ISPD Network, S.A.

Interim Financial Statements

for the period ended 30 June 2023

ISPD Network, S.A.
Balance Sheet
at 30 June 2022
(in Euros)

ASSETS	Note	30.06.2023	31.12.2022	30.06.2022
NON-CURRENT ASSETS		**18,852,972**	**18,906,244**	**19,344,262**
Intangible assets	**6**	**676,723**	**769,482**	**197,686**
Assets under construction			698,500	197,686
Computer software		676,723	70,982	
Property, plant and equipment	**5**	**189,225**	**149,738**	**74,167**
Technical installations and other items of PPE		189,225	149,738	74,167
Non-current investments in group companies and associates		**17,568,412**	**17,568,412**	**18,529,689**
Equity instruments	**9**	17,468,412	17,468,412	17,817,689
Non-current loans to group companies and associates	**8.1 and 18**	100,000	100,000	712,000
Non-current investments	**8.1**	**2,610**	**2,610**	**2,610**
Loans to companies		2,610	2,610	2,610
Other financial assets		-	-	-
Deferred tax assets	**13**	**416,002**	**416,002**	**540,110**
CURRENT ASSETS		**2,593,309**	**5,938,091**	**2,159,828**
Inventories		**200,000**	**-**	**-**
Supplier advances, Group companies		200,000	-	-
Trade and other receivables		**2,008,895**	**4,685,253**	**1,246,830**
Trade receivables	**8.1**	1,084	6,010	
Trade receivables from group companies and associates	**8.1 and 18**	1,433,551	4,453,116	1,038,627
Other receivables				-
Personnel	**8.1**	4,900		
Other receivables from Public Entities	**13**	569,360	226,127	208,203
Current investments in group companies and associates	**8.1 and 18**	**2,210**	**879,372**	**717,488**
Debt securities				-
Loans to companies		2,210	879,372	717,488
Current investments		**-**	**-**	
Current accruals		**318,709**	**180,032**	**41,122**
Cash and cash equivalents	**8.1**	**63,495**	**193,434**	**154,388**
Cash		63,495	193,434	154,388
TOTAL ASSETS		**21,446,281**	**24,844,335**	**21,504,090**

ISPD Network, S.A.
Balance Sheet
at 30 June 2022
(in Euros)

EQUITY AND LIABILITIES	Note	30.06.2023	31.12.2022	30.06.2022
EQUITY		**4,470,220**	**7,009,755**	**4,734,607**
Equity	**11**	**4,470,220**	**7,009,755**	**4,734,607**
Share capital		**819,099**	**819,099**	**819,099**
Issued capital		819,099	819,099	819,099
Share Premium	**11.2**			**-**
Reserves	**11.2**	**12,701,235**	**12,701,235**	**12,701,235**
Legal and statutory reserves		46,282	46,282	46,282
Other reserves		12,654,953	12,654,953	12,654,953
(Treasury shares and equity holdings)	**11.2 d**	**(665,000)**	**(665,000)**	**(665,000)**
Prior period's losses		**(5,845,579)**	**(5,702,589)**	**(5,702,589)**
Profit/(loss) for the year	**3**	**(2,539,535)**	**(142,990)**	**(2,418,139)**
Other equity instruments	**19**		**-**	**-**
NON-CURRENT LIABILITIES		**5,523,519**	**5,574,528**	**5,596,352**
Non-current payables	**8.2.2**	**346,271**	**397,280**	**419,104**
Finance lease payables		-	5,545	5,545
Debts with financial institutions		332,301	373,108	413,559
Other financial liabilities	**8.2**	13,970	18,627	-
Non-current payables, Group companies	**8.2 and 18**	**5,177,248**	**5,177,248**	**5,177,248**
CURRENT LIABILITIES		**11,452,542**	**12,260,052**	**11,173,131**
Short-term provisions		**361**		**-**
Current payables	**8.2**	**2,913,108**	**1,491,386**	**3,231,789**
Debts with financial institutions		2,413,857	897,413	1,315,744
Finance lease payables			17	4,729
Other financial liabilities		499,251	593,956	1,911,317
Current payables to Group companies and associates	**8.2 and 18**	**4,736,394**	**7,481,048**	**5,317,982**
Trade and other payables		**3,802,679**	**3,287,618**	**2,623,359**
Suppliers	**8.2**	188,239	121,540	39,987
Suppliers, group companies and associates	**8.2 and 18**	2,073,368	1,540,566	693,135
Other payables	**8.2**	1,082,970	966,884	1,001,556
Personnel (outstanding remunerations)	**8.2**	265,450	316,433	215,112
Current tax liabilities	**13**	28,404	28,404	28,404
Other payables to Public Entities	**13**	164,248	313,791	645,165
Advances from customers	**8.2**		-	-
TOTAL EQUITY AND LIABILITIES		**21,446,281**	**24,844,335**	**21,504,090**

ISPD Network, S.A.
Profit and Loss Account
for the annual period ended 30 June 2022
(in Euros)

	Note	30.06.2023	31.12.2022	30.06.2022
CONTINUING OPERATIONS				
Net turnover:	**14.d**	**1,661,047**	**8,420,477**	**992,483**
Sales		4,600	47,525	-
Rendering of services		1,656,447	8,372,952	992,483
Supplies		**(1,134)**	**(109,455)**	**(35,903)**
Merchandise used				(10,820)
Work performed by other companies		(1,134)	(109,455)	(25,083)
Other operating income:		**-**	**2,515**	**-**
Ancillary income and from ongoing operations			2,515	-
Personnel expenses:		**(2,526,869)**	**(4,120,624)**	**(1,929,041)**
Wages and salaries		(2,172,982)	(3,516,989)	(1,635,703)
Employee benefit expense	**14.a**	(353,887)	(603,635)	(293,337)
Other operating expenses		**(1,646,820)**	**(4,384,335)**	**(1,347,622)**
External services		(1,632,516)	(3,519,541)	(1,302,995)
Taxes				(237)
Losses, impairment and variation of provisions for trade receivables		-	(28,262)	(28,262)
Other expenses from ongoing operations		(14,304)	(836,532)	(16,128)
Amortization and depreciation	**5 and 6**	**(133,257)**	**(87,151)**	**(41,374)**
Impairment and gains/losses on disposal of fixed assets	**14.c**		**38,907**	**38,907**
Other income / (loss)		**32,332**	**998,790**	**(2,781)**
OPERATING PROFIT / (LOSS)		**(2,614,701)**	**759,124**	**(2,325,330)**
Finance income:	**14.b**	**2,558**	**13,759**	**6,951**
Dividends		-	-	-
Group companies and associates				-
Marketable securities and other financial instruments		2,558	13,759	6,951
Group companies and associates		2,210	7,870	3,326
Other		348	5,889	3,624
Finance Expenses:	**14.b**	**(228,508)**	**(207,848)**	**(69,768)**
Debts with third parties		(14,303)	(17,828)	(7,080)
Debts with Group companies and associates		(214,205)	(190,020)	(62,687)
Translation differences	**12**	**309,661**	**4,793**	**(29,992)**
Impairment and gains / (losses) on disposal of financial instruments			**(586,389)**	
NET FINANCE INCOME/(EXPENSE)		**83,711**	**(775,684)**	**(92,809)**
PROFIT / (LOSS) BEFORE INCOME TAX		**(2,530,990)**	**(16,560)**	**(2,418,139)**
Income Tax	**13**	**(8,545)**	**(124,108)**	**-**
Other taxes			(2,322)	
PROFIT/(LOSS) FOR THE YEAR		**(2,539,535)**	**(142,990)**	**(2,418,139)**

ISPD Network, S.A.
Statement of Changes in Equity
for the annual period ended 30 June 2023

A) STATEMENT OF RECOGNIZED INCOME AND EXPENSES

	30.06.2023	31.12.2022	30.06.2022
PROFIT / (LOSS) FOR THE PERIOD	(2,539,535)	(142,990)	(2,418,139)
Income and expense directly recognized in equity:			
B) TOTAL INCOME AND EXPENSES DIRECTLY RECOGNIZED IN EQUITY			
Transfers to Profit and Loss Account			
C) TOTAL TRANSFERS TO PROFIT AND LOSS ACCOUNT			
TOTAL RECOGNIZED INCOME AND EXPENSE	(2,539,535)	(142,990)	(2,418,139)

B) STATEMENT OF TOTAL CHANGES IN EQUITY

	Issued capital	Reserves	(Treasury shares and equity holdings)	Profit/(loss) for the year	Prior period's losses	Total
BALANCE AT 30 JUNE 2022	819,099	12,701,235	(665,000)	(2,418,139)	(5,702,590)	4,734,605
Other changes in equity	-	-	-	2,275,149	-	2,275,149
Profit/(loss) for the year	-	-	-	2,275,149	-	2,275,149
Other transactions	-	-	-	-	-	-
Capital increase and other distributions	-	-	-	-	-	-
BALANCE AT 31 DECEMBER 2022	819,099	12,701,235	(665,000)	(142,990)	(5,702,590)	7,009,755
Other changes in equity	-	-	-	(2,539,535)	-	(2,752,153)
Profit/(loss) for the year	-	-	-	(2,539,535)	-	(2,752,153)
Other transactions	-	-	-	-	-	-
Capital increase and other distributions	-	-	-	142,990	(142,900)	-
BALANCE AT 30 JUNE 2023	819,099	12,701,235	(665,000)	(2,539,535)	(5,845,580)	4,470,220

ISPD Network, S.A.
STATEMENT OF CASH FLOWS FOR THE YEAR
ENDED 30 JUNE 2023 (in Euros)

CASH FLOWS	30.06.2023	31.12.2022	30.06.2022
A) CASH FLOWS FROM OPERATING ACTIVITIES	**1,008,648**	**(153,223)**	**(183,444)**
Profit/(loss) for the year before tax	**(2,530,990)**	**(16,560)**	**(2,418,139)**
Adjustments for:	**27,139**	**(149,113)**	**126,319**
a) Amortization and depreciation	133,257	87,151	41,374
b) Impairment losses	-	586,389	(10,645)
c) Change in provisions	-	28,262	
d) Finance income	(2,558)	(13,759)	(6,951)
e) Financial expenses	228,508	207,847	69,768
f) Exchange gains/(losses)	(309,661)	(4,793)	29,992
g) Impairment of, and gains/(losses on disposal) of financial instruments	-	(38,907)	-
h) Other profit/(loss)	(22.407)	(998,789)	2,781
i) Operating grants taken to income (-)	-	(2,515)	
Changes in operating assets and liabilities	**3,729,904**	**74,114**	**2,171,193**
a) Trade and other receivables	2,676,357	(660,882)	2,807,355
b) Other current assets	538,485	-	(34,930)
c) Trade and other payables	515,062	734,995	7,116
d) Other non-current assets and liabilities	-	-	(608,348)
Other cash flows from operating activities	**(217,405)**	**(61,663)**	**(62,817)**
a) Interest paid	(228,508)	(207,847)	(69,768)
b) Interest received	2,558	13,759	6,951
c) Income tax received (paid)	8,545	124,108	-
d) Dividends received	-	8,317	-
B) CASH FLOW FROM INVESTING ACTIVITIES	**(79,985)**	**(593,106)**	**(875,580)**
Payment for investments	**(79,985)**	**(593,106)**	**(875,580)**
a) Group companies and associates	-	-	(533,546)
b) Intangible assets	-	(470,958)	(27,945)
c) Property, plant and equipment	(79,985)	(106,383)	(130,752)
d) Other financial assets	-	-	7,865
e) Group companies and associates	-	158,075	(191,202)
f) Other assets	-	(173,840)	**-**
C) CASH FLOW FROM FINANCING ACTIVITIES	**(1,058,602)**	**761,998**	**1,065,638**
Proceeds from and payments for equity instruments	**-**	**(95,000)**	**(95,000)**
a) Issue of equity instruments	-	(95,000)	(95,000)
b) Issue of equity instruments	-	-	-
Proceeds from and payments for financial liability instruments	**(1,058,602)**	**852,205**	**1,160,638**
a) Issue	1,475,637	**2,869,600**	**1,320,026**
1. Debts with financial institutions	1,475,637	26,976	525,858
2. Other	-	-	794,168
b) Depreciation and amortization	(2,534,239)	**(2,017,395)**	**(159,387)**
1. Debts with financial institutions	-	-	(40,100)
2. Debts with Group companies and associates (+)	(2,429,334)	(73,897)	-
3. Other	(104,905)	(1,943,499)	(119,288)
D) EFFECT OF EXCHANGE RATE FLUCTUATIONS	**309,661**	**4,793**	**(29,992)**
E) NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS	**(129,939)**	**15,668**	**(23,378)**
Cash or cash equivalents at beginning of period	**193,434**	**177,766**	**177,766**
Cash or cash equivalents at end of period	**63,495**	**193,434**	**154,388**

ISPD Network S.A.

INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2023

ISPD Network, S.A.

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 30 JUNE 2023

NOTE 1. INCORPORATION, ACTIVITY AND LEGAL REGIME OF THE COMPANY

a) Incorporation and Legal Regime

ISPD Network, S.A. (hereinafter the Company) was incorporated on 20 November 1997 under the name "Interactive Network, S.L."; later, on 22 January 2001, the Company converted into a public limited company and changed its corporate name to I-Network Publicidad, S.A.. Dated 7 April 2005, the General Meeting approved the change of the Company's name to Antevenio S.A. On 25 November 2021, the General meeting approved the change of the Company's name to ISPD Network, S.A.

b) Activity and Registered Address

The Company's corporate purpose involves any activities that, according to the existing provisions on advertising, are typical of general advertising agencies; accordingly, the Company may execute all manner of acts, contracts and transactions and, in general, take all measures directly or indirectly conducive to, or deemed necessary or convenient for, the fulfilment of the aforementioned corporate purpose. The activities that form the Company's corporate purpose may be performed, entirely or partly, by the Company, either directly or indirectly through its interests in other companies with an identical or similar purpose.

The Company moved its registered office at C/Marqués de Riscal 11, Planta 4ª (Madrid) to Calle Apolonio Morales 13c (Madrid) on 30 September 2020. The Company is part of the Group ISPD and subsidiaries, whose activities involve the performance of activities relating to advertisement in Internet; the Company is the parent of the Group and files its individual financial statements with the Mercantile Register of Madrid. ISPD Network, S.A. and subsidiaries Financial Statements for 2020 were approved by the Annual General Meeting of the Company, held on 23 June 2022, and filed before the Business Register of Madrid.

The Company is listed on the French alternative market, Euronext Growth, since 2007.

The Company has a significant volume in balances and transactions with group companies.

The Company's financial year begins on 1 January and finishes on 31 December of each year.

c) Legal Regime

The Company is governed by its Articles of Association and By-laws and by the existing Spanish Law on Corporations.

NOTE 2. BASIS FOR PRESENTATION OF THE INTERIM FINANCIAL STATEMENTS

a) Fair presentation

The interim financial statements for the period ended 30 June 2023 were drawn up based on the accounting records of the Company and presented in accordance with the existing Code of Commerce and the accounting policies set forth in the Spanish General Chart of Accounts approved by Royal Decree 1514/2007 of 16 November, and applying the amendments introduced thereto by Royal Decrees 1159/2010 of 17 September, 602/2016 of 2 December and 1/2021 of 12 January with a view to rendering a fair image of the Company's equity, financial position and the results of its operations, changes in equity and cash flows during the reporting period.

b) Accounting Principles applied

In the preparation of the accompanying Interim Financial Statements the accounting policies set forth in the Spanish Code of Commerce and General Chart of Accounts have been applied.

