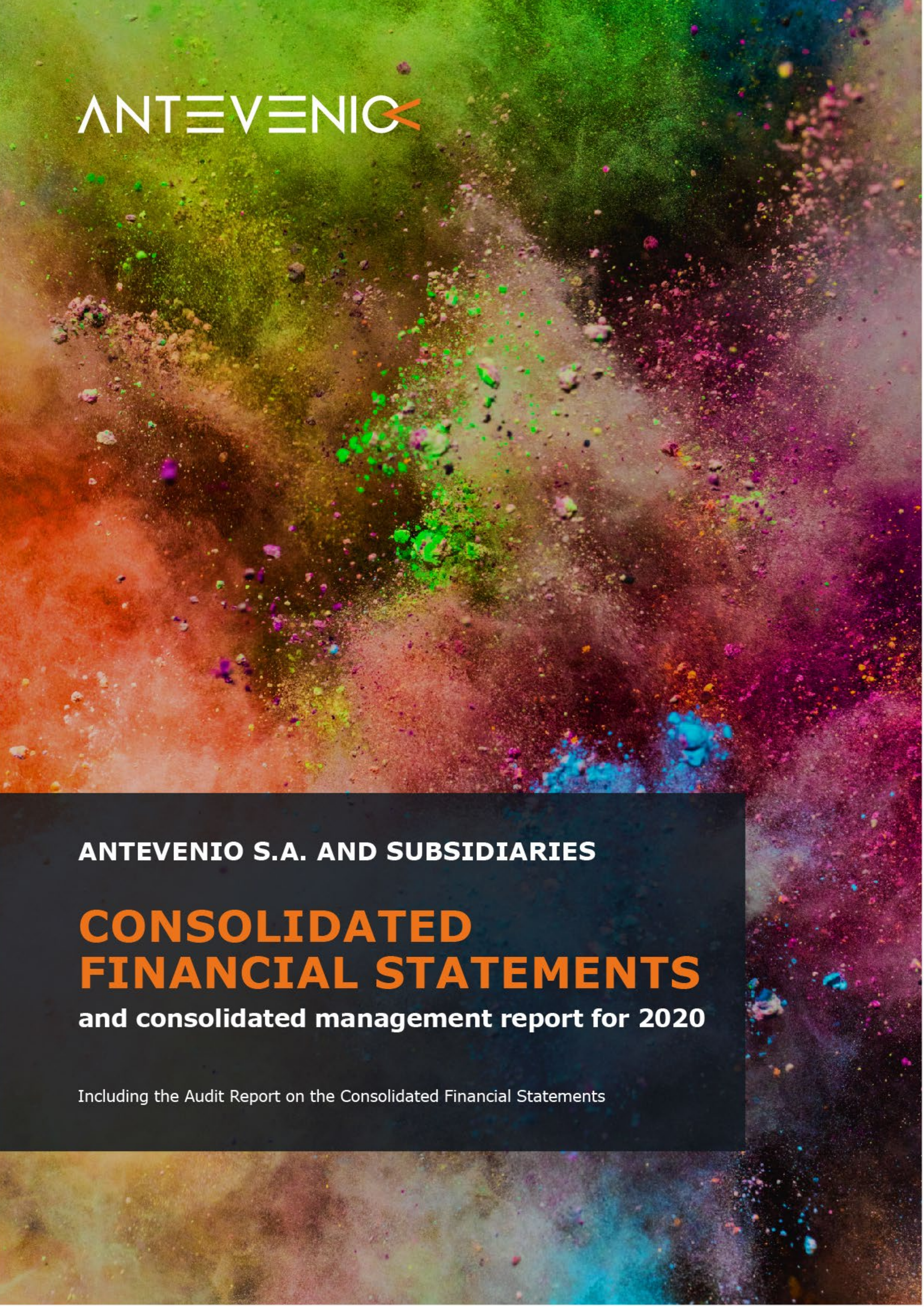

ANTEVENIO

ANTEVENIO S.A. AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS

and consolidated management report for 2020

Including the Audit Report on the Consolidated Financial Statements

Antevenio, S.A. and subsidiaries

Consolidated Annual Accounts and Consolidated Management Report for financial year ended on 31 December 2020

Including the Audit Report on the Consolidated Annual Accounts

Grant Thornton
Paseo de la Castellana, 81
28046 Madrid
T. +34 91 576 39 99
F. +34 91 577 48 32
www.GrantThornton.es

(Translation of a report and accounts originally issued in Spanish and prepared in accordance with Spanish generally accepted accounting principles. In the event of a discrepancy, the Spanish-language version prevails)

INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

To the shareholders of Antevenio, S.A.:

Opinion

We have audited the consolidated financial statements of Antevenio, S.A. (Parent company) and its subsidiaries (the Group), which comprise the consolidated statement of financial position at 31 December 2020, the consolidated income statement, consolidated statement of global income, the consolidated statement of changes in equity, the consolidated statement of cash flows and the notes for the year ended on that date.

In our opinion, the accompanying consolidated financial statements, present fairly and in all material aspects, the equity and financial position of the Group as of 31 December 2020, and the results of its operations and its cash flows for the year then ended, in conformity with the International Financial Reporting Standards adopted by the European Union (EU-IFRS) and other provisions of regulatory financial reporting framework applicable in Spain.

Basis for opinion

We have performed our audit work in accordance with the legal framework on auditing in force in Spain. Our responsibility under the above mentioned standards is described below in this report, under the section on Auditor's responsibility regarding the audit of the consolidated financial statements.

We are independent from the Group in accordance with the ethical requirements, including the independence requirements, that are relevant to our audit work of consolidated financial statements in Spain, in compliance with re requirements laid down in the legal framework on auditing in force in Spain. In this regard, we have provided no other services than auditing services and no circumstances or situations have occurred that, in accordance with the provisions of the aforementioned legal framework, have affected our necessary independence resulting in the compromise thereof.

We consider the audit evidence obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, have been considered as the most significant risk of material misstatement in our audit work on the consolidated financial statements for the reporting period. These risks have been addressed in the context of our audit of the consolidated financial statements as a whole and in the formation of our opinion thereon, and we do not express a separate opinion on said risks.

We have determined that the risks described below are the most significant ones considered in the audit and to be conveyed in our report.

Income Recognition

Income recognition is a significant area and one susceptible of material misstatement, in particular at year-close with regards to the appropriate timing of recognition.

As part of our audit procedures to address this risk, we have proceeded, inter alia, to assess the controls over the income recognition procedure; to perform detailed tests on a sample of the turnover for 2020; to perform analytical procedures on the changes recorded during the reporting period; to analyse credit notes subsequent to year-end; to obtain external confirmations for a sample of outstanding trade receivables and, where appropriate, performing alternative procedures using proof of subsequent collection or supporting documents of invoicing at the balance sheet date.

Goodwill Impairment

As stated under Note 5 to the consolidated financial statements, the Group's consolidated assets include goodwills amounting to 6,438 thousand euro, broken down into five cash generating units that relate to the relevant generating subsidiary. We have considered this are to be significant for our audit work because in the assessment of the impairment of these goodwills projections of future cash flows prepared by the Group are used; these projections included estimates of sales, future results, discount rates and perpetuity growth rates.

Our audit procedures comprised yet were not limited to understanding the procedure applied by the Group to allocating goodwill to the relevant cash generating units; understanding the procedure applied by the Group to identify indications of impairment, and understanding the procedure applied by Directors to obtain the information used to calculate the recoverable value and the assumptions used. We have reviewed aspects relating to the measurement method used, in the mathematical review of the model and in the reasonability analysis of the most significant assumptions.

Additional disclosures: Consolidated management report

Additional disclosures relate solely to the consolidated management report for the year 2020, the preparation of which falls within the responsibility of the Directors of the Parent Company but is not an integral part of the accompanying consolidated financial statements.

The scope of our audit opinion on the consolidated financial statements does not include the consolidated management report. In accordance with the requirements of the legal framework on auditing, our responsibility with regards to the consolidated management report consists in assessing, and reporting on the consistency between the consolidated management report and the consolidated financial statements, based on the knowledge of the Group gained through the performance of the audit on the above mentioned financial statements, and without reviewing any information other than the evidence obtained during our audit work. Additionally, our responsibility consists in assessing, and reporting on whether the contents and presentation of the consolidated management report comply with the applicable regulations. Should we conclude, based on our audit work, that there are material misstatements, we are obligated to report any such material misstatements.

Based on our audit work and in accordance with the preceding paragraph, the accounting information in the consolidated management report is consistent with that contained in the consolidated financial statements for the year ended on 31 December 2020, and that the contents and presentation of the former comply with the applicable regulations.

Responsibility of the directors regarding the consolidated financial statements

The directors of the Parent Company are responsible for the preparation of the accompanying financial statements so as to present fairly the financial position of the Group and the results of its operations in accordance with the EU-IFRS and other provisions of financial reporting framework applicable to the Group in Spain and in accordance with any internal control policies they might deem necessary to allow the annual financial statements to be prepared without any material misstatement, whether due to fraud or error.

When drawing up the consolidated financial statements, the directors of the Parent Company are responsible for assessing the Group's ability to continue as a going concern, and for disclosing, where appropriate, any issues relating to the going concern principle, and for applying the going concern accounting principle except where the directors of the Parent Company intend to liquidate the Group or cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated financial statements

The objectives of our audit are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with legal framework on auditing in force in Spain will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with legal framework on auditing in force in Spain, we exercise professional judgment and maintain professional scepticism throughout the planning and performance of the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors of the Parent Company.

- We conclude on the appropriateness of the application of the going concern accounting principle by the directors of the Parent Company, and based on the audit evidence obtained, we conclude on the existence of any material uncertainty relating to events of conditions that may produce significant doubts about the Group's ability to continue as a going concern. Should we conclude that there is material uncertainty, we are required in our audit report to point out the relevant information disclosed in the consolidated financial statements or, when the relevant disclosures are not appropriate, to issue a qualified opinion. Our conclusions are based on the audit evidence obtained up to the date of our audit report. However, future events or conditions may cause the Group to cease operating as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities and business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We are required to communicate with the directors of the Parent Company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Of the significant risks that have communicated to the directors of the Parent Company, we determine those that were of greater significance in the audit of the consolidated financial statements for the reporting period and which are therefore considered as the most significant risks.

We describe those risks in our audit report, unless public disclosure of the relevant matter is prohibited by any legal or regulatory provision.

Grant Thornton, S.L.P., Sociedad Unipersonal

ROAC n.º S0231

Alfredo González del Olmo

ROAC n.º 18863

14 April 2021

ANTEVENIO S.A.
AND SUBSIDIARIES

Consolidated financial statements and consolidated management report for 2020

Including the Audit Report on the Consolidated Financial Statements

ANTEVENIO S.A. AND SUBSIDIARIES

Consolidated financial statements and consolidated management report for 2020

CONSOLIDATED FINANCIAL STATEMENTS AND CONSOLIDATED MANAGEMENT REPORT FOR 2020

ANTEVENIO S.A. AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS AND CONSOLIDATED MANAGEMENT REPORT FOR 2020

ANTEVENIO S.A. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT DECEMBER 31, 2020

(in Euros)

ASSETS	Note	31/12/2020	31/12/2019
Property, plant and equipment	6	1,427,208	1,456,956
Consolidation goodwill, both equity and fully consolidated cos.	5	6,437,533	11,216,564
Goodwill		671,560	-
Intangible assets	7	1,251,219	913,714
Non-current financial assets	9	93,180	126,463
Deferred tax assets	16	5,935,180	2,094,135
Non-current assets		**15,815,879**	**15,807,832**
Trade and other receivables	9	31,391,713	6,305,579
Trade receivables, Group companies	9 and 24	302,618	589,466
Other current assets	9	254,017	223,808
Receivables from Public Entities	16	2,101,320	190,612
Current tax assets		59,203	168,535
Prepaid expenses		135,465	39,560
Cash and cash equivalents	9	9,126,417	3,034,129
Current assets		**43,370,753**	**10,551,689**
Total Assets		**59,186,632**	**26,359,521**

ANTEVENIO S.A. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 31 DECEMBER 2020

(in Euros)

EQUITY AND LIABILITIES		2020	2019
Share Capital		819,099	231,412
Issue premium		-	8,189,787
Legal Reserve		46,282	46,282
Reserves from fully consolidated companies		(62,913)	6,365,516
Profit/(Loss) for the year attributable to the Parent Company		(3,930,458)	(1,573,277)
Other equity instruments	14	-	-
External partners		(430,760)	(31,523)
Translation differences	13	3,563	(34,022)
Equity attributable to the Parent Company	14	**(2,999,305)**	**13,225,698**
Equity attributable to non-controlling interests		**(555,881)**	**(31,523)**
Equity	13	**(3,555,186)**	**13,194,175**
Non-current payables, debts with financial institutions	10	8,417,261	73,881
Non-current payables, Group companies		8,147,961	-
Other non-current payables	10	3,753,121	1,205,725
Other non-current liabilities	10 and 25	-	2,273,829
Provisions	18	283,309	199,699
Deferred tax liabilities	16	718,794	14,905
Non-current liabilities		**21,320,446**	**3,768,039**
Current payables, debts with financial institutions	10	843,967	184,779
Other current payables	10	913,167	563,057
Current payables to Group companies	24	609,732	366,778
Trade and other payables	10	27,093,279	5,225,917
Suppliers, Group companies	24 and 10	1,974,255	281,093
Other financial liabilities	10	-	207,539
Personnel, salaries payable	10	3,566,254	677,699
Public Entities, payables	16	4,734,347	1,474,943
Current tax liabilities	16	140,015	0
Unearned income		1,533,855	395,941
Other current liabilities	2, 10	12,500	19,560
Current liabilities		**41,421,371**	**9,397,307**
Total assets and liabilities		**59,186,632**	**26,359,521**

ANTEVENIO

ANTEVENIO S.A. AND SUBSIDIARIES
CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2020

(in Euros)

ANTEVENIO, S.A AND SUBSIDIARY COMPANIES CONSOLIDATED INCOME STATEMENT (in Euros) PROFIT & LOSS Note		2020	2019
Revenue	**17.a**	**54,425,711**	**25,223,385**
Other income		**25,350**	-
Work carried out by the company on its assets		**265,714**	**304,322**
operating grants taken to income		**199,151**	**81,384**
TOTAL OPERATING INCOME		**54,915,926**	**25,609,091**
Supplies	**17 .b**	**(29,199,626)**	**(11,308,853)**
Personnel expenses	**17.C**	**(18,254,554)**	**'(11,376,340)**
Wages and salaries		(15,067,134)	(9,342 377)
Employee benefit expense		(3,187,420)	(2,033,963)
Endowment for tangible assets amortization		**(873,512)**	**(728,853)**
Provision for property, plant and equipment	6	(652,437)	(595,944)
Amortization of intangible assets	7	(221,075)	(132,909]
Other operating expenses		**(6,934,033)**	**(3,553,860)**
External services	17 .d	(5,675,924)	(3,010,584)
Impairment losses on assets	9.2	(1,258,109)	(543,276!
Other income / (loss)		**(85,035)**	**(3,484)**
TOTAL OPERATING EXPENSES		**(55,346,759)**	**(26,971,390)**
RESULTS FROM OPERATING ACTIVITIES		**(430,834)**	**(1,362,300)**
Third-party financial income	17. e	1,721,460	7,330
Finance income, Group companies		-	-
Translation differences, gains	11	173,719	164,794
TOTAL INTEREST INCOME		**1,895,179**	**172,124**
Finance expenses	17.f	(231,583)	(98329¡
Group financial expenses		(52,244)	(7,752)
Translation differences, losses	11	(133,046)	(174,028)
TOTAL INTEREST EXPENSE		**(416,874)**	**(280,109)**
Impairment and gains / (losses) on disposal of financial instruments		**(5,162,088)**	-
Share in profits/(losses) of equity-accounted companies		-	-
Impairment and gains(losses) on loss of significant influence over equity investments		426,896	-
FINANCIAL RESULT		**(3,256,887)**	**(107,986)**
INCOME FROM CONTINUING OPERATIONS		**(3,687,721)**	**(1,470,285)**
PROFIT BEFORE TAX		**(3,687,721)**	**(1,470,285)**
income tax expense	16	(271,651)	(56,879)
Taxes and other		(122,044)	(59.939)
CONSOLIDATED PROFIT		**(4,081,416)**	**(1,587,103)**
Profit(loss) attributable to minority interests		(150,958)	(13,826'
PROFIT/(LOSS) ATTRIBUTABLE TO HOLDERS OF EQUITY INSTRUMENTS OF THE PARENT COMPANY		**(3,930,458)**	**(1,573,277)**
Profit/Loss per share:			
Basic		(0.26)	(038)
Diluted		(0.26)	(038)

ANTEVENIO S.A. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2020
(in Euros)

