ISPD Network, S.A. and subsidiaries

Consolidated Annual Accounts and Consolidated Management Report for financial year ended on 31 December 2021

Including the Audit Report on the Consolidated 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 CONSOLIDATED FINANCIAL STATEMENTS

To the shareholders of ISPD Network, S.A.:

Opinion

We have audited the consolidated financial statements of ISPD Network, S.A. (Parent company) and its subsidiaries (the Group), which comprise the consolidated statement of financial position at 31 December 2021, the consolidated income statement, consolidated statement of global income, the consolidated statement of changes in equity, the consolidated statement of cash flows and the notes for the year ended on that date.

In our opinion, the accompanying consolidated financial statements, present fairly and in all material aspects, the equity and financial position of the Group as of 31 December 2021, and the results of its operations and its cash flows for the year then ended, in conformity with the International Financial Reporting Standards adopted by the European Union (EU-IFRS) and other provisions of regulatory financial reporting framework applicable in Spain.

Basis for opinion

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

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

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

Key audit matters

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

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

Income Recognition

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

As part of our audit procedures to address this risk, we have proceeded, inter alia, to assess the controls over the income recognition procedure; to perform detailed tests on a sample of the turnover for 2021; to perform analytical procedures on the changes recorded during the reporting period; to analyse credit notes subsequent to year-end; to obtain external confirmations for a sample of outstanding trade receivables and, where appropriate, performing alternative procedures using proof of subsequent collection or supporting documents of invoicing at the balance sheet date.

Goodwill Impairment

As stated under Note 5 to the consolidated financial statements, the Group's consolidated assets include goodwills amounting to 8,354 thousand euro, broken down into five cash generating units that relate to the relevant generating subsidiary. We have considered this area to be significant for our audit work because in the assessment of the impairment of these goodwills projections of future cash flows prepared by the Group are used; these projections included estimates of sales, future results, discount rates and perpetuity growth rates.

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

Additional disclosures: Consolidated management report

Additional disclosures relate solely to the consolidated management report for the year 2021, the preparation of which falls within the responsibility of the Directors of the Parent Company but is not an integral part of the accompanying consolidated financial statements.

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

Based on our audit work and in accordance with the preceding paragraph, the accounting information in the consolidated management report is consistent with that contained in the consolidated financial statements for the year ended on 31 December 2021, and that the contents and presentation of the former comply with the applicable regulations.

Responsibility of the directors regarding the consolidated financial statements

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

ROAC n.º S0231

Alfredo González del Olmo

ROAC n.º 18863

13 April 2022

ISPD Network S.A. & Subsidiaries

Consolidated financial statements and consolidated management report for 2021

Including the Audit Report on the Consolidated Financial Statement

ISPD

ISPD NETWORK S.A. AND SUBSIDIARIES

Consolidated financial statements and consolidated management report for 2021

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ISPD NETWORK S.A. AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS AND CONSOLIDATED MANAGEMENT REPORT FOR 2021

ISPD NETKORK, S.A. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 31 DECEMBER 2021
(in Euros)

ASSETS	Note	31/12/2021	31/12/2020
Property, plant and equipment	6	1,584,716	1,427,208
Consolidation goodwill, both equity and fully consolidated cos.	5	8,353,514	6,437,533
Goodwill		502,995	671,560
Intangible assets	7	1,075,295	1,251,219
In-progress assets		551,520	
Non-current financial assets	9	83,340	93,180
Deferred tax assets	16	5,915,056	5,935,180
Other non-current assets		-	-
NON-CURRENT ASSETS		**18,066,436**	**15,815,879**
Trade and other receivables	9	34,569,652	31,391,713
Trade receivables, Group companies	9 and 24	147,146	302,618
Other current assets	9 and 16	137,472	254,017
Other current assets, Group companies		17,383	
Receivables from Public Entities	16	2,631,429	2,101,320
Current tax assets		57,291	59,203
Prepaid expenses		248,491	135,465
Cash and cash equivalents	9	20,113,345	9,126,417
CURRENT ASSETS		**57,922,211**	**43,370,753**
Total assets		**75,988,647**	**59,186,632**

ISPD NETWORK S.A. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 31 DECEMBER 2021
(in Euros)

EQUITY AND LIABILITIES		2021	2020
Share Capital		819,099	819,099
Own shares		(570,000)	-
Legal reserve		46,282	46,282
Reserves from fully consolidated companies		1,738,970	(62,913)
Prior period's losses		(5,172,391)	
Profit/(Loss) for the year attributable to the Parent Company		5,313,988	(3,930,458)
Minority Interests		(644,128)	(430,760)
Translation differences	13	784,267	3,563
Equity attributable to the Parent Company	14	**2,960,216**	**(3,124,426)**
Equity attributable to non-controlling interests		**(644,128)**	**(430,760)**
Equity	13	**2,316,088**	**(3,555,186)**
Non-current payables, debts with financial institutions	10	7,753,691	8,417,261
Non-current payables, Group companies		8,221,028	8,147,961
Other non-current payables	10	2,409,967	3,753,121
Provisions	18	289,050	283,309
Deferred tax liabilities	16	64,232	718,794
Non-current liabilities		**18,737,968**	**21,320,446**
Current payables, debts with financial institutions	10	1,850,103	843,967
Other current payables	10	3,356,421	913,167
Current payables to Group companies	24	876,156	609,732
Trade and other payables	10	36,549,981	27,093,279
Suppliers, Group companies	24 and 10	1,832,742	1,974,255
Personnel, salaries payable	10	5,017,573	3,566,254
Public Entities, payables	16	3,189,536	4,734,347
Current tax liabilities	16	480,874	140,015
Unearned income		1,472,798	1,533,855
Other current liabilities	2, 10	308,407	12,500
Current liabilities		**54,934,590**	**41,421,371**
TOTAL EQUITY AND LIABILITIES		**75,988,647**	**59,186,632**