All mandatory accounting principles which would have a significant effect on the preparation of these consolidated financial statements have been applied.

c) Functional and presentation currency

In compliance with the existing regulations on accounting, the accompanying Interim Financial Statements are presented in Euro, which is the Company's functional currency.

d) Comparative information

Each item in the Interim Balance Sheet, Interim Profit and Loss Account, Interim Statement of Changes in Equity and Interim Cash Flow Statement, in addition to the figures for the six months ended 30 June 2023, includes the figures for the year ended 31 December 2022, which formed part of the 2022 financial statements approved by the Annual General Meeting of Shareholders on 23 June 2023 and the figures for the six months ended 30 June 2022, presented for information purposes.

Line items from different periods are both comparative and homogeneous, except for the figures from the financial year ended 31 December 2022 that relate to a 12-month period and are therefore non-comparative.

e) Aggregation of items

In order to facilitate the understanding of the Balance Sheet, of the Profit and Loss Account, of the Statement of Changes in Equity and of the Statement of Cash Flows, line items are therein presented on an aggregated basis and the required relevant disclosures are included in the Notes.

Responsibility for information and estimates

Preparation of the accompanying Interim Financial Statements requires judgements, estimates and assumptions affecting the application of accounting policies and the balances of assets, liabilities, income and expenses. The related estimates and assumptions are based on past experience and several other factors deemed to be reasonable in the current context. Estimates and assumptions are subject to continuous revision; the effects of changes in accounting estimates are recognized in the period of the change, if the change affects that period only, or in the period of the change and future periods, if the change affects both.

In preparing the Interim Financial Statements for the half-year ended 30 June 2023, the Company's Directors have made certain accounting estimates for the measurement of the assets, liabilities, income, expenses and commitments therein recorded. These estimates relate basically to the following:

- The assessment of eventual impairment losses on certain assets (note 4c).
- The assessment of eventual losses arising from the determination of the recoverable value of equity investments in Group companies, jointly controlled entities and associates, for which future cash flows projections based on return and discount rates and other variables and assumptions made by the Company's management, that justify the measured value of those investments (see notes 4e and 9).
- The useful lives of intangible fixed assets and of items of property, plant and equipment (see notes 4a and 4b).
- The amount for certain provisions (Note 4i)

Although these estimates were based on the best information available at 30 June 2023, additional information subsequently obtained or events and circumstances taking place in the future might make it necessary to change in future periods the assumptions on which these estimates are based; the effects of those changes will be prospectively recognized and included in the profit or loss account for the relevant period.

In addition of the process of systematic estimates and the revision thereof, certain judgements are used, amongst which those relating to measurement of the eventual impairment of assets, and those relating to provisions and contingent liabilities.

NOTE 3. DISTRIBUTION OF PROFIT/(LOSS)

The Annual General Meeting held on 22 June 2023 approved the following proposal for the distribution of the Company's profit/(loss) from 2022:

	31/12/2022	31/12/2021
Basis of distribution		
Profit and loss (loss)	(142,990)	(530,199)
Remainder		
Voluntary reserves		
Other unrestricted reserves		
Total	(142,990)	(530,199)
Application		
Prior period's losses	(142,990)	(530,199)
Total	**(142,990)**	**(530,199)**

NOTE 4. RECOGNITION AND MEASUREMENT STANDARDS

In compliance with the provisions of the Spanish General Accounting Plan, the main measurement standards applied by the Company in the preparation of the accompanying Interim Financial Statements at 30 June 2023 were as follows:

a) Intangible assets

Elements of intangible assets are measured at cost, determined as the purchase price or the production cost, less any accumulated amortization (calculated on the basis of their useful lives) and, where appropriate, any impairment losses.

Intangible assets are measured at production cost or acquisition price, net of any accumulated amortization, in the case of intangible assets with a finite useful live, and net of any accumulated impairment losses.

Industrial property

Development expenditure capitalized when a patent or similar right is obtained, including expenses incurred on registering industrial property, and the acquisition costs of the related rights from third parties, are accounted for as industrial property.

Industrial property is amortized on a straight-line basis throughout its useful life, at an annual rate of 20%.

Computer software

Licenses for computer software acquired from third parties or internally developed computer software are recognized as intangible assets on the basis of the costs incurred in acquiring or developing them, and preparing them for use.

Computer software is amortized on a straight-line basis throughout its useful life, at an annual rate of 25%.

Maintenance costs incurred from computer applications during the period are recognized in the Profit and Loss Account.

b) Property, plant and equipment

Property, plant and equipment is recognized at acquisition or production cost and less any accumulated depreciation and, where appropriate, any accumulated impairment losses.

Upkeep and maintenance costs incurred during the period are recorded in the Profit and Loss Account. Costs incurred to renovate, enlarge or improve items of property, plant and equipment which increase capacity or productivity or extend the useful life of the asset are capitalized as part of the cost of the related asset. The carrying amount of items that are replaced are derecognized.

Indirect taxes on property, plant and equipment are included in the acquisition price or production cost only when they are not directly recoverable from Tax Authorities.

The cost of the different items that make up property, plant and equipment, where applicable net of their residual value, is depreciated on a straight-line basis over the estimated years of useful life over which the Company expects to use said items and in line with the following table:

	30/06/2023		31/12/2022		30/06/2022	
	Annual Percentage	Estimated Years of Useful Life	Annual Percentage	Estimated Years of Useful Life	Annual Percentage	Estimated Years of Useful Life
Other installations	20	5	20	5	20	5
Furniture	10	10	10	10	10	10
Computer hardware	25	4	25	4	25	4
Other property, plant and equipment	20-10	5-10	20-10	5-10	20-10	5-10

The carrying amount of an item of property, plant and equipment is derecognized on disposal, or when no future economic benefits are expected from its use or disposal.

The gain or loss on derecognition of an item of property, plant and equipment shall be determined as the difference between the net amount obtained on the disposal of the item, and the carrying amount. The gain or loss shall be recognized in the Profit and Loss Account when the item is derecognized.

Investments made by the Company in leased premises, which are not separable from the leased asset, are amortized over their useful life which corresponds to the lesser of the duration of the lease, including renewal period when there is evidence to support that it will occur, and the economic life of the asset.

c) Impairment of intangible assets and of property, plant and equipment

An impairment loss in the value of intangible assets or property, plant and equipment occurs when their carrying amount exceed their recoverable value, the latest understood as the higher of its fair value less costs to sell and its value in use.

To these purposes, at least at year end, the Company assesses, using the so-called "impairment test", whether there is evidence that any intangible assets or property, plant and equipment with indefinite useful life, or, where applicable, any cash-generating unit may be impaired; if so the Company proceeds to estimate the recoverable amount thereof applying the corresponding value adjustments.

The impairment of property, plant and equipment is calculated individually. However, when the recoverable amount of each individual asset cannot be determined, the Company proceeds to establish the recoverable amount of the cash-generating unit to which the relevant asset is associated.

When an impairment loss is subsequently reversed (a circumstance that is not permitted in the specific case of goodwill), the carrying amount of the relevant asset or cash-generating unit is increased to the revised estimate of its recoverable value, insofar as the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset or the cash-generating unit in prior years. A reversal of an impairment loss is recognized as income in Profit and Loss Account.

d) Leases and other transactions of similar nature

When the economic conditions of a lease agreement indicate that substantially all the risks and rewards incidental to ownership of an asset are transferred, the Company classifies this agreement as a finance lease. When the economic conditions of a lease agreement do not meet the requirements for the agreement to be classified as a finance lease, the Group classifies this agreement as an operating lease.

a.1) Finance leases

In the finance lease operations in which the Company acts as a lessor, the Company records an asset in the balance sheet according to the nature of the asset under contract and a liability in the same amount, which is the lower between the fair value of the leased good and the current value of the agreed minimum lease payments at the beginning of the lease, including the price of the purchase option. Finance leases do not include contingent rents, the cost of services and taxes that may be passed on by the lessor. The finance charge is recognized in the Profit and Loss Account for the reporting period in which it is accrued, using the effective interest method. Contingent rents are expensed in the reporting period in which they are accrued.

Assets recorded for this type of operations are depreciated using similar criteria to those applied to tangible (or intangible) assets a whole, depending upon their nature.

a.2) Operating leases

Expenses arising from operating leases are recognized in the Profit and Loss Account for the year when they accrue.

e) Financial Instruments

Upon initial recognition, a financial instrument is classified by the Company as either a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement and the definitions of a financial asset, a financial liability and an equity instrument from the applicable financial reporting framework, presented in note 2 above.

The Company recognizes a financial instrument when it becomes a party (either as acquirer, holder or issuer) to the contractual provisions of the instrument.

a.1)Financial Assets

The Company classifies its financial assets on the basis of the business model for managing the financial assets and the contractual cash flows characteristics of the financial asset.

The business model is determined by the Company's Management and reflects how groups of financial assets are managed together to achieve a particular business objective. The business model applied by the Company to each group of financial assets represents the manner in which the Company manages its financial assets in order to general cash flows.

For classifying its assets, the Company considers the characteristics of the cash flows arising from those assets. In particular, the Company distinguishes between financial assets whose contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding (hereinafter, assets meeting the SPPI criterion), and other financial assets (hereinafter, assets not meeting the SPPI criterion).

Accordingly, the Company classifies its financial assets in the following categories:

a.1.1) Financial assets at fair value with changes in the profit and loss account.

As a general rule, the Company classifies financial assets as financial assets at fair value through profit or loss, except when the applicable financial reporting framework requires the classification of that the financial asset in any of the other categories presented below.

In particular, financial assets held for trading are classified in this category. The Company considers that an asset is held for trading when:

- The asset is issued or acquired for the purpose of selling it in the near term.
- On initial recognition is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short- term profit-taking; or
- Is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

In any case, on initial recognition the Company classifies in this category any financial asset that has been designated at fair value through profit or loss, because this way the Company removes or significantly reduces any measurement inconsistencies or accounting mismatches that would arise if the asset is classified in any other category.

These financial assets are initially measured at fair value, i.e. the transaction price, which is equivalent to the fair value of the consideration given. Transaction costs directly attributable to these assets are recognized as an expense in statement of profit or loss.

After initial recognition, the Company measures these financial assets at fair value, and recognises any fair value changes in profit or loss.

a.1.2) Financial assets at amortised cost

These are financial assets that meet both following conditions: they are held by the Company within a business model whose objective is to collect contractual cash flows, and the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding —even if the assets are admitted for trading in an organized market—; i.e. assets meeting the SPPI criterion (financial assets whose contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding).

The Company considers that the contractual cash flows of a financial asset are solely payments of principal and interest on the principal amount outstanding when they are consistent with basic lending, even if a zero or below-market interest rate is agreed in the relevant transaction. The Company considers that financial assets convertible into equity instruments of the issuer, reverse floating interest rate loans (i.e., an interest rate that has an inverse relationship to a market interest rate), or financial assets where the issuer may defer interest payments when payment thereof may affect its solvency and deferred interest does not accrue additional interest, do not meet the above-mentioned criterion and, consequently, these assets are not classified in this category.

When assessing whether a group of assets is held within either a business model for collection of contractual cash flows or any other business model, the Company considers the frequency, value and timing of sales, in the current period and in prior periods, within that group of assets. However, sales in themselves do not determine the business model and therefore cannot be considered in isolation. Accordingly, the existence of occasional sales within a same group of financial assets does not determine a change of business model for the remaining financial assets included in that group. To assess whether those sales determine a change of business model, the Company considers the information about past sales and the expectations about future sales in a same group of financial assets. In assessing the business model within which a group of financial assets is held, the Company also considers information about past sales within the context of the reasons for those sales and the conditions that existed at that time as compared to current conditions.

As a general rule, this category includes trade and non-trade receivables:

- Trade receivables Financial assets arising on the sale of goods and the rendering of services in the course of the company's trade operations.

- Non-trade receivables: Financial assets that are neither equity instruments nor derivatives, arising on loans or credits granted by the Company rather than on trade transactions, with fixed or determinable payments.

Loans and receivables are initially recognized at the fair value of the consideration given plus any directly attributable transaction costs.

Nevertheless, trade receivables with a maturity not exceeding one year and not having a contractual interest rate are initially measured at their nominal value, provided that the effect of not discounting the cash flows is not material, in which case they will be subsequently measured at that amount unless they have been impaired.

After initial recognition, these financial assets are measured at amortized cost. Accrued interest shall be recognized in the Profit and Loss Account.

At the end of each reporting period, the Company recognizes the appropriate impairment allowances when there is objective evidence that the value of a financial asset, or a group of financial assets with similar risk exposure measured together, is impaired as a result of one or more events occurring after initial recognition and leading to a reduction or delay in estimated future cash flows, which could be due to debtor insolvency.

Impairment allowances are measured as the difference between the carrying amount and the present value of estimated future cash flows (including any cash flows arising on enforcement of real and/or personal collaterals), discounted at the effective interest rate calculated upon initial recognition. For financial assets with floating interest rate, the Company uses the effective interest rate applicable, pursuant to the contractual terms of the instrument, as at the end of each reporting period. Impairments allowances are recognized in the statement of profit or loss.

a.1.3) Financial assets at fair value through equity

This category includes financial assets whose contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, that are not held for trading and that should not be classified as "financial assets at amortized cost".

This category also includes equity instruments that are not held for trading, that cannot be classified as financial assets at cost, and for which the Company has made an irrevocable election at initial recognition to present subsequent changes in fair value directly in equity.

These financial assets are initially measured at the fair value of the consideration given plus any directly attributable transaction costs (including any pre-emptive subscription and similar rights, if any, paid by the Company or which the Company has committed itself to pay to gain control over the asset).

After initial recognition, these assets are measured at fair value without considering any transaction costs that may be incurred by the Company in the event of disposing of those assets. Changes in the fair value of a financial asset are recognised as income or expense directly in equity up to the date when that financial asset is derecognized or impaired, when the amount directly recognized in equity is transferred to profit or loss.

Any finance income (calculated using the effective interest rate method) arising from the interest accrued by the financial instrument is recognized in the statement of profit or loss. Similarly, any dividend income from the financial asset is recognized as income in the statement of profit or loss when the amount of the distribution unambiguously relates to profit generated after the Company gained control of that financial asset. Otherwise, dividend income is recognized as a reduction of the cost of that asset.

At the end of each reporting period, the Company recognizes the appropriate impairment allowances when there is objective evidence that the value of a financial asset, or a group of financial assets with similar risk exposure measured together, is impaired as a result of one or more events occurring after initial recognition and leading to:

- In the case of debt securities acquired, a reduction or delay in estimated future cash flows, which could be due to debtor insolvency; or

- In the case of investments in equity instruments, the impossibility to recover its carrying amount evidenced by a prolonged or significant reduction in the fair value of the instrument. In any case, the Company considers that an asset is impaired when:

  - Its value has continuously reduced over a period of eighteen months; or
  - Its list value has reduced by forty percent and not recovered, subject to the early recognition of an impairment allowance prior to the occurrence of any of the above-mentioned circumstances.