STATEMENT OF CASH FLOWS:	Note	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES (A)		**2,459,729**	**(462,356)**
Profit / (Loss) before taxes		(3,687,721)	(1,470,285)
Adjustments for:			
+ Depreciation and amortization	6 and 7	873,512	728,853
+ / - Impairment losses	10.2	1,258,109	543,276
+ / - Grants taken to P&L		(199,151)	(81,384)
- Finance income	17	(1,721,460)	(7,330)
+ Finance expense	17	283,827	98,329
+/- Translation differences	13	(40,672)	9,234
+/- Other income and expenses	17	4,554,513	(385,706)
+/- Other taxes	17	-	(59,939)
Changes in operating assets and liabilities:			
Changes in receivables		(25,285,804)	1,491,639
Changes in payables		18,028,300	529,943
Changes in other current assets		(1,940,916)	(153,782)
Changes in other non-current liabilities		-	63,741
Changes in other current liabilities		9,556,960	(213,733)
Other non-current assets		-	(286,254)
- Income tax paid		(657,400)	(1,177,960)
Interest paid (-)		(283,827)	(98,329)
Interest received (+)		1,721,460	7,330
CASH FLOWS FROM INVESTING ACTIVITIES (B)		**(33,845)**	**(939,589)**
Investments in intangible assets	7	(24,000)	(452,038)
Investments in property, plant and equipment	6	(9,845)	(170,891)
Business combinations	25	-	(316,660)
CASH FLOWS FROM FINANCING ACTIVITIES (C)		**(624,000)**	**(1,346,749)**
Changes in debt to other entities		(624,000)	(4,483)
Dividends paid	3	-	(1,262,249)
Interest on other equity instruments (-)		-	(80,017)
EFFECT OF FOREIGN EXCHANGE RATES FLUCTUATIONS (D)		**37,585**	**170,896**
Net increase/decrease in cash and cash equivalents (E=A+B+C+D)		**1,839,470**	**(2,577,797)**
Cash and cash equivalents at beginning of period (F)		**3,034,128**	**5,611,926**
Additions from business combinations		**4,252,819**	**-**
Cash and cash equivalents at end of period (G=E+F)		**9,126,417**	**3,034,129**

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2020
(in Euros)

	Notes	31/12/2020	31/12/2019
PROFIT / (LOSS) FOR THE PERIOD		**(21,517)**	**(1,587,103)**
Income and expense directly recognized in equity:		**-**	**-**
Translation differences		-	170,896
TOTAL INCOME AND EXPENSES DIRECTLY RECOGNIZED IN EQUITY		**-**	**170,896**
Transfers to Profit and Loss Account:		**-**	**-**
TOTAL TRANSFERS TO PROFIT AND LOSS ACCOUNT		**-**	**-**
TOTAL RECOGNIZED INCOME AND EXPENSE		**(21,517)**	**(1,416,207)**
Attributable to the Parent Company		**-**	**(1,402,380)**
Attributable to minority interests		**170,896**	**(13,826)**

ANTEVENIO S.A. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2020
(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 12/31/2018	**231,412**	**8,189,787**	**7,883,840**	**(114,300)**	**270,000**	**(204,919)**	**-**	**16,255,820**
Adjustments for errors, 2018 (Note 2 e)	**-**	**-**	**38,279**	**-**	**-**		**-**	**38,279**
Balance at 01/01/2019	**231,412**	**8,189,787**	**7,922,119**	**(114,300)**	**270,000**	**(204,919)**		**16,294,099**
Recognized income and expense (note 17)	**-**	**-**	**(1,573,277)**	**-**	**-**	**170,896**	**(13,826)**	**(1,416,206)**
Other non-current assets	-	-	(248,072)	-	-	-	-	(248,072)
Acquisition higher percentage of share	-	-	-	-	-	-	(17,697)	(17,697)
Transactions with Parent Company shares (note 14)	-	-	-	114,300	(270,000)	-	-	(155,700)
Dividends (Note 12.5)	-	-	(1,262,249)	-	-	-	-	(1,262,249)
Balance at 12/31/2019	**231,412**	**8,189,787**	**4,838,521**	**-**	**-**	**(34,022)**	**(31,523)**	**13,194,175**
Adjustments for errors, 2019 (Note 2 e)	**-**	**-**	**33,709**	**-**	**-**	**-**	**-**	33,709
Balance at 01/01/2020	**231,412**	**8,189,787**	**4,872,230**	**-**	**-**	**(34,022)**	**(31,523)**	**13,227,884**
Recognized income and expense (note 17)	-	-	**(3,930,458)**	**-**	**-**	**-**	**(399,238)**	**(4,329,696)**
Other non-current assets	-	(21,974,180)	(5,106,624)	-	-	37,585	-	(27,043,219)
Acquisition higher percentage of share	-	-	-	-	-	-	-	-
Transactions with Parent Company shares	587,687	13,784,393	-	-	-	-	-	14,372,080
Percentage change share	-	-	217,764	-	-	-	-	217,764
Dividends (Note 12.5)								
Balance at 12/31/2020	**819,099**	**(0)**	**(3,947,088)**	**-**	**-**	**3,563**	**(430,760)**	**(3,555,186)**

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ANTEVENIO S.A. AND SUBSIDIARIES

CONSOLIDATED ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

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) was incorporated as a private company on 20 November 1997, with the name "Interactive Network, SL" in Spain; subsequently, the Company converted into public and changed its name to "I Network Advertising, S.A." on 22 January 2001. On 7 April 2005, the General Meeting of Shareholders approved the change of the Company's name to its current one.

Its registered office was at C/ Marqués de Riscal, 11, 4th floor, Madrid. On 30 September 2020, the registered office moved to C/ Apolonio Morales 13C, Madrid

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

b. General information

The Consolidated Financial Statements of Antevenio Group have been prepared and authorized by the Board of Directors of the Parent Company.

The presentation currency used in these Consolidated Financial Statements is the euro without decimal places. 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.

Antevenio, S.A. shares are listed on the French alternative stock market Euronext Growth. Antevenio shares were traded for the first time on that market in 2007.

d. Financial Year

The Parent Company's financial 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 31/12/2020	Percentage of Ownership 31/12/2019	Carrying Value
Mamvo Performance, S.L.U.	100%	100%	1,577,382
Marketing Manager Servicios de Marketing, S.L.U.	100%	100%	199,932
Antevenio S.R.L.	100%	100%	5,027,487
Antevenio ESP, S.L.U.	100%	100%	27,437
Antevenio France S.R.L.	100%	100%	2,000
Código Barras Networks S.L.U (**)	100%	100%	145,385
Antevenio Argentina S.R.L. (*)	100%	100%	341,447
Antevenio México S.A de C.V	100%	100%	1,908
Antevenio Publicité, S.A.S.U.	100%	100%	-
Antevenio Rich & Reach, S.L.U.	100%	100%	3,000
React2Media, L.L.C. (1)	60%	100%	-
Foreseen Media, S.L. (1)	70,4%	70.4%	67,420
B2Marketplace Ecommerce Consulting Group, S.L. (1)	51%	100%	1,811,125
Rebold Marketing and Communication, S.L.U.	100%	100%	1
Acceso Mexico (2)	100%	-	774,598
Acceso Colombia (2)	100%	-	699,267
Digilant Colombia (2)	100%	-	0
Digilant INC (2)	100%	-	1
Digilant Perú (2)	100%	-	0
Digilant SA de CV (2)	100%	-	1
Filipides (2)(***)	100%	-	2,046
Digilant Services (2)(***)	100%	-	2,046
Blue Digital (2)	65%	-	480,628
Digilant Chile (2)(****)	100%	-	0
Acceso Panamá (2)(3)	0%	-	0
Blue Media (2)(****)	100%	-	0

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

(*) Holding held by Mamvo Performance, S.L.U. and Antevenio ESP, S.L.U. (75% and 25% respectively).
(**) Holding held by Antevenio, Rich & Reach, S.L.U.
(***) Holding by Digilant SA de CV
(****) Holdings held by Blue Digital
(1) See Note 25 Business combinations.
(2) 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

(detailed in the table above) which will therefore be consolidated from that date within the consolidated Antevenio Group as of 31 December 2020. See Note 25.

(3) Loss of control 2020

In fiscal year 2020, the directors of the Parent Company have considered that, due to certain events during the fiscal year, there is a loss of control of the company Acceso Panamá. The impact of this loss of control amounted to €426,896, which is reflected in the Consolidated Income Statement under the heading "Impairment and gains(losses) on loss of significant influence over equity investments".

In addition, during fiscal year 2020, the Parent's directors opted not to exercise the existing contractual call options on the subsidiary React2Media described in note 25 of the present consolidated report, as it is intended to liquidate this company in the coming fiscal year. Consequently, the Group has recorded the effect of unexercised and expired call and put options as if they were a sale to minority interests.

During fiscal year 2019, the changes in the consolidation perimeter corresponded to the acquisitions on 20 February 2019 and 7 October 2019 of the Spanish companies Foreseen Media, S.L. and B2Marketplace Ecommerce Consulting Group, S.L. (Note 25).

On 20 February 2019, the Parent Company completed the acquisition of 70% of the shares in the Spanish company Foreseen Media S.L for 54,912 euros; the entire amount of which was paid to the counterparty on said date.

Companies where the Company holds a majority of voting rights have been fully consolidated as subsidiaries. These companies have also fiscal years ending on 31 December each year.

There are no subsidiaries excluded from the consolidation process, except as described in note 4.a above in relation to the loss of control of the subsidiary Acceso Panamá.

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 20124 Milano	Advertising and Marketing on the Internet.
Antevenio ESP, S.L.U.	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.
Código Barras Networks S.L.	2010	C/ Apolonio Morales 13C 28036 Madrid	Its corporate purpose is the marketing of advertising space in products' search engines, price comparators and contextual windows that the Company implements, manages and maintains on the Internet.

Company	Incorporation Year	Registered Address	Corporate Purpose
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.
Antevenio, Rich & Reach, S.L.U.	2013	C/ Apolonio Morales 13C 28036 Madrid	Internet services, especially in the field of online advertising.
React2Media, L.L.C.	2008	35W 36th St New York	Online marketing services
Foreseen Media, S.L.	2017	C/ Apolonio Morales 13C 28036 Madrid	Marketing sectors and content creation in the eSports and gaming sector
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
Acceso Mexico	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	2013	Edificio unión 94, Cra 13## 94 A-26 BOGOTA	Evaluation and negotiation of advertising space and purchase and sale, 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, buy, 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 in respect of all kinds of advertising space
Filipides	2008	Zacatecas 92 - col Roma - CP06700 - CDMX	Selection and recruitment of personnel to fill vacancies in any position and provision of personal items to any third party
Digilant Services	2018	Zacatecas 92 - col Roma - CP06700 - CDMX	Provision of administrative services, personnel administration, consultancy, marketing, communication and advisory services in general.
Digilant Perú	2017	Calle los forestales 573 - residencial Los ingenieros -district of La Molina, province and department of Lima	Evaluation and negotiation of advertising space and purchase and sale, provision of consultancy, marketing, communication and general advisory services
Blue Digital	2011	Av Apoquindo 5950 - 20th floor - Las Condes - Metropolitan Region Santiago de Chile	Advertising, propaganda and marketing
Digilant Chile	2017	General del Canto 50 - of 301 PROVIDENCIA / SANTIAGO	Evaluation and negotiation of advertising space, provision of consultancy, marketing, communication and general advisory services

NOTE 2. BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

a) Application of International Financial Reporting Standards (IFRS)

These consolidated financial statements have been prepared in consistence with the provisions of the International Financial Reporting Standards (IFRS), as adopted by the European Union in accordance with Regulation (EC) 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 a significant impact. The Consolidated Financial Statements have been prepared under International Financial Reporting Standards (EU-IFRS) since 2006 and were listed on the French alternative stock market Euronext Growth (see note 1) in 2007.

Accounting policies and measurement principles applied by Directors in preparing these consolidated financial statements consolidated are summarized in Note 4. The Directors of the Parent Company are responsible for the presentation of the Group´s consolidated financial statements.

In accordance with the provisions of IFRS, the Consolidated Financial Statements include the following Consolidated Statements for the year ended 31 December 2020:

- Consolidated Statement of Financial Position
- Consolidated Profit and Loss Account
- Consolidated Statement of Comprehensive Income
- Consolidated Statement of Changes in Equity
- Consolidated Statement of Cash Flows.
- Consolidated financial statements.

During fiscal years 2019 and 2020, the following new accounting standards and/or amendments have come into force, and were therefore taken into account in preparing these Consolidated Financial Statements:

a) Standards and interpretations approved by the European Union, applicable for the first time in the Consolidated Annual Accounts for fiscal year 2019.

The accounting policies used in the preparation of the Consolidated Financial Statements effective for fiscal year 2019 are as follows:

		Effective Date (financial years beginning on):
Clarifications to IFRS 9	Financial Instruments	1 January 2019
IFRS 16	Leases	1 January 2019
•IFRIC 23	Uncertainty over Income Tax Treatments	1 January 2019
•Amendments to IFRS 9	Prepayment Features with Negative Compensation.	1 January 2019
•Amendments to IAS 28	Long-term interests in associates and joint ventures.	1 January 2019
•Amendments to IAS 19	Plan Amendment, Curtailment or Settlement.	1 January 2019

Additionally, the following accounting policies have been first applied in the financial year 2020:

Standards and amendments to Standards		**IASB effective date**	**EU effective date**
Conceptual framework	Amendments to the references to the conceptual framework of the IFRS standards	1 January 2020	1 January 2020
IAS 1 and IAS 8	Amendments to IAS 1 and 8: Stock definition	1 January 2020	1 January 2020
IFRS 3	Amendments to IFRS 3 Business combinations	1 January 2020	1 January 2020
IFRS 9, IAS 39 y IFRS 7	Amendments in the IFRS 9, IAS 39 and IFRS 7: Interest rate benchmark reform	1 January 2020	1 January 2020
IFRS 17	Insurance contract	1 January 2021	Pending

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.

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

		IASB effective date	EU effective date
IFRS 3	Amendments to IFRS 3 Business combinations	1 January 2020	Pending
Conceptual framework	Amendments to the references to the conceptual framework of the IFRS standards	1 January 2020	Pending
IFRS 17	Insurance contract	1 January 2023	Pending
Amendments toIAS 1	Presentation of Financial Statements: Classification of liabilities as current and non-current	1 January 2023	Pending
Amendments toIAS 37	Onerous contracts - Costs of fulfilling a contract	1 January 2022	Pending
Annual improvements to IFRS	Cycle 2018-2020	1 January 2022	Pending
Amendments toIAS 16	Plant, Property and Equipment: Proceeds before intended use	1 January 2022	Pending
Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16	IBOR Reform (Phase 2)	1 January 2021	1 January 2021

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.

a) COVID19 Impact

In the wake of the health and economic crisis triggered by the global coronavirus pandemic (COVID-19), the following new information and detailed information explained below should be taken into account in relation to the following aspects:

Impact on operations and income statements

The aforementioned health crisis affected the Group's first half net sales by 23% on a consolidated basis, which was mitigated and recovered to a large extent during the second half of the year.
The business began to rebound strongly in the third quarter and accelerated in the fourth quarter, driven mainly by the Digital Media Trading business, and the rebound of Technology and Marketing Services, which now includes monitoring and analytics services, developed within Rebold.

The main trends in 2020 for each business unit are:

- Decline in the Publishing unit (content creation through the Group's four main vertical portals: travel, fashion, learning and health/lifestyle), with a 19% drop in revenues, with a particularly pronounced decline in travel-related portals.

- Decline in the Technology and Marketing Services unit (email marketing, monitoring, analytics, e-commerce and associated services), with a 12% drop in revenues, thus reflecting the resilience of technology-intensive activities in a market in sharp decline.

- Stability of the Digital Media Trading division (media buying and selling activities, programmatic marketing, content marketing and affiliation) with revenues down by 1%, largely due to sound performance in the United States, despite significant exposure to the tourism sector and the underperformance of React2Media activities, which could not relaunch in the context of the crisis triggered by COVID-19.

In the wake of the pandemic, the Group made no significant changes to the risk management strategy described in note 11 herein.

<u>Lease concessions</u>

The Group negotiated rental rebates with its lessors for the majority of its leases as a result of the severe impact of the COVID-19 pandemic during the year. The Group has recognised these concessions in accordance with the treatment described in the February 2021 ICAC consultation "On the accounting treatment of rent reductions agreed in an operating lease of business premises due to extraordinary measures adopted by the Government to address the effects of the COVID-19 health crisis".

Teleworking has also eliminated the need for certain office spaces, and therefore opened the door to terminating rental contracts and thus cost savings.
As a result of this treatment, the Group recognised a lower expense during the months to reflect the changes in lease payments arising from the rental concessions related to COVID-19.

<u>Government aid</u>

In response to the pandemic triggered by the coronavirus (COVID-19), the Spanish Government approved a series of measures available to the Group, as set out in Royal Decree-Law 9/2020 of 27 March on the suspension of employment contracts.

The Group availed itself of one of the measures approved by this rule and, in particular, almost all Group and Company employees were enrolled in the respective furlough programmes (ERTEs) from 1 May to 31 December. This average ERTE resulted in a 20% reduction in working hours, with consequent savings in labour costs. However, the company supplemented the salary of all workers partially from May to October (both inclusive), and supplemented the entire (100%) salary from October to December 2020.

Moreover, article 29 of RoyalDecree-law 8/2020 of 17 March approved a line of State Guarantees of up to €100 billion from the Ministry of Economic Affairs and Digital Transformation to facilitate the maintenance of employment and alleviate the economic effects of the health crisis. The guarantees would be given to the financing granted by financial institutions to facilitate access to credit and liquidity for businesses and the self-employed to cope with the economic and social impact of the pandemic.

The agreements of the Council of Ministers of 24 March, 10 April, 5 May, 19 May and 16 June 2020 provide for the activation of the tranches of the facility, which are distributed as follows:

- SMEs and freelancers: €67,500 million
- Non-SMEs: €25,000 million
- Tourism sector and related activities: 2.5 billion euros for the freelancers and SMEs.
- Acquisition or financial or operational leasing of road transport motor vehicles for professional use: 500 million for freelancers and businesses.