ISPD NETWORK S.A. AND SUBSIDIARIES
CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED ON 31 DECEMBER 2021
(in Euros)

PROFIT AND LOSS	Note	2021	2020
Revenue	17.a	**105,680,202**	**54,425,711**
Other income		**277,794**	**25,350**
Work carried out by the company for assets			**265,714**
Operating grants taken to income		**146,080**	**199,151**
TOTAL OPERATING INCOME		**106,104,076**	**54,915,926**
Supplies	17.b	**(59,775,984)**	**(29,199,626)**
Personnel expenses	17.c	**(28,051,438)**	**(18,254,554)**
Wages and salaries		(23,295,376)	(15,067,134)
Employee benefit expense		(4,756,062)	(3,187,420)
Equity instruments-based payment expenses		-	-
Amortization and depreciation		**(1,246,836)**	**(873,512)**
Depreciation of property, plant and equipment	6	(754,822)	(652,437)
Amortization of intangible assets	7	(492,014)	(221,075)
Other operating expenses		**(11,855,728)**	**(6,934,033)**
External services	17.d	(8,893,008)	(5,675,924)
Impairment losses on current assets	9.2	(2,962,720)	(1,258,109)
Other income / (loss)		**(44,153)**	**(85,035)**
TOTAL OPERATING EXPENSES		**(100,974,139)**	**(55,346,759)**
OPERATING PROFIT / (LOSS)		**5,129,938**	**(430,834)**
Finance income	17.e	1,236,729	1,721,460
Translation differences, gains	11	80,605	173,719
TOTAL FINANCE INCOME		**1,317,333**	**1,895,179**
Finance expenses	17.f	(367,110)	(231,583)
Group finance expenses		(117,528)	(52,244)
Translation differences, losses	11	(267,832)	(133,046)
TOTAL FINANCE EXPENSES		**(752,469)**	**(416,874)**
Impairment of financial instruments			**(5,162,088)**
Share of profit (loss) of consolidated companies			-
Impairment and gains(losses) on loss of significant influence over equity investments			426,896
NET FINANCE INCOME/(EXPENSE)		**564,864**	**(3,256,887)**
PROFIT / (LOSS) FROM CONTINUING OPERATIONS		**5,694,801**	**(3,687,721)**
CONSOLIDATED PROFIT / (LOSS) BEFORE TAX		**5,694,801**	**(3,687,721)**
Income tax expense	16	(191,828)	(271,651)
Taxes and other		(68,223)	(122,044)
CONSOLIDATED PROFIT / (LOSS) FOR THE YEAR		**5,434,751**	**(4,081,416)**
Profit / (loss) attributable to minority interests		120,762	(150,958)
PROFIT/(LOSS) ATTRIBUTABLE TO HOLDERS OF EQUITY INSTRUMENTS OF THE PARENT COMPANY		**5,313,988**	**(3,930,458)**
Earnings per share:			
Basic		0,36	(0.26)
Diluted		0,36	(0.26)

ISPD NETWORK S.A. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2021
(in Euros)

STATEMENT OF CASH FLOWS	Note	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES (A)		**11,302,804**	**2,459,729**
Profit / (Loss) before taxes		5,694,801	(3,687,721)
Adjustments for:			
+ Depreciation and amortization	6 and 7	1,246,836	873,512
+ / - Impairment losses	10.2	2,962,720	1,258,109
+ / - Grants taken to P&L		(146,080)	(199,151)
- Finance income	17	(1,236,729)	(1,721,460)
+ Finance expense	17	484,637	283,827
+/- Translation differences		187,227	(40,672)
+/- Other income and expenses		44,153	4,554,513
+/- Other taxes		-	-
Changes in operating assets and liabilities:			
Changes in receivables		(5,134,510)	(25,285,804)
Changes in payables		9,315,189	18,028,300
Changes in other current assets		(543,974)	(1,940,916)
Changes in other non-current liabilities		-	-
Changes in other current liabilities		(1,248,903)	9,556,960
Other non-current assets		-	-
- Income tax paid		(1,248,903)	(657,400)
Interest paid (-)		(354,000)	(283,827)
Interest received (+)		1,236,729	1,721,460
CASH FLOWS FROM INVESTING ACTIVITIES (B)		**(2,475,580)**	**(33,845)**
Investments in intangible assets	7	(175,000)	(24,000)
Investments in property, plant and equipment	6	(719,495)	(9,845)
Own Share	12	(570,000)	
Business combinations	25	(1,011,085)	-
CASH FLOWS FROM FINANCING ACTIVITIES (C)		**(1,379,000)**	**(624,000)**
Changes in debt to other entities		(1,379,000)	(624,000)
EFFECT OF FOREIGN EXCHANGE RATES FLUCTUATIONS (D)		**780,704**	**37,585**
Net increase/decrease in cash and cash equivalents (E=A+B+C+D)		**10,986,928**	**1,839,470**
Cash and cash equivalents at beginning of period (F)		**9,126,417**	**3,034,128**
Additions from business combinations at transaction date		**-**	**4,252,819**
Cash and cash equivalents at end of period (G=E+F)		**20,113,345**	**9,126,417**