However, any appropriate impairment allowances and any gains or losses arising from exchange differences relating to financial assets denominated in currencies other than the Company's functional currency are recognized in the statement of profit or loss.

Impairment allowances are measured as the difference between the cost or amortized cost of an asset reduced, where applicable, by the amount of any impairment allowances previously recognized in the statement of profit or loss, and the fair value of that asset on the date of measurement of the impairment allowance.

Any accumulated impairment losses recognized in equity as a result of fair value reductions will be transferred to profit or loss when there is objective evidence that the asset is impaired. If the fair value of asset increases in subsequent periods, any previously recognized impairment allowances will be reversed and recognized as income in the statement of profit or loss, except when the increased fair value relates to an equity instrument, in which case any previously recognized impairment allowance will be reversed and recognized directly in equity rather than in profit or loss.

In the exceptional cases where the fair value of an equity instrument cannot be measured reliably, any expenses and income previously recognized in equity will continue to be recognized in equity until the financial asset is derecognized or disposed of, when those expenses and income will be transferred to profit or loss, or until any of the following circumstances occur:

- In the case of valuation adjustments arising on revaluation of the asset, impairment reversals are recognized in the appropriate equity item up to the amount of any previously recognized impairment allowances and the excess, if any, is recognized in profit or loss. Impairment allowances previously recognized directly in equity are not reversed.

- In the case of valuation adjustments arising on reduction of value, if the recoverable value subsequently exceeds the carrying amount of the investment, the Company increases the carrying amount of the investment up to the limit of the relevant reduction of value, and recognizes the amount of that increase in the equity item where it had previously recognized the impairment allowance. The resulting carrying amount is thereafter considered the investment cost. However, when there is objective evidence that an investment is impaired, impairment losses previously recognized directly in equity are transferred to profit or loss.

a.1.4) Financial assets at cost

This category includes the following financial assets:

- Equity investments in group companies, jointly controlled entities and associates

- Other investments in equity instruments whose fair value cannot be determined by reference to an active market or cannot be measured reliably, and derivatives having this type of investments as underlying.

- Hybrid financial assets whose fair value cannot be estimated reliably, unless they meet the criteria to be classified as financial assets at amortized cost.

- Contributions made to common purse and similar agreements.

- Shareholders' loans accruing contingent interest, either because the agreed fixed or floating interest rate is contingent on a certain milestone (e.g. making a profit) being achieved by the borrower, or because interest is calculated with reference to the borrower's performance.

- Any financial asset that might be initially classified as financial asset at fair value through profit or loss when a reliable estimation of its fair value cannot be obtained.

Loans and receivables are initially recognized at the fair value of the consideration given plus any directly attributable transaction costs. Any fees paid to legal advisors or other professionals involved in the purchase of the asset are recognized as an expense in the statement of profit or loss. Internal expenses incurred in purchasing the asset are not recognized as an increase in the value of the asset; these expenses are recognized in profit or loss. For investments made prior to be considered equity investments in group companies, joint ventures or associates, the carrying amount of the investment immediately prior to be eligible for that classification is considered as the investment cost.

Equity investments included in this category are subsequently measured at cost less, where applicable, any accumulated impairment.

Contributions made to common purse or similar agreements are measured at cost, increased by any profit or reduced by any loss attributed to the Company as non-managing party, less, where appropriate, the accumulated amount of any impairment losses.

This criterion also applies to shareholders' loans accruing contingent interest, either because the agreed fixed or floating interest rate is contingent on a certain milestone being achieved by the borrower, or because interest is calculated with reference to the borrower's performance. If in addition to contingent interest, the loan includes an irrevocable fixed interest, the latter is recognized as income as accrued. Transaction costs are recognized in profit or loss on a straight line basis over the life of the shareholders' loan.

At least at the end of each reporting period, the Company recognizes any necessary valuation allowances when there is objective evidence that carrying amount of an investment is not recoverable.

Valuation allowances are measured as the difference between the carrying value and the recoverable amount, with this value being the higher of its fair value less costs to sell and the current value of future cash flows arising from the investment, which in the case of equity instruments is calculated either by estimating the cash flows expected to be received as dividend distributed by the investee and arising on derecognition or disposal of the instrument, or by estimating its share in the cash flows expected to be generated by the investee from its normal operations as well as from the disposal or derecognition thereof.

Changes in value due to impairment losses and, where applicable, their reversals are recognized as an expense or income, respectively, in profit or loss. Impairment shall only be reversed up to the limit of the carrying amount of the investment that would have been determined at the reversal date had impairment not been recognized.

However, for investments made prior to the investee being classified as a group company, joint venture or associate, adjustments to value of the investment had been directly recognized in equity prior to that classification, said adjustments continue to be recognized in equity until the investment is derecognized or disposed of, when the adjustments are transferred to profit or loss, or until the any of the following circumstances occur:

- In the case of valuation adjustments arising on revaluation of the asset, impairment reversals are recognized in the appropriate equity item up to the amount of any previously recognized impairment allowances and the excess, if any, is recognized in profit or loss. Impairment allowances previously recognized directly in equity are not reversed.

- In the case of valuation adjustments arising on reduction of value, if the recoverable value subsequently exceeds the carrying amount of the investment, the Company increases the carrying amount of the investment up to the limit of the relevant reduction of value, and recognizes the amount of that increase in the equity item where it had previously recognized the impairment allowance. The resulting carrying amount is thereafter considered the investment cost. However, when there is objective evidence that an investment is impaired, impairment losses previously recognized directly in equity are transferred to profit or loss.

The criteria for measurement of equity investments in group companies, associates and joint ventures are presented in the following section.

Equity investments in group companies, associates and joint ventures

Group companies are companies related with the Company by a control relationship; associates are companies over which the Company exercise significant influence. Additionally, joint ventures include any companies over which joint control is shared with one or more venturers under an agreement. Equity investments in group companies, joint ventures and associates are initially measured at cost, which is equivalent to the fair value of the consideration given plus directly attributable transaction costs. Where the Company has acquired ownership interests or shares in group companies as a result of merger, split-off or non-monetary contributions granting the Company control over a business, the Company measures the investment in accordance with the specific standards for related-party transactions from section 2 of RMS 21 “Transactions between group companies”, pursuant to which these investments shall be measured at the carrying amount at which the contributed items are recognised in the consolidated annual accounts prepared in compliance with the provisions of the Spanish Code of Commerce by the largest Spanish-parented group or subgroup into which the items are integrated. If the Spanish parent does not prepare consolidated annual accounts in compliance with the Spanish Code of Commerce, these investments shall be measured at the carrying amount recognized in the individual annual accounts of the contributing company.

These equity investments are subsequently measured at cost less, where applicable, any accumulated impairment. Impairment losses are measured as the difference between the carrying value and the recoverable amount, with this value being the higher of its fair value less costs to sell and the current value of future cash flows arising from the investment. Unless there is better evidence of the investment recoverable amount, the net equity of the investee is taken into account, adjusted by the unrealized gains existing on the date of valuation.

When the investee has equity interest in other companies, the Company has taken into account the investee's equity as presented in its consolidated financial statements.

Changes in value due to impairment losses and, where applicable, their reversals are recognized as an expense or income, respectively, in profit or loss.

g.1.5) Derecognition of financial assets

As required in the Conceptual Accounting Framework of the General Chart of Accounts, as approved by Royal Decree 1514/2007, of 16 November, financial assets are derecognized on the basis of economic reality of the transactions and not just on the legal form of the agreements governing the transaction. In particular, a financial asset, or part of a financial asset, is derecognized when the contractual rights to the cash flows from the financial asset expire or have been transferred, provided that substantially all the risks and rewards of ownership have been transferred. The Company considers that substantially all risks and rewards of ownership of a financial asset have been transferred when the Company's exposure to cash flow changes ceases to be significant compared to total changes in the present value of future net cash flows associated with that financial asset.

If the Company has neither transferred nor retained substantially all the risks and rewards, the Company derecognizes the financial asset when it has not retained control over that asset. If control is retained, the Company continues to recognize the financial asset at the amount of the Company's exposure to variability in the value of the transferred asset; i.e., to the extent of its continuing involvement in the financial asset, and recognizes the associated liability.

The gain or loss on derecognition of the financial asset is measured as the difference between the consideration received net of attributable transaction costs, including any new asset obtained less any liability assumed, and the carrying amount of the financial asset, plus any accumulated amount recognized directly in equity. The gain or loss shall be recognized in profit or loss for the reporting period in which it arises.

The company does not derecognize financial assets in transfers whereby it retains substantially all the risks and rewards of ownership. These include discounted bills, "factoring with recourse" transactions, sales of financial assets with an agreement to repurchase them at a fixed price or at the sales price plus interest, and securitizations of financial assets whereby the transferor retains subordinated financing or another type of guarantee that absorbs substantially all expected losses. In these cases, the Company recognizes a financial liability for the amount of the consideration received.

g.1.6) Reclassification of financial assets

The Company reclassifies a financial asset when, and only when, the Company changes the business model for managing that asset, in accordance with the criteria of notes g.1.1 to g.1.5. The Company considers that there is no reclassification and, accordingly, does not apply the following policies to the following circumstances:

- A designated and effective hedging instrument in a cash flow hedge or net investment hedge that ceases to meet the requirements of the applicable financial reporting framework to qualify as such.

- When a financial asset becomes a designated and effective hedging instrument in a cash flow hedge or net investment hedge.

The Company applies reclassifications prospectively from the reclassification date, in accordance with the following criteria:

<u>Reclassification of financial assets out the amortized cost category and into the fair value through profit or loss measurement category, and vice versa</u>

If the Company reclassifies a financial asset out of the amortized cost measurement category and into the fair value through profit or loss measurement category, its fair value is measured at the reclassification date. Any gain or loss arising from a difference between the previous amortized cost of the financial asset and fair value is recognized in profit or loss.

Conversely, if the Company reclassifies a financial asset out of the fair value through profit or loss measurement category and into the amortized cost measurement category, its fair value at the reclassification date becomes its new carrying amount.

<u>Reclassification of financial assets out the amortized cost category and into the fair value through equity measurement category, and vice versa</u>

If the Company reclassifies a financial asset out of the amortized cost measurement category and into the fair value through equity measurement category, its fair value is measured at the reclassification date. Any gain or loss arising from a difference between the previous amortized cost of the financial asset and fair value is recognized directly in equity and the Company applies the accounting policies of note g.1.3. The effective interest rate is not adjusted as a result of the reclassification.

Conversely, if the Company reclassifies a financial asset out of the fair value through equity measurement category and into the amortized cost measurement category, the financial asset is reclassified at its fair value at the reclassification date. The cumulative gain or loss previously recognized in equity is adjusted against the fair value of the financial asset at the reclassification date. As a result, the financial asset is measured at the reclassification date as if it had always been measured at amortized cost.

Reclassification of financial assets out the fair value through profit or loss measurement category and into the fair value through equity measurement category, and vice versa

If the Company reclassifies a financial asset out of the fair value through profit or loss measurement category and into the fair value through equity measurement category, the financial asset continues to be measured at fair value.

Conversely, if the Company reclassifies a financial asset out of the fair value through equity measurement category and into the fair value through profit or loss measurement category, the financial asset continues to be measured at fair value, but the cumulative gain or loss previously recognised in equity is reclassified from equity to profit or loss at the reclassification date.

Reclassification of investments in equity instruments measured at cost into the fair value through profit or loss measurement category, and vice versa

When an equity investment in a group company, joint venture or associate no longer qualifies as such, any investment retained in that investee is reclassified into the category of financial assets at fair value through profit or loss if the fair value of the retained shares can be estimated reliably, unless the Company elects at that date to include the investment in the category of financial assets at fair value through equity.

In that case, the fair value of the asset is measured at the reclassification date and any gains or losses arising from the difference between the carrying amount of the investment prior to reclassification and its fair value is recognized in profit or loss, unless the Company has made the above-mentioned election, in which case the difference is recognized directly in equity. This criterion also applies to investments in other equity instruments that can be measured reliably.

Conversely, if the fair value of an equity instruments is no longer reliable, its fair value at the reclassification date becomes its new carrying amount.

f) Foreign currency balances, transactions and cash flows

All foreign currency transactions are translated into Euro by applying the spot exchange rate at the date of the transaction.

At the balance sheet date, non-monetary assets and liabilities measured at fair value are measured using the exchange rate prevailing at the fair value calculation date, i.e. at the balance sheet date. When gains or losses arising from changes in the valuation of a non-monetary item are directly recognized in net equity, any exchange component is also directly recognized in net equity. By contrast, when gains or losses arising from changes in the valuation of a non-monetary item are recognized in the Profit and Loss Account for the year, any exchange difference is recognized in the Profit or Loss Account.

At the balance sheet date, monetary assets and liabilities denominated in foreign currencies are converted to Euro at the rates then prevailing, whereas non-monetary assets and liabilities measured at historical cost have been converted at the exchange rates prevailing at the relevant transaction dates.

Positive and negative differences arising from settlement of foreign currency transactions and from conversion to Euros of monetary assets and liabilities denominated in foreign currency are recognized in profit or loss.

g) <u>Income Tax</u>

Between 2013 and 2016, Group companies with registered address in Spain paid taxes under the Special Consolidated Tax Regime within the Group led by the Parent Company.

The Board of Directors informed, at the meeting held on 30 December 2016, that the company Inversiones y Servicios Publicitarios, S.L. (“ISP”) owns a 83.09% interest in the share capital of ISPD Network, S.A. (see Note 11) and that, pursuant to the provisions of Article 61.3 of Law 27/2014, of 27 November, on Corporate Income Tax and having regard to the fact that ISPD Network, S.A. no longer was the company of taxation group 0212/2013 sin ISP had acquired an interest exceeding 75% of the share capital and voting rights in ISPD Network, S.A., the Board had approved including the Company, effective from the taxation period beginning of 1 January 2017, as a subsidiary of taxation group 265/10, whose company is ISP.

Income tax expense (income) is calculated as the sum of current tax expense (income) and deferred tax expense (income).

Current tax is the amount payable as a result of applying the tax rate to the tax base for the year. Tax credits and other tax benefits, excluding tax withholdings and pre-payments, and tax loss carry forwards from prior years effectively offset in the year, reduce the current tax expense.

On the other hand, deferred tax expense (income) relates to the recognition and settlement of deferred tax assets arising from deductible temporary differences, from the offset of tax loss carryforwards from prior years and from unused tax credits and other tax reliefs pending application, as well as of deferred tax liabilities arising from taxable temporary differences.

Deferred tax assets and liabilities are measured at the rates expected to prevail upon their reversal.

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

In accordance with the prudence principle, deferred tax assets shall only be recognised to the extent that it is probable that future taxable income will be available to enable their application. Nonetheless, a deferred tax asset shall not be recognised when the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and affected neither accounting profit/(loss) nor taxable income/(loss).

Both current and deferred tax expense (income) are recognized in the Profit and Loss Account. However, current and deferred tax assets and liabilities relating to a transaction or event that was recognized directly in equity shall be accounted for with a debit or credit to the relevant equity line item.

