ISPD NETWORK S.A. AND SUBSIDIARIES

Interim Consolidated Financial Statements
at 30 June 2023

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INTERIM CONSOLIDATED FINANCIAL STATEMENTS
AT 30 JUNE 2023

ANTEVENIO S.A. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 30 JUNE 2023

(in Euros)

ASSETS	Note	30/06/2023	31/12/2022	30/06/2022
Property, plant and equipment	6	2,154,642	2,221,695	2,383,424
Goodwill on full consolidation	5	8,195,485	8,195,485	8,353,514
Goodwill	7	346,421	402,249	437,194
Intangible assets	7	1,594,363	719,443	960,228
Fixed assets in progress		-	1,234,078	380,500
Non-current financial assets	9	176,738	103,788	126,972
Deferred tax assets	16	6,051,215	5,066,882	6,295,955
NON-CURRENT ASSETS		**18,518,862**	**17,943,619**	**18,937,788**
Trade and other receivables	9	31,058,381	35,009,755	28,245,993
Trade receivables, Group companies	9 and 24	12,046	36,312	28,316
Other current assets	9	717,389	50,640	10,507
Other current assets, Group companies		200,000	0	-
Receivables from Public Entities	16	4,896,259	1,846,006	3,848,250
Current tax assets		43,526	2,635,720	2,532
Prepaid expenses		1,065,264	577,680	924,385
Cash and cash equivalents	9	5,932,573	18,964,822	10,671,147
CURRENT ASSETS		**43,925,438**	**59,120,934**	**43,731,130**
Total assets		**62,444,301**	**77,064,554**	**62,668,917**

ISPD NETWORK S.A. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 30 JUNE 2023
(in Euros)

EQUITY AND LIABILITIES		30/06/2023	31/12/2022	30/06/2022
Share Capital		819,099	819,099	819,099
Treasury shares		(665,000)	(665,000)	(665,000)
Legal reserve		46,282	46,282	46,282
Reserves from fully consolidated companies		11,275,483	7,583,480	7,652,930
Prior period's losses		(5,845,579)	(5,655,635)	(5,649,918)
Profit/(Loss) for the year attributable to the Parent Company	3	(555,062	4,418,761	1,189,909
Minority Interests		(757,700)	(685,367)	(767,859)
Translation differences	13	444,131	379,699	1,489,849
Equity attributable to the Parent Company	**12**	**5,519,354**	**6,926,687**	**4,883,153**
Equity attributable to non-controlling interests		**(757,700)**	**(685,367)**	**(767,859)**
Equity	**12**	**4,761,654**	**6,241,320**	**4,115,294**
Non-current payables, debts with financial institutions	10	4,566,765	5,666,137	6,835,193
Non-current payables, Group companies	10 and 25	7,726,852	8,101,742	8,101,741
Other non-current payables	10	3,356,346	2,953,755	3,379,738
Non-current asset suppliers		13,971	-	-
Provisions	10 and 18	59,032	258,456	277,001
Deferred tax liabilities	16	32,466	64,308	96,535
Non-current liabilities		**15,755,431**	**17,044,397**	**18,690,208**
Current payables, debts with financial institutions	10	5,501,292	3,282,616	4,149,547
Other current payables	10	1,027,952	1,188,610	2,458,235
Current payables to Group companies	10 and 24	689,097	669,924	914,338
Trade and other payables	10	25,185,302	38,192,490	23,969,259
Suppliers, Group companies	10 and 24	2,244,007	2,098,328	1,858,289
Fixed asset suppliers		44,990	-	-
Personnel, salaries payable	10	2,868,118	3,291,510	1,692,303
Public Entities, payables	16	2,668,683	3,205,463	3,584,902
Current tax liabilities		2,279	30,169	22,032
Unearned income		1,573,051	1,673,808	884,137
Other current liabilities	10	122,444	145,917	330,373
Current liabilities		**41,927,215**	**53,778,837**	**39,863,415**

ISPD NETWORK,S.A. AND SUBSIDIARIES
CONSOLIDATED PROFIT AND LOSS ACCOUNT
AT 30 JUNE 2023
(in Euros)

PROFIT AND LOSS	Note	30/06/2023	31/12/2022	30/06/2022
Revenue	17 a	**57,677,196**	**105,880,735**	**45,285,979**
Other income		**419,960**	**43,370**	**-**
Work carried out by the company for assets		**-**	**535,582**	
Operating grants taken to income		**178,668**	**159,799**	**15,459**
TOTAL OPERATING INCOME		**58,275,824**	**106,619,485**	**45,301,438**
Supplies	17 b and 23	**(34,680,604)**	**(56,443,885)**	**(23,125,606)**
Personnel expenses	17 c	**(17,332,002)**	**(36,489,601)**	**(16,917,076)**
Wages and salaries		(14,149,309)	(30,369,659)	(13,809,577)
Employee benefit expense		(3,182,693)	(6,119,942)	(3,107,500)
Amortization and depreciation		**(800,862)**	**(1,243,849)**	**(638,477)**
Depreciation of property, plant and equipment	6	(390,438)	(743,067)	(322,319)
Amortization of intangible assets	7	(410,424)	(500,781)	(316,157)
Other operating expenses		**(4,935,406)**	**(7,836,409)**	**(3,393,332)**
External services	17 d	(4,639,514)	(7,633,638)	(2,929,039)
Impairment losses on current assets		(287,051)	(237,263)	(503,200)
Impairment and gains / (losses) on disposal of fixed assets		(8,841)	34,491	38,907
Other income / (loss)		**52,800**	**1,043,372)**	**31,490**
TOTAL OPERATING EXPENSES		**(57,696,074)**	**(100,970,371**	**(44,043,001)**
OPERATING PROFIT / (LOSS)		**579,750**	**5,649,113**	**1,258,437**
Finance income	17 e	34,000	37,388	16,146
Group financial income		-	-	-
Translation differences, gains	11	675,631	1,345,533	144,273
TOTAL FINANCE INCOME		**709,631**	**1,382,921**	**160,419**
Finance expenses	17 f	(391,144)	(640,007)	(178,937)
Group finance expenses	17 f	(177,462)	(157,320)	(55,480)
Translation differences, losses	11	(651,002)	(630,434)	(57,652)
TOTAL FINANCE EXPENSES		**(1,219,608)**	**(1,427,761)**	**(292,069)**
Impairment and gains / (losses) on disposal of financial instruments		**-**	**-**	**-**
Impairment of financial instruments		**-**	**-**	**-**
Impairment and gains/losses on loss of significant influence on equity investments		**-**	**-**	**-**
NET FINANCE INCOME/(EXPENSE)		**(509,977)**	**(44,840)**	**(131,650)**
PROFIT / (LOSS) FROM CONTINUING OPERATIONS		**69,773**	**5,604,273**	**1,126,787**
CONSOLIDATED PROFIT / (LOSS) BEFORE TAX		**69,773**	**5,604,273**	**1,126,787**
Income tax expense	16	(243,889)	(1,007,392)	31,735
Taxes and other		(453,279)	(229,412)	(25,941)
CONSOLIDATED PROFIT / (LOSS) FOR THE YEAR		**(627,395)**	**4,367,469**	**1,132,580**
Profit / (loss) attributable to minority interests		(72,333)	(51,292)	(57,329)
PROFIT/(LOSS) ATTRIBUTABLE TO HOLDERS OF EQUITY INSTRUMENTS OF THE PARENT COMPANY		**(555,062)**	**4,418,761**	**1,189,909**
Earnings per share:				
Basic		(0.04)	0.30	0.08
Diluted		(0.04)	0.30	0.08

ISPD NETWORK S.A. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
AT 30 JUNE 2023
(in Euros)

	Notes	30/06/2023	31/12/2022	30/06/2022
PROFIT / (LOSS) FOR THE PERIOD		**(555,062)**	**4,418,761**	**1,132,581**
Income and expense directly recognized in equity:				
Translation differences		64,432	(404,567)	(1,031,246)
Minority Interests		(72,333)	(51,292)	
TOTAL INCOME AND EXPENSES DIRECTLY RECOGNIZED IN EQUITY		**(7,901)**	**(455,859)**	**(1,031,246)**
Transfers to Profit and Loss Account:		**-**	**-**	**-**
TOTAL TRANSFERS TO PROFIT AND LOSS ACCOUNT		**-**	**-**	**-**
TOTAL RECOGNIZED INCOME AND EXPENSE		**(562,963)**	**3,962,902**	**101,335**
Attributable to the Parent Company		**(555,062)**	**4,418,761**	**1,189,909**
Attributable to minority interests		**(72,333)**	**(51,292)**	**(57,329)**

ISPD NETWORK S.A. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

AT 30 JUNE 2023

(in Euros)

	Registered Capital	Share Premium	Reserves and Profit/(Loss) for the period	(Parent Company Shares)	Other equity instruments	Translation differences	Minority Interests	Total
Balance at 30/06/2022	**819,099**	**0**	**3,239,204**	**(665,000)**	**-**	**1,489,850**	**(767,859)**	**4,115,294**
Recognized income and expense	-	-	**3,153,684**	**-**	**-**	**(1,110,151)**	**82,493**	**2.126.026**
Other transactions	-	-	-	-	-	-	-	-
Acquisition of larger stake	-	-	-	-	-	-	-	-
Change in percentage of ownership	-	-	-	-	-	-	-	-
Transactions with Parent Company shares (note 12.6)	-	-	-	-	-	-	-	-
Dividends (note 12.5)	-	-	-	-	-	-	-	-
Balance at 31/12/2022	**819,099**	**0**	**6,392,888**	**(665,000)**	**-**	**379,699**	**(685,367)**	**6,241,320**
Adjustments for error correction	**-**	**-**	**23,653**	**-**	**-**	**-**	**-**	**23,653**
Balance at 01/01/2023	**819,099**	**0**	**6,416,541**	**(665,000)**	**-**	**379,699**	**(685,367)**	**6,264,973**
Recognized income and expense	-	-	**(555,062)**	**-**	**-**	**64,432**	**(72,333)**	**(635,296)**
Other transactions	-	-	(940,354)	-	-	-	-	**(940,354)**
Capital increase and other distributions	-	-	-	-	-	-	-	-
Investments in larger holding percentage	-	-	-	-	-	-	-	-
Change in percentage of ownership	-	-	-	-	-	-	-	-
Transactions with Parent Company shares	-	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	-	-	-
Balance at 30/06/2023	**819,099**	**0**	**4,921,125**	**(665,000)**	**-**	**444,131**	**(757,700)**	**4,761,655**

ISPD NETWORK S.A. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE ANNUAL PERIOD ENDED 30 JUNE 2023
(in Euros)

STATEMENT OF CASH FLOWS	Note	30/06/2023	31/12/2022
CASH FLOWS FROM OPERATING ACTIVITIES (A)		**0**	**2,463,633**
Profit / (Loss) before taxes			5,604,273
Adjustments for:			
+ Depreciation and amortization	7 and 8		1,243,849
+ / - Impairment losses	10.2		237,263
+ / - Grants taken to P&L			-
- Finance income	18		-37,388
+ Finance expense	18		797,327
+/- Translation differences	12		-715,099
+/- Other income and expenses			-1,578,954
+/- Other taxes			-
Changes in operating assets and liabilities:			
Changes in receivables			-422,309
Changes in payables			1,908,096
Changes in other current assets			-565,892
Changes in other non-current liabilities			-
Changes in other current liabilities			-1,939,594
Other non-current assets			
- Income tax paid			-1,308,000
Interest paid (-)			-797,327
Interest received (+)			37,388
CASH FLOWS FROM INVESTING ACTIVITIES (B)		**0**	**-1,972,618**
Investments in intangible assets	8		-540,256
Investments in property, plant and equipment	7		-290,033
Treasury shares	25		-95,000
Business combinations			-1,047,329
Financial Assets			-
CASH FLOWS FROM FINANCING ACTIVITIES (C)		**0**	**-1,234,971**
Changes in other non-current liabilities			-
Changes in debt to other entities			-1,234,971
Grants awarded			
Dividends paid	3	-	-
Interest on other equity instruments (-)		-	-
EFFECT OF FOREIGN EXCHANGE RATES FLUCTUATIONS (D)			**-404,567**
Net increase/decrease in cash and cash equivalents (E=A+B+C+D)		**0**	**-1,148,523**
Cash and cash equivalents at beginning of period (F)		**18,964,822**	**20,113,345**
Additions from business combinations at transaction date		**-**	**-**
Cash and cash equivalents at end of period (G=E+F)		**18,964,822**	**18,964,822**

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Table of contents

ISPD NETWORK S.A. AND SUBSIDIARIES

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

NOTE 1. GROUP COMPANIES, JOINTLY CONTROLLED ENTITIES AND ASSOCIATED COMPANIES

1.1) Parent Company; particulars and activity

a) Incorporation and registered address

Antevenio, S.A. (hereinafter the Parent Company) is renamed ISPD Network, S.A., as reflected in the resolution adopted at the General Shareholders' Meeting held on 23 September 2021. The company was incorporated in Spain as a private company on 20 November 1997 with the name "Interactive Network, SL", subsequently becoming a public limited company and changing its name to I-Network Publicidad, S.A. on 22 January 2001. Previously, on 7 April 2005, the General Shareholders' Meeting resolved to change the Parent Company's corporate name to ANTEVENIO S.A.

The General Shareholders' Meeting of 25 November 2021 resolved to change the name of the company to ISPD Network, S.A.

Its registered address is C/ Apolonio Morales, 13C, Madrid.

The Company, whose main shareholders are listed in note 12, is controlled by ISP Digital, S.L.U., which is the parent company of the Group.

b) General information

The Interim Consolidated Financial Statements of ISPD Network Group have been prepared and authorized for issue by the Board of Directors of the Company.

The presentation currency used in these Interim Consolidated Financial Statements is Euro. Unless otherwise stated, all figures are presented in Euros.

c) Activity

Its activity consists in those 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 accomplishment of the aforementioned corporate purpose. The activities comprised within its corporate purpose may be performed, entirely or partly, by the parent Company, either directly or indirectly through its interests in other companies with an identical or similar purpose.

The shares of the Parent Company are listed on the French alternative stock market Euronext Growth. Antevenio shares were traded for the first time on that market in 2007.

d) Fiscal year

The Parent Company's fiscal year covers the period from January 1 to December 31 of each calendar year.

1.2) Subsidiaries

The details of the subsidiaries included within the consolidation perimeter are as follows:

Company	Percentage of Ownership 30/06/2023	Percentage of Ownership 31/12/2022
Mamvo Performance, S.L.U.	100%	100%
Marketing Manager Servicios de Marketing, S.L.U.	100%	100%
Antevenio S.R.L.	100%	100%
Rebold Marketing S.L.U.	100%	100%
Antevenio France S.R.L.	100%	100%
Antevenio Argentine S.R.L. (*)	100%	100%
Antevenio Mexique S.A de C.V	100%	100%
Antevenio Publicité, S.A.S.U.	100%	100%
React2Media, L.L.C. (1)	60%	60%
B2Marketplace Ecommerce Consulting Group, S.L. (1)	100%	100%
Rebold Marketing and CommunicationMarketing and Communication, S.L.U.)(1)	100%	100%
Happyfication, Inc.(1)	100%	100%
Acceso Content in Context, S.A. de C.V. (2)	100%	100%
Acceso Colombia, S.A.S (2)	100%	100%
Digilant Colombia, S.A.S. (2)	100%	100%
Digilant INC (2)	100%	100%
Digilant Perú, S.A.C. (2)	100%	100%
Digilant S.A. de C.V. (2)	100%	100%
Filipides S.A. de C.V.(2)(**)	100%	100%
Digilant Services S.A de C.V. (2)(**)	100%	100%
Blue Digital Servicios de Marketing, S.A. (2)	65%	65%
Digilant Chile, S.p.a.(2)(***)	100%	100%
Acceso Panamá, S.A.(2)(3)	0%	0%
Blue Media, S.p.A. (2)(***)	100%	100%

Holdings in the capital of these subsidiaries are held by the Parent Company,

ISPD

except:

(*) Holding held by Mamvo Performance, S.L.U. and Rebold Marketing, S.L.U. (formerly named Antevenio España, S.L.U.) (75% and 25% respectively).
(**) Holding held by Digilant SA de CV
(***) Holding held by Blue Digital
Click here to enter text.
(1) See Note 25 Business combinations.

