ANTEVENIO

ANTEVENIO, S.A.

ANNUAL STATEMENTS
as of 31 December 2020

Includes the auditor's report on the annual accounts as at 31 December 2020

Antevenio, S.A.

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

Including the Audit Report on the Annual Accounts

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(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 FINANCIAL STATEMENTS

To the shareholders of Antevenio, S.A.:

Opinion

We have audited the financial statements of Antevenio, S.A. (the Company), which comprise the balance sheet at 31 December 2020, profit and loss account, statement of changes in equity, cash flow statement and notes thereto for the year ended on that date.

In our opinion, the accompanying financial statements render a fair image of the equity and financial position of the Company in all material aspects as of 31 December 2020, and the results of its operations and cash flows for the year then ended in accordance with the pertinent legislative framework on financial reporting in force (indicated in Note 2) and, in particular, the accounting principles and criteria contained therein.

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 financial statements.

We are independent from the company in accordance with the ethical requirements, including those regarding independence, which apply to our auditing of financial statements in Spain, as required by the regulatory legislation governing statutory auditing. 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 financial statements for the reporting period. These risks have been addressed in the context of our audit of the 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 risk described below is the most significant one considered in the audit and to be conveyed in our report.

Non-current investments in group companies and associates

The Company is the parent company of a group encompassing a given number of subsidiaries, and the amount of equity investments in and loans granted to group companies is highly significant (Notes 8 and 9). The net amount of €8,718 thousand invested in equity are maintained in companies carrying out different activities based in different countries. In accordance with the applicable legislative framework on financial reporting, an assessment must be made at least at year end to determine whether there is a need to make value corrections on those holdings in consideration of their recoverable amount. As mentioned above, the Company also granted long-term loans to significant group companies amounting to €2,141 thousand at 31 December 2020. In accordance with the applicable legislative framework on financial reporting, the value corrections must be made at least at year end whenever there is objective evidence of signs of impairment. There are several permitted methods for calculating the recoverable amount but nevertheless require the calculation of fair values, calculation of actual cash flow values and identification of implicit capital gains, which are all areas that require an elevated level of judgement, since slight changes in the variables and assumptions used could have a significant influence on determining them in relation to equity investments and granted loans.

We have thus considered this area to be relevant in our audit work, since the Group's forecast of future cash flows (including estimates on not only future sales and profit but also future sales, results, discount and perpetual growth rates) is also a factor in determining the recoverable value.

Our audit procedures comprised yet were not limited to understanding the procedure applied by the Company to identify the signs of impairment, and the procedure applied by directors to secure the information used as the base for calculating the recoverable value and assumptions used. We have analysed the projections of cash flows, and we have involved specialists from our firm in the review of matters relating to the measurement method used, in the mathematical review of the model and in the reasonability analysis of the most significant assumptions. We also assessed whether the information disclosed in the financial statements meets the requirements of the applicable legislative framework on financial reporting.

Additional disclosures: Management report

Other information exclusively includes the management report for fiscal year 2020, for which the Company's directors are responsible, yet it is not integral part of the financial statements.

The scope of our audit opinion on the financial statements does not include the management report. Our responsibility concerning the management report, in accordance with the requirements of the legislation regulating statutory auditing, consists of evaluating and reporting on the concordance of the management report with the financial statements, based on the knowledge of the Company obtained after performing the audit of the aforementioned statements and without including any information other from that obtained as evidence during the audit. Additionally, our responsibility consists in assessing, and reporting on whether the contents and presentation of the 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.

On the basis of the work performed, as described in the paragraph above, the information contained in the management report is consistent with that in the financial statements for the year ended 31 December 2020 and its content and presentation comply with the pertinent legislation currently in force.

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Responsibility of the directors regarding the financial statements

The directors are responsible for formulating the accompanying financial statements with a view to presenting a true image of the equity, financial position and income of the Company in accordance with the financial reporting legislative framework applicable to the entity in Spain, and the internal control deemed necessary to allow for the preparation of the financial statements without any material misstatements 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 financial statements

The objectives of our audit are to obtain reasonable assurance about whether the 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 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 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.

- Gain knowledge on the internal control relevant for the audit to design the appropriate audit procedures depending on the circumstances but to express no opinion on the effectiveness of the Company's internal control.

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

- We reached a conclusion on the adequacy of the use by the directors of the accounting principle of going concern and, based on the evidence obtained in the audit, we concluded on whether or not there is a material uncertainty related to events or conditions which can lead to significant doubts about the ability of the Company to continue as a going concern. Should we conclude that there is material uncertainty, our audit report must 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 conditions or events may be the cause of the Company ceasing to be a going concern.

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

The company's directors were notified of matters relating yet not restricted to the scope and timing of the planned audit, significant findings, and any significant internal control deficiency identified during the audit.

We audited a selection of the most significant of the relevant risks indicated in communications with company directors when auditing the financial statements for the current period, therefore selecting what can be 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.

Annual Statements as of 31 December 2020
Includes the auditor's report on the annual accounts as at 31 December 2020

ANTEVENIO, S.A.
Balance Sheet
at 31 December 2020
(in Euros)

ASSETS	Note	31.12.2020	31.12.2019
NON-CURRENT ASSETS		**11,273,188**	**16,731,564**
Intangible assets	**6**	**5,587**	**9,054**
Computer software		5,587	9,054
Property, plant and equipment	**5**	**89,140**	**187,580**
Technical installations and other items of PPE		89,140	187,580
Non-current investments in group companies and associates		**10,858,785**	**16,216,963**
Equity instruments	**9**	8,717,691	14,837,464
Non-current loans to group companies and associates	**8.1 and 19**	2,141,094	1,379,499
Non-current investments	**8.1**	**7,485**	**55,873**
Loans to companies		-	29,991
Other financial assets		7,485	25,882
Deferred tax assets	**14**	**312,191**	**262,094**
CURRENT ASSETS		**5,416,602**	**3,147,466**
Trade and other receivables		**3,334,243**	**1,723,774**
Trade receivables	**8.1**	39,587	18,726
Trade receivables from group companies and associates	**8.1 and 19**	2,999,438	1,697,761
Other receivables		294,134	-
Personnel	**8.1**	1,084	7,287
Current investments in group companies and associates	**8.1 and 19**	**1,612,384**	**290,826**
Debt securities		1,612,384	290,826
Current investments		**-**	**-**
Current accruals		**9,001**	**91,836**
Cash and cash equivalents	**8.1**	**460,974**	**1,041,030**
Cash		460,974	1,041,030
TOTAL ASSETS		**16,689,791**	**19,879,030**

ANTEVENIO, S.A.
Balance Sheet
at 31 December 2020
(in Euros)

EQUITY AND LIABILITIES	Note	31.12.2020	31.12.2019
EQUITY		**8,349,654**	**13,522,043**
Capital and reserves	**11**	**8,349,654**	**13,522,043**
Share capital		**819,099**	**231,412**
Issued capital		819,099	231,412
Share Premium	**11.2**	**-**	**8,189,787**
Reserves	**11.2**	**12,702,945**	**3,748,926**
Legal and statutory reserves		46,282	46,282
Other reserves		12,656,663	3,702,644
(Treasury shares and equity holdings)	**11.2 d**	**-**	**-**
Profit/(loss) for the year	**3**	**(5,172,390)**	**1,351,918**
Other equity instruments		**-**	**-**
NON-CURRENT LIABILITIES		**2,090,360**	**2,505,930**
Non-current payables	**8.2.2**	**1,840,360**	**2,505,930**
Debts with financial institutions		429,243	
Finance lease payables		14,936	24,185
Other financial liabilities	**8.2**	1,396,181	2,481,745
Non-current payables, Group companies	**8.2 and 19**	**250,000**	**-**
CURRENT LIABILITIES		**6,249,779**	**3,851,057**
Current provisions		**15,000**	**-**
Current payables	**8.2**	**257,494**	**64,346**
Debts with financial institutions		74,730	15,530
Finance lease payables		10,211	21,376
Other financial liabilities		172,553	27,440
Current payables to Group companies and associates	**8.2 and 19**	**4,788,424**	**2,946,323**
Trade and other payables		**1,188,861**	**840,388**
Suppliers	**8.2**	228,659	218,326
Suppliers, group companies and associates	**8.2 and 19**	80,723	65,485
Other payables	**8.2**	512,112	192,715
Personnel (outstanding remunerations)	**8.2**	164,176	148,990
Current tax liabilities	**14**	28,404	28,404
Other payables to Public Entities	**14**	174,539	177,151
Advances from customers	**8.2**	248	9,317
TOTAL EQUITY AND LIABILITIES		**16,689,791**	**19,879,030**

ANTEVENIO, S.A.
Profit and Loss Account
Corresponding to the year ended on 31 December 2020
(in Euros)