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2021

(in Euros)

	Notes	31/12/2021	31/12/2020
PROFIT / (LOSS) FOR THE PERIOD		**5,434,751**	**(21,517)**
Income and expense directly recognized in equity:		**-**	**-**
Translation differences		(780,704)	-
TOTAL INCOME AND EXPENSES DIRECTLY RECOGNIZED IN EQUITY		**(780,704)**	**-**
Transfers to Profit and Loss Account:		**-**	**-**
TOTAL TRANSFERS TO PROFIT AND LOSS ACCOUNT		**-**	**-**
TOTAL RECOGNIZED INCOME AND EXPENSE		**4,654,047**	**(21,517)**
Attributable to the Parent Company		**5,313,988**	**-**
Attributable to minority interests		**120,762**	**170,896**

ANTEVENIO S.A. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021
(in Euros)

	Registered Capital	Share Premium	Reserves and Profit/(Loss) for the period	Own Shares	Other equity instruments	Translation differences	Minority Interests	Total
Balance at 01/01/2020	**231,412**	**8,189,787**	**4,872,230**	**-**	**-**	**(34,022)**	**(31,523)**	**13,227,884**
Recognized income and expense	-		**(3,930,458)**	**-**	**-**	**-**	**(399,238)**	**(4,329,696)**
Other transactions	-	(21,974,180)	(5,106,624)	-	-	37,585	-	(27,043,219)
Capital increase and other distributions	587,687	13,784,393		-	-	-	-	14,372,080
Changes in the percentage interest in capital	-	-	217,764	-	-	-	-	217,764
Balance at 31/12/2020	**819,099**	**-**	**(3,947,088)**	**-**	**-**	**3,563**	**(430,760)**	**(3,555,186)**
Adjustments for errors, 2020	**-**	**-**	**-**	**-**	**-**	**-**	**-**	-
Balance at 01/01/2021	**819,099**	**-**	**(3,947,088)**	**-**	**-**	**3,563**	**(430,762)**	**(3,555,186)**
Recognized income and expense	-	-	**5,313,988**	**-**	**-**	**780,074**	**(213,367)**	**5,881,325**
Other transactions	-	-	559,950	-	-	-	-	**559,950**
Transactions with shares of the parent company	-	-	-	(570,000)	-	-	-	**(570,000)**
Balance at 31/12/2021	**819,099**	**-**	**1,926,850**	**(570,000)**	**-**	**784,267**	**(644,128)**	**2,316,088**

Table of contents

ISPD NETWORK S.A. AND SUBSIDIARIES

CONSOLIDATED ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

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

1.1) Parent Company; particulars and activity

a. Incorporation and registered address

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

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

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

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

b. General information

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

The presentation currency used in these Consolidated Financial Statements is the euro without decimal places. Unless otherwise stated, all figures are presented in Euros.

c. Activity

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

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

d. Fiscal year

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

1.2) Subsidiaries

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

Company	Percentage of Ownership 31/12/2021	Percentage of Ownership 31/12/2020
Mamvo Performance, S.L.U.	100%	100%
Marketing Manager Servicios de Marketing, S.L.U.	100%	100%
Antevenio S.R.L.	100%	100%
Rebold Marketing, S.L.U. (erstwhile Antevenio ESP, S.L.U.)	100%	100%
Antevenio France S.R.L.	100%	100%
Código Barras Networks S.L.U (****)	0%	100%
Antevenio Argentina S.R.L. (*)	100%	100%
Antevenio México S.A de C.V	100%	100%
Antevenio Publicité, S.A.S.	100%	100%
React2Media, L.L.C. (1)	60%	60%
B2Marketplace Ecommerce Consulting Group, S.L. (1)	100%	100%
Foreseen Media, S.L. (1)(****)	0%	100%
Rebold Marketing and CommunicationMarketing and Communication, S.L.U.)(1)	100%	100%
Antevenio Rich & Reach, S.L.U (****)	0%	100%
Happyfication Inc(1)	100%	0%
Acceso Content in Context SA de CV (2)	100%	100%
Acceso Colombia SAS(2)	100%	100%
Digilant Colombia SAS (2)	100%	100%
Digilant INC (2)	100%	100%
Digilant Perú S.A.C. (2)	100%	100%
Digilant SA de CV (2)	100%	100%
Filipides SA de CV (2)(**)	100%	100%
Digilant Services SA de CV (2)(**)	100%	100%
Blue Digital Servicios de Marketing S.A.(2)	65%	65%
Digilant Chile S.p.A(2)(***)	100%	100%
Acceso Panamá S.p.A (2)(3)	0%	0%
Blue Media S.p.A (2)(***)	100%	100%

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

(*) Holding held by Mamvo Performance, S.L.U. and Rebold Marketing, S.L.U. (erstwhile Antevenio España, S.L.U.) (75% and 25% respectively).
(**) Holding held by Digilant SA de CV
(***) Holding held by Blue Digital
(****) The companies Foreseen Media, S.L, Antevenio Rich & Reach S.L.U and Código de Barras, S.L.U merged with Rebold Marketing, S.L.U. (erstwhile Antevenio España) in 2021 (refer to note 25).

(1) See Note 25 Business combinations.