The main features of the subsidiaries are as follows:

Company	Incorporation Year	Registered Address	Corporate Purpose
Mamvo Performance, S.L.U.	1996	C/ Apolonio Morales 13C 28036 Madrid	Online advertising and direct marketing for the generation of useful contacts.
Marketing Manager Servicios de Marketing, S.L.U.	2005	C/ Apolonio Morales 13C 28036 Madrid	Advice to commercial communication-related companies.
Antevenio S.R.L.	2004	Viale Francesco Restelli 3/7 20124Milano	Advertising and Marketing on the Internet.
Rebold Marketing S.L.U. (formerly named Antevenio Esp)	2009	C/ Apolonio Morales 13C 28036 Madrid	Advertising, online advertising and e-commerce operation services through electronic means.
Antevenio France, S.R.L.	2009	62B Rue des Peupliers 92100 Boulogne Billancourt, France.	Advertising and promotional services on the Internet, research, distribution and provision of services in the field of advertising and marketing on the Internet.
Antevenio Argentina S.R.L.	2010	Esmeralda 1376 piso 2 Ciudad de Buenos Aires Argentina	Commercial brokerage, marketing and advertising services.
Antevenio México, S.A. de CV	2007	Calle Parral 41 Colonia Condesa Delegacion Cuauhtemoc Ciudad de Mexico	Other advertising services.
Antevenio Publicité, S.A.S.U.	2008	62B Rue des Peupliers 92100 Boulogne Billancourt, France.	Advertising and promotional services on the Internet; research, distribution and provision of services in the field of advertising and marketing on the Internet.
React2Media, L.L.C.	2008	35W 36th St New York	Online marketing services
B2Marketplace Ecommerce Consulting Group, S.L	2017	C/ Apolonio Morales 13C 28036 Madrid	Company specialised in optimising and improving the presence of brands, manufacturers and distributors on digital platforms
Rebold Marketing and Communication, S.L.U.	1986	Rambla Catalunya, 123, Entlo. 08008 Barcelona	Provision of internet access services. Creation, management and development of internet portals
Happyfication Inc	2011	170 Milk St FL 4 Boston, MA 02109	An independent advertising technology company that provides its partners and clients with tools and services to plan,

Company	Incorporation Year	Registered Address	Corporate Purpose
			measure and deliver digital media more effectively.
Acceso Content in Context S.A. de C.V.	2014	Zacatecas 92 – col Roma – CP06700 – CDMX	Provision of internet access services. Creation, management and development of internet portals
Acceso Colombia, S.A.S	2013	Edificio unión 94, Cra 13## 94 A-26 BOGOTA	Provision of media content monitoring and analysis services
Digilant Colombia, S.A.S.	2013	Edificio unión 94, Cra 13## 94 A-26 BOGOTA	Assessment and negotiation of advertising space and buying and selling, provision of consultancy, marketing, communication and general advisory services
Digilant Inc	2009	"170 Milk St FL 4 Boston, MA 02109"	An independent advertising technology company that provides its partners and clients with tools and services to plan, purchase, measure and deliver digital media more effectively.
Digilant, SA de CV	2010	Zacatecas 92 – col Roma – CP06700 – CDMX	Purchase, sale, exchange, marketing and other commercial transactions regarding all kinds of advertising space
Filipides, S.A. de C.V.	2008	Zacatecas 92 – col Roma – CP06700 – CDMX	Selecting and recruiting personnel for the filling of any position and providing personal items to any third party
Digilant Services, S.A. de C.V.	2018	Zacatecas 92 – col Roma – CP06700 – CDMX	Provision of administrative, personnel administration, consultancy, marketing, communication and advisory services in general.
Digilant Perú, S.A.C.	2017	Calle los forestales 573 - residencial Los ingenieros - district of La Molina, province and department of Lima	Assessment and negotiation of advertising space and buying and selling, provision of consultancy, marketing, communication and general advisory services
Blue Digital Servicios de Marketing, S.A.	2011	Av nterèso 5950 – piso 20- Las Condes – Region metropolitana Santiago de Chile	Advertising, publicity, marketing
Digilant Chile, S.p.a.	2017	General del Canto 50 - of 301 PROVIDENCIA / SANTIAGO	Assessment and negotiation of advertising space, provision of consultancy, marketing, communication and general advisory services
Rebold Panama, S.A.	2020	OBARRIO, AVENIDA SAMUEL LEWIS Y CALLE 53, EDIFICIO OMEGA, 6O PISO, OFICINA NO. 6B-861 PANAMÁ,	Conduct business of any nature, inside or outside the Republic of Panama.
Blue Media S.P.A	2015	Av Apoquindo 5950 - piso 20 - Las Condes – Santiago de Chile Metropolitan Region	Advertising, publicity, marketing

NOTE 2. BASIS FOR PRESENTATION OF THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

a) Application of International Financial Reporting Standards (IFRS)

These Interim Consolidated Financial Statements have been prepared in a manner consistent with the provisions of the International Financial Reporting Standards, as adopted by the European Union in accordance with Regulation (CE) No. 1606/2002 of the European Parliament and the Council, effective as of 31 December 2016, taking into account all compulsory applicable accounting policies, standards and measurement criteria that have a significant impact. Since 2006 the Company has prepared its Interim Consolidated Financial Statements pursuant to the International Financial Reporting Standards (IFRS); shares of the Company were admitted to trading on the French alternative stock market Euronext Growth in 2007 (see Note 1).

Accounting policies and measurement principles applied by the Directors of the Parent Company in preparing these Interim Consolidated Financial Statements consolidated are summarized in Note 4. The Directors of the Parent Company are responsible for the information presented in these Interim Consolidated Financial Statements.

In compliance with IFRS, the Interim Consolidated Financial Statements comprise the following Consolidated Statements for the 6-month period ended 30 June 2023:

- Consolidated Statement of Financial Position
- Consolidated Income Statement
- Consolidated Statement of Comprehensive Income
- Consolidated Statement of Changes in Equity
- Consolidated Statement of Cash Flows.
- Notes to the Interim Consolidated Financial Statements.

The following amendments to the International Financial Reporting Standards (hereinafter IFRS) or IFRS interpretations came into force on 1 January 2022. They were therefore taken into account when drawing up these interim consolidated financial statements. These amendments are:

a) Regulation (EU) 2022/357, as regards International Accounting Standards 1 and 8

Amending Regulation (EC) No 1126/200 adopting certain international accounting standards in accordance with Regulation (EC) No 1606/2002 of the European

Parliament and of the Council as regards International Accounting Standards 1 and 8.

b) Annual improvements to IFRS. Cycle 2018-2020
Minor amendments in IFRS 1, IFRS 9, IFRS 16 and IAS 41.

The following amendments to International Financial Reporting Standards (hereinafter IFRS) or interpretations thereof are also expected to be introduced in 2022.

a) Provisions, contingent assets and liabilities: Provisions for onerous contracting. Amendments to IAS 37

The modification explains that the direct cost of fulfilling a contract comprises the incremental costs of fulfilling the contract and an allocation of other costs that relate directly to the performance of the contract.

b) Amendments to IAS 16

Prohibiting the deduction from the cost of an item of property, plant and equipment of any revenue from the sale of goods produced while the entity is preparing the asset for its intended use.

c) Reference to the conceptual framework. Amendments to IFRS 3

This Standard update concerns bringing the definitions of assets and liabilities in a business combination in line with the conceptual framework.

With regards to the other standards, interpretations and amendments issued by IASB which are not yet effective, the Directors have assessed the potential impact of the future application of these standards and consider their coming into force will not have a significant effect on the Consolidated Financial Statements.

a. Other standards, amendments and interpretations issued by the IASB pending approval by the European Union:

Standards and amendments to Standards		IASB effective date	EU effective date
IAS 1	Amendments in IAS 1: Presentation of Financial Statements and Disclosure of Accounting Policies	1 January 2023	1 January 2023
IAS 8	Amendments in IAS 8: Accounting Policies, Changes in Accounting Estimates and Errors	1 January 2023	1 January 2023
IFRS 17	IFRS 17 and Amendments to IFRS 17: Insurance contract	1 January 2023	1 January 2023
IFRS 17	IFRS 17 Insurance contracts: initial application of IFRS 17 and IFRS 9: Comparative information.	1 January 2023	1 January 2023
IAS 1	Amendments in IAS 1: Presentation of financial statements: Classification of liabilities as current or non-current, deferring the effective date and non-current with Covenants.	1 January 2024	pending

IAS 12	Amendments in IAS 12: Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023	1 January 2023
IFRS 16	Amendments in IFRS 16: Leases: Lease liability in a sale and leaseback	1 January 2024	pending

None of these Standards has been earlier applied by the Group. The directors have assessed the potential impact of the future application of these standards and consider their coming into force will not have a significant effect on the Consolidated Financial Statements.

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b) Fair presentation

The accompanying Interim Consolidated Financial Statements for the six-month period ended 30 June 2023 have been prepared from the accounting records of the companies included in the Group and are presented in accordance with the provisions of the International Financial Reporting Standards and the applicable Spanish accounting legislation, in order to show a true and fair view of the equity, financial position, results, changes in equity and cash flows of the Group occurred during the six-month period ended 30 June 2023.

c) Critical issues regarding the measurement and estimation of uncertainties

In the preparation of the accompanying Interim Consolidated Financial Statements according to IFRS, the Directors of the Parent Company have used accounting estimates and assumptions to measure certain of the assets, liabilities, income, expenses and commitments obligations therein disclosed. Accounting estimates and assumptions having a more significant impact on these Interim Consolidated Financial Statements have been separately addressed in different sections of this document:

- The useful life of property, plant and equipment and intangible assets (Notes 4f and 4g). Determining useful life requires making estimates in connection with future technological developments and alternative uses for assets. There is a significant element of judgment involved in making technological development assumptions, since the timing and scope of future technological advances are difficult to predict.

- The assessment of eventual impairment losses on goodwill (notes 4h and 4i). The decision to recognize an impairment loss involves developing estimates that include, among others, an analysis of the causes of the potential impairment, as well as its timing and expected amount. On an annual basis the Group assesses its relevant cash-generating units' performance to identify potential impairments; these assessments are based on risk-adjusted future cash flows discounted at the appropriate interest rates. Key assumptions used are disclosed in Note 5. The assumptions relating to risk-adjusted future cash flows and discount rates are based on business estimates and, accordingly, are inherently subjective in nature. Future events may lead to changes in the estimates made by Directors, with the resulting adverse impact on the Group's future results. Insofar as it has been deemed material, a sensitivity analysis of the impact of changes in the assumptions used and of the impact on the recoverable value of the relevant cash generating unit (CGU) has been disclosed.

- The fair value of certain financial instruments y their eventual impairment (note 4k and 4w).

- The calculation of provisions, as well as the likelihood of occurrence and the amount of indeterminate or contingent liabilities (note 4o).

- Forecasts of future taxable profits that make the recovery of deferred tax assets likely (note 4m). The Group assesses the recoverability of deferred tax assets based on estimates of future earnings of the tax group. Such recoverability ultimately depends on the tax group's ability to generate taxable earnings over the period for which the deferred tax assets remain deductible. Future events may lead to changes in the estimates made by Directors, with the resulting adverse impact on the Group's taxable earnings. This analysis is based on the estimated schedule for reversing deferred tax liabilities.

- Determination of fair value at acquisition date of assets, liabilities and contingent liabilities acquired in business combinations (Note 4u).

- The measurement of the estimation for expected credit losses due to trade and other receivables and assets of the contract: key cases for determining the weighted average loss ratio;

- Determination of the incremental interest rate for applying the lease calculation model.

These estimates were made based on the best information available at the date of preparation of these Interim Consolidated Financial Statements, on past experience and on other various factors that were then considered material. However, the actual final results may differ from those estimates. Any future event not known at the date of preparation of these estimates could result in changes (upwards or downwards), which would, when appropriate, applied prospectively.

The Group has concluded that there are no material uncertainties that may cast any doubt on its ability to continue as a going concern.

d) Classification of current and non-current items

For the classification of the current items, a maximum period of one year from the date of the accompanying Interim Consolidated Financial Statements has been applied.

e) Correction of errors

There have been no error corrections during the six months ended 30 June 2023.

f) Comparative information

The Interim Consolidated Financial Statements for the six-month period ended 30 June 2023 include, for comparison purposes, the figures for the six-month period ended 30 June 2021 and the figures for 2022 included in the Consolidated Financial Statements approved by the Company's General Meeting of Shareholders, held on 22 June 2023, that have also been prepared in accordance with the provisions of the International Financial Reporting Standards, as adopted by the European Union. Accordingly, the accounts from prior periods are comparable and homogeneous; the accounts for the year ended 31 December 2022 are not comparable as they refer to a 12-month period.

g) Reference on-Financial Information Statement (NFIS)

The ISPD Network Group and subsidiaries, in accordance with the provisions of Article 262.5 of the Spanish Limited Liability Companies Law (LSC) and Article 49.6 of the Commercial Code, is exempt from presenting the Non-Financial Information Statement (NFIS). This exemption is due to the inclusion of information related to this Group in the Non-Financial Information Statement of Inversiones y Servicios Publicitarios, S.L. and its subsidiaries which is part of the management report

NOTE 3. EARNINGS / LOSS PER SHARE

Basic earnings/loss per share

Basic earnings/loss per share is calculated by dividing the consolidated profit/loss attributable to the Parent Company by the weighted average number of shares outstanding during the fiscal year, excluding the average number of treasury shares held during the period.

Diluted earnings/loss per share

Diluted earnings/loss per share is calculated similarly to the basic profit/loss per share, but the weighted average number of shares outstanding is increased with stock options, warrants and convertible bonds.

Calculation of earnings/loss per share is shown below:

Translation differences		30/06/2023	31/12/2022	30/06/2022
Net profit/(loss) for the year		-555,062	4,418,761	1,189,909
Weighted average number of outstanding shares		14,716,262	14,716,262	14,716,262
Translation differences	-	0.04	0.30	0.08

During the presented periods, the Group did not execute any transaction causing dilution; accordingly, basic earnings/loss per share matches diluted earnings/loss per share.

The Annual General Meeting held on 22 June 2022 approved the following distribution of profit made as of 31 December 2022 by the Parent Company:

Accounting item.	Amount (in Euros)
"Profit/loss for the year" (i.e. 2022).	-142,990.00 €
"Prior period's losses"	-142,990.00 €

Distribution of dividends:

No dividends were distributed to companies outside the scope of consolidation in 2023 and 2022.

NOTE 4. SIGNIFICANT ACCOUNTING POLICIES

The main accounting policies applied by the Group in the preparation of the Interim Consolidated Financial Statements for the six-month period ended 30 June 2022 were as follows:

a) Consolidation methods

These Interim Consolidated Financial Statements include the Parent Company and all the subsidiaries over which the Group has control. Subsidiaries are those companies over which the Parent Company or any of its subsidiaries have control. Control is established by:

- Power over the investee;
- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect the amount of the investor's returns.

Subsidiaries are consolidated even if acquired for disposal.

Any balances, transactions, and gains and losses realized between Group companies included within the Group's continuing operations are subsequently eliminated in the consolidation process. Transactions between continuing and discontinuing operations expected to continue after disposal are not eliminated from continuing operations in order to present continuing operations consistently with the commercial operations they carry out.