This line of State Guarantees for companies and freelancers from the Ministry of Economic Affairs and Digital Transformation is managed by the Instituto de Crédito Oficial (Official Credit Institute) through the financial institutions that grant financing to companies and freelancers to alleviate the economic effects of the pandemic, helping with liquidity and covering the working capital needs of freelancers, SMEs and companies, in order to maintain productive activity and employment.
Companies can access these guarantees through their financial institutions, through the formalisation of new financing operations or the renewal of existing ones.
The Group secured this financing from the Instituto de Crédito Oficial (Official Credit Institute), guaranteed by the corresponding State guarantees, as follows:

- ICO loans: List of ICO loans obtained with the different financial institutions:

Group	Product	Amount
Rebold	ICO loan	100,000
Rebold	ICO loan	500,000
Rebold	ICO loan	1,000,000
Rebold	ICO loan	2,000,000
Rebold	ICO loan	2,000,000
Antevenio	ICO loan	500,000
Antevenio	ICO loan	750,000

- ICO credit lines: List of ICO credit policies obtained with the different financial institutions:

Group	Product	Amount
Rebold	ICO Policy	300,000
Rebold	ICO Policy	150,000
Rebold	ICO Policy	300,000
Rebold	ICO Policy	150,000
Rebold	ICO Policy	500,000
Antevenio	ICO Policy	500,000

- Paycheck Protection Program ("PPP") loan

  The companies Digilant INC and Reat2Media received loans from Congressional Bank amounting to €1,226 thousand and €247 thousand respectively under the Paycheck Protection Programme (PPP), established by the Coronavirus Relief, Assistance and Economic Security Act.

The formalised ICO loans have a grace period of between 12 and 24 months. Regarding loans with a 12-month grace period, we are considering the option of taking advantage of the deferral of the original maturity of the ICO guarantee facilities approved by the Resolution of 25 November 2020 of the Secretary of State for the Economy and Business Support. Although no further information is available at this stage on the final grace period and the higher financial cost involved, the higher financial cost is not expected to be significant.

In light of these Group-wide measures, the directors of the Parent Company has concluded that there are no material uncertainties that may cast doubt on its ability to continue with its operations as a going concern.

b) Fair presentation

The accompanying Consolidated Profit and Loss Account for the year ended 31 December 2020 have been prepared from the accounting records of the companies included in the Group and are presented in accordance with the provisions of the IFRS-EU and the applicable Spanish accounting legislation, in order to offer a fair image of the equity, financial position, results, changes in equity and cash flows of the Group incurred during the year ended 31 December 2020.
The consolidated financial statements prepared by the Directors of the Parent Company will be subject to approval of the General Meeting of Shareholders of the Parent Company, and are expected to be approved without modification.

c) Critical issues regarding the measurement and estimation of uncertainties

In the preparation of the attached Consolidated Financial Statements according to IFRS-EU, 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. The accounting estimates and assumptions having a more significant impact on these 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 and 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 future taxable profit. 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;

These estimates were made based on the best information available at the date of preparation of these 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 outbreak of the COVID-19 pandemic and measures taken by the world's governments to mitigate the spread of the pandemic have significantly affected the Group. These measures made it necessary for the directors of the Parent Company to factor this impact into all the estimates identified above on the basis of the most likely scenario that the Group will face in the short term in the future.

The Group has concluded that there are no material uncertainties that may cast doubt on its ability to continue with its operations 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 these consolidated financial statements has been applied.

e)Correction of errors

No error corrections have been made as at 31 December 2020.

f)Comparative information

The Consolidated Financial Statements for the year ended 31 December 2020 include, for comparison purposes, the figures for 2019 presented in the Consolidated Financial Statements for 2019 approved by the Company's General Meeting of Shareholders of the Parent Company, held on 1 June 2020, which have also been prepared in accordance with the provisions of the International Financial Reporting Standards, as adopted by the European Union.

The inclusion in the consolidated annual accounts for fiscal year 2020 of the Rebold subgroup, as indicated in note 1.2, must be taken into account when making the comparison between fiscal years.

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 financial 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:

	31/12/2020	**31/12/2019**
Net profit/(loss) for the year	(3,930,458)	(1,573,277)
Weighted average number of outstanding shares	14,891,262	4,207,495
Basic Profit/Loss per weighted average number of shares	**(0.26)**	**(0.37)**

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 proposed distribution of profits obtained by the Parent Company in 2020 will be submitted by the Directors of the Parent Company to the approval of the General Meeting of Shareholders, which is as follows:

Basis of distribution	
Profit and loss (loss)	(5,172,390)
Total	(5,172,390)
Application	
Prior period's losses	(5,172,390)
Total	**(5,172,390)**

The Annual General Meeting held on 1 June 2020 approved the following distribution of profit made as of 31 December 2019 by the Parent Company:

Basis of distribution	
Profit and loss (profit)	**1,351,918**
Total	**1,351,918**
Application	
Voluntary reserves	**1,351,918**
Total	**1,351,918**

Distribution of dividends:

On 19 June 2019 the General Meeting of Shareholders approved the distribution of a dividend against 2018 profit, of 0.30 Euro per share, amounting to a total of 1,262,248.50 Euros.

No dividends were distributed to companies outside the scope of consolidation during fiscal year 2020.

Royal Decree-Law 18/2020 of 12 May, on social measures in defence of employment, includes a limitation on the distribution of dividends of companies that apply a Temporary Layoff Plan (ERTE). Article 5.2 states that trading companies or other legal entities that avail themselves of the temporary redundancy plans regulated in Article 1 of the Royal Decree-Law and use the public resources allocated to them may not distribute dividends corresponding to the fiscal year in which these temporary redundancy plans are applied, unless they previously pay the amount corresponding to the exemption applied to social security contributions.

In addition, the Resolution of 6 May 2020, published in the Official State Gazette of 9 May 2020, of the Secretary of State for the Economy and Business Support, which publishes the Agreement of the Council of Ministers of 5 May 2020, establishing the terms and conditions of the third tranche of the line of guarantees for loans granted to companies and freelancers, promissory notes included in the Alternative Fixed Income Market (MARF) and guarantees granted by the Compañía Española de Reafianzamiento, SME, Sociedad Anónima (CERSA), and limits are authorised to acquire expenditure commitments charged to future fiscal years in application of the provisions of article 47 of the General Budgetary Law 47/2003, of 26 November, which establishes that "the financing obtained must be used to meet the liquidity needs derived, among others, from the management of invoices, payment of payrolls and suppliers, the need for working capital and maturities of financial or tax obligations. *Therefore, by way of example, State-guaranteed financing may under no circumstances be used for the payment of dividends or interim dividends".*

In fiscal year 2020, the Group availed itself of some relief as a result of the COVID19 pandemic: ERTEs where social security contributions have not been waived but ICO loans have been applied for.

NOTE 4. SIGNIFICANT ACCOUNTING POLICIES

The main accounting policies applied by the Group in the preparation of the Consolidated Financial Statements for the year ended 31 December 2020 were as follows:

a) Consolidation methods

These 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, which are companies over which the Group exercises significant influence yet not control, and jointly controlled entities ("joint ventures"), whereby the companies are entitled to the net assets of the contractual arrangement, were consolidated by the equity method, except where such investments qualify for classification as held for sale assets. 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 in company accounted for using the equity method exceeds its investment in the company, the Group recognises a provision for its share of the losses in excess of that investment. The value of the investment in any investee consolidated using the equity method is 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 financial year ended on the same date of the Parent Company's separate 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 of the terms and conditions of the arrangements and their economic effects. The presence of at least one of the following factors indicates that a parent should account for 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, it shall:

a) Derecognise:

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

b) 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
- any investment retained in the former subsidiary at its fair value at the date when control is lost.

c) 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) 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.

In fiscal year 2020, the directors of the Parent Company have considered that, due to certain events during the fiscal year, there is a loss of control of the company Acceso Panamá. The impact of this loss of control amounted to €426,896, which is reflected in the Consolidated Income Statement under the heading "Impairment and gains(losses) on loss of significant influence over equity investments".

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 (Antevenio, S.A.) for its own financial statements, provided they involve a significant effect.

For subsidiaries that were included in the consolidated Antevenio Group for the previous fiscal year, no unification of timing was required as all the companies included in the attached Consolidated Financial Statements have their year end date on 31 December of each fiscal year.

However, it should be noted that, as mentioned in note 1.2 to the consolidated financial statements, the subsidiaries included in the Rebold subgroup in the current fiscal year were included since the date of the parent company capital increase described in that note, so it should be noted that the consolidated income statement only includes the transactions carried out by all these subsidiaries in the last 4 months of the fiscal 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 Profit and Loss Account, 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 Profit and Loss Account, 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 Profit and Loss Account: at the average exchange rate of the financial year.

- Equity at the historical exchange rate.

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

<u>Hyperinflationary economies</u>:

Pursuant to the provisions of International Accounting Standard (IAS) 21, the results and financial position of an entity whose functional currency is the currency of a hyperinflationary economy shall be translated into a different presentation currency using the following procedures:

(a) all amounts (i.e. assets, liabilities, equity items, income and expenses, including comparatives) shall be translated at the closing rate at the date of the most recent consolidated statement of financial position; except that

(b) when amounts are translated into the currency of a non-hyperinflationary economy, comparative amounts shall be those that were presented as current year amounts in the relevant prior year financial statements (i.e. not adjusted for subsequent changes in the price level or subsequent changes in 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 application of this model to the Group company based in Argentina is not relevant; accordingly, the comparative figures for the annual period ended 31 December 2020 have been restated.

e) Transactions between companies included in the consolidation perimeter

As prior step to preparation of the 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.

Transactions between Rebold subgroup subsidiaries and Antevenio group companies from 1 January 2020 to 31 August 2020 were not eliminated, since they were not part of the consolidated group until the date described in note 1.2.

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 Profit and Loss Account.

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 Profit and Loss Account 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	33-18	3-6
Motor vehicles	25	4
Machinery	20	5
Other property, plant and equipment	20-10	5-10

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

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).

Subsequent to initial recognition thereof goodwill is measured at purchase price less any accumulated amortization and, where appropriate, the accumulated amount of any recognized impairment.

Goodwill is amortized on a straight-line basis over a period of ten years. Useful life shall be separately determined for each cash generating unit to which goodwill has been allocated.

The Company shall assess at least at the end of each reporting period whether there is any indication that any cash-generating units to which goodwill had been allocated may be impaired, and, where any such indication exists, the Company shall verify the eventual impairment thereof pursuant to Note 4i). Impairment recognized for goodwill is not reversed in subsequent reporting periods.

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 apply, estimated at 10.6%, depending on the geographic area, being the main variables that influence its calculation, 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.

At the close of the year ended 31 December 2020, as described in note 5, there was impairment of the goodwill associated with the cash-generating unit React2Media, L.L.C., since the company is expected to be liquidated in the next fiscal year and the goodwill associated with Antevenio Publicité, S.A.S.U. has been impaired as the future forecasts for the results of this company have been modified.

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 Profit and Loss Account.

j) Leases and other transactions of similar nature

The Group as lessee

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.

At 31 December 2020, the impact from application of this standard led to recognition of the following:

-A right-of-use asset for a gross amount of 1,347,775 euro, 1,615,858 in 2019, (recognized under "Property, plant and equipment" in the consolidated statement of financial position).

-A liability for future payment obligations amounting to €1,050,567 (€1,112,863 in 2019):

g)For the long-term tranche, an amount of €586,910 (€639,460 in 2019) was recognised under the non-current liabilities item " Other non-current payables ".

h)For the short-term tranche: an amount of €463,657 (€473,403 in 2019) was recognised under the current liabilities item "Other current liabilities".

-An amortisation charge of €490,087 (€502,994 in 2019) for this right-of-use asset under "Provisions for amortisation and depreciation of fixed assets" in the consolidated income statement.

-A financial expense relating to liability updates, amounting to 14,743 euros (18,640 euros in 2019), under "Financial expenses with third parties" in the consolidated profits account.

Those future minimum lease payment commitments relate to leases held by the following Group companies. Below is a breakdown of the contractually agreed mandatory expiry year:

-Antevenio Publicité, S.A.S.U. (2026): rent cancelled in 2020
-Antevenio S.R.L.(2023)
-Antevenio México, S.A. de CV (2022)
-React2Media, L.L.C.(2020)
-Antevenio, S.A.(2020)
-Rebold Marketing and Communication, S.L.U. Madrid and Barcelona (2022 and 2025 respectively).

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

The Group recognizes financial assets and liabilities when the Group becomes party to the contractual provisions of the financial instrument.

Financial assets are derecognized when the contractual rights to the cash flows from the financial asset expire or when both the financial asset and substantially all the risks and rewards of ownership have been transferred. Financial liabilities are derecognized when they are extinguished, i.e. when the contractual obligation is discharged, cancelled or expires.

k.2) Classification and initial measurement of financial assets

Except for trade receivables that do 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, other than designated and effective hedging instruments, are classified as either:

- At amortized cost.
- At fair value through profit or loss (FVTPL).
- At fair value through other comprehensive income (FVOCI).

In the reporting periods presented, the Group has no financial asset classified as FVOCI.

Financial assets are classified on the basis of both:

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

Except for the impairment on trade receivables that is presented under “Other expenses”, all income and expense relating to financial assets are recognized in profit or loss for the period as either finance expense, finance income or other finance items.

k.3) Subsequent measurement of financial assets

Financial assets at amortized cost
Financial assets (not designated at FVTPL) are measured at cost if both the following two conditions are met:

- The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows.

- The contractual terms of the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, assets are measured at amortized cost, applying the effective interest method. Financial assets are not discounted when the effect of discounting them is immaterial. Cash and cash equivalents, trade receivables and most Group receivables are included in this category of financial instruments, together with listed bonds that were previously classified as held to maturity in accordance with IAS 39.

k.4) Impairment of financial assets

IFRS 9 impairment requirements include using additional prospective information for recognition of expected credit losses — the expected credit loss (ECL) approach. This approach replaces the “incurred loss model” of IAS 39. Instruments included within the scope of the new requirements include loans and other debt financial assets measured at amortized cost and at FVOCI; trade receivables; contract assets recognized and measured in accordance with IFRS 15, as well as loan commitments and certain financial guarantee contracts (for the issuer) that are not measured at fair value through profit or loss. Recognition of credit losses no longer depends on the Group having first identified a credit loss event. Instead, the Group considers a wider range of information when assessing credit risk and when measuring expected credit losses; this information includes past events, current conditions and reasonable and supporting forecasts affecting the expected collectability of the instrument future cash flows.

When applying this prospective approach, a distinction is made between:

- Financial instruments whose credit risk has not increased significantly since initial recognition or determined to have a low credit risk (“stage one”); and

- Financial instruments whose credit risk has increased significantly since initial recognition or not having a low credit risk ("stage two").

Stage 3 will cover any financial assets when at presentation date there is objective evidence of the asset being credit-impaired.

An allowance equal to "12-month expected credit losses" is recognized for the first category, while an allowance equal to "lifetime expected credit losses" is recognized for the second category. "Credit losses" are recognized for the second category.

Expected credit losses are measured using a probability-weighted estimate of the financial instrument's lifetime expected credit losses.

<u>Trade and other receivables and contract assets</u>

The Group applies a simplified approach in accounting for trade and other receivables and contract assets, and recognizes a loss allowance at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are the expected deficits in contractual cash flows, taking into account potential default at any time during the life of the financial instrument. For measurement thereof, the Group uses its past experience, external indicators and prospective information to calculate expected credit losses using a provision matrix.
The Group assesses the impairment of trade receivables on a collective basis, given that trade receivables share credit risk characteristics and have been grouped by the number of past-due days.

k.5) Classification and measurement of financial liabilities

Since accounting for financial liabilities under IFRS 9 is substantially similar to IAS 39, the Group's financial liabilities have not been affected by the adoption of IFRS 9. However, the accounting policy is disclosed below for the sake of completeness.

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

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

Subsequently, financial liabilities are measured at amortized cost applying the effective interest method, except for derivatives and financial liabilities designated at FVTPL that are subsequently measured at fair value and any gains or losses thereon are recognized in profit or loss.

Any expense relating to interest and, where appropriate, to fair value changes of financial instruments reported in profit or loss are presented under either finance expense or finance income.

l) Foreign Currency

Line items included in the Consolidated Financial Statements of each Group company are measured in their respective functional currencies. The Consolidated Financial Statements are expressed 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 Profit and Loss Account.

m) Income Tax

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

The Board of Directors informed, at the meeting held on 30 December 2016, that the company Inversiones y Servicios Publicitarios, S.L. (“ISP”) owns a 83.09% interest in the share capital of Antevenio (see Note 12) and that, pursuant to the provisions of Article 61.3 of Law 27/2014, of 27 November, on Corporate Income Tax and having regard to the fact that Antevenio S.A. no longer was the parent company of taxation group 0212/2013 sin ISP had acquired an interest exceeding 75% of the share capital and voting rights in Antevenio, the Board approved including the any eligible Antevenio Group companies, effective from the taxation period beginning of 1 January 2017, as a subsidiaries of taxation group 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 Profit and Loss Account, 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 a deferred tax liability for all taxable temporary differences, except, where appropriate, for the exceptions provided in the existing regulations.

The Group recognizes deferred tax assets for all deductible temporary differences to the extent that it is probable that the Taxation Group 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 new 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, the income is recognized either throughout a period of time, in such a way that shows the entity's undertaking of the contractual obligation; or at a specific time, when the client obtains control over the assets or services.