(2) At the General Shareholders' Meeting of the Parent Company held on 4 September 2020, the capital increase subscribed in full by its majority shareholder, ISP Digital, S.L.U., was approved, through the contribution of the shares of Rebold Marketing and Communication S.L.U. This company is in turn the head of a group of companies (broken down in the table above) which will therefore be consolidated from that date within the consolidated ISP DIGITAL Group. See Note 25

(3) Loss of control 2020

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

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

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

The main features of the subsidiaries are as follows:

Company	Incorporation Year	Registered Address	Corporate Purpose
Mamvo Performance, S.L.U.	1996	C/ Apolonio Morales 13C 28036 Madrid	Online advertising and direct marketing for the generation of useful contacts.
Marketing Manager Servicios de Marketing, S.L.U.	2005	C/ Apolonio Morales 13C 28036 Madrid	Advice to commercial communication-related companies.
Antevenio S.R.L.	2004	Viale Francesco Restelli 3/7 20124Milano	Advertising and Marketing on the Internet.

Company	Incorporation Year	Registered Address	Corporate Purpose
Rebold Marketing S.L.U. (erstwhile Antevenio Esp)	2009	C/ Apolonio Morales 13C 28036 Madrid	Advertising, online advertising and e-commerce operation services through electronic means.
Antevenio France, S.R.L.	2009	62B Rue des Peupliers 92100 Boulogne Billancourt, France.	Advertising and promotional services on the Internet, research, distribution and provision of services in the field of advertising and marketing on the Internet.
Antevenio Argentina S.R.L.	2010	Esmeralda 1376 piso 2 Ciudad de Buenos Aires Argentina	Commercial brokerage, marketing and advertising services.
Antevenio México, S.A. de CV.	2007	Calle Parral 41 Colonia Condesa Delegacion Cuauhtemoc Ciudad de Mexico	Other advertising services.
Antevenio Publicité, S.A.S.U.	2008	62B Rue des Peupliers 92100 Boulogne Billancourt, France.	Advertising and promotional services on the Internet; research, distribution and provision of services in the field of advertising and marketing on the Internet.
React2Media, L.L.C.	2008	35W 36th St New York	Online marketing services
B2Marketplace Ecommerce Consulting Group, S.L	2017	C/ Apolonio Morales 13C 28036 Madrid	Company specialised in optimising and improving the presence of brands, manufacturers and distributors on digital platforms
Rebold Marketing and Communication, S.L.U.	1986	Rambla Catalunya, 123, Entlo. 08008 Barcelona	Provision of Internet access services. Creation, management and development of Internet portals
Happyfication Inc	2011	170 Milk St FL 4 Boston, MA 02109"	An independent advertising technology company that provides its partners and clients with tools and services to plan, measure and deliver digital media more effectively.
Acceso Content in Context SA de CV	2014	Zacatecas 92 – col Roma – CP06700 – CDMX	Provision of Internet access services. Creation, management and development of Internet portals
Acceso Colombia, S.A.S	2013	Edificio unión 94, Cra 13## 94 A-26 BOGOTA	Provision of media content monitoring and analysis services
Digilant Colombia S.A.S	2013	Edificio unión 94, Cra 13## 94 A-26 BOGOTA	Evaluation and negotiation of advertising space and purchase and sale, provision of consultancy, marketing, communication and general advisory services
Digilant, Inc	2009	"170 Milk St FL 4 Boston, MA 02109"	An independent advertising technology company that provides its partners and clients with tools and services to plan, buy, measure and deliver digital media more effectively.
Digilant, SA de CV	2010	Zacatecas 92 – col Roma – CP06700 – CDMX	Purchase, sale, exchange, marketing and other commercial transactions in respect of all kinds of advertising space
Filipides SA de CV	2008	Zacatecas 92 – col Roma – CP06700 – CDMX	Selection and recruitment of personnel to fill vacancies in any position and provision of personal items to any third party
Digilant Services SA de CV	2018	Zacatecas 92 – col Roma – CP06700 – CDMX	Provision of administrative, personnel administration, consultancy, marketing, communication and advisory services in general.
Digilant Perú S.A.C	2017	Calle los forestales 573 - residencial Los ingenieros -district of La Molina, province and department of Lima	Evaluation and negotiation of advertising space and purchase and sale, provision of consultancy, marketing, communication and general advisory services
Blue Digital Servicios de Marketing SA	2011	Av 14nterès14o 5950 – piso 20- Las Condes – Santiago de Chile Metropolitan Region	Advertising, propaganda and marketing
Digilant Chile S.p.A	2017	General del Canto 50 - of 301 PROVIDENCIA / SANTIAGO	Evaluation and negotiation of advertising space, provision of consultancy, marketing, communication and general advisory services
Rebold Panama	2020	OBARRIO, AVENIDA SAMUEL LEWIS Y CALLE 53, EDIFICIO	Conduct business of any nature, inside or outside the Republic of Panama.

Company	Incorporation Year	Registered Address	Corporate Purpose
		OMEGA, 6O PISO, OFICINA NO. 6B-861 PANAMA,	

NOTE 2. BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

a) Application of International Financial Reporting Standards (IFRS)

These consolidated financial statements have been prepared in consistence with the provisions of the International Financial Reporting Standards (IFRS), as adopted by the European Union in accordance with Regulation (EC) No 1606/2002 of the European Parliament and the Council, effective as of 31 December 2016, taking into account all compulsory applicable accounting policies, standards and measurement criteria that a significant impact. The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (EU-IFRS) since 2006, with the Group's listing on the French alternative stock market Euronext Growth in 2007 (refer to note 1).