	Note	31.12.2020	31.12.2019
CONTINUING OPERATIONS			
Revenue:	**15.c**	**2,174,020**	**2,503,540**
Rendering of services		2,174,020	2,503,540
Supplies		**(4,250)**	**33,569**
Subcontracted work		(4,250)	33,569
Personnel expenses:		**(991,472)**	**(1,572,744)**
Wages and salaries		(825,413)	(1,318,763)
Employee benefit expense	**15.a**	(166,059)	(253,981)
Other operating expenses		**(1,927,156)**	**(1,416,027)**
External services		(1,911,811)	(1,416,027)
Losses, impairment and changes in trade provisions		(15,345)	-
Amortization and depreciation	**5 and 6**	**(69,738)**	**(67,936)**
Impairment and profits/losses for disposals of fixed assets		**(42,014)**	-
Other income / (loss)		**(34,655)**	-
OPERATING PROFIT / (LOSS)		**(895,264)**	**(519,598)**
Finance income:	**15.b**	**1,096,093**	**2,077,900**
Dividends		850,000	2,048,400
Group companies and associates		850,000	2,048,400
Marketable securities and other financial instruments		246,093	29,500
Group companies and associates		19,826	22,461
Other		226,267	7,039
Finance Expenses:	**15.b**	**(106,778)**	**(45,430)**
Debts with third parties		(59,250)	(33,679)
Debts with Group companies and associates		(47,528)	(11,751)
Translation differences	**13**	**11**	**(4,948)**
Change in fair value of financial instruments		**(5,387,191)**	**(288,493)**
NET FINANCE INCOME/(EXPENSE)		**(4,397,865)**	**1,739,029**
PROFIT / (LOSS) BEFORE INCOME TAX		**(5,293,129)**	**1,219,431**
Income Tax	**14**	**139,549**	**137,405**
Other taxes		**(18,811)**	**(4,918)**
PROFIT/(LOSS) FOR THE PERIOD		**(5,172,391)**	**1,351,918**

ANTEVENIO, S.A.
Statement of Changes in Equity
Corresponding to the year ended on 31 December 2020

A) STATEMENT OF RECOGNIZED INCOME AND EXPENSES

	31.12.2020	31.12.2019
PROFIT / (LOSS) FOR THE PERIOD	(5,172,390)	1,351,876
Income and expense directly recognized in equity:	-	-
B) TOTAL INCOME AND EXPENSES DIRECTLY RECOGNIZED IN EQUITY		
Transfers to Profit and Loss Account	-	-
C) TOTAL TRANSFERS TO PROFIT AND LOSS ACCOUNT		
TOTAL RECOGNIZED INCOME AND EXPENSE	(5,172,390)	1,351,876

B) STATEMENT OF TOTAL CHANGES IN EQUITY

	Issued capital	Share Premium	Reserves	(Treasury shares and equity holdings)	Other equity instruments	Profit/(loss) for the year	Prior period's losses	Total
BALANCE AT START OF 2019	231,412	8,189,787	4,549,029	- 114,300	225,329	559,449	-	13,640,707
Total recognised income and expense.	-	-	-	-	-	-	-	-
Transactions with equity holders and owners	-	-	(1,359,552)	114,300	(225,329)	-	-	(1,470,581)
Transactions in own shares	-	-	(97,303)	114,300	(225,329)	-	-	(208,332)
Distribution of dividends	-	-	(1,262,249)			-	-	(1,262,249)
Other changes in equity	-	-				1,351,918	-	1,351,918
Profit/(loss) for the year	-	-				1,351,918	-	1,351,918
Other transactions	-	-	559,449			(559,449)	-	-
BALANCE AT 31 DECEMBER 2019	231,412	8,189,787	3,748,926	-	-	1,351,918	-	13,522,043
Total recognised income and expense.	-	-	-	-	-	-	-	-
Transactions with equity holders and owners	-	-	-	-	-	-	-	-
Distribution of dividends	-	-	-	-	-	-	-	-
Transactions in own shares	-	-	-		-	-	-	-
Other changes in equity	-	-	-	-	-	(5,172,390)	-	(5,172,390)
Profit/(loss) for the year	-	-	-	-	-	(5,172,390)	-	(5,172,390)
Other transactions	587,687	(8,189,787)	8,954,019	-	-	(1,351,918)	-	
BALANCE AT 31 DECEMBER 2020	819,099	-	12,702,945	-	-	(5,172,390)	-	8,349,655

ANTEVENIO, S.A.
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2020 (in Euro)

CASH FLOWS	Note	31.12.2020	31.12.2019
A) CASH FLOWS FROM OPERATING ACTIVITIES		**(617,944)**	**(925,335)**
Profit/(loss) for the year before tax		**(5,293,129)**	**1,219,389**
Adjustments for:		**4,482,948**	**(2,259,430)**
a) Amortization and depreciation	**5 and 6**	69,738	67,936
b) Recognized impairment losses		5,387,191	-
c) Change in provisions		15,345	-
f) Proceeds from disposal and derecognition of financial instruments		-	-
d) Finance income	**14.b**	(1,096,093)	(2,077,902)
e) Financial expenses	**14.b**	106,778	45,431
f) Exchange gains/(losses)	**12**	(11)	4,948
g) Change in fair value of financial instruments		-	-
h) Other income and expenses		-	(299,843)
Changes in operating assets and liabilities		**(797,079)**	**(1,099,287)**
a) Trade and other receivables		(1,339,945)	(735,205)
b) Other current assets		(188,035)	(315,719)
c) Trade and other payables		682,513	142,049
d) Other non-current assets and liabilities		48,388	(190,412)
Other cash flows from operating activities		**989,315**	**925,458**
a) Interest paid		(106,778)	(45,431)
b) Interest received		1,096,093	1,154,364
c) Income tax received (paid)		-	(183,475)
d) Dividends received		-	-
B) CASH FLOW FROM INVESTING ACTIVITIES		**(9,845)**	**(81,959)**
Payment for investments		**(9,845)**	**(81,959)**
a) Group companies and associates		-	-
b) Intangible assets	**6**	-	(5,998)
c) Property, plant and equipment	**5**	(9,845)	(75,961)
d) Other financial assets		-	-
e) Group companies and associates		-	-
Proceeds from sale of investments		-	-
a) Property, plant and equipment		-	-
b) Other financial assets		-	-
c) Group companies and associates		-	-
C) CASH FLOW FROM FINANCING ACTIVITIES		**47,734**	**2,716,495**
Proceeds from and payments for equity instruments		**-**	**(316,658)**
c) Acquisition of equity instruments	**21**	-	(316,658)
b) Issue of equity instruments	**19**	-	-
Proceeds from and payments for financial liability instruments		**47,734**	**2,109,615**
a) Issue		-	2,477,114
b) Redemption and repayment of		47,734	(367,499)
Dividends and interest on other equity instruments received	**14.b**	**-**	**923,538**
Dividends paid	**3 and 11**	**-**	**(1,262,249)**
D) EFFECT OF EXCHANGE RATE FLUCTUATIONS		**-**	**(4,948)**
E) NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS		**(580,056)**	**442,004**
Cash or cash equivalents at beginning of period		**1,041,030**	**599,026**
Cash and cash equivalents at end of period		**460,974**	**1,041,030**

ANTEVENIO S.A.

ANNUAL ACCOUNTS AT 31 DECEMBER 2020

ANTEVENIO, S.A.

ANNUAL REPORT CORRESPONDING TO THE FINANCIAL YEAR ENDING 31ST DECEMBER 2020

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

a) Incorporation and Legal Regime

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

b) Activity and Registered Address

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

The Company's registered office is at Calle Apolonio Morales, 13c, Madrid. The change of registered office was produced on September 30, 2020 and It was a consequence of the measures taken to mitigate the impact of Covid, which consisted in reducing operating leasing expenses by merging offices with other group companies. The Company is part of the Group Antevenio S.A. and subsidiaries, whose activities involve the performance of activities relating to advertisement in Internet; the Company is the parent of the Group and files its individual financial statements with the Mercantile Register of Madrid. Antevenio, S.A. and subsidiaries Financial Statements for 2019 were approved by the Annual General Meeting of the Company, held on 1 July 2020, and filed before the Business Register of Madrid.

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

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

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

c) Legal Regime

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

NOTE 2. BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS

a) Fair presentation

The Annual Accounts for the year ending 31st December 2020 have been prepared based on the accounting records of the Company and are presented in accordance with the existing Code of Commerce and the accounting policies set forth in the Spanish General Chart of Accounts approved by Royal Decree 1514/2007, of 16 November, and applying the amendments introduced thereto by Royal Decree 1159/2010, of 17 September, and by Royal Decree 602/2016, of 2 December, in order to offer a fair image of the Company's equity, financial position and the results of its operations, changes in equity and cash flows during the reporting period.

b) Accounting Principles applied

The attached Annual Accounts have been prepared by applying the account principles established in the Code of Commerce and the General Accounting Plan.

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

c) Impact of COVID

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:

Lease concessions:

Teleworking has led to a reduction in the need to use certain office space, and Antevenio S.A. is therefore able to cancel some office rental contracts, resulting in cost savings.
As a result of this treatment, Antevenio S.A. recognised a lower expense over the months to reflect the changes 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 Antevenio S.A., as set out in Royal Decree-Law 9/2020 of 27 March on the suspension of employment contracts.

Antevenio S.A. availed itself of one of the measures approved by this rule and, in particular, almost all Antevenio S.A. 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.
Antevenio, S.A. 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
Antevenio	ICO loan	500,000

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

Group	Product	Amount
Antevenio	ICO Policy	500,000

The formalised ICO loans have 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.