Associates, companies over which the Group has a significant influence but over which it has no control, and jointly-controlled entities ("joint ventures"), where companies are entitled to the joint arrangement's net assets, have been consolidated using the equity method, except when these investments are eligible to be classified as held-for-sale. Any gains or losses resulting from transactions between Group companies and associates or jointly-controlled entities have been eliminated in proportion to the Group's interests in those companies. When the Group's share in the losses of a company consolidated using the equity method exceeds the amount of the Group investment, the Group recognizes a provision for its share of losses in excess of the investment. The value of the investment in any investee consolidated using the equity method is equal to the carrying amount of the equity investment and any other non-current interest that form an essential part of the net investment in the investee.

When control over a subsidiary is lost as a result of a transaction, event or any other circumstance, the Group derecognizes all the assets, liabilities and non-controlling interests at their carrying amount and recognizes the fair value of consideration received. Retained interests in the former subsidiary are recognized at fair value as at the date when control over it was lost. Any resulting difference is recognized as a gain or loss under "Other Income (Expense)" in the Statement of Comprehensive Income.

The financial statements of subsidiaries, associates and jointly-controlled entities are referred to the reporting period ended on the same date of the Parent Company's separate interim financial statements, and have been prepared applying consistent accounting policies (EU-IFRS).

Loss of control (IFRS 10)

A parent company may lose control of a subsidiary in two or more agreements (transactions). However, sometimes circumstances indicate that multiple agreements should be accounted for as a single transaction. In determining whether to account for the arrangements as a single transaction, a parent shall consider all the terms and conditions of the arrangements and their economic effects. One or more of the following may indicate that the parent should account for the multiple arrangements as a single transaction:

(a) They are entered into at the same time or in contemplation of each other.
(b) They form a single transaction designed to achieve an overall commercial effect.
(c) The occurrence of one arrangement is dependent on the occurrence of at least one other arrangement.
(d) One arrangement considered on its own is not economically justified, but it is economically justified when considered together with other arrangements.

If a parent loses control of a subsidiary:

a) It must derecognise:

- The assets (including any goodwill) and liabilities of the subsidiary at their carrying amounts at the date when control is lost.
- The carrying amount of any non-controlling interests in the former subsidiary at the date when control is lost (including all components of other comprehensive income attributable to them).

b) It shall recognise:

- The fair value of the consideration received, if any, from the transaction, event or circumstances that resulted in the loss of control.
- If the transaction, event or circumstances that resulted in the loss of control involves a distribution of shares of the subsidiary to owners in their capacity as owners, that distribution; and
- It shall recognise any investment retained in the former subsidiary at its fair value at the date when control is lost.

c) It shall reclassify to profit or loss, or transfer directly to retained earnings if required by other IFRSs, the amounts recognised in other comprehensive income in relation to the subsidiary.

d) It shall recognise any resulting difference as a gain or loss in profit or loss attributable to the parent.

If a parent loses control of a subsidiary, the parent shall account for all amounts previously recognised in other comprehensive income in relation to that subsidiary on the same basis as would be required if the parent had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income would be reclassified to profit or loss on the disposal of the related assets or liabilities, the parent shall reclassify the gain or loss from equity to profit or loss (as a reclassification adjustment) when it loses control of the subsidiary. If a revaluation surplus previously recognised in other comprehensive income would be transferred directly to retained earnings on the disposal of the asset, the parent shall transfer the revaluation surplus directly to retained earnings when it loses control of the subsidiary.

b) Uniformity of line items

The different line items in the separate financial statements of each Group company have been subject to the appropriate measurement uniformity by adapting the criteria used to those used by the Parent Company for its own financial statements, provided they involve a significant effect.

No time uniformity was required for subsidiaries included in the consolidated ISPD Network Group for the previous year, since the reporting date for the accompanying Consolidated Financial Statements is 31 December of each year.

c) First consolidation difference

The first consolidation difference was calculated as the difference between the carrying amount of the investment in the subsidiaries and the value of the proportional share of the investees' consolidated equity on the date of first consolidation.

In the case of a positive consolidation difference, corresponding to the excess of the cost of the investment and the attributable carrying amount of the investee at the date of joining the Group, the difference is allocated directly, to the extent possible, to assets of the subsidiary without exceeding the market value thereof. When the difference cannot be allocated to assets, it is considered as consolidation goodwill that shall be annually subject to the relevant impairment test (see Note 4i).

Negative consolidation differences are recognized in the Consolidated Income Statement, and relate to the negative difference between the carrying amount of the parent Company's direct investment in the capital of the subsidiary and the value of the proportional share in the investee's equity attributable to the investment on the date of initial consolidation.

d) Translation differences

In the Consolidated Statement of Financial Position and in the Consolidated Income Statement, items relating to consolidated companies whose functional currency is not the Euro have been translated to Euro using the following criteria:

- Assets, liabilities, income and expenses (excluding equity): at the exchange rate at the end of each year

- Items in the Consolidated Income Statement: at the average exchange rate of the fiscal year.

- Equity at the historical exchange rate.

The differences resulting from the application of different exchange rates, in accordance with criteria above, are recognized under the “Translation Differences" in the Consolidated Statement of Financial Position.

Hyperinflationary economies:

International Accounting Standard (IAS) 21 states that the results and financial position of an entity whose functional currency is not the currency of a hyperinflationary economy are translated into a different presentation currency using the following procedures:

All amounts (i.e. assets, liabilities, equity items, expenses and income, including related comparative figures) shall be translated at the closing rate of change at the date of the most recent balance sheet reporting date, except where amounts are translated into the currency of a non-hyperinflationary economy, in which case the comparative figures shall be those that were presented as current amounts for the year in question in the previous year's financial statements (i.e. these amounts shall not be adjusted for subsequent changes in price levels or exchange rates).

When an entity's functional currency is the currency of a hyperinflationary economy, the entity shall restate its financial statements in accordance with the translation method set out in the foregoing paragraphs, except for comparative amounts that are translated into a currency of a non-hyperinflationary economy. When the economy ceases to be hyperinflationary and the entity no longer restates its financial statements, it shall use as the historical costs for translation into the presentation currency the amounts restated to the price level at the date the entity ceased restating its financial statements. The Group has concluded that the application of this model is not relevant to the Group company domiciled in Argentina and therefore the comparative figures for the year ended 31 December 2022 and the six months ended 30 June 2023 have not been restated.

e) Transactions between companies included in the consolidation perimeter

As prior step to preparation of the Interim Consolidated Financial Statements, the Directors have proceeded to eliminate all balances and transactions between Group companies, as well as any gains or losses obtained or incurred in by such companies as a result of the aforementioned transactions.

f) Intangible assets

In general, intangible assets are always recognized when they comply with the identifiability criterion and are initially measured at their acquisition or production cost, less accumulated amortization and, where appropriate, impairment losses. In particular, the following criteria are applicable:

Industrial property

Industrial property relates to capitalized development costs for which the relevant patents, etc. have been obtained, and includes the costs of registration and formalization of industrial property and those of acquisition of the rights from third parties. Industrial property is amortized on a straight-line basis throughout its useful life, at an annual rate of 20%.

Computer software

The 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%.

Any maintenance costs relating to computer applications incurred into during the year are recognized in the Consolidated Income Statement.

g) Property, plant and equipment

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

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 costs of expansion, modernization or improvements leading to increased productivity, capacity or efficiency, or to an extension of the useful lives of the assets are recognized as an increased cost thereof. Upkeep and maintenance expenses are charged to the Consolidated Income Statement for the relevant year.

The Group depreciates property, plant and equipment on a straight-line basis. The useful life and depreciation rates applied are as follows:

	Annual Percentage	Estimated Years of Useful Life
Other installations	20	5
Furniture	10	10
Computer Hardware	18	5.71
Motor vehicles	25	4
Machinery	20	5
Other property, plant and equipment	20-10	5-10

h) Goodwill

Goodwill may only be recognized as an asset when it arises from an onerous acquisition in a business combination.

Goodwill is allocated between all the company's cash-generating units that are expected to benefit from the synergies of the business combination and, where appropriate, an impairment is recognized (see Note 4 i).

Should the company need to recognize an impairment loss for a cash-generating unit to which all or part of goodwill has been allocated, it shall first reduce the carrying amount of the goodwill associated with that unit. If impairment exceeds the amount of goodwill, the company shall then reduce the remaining assets in the cash-generating unit on a pro rata basis based on their carrying amounts. The carrying amount of each asset may not be reduced below the higher of its fair value less costs to sell, its value in use or zero. Impairment losses are recognised in the income statement for the year.

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. Such a reversal of an impairment loss is recognised as income in the consolidated profit and loss account.

i) Impairment of intangible assets; property, plant and equipment, and consolidation goodwill.

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. For the calculation of the recoverable value of property, plant and equipment and intangible assets, the value in use is the criterion used by the Group.

To these purposes, at least at year end, the Group 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. A cash-generating unit (CGU) is the smallest identifiable group of assets that generates cash flows that are largely independent of those derived from other assets or groups of assets.

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.

The procedure implemented by the Group management for determining the impairment is as follows:

For estimating value in use, the Group management annually prepares a business plan by markets and activities for each cash-generating unit, these business plans typically extend over a five-year period. The main components of this plan are the projections of income and cash flows.

Other variables that influence the calculation of the recoverable amount are:

- The discount rate to be applied, estimated at around 10.6% depending on the relevant region; the main variables that influence the calculation are the cost of the liabilities and the specific risks of the assets.

- The growth rate of approximately 2% for the cash flows used were established based on each company and each geographic market.

The projections are prepared based on past experience as well as the best available estimates, which are consistent with the information from external sources.

The five-year strategic plan for the Group companies is approved by the Directors of the Parent Company.

Should the company need to recognize an impairment loss for a cash-generating unit to which all or part of goodwill has been allocated, it shall first reduce the carrying amount of the goodwill associated with that unit. If impairment exceeds the amount of goodwill, the company shall then reduce the remaining assets in the cash-generating unit on a pro rata basis based on their carrying amounts. The carrying amount of each asset may not be reduced below the higher of its fair value less costs to sell, its value in use or zero. Impairment losses shall be recognized in the income statement as an expense.

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 the Consolidated Income Statement.

j) Leases and other transactions of similar nature

<u>The Group as lessee</u>

For any new contract entered into as of 1 January 2019, the Group considers whether a contract is or contains a lease. A lease is defined as "a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration." To apply this definition, the Group assesses whether the contract satisfies three key evaluations, namely:

- the contract contains an identified asset that is either explicitly identified in the contract or implicitly specified by being identified at the time that the asset is made available to the Group.

- the Group has a right to obtain substantially all of the economic benefits from the use of the identified asset throughout the period of use, considering its rights within the scope defined in the contract.

- the Group has the right to direct the use of the identified asset throughout the period of use.
The Group will assess whether it has the right to direct ‘how and for what purpose’ the asset is used throughout the period of use.

Valuation and recognition of leases as lessee

On the lease start date, the Group recognises a right-of-use asset and a lease liability on the balance sheet. The right-of-use asset is valued at cost, consisting of the initial acquisition value of the lease liability, initial direct costs incurred by the Group, an estimate of the costs of dismantling and disposal of the asset at the end of the lease, and payments made prior to the commencement date (net of any incentive received).

The Group amortises right-of-use assets from the lease start date to the end of the useful life of the right-of-use asset or the end of the lease term, the first of the two cases. The Group also evaluates impairment on the right-of-use asset when such indicators exist.

On the start date, the Group measures the liability by the current value of the instalments pending payment on that date, discounted using the interest rate implicit in the lease contract whenever that rate is easily available, or the Group’s incremental borrowing rate.

The instalments included in the valuation of the lease liability comprise fixed instalments (including in-substance fixed payments), variable instalments based on an index or interest rate, expected amounts, etc., to be paid by virtue of a residual value guarantee, and payments derived from options whose exercise is reasonably safe.

Subsequent to the initial measurement, the liability will be reduced for payments made but increased for interest. It is remeasured to reflect any re-evaluation or modification, or if there are changes to in-substance fixed payments.

When revaluing the lease liability, the corresponding adjustment is reflected in the right-of-use asset or in the profit/loss for the year if the right-of-use asset has already been reduced to zero.

The Group has opted to account for short-term leases and leases on low-value assets using practical expedients. Instead of recognising a right-of-use asset and a finance lease liability, their related payments are recognised as an expense in the profit/loss for the year linearly throughout the lease term.

In the statement of financial position, right-of-use assets have been included under property, plant and equipment and lease liabilities have been included under trade and other payables.

The Group as lessor

The Group's accounting policy under IFRS 16 has not changed with respect to the comparative period. As lessor, the Group classifies its leases as operating or finance leases.

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset but as an operating lease if it does not.

k) Financial Instruments

k.1) Recognition and derecognition

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

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all risks and rewards are transferred. A financial liability is derecognised when it is extinguished, settled, cancelled or expires.

k.2) Classification and initial measurement of financial assets

Except for trade receivables that not contain a significant financing component and that are measured at transaction price in accordance with IFRS 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

Financial assets, except when designated and effective as hedging instruments, are classified in the following categories:

- Amortised cost.
- Fair Value Through Profit or Loss (FVTPL).
- Fair Value through Other Comprehensive Income (FVOCI).

The Group has no financial assets classified as FVOCI in the reporting periods.

Classification is determined by both:

- The entity's business model for financial asset management.
- The contractual cash flow characteristics of the financial asset.

All income and expenses related to financial assets recognised in profit or loss are reported within finance costs, finance income or other financial items, except for impairment of receivables, which is reported within other expenses.

k.3) Revaluation of financial assets

<u>Financial assets at amortized cost</u>
Financial assets are measured at amortised cost if they meet the following conditions (and not designated as FVTPL):

- Held within a business model whose objective is to hold assets to collect contractual cash flows.

- 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.

These assets are subsequently measured at amortised cost using the effective interest method. Discounting is omitted when the effect of discounting is irrelevant. Cash and cash equivalents, trade receivables and most of the Group's other receivables are included in this category of financial instruments, together with listed bonds previously classified as held-to-maturity in accordance with IAS 39.

k.4) Impairment of financial assets

The impairment requirements of IFRS 9 use more forward-looking information to recognise expected credit losses - the expected credit loss (ECL) model. This replaces the "incurred loss model" of IAS 39. Instruments within the scope of the new requirements included loans and other debt-type financial assets measured at amortised cost and FVOCI, trade receivables, contract assets recognised and measured under IFRS 15 and loan commitments and some financial guarantee contracts (for the issuer) that are not measured at fair value through profit or loss. The recognition of credit losses is no longer dependent on the Group first identifying a credit loss event. Instead, the Group considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions and reasonable and supportable forecasts that affect the expected collectability of the instrument's future cash flows.

In applying this forward-looking approach, a distinction is made between:

- Financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk; ("first stage"); and

- Financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ("second stage").

Stage 3 includes financial assets that have objective evidence of impairment at the reporting date.

"12-month expected credit losses" are recognised for the first category, while "lifetime expected losses" are recognised for the second. "Credit losses" are recognised for the second category.

The measurement of expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

Trade and other receivables and contract assets

The Group uses a simplified approach in accounting for trade and other receivables and contractual assets and records the allowance for losses as lifetime expected credit losses. These are the expected shortfalls in contractual cash flows, considering the potential for default at any time during the life of the financial instrument. For the calculation, the Group uses its historical experience, external indicators and forward-looking information to calculate expected credit losses using a provisioning matrix.

The Group collectively assesses trade receivables for impairment as they have shared credit risk characteristics and have been grouped on the basis of days past due.

k.5) Classification and measurement of financial liabilities

The Group's financial liabilities include financial debt, trade and other payables.

Financial liabilities are initially measured at fair value and, where appropriate, adjusted for transaction costs, unless the Group has designated a financial liability at fair value through profit or loss.