Total transaction price is distributed among performance obligations on the basis of their respective stand-alone selling prices. The transaction price of a contract excludes any amounts collected on behalf of third parties

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

The Group recognizes contract liabilities for any unsatisfied performance obligations and presents the amount thereof as "Other liabilities" in the statement of financial position. Similarly, if the Group satisfies a performance obligation before having received the relevant consideration, the Group recognizes either a contract asset or, when the right to receive the consideration is conditioned on something other than the passage of time, a receivable in the statement of financial position.

IFRS 15 requires the recognition of an asset 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 is no significant impact arising from the application of the new regulation.

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

The Antevenio Group is primarily engaged in Digital Media Trading, more specifically in performance and brand marketing. The Group has identified the performance obligations of this core activity, namely achieving customer-specified KPIs, which can be measured in terms of leads, clicks, views, etc. in the various media used. The Group sets the price of these obligations when it defines the contractual characteristics of each contract with each specific customer, allocating the price to the performance obligations described above. The Group also recognises revenue on each contract when these performance obligations are fulfilled and it secures the customer's acceptance. Moreover the credit that the Group confers to its customers is based on the specific characteristics and creditworthiness of the customer.

o) Provisions and contingencies

The directors of the Parent Company, in the preparation of the 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 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 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. When it comes to expiring provisions exceeding one year, the financial effect not being significant, no discount is carried out.

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. They are initially recorded under the heading "Deferred income" as liabilities of the Consolidated Statement of Financial Position and recognised in the Consolidated Profit and Loss Account in proportion to the depreciation experienced during the period by the assets financed by these grants, except in the case of non-depreciable assets that shall be recognised 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.
The estimated fair value of this financial liability was classified within Level 1 of the fair value hierarchy (see note 4w).

Options are recognized as a personnel expense in the Profit and Loss Account as vested over the period defined as the minimum required time in the Company's employ for the exercise of the option, except for options granted in 2016 that have been entirely recognized at the initial date, in accordance with principle of prudence, as a personnel expense and an offsetting entry is simultaneously recognized directly in equity without reassessing the initial measurement thereof. Since the offsetting entry is an increase in own funds ("Other equity instruments"), there is no impact whatsoever on the Equity of Antevenio S.A. and its subsidiaries. However, at each Balance Sheet date the Parent Company reassess its initial estimates on the number of options expected to become exercisable and, where appropriate, recognizes the impact of this reassessment in the Profit and Loss Account and makes the relevant adjustment in equity.

Following the above-mentioned exercise of options, the Plan was fully extinguished at 31 December 2019.

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) Own 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 Profit and Loss Account.

w) Measurement of the fair value of the financial instruments

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.

There were no transfers between Level 1 and Level 2 in 2020 and 2019.

NOTE 5. CONSOLIDATION GOODWILL

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

	31/12/2019	(Impairment)/capital gain	31/12/2020
Marketing Manager Servicios de Marketing, S.L.	276,461	-	276,461
Antevenio S.R.L.	3,686,847	-	3,686,847
Antevenio ESP, S.L.U.	81,027	-	81,027
Antevenio Publicite S.A.R.L.	2,269,585	-2,269,585	-
React2Media, L.L.C. (see Note 25)	2,464,042	-2,464,042	-
Foreseen Media, S.L. (see Note 25)	109,509	-	109,509
B2Marketplace Ecommerce Consulting Group, S.L (see Note 25)	2,329,094	-517,969	1,811,125
Blue Digital	-	472,563	472,563
Total Cost	**11,216,564**	**-4,779,033**	**6,437,533**

	31/12/2018	(Impairment)/capital gain	31/12/2019
Marketing Manager Servicios de Marketing, S.L.	276,461	-	276,461
Antevenio S.R.L.	3,686,847	-	3,686,847
Antevenio ESP, S.L.U.	81,027	-	81,027
Antevenio Publicite S.A.R.L.	2,269,585	-	2,269,585
React2Media, L.L.C. (see Note 25)	3,905,134	-1,441,092	2,464,042
Foreseen Media, S.L. (see Note 25)	-	109,509	109,509
B2Marketplace Ecommerce Consulting Group, S.L (see Note 25)	-	2,329,094	2,329,094
Total Cost	**10,219,054**	**997,511**	**11,216,564**

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 has been determined on the basis of management estimates of its value in use. In order to make these estimates, the cash flows of each company for the next 5 fiscal years were projected and extrapolated 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 time value of money situation 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 be applied, estimated at around 10,6%; the main variables that influence the calculation are 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 further reduction of the goodwill of some of the Group companies in 2020 to their recoverable amount as shown in the table above.

In preparing the estimates made to analyse the key assumptions used in the value in use calculations and sensitivity to changes in assumptions, the impact that the health and economic crisis caused by the global expansion of COVID 19 may have on the key assumptions has been taken into account.

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

1. Gross Margins: Projected gross margins have been reduced, as we have taken into account the effect of increased competition and the decline in household disposable income as end-users, which directly impacts on the reduction of our projected gross margins in each of the business lines.

2. Growth rates: With regard to this variable, we believe that the impact of the healthcare crisis will affect the entire Group's market, leading to a decrease in the growth rate as a result of increased competition and the aforementioned price reduction.

Finally, in order 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 consolidated annual accounts were drawn up.
The five-year strategic plan for the Group companies is approved by the Directors of the Parent Company.

At the date of preparation of the Consolidated Financial Statements, the following situations have come to light leading to changes in the assumptions and conclusions reached by the Group:

- As at 31 December 2019, given the obtaining by the administrators of additional information on the deterioration of one of the companies considered as CGU, React2Media, LLC, its goodwill value was readjusted and its effect recognised in the Consolidated Income Statement for the year as an expense at €1.4 million recorded under the heading “Impairment of assets” (See Note 5).

- At 31 December 2020, the Group has impaired the goodwill in consolidation (see note 25) contributed by the subsidiary React2Media, L.L.C. in view of the commencement of its liquidation on 20 December 2020 given the results obtained in recent fiscal years following the acquisition of this subsidiary in previous years. The impairment recognised in the consolidated income statement amounts to €1,921,952.

- In addition, the Group impaired all the goodwill in consolidation contributed by the subsidiary Antevenio Publicité, S.A.S.U. owing to the fact that the future forecasts made for the company have been modified. The impairment recognised in the consolidated income statement amounts to €2,269,585.

- In addition, the Group revised the estimates used for the valuation of the purchase and sale options detailed in note 25 in relation to the subsidiary B2Market Place within the provisional accounting valuation period provided for in the regulations, adjusting the amount of goodwill on consolidation by €517,969.

NOTE 6. PROPERTY, PLANT AND EQUIPMENT

In 2020 and 2019, the balances and movements of gross values, accumulated depreciation and impairment are as follows:

	01/01/2019	Recognition	Derecognitions	Transfers	31/12/2019	Recognition	Business combination registrations	Derecognition	Transfers	31/12/2020
Cost:										
Technical installations, machinery, tools, furniture and other items of PPE	964,977	170,891	(7,344)	1,046	1,129,570	95,407	1,459,907	(119,362)	(4.657)	2.560.865
Right-of-use	1,615,858	-	-	-	1,615,858	232,913	835,307	(1,336,313)	-	1.347.756
	2,580,835	**170,891**	**(7,344)**	**1,046**	**2,745,427**	**328.320**	**2,295,214**	**(1,455,675)**	**(4.657)**	**3.908.621**
Accumulated Amortization:										
Technical installations, machinery, tools, furniture and other items of PPE	(692,171)	(92,950)	7,344	(7,700)	(785,477)	(167,316)	(1,304,779)	70,045	3.315	(2.184.212)
Right-of-use	(502,994)	-	-	-	(502,994)	(490,087)		695,873	-	(297.208)
	(1,195,165)	**(92,950)**	**7,344**	**(7,700)**	**(1,288,471)**	**(657,403)**	**(1,304,779)**	**765,918**	**3.315**	**(2.481.420)**
Impairment										
Technical installations, machinery, tools, furniture and other items of PPE	-6580		6580		-					-
	-6580	**-**	**6580**		**-**	**-**		**-**		**-**
Net property, plant and equipment	**1,379,090**	**77,941**	**6580**	**-6,654**	**1,456,956**	**-329,083**	**990,435**	**-689,757**	**-1.342**	**1.427.210**

The additions in fiscal year 2020 are mainly due to the business combination of Rebold Marketing and Communication, S.L.U. (notes 1 and 25).

The right-of-use asset figure as at 31 December 2020 amounts to €,1347,775.35 with a corresponding amortisation charge of €490,086.80. The balance recorded refers to leases contracted by the Group and which must be capitalised under IFRS 16.

Considering these recent developments, the impairment tests for this right of use have not given rise to impairments in the group.

In preparing the estimates made to analyse the key assumptions used in the value in use calculations and sensitivity to changes in assumptions, the impact that the health and economic crisis caused by the global expansion of COVID 19 may have on the key assumptions has been taken into account.

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

1. Gross Margins: Projected gross margins have been reduced, as we have taken into account the effect of increased competition and the decline in household disposable income as end-users, which directly impacts on the reduction of our projected gross margins in each of the business lines.

2. Growth rates: With regard to this variable, we believe that the impact of the healthcare crisis will affect the entire Group's market, leading to a decrease in the growth rate as a result of increased competition and the aforementioned price reduction.

Finally, in order 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 consolidated annual accounts were drawn up.

The additions in fiscal year 2019 mainly corresponded to the right-of-use asset recorded on the basis of the early adoption of the new IFRS 16, as detailed in note 2, with the right-of-use asset amounting to €1,615,858, and an amortisation expense of €502,994.

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

	31/12/2020	31/12/2019
Technical installations, machinery, tools, furniture and other items of PPE	633,021	510,969
	633,021	**510,969**

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

The net carrying amount of items of property, plant and equipment located outside Spain amounts to 151.196 euros at December 31, 2020 (150.233 euro at December 31, 2019).

At December 31, 2020 and 2019 there were no firm purchase commitments for the acquisition of items 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 31 December 2020 and 2019, 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 2020 and 2019, the balances and movements of gross values, accumulated depreciation and impairment are as follows:

	01/01/2019	Recognition	Recognition arising from business combinations (note 27)	Derecognition	31/12/2019	Recognition	Recognition arising from business combinations (note 27)	31/12/2020
Cost:								
Industrial property	61,074				61,074		29,104	90,178
Computer software	4,106,609	608,665	(4,930)	5,363	4,715,708	289,714	522,030	5,527,452
Goodwill	-	-	-	-	-		671,560	671,560
	4,167,683	**608,665**	**(4,930)**	**5,363**	**4,776,782**	**289,714**	**1,222,695**	**6,289,191**
Accumulated Amortization:								
Industrial property	(61,075)				(61,075)		(22,980)	(84,055)
Computer software	(3,402,700)	(132,909)	(2,119)	(2,707)	(3,540,436)	(100,143)	(380,221)	(4,020,799)
	(3,463,775)	**(132,909)**	**(2,119)**	**(2,707)**	**(3,601,511)**	**(100,143)**	**(403,201)**	**(4,104,855)**
Impairment								
Computer software	(261,557)	-	-	-	(261,557)	-	-	(261,557)
	(261,557)	**-**	**-**	**-**	**(261,557)**	**-**	**-**	**(261,557)**
Net intangible assets	**442,351**	**475,756**	**(7,049)**	**2,656**	**913,714**	**189,572**	**819,494**	**1,922,779**

The main additions in fiscal year 2020 relate to computer software and goodwill from the customer portfolio contributed by Rebold Marketing and Communication S.L.U. and Digilant USA for Anagram.

The net carrying amount of intangible assets located outside Spain amounts to 530,803 euro at 31 December 2020 (231,583 euro at 31 December 2019).

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

	31/12/2020	31/12/2019
Industrial property	83,934	61,074
Computer software	2,467,275	2,282,230
	2,551,209	**2,343,304**

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NOTE 8. LEASES

In 2020 and 2019 the expense for leases amounted to 248,428 euro and 155,432 euro, respectively (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 2 (see notes 7 and 10.1).

The main lease corresponding to the offices located in Calle Marqués de Riscal, 11 Madrid and to a lesser extent to the leases of offices located in Italy, France, Mexico and USA, this year the leases of Rebold M&C and Digililant Inc are added.

The main lease expense relates to the Digilant Inc. offices, which were outside the scope of IFRS 16.

According to IFRS 16, save for cases in which it is decided to apply the practical exemptions indicated in note 2, the lessee shall:

-Recognize a financial liability equal to the current value of the fixed payments to be carried out during the period of the lease;

-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.

At the date of presentation of these Consolidated Financial Statements, the Group has adopted this standard. The impact from application of this standard resulted in the recognition of the following leases at 31 December 2020, as detailed below:

	Assets	2020 Amortization and depreciation	2020 Accumulated Amortization	Financial Liabilities	Interest expenses	Rental expenses
Antevenio Publicité, S.A.S.U.	-	53,974	-	-	5,374	- 59,348
Antevenio S.R.L.	279,545	66,466	- 132,090	- 147,449	2,734	- 69,200
Antevenio México, S.A. de CV.	-	8,014	-	-	147	- 8,160
Antevenio México, S.A. de CV.	232,923	73,294	- 73,294	- 159,630	1,942	- 75,236
React2Media, L.L.C.	-	105,703	-	-	657	- 106,361
Antevenio, S.A.	-	41,649	-	-	337	- 41,986
Antevenio, S.A.	-	49,163	-	-	614	- 49,777
Rebold Marketing and Communication, S.L.U. (Madrid)	580,584	42,353	- 42,353	- 538,237	2,082	- 44,435
Rebold Marketing and Communication, S.L.U. (Barcelona)	254,723	49,471	- 49,471	- 205,252	856	- 50,327
	1,347,775	**490,087**	**- 297,208**	**- 1,050,567**	**14,743**	**- 504,830**

The maturity classification of the debt associated with these assets is as follows:

Financial Liabilities	2021	2022	2023	2024	2025	Total
Antevenio S.R.L.	67,463	68,475	11,512	-	-	147,449
Antevenio México, S.A. de CV.	127,466	32,164	-	-	-	159,630
Rebold Marketing and Communication, S.L.U. (Madrid)	126,147	128,039	129,960	131,905	22,186	538,237
Rebold Marketing and Communication, S.L.U. (Barcelona)	142,577	62,675	-	-	-	205,252
	463,651	**291,353**	**141,471**	**131,905**	**22,186**	**1,050,567**

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

Financial assets are recognised at amortised cost, and there are no financial assets carried at fair value through profit or loss or other comprehensive income, with no changes compared to the previous fiscal year.

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

	Receivables and other		**Total**	
	31/12/2020	**31/12/2019**	**31/12/2020**	**31/12/2019**
Loans and receivables (Note 9.2)	93,180	126,463	93,180	126,463
Total	**93,180**	**126,463**	**93,180**	**126,463**

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

	Current		**Total**	
	31/12/2020	**31/12/2019**	**31/12/2020**	**31/12/2019**
Cash and cash equivalents (Note 9.1)	9,126,417	3,034,129	9,126,417	3,034,129
Loans and receivables (Note 9.2)	31,948,347	7,118,854	31,948,347	7,118,854
Total	**41,074,764**	**10,152,983**	**41,074,764**	**10,152,983**

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:

	31/12/2020	31/12/2019
Current accounts	9,125,480	2,631,198
Treasury	937	481
Highly liquid deposits (a)	-	402,450
Total	**9,126,417**	**3,034,129**

(a) Mainly relating to bank deposits with

(i) Bankia, amounting to €0 as at 31 December 2020 (€402,450 as at 31 December 2019).

Interest accrued during fiscal year 2020 on bank deposits and bank accounts amounts to €0 (31 December 2019: €249.47).

These deposits are available and payable on a day margin from cancellation.

At 31 December 2020, treasury in foreign companies amounted to 7,321,312 euro (1,542,024.19 euro at December 31, 2019).

9.2) Loans and receivables

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

	31/12/2020		31/12/2019	
	Non-current	Current	Non-current	Current
Trade receivables				
Third-party receivables		31,391,713		6,305,579
Total trade receivables	**-**	**31,391,713**	**-**	**6,305,579**
Trade receivables, Group companies		302,618		589,466
Other current assets, Group companies		-		-
Total Group companies	**-**	**302,618**	**-**	**589,466**
Non-trade receivables				
Guarantees and deposits	91,563	-	96,472	-
Other assets	1,617	254,017	29,991	223,808
Total non-trade receivables	**93,180**	**254,017**	**126,463**	**223,808**
Total	**93,180**	**31,948,347**	**126,463**	**7,118,854**

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

Description	31/12/2020	31/12/2019
Trade receivables		
Trade balances	31,372,868	6,109,660
Volume discounts granted and pending settlement	(628,804)	(845,100)
Trade balances pending issue	647,648	1,041,019
Total	**31,391,713**	**6,305,579**

Almost all of the balances held with customers in respect of commercial transactions relate to balances under contracts with customers.

The increase in trade balances is explained by the inclusion of Rebold Marketing and Communication, S.L.U. and the other subgroup companies following the transaction described in note 1. The total balances arising from these companies amount to €27 million.

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

Impairment	31/12/2018	Impairment loss	Impairment reversal	Application	31/12/2019	Business combination registrations (note 27)	Impairment loss	Impairment reversal	Application	31/12/2020
Trade receivables										
Trade receivables	(1,464,499)	(883,898)	335,090	452,704	(1,560,603)	(604,224)	(972,651)	410,496	348,262	(2,378,720)
Total	**(1,464,499)**	**(883,898)**	**335,090**	**452,704**	**(1,560,603)**	**(604,224)**	**(972,651)**	**410,496**	**348,262**	**(2,378,720)**

The Group recognizes these changes in impairment losses under "Impairment losses on current assets" in the Consolidated Profit and Loss Account. In 2020, 348,262 euro from impairment losses for which allowances were made in the past have been applied against trade receivables (452,704 euro in 2019). Given that, as indicated above, virtually all customer balances held for commercial operations correspond to customer contract balances, these impairments are associated with them.