Disclosure of subsequent events: As explained in the Management Report, 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.

d) Functional and presentation currency

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

e) Comparative information

The Annual Accounts for the year ended 31 December 2020 include, for comparison purposes, the figures for 2019 included in the annual accounts for 2019 approved by the Company's General Meeting of Shareholders, dated on 1 July 2020. Therefore, the items of the different periods are comparable and consistent.

f) Aggregation of items

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

Responsibility for information and estimates

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

In preparing the Annual Accounts for the year ended 31 December 2020, the Company's Directors have made certain accounting estimates for the measurement of the assets, liabilities, revenues, expenses and commitments therein recorded. These estimates relate basically to the following:

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

Although these estimates were based on the best information available at 31 December 2020, additional information subsequently obtained or event and circumstances taking place in the future might make it necessary to change in future periods the assumptions on which these estimates are based; the effects of those changes will be prospectively recognized and included in the profit or loss account for the relevant period.

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

NOTE 3. DISTRIBUTION OF PROFIT/(LOSS)

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

Basis of distribution	
Profit and loss (loss)	(5,172,391)
Total	(5,172,391)
Application	
Prior period's losses	(5,172,391)
Total	**(5,172,391)**

Distribution of dividends:

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.

On 19th June 2019 the Extraordinary General Meeting of Shareholders approved the distribution of a dividend, charged against voluntary reserves, of 0.30 euros per share, amounting to a total of 1,262,248.50 euros that have entirely been paid out.

The General Meeting of Shareholders held on 1 July 2020 approved the following proposal for the distribution of the profit for fiscal year 2019:

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

NOTE 4. RECOGNITION AND MEASUREMENT STANDARDS

In compliance with the provisions of the Spanish General Accounting Plan, the main measurement standards applied by the Company in the preparation of the Annual Accounts at 31 December 2020 were as follows:

a) Intangible assets

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

Industrial property

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

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

Computer software

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

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

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

b) Property, plant and equipment

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

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

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

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

	31/12/2020		31/12/2019	
	Annual Percentage	Estimated Years of Useful Life	Annual Percentage	Estimated Years of Useful Life
Other installations	20	5	20	5
Furniture	10	10	10	10
Computer hardware	25	4	25	4
Other property, plant and equipment	20-10	5-10	20-10	5-10

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

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

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

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

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

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

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

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

d) Leases and other transactions of similar nature

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

d.1) Finance leasing

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

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

d.2) Operating leases

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

e) Financial Instruments

The Company only recognizes a financial instrument in its balance sheet under the terms of the contract or legal transaction to which it becomes party.

Upon initial recognition financial instruments are classified as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement and the definitions of a financial asset, a financial liability and an equity instrument.

The Company classifies financial instruments under different categories based on their features and on the Company's intention at the time of initial recognition thereof.

Financial instruments are classified for measurement purposes in the following categories:

1. Loans and receivables and debts and payables
2. Equity investments in group companies, jointly controlled entities and associates

The company's financial instruments mainly relate to cash and cash equivalents, loans and receivables, debts and payables and equity investments in Group companies.

e.1) Cash and other equivalent liquid assets

The heading "Cash and cash equivalents" in the Balance Sheet includes cash on hand, bank accounts, demand deposits and other highly liquid short-term investments. These items are recognized at historical cost, which does not differ significantly from realizable value.

e.2) Loans and receivables and debts and payables

e.2.1) Loans and receivables

The following items are classified in this category:

a) Trade receivables: financial assets arising on the sale of goods and the rendering of services in the course of the company's trade operations; and

Non-trade receivables: financial assets that are neither equity instruments nor derivatives, not arising on trade transactions, with fixed or determinable payments, and which are not traded in an active market. This category does not include financial assets for which the Company cannot make substantial recovery of the entire initial investment due to circumstances other than credit impairment. These are classified as available-for-sale.

e.2.2) Debts and payables

The following items are classified in this category:

a) Trade payables: financial liabilities arising on the purchase of goods and services in the course of the company's trade operations; and

b) Non-trade payables: financial liabilities that are not derivatives and do not arise on trade transactions.

Financial assets and liabilities included in this category are initially measured at fair value, i.e. the transaction price, which is equivalent to the fair value of the consideration given/received, adjusted for directly attributable transaction costs.

Nonetheless, trade receivables and trade payables falling due within one year for which there is no contractual interest rate, and loans and advances to personnel, dividends receivable and receivables on called-up equity instruments expected to be collected in the short term, and called-up equity holdings expected to be settled in the short term, are measured at their nominal amount, provided that the effect of not discounting the cash flows is immaterial.

Financial assets and liabilities included in this category are subsequently measured at amortized cost. Accrued interest shall be recognized in the Profit and Loss Account using the effective interest rate method. However, receivables and payables falling due within one year initially measured at the nominal amount continue to be measured at that amount, unless receivables are impaired.

At the balance sheet date, the Company recognizes any necessary valuation allowances when there is objective evidence that the value of a receivable is impaired, i.e. when there is evidence of a reduction or delay in estimated future cash flows associated to that asset.

e.3) Equity investments in group companies, jointly controlled entities and associates

This category includes equity investments in companies controlled by the Company (group companies), in companies where the Company shares control with one or several partners under statutory or otherwise agreement (jointly-controlled companies), or companies where the Company exercises a significant influence (associates).

Equity investments in group companies, jointly controlled entities and associates are initially measured at cost, which is equivalent to the fair value of the consideration given plus directly attributable transaction costs.

Equity investments in group companies, jointly controlled entities and associates are subsequently measured at cost less any accumulated impairment.

At the balance sheet date, the Company recognizes any necessary valuation allowances when there is objective evidence that the value of an asset is impaired.

Said losses are calculated as the difference between the carrying value and the recoverable amount, with this value being the higher of its fair value less costs to sell and the current value of future cash flows arising from the investment, calculated by estimating its share in the cash flows expected to be generated by the investee from its normal operations as well as from the disposal or derecognition thereof.

Unless there is better evidence of the investment recoverable amount, for measuring the impairment thereof the net equity of the investee is taken into account, adjusted by the unrealized gains existing on the date of valuation.

Where appropriate, in determining the investee's equity for the purposes of the preceding paragraph, when the investee has equity interest in other companies, the Company has taken into account the investee's equity as presented in its consolidated financial statements prepared in accordance with the criteria set forth in the Spanish Code of Commerce and related implementing provisions.

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

e.4) Reclassification of financial assets

The Company may only reclassify a financial asset initially designated as held for trading or at fair value through profit or loss to other categories, or vice versa, when the asset qualifies for classification as an equity investment in group companies, jointly controlled entities or associates.

e.5) De-recognition of financial assets

A financial asset, or part of a financial asset, is derecognized when the contractual rights to the cash flows from the financial asset expire or have been transferred, provided that substantially all the risks and rewards of ownership have been transferred.
The gain or loss on derecognition of the financial asset shall be determined as the difference between the consideration received net of attributable transaction costs, including any new asset obtained less any liability assumed, and the carrying amount of the financial asset, plus any accumulated amount recognized directly in equity. The gain or loss shall be recognized in profit or loss for the reporting period in which it arises.

e.6) De-recognition of financial liabilities

Financial liabilities are derecognized when the obligations have been extinguished.

The difference between the carrying amount of a financial liability, or part of that liability, that has been derecognized and the consideration given, including attributable transaction costs and any asset transferred (other than cash) or liability assumed, shall be recognized in the Profit and Loss Account for the reporting period in which it arises.

e.7) Interest and dividends received on financial assets

Interest and dividends accrued on financial assets after acquisition are recognized as income in the Profit and Loss Account.

Interests are accounted for using the effective interest rate method, while dividends are recognized when the equity holder's right to receive payment is established. Upon initial measurement of financial assets, accrued explicit interest receivable at the measurement date shall be recognized separately, based on maturity. Dividends declared by the pertinent body at the acquisition date shall also be accounted for separately.

e.8) Guarantees extended

In the case of guarantees extended and received in operating leases and in the provision of services, the difference between their fair value and the amount paid over is recorded as an advance payment or collection for the lease or service provision. Current guarantees extended are measured at the amount disbursed.

Guarantees extended in operating leases are measured at fair value.

e.9) Impairment of financial assets

A financial asset or group of financial assets is impaired and has generated an impairment loss if there is objective evidence of impairment as a result of an event or events which have occurred subsequent to initial recognition of the asset, and where the event or events causing the loss have an impact on the estimated future cash flows from the asset or group of financial assets which can be reliably estimated.

The company's policy is to recognize the appropriate valuation adjustments for impairment of loans and receivables and debt instruments, where there has been a reduction or delay in estimated future cash flows.

An impairment loss is similarly recognized for equity instruments when the carrying amount thereof becomes non recoverable.

f)Foreign currency balances, transactions and cash flows

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

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

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

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

g)Income Tax

Between 2013 and 2016, Group companies with registered address in Spain paid taxes under the Special Consolidated Tax Regime within the Group led by the Parent Company.
The Board of Directors informed, at the meeting held on 30 December 2016, that the company Inversiones y Servicios Publicitarios, S.L. ("ISP") owns a 83.09% interest in the share capital of

Antevenio (see Note 11) and that, pursuant to the provisions of Article 61.3 of Law 27/2014, of 27 November, on Corporate Income Tax and having regard to the fact that Antevenio S.A. no longer was the company of taxation group 0212/2013 sin ISP had acquired an interest exceeding 75% of the share capital and voting rights in Antevenio, the Board had approved including the Company, effective from the taxation period beginning of 1 January 2017, as a subsidiary of taxation group 265/10, whose company is ISP.
Income tax expense (income) is calculated as the sum of current tax expense (income) and deferred tax expense (income).