Financial liabilities are subsequently measured at amortised cost using the effective interest rate method, except for derivatives and financial liabilities designated at FVTPL, which are subsequently carried at fair value with gains or losses recognised in profit or loss.

All interest-related charges and, if applicable, changes in the fair value of an instrument that are reported in profit or loss are included in finance costs or income.

l) Foreign Currency

Line items included in the interim consolidated financial statements of each Group company are measured in their respective functional currencies. The Interim Consolidated Financial Statements are presented in Euro, which is the functional and presentation currency of the Parent Company.

The companies included in the Group recognize in their individual financial statements:

- Transactions in currencies other than the functional currency executed during the year at the exchange rates prevailing at the dates of the transaction.
- The balance of monetary assets and liabilities in currencies other than the functional currency (cash and items not losing value on realization) are measured at the exchange rates at year-end.
- The balances of non-monetary assets and liabilities in currencies other than the functional currency are measured at the historical rates.

Any gains and losses from these line items are included in the Consolidated Income Statement.

m) Income Tax

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

The Board of Directors held a meeting on 30 December 2016, where it was reported that the company Inversiones y Servicios Publicitarios, S.L. ("ISP") holds 83.09% of the share capital of Antevenio (see note 12), and that, pursuant to article 61.3 of the Spanish Corporate Income Tax (Law 27/2014 of 27 November), and, as Antevenio S.A. lost its status as the parent company of tax group No. 0212/2013 because ISP acquired a stake of over 75% of its share capital and voting rights, it was agreed to include the companies of the ISPD Network Group as pertinent, effective from the tax reporting period commencing 1 January 2017, as subsidiary of tax group No. 265/10, whose parent company is ISP

Income tax expense for the year is calculated as the sum of current tax resulting from applying the corresponding tax rate to the taxable base for the year, net of any deductions and tax reliefs, and net of any changes registered during the year in deferred tax assets and liabilities. Income Tax is recognized in the Consolidated Income Statement, except when it relates to transactions directly recognized in Equity, in which case the related tax is also recognized in Equity.

Deferred taxes are recognized for any temporary differences existing at the date of the Consolidated Statement of Financial Position between the tax bases of assets and liabilities and their carrying amounts. The tax base of an asset, liability or equity instrument is the amount attributed to that item for tax purposes. The tax effect of temporary differences is included under the appropriate headings of "Deferred tax assets" and "Deferred tax liabilities" in the Consolidated Statement of Financial Position.

The Group recognizes deferred tax assets for all deductible temporary differences to the extent that it is probable that the Company will have future taxable profits that allow the recovery of these assets, except, where appropriate, for the exceptions provided in the existing regulations.

At each balance sheet date, the Group assesses any recognized deferred tax assets and any previously unrecognized deferred tax assets. On the basis of this assessment, the Company proceeds to derecognize previously recognized deferred tax asset when recovery is no longer probable, or proceeds to recognize a previously unrecognized deferred tax asset if it is probable that the Company will have future taxable profits to enable its application.

Assets and deferred tax liabilities are measured at the rates expected to prevail upon their reversal, based on tax legislation in force and in accordance with the manner in which the assets are reasonably expected to be recovered or and liabilities settled.

Deferred tax assets and liabilities are not discounted and classified as non-current assets and liabilities, regardless of the date of realization or settlement.

Since the Consolidated group is member of a taxation group, the resulting payable/receivable amounts for Corporate Income Tax will not be directly settled with Public Entities, but will rather be settled with the parent company of the taxation group in which the Company is included.

n) Revenue and expenses

IFRS 15 establishes that the Group shall recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the Group 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 Group recognises contracting liabilities received in respect of unfulfilled performance obligations and presents these amounts as other liabilities in the statement of financial position. Similarly, if the Group satisfies a performance obligation before the consideration is received, the Group 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.

On the other hand, IFRS 15 requires the recognition of an asset 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.

The ISPD Network Group is mainly involved in Digital Media Trading, more specifically in performance and brand marketing. The Group has identified the performance obligations of this core business, which is the achievement of the KPIs set by the customer, which can be measured in leads, clicks, views, etc. in the different media used. The Group determines the price of such obligations at the time it defines the contractual characteristics of each contracting with each specific customer, allocating the price to the performance obligations described above. In addition, the Group recognises revenue for each contract at the point in time when these performance obligations are fulfilled and acceptance by the customer is obtained. In addition, the credit granted by the Group to its customers is based on their specific characteristics and creditworthiness.

o) Provisions and contingencies

The directors of the Parent Company, in the preparation of the Interim Consolidated Financial Statements, distinguish between:

n.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.

n.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.

The Interim Consolidated Financial Statements include all the provisions for which the probability of having to meet the obligation is estimated as greater than the opposite alternative, and they are measured at the present value of the best possible estimate of the amount required to settle or transfer the obligation to a third party. Contingent liabilities are not recognized in the Interim Consolidated Financial Statements but are disclosed in the notes.

Provisions are measured on the balance sheet date at the present value of the best estimate of the amount required to settle or transfer the obligation to a third party; any adjustments made to update these provisions shall be recognized as a financial expense as it accrues. Provisions expiring within one year shall not be 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.

p) Deferred Income

Non-refundable capital grants, as well as donations and bequests, are measured at the fair value of the amount awarded or the item received. Non-refundable capital grants, donations and bequest are initially accounted for as liabilities under "Deferred income" in the Consolidated Income Statement and recognized in the Consolidated Profit and Loss Account proportionally to the depreciation of the assets financed by these grants, except in the case of non-depreciable assets that shall be recognized as income the year when their disposal or derecognition occurs.

Refundable grants are accounted for as either current or non-current liabilities (considering the term of repayment) convertible into grants until they meet the criteria for classification as non-refundable.

Operating grants are accounted for as income on an accrual basis.

q) Assets of environmental nature

Because of its activity, the Group has no significant assets of property, plant and equipment, intended to minimize environmental impact and, protecting and improving the environment and, has not received grants nor incurred in expenses during the year whose purpose is to protect and improve the environment. Furthermore, the Group has not made provisions for risks and expenses related to environmental actions, considering that there are no contingencies related to the protection and improvement of the environment.

r) Transactions between related parties

Transactions between related parties, irrespective of the type of relationship, are accounted for in accordance with the general standards. Therefore, as a general rule, items involved in a transaction will be initially measured 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.

s) 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.

These executive share option scheme are initially measured at fair value (see Note 4w) at grant date, applying a generally accepted financial calculation method that takes into account, inter alia, the option exercise price, the volatility, the time frame for exercising the options, the 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.

t) Statement of Cash Flows

The Consolidated Statement of Cash Flows has been prepared using the indirect method, and uses the following expressions with the meaning specified:

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

- Investing activities are the acquisition, sale or disposal of long-term 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 liabilities that are not part of the operating activities.

u) 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 intangible assets are measured an amortized on the basis of their remaining contractual lifecycle.

- 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.

v) Equity instruments (treasury shares)

Treasury shares of the Parent Company acquired by the Group are recognized at the value of the consideration paid, as a reduction in the value of Equity. The proceeds arising from the purchase, sale, issue or redemption of own equity instruments are recognized directly in Equity, and under no circumstances can they be recognized in the Consolidated Income Statement.

w) Fair value measurement of financial instruments

Financial assets and liabilities measured at fair value in the statement of financial position are grouped into three levels of a fair value hierarchy. The three levels are defined on the basis of the observability of significant measurement inputs, as indicated below:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

- Level 2: inputs other than quoted prices included in Level 1 which are either directly or indirectly are observable for the asset or liability.

- Level 3: unobservable inputs for the asset or liability.

NOTE 5. CONSOLIDATION GOODWILL

Based on the above mentioned criteria, the breakdown of consolidation goodwill is as follows:

	30/06/2023	31/12/2022	30/06/2022
Marketing Manager Servicios de Marketing, S.L.	276,461	276,461	276,461
Antevenio S.R.L.	3,686,847	3,686,847	3,686,847
Antevenio ESP, S.L.U.	81,027	81,027	81,027
Foreseen Media, S.L. (see Note 25)	109,509	109,509	109,509
B2Marketplace Ecommerce Consulting Group, S.L (see Note 25)	1,811,125	1,811,125	1,811,125
Blue Digital	472,563	472,563	472,563
Happyfication	1,757,952	1,757,952	1,915,982
Total Cost	**8,195,485**	**8,195,485**	**8,353,514**

Each of the above mentioned goodwill arose on acquisition of the relevant company. The directors have defined each of these companies as a Cash Generating Unit (CGU).

For estimating recoverable value, the Group management annually prepares a business plan by markets and activities for each cash-generating unit, these business plans typically extend over a five-year period. The main components of this plan are the projections of income and cash flows.

The recoverable value of each CGU has been determined on the basis of its value in use.

The recoverable amount of each company's goodwill is based on management's estimates of its value in use. These estimates were made by projecting the cash flows of each company for the next five years and extrapolating them using a growth rate determined by management. The present value of the expected cash flows of each company is determined by applying an appropriate WACC rate that reflects the current situation of the time value of money and the specific risks of each company.

The key assumptions used in these projections of future results and cash flows and that have an impact on calculation of the recoverable amount are:

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.

Cash flow estimates are based on past performance, accordingly the assumptions used by Directors included stable profit margins based on current investments.

A perpetual growth rate of approximately 2%, to reflect the industry's long-term average growth rate.

The projections are prepared based on past experience as well as the best available estimates, which are consistent with the information from external sources.

Impairment tests, considering these recent developments, resulted in a reduction of the goodwill of some of the Group companies in previous years to their recoverable amount as shown in the table above.

In preparing the estimates made to analyse the key assumptions used in calculating value in use and sensitivity to changes in assumptions, consideration has been given to the impact that the instability created by the war, disruptions in the supply chain, the upward trend in prices, and the increase in interest rates from September 2022 may have had on the main assumptions.

Specifically:

Gross Margins: The projected gross margins were reduced, as the effect of increased competition and lower disposable income of households, as end-users, was factored in.

Growth rates: This variable covers the impact of the instability triggered by the war and the resulting tension in the supply chain, rising interest rates and the upward trend in prices, which may affect the trends in final demand.

The five-year strategic plan for the Group companies is approved by the Directors of the Parent Company.

The Group conducted a sensitivity analysis of the assumptions used in estimating the fair value of these assets, altering these estimates (discount rate and growth rate) by +/- 0.25%. This sensitivity analysis would result in a non-significant change in the fair value of these assets which would not change the conclusions reached by the Group.

During fiscal year 2021 new goodwill, of €1,915,982 was revealed as a result of the acquisition of the US-based company Happyfication Inc. based on the best possible estimate of the Parent Company's management. During fiscal year 2022, and within the provisional accounting period provided for in the applicable accounting legislation, this goodwill was restated to €1,757,952.

NOTE 6. PROPERTY, PLANT AND EQUIPMENT

In the first six months of 2023 and in 2022, the balances and movements of gross values, accumulated depreciation and impairment are as follows:

COST	31.12.2022	RECOGNITION	DERECOGNITION	TRANSFERS	30/06/2023
Land and buildings	-	-	-	-	-
Technical installations, machinery, tools, furniture and other items of PPE	2,923,602	173,919	(338,053)	(3,016)	2,756,452
Fixed assets in progress and advances	-	-	-	-	-
Right of use IFRS 16	2,533,354	1,581,773	(1,896,722)	109	2,218,514
TOTAL COST	**5,456,954**	**1,755,692**	**(2,234,775)**	**(2,907)**	**4,974,966**

ACCUMULATED DEPRECIATION	31.12.2022	RECOGNITION	DERECOGNITION	TRANSFERS	30/06/2023
Land and buildings	-	-	-	-	-
Technical installations, machinery, tools, furniture and other items of PPE	(2,535,986)	(100,788)	331,180	7,690	(2,297,904)
Fixed assets in progress and advances	-	-	-	-	-
Right of use IFRS 16	(699,275)	(289,651)	465,321	1,186	(522,420)
TOTAL ACCUMULATED AMORTISATION	**(3,235,261)**	**(390,439)**	**796,501**	**8,876**	**(2,820,324)**

IMPAIRMENT ALLOWANCES	31.12.2022	RECOGNITION	DERECOGNITION	TRANSFERS	30/06/2023
Land and buildings	-	-	-	-	-
Technical installations, machinery, tools, furniture and other items of PPE	-	-	-	-	-
Fixed assets in progress and advances	-	-	-	-	-
Right of use IFRS 16	-	-	-	-	
TOTAL ALLOWANCES	**-**	**-**	**-**	**-**	**-**

NET	31.12.2022	RECOGNITION	DERECOGNITION	TRANSFERS	30/06/2023
Land and buildings	-	-	-	-	-
Technical installations, machinery, tools, furniture and other items of PPE	387,616	73,131	(6,872)	4,673	458,548
Fixed assets in progress and advances	-	-	-	-	-
Right of use IFRS 16	1,834,079	1,292,122	(1,431,401)	1,295	1,696,094
TOTAL NET CARRYING AMOUNT	**2,221,693**	**1,365,253**	**(1,438,274)**	**5,968**	**2,154,642**

The right-of-use asset figure at 30 June 2023 amounts to €2,218,514 (31 December 2022: €2,533,354) with a amortisation charge of €289,651 (31 December 2022: €582,291). The balance recorded refers to leases signed by the Group that must be recognised in the consolidated statement of financial position under IFRS 16.

Impairment tests in relation to this right of use, considering these recent developments, have not led to impairments in the group.

Specifically, the main assumptions used and described above have been weighted downwards, given how they would have been projected, without considering the scenario of the aforementioned health and economic crisis, so that they have been impacted as described below:

1. Gross Margins: The projected gross margins have been reduced, as the effect of increased competition and the decrease in household disposable income as end-users were considered, which has a direct impact on the reduction of our projected gross margins in all activity branches.

2. Growth rates: With this variable, it is considered that the impact of the health crisis will affect the entire Group's market, causing a decrease in the growth rate as a result of the increased competition and price reductions mentioned above.

Finally, to weight the sensitivity of management's estimates to changes in the main assumptions, different scenarios have been considered, increasing and decreasing the rates used in the different assumptions. A more conservative scenario has been chosen when calculating the value in use of the assets of each of the branches of activity, given that it is a scenario of greater certainty at an economic level, according to the information available to management at the time these interim consolidated financial statements were drawn up.

The gross value of fully depreciated items in use is as follows:

ITEM	30.06.2023	31.12.2022	30.06.2022
Technical installations, machinery, tools, furniture and other items of PPE	2,030,958	1,830,175	2,093,367
TOTAL COST	**2,030,958**	**1,830,175**	**2,093,367**

The Group’s entire property, plant and equipment is allocated to operations, appropriately insured and not subject to any encumbrance whatsoever.

The net book value of tangible fixed assets outside Spanish territory amounts to 147,590 Euros at 30 June 2023 (88,403 Euros at 31 December 2022; 215,995 Euros at 30 June 2022).

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

The policy of the Company consists in taking out insurance policies to cover the possible risks to which the various elements of its property, plant and equipment are subject. At 30 June 2023 and 31 December 2022, the assets of the Group were insured under an insurance policy. The Group’s directors consider that this insurance policy sufficiently covers any risks associated to its property, plant and equipment.