Recognized deferred tax assets and liabilities are reassessed at each balance sheet date in order to ascertain their applicability and the appropriate adjustments are made. Similarly, the company reassesses both recognized and previously unrecognized deferred tax assets. The company then derecognizes previously recorded deferred tax assets when recovery is no longer probable, or recognizes a previously unrecorded deferred tax asset to the extent that it is probable that future taxable profit will enable its application.

h) Revenue and expenses

In accordance with Royal Decree 1/2021 of 12 January amending the Spanish National Chart of Accounts, the Company recognises revenue in the ordinary course of its business when control of the goods or services promised to customers is transferred. At that time, the company measures the revenue at the amount that reflects the consideration to which it expects to be entitled in exchange for those goods or services. Revenue is recognized when the customer obtains control of the goods or services.

Based on the new criteria, a five step model shall be applied for recognition of revenue in order to determine the timing of recognition and the amount of revenue to be recognized:

- Step 1: Identify the contract
- Step 2: Identify the separate performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the separate performance obligations
- Step 5: Recognize revenue when the entity satisfies a performance obligation

In this model, it is specified that the income must be recognized when (or insofar as) an entity transmits control of the assets or services to a client, and in the amount that the entity wishes to have the right to receive. Depending on whether certain criteria are met, revenue is recognised either over a period of time to reflect the entity's realisation of the contractual obligation or at a point in time when the customer secures control of the goods or services.

The total transaction price of a contract is distributed among the various performance obligations on the basis of their relative independent selling prices. The transaction price of a contract excludes any amount charged on behalf of third parties.

Revenue is recognised at a point in time or over time when (or as) the Company satisfies performance obligations by transferring promised goods or services to its customers.

The Company recognises contract liabilities received in respect of unfulfilled performance obligations and presents these amounts as other liabilities in the statement of financial position. Similarly, if the Company satisfies a performance obligation before it receives the consideration, it recognises either a contractual asset or a receivable in its statement of financial position, depending on whether more than the passage of time is required before the consideration is due.

An asset is recognised for incremental costs incurred to obtain contracts with customers that are expected to be recovered and amortised systematically in the Consolidated Income Statement to the same extent as the related revenue is recognised. There are no significant impacts arising from the application of the new standard.

Operating expenses are recognised in profit or loss when the service is used or incurred.

i) <u>Provisions and contingencies</u>

At the balance sheet date liabilities of uncertain timing or amount, arising from past events the settlement of which is expected to result in an outflow of resources embodying economic benefits, are recognized as provisions in the Balance Sheet and are measured at the present value of the best estimate of the amount required to settle the obligation or transfer it to a third party.

With regards to provisions and contingencies the Company applies the following:

i.1) Provisions

> Liabilities that cover present obligations arising from past events, whose future settlement is likely to result in an outflow of resources, for which the amount and settlement date are uncertain.

i.2) Contingent liabilities

> Possible obligations that arise from past events and whose existence is contingent upon the occurrence or non-occurrence of one or several future events beyond the control of the Company.

Adjustments arising from the discounting of the provision are recognized as a finance expense when accrued. Provisions expiring within one year are not discounted where the financial effect is not material.

Reimbursements receivable from a third party on settlement of the obligation shall not reduce the amount of debt; the company shall nonetheless recognize the related receivable as an asset, provided that there is no doubt as to its collection.

j) Assets of environmental nature

The Company, due to its line of business, has no environmental assets and has not incurred in any expenditure to minimize the environmental impact and to protect and improve the environment. Furthermore, there are not provisions for risks and expenses, nor contingencies related to the protection and improvement of the environment.

k) Business combinations

At the acquisition date, identifiable assets acquired and liabilities assumed are measured at fair value, provided this can be measured reliably, subject to the following exceptions:

- Non-current assets classified as held-for-sale are measured at fair value less costs to sell.

- Deferred tax assets and liabilities are measured at the amount expected to be paid or recovered from the taxation authorities, using the tax rates expected to prevail upon their reversal, based on the existing or approved and pending publication regulations as of the date of acquisition. Deferred tax assets and liabilities are not discounted.

- Assets and liabilities associated with long-term employee benefits under defined benefit schemes are accounted for at the acquisition date as the present value of the defined benefit obligation less the fair value of the plan assets out of which the obligations are to be settled.

- Intangible assets, the value of which cannot be measured in relation to an active market and would result in a recognition of income in the Profit and Loss Account have been deducted from the initially calculated negative goodwill.

- Assets received as compensation for contingencies and uncertainties are recognized and measured in a manner consistent with the item causing the relevant contingency or uncertainty.

- Reacquired rights recognized as an intangible asset are measured an amortized on the basis of their remaining term of the contract.

- Obligations classified as contingent liabilities are recognized as a liability at fair value, provided that the liability is a present obligation that arises from past events and the fair value can be measured reliably, even when it is not probable that an outflow of resources embodying economic benefits will result from settlement of the obligation.

At acquisition date, the excess of the cost of the business combination over the value of the identifiable assets acquired less the liabilities assumed is recognized as goodwill.

When the value of the identifiable assets acquired less liabilities assumed exceeds the cost of the business combination, the excess is accounted for as income in the Profit and Loss Account. Prior to recognizing the aforementioned income, the Company reassesses whether it has correctly identified and measured the identifiable assets acquired and the liabilities assumed, as well as the cost of the combination.

Subsequently, any liabilities and equity instruments issued as cost of the relevant business combination and any identifiable assets acquired and liabilities assumed will be accounted for in accordance with the relevant recognition and measurement standards applicable to the nature of the transaction or to the nature of the relevant asset or liability.

l) Transactions with related parties

As a general rule, items involved in a transaction between related parties are initially recognized at fair value. If the agreed transaction price were not the fair value, the difference shall be recognized based on the economic reality of the transaction. Subsequent measurement is performed in accordance with the applicable standards.

m) Equity instruments-based payments

The goods or services received in these operations are recorded as assets or as expenses depending upon their nature, at the moment they are obtained, and the corresponding increase in equity, if the transaction is paid off with equity instruments or the corresponding liability, if the transaction is paid off with the amount based on the value of the same.

The transactions with employees settled with equity instruments, both services rendered as well as the increase in equity to be recognized are assessed according to the fair value of the granted equity instruments, referring to the date of approval of the granting.

The Company operated several remuneration plans for its Management consisting in the delivery of share options in ISPD Network, and which shall be settled in shares.

These plans were measured at their fair value at the initial time of grant using a generally accepted financial calculation method, which, among others, considers the option exercise price, volatility, exercise term, expected dividends and the risk-free interest rate.

Options are recognized as a personnel expense in the Income Statement as vested over the period defined as the minimum required time in the Company's employ for the exercise of the option, except for options granted in 2016 that were entirely recognized at the initial date, in accordance with principle of prudence, as a personnel expense and an offsetting entry is simultaneously recognized directly in equity without reassessing the initial measurement thereof. As the offsetting entry for this expense was an increase in equity ("Other equity instruments"), there is no effect on the net worth of ISPD Network, S.A.

n) Statement of Cash Flows

In cash flows statements the following terms are used with the meanings specified:

Cash or cash equivalents: Cash comprises both cash at hand and demand deposits at banks. Cash equivalents are financial instruments financial instruments that are convertible to cash and have a maturity of three months or less from the date of acquisition, provided that there is no significant risk of changes in value and that they form part of the Company's usual cash management policy.

Cash flows: inflows or outflows of cash or cash equivalents, the latter being short-term highly liquid investments subject to a low risk of changes in value.

Operating activities are the principal revenue-producing activities of the Company and other activities that are not investing or financing activities.

Investing activities are the acquisition, sale or disposal of non-current assets and other investments not included in cash and cash equivalents.

Financing activities are activities that result in changes in the size and composition of the equity and financial liabilities.

NOTE 5. PROPERTY, PLANT AND EQUIPMENT

The breakdown of and changes in "Property, Plant and Equipment" is as follows:

	30/06/2022	Recognition	Derecognition	31/12/2022	Recognition	Derecognition	30/06/2023
Cost:							
Technical installations, machinery, tools, furniture and other items of PPE	423,173	100,645		523,818	79,985		603,803
	423,173	**100,645**	**-**	**523,818**	**79,985**	**-**	**603,803**
Accumulated Depreciation:							
Technical installations, machinery, tools, furniture and other items of PPE	(349,006)	(25,073)		(374,079)	(40,498)		(414,577)
	(349,006)	**(25,073)**	**-**	**(374,079)**	**(40,498)**	**-**	**(414,577)**
Provision for impairment:							
Technical installations, machinery, tools, furniture and other items of PPE	-	-	-	-	-	-	-
Net property, plant and equipment	**74,167**	**75,572**	**-**	**149,739**	**39,487**	**-**	**189,226**

Fully amortized intangible assets in use

The breakdown by headings of fully depreciated assets in use is shown below, indicating their cost value:

	30/06/2022	31/12/2022	30/06/2023
Technical installations, machinery, tools, furniture and other items of PPE	250,923	253,126	305,871
Total	**250,923**	**253,126**	**305,871**

Additional disclosures

At 30 June 2023 and 2022 and at 31 December 2022, the Company had no items of property, plant and equipment acquired from group companies or any items of property plant and equipment located outside Spain.

At 30 June 2023 and 2022 and at 31 December 2022, there were no firm purchase commitments for the acquisition of items of property, plant and equipment.

At 30 June 2023 and 2022 and at 31 December 2022, the assets of the Company were secured by an insurance policy. The Company's directors consider that this insurance policy sufficiently covers any risks associated to its property, plant and equipment.

NOTE 6. INTANGIBLE ASSETS

The breakdown of and changes in "Intangible Assets" is as follows:

	30/06/2022	Recognition	Derecognition	31/12/2022	Recognition	Derecognition	30/06/2023
Cost:							
Computer software	323,062		(106,000)	217,062	698,500		915,563
Intangible assets under construction		698,500		698,500		(698,500)	-
	323,062	**698,500**	**(106,000)**	**915,562**	**698,500**	**(698,500)**	**915,563**
Accumulated Depreciation:							
Computer software	(125,377)	(20,704)		(146,081)	(92,759)		(238,840)
	(125,377)	**(20,704)**	**-**	**(146,081)**	**(92,759)**	**-**	**(238,840)**
Provision for impairment:							
Computer software	-			-			-
Net Intangible Assets Net	**197,685**	**677,796**	**(106,000)**	**769,481**	**605,741**	**(698,500)**	**676,723**

Fully amortized intangible assets in use

The breakdown by headings of fully depreciated assets in use is shown below, indicating their cost value:

	30/06/2022	31/12/2022	30/06/2023
Computer software	96,413	97,047	101,445
Total	**96,413**	**97,047**	**101,445**

Additional disclosures

At 30 June 2023 and 2022 and at 31 December 2022, the Company owned intangible assets acquired from the company ISPD Network S.A. for an amount of €698,500, related to the Oliva Project.

At 30 June 2023 and 2022 and at 31 December 2022, there were no firm purchase commitments for the acquisition of intangible assets.

NOTE 7. LEASES AND OTHER TRANSACTIONS OF SIMILAR NATURE

7.1) Operating leases (Company as lessee)

The charge to the income at 30 June 2023, at 31 December 2022 and at 30 June 2022 in respect of operating leases amounted to 444,171 Euros; 597,480 Euros, and 213,658 Euros, respectively.

There are no future minimum payments under non-cancellable lease agreements with a maturity of more than 5 years.

7.2) Finance lease

The Company has contracted a finance lease for the computer hardware its uses to conduct its business. The Company's main finance lease contract is with a financial institution, and at 30 June 2023 and 2022 an outstanding amount of €0 and €10,274, respectively, is recorded under finance lease payables in current and non-current liabilities.

NOTE 8. FINANCIAL INSTRUMENTS

The Company classifies financial instruments in the following categories or portfolios based on the Company’s intention for them:

8.1) Financial Assets

The breakdown of non-current financial assets at 30 June 2023, at 31 December 2022 and at 30 June 2022, except for equity investments in group companies, jointly controlled entities and associates that are shown in Note 9, is as follows:

	Loans, Derivatives and other			Total		
	30/06/2022	31/12/2022	30/06/2023	30/06/2022	31/12/2022	30/06/2023
Loans and receivables (Note 8.1.1)	714,610	102,610	102,610	714,610	102,610	102,610
Total	**714,610**	**102,610**	**102,610**	**714,610**	**102,610**	**102,610**

The breakdown of current financial assets at 30 June 2023, at 31 December 2022 and at 30 June 2022, is as follows:

	Loans, Derivatives and other			Total		
	30/06/2022	31/12/2022	30/06/2023	30/06/2022	31/12/2022	30/06/2023
Cash and cash equivalents (Note 8.1.a)	154,388	193,434	63,495	154,388	193,434	63,495
Loans and receivables (Note 8.1.1)	1,756,115	5,338,498	1,641,746	1,756,115	5,338,498	1,641,746
Total	**1,910,503**	**5,531,932**	**1,705,241**	**1,910,503**	**5,531,932**	**1,705,241**

a) Cash and cash equivalents

The break-down of "Cash and Cash Equivalents" is as follows:

	Balance at 30/06/2022	Balance at 31/12/2022	Balance at 30/06/2023
Current accounts and treasury	154,388	193,434	63,495
Total	**154,388**	**193,434**	**63,495**

8.1.1) Loans and receivables

The breakdown of this heading is as follows:

	Balance at 30/06/2022		Balance at 31/12/2022		Balance at 30/06/2023	
	Non-current	Current	Non-current	Current	Non-current	Current
Trade receivables						
Trade receivables, Group companies (Note 18)	-	1,038,627	-	4,453,116	-	1,433,551
Third-party receivables	-	-	-	6,010	-	1,084
Advances to suppliers	-	-	-	-	-	200,000
Total trade receivables	**-**	**1,038,627**	**-**	**4,459,126**	**-**	**1,634,635**
Non-trade receivables						
Loans and interest receivable, Group companies (Note 18)	712,000	717,488	100,000	879,372	100,000	2,210
Other financial assets, Group companies	-	-	-	-	-	-
Loans to third parties	-	-	-	-	-	-
Guarantees and deposits	2,610	-	2,610	-	2,610	-
Personnel	-	-	-	-	-	4,900
Total non-trade receivables	**714,610**	**717,488**	**102,610**	**879,372**	**102,610**	**7,110**
Total	**714,610**	**1,756,115**	**102,610**	**5,338,498**	**102,610**	**1,641,746**

Trade and other receivables include impairments caused by insolvency risks, as detailed below:

	Balance at 30/06/2022	Impairment loss	Impairment reversal / Application of the provision	Balance at 31/12/2022	Impairment loss	Impairment reversal / Application of the provision	Balance at 30/06/2023
Trade receivables	(28,262.00)	-	-	(28,262.00)			(28,262.00)
Total	**(28,262.00)**	-	-	**(28,262.00)**			**(28,262.00)**

8.1.2) Additional disclosures related to financial assets

a) Reclassifications

No financial instruments have been reclassified during the reporting period.

b) Classification by maturity

At each balance sheet date non-current financial assets have maturity at over five years.

Current financial assets include loans to Group companies the maturity of which is extended on an annual basis unless otherwise claimed by the Company.

c) Assets pledged as security

The Company has no assets or liabilities pledged as security.

8.2) Financial Liabilities

Long-term financial liabilities at 30 June 2023 relate to lease payments under finance leases maturing in the long term (see note 7), together with the financial liability arising from the business combination detailed in note 21, which would be classified as Payables and receivables.