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

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

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

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

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

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

h)Revenue and expenses

Revenues and expenses are recognized on an accrual basis, i.e. when the actual flow of goods and services they represent occurs, regardless of when the resulting monetary or financial flow takes place.

Revenue from the sale of goods and rendering of services is measured at the fair value of the consideration received or receivable. In the absence of evidence to the contrary, this is the agreed price of those goods or services, less any trade discounts, rebates or similar items granted by the Company and interest on the nominal amount.

Revenue from services is recognized when the outcome of the transaction can be estimated reliably, taking into account the stage of completion of the transaction at the balance sheet date. Revenue from the rendering of services shall only be recognized when all the following conditions have been satisfied:

a) The amount of revenue can be measured reliably.

b) It is probable that the economic benefits associated with the transaction will flow to the Company.

c) The stage of completion of the transaction, at the balance sheet date, can be measured reliably; and

d) The costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

i)Provisions and contingencies

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

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

i.1) Provisions

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

i.2) Contingent liabilities

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

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

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

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.

j)<u>Assets of environmental nature</u>

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

k)<u>Business combinations</u>

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

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

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

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

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

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

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

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

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

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

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

l) Transactions with related parties

As a general rule, items involved in a transaction between related parties are initially recognized at fair value. If applicable, if the price agreed upon in a transaction differs from its fair value, the difference must be recognised in accordance to the economic substance of the transaction. Subsequent measurement is performed in accordance with the applicable standards.

m) Equity instruments-based payments

The goods or services received in these operations are recorded as assets or as expenses depending upon their nature, at the moment they are obtained, and the corresponding increase in equity, if the transaction is paid off with equity instruments or the corresponding liability, if the transaction is paid off with the amount based on the value of the same.
The transactions with employees settled with equity instruments, both services rendered as well as the increase in equity to be recognized are assessed according to the fair value of the granted equity instruments, referring to the date of approval of the granting.

The Company operates several remuneration plan for its Management consisting in the delivery of share options in Antevenio and which shall be settled in shares.

These plans are initially measured at fair value at grant date, applying a generally accepted financial calculation method that takes into account, inter alia, the option exercise price, the volatility, the time frame for exercising the options, the expected dividends and the risk-free interest rate.

Options are recognized as a personnel expense in the 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 Antevenio SA's Equity. However, at each Balance Sheet date the 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.

n)Statement of Cash Flows

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

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

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

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

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

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

NOTE 5. PROPERTY, PLANT AND EQUIPMENT

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

	31/12/2018	Recognition	Derecognition	31/12/2019	Recognition	Derecognition	31/12/2020
Cost:							
Technical installations, machinery, tools, furniture and other items of PPE	390,485	69,590		460,076	9,845	(101,619)	368,301
	390,485	**69,590**	**-**	**460,076**	**9,845**	**(101,619)**	**368,301**
Accumulated Amortization:							
Technical installations, machinery, tools, furniture and other items of PPE	(208,125)	(64,370)	-	(272,495)	(66,271)	59,605	(279,161)
	(208,125)	**(64,370)**	**-**	**(272,495)**	**(66,271)**	**59,605**	**(279,161)**
Provision for impairment:							
Technical installations, machinery, tools, furniture and other items of PPE	-	-	-	-	-	-	-
Net property, plant and equipment	**182,361**	**5,220**	**-**	**187,581**	**(56,427)**	**(42,014)**	**89,140**

The write-offs occurring in fiscal year 2020 were fully amortised. An impairment loss of €42 thousand is also recognised.

Fully amortized intangible assets in use

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

	31/12/2020	31/12/2019
Technical installations, machinery, tools, furniture and other items of PPE	127,544	100,842
Total	**127,544**	**100,842**

Additional disclosures

At 31 December 2020 and 2019, the Company had no tangible fixed assets acquired from group companies or any tangible assets outside Spanish territory.

At 31 December 2020 and 2019, there were no firm purchase commitments for the acquisition of items of property, plant and equipment.

At 31 December 2020 and 2019, the assets of the Company were secured by an insurance policy. The Company's directors consider that this insurance policy sufficiently covers any risks associated to its property, plant and equipment.

NOTE 6. INTANGIBLE ASSETS

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

	31/12/2018	Recognition	Derecognition	31/12/2019	Recognition	31/12/2020
Cost:						
Computer software	97,046	6,340		103,386	-	103,386
	97,046	**6,340**	**-**	**103,386**	**-**	**103,386**
Accumulated Amortization:						
Computer software	(81,453)	(3,565)		(85,018)	(3,467)	(88,486)
	(81,453)	**(3,565)**	**-**	**(85,018)**	**(3,467)**	**(88,486)**
Provision for impairment:						
Computer software	(9,315)	-		(9,315)	-	(9,315)
Net Intangible Assets Net	**6,278**	**2,775**	**-**	**9,054**	**(3,467)**	**5,587**

Fully amortized intangible assets in use

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

	31/12/2020	31/12/2019
Computer software	91,047	88,147
Total	**91,047**	**88,147**

Additional disclosures

At 31 December 2020 and 2019, the Company had no intangible assets acquired from Group companies or any fixed assets outside Spanish territory.

On 31 December 2020 and 2019, there were no firm purchase commitments for the acquisition of intangible assets.

NOTE 7. LEASES AND OTHER TRANSACTIONS OF SIMILAR NATURE

7.1) Operating leases (Company as lessee)

The charge to income as at 31 December 2020 and 2019 for operating leases amounted to EUR 239,612 and EUR 326,166 respectively.

The amount shown in the leasing account corresponds to the rent at Calle Marqués de Riscal 11, Madrid. In the second half of 2020, the company changed its registered office to 13c Apolonio Morales Street, where it currently carries out its activities.
There are no future minimum payments under non-cancellable lease agreements with a maturity of more than 5 years.

7.2) Finance lease

The Company has contracted a finance lease for the computer hardware its uses to conduct its business. The Company's main finance lease contract is with a financial institution, and at 31 December 2020 and 2019 an outstanding amount of €25,146 and €45,561, respectively, is recorded under finance lease payables in current and non-current liabilities, maturing on 25 July 2023.

NOTE 8. FINANCIAL INSTRUMENTS

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

8.1) Financial Assets

The breakdown of non-current financial assets at 31 December 2020 and 2019, except for equity investments in group companies, jointly controlled entities and associates that are shown in Note 9, is as follows:

	Loans, Derivatives and other		Total	
	31/12/2020	31/12/2019	31/12/2020	31/12/2019
Loans and receivables (Note 8.1.1)	2,148,579	1,435,372	2,148,579	1,435,372
Total	**2,148,579**	**1,435,372**	**2,148,579**	**1,435,372**

The breakdown of current financial assets at 31 December 2020 and 2019 is as follows:

	Loans, Derivatives and other		Total	
	31/12/2020	31/12/2019	30/06/2019	31/12/2019
Cash and cash equivalents (Note 8.1.a)	460,974	1,041,030	460,974	1,041,030
Loans and receivables (Note 8.1.1)	4,946,629	2,014,600	4,946,629	2,014,600
Total	**5,407,603**	**3,055,630**	**5,407,603**	**3,055,630**

a) Cash and cash equivalents

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

	Balance at 12/31/2020	Balance at 31/12/19
Current accounts and treasury	460,974	1,041,030
Total	**460,974**	**1,041,030**

8.1.1) Loans and receivables

The breakdown of this heading is as follows:

	Balance at 12/31/2020		Balance at 12/31/2019	
	Non-current	Current	Non-current	Current
Trade receivables				
Group company customers (note 19)		2,999,438	-	1,697,761
Third-party receivables		333,721	-	18,726
Advances to personnel		1,084	-	7,287
Total trade receivables	**-**	**3,334,244**	**-**	**1,723,774**
Non-trade receivables				
Credits and interests to group companies (note 19)	2,141,094	1,612,384	1,379,499	290,826
Other group company financial assets		-	-	-
Loans to third parties	-	-	29,991	-
Guarantees and deposits	7,485	-	25,882	-
Total non-trade receivables	**2,148,579**	**1,612,384**	**1,435,372**	**290,826**

Trade and other receivables include impairment caused by default risk, according to the following breakdown:

Impairment	Balance at 12/31/2018	Impairment loss	Impairment reversal / Application of the provision	Balance at 12/31/2019	Impairment loss	Impairment reversal	Balance at 12/31/2020
Trade receivables	(29,387)	-	1,522	(27,865)	(15,345)	-	(43,210)
Total	**(29,387)**	**-**	**1,522**	**(27,865)**	**(15,345)**	**-**	**(43,210)**

8.1.2) <u>Additional disclosures related to financial assets</u>

a) <u>Reclassifications</u>

No financial instruments have been reclassified during the reporting period.

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

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

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

c) <u>Assets pledged as security</u>

The Company has no assets or liabilities pledged as security.