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

In accordance with the provisions of IFRS, the Consolidated Financial Statements include the following Consolidated Statements for the year ended 31 December 2021:

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

New accounting standards and/or amendments came into force during fiscal years 2021 and 2020, which have therefore been considered in the preparation of these Consolidated Financial Statements, namely:

1) Standards and interpretations approved by the European Union, applicable for the first time in the Consolidated Annual Accounts for fiscal year 2020 and 2021

Standards and amendments to Standards	IASB effective date	EU effective date

Amendments to IFRS 4	Insurance contract	1 January 2021	1 January 2021
Amendments in the IFRS 9, IAS 39, IFRS 7, IFRS4 and IFRS16	Amendments interest rate of phase 2 reference	1 January 2021	1 January 2021
Amendments to IFRS 16	Rental concessions for Covid-19	1 January 2021	1 January 2021

2) Other standards, amendments and interpretations issued by the IASB pending approval by the European Union:

		IASB effective date	**EU effective date**
Amendments to IFRS 3, IAS 16 and IAS 37		1 January 2021	Pending
Amendments to IAS 1	Presentation of Financial Statements and breakdown and accounting rules	1 January 2021	Pending
Amendments to IAS 8	Accounting rules changes in estimates and errors	1 January 2021	Pending
Amendments to IFRS 17	Insurance contract	1 January 2021	Pending
Amendments to IAS 12	Deferred Taxes related to assets and liabilities derived from a single transaction	1 January 2021	Pending

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

b) <u>COVID19 Impact</u>

In the wake of the health and economic crisis triggered by the global coronavirus pandemic (COVID-19), the group's results were impacted as a result of the various lockdowns and restrictions that occurred mainly in 2020.

Despite the numerous restrictions in the countries in which the group operates, we observed a remarkable recovery in practically all areas and in the different economic indicators in 2021.

Business began to rebound strongly in the third quarter of 2020 and accelerated in the fourth quarter and early 2021, driven primarily by the Digital Media Trading business, and the upturn in Technology and Marketing Services, which now includes monitoring and analytics services, developed within Rebold.

In terms of space management, the group also implemented a hybrid working system at most offices, which has led to greater operational efficiency.

The Group secured financing from Spain's Official Credit Institute (Instituto de Crédito Oficial [ICO]) in 2020, backed by the corresponding government guarantees, as follows:

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

•

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

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

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

Part of these loans have already begun to be amortised during 2021 as stipulated in the agreed amortisation schedule.

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

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

c) <u>Fair presentation</u>

The accompanying Consolidated Income Statement for the year ended 31 December 2021 have been prepared from the accounting records of the companies included in the Group and are presented in accordance with the provisions of the IFRS-EU and the applicable Spanish accounting legislation, in order to offer a fair image of the equity, financial position, results, changes in equity and cash flows of the Group incurred during the year ended 31 December 2021.

The consolidated financial statements prepared by the Directors of the Parent Company will be subject to approval of the General Meeting of Shareholders of the Parent Company, and are expected to be approved without modification.

d) Critical issues regarding the measurement and estimation of uncertainties

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

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

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

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

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

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

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

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

- The determination of incremental interest rate to apply the lease calculation model.

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

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

e) <u>Classification of current and non-current items</u>

For the classification of the current items, a maximum period of one year from the date of these consolidated financial statements has been applied.

f) <u>Correction of errors</u>

No error corrections were made in fiscal year 2021.

g) <u>Comparative information</u>

The Consolidated Financial Statements for the year ended 31 December 2021 include, for comparison purposes, the figures for 2020 presented in the Consolidated Financial Statements for 2020 approved by the Company's General Meeting of Shareholders of the Parent Company, held on 16 June 2021, which have also been prepared in accordance with the provisions of the International Financial Reporting Standards, as adopted by the European Union.

Comparisons between fiscal years must consider the inclusion in the consolidated financial statements of the Rebold subgroup as of September 2020 (as indicated in note 1.2), so that the consolidated income statement for 2020 only includes the transactions carried out by all these subsidiaries in the last 4 months of the fiscal year, while in 2021 the transactions for the entire fiscal year are included.

NOTE 3. EARNINGS / LOSS PER SHARE

Basic earnings/loss per share

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

Diluted earnings/loss per share

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

Calculation of earnings/loss per share is shown below:

	31/12/2021	31/12/2020
Net profit/(loss) for the year	5,313,988	(3,930,458)
Weighted average number of outstanding shares	14,741,262	14,891,262
Basic Profit/Loss per weighted average number of shares	**0.36**	**(0.26)**

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

Distribution of dividends:

No dividends were distributed to companies outside the scope of consolidation in 2020 and 2021.

NOTE 4. SIGNIFICANT ACCOUNTING POLICIES

The main accounting policies applied by the Group in the preparation of the Consolidated Financial Statements for the year ended 31 December 2021 were as follows:

a) Consolidation methods

The consolidated financial statements include the parent company and all subsidiaries. Subsidiaries are those companies over which the Parent Company or any of its subsidiaries have control. Control is established by:

- Power over the investee;
- Exposure, or rights, to variable returns from its involvement with the investee; and

- The ability to use its power over the investee to affect the amount of the investor's returns.

Subsidiaries are consolidated even if acquired for disposal.