9.3) <u>Classification by maturity</u>

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

<u>NOTE 10. NON-CURRENT AND CURRENT LIABILITIES</u>

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

	Other		Total	
	31/12/2020	31/12/2019	31/12/2020	31/12/2019
Debts and payables (Note 10.1)	**20,601,652**	**3,753,133**	**20,601,652**	**3,753,133**
Total	**20,601,652**	**3,753,133**	**20,601,652**	**3,753,133**

Financial liabilities are recognised at amortised cost, with no financial liabilities recognised at fair value through profit or loss, except for the financial liability recognised as described in note 25 on the business combination for transactions with the subsidiaries B2Marketplace and React2Media, which was designated as such on initial recognition.

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

	Other current payables		Other		Total	
	31/12/2020	31/12/2019	31/12/2020	31/12/2019	31/12/2020	31/12/2019
Debts and payables (Note 10.1)	843,967	184,779	34,169,189	7,341,644	35,013,156	7,526,423
Total	**843,967**	**184,779**	**34,169,189**	**7,341,644**	**35,013,156**	**7,526,423**

10.1) Debts and payables

At 31 December 2020 and at 31 December 2019 the breakdown of "Debts and payables" is as follows:

	Balance at 12/31/2020		Balance at 12/31/2019	
	Non-current	Current	Non-current	Current
Trade payables:				
Suppliers	-	4,941,800	-	3,436,390
Suppliers, associates	-	1,974,255	-	281,093
Other trade payables	-	22,151,479	-	1,789,527
Total trade payables	**-**	**29,067,534**	**-**	**5,507,010**
Non-trade payables:				
Debts with financial institutions (2)	8,417,261	843,967	73,881	184,779
Other debts (1)	2,356,940	756,946	1,205,725	563,057
Provisions	283,309	-	199,699	-
Payables to third parties (3)	1,396,181	156,221	2,273,829	207,539
Loans and other payables	**12,453,691**	**1,757,134**	**3,753,134**	**955,375**
Payables to Group companies (notes 16 and 25)	8,147,961	609,732		366,778
Personnel (outstanding remunerations)	-	3,566,255	-	677,699
Total non-trade payables	**8,147,961**	**4,175,987**	**-**	**1,044,478**
Advances from customers	-	12,500	-	19,560
Other current liabilities	**-**	**12,500**	**-**	**19,560**
Total Debts and payables	**20,601,652**	**35,013,155**	**3,753,134**	**7,526,423**

(1) The heading "Other debts" refers to 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.

(2) The amount under "Debts with financial institutions" relates to the outstanding balance from bank credit cards debts and finance leases. See Note 11. In addition, they register ICO loans requested in connection with the COVID-19 pandemic.(See Note 2)

(3) The amount recorded at 31 December 2020 under the headings long-term debts with third parties amounting to €1,396,181 and short-term debts with third parties amounting to 156,221 (€2,273,829 long-term and €207,539 short-term at 31 December 2019) corresponds to the financial liability generated by the business combinations detailed in note 25.

(4) The amounts recognised under the above-mentioned items mainly relate to both non-current and current amounts adjusted by the company for the application of the new International Financial Reporting Standard No. 16, as explained in Note 2 above.

(5) The financial expenses associated with the liabilities recorded as at 31 December 2020 amount to €231,583 (€98,329 in 2019).

10.2) <u>Classification by maturity</u>

At 31 December 2020, the breakdown by maturity of non-current financial liabilities, with either fixed or determinable maturity, is as follows:

	2022	2023	2024	2025	2026 onwards	Total
Non-current payables						
Debts with credit institutions	1,741,723	2,392,534	1,789,707	1,639,438	853,859	**8,417,261**
Other non-current liabilities	2,691,518	249,557	250,380	140,655	421,010	**3,753,121**
Total	**4,433,241**	**2,642,092**	**2,040,087**	**1,780,093**	**1,274,869**	**12,170,382**

At year-end 2019, the classification by maturity of the different non-current financial liabilities with fixed or determinable maturity is as follows:

	2021	2022	2023	2024	2025 onwards	Total
Non-current payables						
Debts with credit institutions and other debts	55,669	56,724	57,799	61,836	254,124	**486,152**
Other non-current liabilities	719,573		-	-	-	**719,573**
Total	**775,242**	**56,724**	**57,799**	**61,836**	**254,124**	**1,205,725**

<u>NOTE 11.INFORMATION ON THE NATURE AND LEVEL OF RISK FROM FINANCIAL INSTRUMENTS</u>

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).

<u>Interest Rate Risk</u>

As disclosed in Note 15 below, the subsidiary Código Barras Networks, S.L.U. was granted by Centro de Desarrollo Tecnológico Industrial (CDTI), a zero-interest loan as contribution to the development of the Research and Development project called "Extractor and automatic data classifier for virtual stores on the Web."

As disclosed in Note 15, the Centro de Desarrollo Tecnológico Industrial (CDTI) granted the subsidiary Mamvo Performance, S.L. a loan on a subsidised interest rate, as collaboration in the development of the Research and Development project called "New System of Personalised Digital Advertising through Machine Learning Techniques and through Advanced Algorithms for Data Processing."

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As disclosed in Note 15 below, 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 "Automatic reverse typesetting of printed press news", better known as “Lune Project".

As disclosed in Note 15 below, 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". It is also referred to as the "Project Profiling tool".

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 in US Dollars, Mexican Pesos, Colombian Pesos and Chilean Pesos. At 31 December 2020, net loss arising from foreign exchange differences amounted to 40,672 euro (9,234 euro at 31 December 2019).

Liquidity Risk

The general situation of financial markets, especially the banking market, during recent months, has been particularly unfavourable for credit applicants, though the Group was able to avail itself of the governmental aid (ICO loans) described in note 2 to reduce the liquidity risk in view of the situation. 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 December 31, 2020, the amount of cash and cash equivalents is 9,126,417 euro (3,034,129 euro at 31 December 2019).
- The working capital is positive at 31 December 2020 amounting to 1,949,381 euro (1,455,299 euro at 31 December 2019).

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. Considering the remaining contractual maturities of financial liabilities at the date these consolidated financial statements were drawn up, 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 carries out constant monitoring on the creditworthiness of the clients using a credit rating measurement. Whenever possible, credit ratings and/or external reports on the clients are obtained and used. The policy of the group is to only deal with solvent partners. The credit terms are between 30 and 90 days. The credit conditions negotiated with the clients are subject to an internal approval process which takes into account the credit rating score. The current credit risk is managed by means of periodic checking of the ageing analysis, along with the credit limits per client.

Trade and other receivables make up a large number of clients in different sectors and geographic areas.

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

The Group's maximum exposure to credit risk is 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 Antevenio operates. However, given the experience of over fifteen years in these markets, the position and visibility of the Antevenio Group and the quality of our services, Directors believe the Group will continue holding 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 Antevenio 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

In ordinary course of its business, Antevenio Group performs a number of personal data processing both as Data Processor and as Data Comptroller.

Antevenio Group is deeply aware of the importance of the regulations governing personal data, electronic communications, 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 2017 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 safeguard of digital rights.

3. Law 34/2002, of 11 July, on Information Society Services and Electronic Commerce.
4. Proposal, dated 10 January 2018, for a Regulation of the European Parliament and of the Council concerning the respect for private life and the protection of personal data in electronic communications and repealing Directive 2002/58/EC (Regulation on Privacy and Electronic Communications).
5. Guides, guidelines and other relevant materials issued by the Spanish Data Protection Agency, CNIL, GARANTE Privacy and the so-called Article 29 Working Group on Data Protection, as well as by the European Data Protector Supervisor.

Antevenio Group is adapted to the existing and upcoming regulations, by way of the creation and implementation of Privacy Management System (PMS) and the permanent monitoring thereof by the Legal and Privacy team.

Aware of the increasing regulations on the digital marketing business, the Antevenio group thus maintains a relationship with the provider (DELOYERS) to promote regulatory compliance and collaborate in the event of an incident.

NOTE 12.EQUITY

The breakdown of consolidated equity is as follows:

	31/12/2020	31/12/2019
Registered share capital of the Parent Company:	**819,099**	**231,412**
Reserves:	**(16,630)**	**14,601,585**
Of the Parent Company	12,702,945	7,988,714
From fully consolidated companies and from companies consolidated using the equity method	(12,719,575)	6,612,871
(Treasury shares)	-	-
Other equity instruments	-	-
Profit/(Loss) for the year attributable to the Parent Company	**(3,930,458)**	**(1,573,277)**
Translation differences	**3,563**	**(34,022)**
Minority Interests	**(430,760)**	**(31,523)**
	(3,555,186)	**13,194,175**

12.1) Capital

At 31 December 2019, the share capital of the Parent Company comprised 4,207,495 fully subscribed and paid-up shares with a nominal value of 0.055 euros each. These shares have equal voting and dividend rights.

On 4 September 2020, the share capital of Antevenio S.A. was increased via non-monetary contributions of €587,607 consisting of all shares constituting the share capital of Rebold Marketing and Communication, S.L.U., to be carried out by the holder ISP Digital, S.L.U., through the issue and circulation of 10,683,767 new shares, represented by book entries with a par value of 0.055 euros, which are created with an issue premium of 1.2902184 euros per share, for a total premium amount of €13,784,393.

The total disbursement therefore amounts to €14,372,000.

The capital as at 31 December 2020 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 Antevenio S.A. share capital, represented by 785,905 nominal value shares of 0.055 euros each, purchased on 3 August 2016 the shares from the Company's founder and CEO, Mr. 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 Antevenio S.A. share capital, at a purchase price of 6 Euros each. The company Aliada Investment B.V. subsequently transferred its shares to the company ISP, for which reason the company ISP acquired 83.09% of the share capital of Antevenio SA.

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

The direct and indirect shareholders of the Company at 31 December 2020:

	No. of Shares	Holding %
ISP Digital, S.L.U.	14,179,460	95.22%
FREE FLOAT	711,802	4.78%
Total	**14,891,262**	**100%**

As at 31 December 2019, they were as follows:

	No. of Shares	Holding %
ISPD	3,723,983	88.51%
Other	273,137	6.49%
Nextstage	210,375	5.00%
Total	**4,207,495**	**100.00%**

12.2) **Parent Company Reserves**

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 31 December 2020, the Legal Reserve was not fully funded due to the capital increase with a contribution from Rebold Marketing and Communication. No amount can be distributed to the legal reserve with the 2020 results of Antevenio SA. As at 31 December 2019 the Parent Company's legal reserve was fully funded.

12.3) Share Premium

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 Antevenio, S.A. on 27 November 2020, a decision was taken to convert the entire share premium, which amounted to €21,974,180 following the capital increase described above, into voluntary reserves.

12.5) <u>Distribution of dividends</u>

On 19 June 2019, the General Meeting of Shareholders approved the distribution of a dividend of 0.30 euros per share, amounting to a total of €1,262,248.50, charged against Voluntary Reserves

No dividends were distributed to companies outside the scope of consolidation during fiscal year 2020.

Royal Decree-Law 18/2020 of 12 May, on social measures in defence of employment, includes a limitation on the distribution of dividends of companies that apply a Temporary Layoff Plan (ERTE). Article 5.2 states that trading companies or other legal entities that avail themselves of the temporary redundancy plans regulated in Article 1 of the Royal Decree-Law and use the public resources allocated to them may not distribute dividends corresponding to the fiscal year in which these temporary redundancy plans are applied, unless they previously pay the amount corresponding to the exemption applied to social security contributions.

In addition, the Resolution of 6 May 2020, published in the Official State Gazette of 9 May 2020, of the Secretary of State for the Economy and Business Support, which publishes the Agreement of the Council of Ministers of 5 May 2020, establishing the terms and conditions of the third tranche of the line of guarantees for loans granted to companies and freelancers, promissory notes included in the Alternative Fixed Income Market (MARF) and guarantees granted by the Compañía Española de Reafianzamiento, SME, Sociedad Anónima (CERSA), and limits are authorised to acquire expenditure commitments charged to future fiscal years in application of the provisions of article 47 of the General Budgetary Law 47/2003, of 26 November, which establishes that "the financing obtained must be used to meet the liquidity needs derived, among others, from the management of invoices, payment of payrolls and suppliers, the need for working capital and maturities of financial or tax obligations. *Therefore, by way of example, State-guaranteed financing may under no circumstances be used for the payment of dividends or interim dividends".*

In fiscal year 2020, the Group availed itself of some relief as a result of the COVID19 pandemic (See Note 2): ERTEs where social security contributions have not been waived but ICO loans have been applied for.

<u>Capital Management</u>

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 finance leases in 2020 in the amount of 25,146 Euros (45,561.62 Euros in 2019). The group also has loans and other products with financial institutions amounting to 9.2 million and undrawn credit lines amounting to 8.4 million.

NOTE 13. TRANSLATION DIFFERENCES

Changes in the balance of this item between 31 December 2020 and 31 December 2019 were as follows:

	31/12/2020	31/12/2019
Opening balance	**(34,022)**	**(204,919)**
Net change during the reporting period	37,585	170,897
Closing balance	**3,563**	**(34,022)**

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 and the Mexican peso.

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 application of this model to the Group company based in Argentina is not relevant; accordingly, the comparative figures for the annual period ended 31 December 2020 have been restated.

NOTE 14. EQUITY INSTRUMENTS-BASED PAYMENT TRANSACTIONS.

2016 Plan:

On 16 November 2016 the Annual General Meeting approved a remuneration plan (2016 Plan) consisting in remuneration system, linked to the value of the Company’s shares, for certain Executive Directors and Managers and Employees of the Company.
The following terms were approved:

(i) the maximum number of shares that can be granted cannot exceed 125,000 shares;
(ii) the exercise or delivery price or the calculation method for exercise or delivery shall be the market value of the share on the day of exercise or delivery;
(iii) shares shall be awarded free of charge; and
(iv) the plan will be in force up to 30 June 2019.
(v) eligible employees shall stay in the Company during the entire above mentioned term

Additionally, the AGM delegated to the Board of Directors the development, settlement, clarification and interpretation of the terms of the remuneration plan. The plan was approved by the Board of Directors on 16 November 2016.

At 31 December 2016, the value of 2015 Plan shares (278,160 Euros) has been recognized as a personnel expense in the Profit and Loss Account as vested over the period defined as the minimum required time in the Company's employ for the exercise of the option, and are also recognized with an offsetting entry in equity without reassessing the initial measurement thereof. The 2015 Plan contemplated launching in 2016 a Public Takeover Bid on the Company's shares (see Note 12.1) among the requirements for the early exercise and accrual of the relevant options. Accordingly, the remaining amounts had been entirely recognized in 2016. At 31 December 2016, the effect thereof on the Company's equity amounted to 347,700 Euros recognized under "Other equity instruments".

At 31 December 2016, the value of 2016 Plan shares (675,000 Euros) has been entirely recognized, in accordance with the principle of prudence, as a personnel expense during the reporting period where the agreement was entered into, irrespective of the minimum required stay in the Company. Since the offsetting entry resulted in an increase in own funds ("Other equity instruments"), there is no impact whatsoever on the Equity of Antevenio SA and its subsidiaries.

On 2nd July 2018, a Plan beneficiary executed 75,000 free shares in accordance with the terms of the remuneration plan. Finally, the company and the beneficiary have agreed settlement in shares of the Parent Company.

On 1 July 2019, the other two beneficiaries of the Plan executed 50,000 options at the price of 5.4 euros according to the terms established in the remuneration plan. Finally, the company and the beneficiaries have agreed settlement in shares of the Parent Company.

Following the above-mentioned exercise of options, the Plan was fully extinguished at 31 December 2019.

<u>Stock Option Plan Digilant Inc</u>

Stock options were granted to certain employees in the group company Digilant Inc. pursuant to specific stock option agreements. The 2014 Stock 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 fiscal exercise price per share are contemplated 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 (the expected term of the option), estimated volatility of the Company's shares over the expected term of the option, risk-free interest rate over the expected term of the option and expected annual dividend yield of the Company. The Company believes that the valuation technique and the approach used to develop the underlying assumptions are appropriate for estimating the fair values of the Company's share options. The values derived from the use of the Black-Scholes model are recognised as an expense during the period of consolidation, net of estimated forfeitures. Estimates of fair values are not intended to predict actual future events or the value ultimately obtained by individuals receiving remuneration in shares.

NOTE 15.DEFERRED INCOME

Mamvo Perfomance, S.L. “Datalake”

On 27 November 2018, Centro para el Desarrollo Tecnológico Industrial (CDTI) granted a loan for a total amount of 445,176 euro, comprising a non-refundable tranche of 133,553 euro and a refundable tranche of 331,623 euro as subsidised interest rate loan, to the company Mamvo Performance, S.L. as collaboration in the development of a Research and Development project named “Dynamic assessment and advice on marketing campaigns”. €155,811 of the amounts granted were received on 10 January 2019.

In 2020, a total of €49,151 (€70,872 at 31 December 2019) recorded in the Consolidated Profit and Loss Account, 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.

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

In 2020, the Centre for the Development of Industrial Technology (CDTI) granted Rebold Marketing & 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 €347,858.01, comprising a non-refundable tranche of €69,571.60 and another refundable tranche of €278,286.41 as a loan at a subsidised interest rate. The first disbursement arrived on 13 July 2020 of €121,750.30 (35%), of which €37,742.59 was posted as a grant and €84,007.71 as a loan. The next 2 disbursements are expected to be received in June 2021 and February 2022.