The breakdown of current financial liabilities is as follows:

	Debts with financial institutions			Other			Total		
	30/06/2022	31/12/2022	30/06/2023	30/06/2022	31/12/2022	30/06/2023	30/06/2022	31/12/2022	30/06/2023
Debts and payables (Note 8.2.1)	1,315,744	897,413	2,413,857	9,158,423	11,020,444	8,845,672	10,474,167	11,917,857	11,259,529
Total	**1,315,744**	**897,413**	**2,413,857**	**9,158,423**	**11,020,444**	**8,845,672**	**10,474,167**	**11,917,857**	**11,259,529**

8.2.1) Debts and Payables

The breakdown of "Debts and Payables" is as follows:

	30/06/2022	31/12/2022	30/06/2023
Trade payables:			
Suppliers	39,987	121,540	188,239
Trade payables, Group companies and associates (Note 18)	693,135	1,540,566	2,073,368
Other payables	1,001,556	966,884	1,082,970
Total trade payables	**1,734,678**	**2,628,990**	**3,344,577**
Non-trade payables:			
Debts with financial institutions	1,315,744	897,413	2,413,857
Finance lease payables	4,729	17	-
Other financial liabilities	1,911,317	593,956	499,251
Loans and other payables	**3,231,790**	**1,491,386**	**2,913,108**
Personnel (outstanding remunerations)	215,112	316,433	265,450
Advances from customers	-		
Total non-trade payables	**215,112**	**316,433**	**265,450**
Current payables to Group companies and associates (Note 18)	5,317,982	7,481,047	4,736,394
Total debt to the Group	**5,317,982**	**7,481,047**	**4,736,394**
Total Debts and payables	**10,499,562**	**11,917,856**	**11,259,529**

8.2.2) Additional disclosures related to financial liabilities

a) Classification by maturity

At 30 June 2023, the breakdown by maturity of non-current financial liabilities, with either fixed or determinable maturity, is as follows:

	2024	2025	2026	2027	2028 onwards	Total
Non-current payables						
Debts with financial institutions	41,166.38	83,418.00	84,889.00	86,387.00	36,441.00	332,301.38
Other financial liabilities	13,970.00					13,970.00
Total	**55,136.38**	**83,418.00**	**84,889.00**	**86,387.00**	**36,441.00**	**346,271.38**

At 31 December 2022, the breakdown by maturity of non-current financial liabilities, with either fixed or determinable maturity, is as follows:

Non-current payables	2024	2025	2026	2027	2028 onwards	Total
Debts with financial institutions	81,972	83,418	84,889	86,387	36,441	373,108
Finance lease payables	5,545					5,545
Other financial liabilities	18,627					18,627
Total	**106,144**	**83,418**	**84,889**	**86-387**	**36,441**	**397,280**

At 30 June 2022, the breakdown by maturity of non-current financial liabilities, with either fixed or determinable maturity, is as follows:

	2023	2024	2025	2026 onwards	Total
Non-current payables					
Finance lease payables	5,545.00				5,545.00
Debts with financial institutions	45,504.10	83,333.00	83,333.00	201,388.90	413,559.00
Other financial liabilities					
Total	**51,049.10**	**83,333.00**	**83,333.00**	**201,388.90**	**419,104.00**

NOTE 9. GROUP COMPANIES, JOINTLY CONTROLLED ENTITIES AND ASSOCIATES

At 30 June 2023, the breakdown of the Company's interests in Group Companies, Jointly Controlled Entities and Associates was as follows:

	% Direct Holding	% Direct Voting Rights	Investment value	Amount of impairment charge	Net carrying amount of interest
Group Companies					
React2Media, L.L.C. (1)	60	60	3,930,996	(3,930,996)	-
Antevenio S.R.L.	100	100	5,027,487	-	5,027,487
Mamvo Performance, S.L.	100	100	1,577,382	-	1,577,382
Marketing Manager Servicios de Marketing, S.L.	100	100	1,441,841	-	1,441,841
Antevenio Mexico SA de CV	100	100	1,908	-	1,908
Rebold Marketing S.L.U.	100	100	764,540	-	764,540
Antevenio Francia, S.R.L.	100	100	2,000	-	2,000
Antevenio Publicité S.A.S.U.	100	100	3,893,962	(3,191,312)	702,650
Happyfication	100	100	1,559,748		1,559,748
B2 Market Place Ecommerce Consulting Group SL(1)	100	100	1,811,125	-	1,811,125
Rebold Marketing y Communication, S.L.U.	100	100	4,572,441	-	4,572,441
Rebold Panama	100	100	16,824		16,824
			24,600,254	**(7,122,308)**	**17,477,946**

(1) See Note 21 Business combinations.

In accordance with measurement standard 19 on Business Combinations, during one year from the acquisition date, the parent company can reassess this financial liability and retrospectively adjust the provisional amounts recognised at the acquisition date to reflect new information obtained about facts and circumstances that existed as of the acquisition date and, if known, would have affected the measurement of the amounts recognised as of that date. After this re-evaluation, the company increased the investment of €9,534 in Rebold Panama, which is still pending disbursement.

In 2022, the company adjusted ISPD's stake in Happyfication, reducing its ownership from €1,717,822 in 2021 to €1,559,748 in 2022. This adjustment is due to the variation in the contingent payment by the company based on the actual results that Happyfication had at 31 December 2022, an amount which remains unchanged at closing on 30 June 2023.

The interests held in Group companies, jointly controlled entities and associates at 31 December 2022 are detailed below:

	% Direct Holding	% Direct Voting Rights	Investment value	Amount of impairment charge	Net carrying amount of interest
Group Companies					
React2Media, L.L.C. (1)	60	60	3,930,996	(3,930,996)	-
Antevenio S.R.L.	100	100	5,027,487	-	5,027,487
Mamvo Performance, S.L.	100	100	1,577,382	-	1,577,382
Marketing Manager Servicios de Marketing, S.L.	100	100	1,441,841	-	1,441,841
Antevenio Mexico SA de CV	100	100	1,908	-	1,908
Rebold Marketing S.L.U.	100	100	764,540	-	764,540
Antevenio Francia, S.R.L.	100	100	2,000	-	2,000
Antevenio Publicité S.A.S.U.	100	100	3,893,962	(3,191,312)	702,650
Happyfication	100	100	1,559,748		1,559,748
B2 Market Place Ecommerce Consulting Group SL(1)	61	61	1,811,125	-	1,811,125
Rebold Marketing y Communication, S.L.U.	100	100	4,572,441	-	4,572,441
Rebold Panama	100	100	16,824		16,824
			24,600,254	**(7,122,308)**	**17,477,946**

(1) See Note 21 Business combinations.

At 30 June 2022, the breakdown of the Company's interests in Group Companies, Jointly Controlled Entities and Associates was as follows:

	% Direct Holding	% Direct Voting Rights	Investment value	Amount of impairment charge	Net carrying amount of interest
React2Media, L.L.C. (1)	60	60	3,930,996	(3,930,996)	-
Antevenio S.R.L.	100	100	5,027,487	-	5,027,487
Mamvo Performance, S.L.	100	100	1,577,382	-	1,577,382
Marketing Manager Servicios de Marketing, S.L.	100	100	1,441,841	-	1,441,841
Antevenio Mexico SA de CV	100	100	1,908	-	1,908
Rebold Marketing S.L.U.	100	100	764,540	-	764,540
Antevenio Francia, S.R.L.	100	100	2,000	-	2,000
Antevenio Publicité S.A.S.U.	100	100	3,893,962	(3,191,312)	702,650
Happyfication	100	100	1,899,491		1,899,491
B2 Market Place Ecommerce Consulting Group SL(1)	61	61	1,811,125	-	1,811,125
Rebold Marketing y Communication, S.L.U.	100	100	4,572,441	-	4,572,441
Rebold Panamá	100	100	16,824		16,824
			24,939,996	**(7,122,308)**	**17,817,688**

(1) See Note 21 Business combinations.

None of these companies is listed.

The Company's directors believe the net carrying amount of interests in subsidiaries at 31 December 2022 is recoverable, taking into account the estimates of its share in the cash flows from ordinary activities expected to be generated by investee companies. The

Company's management has based its cash flow projections to support the recoverable value of investments on the following assumptions:

- 5-year projections of cash flows, based on the business plans provided for by the Company's management.

- The growth rate of the cash flows used for the following years has been based on each company and each geographic market.

- The discount rate to apply, calculated at between 7.5% and 9.5%, the main variables that influence its calculation, the cost of the liabilities and the specific risks of the assets.

- A perpetual growth rate of approximately 2%.

The projections are prepared based on past experience as well as the best available estimates.

Here below is a breakdown of the corporate purpose and registered address of the investees:

Mamvo Performance, S.L. (Single-member) Its objective is online advertising and direct marketing for the generation of useful contacts. Its registered address is C/ Apolonio Morales, 13c, Madrid.

Marketing Manager Servicios de Marketing, S.L. (**Single-member).** Its purpose is to provide counselling related to commercial communication companies. Its registered address is C/ Apolonio Morales, 13c, Madrid.

Antevenio S.R.L. (Single-member), its purpose is to provide online marketing and internet advertising services. Its registered address is at Viale Francesco Restelli 3/7 - 20124. Milan (Italy).

Rebold Marketing S.L. (Single-member), formerly **Antevenio ESP, S.L. (Single-member), Diálogo Media, S.L. (Single-member)**, and **Antevenio Mobile, S.L.U**. Its objective is to provide advertising services and online advertising and e-commerce operations by electronic means. Its registered address is C/ Apolonio Morales, 13c, Madrid.

Antevenio France, S.R.L. (Single-member) Its corporate purpose consists in the provision of advertising and promotional services on the Internet; the study, dissemination and provision of services in the field of advertising and marketing on the Internet. Its registered address is at 62B rue des Peupliers, 92100 Boulogne-Billancourt, France.

Antevenio México, S.A. de CV. Its corporate purpose is to provide other Advertising services. The company has its registered offices in Mexico. Its registered address is at Calle Goldsmith 352, Colonia Polanco III sección, Delegación Miguel Hidalgo, CP 11540, Mexico City

Antevenio Publicite SARL, formerly Clash Media SARL. Its corporate purpose consists in the provision of advertising and promotional services on the Internet; the study, dissemination and provision of services in the field of advertising and marketing on the Internet. Its registered address is at 62B rue des Peupliers, 92100 Boulogne-Billancourt, France.

React2Media, L.L.C. Its corporate purpose is the provision of a comprehensive service of on-line advertising networks, offering a complete array of interactive marketing opportunities to media agencies, direct advertisers and editors. The company has its registered address at 35 W 36th St, New York, NY 10018, USA.

Rebold Marketing and Communication, S.L.U. Established in 1986. Provision of internet access services. Creation, management and development of internet portals Provision of commercial and marketing advisory services on the internet or outside of it and establishing, requesting and in any other way protecting the patents, trademarks, licenses, concessions, domain names, operating systems and any other industrial or intellectual property rights of the Company. Its registered address is at Rambla Catalunya, 123, Entlo.08008 Barcelona.

Happyfication Inc. Incorporated in 2011. Its corporate object consists in providing partners and customers with tools and services to plan, measure and deliver digital media more effectively. Its registered address is at 170 Milk St FL Boston, MA 02109.

Rebold Panamá S.A. Incorporated in 2020. The corporate purpose of the company is advertising, marketing and digital communication, consulting and media monitoring. Its registered address is at BMW plaza, 9th floor, 50st., in Panama City, Republic of Panama.

In 2021, the subsidiary Rebold Marketing S.L.U. (formerly named Antevenio) has merged (as absorbing company) with the subsidiaries Foreseen Media, S.L., Antevenio Rich & Reach S.L. and Código de Barras, S.L.U. (as absorbed companies).

At 30 June 2023, the breakdown of the equity, in Euros, of the investees was as follows:

	Share capital	Pending disbursement	Reserves	Grants	Fiscal Year profit/(loss) Previous	Translation differences	Profit/(loss) for the year	Equity
Mamvo Performance, S.L.	33,967		2,687,154	143,761	-806,611	-	-516,969	1,541,575
Marketing Manager Servicios de Marketing, S.L.	99,800		1,275,700	-	-967,510	-	-250,683	157,307
Antevenio Mexico	4,537		-	-	768,204	346,755	-690,207	429,290
Antevenio S.R.L.	10,000		2,000	-	367,244	-	-109,092	270,152
Rebold Marketing S.L.U.	3,010		1,277,882	-	-994,758	-	-386,601	-100,467
Antevenio Francia, S.R.L.	2,000		-	-	-29,241	-	-3,975	-31,216
Antevenio Publicite, S.A.S.U.	100,000		173,729	-	-17,650	-	28,302	284,381
React2Media SL	5,069		-	-	-	-5,069		0
Happyfication	883		-	-	-57,034	13,186	56,158	13,193
B2MarkeTPlace Ecommerce Consulting Group SL	81,671		186,470	30,000	-125,178	-	-119,684	53,279
Rebold Panamá	8,831	-9,534	-	-	61,049	-3,282	56,901	113,965
Rebold Marketing and Communication, S.L.U.	2,841,783		1,478,061	-	-1,249,957	-	332,784	3,402,671

At 31 December 2022, the breakdown of the equity, in Euros, of the investees was as follows:

-	Share capital	Reserves	Grants	Fiscal Year profit/(loss) Previous	Translation differences	Profit/(loss) for the year	Equity
Mamvo Performance, S.L.	33,967	2,687,154	27,149	(818,936)	-	12,325	1,941,659
Marketing Manager Servicios de Marketing, S.L.	1,341,709	33,791	7,667	(1,031,076)	-	63,565	415,657
Antevenio Mexico	4,537	-	-	950,275	154,133	(182,071)	926,874
Antevenio S.R.L.	10,000	548,123	-	-		(178,878)	379,245
Rebold Marketing S.L.U.	611,694	669,198	1,635	(984,275)	-	(10,483)	287,769
Antevenio Francia, S.R.L.	2,000	-	-	(804,503)	-	775,261	(27,241)
Antevenio Publicite, S.A.S.U.	100,000	10,191	-	(149,268)	-	127,447	88,370
React2Media SL	19,378	-	-	-	-5,069	(14,310)	-
Happyfication	883	-	-	23,477	7,368	(80,511)	(48,783)
B2MarkeTPlace Ecommerce Consulting Group SL	81,671	186,470	180,003	-	-	(125,429)	322,715
Rebold Marketing & Communication, S.L.U.	7,414,224	(3,094,380)	104,924	(1,274,091)	-	24,144	3,174,821

At 30 June 2022, the breakdown of the equity, in Euros, of the investees was as follows:

	Share capital	Pending disbursement	Reserves	Grants	Fiscal Year profit/(loss) Previous	Translation differences	Profit/(loss) for the year	Equity
Mamvo Performance, S.L.	33,967		2,687,154	26,274	-818,936	-	-556,938	1,371,521
Marketing Manager Servicios de Marketing, S.L.	99,800		1,275,700	-	-1,031,076	-	48,977	393,401
Antevenio Mexico	4,537		-	-	950,275	135,464	271,894	1,362,170
Antevenio S.R.L.	10,000		550,071	-	-	-	96,221	656,292
Rebold Marketing S.L.U.	3,010		1,277,882	-	-984,275	-	787,093	1,083,710
Antevenio Francia, S.R.L.	2,000		-	-	-804,503	-	-2,083	-804,586
Antevenio Publicite, S.A.S.U.	100,000		173,729	-	-149,190	-	100,125	224,664
React2Media SL	5,099		-333,244	-	347,524	-6,132	-	13,247
Happyfication	883		-	-	26,336	-2,008	-68,670	-43,459
B2MarkeTPlace Ecommerce Consulting Group SL	81,671		64,557	-	121,913	-	-142,361	125,780
Rebold Panamá	8,831	-9,534	-	-	-7,140	5,622	22,596	20,375
Rebold Marketing and Communication, S.L.U.	2,841,783		1,478,061	115,377	1,274,091	-	289,228	5,998,540

NOTE 10. INFORMATION ON THE NATURE AND LEVEL OF RISK FROM FINANCIAL INSTRUMENTS

The Company's activities are exposed to different financial risks, particularly to credit and market risk. (exchange rate, interest rate and other price risks).