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

Associates, which are companies over which the Group exercises significant influence yet not control, and jointly controlled entities ("joint ventures"), whereby the companies are entitled to the net assets of the contractual arrangement, were consolidated by the equity method, except where such investments qualify for classification as held for sale assets. Any gains or losses resulting from transactions between Group companies and associates or jointly-controlled entities have been eliminated in proportion to the Group's interests in those companies. When the Group's share in the losses of in company accounted for using the equity method exceeds its investment in the company, the Group recognises a provision for its share of the losses in excess of that investment. The value of the investment in any investee consolidated using the equity method is the carrying amount of the equity investment and any other non-current interest that form an essential part of the net investment in the investee.

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

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

Loss of control (IFRS 10)

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

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

If a parent loses control of a subsidiary, it shall:

a) Derecognise:

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

b) Recognise:

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

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

Recognise any resulting difference as a gain or loss in profit or loss attributable to the parent.

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

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

b) Uniformity of line items

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

No time alignment was required for the subsidiaries included in the annual accounts of the ISPD Network Group, since all the companies close their Annual Accounts or Financial Statements on 31 December of each fiscal year.

c) First consolidation difference

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

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

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

d) Translation differences

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

- Assets, liabilities, income and expenses (excluding equity): at the exchange rate at the end of each year
- Items in the Consolidated Income Statement: at the average exchange rate of the fiscal year.
- Equity at the historical exchange rate.

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

Hyperinflationary economies:

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

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

When the entity's functional currency is the currency of a hyperinflationary economy, the entity shall restate its financial statements before applying the translation method set out in the preceding paragraphs, except for comparative figures when translating into the currency of a non-hyperinflationary economy. When the economy ceases to be hyperinflationary and the entity no longer restates its financial statements, it shall use as the historical costs for translation into the presentation currency the amounts restated to the price level at the date the entity ceased restating its financial statements. The Group has concluded that the application of this model is not relevant to the Group company domiciled in Argentina and therefore the comparative figures for the year ended 31 December 2020 were not restated.

e) Transactions between companies included in the consolidation perimeter

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

Transactions between Rebold subgroup subsidiaries and ISPD Network Group companies between 1 January 2020 and 31 August 2020 were not eliminated because they were not part of the consolidated group until the date described in note 1.2.

f) Intangible assets

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

<u>Industrial property</u>

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

Computer software

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

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

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

g) Property, plant and equipment

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

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

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

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

	Annual Percentage	Estimated Years of Useful Life
Other installations	20	5
Furniture	10	10
Computer Hardware	18	6
Motor vehicles	25	4
Machinery	20	5
Other property, plant and equipment	20-10	5-10

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

h) Goodwill

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

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

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

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

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

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

To these purposes, at least at year end, the Group assesses, using the so-called "impairment test", whether there is evidence that any intangible assets or property, plant and equipment with indefinite useful life, or, where applicable, any cash-generating unit may be impaired; if so the Company proceeds to estimate the recoverable amount thereof applying the corresponding value adjustments. A cash-generating unit (CGU) is the smallest identifiable group of assets that generates cash flows that are largely independent of those derived from other assets or groups of assets.

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

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

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

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

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

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

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

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

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

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

j) Leases and other transactions of similar nature

<u>The Group as lessee</u>

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

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

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

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

Valuation and recognition of leases as lessee

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

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

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

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

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

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

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

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

k) Financial Instruments

k.1) Recognition and derecognition

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

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

k.2) Classification and initial measurement of financial assets

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

Financial assets, other than designated and effective hedging instruments, are classified as either:

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

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

Financial assets are classified on the basis of both:

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

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

k.3) Subsequent measurement of financial assets

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

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

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

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

k.4) Impairment of financial assets

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

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

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

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

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

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

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

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

The Group applies a simplified approach in accounting for trade and other receivables and contract assets, and recognizes a loss allowance at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are the expected deficits in contractual cash flows, taking into account potential default at any time during the life of the financial instrument. For measurement thereof, the Group uses its past experience, external indicators and prospective information to calculate expected credit losses using a provision matrix.

The Group assesses the impairment of trade receivables on a collective basis, given that trade receivables share credit risk characteristics and have been grouped by the number of past-due days.

k.5) Classification and measurement of financial liabilities

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

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

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

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

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

l) Foreign Currency

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

Foreign currencies are translated into the functional currency at the exchange rate prevailing at the time of the transaction and are assessed at year-end at the exchange rate prevailing at that time.

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

- Transactions in currencies other than the functional currency executed during the year at the exchange rates prevailing at the dates of the transaction.

- The balance of monetary assets and liabilities in currencies other than the functional currency (cash and items not losing value on realization) are measured at the exchange rates at year-end.

- The balances of non-monetary assets and liabilities in currencies other than the functional currency are measured at the historical rates.

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

m) Income Tax

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

The Board of Directors held a meeting on 30 December 2016 at which it was reported that Inversiones y Servicios Publicitarios, SL ("ISP") holds 83.09% of the Parent Company's share capital (see note 12). In addition, pursuant to the provisions of article 61.3 of the Corporate Income Tax Act (Spanish Law 27/2014 of 27 November), and since the Parent Company had lost its status as the parent company of tax group number 0212/2013, as ISP had acquired a stake in it of more than 75% of its share capital and voting rights, it was agreed to incorporate the ISPD Network Group companies to which it was applicable, with effect from the tax period commencing on 1 January 2017, as subsidiaries of tax group number 265/10, whose parent company is ISP.