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

As disclosed in Note 15 below, 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”, €714,340.96, comprising a non-refundable tranche of €142,868.19 and another refundable tranche of €571,472.77 euros as a loan at a subsidised interest rate.

NOTE 16.TAXATION

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

31/12/2020	**Receivables**	**Payables**
Current:		
Value Added Tax	2,106,294	(4,171,736)
Recoverable Taxes	59,203	-
Assets arising from deductible temporary differences (**)	2,989,910	-
Tax loss carryforwards (**)	2,945,270	-
Deferred tax liabilities (**)	-	(718,794)
Withholdings for Personal Income Tax	-	(221,613)
Other payables to Public Entities	-	(10,947)-
Income tax expense	-	(140,015)
Social Security	-	(335,025)
	8,100,677	**(5,598,130)**
31/12/2019	**Receivables**	**Payables**
Current:		
Value Added Tax	358,992	(678,885)
Recoverable Taxes	209	-
Assets arising from deductible temporary differences (**)	297,099	-
Tax loss carryforwards (**)	1,526,064	-
Deferred tax liabilities (**)	-	(14,905)
Withholdings for Personal Income Tax	-	(627,264)
Other payables to Public Entities	-	(5,973)
Income tax expense	63,439	-
Social Security	-	-
	2,245,802	**(1,327,026)**

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

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

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

Tax rate	2020	2019
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%

(*) Average tax rate accrued in Italy

The reconciliation of Corporate Income Tax expense and pre-tax profit or loss is as follows:

	31/12/2020	31/12/2019
Profit / (Loss) before taxes	(4,930,730)	(1,470,285)
	-	-
Permanent differences	5,459,466	(1,802,277)
Tax liability	(512,359)	-
Other	-	26,287
Application of tax lox carryforwards and deductions	53,276	(305,811)
Domestic CIT payable or receivable	**(459,083)**	**(279,524)**
International CIT expense	570,271	336,403
International CIT income	(216,934)	-
International CIT payable or receivable	**353,337**	**336,403**
CIT expense	**(105,746)**	**56,879**

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

	31/12/2020	31/12/2019
Current taxes	105,969	(392,600)
Deferred taxes	(377,620)	335,721
Total Corporate Income Tax expense	**(271,651)**	**(56,879)**

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

Total tax credits			
Company	BINS	DTD	CIT deductions
Antevenio SA	252,418.20	59,772.50	
Mamvo Performance SLU	193,644.75	10,904.79	127,248.02
MMSM SLU	87,064.65		106,241.79
Antevenio ESP SLU	88,035.11		46,149.57
Código Barras	112,943.69		242,489.14
Antevenio Rich and Reach	103,244.08	2,187.50	29,451.90
Foreseen Media		5,418.96	
Rebold	568,107.16	324,104.64	969,667.06
Antevenio S.R.L.(Italia)	170,415.27		
Antevenio México		478,533.45	
Acceso Mexico		44,194.65	
Digilant Peru		226,564.58	
Digilant SA de CV		1,722,151.04	
Filipides		109,838.57	
Digilant Services		859.12	
Blue Digital	83,560.00	8,817.00	
	1,659,432.91	**2,993,346.81**	**1,521,247.48**

There is no time limit for the limitation period for tax credits.

As at 31 December 2019, the Group has activated tax loss carryforwards amounting to €837,281 as tax credits to be offset in future years.

Deferred taxes

The breakdown of changes in deferred tax assets between 31 December 2020 and 31 December 2019 is as follows:

	31/12/2019	Charge / (credit) to income	31/12/2020
Tax credits	1,427,921	1,517,349	2,945,270
Temporary differences, assets (receivables)	753,974	2,235,936	2,989,910
Temporary differences, liabilities (receivables)	(368,922)	368,922	-
Total deferred tax assets	**1,812,973**	**4,122,207**	**5,935,180**

	31/12/2018	Charge / (credit) to income	31/12/2019
Tax credits	1,028,860	399,061	1,427,921
Temporary differences, assets (receivables)	753,974		753,974
Temporary differences, liabilities (receivables)	(368,922)		(368,922)
Total deferred tax assets	**1,413,912**	**399,061**	**1,812,973**

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:

  - The future recovery is expected to occur after a period of more than ten years from the end of the fiscal year, 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.

The Group draws up a business plan for each company with tax credits in order to verify the recoverability of the tax credits pending offset, on which the necessary adjustments are made to determine the future taxable profits against which the tax credits can be offset. In addition, the Group 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. The Group considers financial and macroeconomic circumstances appropriate to the entity's own operating environment when formulating the projections in the business plans. Parameters such as expected growth, use of installed production capacity, prices, etc., are projected considering forecasts and 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, adjusting the calculation parameters to the tax regulations of each jurisdiction applicable to each one.

The breakdown of tax credits is as follows:

	31/12/2020	31/12/2019
Companies included in the consolidated tax group	3,329,094	1,388,862
Companies with registered address abroad	2,844,934	438,120
Total tax credits	**6,174,027**	**1,826,982**

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.

<u>**Additional disclosures**</u>

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

31 December 2020, the Group's Spanish companies had 2016 and subsequent years open for review by the tax authorities for Corporate Income Tax and 2017 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 attached Consolidated Financial Statements.

NOTE 17 REVENUE AND EXPENSES

a) Revenue

The breakdown of revenue by activity is as follows:

Type of Activity	31/12/2020	31/12/2019
Online Advertising	32,558,549	23,527,820
Technology services	21,867,162	1,695,565
Total revenue	**54,425,711**	**25,223,385**

b) Supplies

The entire balance of this item relates to "Operating Expenses."

c) Personnel Expenses

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

	31/12/2020	31/12/2019
Wages and salaries	(14,434,538)	(8,702,323)
Termination benefits	(632,596)	(640,054)
Social security payable by the Company	(2,497,447)	(1,840,266)
Employee benefits expense	(689,973)	(193,697)
Total personnel expenses	**(18,254,554)**	**(11,376,340)**

d) External Services

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

	31/12/2020	31/12/2019
Research and development expense in the reporting period	-	(3,838)
Leases and royalties (note 8) (*)	(248,428)	(155,432)
Repairs and maintenance	(17,744)	(20,728)
Independent professional services	(3,936,529)	(1,757,875)
Transport	(11,913)	(48,685)
Insurance premiums	(67,452)	(104,913)
Banking and similar services	(66,647)	(26,704)
Advertising, publicity and public relations	(309,040)	(354,697)
Utilities	(217,867)	(166,948)
Other services	(800,306)	(370,764)
	(5,675,924)	**(3,010,584)**

e) Finance income

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

	31/12/2020	31/12/2019
Finance income from accounts and similar	1,721,460	7,330
	1,721,460	**7,330**

The line item at 31 December 2020 records €220,961 corresponding to the non-execution of R2M stock options and €1,500,500 of financial income, of which, €1,226,861 comes from Digilant Inc, the loan received from the Congressional Bank under the Paycheck Protection Program (PPP), established by the Coronavirus Economic Relief, Assistance and Security Act.

f) Finance Expenses

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

	31/12/2020	31/12/2019
Debts and similar expenses	(231,583)	(98,329)
Finance expense, Group companies	(52,244)	(7,752)
	(283,827)	**(106,081)**

g) Impairment of assets

	31/12/2020	31/12/2019
Value adjustments for impairment of trade receivables	(1,425,161)	(878,366)
Other current operating losses	(181,211)	-
Impairment reversal	348,262	335,090
	(1,258,109)	**(543,276)**

NOTE 18.PROVISIONS AND CONTINGENCIES

Changes in provisions were as follows:

	31/12/2019	Allowance	Application/ Reversal	31/12/2020
Provisions for other liabilities	199,699	-	83,610	283,309
	199,699	**-**	**83,610**	**283,309**

	31/12/2018	Allowance	Application/ Reversal	31/12/2019
Provisions for other liabilities	204,459	-	(4,760)	199,699
	204,459	**-**	**(4,760)**	**199,699**

This item contains provisions for the remuneration of personnel at Antevenio S.R.L. in compliance with the existing Italian labour-related regulations and amounts to €248,523 (€199,699 at 31 December 2019).

React2Media, Inc. is currently the subject of an investigation initiated by the New York Attorney General regarding the company's participation in the generation of 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.

Net book value of intangible assets located outside Spain amounts to 227.664 euros at 31 December 2020 (226,301 euros at 31 December 2019).

NOTE 19. ENVIRONMENTAL INFORMATION

The Group´s companies have no significant assets nor have incurred in expenses intended to minimize environmental impact or to protect and improve the environment. Furthermore, there are not provisions for risks and expenses, nor contingencies related to the protection and improvement of the environment.

NOTE 20.EVENTS AFTER THE REPORTING PERIOD

On 4 February 2021, Antevenio, S.A. acquired the remaining 30% in Foreseen Media, S.L. for €15,000 euros and a variable part consisting of an amount equivalent to 15% of the gross margin generated during 2021 by the Company's current clients and by the new clients that will follow in 2021.

Subsequent events include the incorporation of the company Rebold Panamá, S.A., domiciled in the Republic of Panama, incorporated on 25 November 2020 with 500 no-par value shares. The company is wholly (100%) owned by Antevenio S.A. and will serve to continue providing our products in this country during 2021 and subsequent years following the extinction of Acceso Panamá S.A.

Also noteworthy is the initiation of processes to wind up and extinguish the company React to Media (R2M), currently underway at the date of writing of this Report. While this is a US-based company, the operation will not interrupt the group's services in the United States, which will continue through another group company (Digilant Inc.).

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

21.1) Balances and Transactions with Directors and High Management

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

	High Management 31/12/2020	31/12/2019
Wages and salaries	1,340,894	318,964
Total	**1,340,894**	**318,964**

The Board of Directors receives no remuneration.

In addition to these amounts, accrued remunerations arising from share-based payments disclosed under Note 17.c should be included. At 31 December 2020 and 2019, 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 Section 231 of the Spanish Corporations Law.

NOTE 22. OTHER INFORMATION

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

	31/12/2020			31/12/2019		
	Men	**Women**	**Total**	**Men**	**Women**	**Total**
Management	24	13	37	13	5	18
Administrative	20	29	49	10	12	22
Commercial	37	45	82	27	18	45
Production	119	162	281	51	52	103
Marketing	1	6	7	-	-	-
Technical	31	10	41	-	-	-
	232	**265**	497	**101**	**87**	188

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:

	31/12/2020	**31/12/2019**
Management	35	19
Administrative	53	20
Commercial	64	43
Production	315	95
Marketing	5	-
	472	**177**

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:

	31/12/2020	**31/12/2019**
Management	1	-
Administrative	-	-
Commercial	1	1
Production	-	-
Marketing	-	-
	2	**1**

ANTEVENIO

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

	31/12/2020		31/12/2019	
Professional Category	**Men**	**Women**	**Men**	**Women**
Administrators			-	-
High Management	2	2	3	3
Administrative	1	4	1	4
Marketing	1	1	2	1
Other skilled personnel	1	1	-	-
	5	8	6	8

The Board of Directors receives no remuneration. The Board of Directors of the Parent Company consists of 5 men and 1 woman.

The fees for auditing the consolidated group for fiscal years 2020 and 2019 amount to €223,957 and €64,500, respectively.

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:

	2020	**2019**
	Days	**Days**
Average period of time for payment to suppliers	49.94	55.87
Percentage of paid transactions	48.88	59.75
Percentage of transactions pending payment	67.74	44.83
	Amount (Euro)	**Amount (Euro)**
Total payments made	10,234,317	6,895,224
Total payments pending	1,329,918	100,303

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 (31/12/2020)	**Total**
Online Advertising	32,558,549
Technology services	21,867,162
Total revenue	**54,425,711**

By customer (31/12/2019)	Total
Online Advertising	23,527,820
Technology services	1,695,565
Total revenue	**25,223,385**

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 Main activity managed within the group, covering the advertising activities provided to the company's customers.
- Technology Services: This activity refers to the service of our e-mailing and SMS platform, Media and consumer intelligence and e-commerce consulting platform.

The economic indicators assessed to determine the segments were the value-generating capacity of each segment and the technical characteristics that each segment possesses per se.

<u>Distribution of Sales and Costs to Sell by Territory</u>

Distribution / Sales	Consolidated Amount 31/12/2020	Consolidated Amount 31/12/2019
Spain	13,675,100	13,459,475
Europe, Latin America and the USA	40,750,612	11,763,910
Total Sales Distribution	**54,425,711**	**25,223,385**

Distribution of Costs to Sell	Consolidated Amount 31/12/2020	Consolidated Amount 31/12/2019
Spain	(5,853,239)	(2,803,535)
Europe and Latin America	(23,346,387)	(8,505,319)
Total Costs Distribution	**(29,199,626)**	**(11,308,854)**

Consolidated Profit and Loss Account broken down by activity category

	31/12/2020			31/12/2019		
	Online Advertising	Rendering of Technology Services	**Total**	Online Advertising	Rendering of Technology Services	**Total**
Revenue	42,706,056	11,719,655	**54,425,711**	23,527,820	1,695,565	**25,223,385**
Other operating income	464,865	25,350	**490,215**			
Supplies	(25,987,667)	(3,211,959)	**(29,199,626)**	(10,843,893)	(464,960)	**(11,308,853)**
Other operating income	(5,200,525)	(1,733,508)	**(6,934,033)**	(2,437,303)	(730,851)	**(3,168,154)**
Amortization and depreciation	(777,426)	(96,086)	**(873,512)**	(714,942)	(13,911)	**(728,853)**
Personnel expenses	(13,474,119)	(4,780,435)	**(18,254,554)**	(10,919,627)	(456,712)	**(11,376,339)**
Other income / (loss)	(14,014)	(21,021)	**(35,035)**	(3,484)		**(3,484)**
Operating profit / (loss)	(2,282,829)	1,901,995	**(380,834)**	(1,391,429)	29,131	**(1,362,298)**
Net Finance Income	(1,922,494)	(904,703)	**(2,827,198)**	(88,622)	(19,364)	**(107,986)**
Profit / (loss) before income tax	(4,205,323)	997,292	**(3,208,031)**	(1,480,051)	9,767	**(1,470,284)**
Income Tax	(188,659)	(88,781)	**(277,439)**	(47,311)	(9,568)	**(56,879)**
Other taxes	(122,044)		**(122,044)**	(58,831)	(1,108)	**(59,939)**
Profit/(loss) for the year	(4,516,026)	908,511	**(3,607,515)**	(1,586,193)	(909)	**(1,587,102)**

NOTE 24.RELATED PARTY TRANSACTIONS

There was a change in the Group's structure in fiscal year 2020, as Rebold Marketing and Communication, S.L.U. and the subgroup joined the Group. There were related party transactions in fiscal year 2020 with the following companies.

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

At 31 December 2020 and 31 December 2019 the balances with related parties were as follows:

RELATED PARTY (31 December 2020)	BALANCE RECEIVABLE	BALANCE PAYABLE
Other debts		
ISP for corporate tax	-	335,252
ISPD	-	129,480
ISP loan-short term		145,000
Total other debts	-	**609,732**
Trade activity balances (client/vendor)		
ISPD	242,618	1,714,842
ISP	60,000	259,413
Total commercial activity	**302,618**	**1,974,255**
Loan Balances		
ISPD		4,874,263
ISP		3,273,698
Total Loans		**8,147,961**

There were related party transactions in fiscal year 2019 with the following companies.

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

RELATED PARTY (31 December 2019)	BALANCE RECEIVABLE	BALANCE PAYABLE
Other debts		
ISP for corporate tax		237,298
ISPD	-	129,480
Total other debts		366,778
Trade activity balances (client/vendor)		
ACCESO COLOMBIA	139,149	61,037
ACCESO CONTENT IN CONTEXT SA DE CV	9,000	
DIGILANT COLOMBIA		540
DIGILANT SA DE CV	1,981	
IN STORE MEDIA	155	
ISPD	121,000	690
REBOLD	286,531	191,848
DIGILANT INC	31,650	26,978
Total commercial activity	**589,466**	**281,093**

The breakdown of transactions with related parties conducted in 2020 and 2019 is as follows:

2020	IN STORE MEDIA(*)	ISP(*)	ISP DIGITAL(*)
Sales of goods	1,800	-	26,571
Provision of services		23,154	9,494
Services received		(70,353)	(263,873)
Finance income		2,137	-
Finance Expenses		(49,262)	(95,388)
Total	**1,800**	**(94,325)**	**(323,195)**

2019	ACCESO COLOMBIA(*)	DIGILANT INC(*)	REBOLD(*)	DIGILANT COLOMBIA(*)	ACCESO CONTENT IN CONTEXT SA DE CV (*)	IN STORE MEDIA	DIGILANT SA DE CV	ISP DIGITAL
Sales of goods	183,269	112,608	15,990		9,000	128	421	
Purchases of goods	(152,163)	(39,588)	(17,751)	(540)				
Provision of services			69,788				1,892	
Services received			(5,024)					
Finance Expenses								(7,751)
Total	**31,106**	**73,020**	**63,003**	**(540)**	**9,000**	**128**	**2,313**	**(7,751)**

Transactions were carried out on terms equivalent to transactions with third parties.

As mentioned in note 12.5, an agreement was reached on 19 June 2019 to distribute a dividend of €0.30 per share, of which ISP Digital would receive €1,117,194.70.