Exchange rate risk

The Group tries to finance foreign currency-denominated non-current assets in the same currency in which the asset is denominated. This is particularly true in the case of acquisitions of companies with assets denominated in currencies other than the euro.

Liquidity Risk

During 2021, the company extended the grace period on most of the ICO loans obtained during 2020.

ISPD Networks permanently pays attention to the evolution of the different factors that can help to resolve liquidity crisis and, in particular, to the funding sources and their characteristics.

Liquidity of monetary assets: surplus is always invested on highly available and very short maturities. At 30 June 2023, cash and cash equivalents amounted to €63,495 (€193,434 at 31 December 2022).

The Company draws on available analytical data to calculate the cost of its products and services, which is useful when reviewing cash requirements and for optimising returns on investments. The Company reviews its DSO and DPO to optimise its immediate cash needs. ISPD Networks considers the remaining contractual maturities of financial liabilities at the date of preparation of these consolidated financial statements, as described in note 10.

NOTE 11. EQUITY

11.1) Share capital

Until 4 September 2020, the share capital of the Parent Company was represented by 4,207,495 fully subscribed and paid-up shares of €0.055 par value each. On that date, the Parent Company's share capital was increased by means of non-monetary contributions amounting to €587,607, consisting of all the shares into which the share capital of Rebold Marketing and Communication, SLU is divided, to be made by its owner ISP Digital, SLU, through the issue and flotation of 10,683,767 new shares, represented by book entries with a par value of €0.055, which were created with an issue premium of 1.2902184 euros per share, with a total amount of the premium of €13,784,393.

Consequently, the total disbursement amounts to €14,372,000.

Dated 7 May 2021, the Company approved a purchase of own shares amounting to €570,000. On 23 December 2021, the company finally acquired a total of 150,000 treasury shares at a price of €3.80 for a total of €570,000. A further purchase of 25,000 shares was made on 22 January 2022, at the same price of €3.80, for a total of €95,000.

At 30 June 2023 and at 31 December 2022, the share capital was represented by 14,891,262 fully subscribed and paid-up shares each with a par value of €0.055. These shares have equal voting and dividend rights.

At 30 June 2023, direct and indirect shareholders of the Company were:

	No. of Shares	**Holding %**
ISP Digital, S.L.U.	14,407,743	96.75%
Free Float	308,519	2.07%
Treasury shares	175,000	1.18%
Total	**14,891,262**	**100%**

The direct and indirect shareholders of the Company at 31 December 2022:

	No. of Shares	Holding %
ISP Digital, S.L.U.	14,407,750	96.75%
Free Float	308,512	2.07%
Treasury shares	175,000	1.18%
Total	14,891,262	100.00%

And at 30 June 2022:

	No. of Shares	Holding %
ISP Digital, S.L.U.	14,407,750	96.75%
Free Float	308,512	2.07%
Treasury shares	175,000	1.18%
Total	14,891,262	100.00%

11.2) <u>Reserves</u>

The breakdown of Reserves at 30 June 2023, at 31 December 2022 and at 30 June 2022 is as follows:

	Balance at 30/06/2022	Balance at 31/12/2022	Balance at 30/06/2023
Legal reserve	46,282	46,282	46,282
Voluntary reserves	12,656,653	12,656,653	12,656,653
Total	**12,702,935**	**12,702,935**	**12,702,935**

a) <u>Legal reserve</u>

The legal reserve has restrictions of use, which is subject to several legal provisions. Under the Spanish Law on Corporations Act, 10% of any profit made each year must be transferred to the legal reserve. These provisions must be made until the legal reserve reaches one fifth of the registered share capital. The legal reserve may only be used to offset losses; for capital increases, in the 10% portion exceeding the increased capital; and, for distribution to shareholders upon liquidation.

At 30 June 2023, 31 December 2022, and 30 June 2022, the Legal Reserve is not fully allocated.

b) <u>Dividends</u>

Royal Decree-Law 18/2020 of 12 May, on social measures to protect employment, includes a limit on the distribution of dividends of companies that benefit from a Temporary Redundancy Scheme. Article 5.2 establishes that commercial companies or other legal entities that avail themselves of the temporary redundancy schemes regulated in article 1 of the Royal Decree-Law and that use the public resources allocated to them may not distribute dividends. corresponding to the fiscal year in which these temporary redundancy schemes are applied, except if they previously pay the amount corresponding to the exemption applied to social security contributions.

No dividends were distributed in 2023 and 2022.

c) <u>Treasury stock</u>

On 23 December 2021, the company acquired a total of 150,000 treasury shares at a price of €3.80 for a total of €570,000. On 22 January 2022, a new purchase of 25,000 more shares is made at the same price. At 30 June 2022, the company has a total of 175,000 treasury shares.

NOTE 12. FOREIGN CURRENCY

At 30 June 2023, at 31 December 2022 and at 30 June 2022, the amount of exchange differences recognized in profit or loss is as follows:

Translation differences	30/06/2022	31/12/2022	30/06/2023
Translation gains: Realized during the period	245	109 102	316080
Translation losses: Realized during the period	30 238 -	104 309 -	6419
Total	29,993	4,793	309,661

Assets and liabilities denominated in foreign currency relate to debit balances, credit balances and treasury, all of which are part of current assets and liabilities.

Transactions in foreign currency executed in the half-years ended 30 June 2023 and 2022 and in 2022 are immaterial for the Financial Statements.

NOTE 13. TAXATION

The breakdown of the balances with Public Entities is as follows:

	30/06/2022		31/12/2022		30/06/2023	
	Receivable	**Payable**	**Receivable**	**Payable**	**Receivable**	**Payable**
Current:						
Value Added Tax	87,815	-	226,127	-	569,360	-
Deferred tax liabilities (*)	-	-		-		-
Deferred tax assets (*)	540,110		416,002	-	416,002	-
Withholdings and payments on account of Income Tax	-	-	-	-		-
Taxation Authorities, recoverable taxes	-	-	-	-		-
Taxation Authorities, taxes payable	-	-5,973	-	-5,973		-5,973
Withholdings for Personal Income Tax		-446,415		-196,733		-85,872
Current tax liabilities	-	-28,404	-	-28,404		-28,404
Social Security	15,013	-87,402		-111,086		-72,403
	642,938	**-568,194**	**642,129**	**-342,196**	**985,362**	**-192,653**

(*) Classified in the Balance Sheet under non-current assets.

<u>Taxation</u>

The Company has open to review for all taxes applicable the last four reporting periods.

Under current legislation, tax settlements cannot be regarded as definitive until the returns have been inspected by the tax authorities or the statute of limitations period of four years has elapsed. Accordingly, as a result of eventual tax inspections new tax liabilities may arise in addition to the ones recognized by the Company. Nevertheless, the Company's directors believe that these tax liabilities, should they materialize, would not be material compared with the Company's own funds and annual profits.

Income Tax

The reconciliation of net income and expenses for the period with the taxable income/ (tax loss) is as follows:

	31/12/2022 Profit and Loss Account			30/06/203 Profit and Loss Account		
Profit/(loss) for the year (after taxes)	-142,990			-2,539,535		
	Increases	*Decreases*	*Net effect*	*Increases*	*Decreases*	*Net effect*
Income tax expense	124,108		124,108	8,545	-	8..545
Permanent differences	18,242	-1,010,675	-992,433		-	-
Temporary differences	279,479	-775,910	-496,431		-	-
Exemption for double international taxation			-			-
Application of tax loss carryforwards			-		-	-
Tax base (Taxable income)			-1,507,746		-	-2,530,990
Gross tax payable			-			-
Tax credits for R&D&I			-		-	-
Net tax payable			-		-	-
Withholdings and payments on account			-		-	,
Accounts with Group companies			-		-	-
Tax payable / (recoverable) (1)			-		-	-

(1) Since 2017, the Company has filed consolidated income tax returns with the ISP Group.

Since the Company has been taxed under the consolidated tax regime with the

ISP Group since 2017, the amount of the tax payable or refundable has been included as a receivable or
payable with the Group in the short term.

The breakdown of deferred tax assets recognised by the Company is as follows:

	30/06/2022	31/12/2022	30/06/2023
Temporary differences	193,977	69,870	69,870
Tax credits	346,132	346,132	346,132
Total deferred tax assets	540,110	416,002	416,002

The aforementioned deferred tax assets have been recognized in the balance sheet because the Company's Directors consider that, based on their best estimate of the Company's future earnings, including certain tax planning measures, it is likely that said assets will be recovered.

Tax Loss Carryforwards

Credits on taxable income were recorded, since they comply with the requirements established by the pertinent legislation currently in force to do so, and there are no doubts about the Company's ability to generate future tax income to enable the recovery thereof. The breakdown of negative taxable income pending offsetting in future fiscal years (tax loss carryforwards) corresponding to that credit is as follows:

Year of origination	Limit year for offset	Euros	Utilized
2013	No Limit	248	YES
2015	No Limit	6,517	YES
2018	No Limit	392,571	YES
2019	No Limit	609,041	YES
2020	No Limit	374,855	YES
2021	No Limit	217,383	No
2022	No Limit	485,181	No
		2,085,796	

NOTE 14. REVENUE AND EXPENSES

a) Employee benefit expense

The breakdown of this heading in the accompanying Profit and Loss Account is as follows:

	30/06/2022	31/12/2022	30/06/2023
Wages and salaries	(1,635,703)	(3,516,989)	(2,172,982)
Social security payable by the Company	(240,000)	(537,132)	(338,041)
Employee benefits expense	(53,338)	(66,503)	(15,846)
Employee benefit expense	**(1,929,041)**	**(4,120,624)**	**(2,526,869)**

b) Net Finance Income / (Expense)

The breakdown of this heading in the accompanying Profit and Loss Account is as follows:

	30/06/2022	31/12/2022	30/06/2023
Income:			
Income from holdings in equity instruments	-	-	-
Income from loans to Group companies	3,326	7,870	2,210
Other finance income	3,624	5,889	348
Total finance income	**6,951**	**13,759**	**2,558**
Expense:			
Debts with Group companies and associates	-62,687	-190,020	-214,205
Other Finance Expense	-7,080	-17,827	-14,303
Total finance expense	**-69,768**	**-207,847**	**-228,508**

c) Revenue

The distribution of the net turnover from the ordinary activities of the Company, by categories of activities, is as follows:

	30/06/2022		31/12/2022		30/06/2023	
Description of the activity	**Euro**	**%**	**Euros**	**%**	**Euro**	**%**
Marketing and online advertising	0	0%	-	0%	4,600	
Provision of services (Fees)	992,483	100%	8,420,478	100%	1,656,447	100%
Total	**992,483**	**100%**	**8,420,478**	**100%**	**1,661,047**	**100%**

	30/06/2022		31/12/2022		30/06/2023	
Geographical segmentation	**Euros**	**%**	**Euros**	**%**	**Euros**	**%**
Domestic	585,476	59%	3,342,363	40%	356,113	21%
Europe	66,178	7%	30,199	0%	33,141	2%
International, excluding Europe	340,829	34%	5,047,916	60%	1,271,794	77%
Total	**992,483**	**100%**	**8,420,478**	**100%**	**1,661,047**	**100%**

d) External services

The breakdown of “External services” is as follows:

	30/06/2022	31/12/2022	30/06/2023
External services			
Leases and royalties	213,658	597,480	444,171
Repair and maintenance	4,992	11,573	8,548
Independent professional services	684,671	2,007,614	984,022
Transport			24
Insurance premiums	43,432	101,034	6,723
Banking and similar services	9,301	17,330	21,564
Advertising, propaganda and public relations	186,241	391,399	66,275
Utilities	7,477	15,684	21,414
Other services	153,222	377,426	242,393
Total finance expense	**1,302,995**	**3,519,541**	**1,632,516**

NOTE 15. ENVIRONMENTAL INFORMATION

Various initiatives to reduce the consumption of natural resources have been in place in the Group's offices for several years: separate waste collection points, water fountains to eliminate plastic bottles, and reusable tableware.

Our Spanish office has a green electricity supplier, a travel policy that discourages air travel for corporate trips that can be made in less than 3 hours by train, and bicycle parking at the Barcelona office.

The Green Week Challenge was launched in 2021 to reduce our data storage and thus our carbon footprint. This challenge enabled us to plant 144 trees with the Bosques Sostenibles association. Furthermore, there are not provisions for risks and expenses, nor contingencies related to the protection and improvement of the environment.

NOTE 16. GUARANTEES AND SECURITIES

At 30 June 2023, at 31 December 2022 and at 30 June 2022, the Company had provided the following guarantees to banks and government agencies:

Guarantees	30/06/2022	31/12/2022	30/06/2023
Lessor of Head Office	10,525	10,525	355,234
Total	**10,525**	**10,525**	**355,234**

NOTE 17. EVENTS AFTER THE INTERIM BALANCE SHEET DATE.

No significant events which should be disclosed in the notes to the consolidated financial statements occurred subsequent to the close of the six-month period ended 30 June 2023.