8.2) <u>Financial Liabilities</u>

At 31 December 2020 non-current financial liabilities relate to the instalments resulting from finance lease contracts with non-current maturity (see Note 7) and to the financial liability arising from the business combination disclosed under Note 21, that have been both classified as "Debts and payables".

The breakdown of current financial liabilities is as follows:

	Debts with financial institutions		Other		Total	
	31/12/2020	31/12/2019	31/12/2020	31/12/2019	31/12/2020	31/12/2019
Debts and payables (Note 8.2.1)	74,730	15,530	5,894,604	3,629,973	5,969,334	3,645,503
Total	**74,730**	**15,530**	**5,894,604**	**3,629,973**	**5,969,334**	**3,645,503**

8.2.1) Debts and Payables

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

	31/12/2020	31/12/2019
Trade payables:		
Suppliers	228,659	218,326
Trade payables, Group companies and associates (Note 19)	80,723	65,485
Other payables	512,112	192,716
Total trade payables	**821,493**	**476,527**
Non-trade payables:		
Debts with financial institutions	74,730	15,530
Finance lease payables	10,211	21,376
Other financial liabilities	172,553	27,440
Loans and other payables	**257,494**	**64,346**
Personnel (outstanding remunerations)	164,176	148,990
Advances from customers	246	9,317
Total non-trade payables	**164,423**	**158,307**
Current payables to Group companies and associates (Note 19)	4,788,424	2,946,323
Total debt to the Group	**4,788,424**	**2,946,323**
Total Debts and payables	**6,031,834**	**3,645,503**

8.2.2) Additional disclosures related to financial liabilities

a) Classification by maturity

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 financial institutions	122,989	125,158	127,366	53,730		429,244
Finance lease payables	9,041	5,895				14,936
Other financial liabilities	1,396,181					1,396,181
Total Non-current payables	**1,528,211**	**5,895**	**127,366**	**53,730**		**1,840,360**

At 31 December 2019, the breakdown by maturity of non-current financial liabilities, with either fixed or determinable maturity, is as follows:

	2021	2020	2023	2024	2025	Total
Non-current payables						
Finance lease payables	9,041	9,041	6103	-	-	24,185
Other financial liabilities	2,481,745	-		-	-	2,481,745
Other non-current payables, group companies						
Total	**2,490,786**	**9,041**	**6,103**	**-**	**-**	**2,505,930**

NOTE 9. GROUP COMPANIES, JOINTLY CONTROLLED ENTITIES AND ASSOCIATES

At 31 December 2020, the breakdown of the Company's interests in Group and Jointly-Controlled Companies and Associates was as follows:

	Direct Interest % Direct Interest %	% Direct Voting Rights	Investment value	Amount of impairment charge	Net carrying amount of interest
Group Companies					
React2Media, L.L.C. (1)	60	60	3,930,996	(3,930,996)	-
Antevenio S.R.L.	100	100	5,027,487	-	5,027,487
Mamvo Performance, S.L.	100	100	1,577,382	-	1,577,382
Marketing Manager Servicios de Marketing, S.L.	100	100	199,932	-	199,932
Antevenio Mexico SA de CV	100	100	1,908	-	1,908
Antevenio ESP, S.L.U.	100	100	27,436	-	27,436
Antevenio Francia, S.R.L.	100	100	2,000	-	2,000
Antevenio Publicité S.A.S.U.	100	100	3,191,312	(3,191,312)	-
Antevenio Rich & Reach, S.L.	100	100	3,000	-	3,000
Foreseen Media Sl.	70	70	67,420	-	67,420
B2 Market Place Ecommerce Consulting Group SL	51	51	1,811,125	-	1,811,125
Rebold Marketing and Communication, S.L.U.	100	100	1	-	1
			15,839,999	**(7,122,308)**	**8,717,691**

(1)See Note 22 Business combinations.

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

During fiscal year 2020, the impairment of the shareholdings in the companies React2Media, L.L.C. and Antevenio Publicité S.A.S.U. was recorded, and a loss of €5,387,190 was posted in the profit and loss account.

At 31 December 2019, the breakdown of the Company's interests in Group and Jointly-Controlled Companies and Associates was as follows:

	Direct Interest % Direct Interest %	% Direct Voting Rights	Investment value	Amount of impairment charge	Net carrying amount of interest
Group Companies					
React2Media, L.L.C. (1)	60	60	4,199,158	(1,735,117)	2,464,041
Antevenio S.R.L. (*)	100	100	5,027,487	-	5,027,487
Mamvo Performance, S.L. (**)	100	100	1,577,382	-	1,577,382
Marketing Manager Servicios de Marketing, S.L. (**)	100	100	199,932	-	199,932
Antevenio Mexico SA de CV (**)	100	100	1,908	-	1,908
Antevenio ESP, S.L.U. (**)	100	100	27,436	-	27,436
Antevenio Francia, S.R.L.	100	100	2,000	-	2,000
Antevenio Publicité, S.A.S.U. (*)	100	100	3,191,312	-	3,191,312
Antevenio Rich & Reach, S.L. (**)	100	100	3,000	-	3,000
Foreseen Media Sl.	70	70	67,420	-	67,420
B2 Market Place Ecommerce Consulting Group SL	51	51	2,275,546	-	2,275,546
			16,572,581	**(1,735,117)**	**14,837,464**

None of these companies is listed.

At 31 December 2020, the Company's directors believe the net carrying amount of interests in subsidiaries is recoverable, taking into account the estimates of its share in the cash flows from ordinary activities expected to be generated by investee companies. The Company's management has based its cash flow projections to support the recoverable value of investments on the following assumptions:

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

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

- The discount rate applied was approximately 10,60%.

- A perpetual growth rate of approximately 2%.

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

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

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

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

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

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

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

Antevenio México, S.A. de CV. Its corporate purpose is to provide other Advertising services. The company has its registered offices in Mexico. Its registered address is at Col. Condesa Del. Cuauhtémoc, CP 06100, México D.F.

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

Antevenio Rich & Reach S.L. (Single-member). Its corporate purpose is the provision of Internet services, particularly in the field of online advertising; the provision of digital advertising and marketing services; the operation and sale of advertising spaces, the operation of social media and web environments. Its registered address is at C/ Apolonio Morales, 13c, Madrid.

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

Foreseen Media, S.L. Its corporate purpose is related to the purchase, sale, exploitation, commercialisation and licensing of all kinds of rights related to eSports or sports played on computer equipment, including the purchase and sale of advertising spaces, assets and players, teams and competitions ownership and sponsorship rights. The company is registered at C/ Apolonio Morales, 13c.

Rebold Marketing and Communication, S.L.U. Established in 1986. Provision of Internet access services. Creation, management and development of Internet portals. Provision of business and marketing consultancy services, online and offline, and establishing, applying for protection and otherwise safeguarding the Company's patents, trade marks, licences, concessions, domain names, operating systems and any other industrial or intellectual property rights. Its registered address is at Rambla Catalunya, 123, Entlo.08008 Barcelona.

At 31 December 2020, the breakdown of the equity, in Euros, of the investees was as follows:

	Share capital	Reserves	Grants	Fiscal Year profit/(loss) Profit (Loss)	Translation differences	Profit/(loss) for the year	Capital and reserves
Mamvo Performance, S.L.	33,967	2,687,154	34,400	-	-	(52,006)	2,703,516
Marketing Manager Servicios de Marketing, S.L.	99,800	33,791	-	(957,798)	-	(54,033)	(878,240)
Antevenio Mexico	4,537	-	-	780,624	7,769	(68,605)	724,326
Antevenio S.R.L.	10,000	455,333	-	-		95,060	560,393
Antevenio ESP, S.L.U.	3,010	1,194,264	-	(121,499)	-	176,580	1,252,355
Antevenio Francia, S.R.L.	2,000	-	-	(777,435)		(21,517)	(796,952)
Antevenio Publicité S.A.S.U.	101,913	26,203	-	(20,797)	-	(539,959)	(432,641)
Antevenio Rich & Reach, S.L.	3,000	151,702	-	(470,553)	-	101,980	(213,871)
React2Media SL	5,099	(71,415)	-	-	14,587	(695,114)	(746,843)
Foreseen Media sl	3,750	55,275	-	(165,520)	-	(32,909)	(139,404)
B2MarketPlace Ecommerce Consulting Group SL.	81,671	(3,940)	-	(98,427)	-	189,755	169,060
Rebold Marketing y Communication, S.L.U.	2,841,783	(2,862,479)	107,061	(113,272)	-	(1,815,226)	(1,842,132)

At 31 December 2019, the breakdown of the equity, in Euros, of the investees was as follows:

	Share capital	Reserves	Grants	Fiscal Year profit/(loss) Years	Translation differences	Profit/(loss) for the year	Capital and reserves
Mamvo Performance, S.L.	33,967	2,579,497	80,113	-	-	107,657	2,801,234
Marketing Manager Servicios de Marketing, S.L.	99,800	33,791	-	(956,887)	-	(911)	(824,207)
Antevenio Mexico	4,537	-	-	271,061	79,413	509,563	864,574
Antevenio S.R.L.	10,000	1,693,423	-	-	-	(462,427)	1,240,996
Antevenio ESP, S.L.U.	3,010	1,194,264	-	-	-	(121,499)	1,075,775
Antevenio Francia, S.R.L.	2,000	-	-	(772,759)	-	(4,675)	(775,434)
Antevenio Publicité S.A.S.U.	101,913	444,899	-	30,000	-	(420,951)	155,861
Antevenio Rich & Reach, S.L.	3,000	151,702	-	(97,251)	-	(373,301)	(315,850)
React2Media SL	5,099	-	-	-	(6,186)	(381,309)	(382,396)
Foreseen Media sl	3,750	55,275	-	(118,810)	-	(46,710)	(106,495)
B2MarketPlace Ecommerce Consulting Group SL.	81,671	-	-	(135,218)	-	36,792	(16,755)

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

The Company's activities are exposed to different financial risks, particularly to credit and market risk.