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

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

assets" and "Deferred tax liabilities" in the Consolidated Statement of Financial Position.
The Group recognizes a deferred tax liability for all taxable temporary differences, except, where appropriate, for the exceptions provided in the existing regulations.

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

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

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

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

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

n) Revenue and expenses

IFRS 15 establishes that the Group shall recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. Revenue is recognized when the customer obtains control of the goods or services.

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

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

In this model, it is specified that the income must be recognized when (or insofar as) an entity transmits control of the assets or services to a client, and in the amount that the entity wishes to have the right to receive. Depending on whether certain criteria are met, the income is recognized either throughout a period of time, in such a way that shows the entity's undertaking of the contractual obligation; or at a specific time, when the client obtains control over the assets or services.

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

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

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

IFRS 15 requires the recognition of an asset for incremental costs incurred to obtain contracts with customers that are expected to be recovered and amortised systematically in the Consolidated Income Statement to the same extent as the related revenue is recognised. There is no significant impact arising from the application of the new regulation.

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

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

o) Provisions and contingencies

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

n.1) Provisions: liabilities that cover present obligations arising from past events, whose future settlement is likely to result in an outflow of resources, for which the amount and settlement date are uncertain.

n.2) Contingent liabilities: possible obligations that arise from past events and whose existence is contingent upon the occurrence or non-occurrence of one or several future events beyond the control of the Company.

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

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

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

p) Deferred Income

Non-refundable capital grants, as well as donations and bequests, are measured at the fair value of the amount awarded or the item received. They are initially recorded under the heading "Deferred income" as liabilities of the Consolidated Statement of Financial Position and recognised in the Consolidated Income Statement in proportion to the depreciation experienced during the period by the assets financed by these grants, except in the case of non-depreciable assets that shall be recognised as income the year when their disposal or derecognition occurs.

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

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

q) Assets of environmental nature

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

r) Transactions between related parties

Transactions between related parties, irrespective of the type of relationship, are accounted for in accordance with the general standards. Therefore, as a general rule, items involved in a transaction will be initially measured at fair value. If the agreed transaction price were not the fair value, the difference shall be recognized based on the economic reality of the transaction. Subsequent measurement is performed in accordance with the applicable standards.

s) Equity instruments-based payments

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

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

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

The estimated fair value of this financial liability was classified within Level 1 of the fair value hierarchy (see note 4w).

t) Statement of Cash Flows

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

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

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

- Financing activities are activities that result in changes in the size and composition of the equity and liabilities that are not part of the operating activities.

u) Business combinations

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

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

- Deferred tax assets and liabilities are measured at the amount expected to be paid or recovered from the taxation authorities, using the tax rates expected to prevail upon their reversal, based on the existing or approved and pending publication regulations as of the date of acquisition. Deferred tax assets and liabilities are not discounted.
- Assets and liabilities associated with long-term employee benefits under defined benefit schemes are accounted for at the acquisition date as the present value of the defined benefit obligation less the fair value of the plan assets out of which the obligations are to be settled.
- Intangible assets, the value of which cannot be measured in relation to an active market and would result in a recognition of income in the Income Statement have been deducted from the initially calculated negative goodwill.
- Assets received as compensation for contingencies and uncertainties are recognized and measured in a manner consistent with the item causing the relevant contingency or uncertainty.

- Reacquired rights recognized as intangible assets are measured an amortized on the basis of their remaining contractual lifecycle.

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

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

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

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

v) Own equity instruments (treasury shares)

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

w) Measurement of the fair value of the financial instruments

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

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

There were no transfers between Level 1 and Level 2 in 2021 and 2020.

NOTE 5. CONSOLIDATION GOODWILL

Details of goodwill on consolidation are as follows:

	31/12/2020	(Impairment)/capital gain	31/12/2021
Marketing Manager Servicios de Marketing, S.L.	276,461	-	276,461
Antevenio S.R.L.	3,686,847	-	3,686,847
Antevenio ESP, S.L.U.	81,027	-	81,027
Foreseen Media, S.L. (see Note 25)	109,509	-	109,509
B2Marketplace Ecommerce Consulting Group, S.L (see Note 25)	1,811,125	-	1,811,125
Blue Digital	472,563	-	472,563
Happyfication	-	1,915,982	1,915,982
Total Cost	**6,437,532**	**1,915,982**	**8,353,514**

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

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

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

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

The recoverable amount of each company's goodwill has been determined on the basis of management estimates of its value in use. In order to make these estimates, the cash flows of each company for the next 5 fiscal years were projected and extrapolated using a growth rate determined by management. The present value of the expected cash flows of each company is determined by applying an appropriate WACC rate that reflects the current time value of money situation and the specific risks of each company.

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

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

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

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

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

In view of these recent events, the impairment tests resulted in a reduction of the goodwill of some of the Group companies in 2020 to its recoverable amount.

In preparing the estimates made to analyse the key assumptions used in calculating value in use and sensitivity to changes in assumptions, the impact that the health and economic crisis caused by the global spread of COVID-19 may have had on the main assumptions was considered last year.

Specifically, last year:

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

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

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

The Group has carried out a sensitivity analysis of the hypotheses used in estimating the fair value of these assets, altering said estimates (discount rate and [MT1] growth rate) by +/- 0.25%. This sensitivity analysis would yield a non-significant variation in the fair value of said assets that would not modify the conclusions reached by the Group.