NOTE 18. TRANSACTIONS WITH GROUP COMPANIES AND RELATED PARTIES

18.1) Balances with group companies

At 30 June 2023 the breakdown of balances with Group companies was as follows:

BALANCES WITH RELATED PARTIES	Mamvo Performance, S.L.U.	Marketing Manager S.L.U	Acceso Colombia	RMK	Antevenio Francia S.R.L.U	Antevenio México	Antevenio Italia S.R.L.U.	Antevenio Publicité S.A.S.U.	B2MarketPlace	Blue Digital	Digilant Inc	RMC	DGLNT SA DE CV	Happyfication	Total
A) NON-CURRENT ASSETS	**100,000**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**100,000**
1. Non-current investments in Group companies	**100,000**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**100,000**
a) Loans to companies (1)	100,000	-	-	-	-	-	-	-	-	-	-	-	-	-	100,000
Total Non-Current	**100,000**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**100,000**
B) CURRENT ASSETS	**2,210**	**98,587**	**193,844**	**56,727**	**-**	**350,950**	**18,892**	**2,538**	**4,543**	**133,128**	**734,008**	**(285,477)**	**18,008**	**95,758**	**1,423,716**
1. Trade and other receivables	**2,210**	**98,587**	**193,844**	**56,727**	**-**	**350,950**	**18,892**	**2,538**	**4,543**	**133,128**	**734,008**	**(285,477)**	**18,008**	**95,758**	**1,423,716**
a) Current trade receivables	-	98,587	193,844	56,727	-	350,950	18,892	2,538	4,543	133,128	734,008	(285,477)	18,008	95,758	1,421,505
b) Trade receivables, Group companies	2,210			-	-	-	-	-	-	-	-	-	-	-	2,210
C) NON-CURRENT LIABILITIES	**(724,095)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(724,095)**
1. Long-term debt with group and associated companies	**(724,095)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(724,095)**
D) CURRENT LIABILITIES	**(258,117)**	**21,001**	**-**	**(630,392)**	**-**	**(2,900)**	**(1,772)**	**(252,130)**	**(7,749)**	**-**	**(2,660,619)**	**(2,078,244)**	**4,847**	**(196,702)**	**(6,062,779)**
1. Current payables to Group companies and associates	**(213,174)**	**21,001**	**-**	**(630,392)**	**-**	**-**	**(1,772)**	-	**(7,749)**	**-**	**(1,747,280)**	**(1,816,262)**	4,847	**-**	**(4,390,782)**
2. Trade and other payables	**(44,943)**	**-**	**-**	**-**	**-**	**(2,900)**	**-**	**(252,130)**	**-**	**-**	**(913,339)**	**(261,982)**	**-**	**(196,702)**	**(1,671,996)**
a) Suppliers, current	(44,943)	-	-	-	-	(2,900)	-	(252,130)	-	-	(913,339)	(261,982)	-	(196,702)	(1,671,996)
b) Other payables	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Current	**(255,907)**	**119,588**	**193,844**	**(573,665)**	**-**	**348,050**	**17,120**	**(249,592)**	**(3,207)**	**133,128**	**(1,926,611)**	**(2,363,721)**	**22,855**	**(100,944)**	**(4,639,063)**

At 31 December 2022 the breakdown of balances with Group companies was as follows:

BALANCES WITH RELATED PARTIES	Mamvo Performance, S.L.U.	Marketing Manager S.L.U	Acceso Colombia	RMK	Antevenio México	Antevenio Italia S.R.L.U.	Antevenio Publicité S.A.S.U.	B2MarketPlace	Blue Digital	Digilant Inc	RMC	DGLNT SA DE CV	Happyfication	Total
A) NON-CURRENT ASSETS	**100,000**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**100,000**
1. Non-current investments in Group companies	**100,000**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**100,000**
a) Loans to companies (1)	100,000	-	-	-	-	-	-	-	-	-	-	-	-	100,000
Total Non-Current	**100,000**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**100,000**
B) CURRENT ASSETS	**18,318**	**490,771**	**145,209**	**518,972**	**399,576**	**187,348**	**137**	**-**	**133,613**	**3,158,249**	**(540,000)**	**739,929**	**69,771**	**5,321,894**
1. Trade and other receivables	**18,318**	**490,771**	**145,209**	**518,972**	**399,576**	**187,348**	**137**	**-**	**133,613**	**3,158,249**	**(540,000)**	**739,929**	**69,771**	**5,321,894**
a) Current trade receivables		54,062	145,209	109,000	399,576	187,348	137	-	133,613	3,158,249	(540,000)	725,557	69,771	4,442,521
b) Trade receivables, Group companies	18,318	436,709	-	409,972	-	-	-	-	-	-		14,372	-	879,372
C) NON-CURRENT LIABILITIES	**(724,095)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(724,095)**
1. Long-term debt with group and associated companies	**(724,095)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(724,095)**
D) CURRENT LIABILITIES	**(1,121,949)**	**(255,410)**	**-**	**(1,019,794)**	**(2,800)**	**(101,772)**	**(210,448)**	**(296,957)**	**-**	**(4,344,266)**	**(882,735)**	**-**	**(113,471)**	**-8,349,601**
1. Current payables to Group companies and associates	**(1,076,771)**	**(116,471)**	**-**	**(1,043,396)**	**-**	**(101,772)**	**-**	**(283,609)**	**-**	**(3,797,054)**	**(644,909)**	**-**	**-**	**(7,063,982)**
2. Trade and other payables	**(45,178)**	**(138,939)**	**-**	**23,602**	**(2,800)**	**-**	**(210,448)**	**(13,347)**	**-**	**(547,212)**	**(237,826)**	**-**	**(113,471)**	**(1,285,619)**
a) Suppliers, current	(45,178)	(138,939)	-	23,602	(2,800)	-	(210,448)	(13,347)	-	(547,212)	(237,826)	-	(113,471)	(1,285,619)
b) Other payables	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Current	**(1,103,631)**	**235,362**	**145,209**	**(500,822)**	**396,776**	**85,576**	**(210,312)**	**(296,957)**	**133,613**	**(1,186,016)**	**(1,422,735)**	**739,929**	**(43,700)**	**(3,027,708)**

At 30 June 2022 the breakdown of balances with Group companies was as follows:

BALANCES WITH RELATED PARTIES	Mamvo Performance, S.L.U.	Marketing Manager S.L.U	Acceso Colombia	RMK	Antevenio Francia S.R.L.U	Antevenio México	Antevenio Argentina SR.L	Antevenio Italia S.R.L.U.	Antevenio Publicité S.A.S.U.	B2MarketPlace	Blue Digital	Digilant Inc	RMC	DGLNT SA DE CV	Happyfication	Total
A) NON-CURRENT ASSETS	**100,000**	**- €**	**- €**	**- €**	**262,000**	**- €**	**- €**	**- €**	**- €**	**- €**	**- €**	**- €**	**- €**	**350,000**	**- €**	**712,000**
1. Non-current investments in Group companies	**100,000**	**- €**	**- €**	**- €**	**262,000**	**- €**	**- €**	**- €**	**- €**	**- €**	**- €**	**- €**	**- €**	**350,000**	**- €**	**712,000**
a) Loans to companies (1)	100,000	- €	- €	- €	262,000	- €	- €	- €	- €	- €	- €	- €	- €	350,000	- €	712,000
Total Non-Current	**100,000**	**- €**	**- €**	**- €**	**262,000**	**- €**	**- €**	**- €**	**- €**	**- €**	**- €**	**- €**	**- €**	**350,000**	**- €**	**712,000**
B) CURRENT ASSETS	**243,178**	**168,941**	**19,520**	**1,017,270**	**235,036**	**19,865**	**320,142**	**3,968**	**819**	**19,645**	**6,448**	**(810,133)**	**302,122**	**172,805**	**34,885**	**1,754,511**
1. Trade and other receivables	**243,178**	**168,941**	**19,520**	**1,017,270**	**235,036**	**19,865**	**320,142**	**3,968**	**819**	**19,645**	**6,448**	**(810,133)**	**302,122**	**172,805**	**34,885**	**1,754,511**
a) Current trade receivables	188,300	89,226	19,520	795,739	169,723	19,865	320,142	3,968	819	19,645	6,448	(810,133)	15,751	163,279	34,885	1,037,176
b) Trade receivables, Group companies	54,879	79,715		221,531	**65,313**	- €	- €	- €	- €	- €	- €	- €	286,372	9,525	- €	717,335

BALANCES WITH RELATED PARTIES	Mamvo Performance, S.L.U.	Marketing Manager S.L.U	Acceso Colombia	RMK	Antevenio Francia S.R.L.U	Antevenio México	Antevenio Argentina SR.L	Antevenio Italia S.R.L.U.	Antevenio Publicité S.A.S.U.	B2MarketPlace	Blue Digital	Digilant Inc	RMC	DGLNT SA DE CV	Happyfication	Total
C) NON-CURRENT LIABILITIES	**(724,095)**	**- €**	**- €**	**- €**	**- €**	**- €**	**- €**	**- €**	**- €**	**- €**	**- €**	**- €**	**- €**	**- €**	**- €**	**(724,095)**
1. Long-term debt with group and associated companies	**(724,095)**	**- €**	**- €**	**- €**	**- €**	**- €**	**- €**	**- €**	**- €**	**- €**	**- €**	**- €**	**- €**	**- €**	**- €**	**(724,095)**
D) CURRENT LIABILITIES	**(393,062)**	**(25,318)**	**- €**	**(2,121,447)**	**- €**	**(334)**	**- €**	**(100,462)**	**(170,296)**	**(185,567)**	**- €**	**(225,615)**	**(2,144,988)**	**- €**	**(55,785)**	**(5,422,874)**
1. Current payables to Group companies and associates	**(391,532)**	**(21,406)**	**- €**	**(2,113,448)**	**- €**	- €	- €	**(100,462)**	- €	**(185,567)**	**- €**	- €	**(2,088,673)**	- €	**- €**	**(4,901,087)**
2. Trade and other payables	**(1,530)**	**(3,912)**	**- €**	**(8,000)**	**- €**	**(334)**	**- €**	**- €**	**(170,296)**	**- €**	**- €**	**(225,615)**	**(56,315)**	**- €**	**(55,785)**	**(521,786)**
a) Suppliers, current	(1,530)	(3,912)	- €	(8,000)	- €	(334)	- €	- €	(170,296)	- €	- €	(225,615)	(56,315)	- €	(55,785)	(521,786)
b) Other payables	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €
Total Current	**(149,884)**	**143,623**	**19,520**	**(1,104,177)**	**235,036**	**19,531**	**320,142**	**(96,494)**	**(169,477)**	**(165,922)**	**6,448**	**(1,035,747)**	**(1,842,865)**	**172,805**	**(20,900)**	**(3,668,362)**

18.2) Transactions among Group companies

The amount, in Euros, of transactions performed during the six first months of 2023 and presented in the accompanying Interim Profit and Loss Account is as follows:

Transactions Performed	Services received	Sales and services rendered	Interests Paid	Interest charged
Mamvo Performance, S.L.U.	(53.70)	-	2,210.44	(23,978.96)
Marketing Manager	-	103,377.88	-	-
Acceso Colombia		48,635.19		-
RMK	(91.18)	123,997.56	-	(14,234.96)
Antevenio Argentina	-	-	-	-
Rebold Italy SRL	-	25,906.15	-	-
Antevenio México	1,900.00	234,298.78	-	-
Antevenio Publicité	(93,853.39)	7,234.43	-	-
B2Market Place	-	7,114.60	-	-
Blue Digital	(3,678.00)	29,712.65		
Digilant Inc	(384,855.48)	864,591.72		(56,956.98)
RMC	(20,151.53)	114,812.14	-	(19,952.86)
DGLNT SA DE CV	-	69,578.97	-	-
Happyfication	(83,231.17)	25,986.84		-
	(584,014.45)	**1,655,246.91**	**2,210.44**	**(115,123.76)**

The amount, in Euros, of transactions among Group companies during 2022 and presented in the accompanying Interim Profit and Loss Account is as follows:

Transactions Performed	Services received	Sales and services rendered	Other expenses	Interests Paid	Interest charged
Mamvo Performance, S.L.U.	(713,442)	-		2,868	(25,415)
Marketing Manager	(160,375)	322,884		2,631	(714)
Acceso Colombia		145,209			-
Antevenio Argentina		(152,373)	(273,081)		
RMK	38,105	319,389		-	(36,909)
Antevenio France	-	(169,723)	(313,308)	-	-
Rebold Italy	-	195,285		-	(2,097)
Antevenio México	(3,735)	437,057		-	-
Antevenio Publicité	(210,448)	2,637		-	-
B2Market Place	(11,031)	64,207		-	-
Blue Digital	(12,873)	158,307			
Digilant Inc	(528,484)	3,750,479			(18,727)
RMC	(309,743)	2,582,169		-	(21,596)
DGLNT SA DE CV	-	639,465		2,371	-
Happyfication	(113,471)	69,771			-
	(2,025,498)	8,364,764	(586,389)	7,870	(105,457)

The amount, in Euros, of transactions performed during the six first months of 2022 and presented in the accompanying Interim Profit and Loss Account is as follows:

Transactions Performed	Services received	Sales and services rendered	Interests Paid	Interest charged
Mamvo Performance, S.L.U.	-	-	677.50	(8,078.96)
Marketing Manager	(10,435.74)	107,170.86	277.64	(713.58)
Acceso Colombia		19,519.80		-
RMK	(62.82)	104,768.40	-	(11,235.83)
Antevenio Argentina	-	-	-	-
Antevenio S.R.L. (Italy)	-	11,905.44	-	(786.54)
Antevenio México	(333.72)	46,620.99	-	-
Antevenio Publicité	- (103,056.78)	1,818.64	-	-
B2Market Place	-	31,562.52	-	-
Blue Digital		6,448.00		
Digilant Inc	(225,614.51)	524,743.02		
RMC	(54,626.91)	41,957.70	-	(10,914.05)
DGLNT SA DE CV	-	55,224.78	2,371.25	-
Happyfication	(55,785.33)	34,885.38		-
	(449,915.81)	**986,625.53**	**3,326.39**	**(31,728.96)**

At 30 June 2023 the breakdown of balances with related parties was as follows:

Related Party (30 June 2022)	Balance Receivable	Balance Payable
ISP Digital SLU		(4,766,278)
Shape comunicación	3,335	
TAGSONOMY S.L.	200,000	(47,412)
ISP	8,712	(201,275)
ISP (for Taxation Group Corporate Income Tax)		(185,173)
Total Group companies	**212,047**	**(5,200,137)**

At 31 December 2022 the balances withe related parties were as follows:

Related Company (31 December 2022)	Balance Receivable	Balance Payable
ISP Digital SLU		(4,667,264)
ISP	7,260	(201,275)
ISP (for Taxation Group Corporate Income Tax)		(256,628)
Shape Communication	3,335	
Total Group companies	**10,595**	**(5,125,167)**

Related Company (31 December 2022)	Balance Receivable	Balance Payable
ISP Digital SLU		(4,667,264)

ISP	7,260	(201,275)
ISP (for Taxation Group Corporate Income Tax)		(256,628)
Shape Communication	3,335	
Total Group companies	**10,595**	**(5,125,167)**

At 30 June 2022 the breakdown of balances with related parties was as follows:

Related Party (30 June 2022)	Balance Receivable	Balance Payable
ISP Digital SLU		(4,613,592)
ISP	(1,452)	(171,025)
ISP (for Taxation Group Corporate Income Tax)		(256,628)
Total Group companies	**(1,452)**	**(5,041,245)**

18.3) <u>Related party transactions</u>

The breakdown of transactions with related parties during the first six months of 2023 and during 2022 is as follows:

During the first 6 months of 2023 transactions with related parties were as follows:

	Tagsonomy S.L.	ISP	ISPD
Sales			
Purchases			
Services rendered		1,200	
Services received	(47,412)		
Finance income			
Finance Expenses			(99,081)
Total	**(47,412)**	**1,200**	**(99,081)**

During 2022 transactions with related parties were as follows:

Related Company (31 December 2022)	ISP	ISPD	Shape Communication
Sales			
Purchases			
Services rendered	6,000		2,756
Services received	(50,000)		
Finance income			
Finance Expenses		(84,562)	
Total	**(44,000)**	**(84,562)**	**2,756**

At June 30, 2022, transactions with related parties were as follows:

	ISP	ISPD
Services rendered	1,200	
Services received	(25,000)	
Finance income		
Finance Expenses		(30,958)
Total	**(23,800)**	**(30,958)**

18.4) Balances and Transactions with Directors and Senior Management

The individuals classified as Senior Management are also Directors of the Company.