10.1.1) Credit Risk

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

The Company's credit risk is primarily attributable to its trade receivables and to the recoverability of its loans to Group companies. The Balance Sheet includes the amounts, net of provisions for insolvencies, estimated by the Company's management based on prior years' experience and on its assessment of the current economic scenario.

10.1.2) <u>Exposure to liquidity risk</u>

The Company applies a liquidity policy consisting in keeping the balances in available accounts, in order to ensure any payments arising from the normal course of its business.

10.1.3) <u>Exchange rate risk</u>

The Company is not exposed to significant exchange rate risk, so it carries out no transactions with financial hedging instruments.

10.1.4) <u>Regulatory Risks</u>

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.

NOTE 11. EQUITY

11.1) Equity Capital

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 company Inversiones y Servicios Publicitarios, S.a. (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, Joshua David Novick, who at that time 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. has thereafter transferred its shares in the Company to ISP; accordingly, ISP currently controls 83.09% of Antevenio SA share capital.

At 31 December 2019, the social capital of the Parent Company is comprised by 4,207,495 securities at 0.055 Euros each, fully subscribed and paid. 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 following shareholders hold direct or indirect interests in the share capital as 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%**

The following shareholders held direct or indirect interests in the share capital as at 31 December 2019:

	No. of Shares	% Ownership
ISP Digital SLU	3,723,983	88.51%
Other <5%	273,137	6.49%
Nextstage	210,375	5.00%
Total	**4,207,495**	**100.00%**

11.2) <u>Reserves</u>

At 31st December 2020 and 2019 the breakdown of Reserves is follows:

Reserves	31/12/2020	31/12/2019
Legal reserve	46,282	46,282
Voluntary reserves	12,656,663	3,702,644
Share premium	-	8,189,787
Total	**12,702,945**	**11,938,713**

a) <u>Legal reserve</u>

The legal reserve has restrictions of use, which is subject to several legal provisions. Under the Spanish Law on Corporations Act, 10% of any profit made each year must be transferred to the legal reserve. These provisions must be made until the legal reserve reaches 20% of the 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 of 31 December 2019, the legal reserve was fully allocated.

b) <u>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

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.

c) <u>Share Premium</u>

This reserve originated from the capital increase in 2007. Share premium is subject to the same restrictions and may be used for the same purposes as the voluntary reserves, including conversion into share capital.

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.

<u>NOTE 12. EQUITY INSTRUMENTS-BASED PAYMENT TRANSACTIONS.</u>

<u>2016 Plan</u>:

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 were 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.

NOTE 13. FOREIGN CURRENCY

At 31 December 2020 and 2019, the amount of exchange differences recognized in profit or loss is as follows:

Translation differences	31/12/2020	31/12/2019
Translation gains:		
Realized during the period	956	8
Translation losses:		
Realized during the period	(945)	(4,956)
Total	**11**	**(4,948)**

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

Transactions in foreign currency executed during the financial year ending 31st December 2020 and 2019 and the balances in foreign currency at 31st December 2020 and 2019 are insignificant for the Annual Accounts.

NOTE 14. TAXATION

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

	31/12/2020		31/12/2019	
	Receivable	**Payable**	**Receivable**	**Payable**
Current:				
Value Added Tax	-	(107,168)	-	(9,707)
Deferred tax assets (*)	312,191	-	262,094	-
Withholdings and payments on account of Income Tax	-	-	-	-
Taxation Authorities, recoverable taxes	-	-	-	-
Taxation Authorities, taxes payable	-	(5,973)	-	(5,973)
Withholdings for Personal Income Tax	-	(45,643)	-	(144,425)
Current tax liabilities	-	(28,404)	-	(28,404)
Social Security	-	(15,756)	-	(17,046)
	312,191	**(202,943)**	**262,094**	**(205,555)**

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

Taxation

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

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

Income Tax

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

	31/12/2020			31/12/2019		
	Profit and Loss Account			Profit and Loss Account		
Profit/(loss) for the year (after taxes)	**(5,172,391)**	**(750,087)**		**1,351,918**	**(750,087)**	
	Increases	***Decreases***	***Net effect***	***Increases***	***Decreases***	***Net effect***
Income Tax		**(139,549)**	**(139,549)**		**137,405**	**137,405**
Permanent differences	**5,588,712**	**(1,084,265)**	**4,504,447**		**(1,764,132)**	**(1,764,132)**
Temporary differences	**239,090**	**(40,000)**	**199,090**		**(230,000)**	**(230,000)**
Application of tax loss carryforwards			**-**			**-**
Tax base (Taxable income)			**(608,403)**		**-**	**(779,619)**
Gross tax payable			**(152,101)**			**(194,905)**
Tax credits for R&D&I			**-**		**-**	**-**
Net tax payable			**(152,101)**		**-**	**(194,905)**
Withholdings and payments on account			**-**		**-**	**-**
Accounts with tax group companies					**-**	**(42,645)**
Tax payable / (recoverable) (1)			**(152,101)**		**-**	**(237,550)**

(1)In 2017 the Company files consolidated income tax returns within ISP Group.

Given that in 2017 the Company files consolidated tax returns with ISP Group, the amount of tax payable has been recognized as a current receivable from the Group.

The breakdown of recognised deferred tax assets is as follows:

	31/12/2020	31/12/2019
Temporary differences:	59,772	10,000
Tax credits	252,418	252,094
Total deferred tax assets	312,190	262,094

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

Tax Loss Carryforwards

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

Year of origination	Limit year for offset	Euro	Activated
2013	(No limit)	248	YES
2015	(No limit)	6,517	YES
2018	(No limit)	392,571	YES
2019	(No limit)	609,041	YES
		1,008,377	

NOTE 15. REVENUE AND EXPENSES

a) Employee benefit expense

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

	31/12/2020	31/12/2019
Wages and salaries	(825,413)	(1,318,763)
Social security payable by the company	(154,550)	(194,044)
Employee benefits expense	(11,508)	(59,938)
Employee benefit expense	**(991,471)**	**(1,572,745)**

b) Net Finance Income / (Expense)

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

	31/12/2020	31/12/2019
Income:		
Dividends	850,000	2,048,400
Income from loans to Group companies	19,826	22,461
Other finance income	226,267	7,040
Total finance income	**1,096,093**	**2,077,901**
Expense:		
Debts with Group companies and associates	(47,528)	(28,945)
Other Finance Expense	(59,250)	(16,486)
Total finance expense	**(106,778)**	**(45,431)**

c) Revenue

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

	31/12/2020		31/12/2019	
Description of the activity	**Euro**	**%**	**Euro**	**%**
Marketing and online advertising	-	0%	-	0%
Provision of services (Fees)	2,174,020	100%	2,503,540	100%
Total	**2,174,020**	**100%**	**2,503,540**	**100%**

	31/12/2020		31/12/2019	
Geographic segmentation	**Euro**	**%**	**Euro**	**%**
Spain	1,731,403	80%	1,946,001	78%
Europe	118,693	5%	145,005	6%
International (excl. Europe)	323,924	15%	412,534	16%
Total	**2,174,020**	**100%**	**2,503,540**	**100%**

d) External Services

The commencement of external services is shown as follows:

	31/12/2020	31/12/2019
External services		
Leases and fees	239,612	326,166
Independent professional services	1,079,736	770,158
Insurance premiums	8,204	23,689
Banking and similar services	6,430	8,556
Advertising, propaganda and public relations	2,324	21,940
Utilities	55,621	38,112
Other services	519,884	227,407
Total finance expense	**1,911,811**	**1,416,028**

NOTE 16. ENVIRONMENTAL INFORMATION

The Company has no significant assets nor has it 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 17. GUARANTEES AND SECURITIES

At 31 December 2020 and 2019, the Company provided guarantees to banks and government agencies, as follows:

Guarantees	31/12/2020	31/12/2019
Lessor of Head Office	44,769	212,282
Total	**44,769**	**212,282**

NOTE 18. 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 19. TRANSACTIONS WITH GROUP COMPANIES AND RELATED PARTIES

19.1) Balances with group companies

At 31 December 2020 the breakdown of balances with Group companies was as follows:

BALANCES BETWEEN GROUP COMPANIES	Mamvo Performance S.L.U.	Marketing Manager S.L.U	Código Barras Network S.L.U.	Antevenio ESP, S.L.U.	Antevenio Francia S.R.L.U	Anteveni o México	Antevenio Argentina S.R.L.	Anteveni o Italia S.R.L.U.	Antevenio Publicité S.A.S.U	React2Media , L.L.C.	Antevenio, Rich & Reach, S.L.U.	B2Market Place Ecommerce Consulting Group, S.L.	Foreseen Media SL	DGLNT SA de CV	Rebold Marketing and Communication, S.L.U.	TOTAL
A) NON-CURRENT ASSETS	**100,000**	**500,000**	**3,000**	**0**	**262,000**	**0**	**0**	**0**	**0**	**361,595**	**450,000**	**50,000**	**64,499**	**350,000**	**0**	**2,141,094**
1. Investments Group companies:	**100,000**	**500,000**	**3,000**	**0**	**262,000**	**0**	**0**	**0**	**0**	**361,595**	**450,000**	**50,000**	**64,499**	**350,000**	**0**	**2,141,094**
a) Loans to companies	100,000	500,000	3,000	0	262,000		0	0	0	361,595	450,000	50,000	64,499	350,000	0	2,141,094
B) CURRENT ASSETS	**605,209**	**584,885**	**124,523**	**597,391**	**221,036**	**248,771**	**320,142**	**900,316**	**35,848**	**81,922**	**659,300**	**3,683**	**104,229**	**3,566**	**0**	**4,490,823**
1. Trade and other accounts receivables	**544,138**	**564,698**	**122,731**	**597,391**	**169,723**	**248,771**	**320,142**	**50,316**	**14,795**	**69,246**	**129,691**	**577**	**46,220**	**0**	**0**	**2,878,438**
a) Customers for sales and services	544,138	564,698	122,731	597,391	169,723	248,771	320,142	50,316	14,795	69,246	129,691	577	46,220		0	2,878,438
2. Investments in group companies	**61,072**	**20,187**	**1,793**	**0**	**51,313**	**0**	**0**	**850,000**	**21,053**	**12,675**	**529,610**	**3,106**	**58,009**	**3,566**	**0**	**1,612,385**
a) Accounts receivable	61,072	20,187	1,793		51,313			850,000	21,053	12,675	529,610	3,106	58,009	3,566		1,612,385
C) NON-CURRENT LIABILITIES	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**(250,000)**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**(250,000)**
1. Debt with group companies	0	0	0	0	0	0	0	(250,000)	0	0	0	0	0	0	0	**(250,000)**
D) CURRENT LIABILITIES	**(1,219,558)**	**(1,776,463)**	**(589,725)**	**(925,489)**	**0**	**0**	**0**	**(4,037)**	**0**	**0**	**(12,042)**	**0**	**(19)**	**0**	**-74,701**	**(4,602,034)**
1. Debt with group companies	(1,219,558)	(1,776,463)	(589,725)	(925,489)							(12,042)	0	(19)			**(4,523,296)**
2. Trade and other accounts payable	0	0	0	0	0	0	0	(4,037)	0	0	0	0	0		(74,701)	**(78,738)**
TOTAL CURRENT	**(514,348)**	**(691,577)**	**(462,202)**	**(328,098)**	**483,036**	**248,771**	**320,142**	**646,279**	**35,848**	**443,517**	**1,097,259**	**53,683**	**168,709**	**353,566**	**(74,701)**	**1,779,883**

At 31 December 2019 the breakdown of balances with Group companies was as follows:

BALANCES WITH RELATED PARTIES	Mamvo Performance S.L.U	Marketing Manager S.L.U	Código de Barras Network S.L.U	Antevenio ESP S.L.U	Antevenio France S.R.L.U	Antevenio Mexico	Antevenio Argentina SR.L	Antevenio Italy S.R.L.U.	Antevenio Publicite S.A.S.U.	82MarketPlace	Foreseen	React2Media	Antevenio, Rich & Reach, S.L.U.	Total
A) NON-CURRENT ASSETS	**100,000**	**500,000**	**3,000**	**-**	**262,000**		**m)**		**H**		**64,499**		**450,000**	**1,379,499**
1. Non-current investments in Group companies	100,000	500,000	3,000	-	262,000	-	-	-	-		64,499		450,000	1,379,499
a) Loans to companies (1)	100,000	500,000	3,000	-	262,000	-	-	-	-		64,499		450,000	1,379,499
Total Non Current	**100,000**	**500,000**	**3,000**	**-**	**262,000**	**-**	**-**	**-**	**-**	**-**	**64,499**	**-**	**450,000**	**1,379,499**
B) CURRENT ASSETS	**72,572**	**104,976**		**674,300**	**169,723**	**67,786**	**320,142**	**87,669**	**24,388**	**-**	**22,249**	**284,592**	**39,189**	**1,867,586**
1. Trade and other receivables	57,067	97,354	-	674,300	169,723	67,786	320,142	87,669	24,388		22,249	56,083	-	1,576,761
a) Current trade receivables	57,067	97,354	-	674,300	169,723	67,786	320,142	87,669	24,388		22,249	56,083	-	1,576,761
b) Trade receivables, Group companies	-	-	-	-	-	-	-	-	-				-	-

BALANCES WITH RELATED PARTIES	Mamvo Performance, S.L.U.	Marketing Manager S.L.U	Código Barras Network S.L.U.	Antevenio ESP S.L.U	Antevenio Francia S.R.L.U	Antevenio México	Antevenio Argentina SR.L	Antevenio Italia S.R.L.U.	Antevenio Publicite S.A.S.U.	B2MarketPlace	Foreseen	React2Media	Antevenio Rich 8. Reach S.L.U.	Total
2. Current investments in group companies	15,506	7,621	-	-	-	-	-	-	-	-	-	228,510	39,189	290,825
a) Loans to companies	15,506	7,621	-	-								228,510	39,189	290,825
b) Current account														
b) Dividend receivable														
C) CURRENT LIABILITIES	**(194,310)**	**(216,374)**	**(260,149)**	**(643,677)**	**51,314**	**-**	**-**	**(250,403)**	**(23,709)**	**401**	**(5,489)**	**-**	**(1,101,870)**	**(2,644,265)**
1.Short-term debt with group and associated companies	(194,310)	(216,374)	(260,149)	(613,209)	51,314			(250,000)	10,140	401	(5,489)		(1,101,870)	(2,579,545)
2. Trade and other payables	-	-	-	(30,468)	-	-	-	(403)	(33,849)				-	(64,720)
a) Short-term suppliers	_			(30,468)					(33,849)					(64,317)
b) Other trade payables								(403)						(403)
Total Current	(121,738)	(111,398)	(260,149)	30,623	221,037	67,786	320,142	(162,734)	679	401	16,760	284,592	(1,062,681)	(776,679)

19.2) Transactions between group companies

The amount, in Euros, of transactions performed during the six first months of 2020 and presented in the accompanying Interim Profit and Loss Account is as follows:

Transactions Performed	Services received	Sales and services rendered	Interests Paid	Interests Charged	Dividends paid
Mamvo Performance, S.L.U.		402,538	1,453	(9,179)	
Marketing Manager		468,916	7,268	(12,638)	
Código barras Networks	(4,500)	107,813	1,793	(5,732)	
Antevenio ESP, S.L.U.	(25,453)	532,265		(2,989)	
Antevenio Argentina					
Antevenio S.R.L. (Italy)		105,248		(3,634)	850,000
Antevenio México		294,028			
Antevenio Publicité	(2,200)	13,445			
React2Media		29,896	4,358		
Antevenio Rich & Reach		129,923		(12,042)	
Foreseen		19,811	691	(19)	
B2Market		27,659	696		
Rebold	(86,338)	16,721			
DgInt SA de CV			3,566		
	(118,491)	**2,148,263**	**19,825**	**(46,233)**	**850,000**

The amount, in Euros, of transactions among Group companies during 2019 and presented in the accompanying Interim Profit and Loss Account is as follows:

Transactions Performed	Services received	Sales and services rendered	Interests Paid	Interests Charged	Dividends paid
Mamvo Performance, S.L.U.		421,868	1,524		250,000
Marketing Manager		319,801	7,621		
Código barras Networks	(4,900)	2,602	5,335		
Antevenio ESP, S.L.U.	(25,180)	890,416		(3,597)	1,000,000
Antevenio Argentina					
Antevenio S.R.L. (Italy)			110,802	(403)	
Antevenio México		369,103			798,400
Antevenio Publicité		34,203			
B2MarketPlace					
Foreseen		57,949			
React2Media		43,431	3,408		
Antevenio Rich & Reach		253,365	4,573		
	(30,080)	**2,392,738**	**133,263**	**(4,000)**	**2,048,400**

At 31st December 2020 the breakdown of balances with related parties is as follows:

Related Party (31 December 2020)	Balance Receivable	Balance Payable
ISP Digital SLU	121,000	(131,465)
ISP on Taxation Group Corporate Income Tax		(135,648)
Total Group companies	**121,000**	**(267,113)**

At 31 December 2019 the balances withe related parties were as follows:

Related Party (31 December 2019)	Balance Receivable	Balance Payable
ISP Digital SLU	121,000.01	130,170.32
ISP on Taxation Group Corporate Income Tax	-	237,297.94
Rebold	-	74.78
Total Group companies	**121,000.01**	**367,543.04**

19.3) Related party transactions

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

- During 2020 transactions with related parties were as follows:

2020	ISP DIGITAL
Sales	-
Purchases	-
Services rendered	-
Services received	-
Financial income	-
Financial expenses	(1,295)
Total	**(1,295)**

- During 2019 transactions with related parties were as follows:

2019	Rebold	ISP DIGITAL
Sales	-	-
Purchases	-	-
Services rendered	-	-
Services received	5,025	-
Financial income	-	-
Financial expenses	-	(7,751)
Total	**5,025**	**(7,751)**

19.4) Balances and Transactions with Directors and Senior Management

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

	High Management	
	31/12/20	**31/12/19**
Wages and salaries	1,340,894	318,964
Total	1,340,894	318,964

Board positions are not remunerated.