NOTE 25.BUSINESS COMBINATIONS

REACT2MEDIA:

On 22 June 2017, the Parent Company acquired 51% of the voting shares of the US company React2Media, L.L.C. for a consideration of USD 2,250,000 (€2,022,275), paying this amount in full 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 corporate purpose is the provision of a comprehensive service of on-line advertising networks, offering a complete array of interactive marketing opportunities to media agencies, direct advertisers and editors. The main reason supporting the acquisition is the entry of Antevenio Group in the United States market drawing on the market position and knowledge of the investee. Antevenio 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 financial 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 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.

The amount recognised by the Group at 31 December 2017 as a financial liability represented to the best estimate, as of that date, of the expected amount to be paid; the fair value of this financial liability has been measured at 1.98 million euros, recognised 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 consequence, the amount recognised at 31 December 2018 as a financial liability represented to the best estimate, as of that date, of the expected amount to be paid; the fair value of this financial liability has been measured at 2.108 million euros, recognised under “Other non-current liabilities”.

On 21 May 2019, the first tranche of unconditional rights to call and put options 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 the administrators obtained additional information from greater experience and accounting estimates updated in previous years in relation to the valuation of the financial liability generated by the purchase option mentioned above, its value was adjusted prospectively and the effect recognised in the Consolidated Income Statement for the year was an income of €1.4 million recorded under the heading “Impairment of assets” (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, the put and call options have not been exercised as the board of this company approved its dissolution and consequent commencement of liquidation on 20 December 2020 due to the deterioration of its business, although certain options still exist that can be exercised by the selling party. Consequently, the Group has recorded the effect of the unexercised and expired call and put options as if they were a sale to external shareholders.

The Group has impaired goodwill in consolidation contributed by the subsidiary React2Media, L.L.C., in view of the commencement of its liquidation on 20 December 2020 given the results obtained in recent fiscal years following the acquisition of this subsidiary in previous years. The impairment recognised in the consolidated income statement amounts to €1,921,952.

Details of the consideration given, the fair value of the net assets acquired and the goodwill at the time of the business combination were 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)	**(1,441,092)**
Net Value of Goodwill (Note 5)	**2,464,042**
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 Antevenio

Group's entry in the United States market drawing on the investee to expand the Group's various business lines.

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 receivables	1,198,620	0.00	1,198,620

B2 Marketplace Ecommerce Group S.L.:

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

The registered office of investee company B2MarketPlace, S.L. is 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 results of this company in fiscal years 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. After this re-evaluation, the amount recognised by the Group at 31 December 2020 as a financial liability constitutes the best estimate to date of the expected amount that the Group expects to pay, the fair value of this financial liability thereof amounting to €1,549,402 (€2,021,306 in 2019); an amount of

€1,396,181 (€1,993,489 in 2019) recorded under the heading "Other non-current liabilities" and €153,221 (€27,817 in 2019) under the heading "Other current liabilities" (note 10).

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)	**-**
Net Value of Goodwill (Note 5)	**2,329,094**
Consideration paid in cash	254,240
Cash and cash equivalents acquired	
Net cash outflow	**254,240**

The goodwill generated was assigned to the Cash Generating Unit corresponding to the activity of the acquired company and is attributed to the workforce and the synergies that the business of the acquired company can offer the Antevenio 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 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 receivables	43,053	-	43,053

FORESEEN MEDIA S.L.:

On 20 February 2019, the Parent Company acquired 70.40% of shares in the company FORESEEN MEDIA S.L. for a price of €67,420, paying the entire amount to the counterparty on 20 February 2019. This company was thereafter included within the consolidation scope and fully consolidated.

On 4 February 2021, the Parent Company acquired 29.60% of the share capital in the Company Foreseen Media, S.L. at a fixed price of €15,000 plus a variable price corresponding to the equivalent of 15% of the Gross Margin generated in 2021 by the Company's current and new customers for that fiscal year, estimated at €43,000 (see note 20).

The registered office of investee company FORESEEN MEDIA S.L. is Calle Apolonio Morales, 13C, Madrid. The main activity of the company comprises:

1. Purchase, sale, management, marketing and licensing of all types of rights related to eSports or sports played on computer systems, including the purchase and sale of advertising spaces, assets and sponsorship of players, teams and competitions.

2. Conclusion of advertising sponsorship contracts for companies with eSports agents, including yet not restricted to eSport leagues, Clubs, players or third parties who organise eSports events.

3: The Creation and management of eSports Clubs, their commercialisation, sale and economic exploitation.

4. The representation of players and eSports Clubs, purchase and sale of player image rights. If the law requires some sort of professional qualification, degree, administrative authorisation or registration on a public register to exercise of some of the activities included in the corporate purpose, these activities must be carried out by a professional certified in this regard and, where pertinent, may not start before the required administrative requirements have been met. The related activities may also be carried out by the Company in whole or in part indirectly, through holdings in Companies having an object that is identical or similar to that expressed in the preceding paragraphs, or through any other forms admitted by Law.

Given the insignificance represented by the figures integrated by the acquisition of this company in the overall consolidated financial statements, the administrators consider specifying further information in this regard to be unnecessary.

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 Antevenio Group as of 31 December 2020:

Company	Holding Percentage
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%

Details of the various companies constituting this new subgroup are set out in note 1 herein.

Details of the consideration given, the fair value of the net assets acquired on the date of the business combination were as follows:

	Euros
Fair value of the consideration given	
Delivered consideration (Parent Company Shares)	14,372,080
Total consideration delivered at business combination date	14,372,080
Net identifiable assets acquired	
Non-current investments	3,685,591
Intangible assets	923,740
Tangible fixed assets.	420,147
Trade debtors and other accounts receivable	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
Debtors and other receivables	26,570,007	-	26,570,007

MANAGEMENT REPORT

ANTEVENIO, S.A.

CONSOLIDATED DIRECTORS' REPORT FOR THE YEAR 2020

To the shareholders

Fiscal year 2020

SITUATION OF THE ACTIVITY AND RESULTS OF ANTEVENIO, S.A. AND SUBSIDIARIES DURING THE YEAR ENDED ON DECEMBER 31, 2020

1. Revenue and Consolidated Results of the Group in 2020

In 2020, the companies included in the consolidation perimeter were as follows:

- Mamvo Performance, S.L.U.
- Marketing Manager Servicios de Marketing, S.L.U.
- Antevenio S.R.L.
- Antevenio ESP, S.L.U.
- Antevenio France S.R.L.
- Código Barras Networks S.L.U
- Antevenio Argentina S.R.L.
- Antevenio México S.A de C.V
- Antevenio Publicité, S.A.S.U.
- Antevenio Rich & Reach, S.L.U.
- React2Media, L.L.C.
- Foreseen Media, S.L.
- B2Marketplace Ecommerce Consulting Group, S.L.
- Rebold Marketing and Communication, S.L.U. (*)
- Acceso Mexico (*)
- Acceso Colombia (*)
- Digilant Colombia (*)
- Digilant INC (*)
- Digilant Perú (*)
- Digilant SA de CV (*)
- Filipides (*)
- Digilant Services (*)
- Blue Digital (*)
- Digilant Chile (*)
- Acceso Panamá (*)
- Blue Media (*)

(*) At the General Shareholders' Meeting 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 which will therefore be consolidated from that date within the consolidated Antevenio Group as of 31 December 2020.

All companies are fully consolidated, with the sole exception of Acceso Panama, in which, during the fiscal year 2020, there was a loss of control, and the impact of this loss of control is included in the consolidated financial statements.

Consolidated net turnover in fiscal year 2020 amounted to €54.4 million. The breakdown of these sales is as follows:

	Reported Consolidated revenues		pro forma revenues (3)		
In millions of euros	2020	2019	2020	2019	Var.%
Publishing	6.1	7.5	6.1	7.5	-19%
Technology and Marketing Services	13.2	10.0	20.1	22.9	-12%
Digital Media Trading	43.5	10.3	63.7	64.3	-1%
Consolidated revenues M	54.8	25.9	89.9	92.9	-3.2%
Net revenues <²J	**54.4**	**25.2**	**89.5**	**92.2**	**-2.9%**

(1) Excluding intragroup soles: €7.8m reported (€1.9m in 2019)
(2) Revenues less discounts on advertising sales
(3) Pro forma revenues including full year Rebold soles and excluding intro-group sales.

After being heavily impacted in the first half of the year due to the crisis triggered by the COVID-19 pandemic (first half net sales fell 23% on a consolidated basis and 17% pro forma), Antevenio closed 2020 with pro forma net sales of €89.5 million, limiting the year-on-year decline to 2.9%.

The business began to rebound strongly in the third quarter and accelerated in the fourth quarter, driven mainly by the Digital Media Trading business, and the rebound of Technology and Marketing Services, which now includes monitoring and analytics services, developed within Rebold.

The main variations in 2020 for each business unit are:
- Decline in the Publishing unit (content creation through the Group's four main vertical portals: travel, fashion, learning and health/lifestyle), with pro forma revenues of €6.1 million, down 19%, with a particularly pronounced decline in the travel portals.

- Decline in the Technology and Marketing Services unit (email marketing, monitoring, analytics, e-commerce and associated services), with pro forma revenues of €20.1 million (-12%), thus reflecting the resilience of technology-intensive activities in a market in sharp decline.

- Stability of the Digital Media Trading division (media buying and selling activities, programmatic marketing, content marketing and affiliation) with pro forma revenues of €63.7 million, down 1% (vs. €13.0 million in 2018), largely due to sound performance in the United States, despite significant exposure to the tourism sector and the decline in React2Media activities, which could not relaunch in the context of the crisis caused by COVID-19.

  The geographical breakdown of revenues showed a slight drop in the United States (41% pro forma 2020 vs. 42% in 2019) and Europe (29% pro forma 2020 vs. 32% in 2019) in favour of Latin America (30% pro forma 2020 vs. 26% in 2019), where the subsidiaries in Colombia and Mexico withstood the crisis particularly well.

The profit/(loss) attributed to Holders of Equity Instruments of the Parent Company for the year reached losses of €-3.8 million (€-1.58 million in 2019). The positive 2020 EBITDA stood at €1.7 million (€-90 thousand in 2019).

The Consolidated Financial Statements of the Antevenio Group are presented according to IFRS international accounting standards.

2. Turnover of Antevenio S.A. subsidiaries in 2020

In thousands of euros

Turnover

Mamvo Performance, S.L.U.	5,074
Marketing Manager Servicios de Marketing, S.L.U.	2,531
Antevenio S.R.L.	4,904
Antevenio ESP$_{r}$ S.L.U.	3,736
Antevenio France S.R.L.	47
Código Barras Networks S.L.U	1,805
Antevenio Argentina S.R.L.	24
Antevenio México S.A de C.V	2,814
Antevenio Publicité, S.A.S.U.	1,208
Antevenio Rich & Reach$_{r}$ S.L.U.	2,024
React2Media, L.L.C.	2,426
Foreseen Media, S.L.	360
B2Marketplace Ecommerce Consulting Group, S.L.	524
Rebold Marketing and Communication, S.L.U. (*)	4,650
Acceso México (*)	242
Acceso Colombia (*)	140
Digilant Colombia (*)	754
Digilant INC (*)	16,401
Digilant Perú (*)	488
Digilant SA de CV (*)	12,328
Filipides (*)	1,780
Digilant Services (*)	464
Blue Digital (*)	732
Digilant Chile (*)	0
Acceso Panamá (*)	0
Blue Media (*)	0

(*) Companies whose turnover is only included from the date on which they are included in the scope of consolidation.

3. Significant events during 2020

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 Antevenio Group as of 31 December 2020:

Company	**Control percentage**
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%

Following this transaction, Rebold Marketing and Communication, S.L.U. and its subsidiaries became part of the Antevenio S.A. consolidation group.

This integration transaction was made for the following economic reasons:

a) The need to advance in commercially integrating the products and services rendered by the intervening companies, and also the different teams and units, with a view to providing a broader and more transversal product that is both different and innovative compared to the competition, and which also allows access to even more customers, all in the light of the recommendations and conclusions resulting from the external consultancy analysis carried out at the time and given that the intervening companies already enjoy a high degree of integration.

b) Coordinating planning and decision-making, simplifying the corporate structure, eliminating duplication, harnessing synergies between companies and economies of scale through a more efficient allocation of resources and the system, and a more effective use of human and professional resources throughout the companies, fostering the best conditions for them to carry out their activities. This integration therefore seeks to simplify the legal structure and thus avoid the repetition of maintenance costs currently generated by the absorbed companies (including costs arising from accounting and record-keeping, preparation and presentation of financial statements, the keeping and legalisation of members' books and minutes, the preparation and presentation of tax returns, the application for and renewal of digital certificates, the registration service in the Electronic Notification Service of the Tax Agenda and the presentation of regulatory forms).

The COVID-19 health pandemic forced Group companies to adopt a series of urgent measures to adapt to the situation:

- Reducing operating expenses: this measure mainly affected new recruitment, marketing, travel, and the organisation of face-to-face events.
- Strengthen competitiveness in the medium and long terms by securing loans and government aid.

Specifically, the following measures were adopted:

Lease concessions

The Group negotiated rental rebates with its lessors for the majority of its leases as a result of the severe impact of the COVID-19 pandemic during the year. The Group has recognised these concessions in accordance with the treatment described in the February 2021 ICAC consultation "On the accounting treatment of rent reductions agreed in an operating lease of business premises due to extraordinary measures adopted by the Government to address the effects of the COVID-19 health crisis".
Teleworking has also eliminated the need for certain office spaces, and therefore opened the door to terminating rental contracts and thus cost savings.
As a result of this treatment, the Group recognised a lower expense during the months to reflect the changes in lease payments arising from the rental concessions related to COVID-19.

Government aid

In response to the pandemic triggered by the coronavirus (COVID-19), the Spanish Government approved a series of measures available to the Group, as set out in Royal Decree-Law 9/2020 of 27 March on the suspension of employment contracts.
The Group availed itself of one of the measures approved by this rule and, in particular, almost all Group and Company employees were enrolled in the respective furlough programmes (ERTEs) from 1 May to 31 December. This average ERTE resulted in a 20% reduction in working hours, with consequent savings in labour costs. However, the company supplemented the salary of all workers partially from May to October (both inclusive), and supplemented the entire (100%) salary from October to December 2020.

Moreover, article 29 of RoyalDecree-law 8/2020 of 17 March approved a line of State Guarantees of up to €100 billion from the Ministry of Economic Affairs and Digital Transformation to facilitate the preservation of jobs and alleviate the economic effects of the health crisis. The guarantees would be given to the financing granted by financial institutions to facilitate access to credit and liquidity for businesses and the self-employed to cope with the economic and social impact of the pandemic.
The agreements of the Council of Ministers of 24 March, 10 April, 5 May, 19 May and 16 June 2020 provide for the activation of the tranches of the facility, which are distributed as follows:

- SMEs and freelancers: €67,500 million
- Non-SMEs: €25,000 million
- Tourism sector and related activities: €2.5 billion for the freelancers and SMEs.
- Acquisition or financial or operational leasing of road transport motor vehicles for professional use: €500 million for freelancers and businesses.

This line of State Guarantees for companies and freelancers from the Ministry of Economic Affairs and Digital Transformation is managed by the Instituto de Crédito Oficial (also referred to as "ICO" or the "Official Credit Institute") through the financial institutions that grant financing to companies and freelancers to alleviate the economic effects of the pandemic, helping with liquidity and covering the working capital needs of freelancers, SMEs and companies, in order to maintain productive activity and employment.
Companies can access these guarantees through their financial institutions, through the formalisation of new financing operations or the renewal of existing ones.
The Group secured this financing from the Instituto de Crédito Oficial (Official Credit Institute), guaranteed by the corresponding State guarantees, as follows:

- **ICO loans:** List of ICO loans obtained with the different financial institutions:

GROUP	PRODUCT	AMOUNT
REBOLD	ICO LOAN	100,000
REBOLD	ICO LOAN	500,000
REBOLD	ICO LOAN	1.000,000
REBOLD	ICO LOAN	2,000,000
REBOLD	ICO LOAN	2,000,000
ANTEVENIO	ICO LOAN	750,000
ANTEVENIO	ICO LOAN	500,000

- **ICO credit lines:** List of ICO credit policies obtained with the different financial institutions:

GROUP	PRODUCT	AMOUNT LOANED
REBOLD	ICO POLICY	300,000
REBOLD	ICO POLICY	-
REBOLD	ICO POLICY	150,000
REBOLD	ICO POLICY	300,000
REBOLD	ICO POLICY	150,000
REBOLD	ICO POLICY	500,000
ANTEVENIO	ICO POLICY	500,000

- **Paycheck Protection Program ("PPP") loan**

The companies Digilant INC and Reat2Media received loans from Congressional Bank amounting to €1,226 and €247 thousand respectively under the Paycheck Protection Programme (PPP), established by the Coronavirus Relief, Assistance and Economic Security Act.

These measures all proved successful and strengthened our group structure, as business started to pick up strongly in the third quarter and accelerated in the fourth quarter.

The formalised ICO loans have a grace period of between 12 and 24 months. Regarding loans with a 12-month grace period, we are considering the option of taking advantage of the deferral of the original maturity of the ICO guarantee facilities approved by the Resolution of 25 November 2020 of the Secretary of State for the Economy and Business Support. Although no further information is available at this stage on the final grace period and the higher financial cost involved, the higher financial cost is not expected to be significant.