NOTE 7. INTANGIBLE ASSETS

In the first six months of 2023 and in 2022, the balances and movements of gross values, accumulated depreciation and impairment are as follows:

COST	31/12/2022	RECOGNITION	DERECOGNITION	GR	30/06/2023
Research and development expenses	-	-	-	-	-
Concessions	-	-	-	-	-
Patents, licences, trademarks and similar rights	386,118	-	(36,597)	(3,740)	345,781
Goodwill	1,032,090	-	-	(4,285)	1,027,805
Computer software	4,178,017	6,947	(21,512)	5,468	4,168,920
Other Intangible Fixed Assets	-	-	-	-	-
TOTAL COST	**5,596,225**	**6,947**	**(58,109)**	**(2,558)**	**5,542,506**

ACCUMULATED DEPRECIATION	44,926		RECOGNITION	DERECOGNITION	GR	45,107
Research and development expenses	-	-	-	-	-	-
Concessions	-	-	-	-	-	-
Patents, licences, trademarks and similar rights	(291,197)	-	(50,827)	36,597	-	(305,427)
Goodwill	(295,280)	-	(23,457)	-	-	(318,737)
Computer software	(2,310,111)	-	(307,964)	21,512	(18,350)	(2,614,912)
Other Intangible Fixed Assets	-	-	-	-	-	-
TOTAL ACCUMULATED AMORTISATION	**(2,896,587)**		**(382,247)**	**58,109**	**(18,350)**	(3,239,075)

PROVISION FOR IMPAIRMENT	44,926	-	RECOGNITION	DERECOGNITION	GR	45,107
Research and development expenses	-	-	-	-	-	-
Concessions	-	-	-	-	-	-
Patents, licences, trademarks and similar rights	-	-	-	-	-	-
Goodwill	(334,553)	-	(28,094)	-	-	(362,648)
Computer software	(9,315)	-	-	-	9,316	1
Other Intangible Fixed Assets	-	-	-	-	-	-
TOTAL ALLOWANCES	**(343,868)**		**(28,094)**	**-**	**9,316**	**(362,647)**

NET	44,926	RECOGNITION	DERECOGNITION	GR	45,107
Research and development expenses	-	-	-	-	-
Concessions	-	-	-	-	-
Patents, licences, trademarks and similar rights	94,921	(50,827)	-	(3,740)	40,354
Goodwill	402,257	(51,551)	-	(4,285)	346,421
Computer software	1,858,591	(301,016)	-	945	1,554,009
Other Intangible Fixed Assets	-	-	-	-	-
TOTAL NET CARRYING AMOUNT	**2,355,770**	**(403,394)**	**-**	**(7,080)**	**1,940,784**

At 30 June 2023, the net book value of intangible assets located outside Spain amounts to €70,900.86 (€119,211 at 31 December 2022; €163,079.43 at 30 June 2022

The gross value of fully depreciated items in use is as follows:

ITEM	30.06.2023	31.12.2022	30.06.2022
Patents, licences, trademarks and similar rights	234,160	228,815	284,079
Computer software	1,465,067	1,420,815	1,363,974
Other Intangible Fixed Assets	210,702		181,599
TOTAL COST	**1,909,929**	**1,649,630**	**1,829,652**

NOTE 8. OPERATING LEASES

During the first six months of 2023 and during the entire 2022 financial year, the expense for operating leases amounted to €390,433 and €535,869, respectively (€128,960 in the first six months of 2022) (see note 17 d).

Minimum future payment commitments relating to non-cancellable operating leases have been recognised by the Group on the basis of the early application of the new IFRS No. 16, which was previously explained in Note 4 (Notes 7 and 10.1).

The main leases relate to offices located in the US, in Spain (Barcelona and Madrid), and to a lesser extent to offices leased in Italy, Mexico and Chile.

In accordance with IFRS 16, except where the practical expedient exemptions in note 4 apply, a lessee shall:

- Recognise a financial liability equal to the present value of the fixed payments to be made over the lease term;

- Recognise an asset in the Consolidated Statement of Financial Position for the right to use the corresponding asset, which shall be assessed taking as a reference the amount of the associated financial liability, to which the direct costs incurred to enter into the contract, the payments which must be made in advance, and the costs of future dismantling will be added.

As of the reporting date of these Interim Consolidated Financial Statements, the Group has opted for this standard. As at 1 January 2022, the US company Digilant Inc. will apply ASC 842, which corresponds to a regulatory regime similar to IFRS 16.

The impact from application of this standard resulted in the recognition of the following leases at 30 June 2023, as detailed below:

	ASSETS	2023 Amortisation	2023 Accumulated Amortisation	Financial Liabilities	Interest expenses	Rental expenses
Antevenio S.R.L.	193,399	15,970	(15,970)	(177,429)	3,030	(19,000)
Antevenio México, S.A. de CV	184,948	4,996	(4,996)	(179,952)	605	(5,601)
Digilant Inc	427,735	56,971	(155,061)			
ISPD Network, S.A. (Madrid 2)	93,394	13,887	(13,887)	(79,507)	1,413	(15,300)
Digilant Chile	209,006	44,453	(179,132)	(29,873)	854	
ISPD NETWORKS. (Madrid 1)	301,486	68,236	(68,236)	(233,250)	4,370	(72,606)
ISPD NETWORKS (Barcelona)	808,546	85,137	(85,137)	(723,409)	12,526	(97,663)
	2,218,514	**289,650**	**(522,419)**	**(1,705,016)**	**22,798**	**(210,170)**

As at 31 December 2022, the impact resulting from the application of this regulation is as follows:

	ASSETS	2022 Amortisation	2022 Accumulated Amortisation	Financial Liabilities	Interest expenses	Rental expenses
Antevenio S.R.L. (former office)	-	50,307	-	-	635	(50,942)
Antevenio S.R.L. (new rental)	218,248	11,876	(11,876)	(206,372)	790	(12,666)
Digilant Inc	436,378	117,418	(104,776)	(340,704)	-	-
ISPD Network SA (Madrid 2)	140,244	25,651	(43,634)	(96,610)	1,649	(27,300)
Digilant Chile	200,838	72,567	(129,179)	(71,659)	1,659	-
ISPD Network SA (Madrid 1)	606,149	135,636	(303,650)	(302,499)	5,613	(141,249)
Rebold Marketing y Communication (Barcelona)	-	62,675	-	-	234	(62,909)
ISPD Network SA (Barcelona)	931,497	106,160	(106,160)	(825,337)	6,540	(112,700)
	2,533,354	**582,290**	**(699,275)**	**(1,843,181)**	**17,120**	**(407,766)**

The maturity classification of the debt associated with these assets at 30 June 2023 and 31 December 2022 is as follows:

Financial Liabilities	**2023**	**2024**	**2025**	**2026**	**2027**	**2028**	**Total**
Antevenio S.R.L.	15,642	32,220	33,509	34,849	36,243	24,964	**177,429**
Antevenio México, S.A. de CV	30,321	62,455	64,953	22,223			**179,952**
Digilant Inc	53,060	111,266	117,270				**281,596**
ISPD Network, S.A (Madrid 2)	14,251	33,434	31,822				**79,507**
Digilant Chile	29,873						**29,873**
ISPD NETWORKS. (Madrid 1)	68,381	140,851	24,017				**233,250**
ISPD Network Barcelona (Barcelona)	86,282	177,723	184,832	192,225	82,346		**723,409**
	297,810	**557,951**	**456,403**	**249,298**	**118,589**	**24,964**	**1,705,016**

Financial Liabilities	2023	2024	2025	2026	2027	2028	Total
Antevenio S.R.L.	35,165	35,693	36,228	36,771	37,323	25,192	**206,372**
Digilant Inc	107,550	113,515	119,639				**340,704**
ISPD Network SA (Madrid 2)	29,760	34,640	32,210				**96,610**
Digilant Chile	71,659						**71,659**
ISPD Network SA (Madrid 1)	138,402	140,479	23,617				**302,498**
ISPD Network SA (Barcelona)	182144	184877	187650	190465	80200		**825,336**
	564,680	**509,204**	**399,344**	**227,236**	**117,523**	**25,192**	**1,843,179**

These maturities are included in the maturities described in note 10.2 under Other non-current liabilities.

NOTE 9. CURRENT AND NON-CURRENT FINANCIAL ASSETS

The break-down of non-current financial assets is as follows:

	Receivables and other			Total		
	30/06/2023	**31/12/2022**	**30/06/2022**	**30/06/2023**	**31/12/2022**	**30/06/2022**
Loans and receivables (Note 9.2)	176,738	103,788	126,972	176,738	103,788	126,972
Total	**176,738**	**103,788**	**126,972**	**176,738**	**103,788**	**126,972**

The break-down of current financial assets is as follows:

	Current			Total		
	30/06/2023	**31/12/2022**	**30/06/2022**	**30/06/2023**	**31/12/2022**	**30/06/2022**
Cash and cash equivalents (Note 9.1)	5,932,573	18,964,822	10,671,147	5,932,573	18,964,822	10,671,147
Loans and receivables (Note 9.2)	31,987,817	35,096,707	28,284,816	31,987,817	35,096,707	28,284,816
Total	**37,920,390**	**54,061,529**	**38,955,963**	**37,920,390**	**54,061,529**	**38,955,963**

The carrying amount of loans and receivables is considered a reasonable approximation to the fair value thereof.

9.1) Cash and cash equivalents

This heading includes the fully liquid part of the Group´s assets and consists in the balances of cash in Treasury and with banks, as well as short-term bank deposits with an original maturity shorter than or equal to three months. These balances are freely available and are not subject to risks of changes in value.

The break-down of “Cash and Cash equivalents” is as follows:

	30/06/2023	31/12/2022	30/06/2022
Current accounts	5,931,429	18,861,918	10,670,007
Treasury	1,145	102,904	1,140
Total	**5,932,573**	**18,964,822**	**10,671,147**

9.2) Loans and receivables

The breakdown, in euro, of this heading is as follows:

	30/06/2023		31/12/2022		30/06/2022	
	Non-current	Current	Non-current	Current	Non-current	Current
Trade receivables						
Third-party receivables		31,058,381		35,009,755	-	28,245,993
Trade receivables, Group companies (Note 24)					-	
Total trade receivables	**0**	**31,058,381**	**0**	**35,009,755**	**-**	**28,245,993**
Non-trade receivables						
Trade receivables, Group companies		12,046		36,312	-	28,316
Other current assets, Group companies		200,000			-	
Total Amounts with group companies	**0**	**212,046**	**0**	**36,312**	**-**	**28,316**
Personnel	-	87,349		-	-	-
Guarantees and deposits	170,512	16,384	103,740		94,472	-
Other assets	6,226	613,656	48	50,640	32,500	10,507
Total non-trade receivables	**176,738**	**717,389**	**103,788**	**50,640**	**126,972**	**10,507**
Total	**176,738**	**31,987,817**	**103,788**	**35,096,707**	**126,972**	**28,284,816**

The breakdown of the item “Receivables” is as follows:

Description	30/06/2023	31/12/2022	30/06/2022
Trade receivables			
Trade balances	28,541,881	32,977,089	28,018,460
Volume discounts granted and pending settlement	(1,003,622)	(902,022)	(161,400)
Trade balances pending issue	3,520,122	2,934,688	388,934
Total	**31,058,381**	**35,009,755**	**28,245,994**

Nearly all balances held with customers for commercial transactions relate to balances from contracting with customers.

Changes resulting from impairment losses arising from credit risk, broken down by financial assets, were as follows:

Impairment	30/06/2022	Impairment loss	Impairment reversal	Application	31/12/2022	Impairment loss	Impairment reversal	Application	30/06/2023
Trade receivables									
Trade receivables	(2,069,448)	(1,056,561)	(37,684)	40,241	(3,123,452)	(350,956)	45,896	(1,570)	(3,430,082)
Total	**(2,069,448)**	**(1,056,561)**	**(37,684)**	**40,241**	**(3,123,452)**	**(350,956)**	**45,896**	**(1,570)**	**(3,430,082)**

The Group recognizes these changes in impairment losses under "Impairment losses on current assets" in the Consolidated Income Statement. During the first 6 months of 2023, the amounts of impairment losses for which allowances were made in the past have been applied and against receivable balances amounting to 326,596 Euros (212,686 Euros at 31 December 2022 and 414,982 Euros at 30 June 2022).

9.3) Classification by maturity

The maturity of most of the different non-current financial assets is more than five years.

NOTE 10. NON-CURRENT AND CURRENT LIABILITIES

The breakdown of non-current liabilities, classified by category, is the following:

	Other			Total		
	30/06/2023	31/12/2022	30/06/2022	30/06/2023	31/12/2022	30/06/2022
Debts and payables (Note 10.1)	**15,722,965**	**16,980,090**	**18,593,673**	**15,722,965**	**16,980,090**	**18,593,673**
Total	**15,722,965**	**16,980,090**	**18,593,673**	**15,722,965**	**16,980,090**	**18,593,673**

The breakdown of current financial liabilities, classified by category, is the following:

	Other current payables			Other			Total		
	30/06/2023	31/12/2022	30/06/2022	30/06/2023	31/12/2022	30/06/2022	30/06/2023	31/12/2022	30/06/2022
Debts and payables (Note 10.1)	5,501,292	3,282,616	4,149,547	32,181,910	45,586,779	31,222,798	37,683,203	48,869,395	35,372,345
Total	**5,501,292**	**3,282,616**	**4,149,547**	**32,181,910**	**45,586,779**	**31,222,798**	**37,683,203**	**48,869,395**	**35,372,345**

10.1) Debts and payables

At 30 June 2023 and 2022 and at 31 December 2022 the breakdown of this item is as follows:

	Balance at 30/06/2023		Balance at 31/12/2022		Balance at 30/06/2022	
	Non-current	Current	Non-current	Current	Non-current	Current
Trade payables:						
Suppliers		16,263,014		25,699,563	-	23,969,259
Suppliers, associates		2,244,007		2,098,328	-	1,858,289
Other trade payables		8,922,288		12,492,927	-	-
Total trade payables	**-**	**27,429,309**	**0**	**40,290,818**	**0**	**25,827,548**
Non-trade payables:						
Debts with financial institutions (2)	4,566,765	5,501,292	5,666,137	3,282,616	6,835,193	4,149,547
Other debts (1)	3,356,346	1,027,952	2,953,755	1,188,610	3,379,738	2,458,235
Provisions	59,032		258,456		277,001	-
Payables to third parties	13,971	44,990			-	-
Loans and other payables	**7,996,114**	**6,574,234**	**8,878,348**	**4,471,226**	**10,491,932**	**6,607,782**
Payables to Group companies (notes 17 and 25)	7,726,852	689,097	8,101,742	669,924	8,101,741	914,339
Personnel (outstanding remunerations)		2,868,118		3,291,510	-	1,692,303
Total non-trade payables	**7,726,852**	**3,557,215**	**8,101,742**	**3,961,434**	**8,101,741**	**2,606,642**
Other current liabilities		122,444		145,917	-	330,468
Other financial liabilities (4)						
Other current liabilities	**-**	**122,444**	**0**	**145,917**	**-**	**330,468**
Total Debts and payables	**15,722,965**	**37,683,203**	**16,980,090**	**48,869,395**	**18,593,673**	**35,372,440**

(1) The heading "Other debts" refers to long-term debts with the Centro de Desarrollo Tecnológico Industrial (CDTI - Spanish Centre for the Development of Industrial Technology) and mainly to the impact of IFRS 16. See Note 15 An amount of €456,363 is also reflected in the short term and also €85,998 in the long term corresponding to the financial liabilities generated by the business combinations detailed in note 25.

(2) The amount included under the heading Debts with credit institutions corresponds to bank credit card debts and financial leasing. Refer to note 8. In addition, they record ICO loans requested in connection with the COVID-19 pandemic.

The financial expenses associated with the liabilities recorded as at 30 June 2023 amount to €391,144 (€640,165 at 31 December 2022).