The breakdown of the amounts received by the Board of Directors or by members of senior management is as follows:

	High Management		
	30/06/22	31/12/22	30/06/23
Wages and salaries	1,349,488	2,027,925	603,642
Total	**1,349,488**	**2,027,925**	**603,642**

In addition to these amounts, accrued remunerations arising from share-based payments disclosed under Note 12 should be included. At 30 June 2023, at 31 December 2022 and at 30 June 2022, there are no commitments for supplements to pensions, guarantees or securities granted to the Board of Directors.

As a result of the merger carried out in 2020 between the Antevenio Group and the Rebold Group, in 2022 all the Group's senior management personnel incorporated into the company ISPD Network.

Other disclosures related to the Board of Directors

In compliance with the provisions of Section 229 of the Spanish Corporations Law, Directors and the related parties referred to in Article 231 of the Spanish Corporations Law, have not entered into situations of conflict of interests.

NOTE 19. ADDITIONAL DISCLOSURES

The average number of persons employed is as follows:

	30/06/2022	31/12/2022	30/06/2023
Management	7	12,2	16
Administrative	24	18.5	23
Commercial	0	0	0
Production	8	10	11
Marketing	7	8	5
Technical	0	0	0
	46	**49**	**54**

The number of Directors and persons employed by the Company at the balance sheet date of the presented periods, broken down by professional category, is as follows:

	30/06/2022			31/12/2022			30/06/2023		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Management	6	8	14	7	6	13	8	7	15
Administrative	6	13	19	5	14	19	8	14	22
Commercial	0	0	0	0	0	0	0	0	0
Production	4	6	10	5	5	10	5	5	10
Marketing	2	3	5	2	5	7	2	4	6
Technical	0	0	0	0	0	0	0	0	0
	18	**30**	**48**	**19**	**30**	**49**	**23**	**30**	**53**

In compliance with Law 15/2010, of 5 July, amending Law 3/2004, of 29 December, establishing measures to combat late payment in commercial transactions, details of the average period for payment to suppliers:

	30/06/2022	31/12/2022	30/06/2023
	Days	**Days**	**Days**
Average period of time for payment to suppliers	34.83	48.11	50.2311498
Percentage of paid transactions	39.01	46.76	51.4525197
Percentage of transactions pending payment	27.47	58.47	45.5005511
	Amount (Euro)	**Amount (Euro)**	**Amount (Euro)**
Total payments made	1,124,095	938,329	2,190,249
Total payments pending	639,558	143,186	565,490

	31/12/2022	30/06/2023
Volume of invoices paid within the legal deadline	3,246,835	1,841,855
Number of invoices paid within the legal deadline	1034	1176
Percentage of the volume of invoices paid within the legal deadline out of the total volume of invoices paid (%)	77%	84%
Percentage of the number of invoices paid within the legal deadline out of the total number of invoices paid (%)	75%	91%

NOTE 20. BUSINESS COMBINATIONS

REACT2MEDIA:

On 22 June 2017, the Parent Company has completed the acquisition of 51% of voting-right shares in the US company React2Media, L.L.C for a consideration of USD 2,250,000 (€2,022,275); the entire amount of the consideration was paid to the counterparty on 23 June 2017. This company was thereafter included within the consolidation scope and fully consolidated.

The company React2Media, L.L.C. has its registered address at 35 W 36th St, New York, NY 10018, USA. The company's principal activity is the provision of a full service online advertising network, offering a complete set of interactive marketing opportunities for media agencies, direct advertisers and publishers alike. The main reason supporting the acquisition is the entry of ISPD Network Group in the United States market drawing on the market position and knowledge of the investee. ISPD Network Group intends to provide the investee with its other business lines in order to generate positive synergies.

Both the Group and the selling shareholders mutually granted themselves unconditional put option rights and call option rights over the remaining 49% shares in the investee, which may be exercised within the same term and for the same amount. These options have a floating price based on certain parameters relating to the investee's performance over fiscal years 2019, 2020 and 2021; however, total acquisition value may not exceed 8.5 million dollars (of which 2.25 million dollars have already been paid for the acquisition of 51% of shares). Sale price is subject to the fulfilment of certain continuance conditions by the sellers.

In accordance with the applicable standards described in note 2 and based on the existence of cross put and call options with the same value and the same exercise period, the transaction has been treated as an early acquisition of a non-controlling interest.

The amount recognised as a financial liability by the Group at 31 December 2017 constituted the best estimate to date of the amount that the Group expected to pay, in which regard the fair value of this financial liability is €1.98 million, recorded under "Other non-current liabilities".

In accordance with the provisions of International Financial Reporting Standards 3 on Business Combinations, during the first half-year of 2018, the Group opted to reassess this financial liability and to retrospectively adjust the provisional amounts recognised at the acquisition date to reflect new information obtained about facts and circumstances that existed as of the acquisition date and, if known, would have affected the measurement of the amounts recognised as of that date. As a result, the amount recorded as at 31 December 2018 as a financial liability was the best estimate as at that date of the amount expected to be paid, the fair value of this financial liability being €2.108 million, recorded under "Other non-current liabilities".

On 21 May 2019, the first tranche of rights to purchase and right to unconditional sale was implemented on 49% of the Company's shares, remaining from the share capital of said Company in the initial contract dated 22 June 2017. The Group acquired an 8.97% stake in the US company React2Media, L.L.C. for a price of USD 212,551 (€192,778).

In fiscal year 2019, given that Directors obtained additional information, gained greater experience and updated the accounting estimates previously made in connection with measurement of the financial liability arising from the above-mentioned purchase, the Company adjusted prospectively the value of the investment, and recognized €1.4 million as income under "Impairment of assets" in the profit and loss statement.

As a consequence of the events described above, the outstanding amount recorded at 31 December 2019 as a financial liability amounted to €488,257, recorded under the heading "Other non-current liabilities" for €280,340 and under the heading "Other current liabilities" for €207,917.

At 31 December 2020, put and call options were not exercised as the Company liquidated the subsidiary, which will be dissolved in December 2023.

At 31 December 2020, the Company impaired all the goodwill in consolidation contributed by the subsidiary React2Media, L.L.C. as it liquidated this subsidiary, which will be dissolved in the coming years. The impairment recognised in the consolidated income statement for 2020 amounted to €1,921,952.

At 31 December 2021 and 2022, this company is dissolved and in the final phase of liquidation, which will end in December 2023, and no put and call options will be exercised as the company is liquidated.

The breakdown of the consideration given, the fair value of the net assets acquired and the goodwill at the time of the business combination was as follows:

	Euros
Fair value of the consideration given	
Cash paid	2,102,903
Put options granted to minority interests	1,933,648
Contingent consideration	35,004
Total consideration given	**4,071,555**

Net identifiable assets acquired	
Non-current investments	38,462
Intangible assets	2,312
Trade and other receivables	1,198,620
Cash	109,457
Debts with financial institutions	(256,188)
Other debts	(13,429)
Trade and other payables	(912,813)
Fair value of net identifiable assets acquired	**166,421**

Goodwill	**3,905,134**
Impairment of Goodwill	**(3,363,044)**
Net Value of Goodwill	**542,089**

Consideration paid in cash	(2,102,903)
Cash and cash equivalents acquired	109,457
Net cash outflow	**(1,993,446)**

Goodwill arising from the acquisition was allocated to the Cash Generating Unit relating to the investee's business and relates to the workforce and synergies resulting from ISPD Network Group's entry in the United States market drawing on the investee to expand the Group's various business lines.

The Company considered that fair value of the identifiable assets and liabilities acquired is equal to the relevant carrying values as of the of the acquisition date. As shown in the table above, almost all the assets and liabilities acquired relate to working capital.

The breakdown of fair value of trade receivables as of the acquisition date is as follows:

Euros	Contractual gross amount	Impairment adjustment	Fair value
Trade receivables	1,198,620	0.00	1,198,620

B2 Marketplace Ecommerce Group S.L.:

On 7 October 2019, the Parent Company acquired 51% of the shares in the company B2MarketPlace, S.L. for a price of €254,240, paying the entire amount to the counterparty on 7 October 2019. This company was thereafter included within the consolidation scope and fully consolidated.

On 4 July 2021, Antevenio SA acquired an additional 10% in the share capital of the company B2MarketPlace, S.L. at a price of €153,224, thus obtaining 61% of the company's shares.

The subsidiary B2MarketPlace, S.L. is domiciled at Calle Apolonio Morales 13c. The primary object of the company is the optimisation and improvement of brands, manufacturers and distributors presence in digital platforms.

Both the company and the selling members mutually granted themselves unconditional put option rights and call option rights over the remaining 49% shares in the investee, which may be exercised within the same term and for the same amount. The options detailed above are based on a variable price depending on parameters associated with the company's performance in 2021, 2022 and 2023. Sale price is subject to the fulfilment of certain continuance conditions by the sellers.

In accordance with the applicable standards described in note 2 and based on the existence of cross put and call options with the same value and the same exercise period, the transaction has been treated as an early acquisition of a non-controlling interest.

In accordance with IFRS 3 on Business Combinations, during one year from the acquisition date, the Group can reassess this financial liability and retrospectively adjust the provisional amounts recognised at the acquisition date to reflect new information obtained about facts and circumstances that existed as of the acquisition date and, if known, would have affected the measurement of the amounts recognised as of that date. The reassessment was completed in 2020. The amount recognised as a financial liability by the Group at 31 December 2021 constitutes the best estimate to date of the expected amount that the Group expects to pay, in which regard the fair value of this financial liability is €1,396,181 (€1,549,402 in 2020). No amount is recorded under "Other non-current liabilities" (€1,396,181 in 2020), though €1,396,181 is recorded under "Other current liabilities" (€153,221 in 2020) (refer to note 8).

As of June 30, the purchase option has been exercised for the remaining 39% of the share capital of the Company B2MarketPlace, S.L, paying for this percentage the amount of €356,760, which will materialize during July 2023. After the exercise of this option on the share capital of the company, ISPD Network holds 100% of the shares in this company.

The breakdown of the consideration given, of fair value of net assets acquired and goodwill as of the date of the business combination, was as follows:

	Euros
Fair value of the consideration given	
Cash paid on the acquisition date	254,240
Put options granted to minority interests	1,993,489
Contingent consideration	27,817
Total consideration given at 31 December 2019	**2,275,546**

Net identifiable assets acquired	
Non-current investments	4,170
Intangible assets	92
Property, plant and equipment	4,479
Trade and other receivables	43,357
Cash	-
Debts with financial institutions	(69,173)
Other debts	-
Trade and other payables	(36,473)
Fair value of net identifiable assets acquired	**(53,547)**
Gross Value of Goodwill (Note 5)	**2,329,094**
Impairment Goodwill (Note 5)	**(517,986)**
Net Value of Goodwill (Note 5)	**1,811,125**
Consideration paid in cash	254,240
Cash and cash equivalents acquired	
Net cash outflow	**254,240**

The goodwill generated was assigned to the Cash Generating Unit corresponding to the activity of the acquired company and is attributed to the workforce and the synergies that the business of the acquired company can offer the ISPD Network Group, completing with a new line of business the offer already existing in the group, as the acquired company can be used to expand the different lines of business of the Group.

The Company considered that fair value of the identifiable assets and liabilities acquired is equal to the relevant carrying values as of the of the acquisition date. As shown in the table above, almost all the assets and liabilities acquired relate to working capital.

The breakdown of fair value of trade receivables as of the acquisition date is as follows:

Euros	Contractual gross amount	Impairment adjustment	Fair value
Trade receivables	43,053	-	43,053

REBOLD MARKETING AND COMMUNICATION, S.L.U.:

At the General Shareholders' Meeting of the Parent Company held on 4 September 2020, the capital increase subscribed in full by its majority shareholder, ISP Digital, S.L.U., was approved, through the contribution of the shares of Rebold Marketing and Communication S.L.U. This company is in turn the head of a group of companies (broken down in the table above) which will therefore be consolidated from that date within the consolidated ISPD Network Group as at 31 December 2021:

Company	Percentage of
Rebold Marketing and Communication, S.L.U.	100%
Acceso Mexico	100%
Acceso Colombia	100%
Digilant Colombia	100%
Digilant INC	100%
Digilant Perú	100%
Digilant SA de CV	100%
Filipides	100%
Digilant Services	100%
Blue Digital	65%
Digilant Chile	100%
Acceso Panamá	100%
Blue Media	100%
Rebold Panamá	100%

The details of the various companies in this new subgroup are set out in note 1 hereto.

The breakdown of the consideration given, of fair value of net assets acquired at the date of the business combination was as follows:

	Euros
Fair value of the consideration given	
Consideration given (Parent company shares)	14,372,080
Total consideration given at business combination date	14,372,080
Net identifiable assets acquired	
Non-current investments	3,685,591
Intangible assets	923,740
Property, plant and equipment	420,147
Trade and other receivables	26,570,007
Cash	1,323,576
Debts with financial institutions	(20,487,896)
Trade and other payables	(25,612,684)

Fair value of net identifiable assets acquired	**(13,177,519)**

The Company considered that fair value of the identifiable assets and liabilities acquired is equal to the relevant carrying values as of the of the acquisition date. As shown in the table above, almost all the assets and liabilities acquired relate to working capital.

The breakdown of fair value of trade receivables as of the acquisition date is as follows:

Euros	Contractual gross amount	Impairment adjustment	Fair value
Trade and other receivables	26,570,007	-	26,570,007

HAPPYFICATION:

The Parent Company acquired the US technology company Happyfication on 15 September 2021. The New York-based company helps marketers by using data intelligence and cognitive marketing to better understand their customers' decision-making in today's market environment. Happyfication does so by linking the on and off channels so as to facilitate operational transparency through a single platform for connection, activation and measurements.

The Happyfication acquisition will also enable the group to offer brands new ways to plan and execute online and offline experiences to connect with customers.

This purchase will enable the group's companies to strengthen their ability to analyse, locate omnichannel audiences and gain insights into their behaviour. By integrating its solutions for the marketing sector, Happyfication can offer differential benefits such as:

- Media planning and execution designed for a future without third-party cookies.
- Advanced audience targeting that goes beyond device data to include search and contextual data.
- Interactive reporting enabling users to dive deeper into weekly reporting of campaign effectiveness and attribution models.

In accordance with IFRS 3 on Business Combinations, during one year from the acquisition date, the Group can reassess this financial liability and retrospectively adjust the provisional amounts recognised at the acquisition date to reflect new information obtained about facts and circumstances that existed as of the acquisition date and, if known, would have affected the measurement of the amounts recognised as of that date. This reassessment was completed infiscal year 2022. The amount recognised as a financial liability by the Group at 30 June 2023 constitutes the best estimate to date of the expected amount that the Group expects to pay, in which regard the fair value of this financial liability is €93,156 (€147,965 in 2022). Recorded under the heading “Other current liabilities” an amount of 93,156 euros (147,965 euros in 2022))

Net identifiable assets acquired
Non-current investments

Intangible assets	
Property, plant and equipment	
Trade and other receivables	
Cash	
Debts with financial institutions	
Trade and other payables	
Fair value of net identifiable assets acquired	**(198,159)**

	Euros
Fair value of the consideration given	
Consideration given (Parent company shares)	1,559,748
Total consideration given at business combination date	**1,559,748**
Goodwill	**1,757,952**