At 31 December 2020 and 2019, there are no commitments for pension supplements, guarantees or sureties extended 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, have not entered into situations of conflict of interests.

NOTE 20. 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:

the maximum number of shares that can be granted cannot exceed 125,000 shares;
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;
shares shall be awarded free of charge; and
the plan will be in force up to 30 June 2019.
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.

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 2 July 2019, two beneficiaries exercised their rights by virtue of the remuneration plan for directors and senior management referenced to the value of the shares, approved on 16 November 2016, requesting the delivery of 50,000 of the Company's shares (Note 20).

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 11) among the requirements for the early exercise and accrual of the relevant options. Accordingly, the remaining amounts were 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 the Company.

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

NOTE 21. OTHER INFORMATION

The average number of persons employed is as follows:

	31/12/2020	31/12/2019
Management	4.0	7.0
Administrative	6.0	6.0
Marketing	3.0	3.0
	13.0	**16.0**

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

	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

In 2020 the fees earned by the financial statement audit amount to a total of 13,000 euros (13,000 euros in 2019).

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:

	31/12/2020	31/12/2019
	Days	**Days**
Average period of time for payment to suppliers	58.04	34.27
Percentage of paid transactions	58.57	32.46
Percentage of transactions pending payment	52.61	42.65
	Amount (Euro)	**Amount (Euro)**
Total payments made	1,170,496	2,214,484
Total payments pending	113,510	262,075

NOTE 22. BUSINESS COMBINATIONS

REACT2MEDIA:

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

The company React2Media, L.L.C. has its registered address at 35 W 36th St, New York, NY 10018, USA. The company's 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.

Based on the applicable regulations detailed in note 2 and the existence of cross call and put options for the same amount and the same fiscal period, the transaction was treated as an early acquisition of the non-controlling interest.

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 International Financial Reporting Standard No. 3 on Business Combinations, during the first half-year of 2018 the Group has decided 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 acquires 8.97% of the US Company React2Media, L.L.C's shares, for 212,551 dollars (192,778 euros).

In the 2019 financial year, 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 in 2019 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).

The breakdown of the consideration given, measured as the fair value of net assets and goodwill acquired, is as follows:

	Euros
Fair value of the consideration given	
Cash paid	2,102,903
Put options granted to minority interests	1,933,648
Contingent consideration	35,004
Total consideration given	**4,071,555**
Net identifiable assets acquired	
Non-current investments	38,462
Intangible assets	2,312
Trade and other receivables	1,198,620
Cash	109,457
Debts with financial institutions	(256,188)
Other debts	(13,429)
Trade and other payables	(912,813)
Fair value of net identifiable assets acquired	**166,421**
Goodwill	**3,905,134**
Impairment of goodwill	**(1,441,092)**

Net Value of Goodwill	**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:

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

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 activity, although there are still certain options 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 partners. The goodwill arising on consolidation of this subsidiary was also impaired. The amount of the impairment recognised in the income statement amounts to 1,921,952.

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 Company and the selling members mutually granted themselves unconditional put option rights and call option rights over the remaining 49% shares in the investee, which may be exercised within the same term and for the same amount. The options detailed above are based on a variable price depending on parameters associated with the 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.

Based on the applicable regulations detailed in note 2 and the existence of cross call and put options for the same amount and the same fiscal period, the transaction was treated as an early acquisition of the non-controlling interest.

Based on the provisions of IFRS 3 on Business Combinations, the Group may, during the period of one year from the acquisition date, reassess this financial liability, retroactively adjusting the provisional amounts recognized on the acquisition date to reflect the new information obtained on facts and circumstances that existed on the acquisition date and, if they had been known, would have affected the valuation of the amounts recognized at that date.

Following this reassessment, the amount recognised by the Company 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).

The detail of the consideration given, the fair value of the net assets acquired and the goodwill on the date of the business combination is as follows:

	Euro
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**

Goodwill generated has been allocated to the Cash-Generating Unit appropriate to the business of the acquire and has been attributed to the labour force and the synergies that may arise from the acquiree's business for Antevenio Group, allowing the Group to expand its existing business lines with a new business line complementing the existing services offered by 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:

Euro	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 February 4, 2021, the Parent Company acquires 29.60% of the capital stock of Sociedad Foreseen Media, S.L. at a fixed price of 15,000 euros plus a variable corresponding to the equivalent of 15% of the Gross Margin generated in 2021 by the Company's current and new customers of that year, which has been estimated at 43,000 euros (see note 18).

The registered office of investee company FORESEEN MEDIA S.L. is Calle Apolonio Morales, 13c. 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	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%

MANAGEMENT REPORT
ANTEVENIO, S.A.

2020 DIRECTORS' REPORT

To the shareholders

Fiscal year 2020

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

1. Turnover and Results of Antevenio S.A. during the year 2020

In 2020, the consolidated turnover reached a total of €2.1 million, thus a 16% decrease on the 2019 consolidated revenue, which amounted to €2.5 million.

From July 2013, almost all the activity of the Media Trading division was transferred to Antevenio Rich & Reach, S.L.U., a 100% subsidiary of Antevenio S.A.. From 2014 Antevenio S.A. is mostly engaged in the provision of corporate services to its subsidiaries and other units in the Group.

The result for the fiscal year was a loss of €5.17 million. The result for fiscal year 2019 was a profit of €1.35 million.

The geographical breakdown of sales is broadly the same as in 2019. Spain remains the leading region, generating 80% of 2020 sales, with 78% in 2019. Sales in international non-Europe were 15% in line with 2019, which was 16%, and in Europe, which decreased to 5% versus 6% in 2019.

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 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, 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

(*) 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

Teleworking has led to a reduction in the need to use certain office space, and Antevenio S.A. is therefore able to cancel some office rental contracts, resulting in cost savings.
As a result of this treatment, Antevenio S.A. recognised a lower expense over the months to reflect the changes 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 Antevenio S.A., as set out in Royal Decree-Law 9/2020 of 27 March on the suspension of employment contracts.
Antevenio S.A. availed itself of one of the measures approved by this rule and, in particular, almost all Antevenio S.A. 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.

Antevenio, S.A. 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
ANTEVENIO	**LOAN ICO**	**500,000**

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

GROUP	PRODUCT	AMOUNT LOANED
ANTEVENIO	**ICO POLICY**	**500,000**

The formalised ICO loans have 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.

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 €2,196.

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 €3,191.

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 of items of property, plant and equipment amounted to 9.8 thousand Euros in 2020 and relate mainly to information technology equipment.

No intangible assets were added during 2020.

RISKS

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

Credit risk

The principal financial assets of the Company are cash, cash balances and loans to group companies, trade and other receivables, and investments, which represent the Company's maximum exposure to credit risk in relation to financial assets.

The Company's credit risk is primarily attributable to its trade receivables and to the recoverability of its loans to Group companies. The Balance Sheet includes the amounts, net of provisions for insolvencies, estimated by the Company's management based on prior years' experience and on its assessment of the current economic scenario.

Exposure to liquidity risk

The Company applies a liquidity policy consisting in keeping the balances in available accounts, in order to ensure any payments arising from the normal course of its business.

Exchange rate risk

The Company is not exposed to significant exchange rate risk, so it carries out no transactions with financial hedging instruments.

"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:

6. 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).

7. Organic Law 3/2018, of 5 December, on Personal Data Protection and safeguard of digital rights.

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

9. 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.

10. 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 average headcount in 2020 was 16, the same number of employees as 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.L.U.	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:

<u>2016 Plan</u>:

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.

Balances and Transactions with Directors and High Management

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

	High Management	
	31/12/20	**31/12/19**
Wages and salaries	1,340,894	318,964
Total	1,340,894	318,964

Board positions are not remunerated.

At 31 December 2020 and 2019, there are no commitments for pension supplements, guarantees or sureties extended 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, have not entered into situations of conflict of interests.

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.** presents these Financial Statements and Directors' Report for the year ended on December 31, 2020 consisting in the attached sheet numbers 1- 69.

Madrid, 31 March 2021
The Board of Directors

Mr. Fernando Rodes Vilá
Chairman of the Board

Mr. Juan Rodes Miracle
Secretary

Mr. Jordi Ustrell Rivera
Director

Mrs. Andrea Monge Rodríguez
Director

PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND CONSOLIDATED DIRECTORS' REPORT

In compliance with corporate regulation in force, the Board of Directors of **Antevenio, S.A.** presents these Financial Statements and Directors' Report for the year ended on December 31, 2020 consisting in the attached sheet numbers 1- 69.

Madrid, 31 March 2021
The Board of Directors

Mr. Richard Pace
Director

PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND CONSOLIDATED DIRECTORS' REPORT

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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
Director


ANTEVENIO