10.2) 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	1,247,627	1,285,568	824,900	1,172,227	36,443	4,566,765
Other debts	401,443	869,763	577,725	533,729	973,685	3,356,346
Total	**1,649,070**	**2,155,331**	**1,402,626**	**1,705,957**	**1,010,128**	**7,923,111**

At year-end 2022, the classification by maturity of the different non-current financial liabilities with fixed or determinable maturity is as follows:

	2024	2025	2026	2027	2028 onwards	Total
Non-current payables						
Debts with financial institutions	2,354,938	1,282,510	826,078	842,206	360,404	5,666,137
Other debts	886,856	639,690	414,864	601,204	411,141	2,953,755
Total	**3,241,794**	**1,922,201**	**1,240,943**	**1,443,410**	**771,545**	**8,619,892**

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

	2022	2023	2024	2025	2026 and beyond	Total
Debts by maturity						
Debts with financial institutions and other debts	1,385,831	4,730,712	1,558,589	1,276,726	2,031,421	10,983,279
Other non-current liabilities	965,061	2,465,276	725,021	614,736	1,077,367	5,847,460
Total	2,350,892	7,195,988	2,283,610	1,891,461	3,108,788	16,830,739

NOTE 11. INFORMATION ON THE NATURE AND LEVEL OF RISK FROM FINANCIAL INSTRUMENTS

The Group's activities are exposed to various types of financial risks, particularly to credit, liquidity and market risks (exchange rate, interest rate and other price risks).

Interest Rate Risk

As stated in note 15, the subsidiary Mamvo Performance, S.L. (now absorbed in Rebold Marketing S.L.) obtained from the Centre for the Development of Industrial Technology (CDTI) a loan at a subsidised interest rate as a collaboration in the development of the Research and Development project “New personalised digital advertising system using machine learning techniques and advanced data risk management algorithms”, referred to as Truetarget

As stated in note 15, the subsidiary Mamvo Performance, S.L. obtained from the Centre for the Development of Industrial Technology (CDTI) a loan at a subsidised interest rate as a collaboration in the development of the Research and Development project “A dynamic marketing campaign assessor and advisor, called Datalake”.

As disclosed in Note 15 below, the Centro de Desarrollo Tecnológico Industrial (CDTI) granted the subsidiary Rebold Communication, S.L. a zero-interest loan as contribution to the development of the Research and Development project called "Automatic reverse typesetting of printed press news", better known as “Lune Project".

As stated in note 15, the subsidiary Rebold Communication, S.L. obtained from the Centre for the Development of Industrial Technology (CDTI) a loan at a 0% interest rate as a collaboration in the development of the Research and Development project “Real-Time Identification and Analysis of Communities and Influencers on the Internet and in the Traditional Media”, referred to as Living Communities.

As disclosed in Note 15 below, the Centro de Desarrollo Tecnológico Industrial (CDTI) granted the subsidiary Rebold Comunicación, S.L. a zero-interest loan as contribution to the development of the Research and Development project called "System for exploiting knowledge by combining multiple points of contact that brands have with consumers from different channels". This is also referred to as the “Project Profiling tool”.

As disclosed in Note 15 below, the subsidiary Mamvo Perfomance, S.L obtained from the Center for Industrial Technological Development (CDTI) a loan at a subsidized interest rate as collaboration in the development of the Research and Development project called “Plataforma Inteligente de Clasificación de Contenido” called “Oliva”.

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.

The exchange rate risk arises basically from sales of foreign currency, mainly sales of USD and Mexican Pesos. The net foreign exchange result shows a net foreign exchange gain of €24,629 as at 30 June 2023 and a net foreign exchange gain of €86,621 as at 30 June 2022 and a net gain of €715,099 as at 31 December 2022.

Liquidity Risk

The overall situation in the financial markets, especially the banking market, over the last few months was particularly unfavourable for credit seekers, though the Group was able to avail itself of the governmental aid in 2020 (ICO loans) described in note 2 to reduce the liquidity risk in view of the situation.
During 2021, the Group extended the grace period on most of the ICO loans secured in 2020.
The Group 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.

In particular, we can summarize the points which are our main focus of attention:

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 €5,932,573 (€18,964,822 at 31 December 2022).
The working capital is positive at 30 June 2023, amounting to €1,998,223 (€5,439,832 at 31 December 2022).

The Group 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 Group reviews its DSO and DPO to optimise its immediate cash needs. The Group considers the remaining contractual maturities of financial liabilities at the date of preparation of these consolidated financial statements, as described in note 10.

Credit risk

The Group has no significant concentration of credit risk, exposure being spread over a large number of counterparties and customers.

The Group's main financial assets are cash and cash equivalents, trade and other receivables, and investments which represent the Group's maximum exposure to credit risk in relation to financial assets.

The Group continuously monitors the credit quality of customers through a credit rating measurement. Whenever possible, external credit ratings and/or reports on customers are obtained and used. The Group's policy is to deal only with creditworthy counterparties. Credit terms range from 30 to 90 days. Credit terms negotiated with customers are subject to an internal approval process that takes into account the credit rating score. Ongoing credit risk is managed through the regular review of the ageing analysis, together with credit limits per customer.

Trade receivables consist of a large number of customers in various sectors and geographic areas.

The Group's maximum exposure to credit risk is equal to the carrying amount of the financial assets recognised in the consolidated balance sheet (see note 9) at the balance sheet date, less the accumulated impairment on these assets at the balance sheet date. Impairment losses on financial assets and contract assets recognised in profit or loss for the year are as described in the corresponding note.

Competition Risk

In an industry constantly evolving and offering high growth rates, new players have entered the markets where the Group operates. However, given our more than twenty years of experience in this market, the position and reputation of the ISPD Network Group, the expansion of the services offered as a result of new acquisitions in recent years, and also the integration of Rebold into the Group and the quality of our services, we believe that we will continue to occupy a leading position.

Customer and Supplier Dependency Risk

The risk of dependency on customers and suppliers is limited because none bears significant weight in the turnover.

Customers include media agencies that work in turn with many advertisers, which further dilutes the customer dependency risk.

With regard to technology providers, the risk is small because the services provided by these companies are offered by other actors competing with them and which could, therefore, provide Antevenio with similar services.

“Key-Person” Risk

One of the ISPD Network Group main assets is that the Group was able to gather a team of managers and key executives in strategic positions of the Group.

Personal Data Processing Risk

The ISPD Network Group carries out certain personal data processing activities in the ordinary course of its business, both as Data Controller and Processor.

The ISPD Network Group is deeply aware of the importance of the regulations governing personal data, privacy and commercial communications, and uses all available means to achieve a scenario of utmost compliance therewith.

The legal framework governing the company’s business and its operations is formed by the following regulations:

1. Regulation (EU) 2017/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation).
2. Organic Law 3/2018, of 5 December, on Personal Data Protection and the guarantee of digital rights.
3. Law 34/2002, of 11 July, on Information Society Services and Electronic Commerce.
4. Guides, guidelines and other relevant materials published by the Spanish Data Protection Agency, CNIL, GARANTE Privacy and the European Data Protection Board
5. Law 34/1988 of 11 November on General Advertising.
6. Specific regulatory provisions and regulations applicable to advertising (such as Circular 1/2022 of 10 January of the National Securities Market Commission on advertising of crypto-assets presented as an investment object)

The ISPD Network Group has implemented processes and procedures for compliance with current regulations, and also forthcoming ones, through the creation and implementation of a privacy management system (PMS) and the continuous control and management thereof by the Legal and Privacy team.

The ISPD Network Group has duly appointed an internal DPO for its companies, who operates in accordance with the Regulations, providing advice in relation to these, and promoting and managing compliance activities.

The ISPD Network Group is aware of the increasing regulation affecting the digital marketing business, so it retains external advisors to promote regulatory compliance, assist in managing the rights of data subjects, and collaborate in the event of an incident.

NOTE 12. EQUITY

The breakdown of consolidated equity is as follows:

	30/06/2023	31/12/2022	30/06/2022
Registered share capital of the Parent Company:	**819,099**	**819,099**	**819,099**
Reserves:	**11,321,765**	**3,267,704**	**7,699,213**
Of the Parent Company	46,282	46,282	46,282
From fully consolidated companies and from companies consolidated using the equity method	11,275,483	7,583,480	7,652,930
(Own shares)	**-665,000**	**-665,000**	**-665,000**
Other equity instruments	**-**	**-**	**-**
Prior period's losses	**-5,845,579**	**-5,655,635**	**-5,649,918**
Profit/(Loss) for the year attributable to the Parent Company	**-555,062**	**4,418,761**	**1,189,909**
Translation differences	**444,131**	**379,699**	**1,489,849**
Minority Interests	**-757,700**	**-685,367**	**-767,859**
	4,761,654	**6,241,320**	**4,115,295**

12.1) 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 amounted to €14,372,000.

The capital as at 30 June 2023 and 31 December 2022 comprises 14,891,262 shares, each with a nominal value of €0.055.

The company Inversiones y Servicios Publicitarios, S.L. (ISP) holder at 31 December 2015 of a 18.68% interest in the parent company, purchased, on 3 August 2016, shares from the Company's founder and CEO, Joshua David Novick, who owned a 11.89% interest in the Company's share capital, represented by 500,271 nominal value shares of 0.055 euros each, at a price of 6 euros per share.

Subsequent to the above mentioned shareholding change, ISP launched a Voluntary Public Offer Bid on the remaining Company's shareholders that was accepted by 1,360,806 shares, representing 32.34% of the parent company share capital, at a purchase price of 6 Euros each. Aliada Investment B.V. subsequently transferred its shares to ISP, which now holds 83.09% of the Parent's share capital.

On 22 February 2017, the company ISP contributed 3,495,853 shares of the Parent Company to ISP Digital S.L.U., thus making the company the majority shareholder.

On 23 December 2021, the group's parent company 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 additional shares at the same price was made on 22 January 2022 for a total amount of €95,000, and the resulting total amount held as treasury shares at 31 December 2022 was €665,000 (31 December 2021: €570,000).

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

	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%

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At 31 December 2022, they were:

	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%

12.2) <u>Parent Company Reserves</u>

The legal reserve has restrictions of use, which is subject to several legal provisions. In accordance with the Corporations Law, commercial companies obtaining, under the said legal form, benefits are under the obligation of allocating 10% of benefits to the legal reserve, until the 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. As at 30 June 2023 and 31 December 2022 the Legal Reserve was not fully funded due to the capital increase with the contribution of Rebold Marketing and Communication.

12.3) <u>Share Premium</u>

The Corporations Law expressly permits the use of the share premium balance for capital increases and does not establish any specific restriction as to the availability of that balance.

12.4) Voluntary Reserves

These are unrestricted reserves generated by the Parent Company as a result of prior years' income not distributed.

At the meeting of the Board of Directors of ISPD Network, S.A. on 27 November 2020, a decision was taken to convert the entire share premium, amounting to €21,974,180 following the capital increase described above, into voluntary reserves.

12.5) Distribution of dividends

No dividends were distributed to companies outside the scope of consolidation at 30 June 2023 and during fiscal year 2022.

12.6) Capital Management

The Group's objective regarding capital management is to maintain an optimal financial structure that reduces the capital cost while ensuring the ability to continue to manage its operations, always with the objective of growth and creation of value. This Group's objective is not officially defined nor have parameters thereto been set by the Board of Directors.

The main sources used by the Group to finance its growth are:

- The cash flows generated by the Group.
- The cash available at year-end.
- Existence of positive working capital.

The capital structure is controlled by the leverage ratio, calculated as net financial debt to equity. The Group mainly has debt with financial entities due to financial leasing and loans. At 20 June 2023, the amount for finance leases has been paid in full, with a comparative balance of €5,561 at 31 December 2022, and €10,274 at 30 June 2022. The group also has loans and other products with financial institutions amounting to 10 million (8.9 million as at 31 December 2022) and undrawn credit lines amounting to 4.5 million (5.1 million as at 31 December 2022).

NOTE 13. TRANSLATION DIFFERENCES

Changes in the balance of this item between 30 June 2023 and in 2022 were as follows:

	30/06/2023	31/12/2022	30/06/2022
Opening balance	**379,699**	**784,267**	**784,267**
Net change during the reporting period	64,432	(78,905)	1,031,246
Error correction adjustments		(325,663)	(325,663)
Closing balance	**444,131**	**379,699**	**1,489,850**

Translation differences are generated by companies with registered address abroad and functional currency other than the Euro. Specifically, these currencies are the Argentinean peso, the American dollar, the Mexican peso, the Colombian peso and the Peruvian soles.

When an entity's functional currency is the currency of a hyperinflationary economy, the entity shall restate its financial statements in accordance with the translation method set out in the foregoing paragraphs, except for comparative amounts that are translated into a currency of a non-hyperinflationary economy. When the economy ceases to be hyperinflationary and the entity no longer restates its financial statements, it shall use as the historical costs for translation into the presentation currency the amounts restated to the price level at the date the entity ceased restating its financial statements. The Group has concluded that the application of this model is not relevant to the Group company domiciled in Argentina and therefore the comparative figures for the year have not been restated.

NOTE 14. EQUITY INSTRUMENTS-BASED PAYMENT TRANSACTIONS.

Stock Option Plan Digilant Inc

Stock options were granted to certain employees in the group company Digilant Inc. under a 2014 stock option plan. At June 2023, the market value has been paid to the few remaining beneficiaries, and the plan is now fully extinguished in all respects.

The 2014 Share Option Plan (the "Plan") was established to provide incentives to key employees and reward opportunities designed to enhance the Company's profitable growth. The Plan authorised the issuance of options to acquire up to 3,333,333 shares. The vesting period, the number of option shares covered and the exercise price of the option per share are fixed in the agreements. The vesting period for grants is generally four years and the maximum option period is 10 years. The fair value of each stock option grant is estimated on the date of grant using the Black-Scholes option pricing model and requires the input of highly subjective assumptions. Key assumptions include estimating the length of time employees and directors will hold their options before exercising them (expected option term), estimated volatility of the Company's shares over the expected option term, risk-free interest rate over the expected option term, and the Company's expected annual dividend yield. The Company believes that the measurement technique and the approach used to develop the underlying assumptions are appropriate for estimating the fair values of the Company's share options. Values arising from the use of the Black-Scholes model are recognised as an expense during the period of consolidation, net of estimated forfeitures. Fair value estimates do not purport to predict actual future events or the value ultimately realised by individuals receiving share awards.

NOTE 15.DEFERRED INCOME

Mamvo Performance, S.L. “TrueTarget”

In 2014, the Centre for the Development of Industrial Technology (CDTI) approved the granting of aid to the company Mamvo Performance, S.L. for collaboration in the development of the research and development project entitled "New personalised digital advertising system using machine learning techniques and advanced data risk management algorithms", for a total amount of €563,148, with a non-refundable tranche of €99,379 and another tranche of €463,769 as a loan at a subsidised interest rate.

Mamvo Performance, S.L. “Datalake”

On 27 November 2018, the Centre for the Development of Industrial Technology (CDTI) approved a grant to Mamvo Performance, S.L. to participate in the Research and Development project "Dynamic marketing campaign assessor and advisor", for a total amount of €445,176, with a non-refundable tranche of €133,553 and another tranche of €331,623 euros refundable as a loan at a subsidised interest rate. The final payment due from the CDTI was €181,396, which was received on 22 January 2022.

In 2021, a total of €30,560 (€49,151 at 31 December 2020) recorded in the Consolidated Income Statement, corresponding to the non-reimbursable part of the aid granted to the company Mamvo Performance, S.L., was charged to the profit for the year, due to part of the expenses incurred.

Mamvo Performance, S.L. “Oliva”

On June 15, 2023, the Center for Industrial Technological Development (CDTI) has signed the concession to the Mamvo Perfomance Society, S.L. of aid as collaboration in the development of the Research and Development project called “Plataforma Inteligente de Clasificador de Contenido”, for a total amount of 832,498 euros, distinguishing a tranche of 183,149 non-refundable euros and another tranche of 649,348 euros refundable as a loan at a subsidized interest rate. On June 28, 2023, 250,000 euros were received, which corresponds to the first payment of the loan.

