates	4.241	3.276
Deferred tax assets	112	197
Total non-current assets	9.115	9.139
CURRENT ASSETS:		
Inventory	3.170	3.256
Trade receivables for sales and provision of services	3.746	3.798
Customers, related companies	211	236
Current tax assets and other credits with public administrations	2.863	4.006
Other current assets	558	531
Investments in associates	1.000	-
Cash and cash equivalents	31.744	21.611
Total current assets	43.292	33.438
TOTAL ASSETS	52.407	42.577
LIABILITIES (Thousands of Euros)		
EQUITY:		
Capital and reserves-		
Subscribed capital	3.000	3.000
Issue premium	2.149	2.149
Reserves	19.174	13.452
Own shares and company shares	(142)	(142)
Conversion differences	(1,738)	(1,875)
Profit or loss for the financial year	8.389	9.379
Interim dividend	-	-
EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT COMPANY	30.832	25.963
EQUITY - MINORITY INTERESTS	50	65
Total Equity	30.882	26.028
NON-CURRENT LIABILITIES:		
Non-current provisions	1.199	1.224
Non-current debts	4.959	5.441
Deferred tax liabilities	166	154
Total non-current liabilities	6.324	6.819
CURRENT LIABILITIES:		
Current provisions	467	479
Current debts	4.733	1.592
Trade creditors and other accounts payable	3.568	4.144
Suppliers, related companies	3.912	2.627
Current tax liabilities and other debts with public administrations	2.521	888
Total current liabilities	15.201	9.730
TOTAL EQUITY AND LIABILITIES	52.407	42.577

- The reduction in "Tangible fixed assets" is due to the amortisation of the rights of use over the leases of owned centres, and the reduction in the same, which falls within the commercial optimisation strategy that the Group is applying. There has been no variation with respect to the impairment of rights of use recognised in 2020 amounting to 861 thousand euros.

- The increase in "Investments in associates" is essentially due to a loan granted to the parent company Kiluva, S.A.
- The level of "Customer receivables for sales and services" is maintained, the result of making collections more flexible in some cases to help our customers' liquidity to the extent possible, always without compromising the Group's liquidity or putting the payment at risk.
- The decrease in "Current tax assets and other credits with public administrations" is mainly due to the reduction in the amounts to be refunded by public administrations for Corporate Tax
- The increase in "Cash and cash equivalents" is a consequence of the measures applied since March 2020 with the emergence of COVID-19 and the Group's desire to preserve the solidity of the balance sheet and not compromise liquid assets. In addition, the increase in sales, together with the cost reduction policy started in the previous financial year, has led to a 47% increase in this item. The Group's intention is to continue with the dividend policy prior to the 2020 financial year, while respecting compliance with the Group's risk management measures described in the annual financial statements for the financial year ending 31 December 2020.
- The increase in "Suppliers, related companies" is a consequence of the increase in trade transactions compared to 2020.
- The increase in "Current tax liabilities and other debts with public administrations" is mainly the result of contributions on account for Corporate Tax.

4. Financial risk management and use of hedging instruments

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

Interest rate and exchange rate market risk:

The Group's operating activities are largely independent with respect to variations in market interest rates. The Group's interest rate risk arises from long-term borrowings. As of 30 June 2021, 100% of borrowings were at variable interest rates. However, the Group has not considered it necessary to hedge these interest rate fluctuations because the Group's external financing is not significant, consequently, it has not taken out hedging instruments during the financial years in question.

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

Credit risk:

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

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

Liquidity risk:

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

The assessment of these risks and its conclusions have been provided in note 3 to the Interim Financial Statements.

5. Risk factors

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

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

The global pandemic we are currently experiencing caused by COVID-19 means that the consequences arising from this situation are included as a risk factor for the Naturhouse Group. If there is an extreme lockdown, such as the lockdown experienced in April and May 2020, an impact on the group's sales is inevitable. For this reason, the company is developing online sales in order to increase the contribution to turnover with a view to mitigating said risk.

6. R&D&i activities

The procedure that the Group has in place in connection with the research and development of new products is as follows:

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

The Group's main supplier is the Polish company Ichem Sp. Zo.o, as it accounts for 61% of total consolidated purchases to 30 June 2021. The Group holds 24.9% of its capital. The benefits sought with this holding are as follows:

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

With this, Naturhouse manages to stand out from its competitors because it is present throughout the entire nutritional supplement sector value chain, from R&D and product manufacturing to the final sale and customer advice.

As well as Ichem, the Group has a link with two other major groups of suppliers, the suppliers in which Kiluva S.A., the main shareholder of Naturhouse Health, S.A., holds shares (Indusen, S.A., Girofibra, S.L. and Laboratorios Abad, S.L.U.), and which represented approximately 19% of total purchases in the first half of 2021, and suppliers that are unrelated to Naturhouse Health, S.A. or Kiluva S.A., which represented 20% of total purchases in the first half of 2021.

7. Own shares

As of 30 June 2021, the Parent Company holds a total of 50,520 treasury shares. No subsidiary owns any shares or holding in the Parent Company.

8. Subsequent events

On 7 September 2021, the Parent Company paid an amount of 3,600 thousand euros corresponding to the dividend against reserves agreed at the Annual General Meeting on 18 June 2021.

Except for the aforementioned event, there are no other significant subsequent events.