In 2019, the Group acquired two new companies - **Foreseen Media and B2Marketplace**- which bring two business models that differ from the Group's traditional ones, complementing the Group's service offering, and continuing the strategy of selective acquisitions aimed at developing new sources of growth both geographically and operationally.
Foreseen Media's 2020 turnover increased by 16% while **B2Marketplace**'s turnover jumped by 280%, confirming the success of these acquisitions and the good trend of these models, especially in e-commerce.

With regards to **B2Marketplace** and 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. After this re-evaluation, the amount recognised by the Group at 31 December 2020 as a financial liability constitutes the best estimate to date of the expected amount that the Group expects to pay, the fair value of this financial liability thereof amounting to €1,549,402 (€2,021,306 in 2019); an amount of €1,396,181 (€1,993,489 in 2019) recorded under the heading "Other non-current liabilities" and €153,221 (€27,817 in 2019) under the heading "Other current liabilities".

In relation to **React2Media**, as at 31 December 2020, put and call options were not exercised since the company's board approved its dissolution and consequent commencement of liquidation on 20 December 2020 on account of the deterioration of its business, yet there are still certain options that can be exercised by the selling party. Consequently, the Group recorded the effect of unexercised and expired call and put options as if they were a sale to minority interests.

In fiscal year 2020, the directors of the Parent Company have considered that, due to certain events during the fiscal year, there is a loss of control of the company **Acceso Panamá**. The impact of this loss of control amounted to €+426,896, which is reflected in the Consolidated Income Statement under the heading "Impairment and gains(losses) on loss of significant influence over equity investments".

At 31 December 2020, the Group has impaired goodwill in consolidation contributed by the subsidiary **React2Media, L.L.C.**, in view of the commencement of its liquidation on 20 December 2020 given the results obtained in recent fiscal years following the acquisition of this subsidiary in previous years. The impairment recognised in the consolidated income statement amounts to €1,921,952.

In addition, the Group impaired all the goodwill in consolidation contributed by the subsidiary **Antevenio Publicité, S.A.S.U.** owing to the fact that the future forecasts made for the company have been modified. The impairment recognised in the consolidated income statement amounts to €2,269,585.

PROSPECTS

The COVID-19 crisis accelerated digital transformation for companies around the world, and digital marketing players like Antevenio are at the forefront of this transformation. While the company has been hit by the crisis in some of its specialised industry segments such as tourism, new opportunities have arisen that have allowed Antevenio to recover strongly in the second half of the year.

Our financial strength, product diversity, investments made in previous fiscal years and the integration processes carried out mean that we should expect to strengthen our leadership and continue gaining in market share. While visibility remains somewhat limited in 2021, the business trend leads us to believe that we should expect similar dynamics in the fourth quarter of 2020.

FIXED ASSET ADDITIONS

Additions to property, plant and equipment and intangible assets of the Antevenio Group during 2020 relate to:

Additions to property, plant and equipment amounted to €328 thousand in new additions and €2,295 million as additions to the scope of consolidation of new group companies.

The additions in other intangible assets amounted to €399 thousand of new additions and €1,563 million as incorporations into the perimeter of the new group companies in 2020 and correspond mainly to computer applications and goodwill for the customer portfolio contributed by Rebold Marketing and Communication S.L.U. and Digilant USA by Anagram.

RISKS

The principal risks and uncertainties that the Antevenio Group could face are the following:

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 carries out constant monitoring on the creditworthiness of the clients using a credit rating measurement. Whenever possible, credit ratings and/or external reports on the clients are obtained and used. The policy of the group is to only deal with solvent partners. The credit terms are between 30 and 90 days. The credit conditions negotiated with the clients are subject to an internal approval process which takes into account the credit rating score. The current credit risk is managed by means of periodic checking of the ageing analysis, along with the credit limits per client.

Trade and other receivables make up a large number of clients in different sectors and geographic areas.

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

Competition Risk

In an industry constantly evolving and offering high growth rates, new players have entered the markets where Antevenio operates. However, given the experience of over fifteen years in these markets, the position and visibility of the Antevenio Group and the quality of our services, Directors believe the Group will continue holding 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 Antevenio Group main assets is that the Group was able to gather a team of managers and key executives in strategic positions of the Group.

Regulatory Risks

In ordinary course of its business, Antevenio Group performs a number of personal data processing both as Data Processor and as Data Comptroller.
Antevenio Group is deeply aware of the importance of the regulations governing personal data, electronic communications, 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 2017 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 safeguard of digital rights.

3.Law 34/2002, of 11 July, on Information Society Services and Electronic Commerce.

4.Proposal, dated 10 January 2021, for a Regulation of the European Parliament and of the Council concerning the respect for private life and the protection of personal data in electronic communications and repealing Directive 2002/58/EC (Regulation on Privacy and Electronic Communications), 10 February 2021.

5.Guides, guidelines and other relevant materials published by the Spanish Data Protection Agency, CNIL, GARANTE Privacy, the European Data Protection Committee, and the European Data Protection Supervisor.

The Antevenio Group is in a continuous process of reviewing the applicable regulations through a privacy management system (PMS) and the permanent monitoring thereof by the Legal and Privacy team.

Aware of the increasing regulations on the digital marketing business, the Antevenio group thus maintains a relationship with the provider Deloyers to promote regulatory compliance and collaborate in the event of an incident.

PERSONNEL

The Group' s average headcount in 2020 was 456 as a result of the integration of Rebold Marketing and Communication and its subsidiaries, with 188 employees in 2019.

SHAREHOLDING STRUCTURE

At 31 December 2020, direct and indirect shareholders of the Company were as follows:

	No. of Shares	**Holding %**
ISP Digital, S.LU.	*14,179,460*	*95.22%*
FREE FLOAT	711,802	4.78%
Total	**14,891,262**	**100%**

TREASURY SHARES

The company has a contract with the Gilbert Dupont company, with the purpose of, without interfering with the normal development of the market and in strict compliance with the securities markets regulations, increasing the liquidity of transactions involving shares, the consistency of share prices and avoiding fluctuations not caused by the market trend itself. Antevenio, whose shares are traded in the Euronext Growth market, has complied with the regulations of this market in relation to operations performed under the contract.

Information on the authorization to acquire treasury shares

Pursuant to the provisions of Articles 146 and sequitur of the Spanish law on Corporations, the Annual General Meeting unanimously approved on 19 June 2019 authorizing and empowering the Board of Directors to acquire on behalf of the Company, either directly or through any of the Company's subsidiaries, own shares, at any time and as many times as deemed appropriate, thereto using any legally admitted means, including profit for the year and/or unrestricted reserves, on the following terms:

(a)The treasury shares may be directly acquired by the Company or indirectly acquired through subsidiaries under the terms of the resolution;

(b)Treasury shares may be acquired through purchase, swap or any other legally permitted transaction;

(c)The face value of treasury shares acquired directly or indirectly by the company, added to those already held by the acquiring company and its subsidiaries, the parent company and its subsidiaries, cannot exceed ten percent (10%) of its subscribed capital.

(d)Treasury shares may not be acquired at a price above 15 euro or at a price below 1 euro.

(e)The authorization shall be valid for a maximum period of eighteen (18) months as from the date of its approval.

(f)In compliance with the provisions of Article 146.1 b) of the Spanish Corporations Law, as a result of the acquisition of treasury shares, including treasury shares previously acquired by the Company or by any person acting on its own name but on behalf of the Company, the resulting equity shall not be reduced below the Company's share capital plus legal or statutorily restricted reserves.

The authorization expressly stated that any treasury shares acquired thereunder may be used for:

(i)Disposal or redemption thereof;

(ii)implementation of remuneration systems contemplated in paragraph three of letter a) in Article 146.1 of the Spanish Corporate Enterprises Act, and developing schemes to promote shareholding in the capital of companies, such as granting shares or options on shares, or remuneration packages linked to share or similar instruments price, to be directly delivered to employees or directors of the company, or as a result of the exercise of any rights they might be entitled to;

(iii)To ensure share liquidity, through the brokerage of an investment services provider under a "liquidity contract";

(iv)To acquire shares or stakes in other companies, in which case the limit referred to in point c) above shall be five (5) percent.

Additionally, the AGM delegated to the Board of Directors, with express powers to substitute itself, the powers relating to the development, settlement, clarification and, where appropriate, interpretation of the terms of the remuneration plan.

The remuneration plans implemented were as follows:

2016 Plan:

On 16 November 2016 the Annual General Meeting approved a remuneration plan (2016 Plan) consisting in remuneration system, linked to the value of the Company's shares, for certain Executive Directors and Managers and Employees of the Company.
The following terms were approved:

(vi) the maximum number of shares that can be granted cannot exceed 125,000 shares;
(vii) the exercise or delivery price or the calculation method for exercise or delivery shall be the market value of the share on the day of exercise or delivery;
(viii) shares shall be awarded free of charge; and
(ix) the plan will be in force up to 30 June 2019.
(x) eligible employees shall stay in the Company during the entire above mentioned term

Additionally, the AGM delegated to the Board of Directors the development, settlement, clarification and interpretation of the terms of the remuneration plan. The plan was approved by the Board of Directors on 16 November 2016.

At 31 December 2016, the value of 2016 Plan shares (675,000 Euros) has been entirely recognized, in accordance with the principle of prudence, as a personnel expense during the reporting period where the agreement was entered into, irrespective of the minimum required stay in the Company. Since the offsetting entry resulted in an increase in own funds ("Other equity instruments"), there is no impact whatsoever on the Equity of Antevenio SA and its subsidiaries.

On 2nd July 2018, a Plan beneficiary executed 75,000 free shares in accordance with the terms of the remuneration plan. Finally, the company and the beneficiary have agreed settlement in shares of the Parent Company.

On 1 July 2019, the other two beneficiaries of the Plan executed 50,000 options at the price of 5.4 euros according to the terms established in the remuneration plan. Finally, the company and the beneficiaries have agreed settlement in shares of the Parent Company.

Following the above-mentioned exercise of options, the Plan was fully extinguished at 31 December 2019.

Stock Option Plan Digilant Inc

Stock options were granted to certain employees in the group company Digilant Inc. pursuant to specific stock option agreements. The 2014 Stock 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 fiscal exercise price per share are contemplated 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 (the expected term of the option), estimated volatility of the Company's shares over the expected term of the option, risk-free interest rate over the expected term of the option and expected annual dividend yield of the Company. The Company believes that the valuation technique and the approach used to develop the underlying assumptions are appropriate for estimating the fair values of the Company's share options. The values derived from the use of the Black-Scholes model are recognised as an expense during the period of consolidation, net of estimated forfeitures. Estimates of fair values are not intended to predict actual future events or the value ultimately obtained by individuals receiving remuneration in shares.

Balances and Transactions with Directors and High Management

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

	High Management	
	31/12/2020	31/12/2019
Wages and salaries	1,340,894	318,964
Total	1.340.894 r	318,964

The Board of Directors receives no remuneration.

At December 31, 2020 and 2019, there are no commitments for pension supplements, guarantees or sureties extended to Directors, nor loans or advances granted to 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 Section 231 of the Spanish Corporations Law.

RESEARCH AND DEVELOPMENT ACTIVITIES

In 2020 the Company has continued several R&D projects, including: Coobis, a marketplace platform for content publishing services. MDirector and its transformation into a cross-channel platform, as well as development of the various applications:

- Marketing Automation,
- Transactional E-mail,
- Multi-Step Landing Pages.

The Datalake project, a dynamic marketing campaign evaluator and recommender, also continued. It functions as a repository in which all of a company's data is stored, regardless of whether it is structured or unstructured, all of which as unorganised raw data for later analysis. After analysing the information, the actions that can be taken include: (i) designing a public policy; (ii) creating a marketing strategy; (iii) predicting the trajectory of a disease in the population.

Research and development projects have also continued in the area of research and development: Profiling Tool, Project Lune, based on a project to apply technology for the reverse typesetting of news articles to improve their processing, and a new project launched in late 2019: Speech-to-text is an initiative seeking to assess and integrate various technologies to add value to the Media Monitoring chain through the automatic transcription of radio and TV content. The targeted outcomes are:

- Reduced news item delivery time to the end customer - between a content's broadcasting and delivery via the web platform or email alert.
- Streamlined internal process for identifying news items - a process referred to as screening.

Finally, the "B2 Marketplace Analytics" smart competition software project was developed in 2020, "consisting of providing technological solutions for the management of marketplaces, based on (1) synchronised inventory and price management, (2) massive integration of products on the platforms, (3) advanced analytics on sales by reference and country, and (4) management and optimisation of advertising with AI and predictive models.

Specifically, R&D&I investment expenses are presented in the following table together with the relevant tax deduction generated by such expenses:

Project	Lune	B2MP	CrossMdirector	Coobis	Data Lake	TOTAL
Expense	386,324.30	327,524.54	109,799.62	138,578.70	293,876.82	1,256,103.98
Deduction	102,500.55		13,175.95	16,629.44	77,972.15	210,278.09

PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND CONSOLIDATED DIRECTORS' REPORT

In compliance with corporate regulation in force, the Board of Directors of **Antevenio, S.A. and Subsidiaries** presents these Consolidated Financial Statements and Consolidated Directors' Report for the year ended on 31 December 2020 consisting in the attached sheet numbers 1- 101.

Madrid, 31 March 2021
The Board of Directors

Mr. Fernando Rodes Vilá
Board Chairman

Mr. Juan Rodes Miracle
Secretary

Mr. Jordi Ustrell Rivera
Counselor

Mrs. Andrea Monge Rodríguez
Counselor

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Madrid, 31 March 2021
The Board of Directors

Mr. Richard Pace
Counselor

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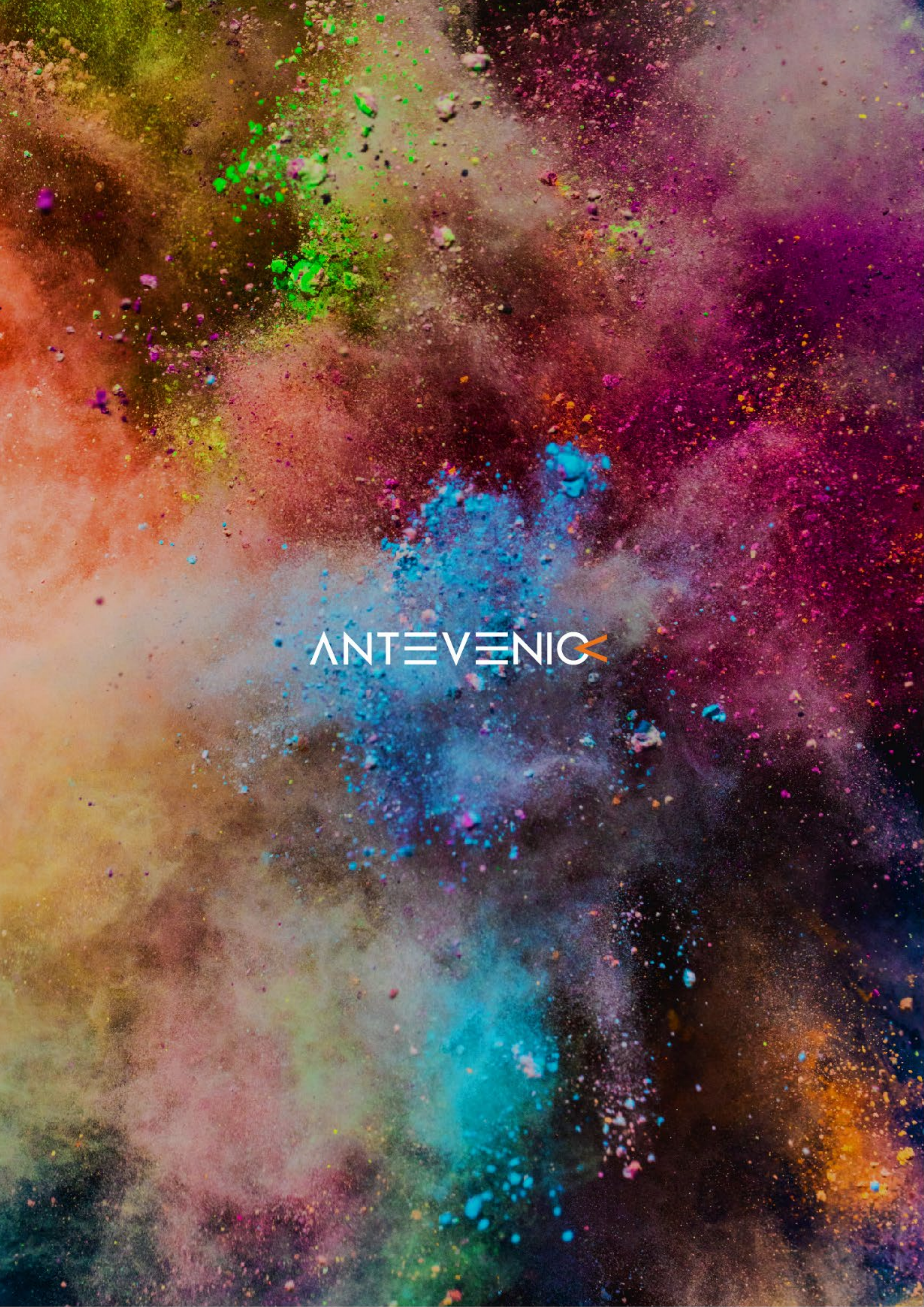
Madrid, 31 March 2021
The Board of Directors

ASISTIÓ TELEMÁTICAMENTE Y FORMULÓ LAS CUENTAS PERO FÍSICAMENTE NO PUEDE FIRMARLAS POR MOTIVOS LOGÍSTICOS RELACIONADOS CON RESTRICCIONES COVID.

Mr. Vincent Bazi
Counselor


ANTEVENIO