Rebold Marketing and Communication, S.L.U. “Lune”

In 2020, the Centre for the Development of Industrial Technology (CDTI) granted Rebold Marketing and Communication, S.L.U. a grant to collaborate in the development of the Research and Development project called “Lune” (based on a project to apply technology for reverse typesetting of news to simplify their processing), amounting to €347,374, comprising a non-reimbursable tranche of €69,475 and another reimbursable tranche of €277,899 as a loan at a subsidised interest rate. The first disbursement arrived on 13 July 2020 of €121,750 (35%), of which €24,350 was posted as a grant and €97,400 € as a loan. The second and third disbursements were received on 4 April 2022 for a total amount of €225,623.52 (65%), of which €45,124.70 was allocated as a grant and €180,498.81 as a loan. In 2023, the amount of the last disbursement received, amounting €69,474.77, was recognized as income

Rebold Marketing and Communication, S.L.U. “Profiling Tool”

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The Centro de Desarrollo Tecnológico Industrial (CDTI) granted the subsidiary Rebold Marketing y Comunicación, S.L. a zero-interest loan as contribution to the development of the Research and Development project called "System for exploiting knowledge by combining multiple points of contact that brands have with consumers from different channels”, €714,341, comprising a non-refundable tranche of €142,868 and another refundable tranche of €571,473 euros as a loan at a subsidised interest rate. In 2023, the amount of the last disbursement received in 2020, amounting €25,366.82, was recognized as income.

Rebold Marketing and Communication, S.L.U. “Living Communities”

In 2016, the Centre for the Development of Industrial Technology (CDTI) approved the granting of aid to the company Rebold Marketing and Communication, S.L.U. as collaboration in the development of the Research and Development project called "Living Communities" (based on the identification and analysis in real time of communities and influencers on the Internet and traditional media) for a total amount of €298,970, distinguishing a tranche of €52,760 non-refundable and another tranche of €246,210 refundable as a loan at a subsidised interest rate.

B2 Marketplace Ecommerce Consulting Group. “Positioning Software”

B2MarketPlace developed a proprietary intelligent competition software that, through machine learning-based artificial intelligence mechanisms, helps the system learn to create more efficient bidding and item positioning processes. This is done by automatically synchronising the data from the marketplace in question, and an algorithm layer that interprets the information and optimises the seller's investment and resources.

This project entailed an expenditure of €562,945.53 in 2022, of which €403,256 were invested in personnel, €98,000 in external collaborators, and €61,688 in general expenses and project auditing.

This project was submitted to the Red.es call, and in August 2022, a grant of €179,899.42 was awarded to the project. Of this amount, €30,000 has been recognized for the year 2023 based on the project's progress, resulting in a remaining grant of €30,000 at 30 June 2023.

NOTE 16. 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	3,852,185	(2,625,920)	1,329,549	(2,242,610)	2,278,022	(1,796,049)
Deferred tax liabilities (*)	-	(96,535)	-	(64,308)		(32,466)
Deferred tax assets (*)	6,295,955		5,066,882		6,051,215	
Withholdings and payments on account of Income Tax	-	-	-	-		
Taxation Authorities, recoverable taxes	-	(14,017)	2,635,720	-	43,526	
Taxation Authorities, taxes payable	-	-	516,457	(5,973)	2,618,237	(5,973)
Withholdings for Personal Income Tax		(632,796)		(529,108)		(378,210)
Income Tax	6,642	(22,032)	-	(30,169)		(2,279)
Social Security	-	(320,213)		(427,773)		(488,451)
	10,154,782	**(3,711,513)**	**9,548,608**	**(3,299,941)**	**10,991,000**	**(2,703,428)**

(*) Amounts recognized under non-current assets in the Consolidated Statement of Financial Position

The Group has been part of the tax group 265/10 since 2017, whose parent company is Inversiones y Servicios Publicitarios, S.L. (ISP).
Income Tax expense for the Consolidated Group is calculated as the sum of the Income Tax expense from all Companies. The tax bases are calculated from the profit/(loss) for the year as adjusted for any temporary differences, any permanent differences and tax losses from prior years.

Income Tax is calculated by applying the tax rates in force in each of the countries where the group operates. The main types are:

(*) Average tax rate accrued in Italy

Tax rate	2023	2022
Spain	25.00%	25.00%
Italy (*)	30.45%	30.45%
France	33.33%	33.33%
Mexico	30.00%	30.00%
Argentina	30.00%	30.00%

The reconciliation of Income Tax expense and pre-tax profit or loss at 30 December 2023 is as follows:

	Profit and Loss Account		Income and expenses recognised directly in equity		TOTAL
Profit/(loss) for the year	(627,395)		-		(627,395)
	Increases	Decreases	Increases	Decreases	
Income tax expense	262,399	(18,510)	-	-	243,889
Permanent differences	-	-	-	-	-
Temporary differences			-	-	-
Originating in the fiscal year	-	-	-	-	-
Originating in previous fiscal years	-	-	-	-	-
Tax base (Taxable income)					**(383,506)**
Gross tax payable					125,003
Deduction for dividends					-
Deduction for double taxation					-
Deduction for environmental affairs					-
Deduction for research and development programme and investments					-
Deduction for training					-
Deduction for donations					-
Deduction for export companies					-
Other deductions					-
Net tax payable					125,003
Withholdings and payments on account					-
Liquid to be paid in/returned					**125,003**

The calculation at 31 December 2022 was:

	Profit and Loss Account		Income and expenses recognised directly in equity		TOTAL
Profit/(loss) for the year	4,367,469		-		4,367,469
	Increases	Decreases	Increases	Decreases	
Income tax expense	1,335,680	(328,288)	-	-	1,007,392
Permanent differences	1,222,936	(1,085,838)	-	-	137,099
Temporary differences			-	-	-
Originating in the fiscal year	2,169,281	-	-	-	2,169,281
Originating in previous fiscal years	-	(2,252,785)	-	-	(2,252,785)
Tax base (Taxable income)					**5,428,456**
Gross tax payable					318,672
Deduction for dividends					-
Deduction for double taxation					-
Deduction for environmental affairs					-
Deduction for research and development programme and investments					-
Deduction for training					-
Deduction for donations					-
Deduction for export companies					-
Other deductions					-
Net tax payable					318,672
Withholdings and payments on account					(11,094)
Liquid to be paid in/returned					**307,578**

The breakdown by company of corporate income tax expense, distinguishing current and deferred taxes, is as follows:

	30/06/2023	31/12/2022	30/06/2022
Current taxes	(243,889)	(945,371)	(112,274)
Deferred taxes		(62,021)	144,009
Total Corporate Income Tax expense	**(243,889)**	**(1,007,392)**	**31,735**

According to current legislation, tax losses may be offset against taxable profits obtained as per local regulations.

As at 30 June 2023, the group has the following tax credits to offset against future results:

Tax credits			
Company	BINS	DTD	CIT Deductions
ISPD Network SLU	346,132	69,870	-
Mamvo Performance SLU	206,213	7,797	127,248
MMSM SLU	91,244	7,991	192,982
Rebold Marketing SLU	288,953	12,254	318,091
Rebold Communication SLU	470,620	419,434	714,194
B2mp	-	251	4,411
Antevenio S.R.L.(Italia)	60,722	145,532	-
Antevenio Mejico	-	897,570	-
Acceso Mexico	-	-	-
Digilant Peru	-	205,065	-
Digilant SA de CV	-	1,297,108	-
Filipides	-	-	-
Digilant Services	-	-	-
Blue Digital	145,765		-
Blue Media	985	-	-
Digilant Chile	9,783	-	-
ACCESO COLOMBIA	-	11,001	-
	1,620,416	**3,073,873**	**1,356,925**

ISPD

Deferred taxes

The breakdown of changes in deferred tax assets and liabilities between 31 December 2022 and 30 June 2023 is as follows:

	30/06/2022	Charge / (credit) to income	31/12/2022	Charge / (credit) to income	30/06/2023
Tax credits for tax loss carryforwards:	2,684,037	(433,919)	2,250,118	727,223	2,977,341
Temporary differences (Deferred tax assets)	3,551,195	(734,431)	2,816,764	257,109	3,073,873
Temporary differences, liabilities	(64,232)	(76)	(64,308)	31,842	(32,466)
Total deferred tax assets recognised	**6,235,232**	**(1,168,426)**	**5,002,574**	**1,016,174**	**6,018,749**

The breakdown of tax credits is as follows:

	30/06/2023	31/12/2022	30/06/2022
Companies included in the consolidated tax group	3,273,022	2,587,206	3,514,254
Companies with registered address abroad	2,778,193	2,479,676	2,720,979
Total tax credits	**6,051,214**	**5,066,882**	**6,235,233**

As stated in the accounting policies, the Group only recognises deferred tax assets in the consolidated statement of financial position, provided that they are recoverable within a reasonable period of time, also considering the legally established limitations for their application. Specifically, the requirements of the applicable financial reporting framework for recognising a tax credit are as follows:

- The Group is likely to realise sufficient future taxable profits to be able to apply such tax credits.

- Sufficient future taxable profits are not considered likely to be realised when:

  - Its future recovery is expected to occur more than ten years from the reporting date, irrespective of the nature of the tax credit.
  - It is unlikely that the requirements of the tax rules for their recovery will be met at the time they are deemed recoverable.

In order to verify the recoverability of tax credits pending offset, the Group prepares a business plan for every company with tax credits, on which the necessary adjustments are made to determine the future taxable profits against which the tax credits can be offset. The Group also considers the limitations on offsetting tax bases set by the respective jurisdictions. The Group also assesses the existence of deferred tax liabilities against which to offset such tax losses in the future. In preparing the projections in the business plans, the Group considers the financial and macroeconomic circumstances appropriate to the entity's own operating environment. Parameters such as expected growth, use of installed production capacity, prices, etc., are projected with reference to forecasts, reports from independent experts, and also historical data and targets set by management. An estimate has been made for the tax credits of each jurisdiction separately, and adjusting the parameters of the calculation to the tax regulations of each jurisdiction applicable to each one.

The above mentioned deferred tax assets have been recognized in the Consolidated Statement of Financial Position as Directors consider that, according to the best estimates of future earnings for companies in the Group, including certain measures of fiscal planning, these assets are likely to be recovered.

Additional disclosures

Under current legislation, taxes 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. At 30 June 2023, the Group's Spanish companies had 2019 and subsequent years open for review by the tax authorities for Income Tax and 2020 and subsequent years for the main taxes applicable to them. Companies with registered address abroad have open to inspection any tax returns currently non-statute-barred according to the respective local regulations. Directors consider the above mentioned tax returns to be appropriately filed and settled; accordingly, even in the case of discrepancies in the construction of the existing regulations for the tax treatment of the transactions, any resulting liabilities, were they to materialize, will not significantly affect the accompanying Interim Consolidated Financial Statements.

NOTE 17 REVENUE AND EXPENSES

a) Revenue

The breakdown of revenue by activity is as follows:

Type of Activity	30/06/2023	31/12/2022	30/06/2022
Online Advertising	51,521,147	93,206,389	39,546,760
Technology services	6,156,049	12,674,346	5,739,219
Total revenue	**57,677,196**	**105,880,735**	**45,285,979**

b) Supplies

The entire balance of this item relates to “Operating Expenses.”

c) Personnel Expenses

The breakdown of this heading in the attached Consolidated Income Statement is as follows:

	30/06/2023	31/12/2022	30/06/2022
Wages and salaries	-13,563,209	-30,053,031	-13,697,067
Termination benefits	-586,100	-316,628	-112,510
Social security payable by the Company	-2,146,834	-4,044,764	-2,125,625
Employee benefits expense	-1,035,859	-2,075,178	-981,875
Total personnel expenses	**-17,332,002**	**-36,489,601**	**-16,917,076**

d) External Services

The breakdown of this heading in the attached Consolidated Income Statement is as follows:

	30/06/2023	31/12/2022	30/06/2022
Leases and royalties (Note 8)	(326,594)	(535,869)	(128,960)
Repairs and maintenance	(17,313)	(49,061)	(10,354)
Independent professional services	(2,292,264)	(3,778,347)	(1,762,874)
Transport	(382,782)	(709,321)	(176,836)
Insurance premiums	(61,140)	(81,971)	(49,869)
Banking and similar services	(56,329)	(101,554)	(79,433)
Advertising, publicity and public relations	(380,158)	(914,132)	(359,631)
Utilities	(121,500)	(321,483)	(138,806)
Other services	(937,595)	(1,141,900)	(222,277)
	(4,575,675)	**(7,633,638)**	**(2,929,039)**

e) Other financial interest and income

The breakdown of this heading in the Consolidated Income Statement is as follows:

	30/06/2023	31/12/2022	30/06/2022
Finance income from accounts and similar	34,000	37,388	16,146
	34,000	**37,388**	**16,146**

f) Finance Expenses

The breakdown of this heading in the Consolidated Income Statement is as follows:

	30/06/2023	31/12/2022	30/06/2022
Debts and similar expenses	(391,144)	(640,007)	(178,937)
Group finance expenses	(177,462)	(157,320)	(55,480)
	(568,606)	**(797,327)**	**(234,417)**

NOTE 18. PROVISIONS AND CONTINGENCIES

Changes in provisions were as follows:

	30/06/2022	Allowance	Application/Reversal	31/12/2022	Allowance	Application/Reversal	30/06/2023
Provisions for other liabilities	277,001		(18,545)	258,456	20,573	(14,288)	264,231
	277,001		**(18,545)**	**258,456**	**20,573**	**(14,288)**	**264,231**

This item relates mainly to provisions for the remuneration of personnel arising from Antevenio S.R.L. in compliance with the existing Italian labor-related regulations and amounting to 264,231 Euros (258,456 Euros at 31 December 2022 and 277,001 Euros at 30 June 2022).

In 2020, React2Media, Inc. was subject to an enquiry initiated by the New York Attorney General regarding the company's involvement in generating leads for the Restore Internet Freedom public consultation on net neutrality organised in 2017 by the US Federal Communications Commission. In the opinion of the Group's commissioned legal advisors, it is considered likely that a disbursement will be made to cover the legal costs and possible liabilities that could arise for the company, without being able to reliably quantify the amount given the current status of the process. The Group has therefore made a prudent provision of €190,171 to cover legal costs and possible liabilities that may arise for the company.

The company is currently in the process of dissolution, which is expected to be completed on 16 December 2023.

Its parent company ISPD Network, as the litigation was terminated, wrote off the provision of €190,171 and also all the receivables from the subsidiary R2M.

The ISPD Network Group holds a total amount of guarantees of €372,467 as at 30 December 2023 (€366,253 as at 31 June ISPD2022 and €178,154 as at 30 June 2022).Click here to enter text.

NOTE 19. 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 compostable single-use 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. The ISO-14001 (environmental management system) certification project was initiated in Spain and the Group’s environmental policy and good environmental practices were reported. Furthermore, there are not provisions for risks and expenses, nor contingencies related to the protection and improvement of the environment.

NOTE 20. EVENTS AFTER THE REPORTING PERIOD

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 21. COMPENSATION AND INTERESTS OF AND BALANCES WITH DIRECTORS OF THE PARENT COMPANY

Balances and Transactions with Directors and High Management

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

The amounts accrued by the Directors or by members of High Management, under all headings, are as follows:

	High Management		
	30/06/2023	31/12/2022	30/06/2022
Wages and salaries	1,622,519	2,648,271	1,624,282
Other concepts			
Total	**1,622,519**	**2,648,271**	**1,624,282**

At 30 June 2023 and 2022 and 31 December 2022, there were no commitments for pension supplements, sureties or guarantees, loans or advances granted to the Board of Directors.