9. Capital structure and significant holdings

As of 30 June 2021, the Naturhouse Group has no restrictions on the use of capital resources that, directly or indirectly, have affected or may significantly affect operations, except for those legally established.

As of 30 June 2021, the share capital is represented by 60,000,000 shares. The Group's main shareholders are Kiluva, S.A. with a 72.60% stake and Ferev Uno Strategic Plans, S.L. with 4.52%.

10. Shareholders' agreements and restrictions on transferability and voting

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

11. Administrative bodies, board

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

12. Significant agreements

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

Madrid, 17 September 2021

ANNEX I**Companies included in the consolidation**

As of 30 June 2021, the subsidiaries consolidated by full integration and by the equity method and the information related thereto is as follows:

Company	Activity	% Holding
Naturhouse Health S.A. Claudio Coello, 91 Madrid (Spain)	Marketing of dietary products herbal remedies and natural cosmetics	
Housediet S.A.R.L. 75 rue Beaubourg 75003 Paris (France)	Marketing of dietary products herbal remedies and natural cosmetics	100%
Kiluva Portuguesa –Nutrição e Dietetica, Lda Avenida Dr. Luis SA, 9 ^o Parque Ind Montserrat Fração "M" Abruheira 2710 Sintra (Portugal)	Preparation and marketing of dietary products	100%
Ichem Sp. zo.o. (*) ul. Dostawcza 12 93-231 Łódź (Poland)	Production and marketing of dietary products	24.9%
Naturhouse Belgium S.P.R.L. Avenida de la porte, Hall 11b 1060 Saint Gilles (Belgium)	Marketing of dietary products herbal remedies and natural cosmetics	100%
Naturhouse Franchising Co, Ltd 257 Old Brompton Road, Earl's Court SW5 9HP London (Great Britain)	Marketing of dietary products herbal remedies and natural cosmetics	100%
Naturhouse, Gmbh Rathausplatz, 5 91052 Erlangen (Germany)	Marketing of dietary products herbal remedies and natural cosmetics	100%
Naturhouse Inc. 1395 Brickellave 800 STE Miami FL (US)	Marketing of dietary products herbal remedies and natural cosmetics	100%
Naturhouse Sp. zo.o. Ul/Dostawcza, 12 93-231 Lozd (Poland)	Marketing of dietary products herbal remedies and natural cosmetics	100%
Naturhouse S.R.L. Via Federico Fellini, 6 44122 Ferrara (Italy)	Marketing of dietary products herbal remedies and natural cosmetics	100%
Nutririon Naturhouse Inc. Rue de la Guachetière Ouest Montreal Quebec (Canada)	Marketing of dietary products herbal remedies and natural cosmetics	100%
Naturhouse d.o.o. Ilica 126, City of Zagreb (Croatia)	Marketing of dietary products herbal remedies and natural cosmetics	100%
S.A.S. Naturhouse 12, Rue Philippe Lebon Zone de Jarlard, 81000 Albi, France	Marketing of dietary products	100%
Zamodiet México S.A. de C.V. Boulevard Interlomas, n° 5 L4 Lomas Anahuac (Mexico)	Marketing of dietary products	79%
Name 17, S.A. de C.V. Doctor Balmis, 222 Mexico City (Mexico)	Marketer of dietary products	51%
Naturhouse Health Limited 165 Lower Kimmage Road Dublin 6, (Ireland)	Marketer of dietary products	100%
Naturhouse Pte. Ltd. 64D Kallang Pudding Road (Tannery Building) 349323 Singapore	Marketer of dietary products	100%

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

Statement of responsibility of the Naturhouse Health, S.A. Board of Directors under Article 11 section b) of Chapter I of Royal Decree 1362/2007 of 19 October, developing Law 24/1988 of 28 July on the Stock Market, regarding transparency requirements concerning information on issuers whose securities are admitted to trading on an official secondary market or on another regulated market of the European Union.

On 17 September 2021, we formulated the consolidated abridged interim financial statements for Naturhouse Health, S.A. and its subsidiaries for the first half of 2021.

In this regard, we declare that, to the best of our knowledge, the consolidated abridged interim financial statements for the first half of the 2021 financial year, prepared in accordance with the applicable accounting principles and consolidation, offer a true and fair view of the assets, financial position and results of Naturhouse Health, S.A. and its subsidiaries for the first half of the 2021 financial year, taken together, and that the Management Report accompanying the consolidated abridged interim financial statements for the first half of 2021 includes an accurate analysis of the information required.

In compliance with the provisions of current legislation, the Directors of Naturhouse Health, S.A. have formulated the Consolidated Abridged Interim Financial Statements and consolidated Management Report for the six-month period ending 30 June 2021, prepared in accordance with International Accounting Standard 34.

The Consolidated Management Report and Consolidated Abridged Interim Financial Statements for Naturhouse Health, S.A. and its Subsidiaries extend to 35 sheets of plain paper, including these; the Non-Board Member Secretary has signed them all and this latter page is for the signatures of the members of the Board of Directors, in the space provided.

Madrid, 17 September 2021

Félix Revuelta Fernández

Vanesa Revuelta Rodríguez

Kilian Revuelta Rodríguez

Rafael Moreno Barquero

José María Castellanos

Pedro Nuevo Iniesta

Ignacio Bayon Marín