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 22. OTHER INFORMATION

The average number of persons employed by the Group, broken down by category, is as follows:

	30/06/2023			31/12/2022			30/06/2022		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Management	26	13	39	25	10	35	16	6	22
Administrative	21	33	54	16	32	48	19	31	50
Commercial	27	66	93	26	56	82	20	50	70
Production	132	181	315	126	172	298	119	179	298
Marketing	2	9	11	2	9	11	3	8	11
Technical	30	7	37	32	6	38	29	6	35
	238	**311**	**549**	**227**	**285**	**511**	**206**	**280**	**486**

The number of persons employed by the Group at the end of the reporting period and at the end of prior periods, by category, is as follows:

	30/06/2023	31/12/2022	30/06/2022
Management	38	37	29
Administrative	55	47	48
Commercial	94	87	75
Production	327	302	305
Marketing	12	12	10
Technical	35	38	36
	561	**524**	**503**

The average number of persons with disabilities equal to or exceeding thirty-three percent employed by the Group, broken down by category, is as follows:

	30/06/2023	31/12/2022	30/06/2022
Management	1	1	1
Administrative	-	-	-
Commercial	-	-	-
Production	1	1	1
Marketing	0	-	0
	2	**2**	**2**

Click here to enter text.

The number of members of the Board of Directors and persons employed at the end of the periods, broken down by professional category, of the Parent Company is as follows:

	30/06/2023			31/12/2022			30/06/2022		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Management	8	8	16	7	6	13	6	8	14
Administrative	8	14	22	5	14	19	6	12	18
Commercial	0	0	0	0	0	0	0	0	0
Production	6	5	11	5	5	10	4	6	10
Marketing	2	3	5	2	5	7	2	3	5
Technicians	0	0	0	0	0	0	0	0	0
	24	**30**	**54**	**19**	**30**	**49**	**18**	**30**	**48**

There is no remuneration for the Board of Directors. The Board of Directors of the Parent Company comprises 5 men and 1 woman.

The fees for auditing the consolidated group amounted to €50,000 in the first half of 2023 and €106,458 for fiscal year 2022.

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:

	At 30 June 2023	At 31 December 2021	At 30 June 2022
	Days	**Days**	**Days**
Average period of time for payment to suppliers	38.82	43.26	41.77
Percentage of paid transactions	22.12	42.77	43.66
Percentage of transactions pending payment	45.50	53.41	35.51
	Amount (Euro)	**Amount (Euro)**	**Amount (Euro)**
Total payments made	1,539,781	12,224,561	9.826.818.70
Total payments pending	3,392,937	1,819,630	1.646.867.45

	2022	1S 2023
Volume of invoices paid within the legal deadline	9.607.165,77	1.444.435,47
Number of invoices paid within the legal deadline	5.710	1.219
Percentage of the volume of invoices paid within the legal deadline out of the total volume of invoices paid (%)	78%	92%
Percentage of the number of invoices paid within the legal deadline out of the total number of invoices paid (%)	77%	86%

NOTE 23. SEGMENT REPORTING

The distribution of net turnover corresponding to the ordinary business activities of the Group, by activity categories, as well as by geographical markets is as follows:

By customer (30/06/2023)	Total
Online Advertising	51,521,147
Technology services	6,156,049
Total revenue	**57,677,196**
By customer (31/12/2022)	**Total**
Online Advertising	93,206,389
Technology services	12,674,346
Total revenue	**105,880,735**

By customer (30/06/2022)	Total
Online Advertising	39,546,760
Technology services	5,739,219
Total revenue	**45,285,979**

The aggregation criteria used to draw up the segmentation shown in the previous tables are established on the basis of the types of activity carried out by the companies in the group:

- Online Advertising This is the main activity managed within the group and covers the advertising activities provided to the company's customers.
- Technology Services: This activity relates to the servicing of our emailing and SMS platform, media and consumer intelligence and e-commerce consultancy platform.

The economic indicators that have been assessed to determine the segments have been the capacity of each segment to generate value and the technical characteristics that each segment possesses in itself.

Distribution of Sales and Costs to Sell by Territory

Distribution / Sales	Consolidated Amount 30/06/2023	Consolidated Amount 31/12/2022	Consolidated Amount 30/06/2022
Spain	7,935,836	17,244,981	8,526,914
Europe and Latin America	49,741,360	88,635,754	36,759,065
Total Sales Distribution	**57,677,196**	**105,880,735**	**45,285,979**

Distribution of Costs to Sell	Consolidated Amount 30/06/2023	Consolidated Amount 31/12/2022	Consolidated Amount 30/06/2022
Spain	(3,419,004)	(7,429,534)	(4,354,329)
Europe and Latin America	(31,261,600)	(49,014,351)	(18,771,277)
Total Costs Distribution	**(34,680,604)**	**(56,443,885)**	**(23,125,606)**

Consolidated Profit and Loss Account broken down by category of activity

	30.06.2023					31.12.2022					30.06.2022				
	Online Advertising		Rendering of Technology Services		**Total**	Online Advertising		Rendering of Technology Services		**Total**	Online Advertising		Rendering of Technology Services		**Total**
Revenue	51,521,147	89%	6,156,049	11%	57,677,196	93,206,389	88%	12,674,346	12%	**105,880,735**	39,546,760	87%	5,739,219	13%	**45,285,979**
Other operating income	164,632	28%	433,996	72%	598,628	203,168	28%	535,582	72%	**738,750**		0%	15,459	100%	**15,459**
Supplies	(32,079,559)	93%	(2,601,045)	8%	(34,680,604)	(51,502,588)	91%	(4,941,297)	9%	**(56,443,885)**	(21,355,250)	92%	(1,770,356)	8%	**(23,125,606)**
Margin	19,606,221	38%	3,988,999	65%	23,595,220	41,906,969	45%	8,268,631	65%		18,191,510	46%	3,984,322	69%	**22,175,832**
Other operating expenses	(4,022,356)	82%	(913,050)	19%	(4,935,406)	(6,662,399)	85%	(1,174,010)	15%	**(7,836,409)**	(2,612,866)	77%	(780,466)	23%	**(3,393,332)**
Amortization and depreciation	(672,724)	84%	(128,138)	16%	(800,862)	(1,044,833)	84%	(199,016)	16%	**(1,243,849)**	(574,630)	90%	(63,847)	10%	**(638,477)**
Personnel expenses	(14,558,882)	84%	(2,773,120)	16%	(17,332,002)	(31,142,766)	85%	(5,346,835)	15%	**(36,489,601)**	(13,533,661)	80%	(3,383,415)	20%	**(16,917,076)**
Other income / (loss)	52,800	100%		0%	52,800	1,043,372	100%	-	0%	**1,043,372**	31,490	100%		0%	**31,490**
OPERATING PROFIT / (LOSS)	**405,059**	70%	**174,691**	30%	**579,750**	**4,100,344**	**73%**	**1,548,770**	**27%**	**5,649,113**	**924,317**	73%	**334,120**	27%	**1,258,437**
Net Finance Income	(407,982)	80%	(101,995)	20%	(509,977)	(44,840)	100%		0%	**(44,840)**	(98,738)	75%	(32,913)	25%	**(131,650)**
Profit / (loss) before income tax	50,491	72%	19,282	28%	69,773	4,055,504	72%	1,548,770	28%	**5,604,273**	822,474	73%	304,313	27%	**1,126,787**
Income Tax	(182,917)	75%	(60,972)	25%	(243,889)	(834,027)	83%	(173,365)	17%	**(1,007,392)**	25,387	80%	6,348	20%	**31,735**
Other taxes	(453,279)	100%		0%	(453,279)	(229,412)	100%		0%	**(229,412)**	(25,941)	100%		0%	**(25,941)**
Profit/(loss) for the year	**(585,705)**	**93%**	**(41,690)**	**7%**	**(627,395)**	**2,992,064**	**69%**	**1,375,405**	**31%**	**4,367,469**	**819,599**	**72%**	**312,982**	**28%**	**1,132,581**

NOTE 24. RELATED PARTY TRANSACTIONS

Related party transactions in fiscal year 2023 involved the following companies.

Company / Group	Relation
ISP Digital Group	*Parent Company*
ISP Group	*Related party*

At 30 June 2023 and 2022, and 31 December 2022, the balances with related parties were as follows:

RELATED PARTY (30 June 2023)	BALANCE RECEIVABLE	BALANCE PAYABLE
Other debts		
ISP for corporate tax		257,074
ISP		70,191
ISPD		216,832
ISP short-term loan		145,000
Total other debts		**689,097**
Trade activity balances (client/vendor)		
ISPD		1,712,412
ISP	8,712	484,183
TAGSONOMY S.L.	200,000	47,412
Shape Communication	3,335	
Total commercial activity	**212,047**	**2,244,007**
Loan Balances		
ISPD		4,453,154
ISP		3,273,698
Total Loans		**7,726,852**

RELATED PARTY (31 December 2022)	BALANCE RECEIVABLE	BALANCE PAYABLE
Other debts		
ISP for corporate tax	105,362	386,314
ISP		27,141
ISPD		216,832
ISP short-term loan		145,000
Total other debts	**105,362**	**775,286**
Trade activity balances (client/vendor)		
ISPD	25,717	1,634,388
ISP	7,259	463,941
Shape Communication	3,335	
Total commercial activity	**36,312**	**2,098,328**
Loan Balances		
ISPD		4,828,044
ISP		3,273,698
Total Loans		**8,101,742**

RELATED PARTY (30 June 2022)	BALANCE RECEIVABLE	BALANCE PAYABLE
Other debts		
ISPD		241,515
ISP		266,258
ISP for corporate tax		406,565
Total other debts		**914,339**
Trade activity balances (client/vendor)		
ISPD	25,354	1,552,272
ISP	2,962	306,017
Total commercial activity	**28,316**	**1,858,289**
Loan Balances		
ISPD		4,828,043
ISP		3,273,698
Total Loans		**8,101,741**

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

At 30 June 2023	TAGSONOMY S.L.(*)	ISP(*)	ISP DIGITAL(*)
Sales of goods			
Provision of services		1,200	
Services received	(66,541)		
Finance income			
Finance Expenses		(72,363)	(105,100)
Total	**(66,541)**	**(71,163)**	**(105,100)**

At 31 December 2022	Shape Communication(*)	ISP(*)	ISP DIGITAL(*)
Sales of goods			
Provision of services	2,756	9,648	
Services received		(50,000)	
Finance income			
Finance Expenses		(65,780)	(91,540)
Total	**2,756**	**(102,012)**	**(91,540)**

At 30 June 2022	ISP(*)	ISP DIGITAL(*)
Sales of goods	-	-
Provision of services	4,848	-
Services received	(25,000)	-
Finance income	-	-
Finance Expenses	(22,002)	(33,478)
Total	**(42,154)**	**(33,478)**

The transactions were made on terms equivalent to transactions with third parties.

NOTE 25. 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 subsidiary 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 International Financial Reporting Standards and based on the existence of cross put and call options with the same value and the exercise period, the transaction has been treated as an early acquisition of a non-controlling interest pursuant to the requirements of *IAS 32 Financial Instruments: Presentation*, which provides that a contractual obligation to deliver cash to another entity is a financial liability.

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 IFRS 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 capital share of said Company in the initial contract dated 22 June 2017. The Group acquired a 9% 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 Consolidated Financial Statements (see note 17.g).

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 (Note 10).

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

At 31 December 2020, the Group 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.

As of December 31, 2021 and 2022, this company is dissolved and in the final liquidation phase that will end in December 2023 and no purchase and sale 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 on the acquisition date	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**

Gross Value of Goodwill (Note 5)	**3,905,134**
Impairment Goodwill (Note 5)	**(3,363,044)**
Net Value of Goodwill (Note 5)	**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

<u>B2 Marketplace Ecommerce Group S.L.:</u>

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, the Parent Company acquired an additional 10% of the share capital of B2MarketPlace, S.L. at a price of €153,224, thus securing 61% holding.

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 Group 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 International Financial Reporting Standards 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 pursuant to the requirements of IAS 32 Financial Instruments: Presentation, which provides that a contractual obligation to deliver cash to another entity is a financial liability.

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 2022 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 €393,681 (€1,396,181 in 2021). No amount is recorded under "Other non-current liabilities" (€0 in 2021), though €393,681 is recorded under "Other current liabilities" (€1,396,181 in 2021) (refer to note 10).

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.

Details of the consideration given, the fair value of the net assets acquired and the goodwill on the date of the business combination were 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	**252,240**

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

At year-end 2022, the Group made an adjustment to its financial liability of €1,002,719 after calculating the amount at which the put option held by the minority shareholders will be exercised.

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 below) which will therefore be consolidated from that date within the consolidated ISPD Network Group as of 31 December 2020:

Company	Percentage of ownership
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%

A breakdown of the various companies forming this new subgroup is provided in note 1 of these notes to the interim consolidated financial statements.

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 has 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)) (refer to note 10).

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**

REBOLD MARKETING MERGER

The companies Rebold Marketing, SLU (erstwhile "Antevenio ESP, SLU") and Antevenio Rich&Reach, SLU, Código Barras Networks, SLU and Foreseen Media, SLU, formalised the merger operation to simplify the structure of the corporate group and adapt it to the reality of the current business; whereby the first absorbs the following three entities, through a public deed notarised on 25 November 2021 before the Notary Public of the Barcelona Notarial Association, Javier García Ruiz, under number 3,688 of his protocol, and registered in the Companies Registry of Madrid on 16 December 2021, with a filing date of 1 December 2021.

By virtue of this merger, Rebold Marketing, S.L.U. has acquired by universal succession all the rights and obligations of the absorbed companies, namely: Antevenio Rich&Reach, SLU, Código Barras Networks, SLU and Foreseen Media, SLU; with full transfer, assumption and subrogation of all the assets, rights, expectations of rights, concessions, obligations, shares, participations and contracts comprising the assets and liabilities of the absorbed companies, and therefore incorporating, en bloc, all the assets and liabilities thereof extinguished by dissolution without liquidation

With a view to simplifying its product and service offering and due to internal restructuring, the Group announced that the services of buying advertising space in digital media (GO Business Unit) will now be provided through Rebold Marketing (in the same group), with no change in terms and conditions or quality of service, and all invoicing will also be handled by this company starting on 1 January 2022.

The Group has also resolved that the services of buying advertising space in digital media (Activated business unit), which until now were provided through Rebold Marketing and Communication, S.L.U., will now be provided through Rebold Marketing, S.L.U. (in the same group) with no change in the conditions or the quality of the service; and that, as of 1 January 2022, all invoicing will be carried out through this company.

NOTE 26. FAIR VALUE MEASUREMENT

The financial assets and liabilities measured at fair value in the statement of financial position are grouped into three levels in a fair value hierarchy. The three levels are defined based on the observability of the significant contributions to the measurement, as indicated below:

- Level 1: (unadjusted) quoted prices in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: unobservable inputs for the asset or liability.

The following table shows the levels within the hierarchy of financial assets and liabilities measured at fair value on a recurring basis:

30 June 2023	Level 1	Level 2	Level 3	Total
Financial Assets				
Goodwill	-	-	8,195,485	8,195,485

Total value of financial assets at fair value	-	-	8,195,485	8,195,485
Financial Liabilities				
Contingent consideration (see note 25)	-	-	542,361	542,361
Total value of financial liabilities at fair value	-	-	542,361	542,361

31 December 2022	Level 1	Level 2	Level 3	Total
Financial Assets				
Goodwill	-	-	7,921,269	7,921,269
Total value of financial assets at fair value	-	-	7,921,269	7,921,269
Financial Liabilities				
Contingent consideration (see note 25)	-	-	633,820	633,820
Total value of financial liabilities at fair value	-	-	633,820	633,820

There were no transfers between Levels during this period and 2022.

Fair value measurement of financial instruments

The Group performs valuations of financial items for financial reporting purposes, including Level 3 fair values, in consultation with third-party valuation specialists for complex valuations and based on historical experience. The valuation techniques are chosen based on the characteristics of each instrument, with the overall aim of maximizing the use of market information.

For instruments classified in levels 2 and 3, the current value valuation method is used. Fair value is estimated by weighting the probability of estimated future cash outflows, considering their historical and expected future performance, and based on an appropriate growth factor for a similar listed entity and a risk-adjusted discount rate, discounting the flows based on the hypotheses and estimates indicated in the corresponding notes of the report (see detailed information in note 5).