On the date of preparation of the consolidated financial statements, new goodwill of €1,915,982 was recognised as a result of the acquisition of the US-based company Happyfication Inc.

NOTE 6. PROPERTY, PLANT AND EQUIPMENT

In 2021 and 2020, the balances and movements of gross values, accumulated depreciation and impairment are as follows:

	01/01/2020	Recognition	Additions due to business combinations	Derecognition	Transfers	31/12/2020	Recognition	Derecognition	Transfer	31/12/2021
Cost:										
Technical installations, machinery, tools, furniture and other items of PPE	1,129,570	95,407	1,459,907	(119,362)	(4,657)	2,560,865	396,138	(108,978)	18,219	2,866,244
Right-of-use	1,615,858	232,913	835,307	(1,336,313)	-	1,347,765	838,362	(236,821)	10	1,949,316
	2,745,428	**328,320**	**2,295,214**	**(1,455,675)**	**(4,657)**	**3,908,629**	**1,234,500**	**(345,799)**	**18,229**	**4,815,559**
Accumulated Depreciation:										
Technical installations, machinery, tools, furniture and other items of PPE	(785,477)	(167,316)	(1,304,779)	70,045	3,315	(2,184,212)	(219,499)	103,755	(199,456)	(2,499,412)
Right-of-use	(502,994)	(490,087)	-	695,873	-	(297,208)	(532,423)	98,198		- (731,433)
	(1,288,471)	**(657,403)**	**(1,304,779)**	**765,918**	**3,315**	**(2,481,420)**	**(751,922)**	**201,953**	**(199,456)**	**(3,230,845)**
Impairment										
Technical installations, machinery, tools, furniture and other items of PPE	-					-				-
	-	**-**		**-**	**-**	**-**	**-**	**-**	**-**	**-**
Net property, plant and equipment	**1,456,957**	**(329,083)**	**990,435**	**(689,757)**	**(1,342)**	**1,427,209**	**482,578**	**(143,845)**	**(181,227)**	**1,584,715**

The additions in 2020 arose mainly from the business combination of Rebold Marketing and Communication, S.L.U. (refer to notes 1 and 25).

The right-of-use asset as at 31 December 2021 amounts to €1,949,317 (€1,347,765 in 2020) with a depreciation expense of €532,423 (€490,087 in 2020). The balance recorded refers to leases contracted by the Group and which must be capitalised under IFRS 16.

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

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

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

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

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

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

	31/12/2021	**31/12/2020**
Technical installations, machinery, tools, furniture and other items of PPE	2,005,987	633,021
	2,005,987	**633,021**

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

The net carrying amount of items of property, plant and equipment located outside Spain amounts to 121,400 euro at December 31, 2021 (151,196 euro at December 31, 2020).

At December 31, 2021 and 2020 there were no firm purchase commitments for the acquisition of items of property, plant and equipment.

The policy of the Company consists in taking out insurance policies to cover the possible risks to which the various elements of its property, plant and equipment are subject. At 31 December 2021 and 2020, the assets of the Group were insured under an insurance policy. The Group's directors consider that this insurance policy sufficiently covers any risks associated to its property, plant and equipment.

NOTE 7. INTANGIBLE ASSETS

In 2021 and 2020, the balances and movements of gross values, accumulated depreciation and impairment are as follows:

	01/01/2020	Recognition	Recognition arising from business combinations (note 27)	Derecognition	31/12/2020	Recognition	Derecognition	Transfers	31/12/2021
Cost:									
Industrial property	61,074		29,104		90,178	180,611		128,091	398,880
Computer software	4,715,708	289,714	522,030		5,527,453	654,080	(1,395,385)		4,865,789
Goodwill			671,560		671,560	109,509		28,253	1,032,090
	4,776,782	**289,714**	**1,222,695**		**6,289,192**	**944,200**	**(1,395,385)**	**28,253**	**6,296,759**
Accumulated Amortization:									
Industrial property	(61,075)		(22,980)		(84,055)	(50,806)		(165,599)	(300,460)
Computer software	(3,540,436)	(100,143)	(380,221)		(4,020,800)	(391,484)	1,108,178	(23,973)	(3,328,079)
Goodwill								(248,275)	(248,275)
	(3,601,511)	**(100,143)**	**(403,201)**		**(4,104,856)**	**(442,290)**	**1,108,178**	**(437,847)**	**(3,876,814)**
Impairment									
Goodwill								(280,820)	(280,820)
Computer software	(261,557)				(261,557)		252,242		(9,316)
	(261,557)				**(261,557)**		**252,242**	**(280,820)**	**(290,135)**
Net intangible assets	**913,714**	**189,572**	**819,494**		**1,922,779**	**501,910**	**(34,965)**	**(259,914)**	**2,129,810**

As for the additions of intangible assets, in 2021 there are additions of 981 thousand euros, most of which is for the Computer Applications item for the development of an asset in progress, as well as the right to use trademarks.

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

The net carrying amount of items of property, plant and equipment located outside Spain amounts to 537,780 euro at December 31, 2021 (530,803 euro at December 31, 2020).

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

	31/12/2021	31/12/2020
Industrial property	187,952	83,934
Computer software	1,990,308	2,467,275
	2,178,260	**2,551,209**

NOTE 8. LEASES

In 2021 and 2020 the expense for leases amounted to 111,500 euro and 248,428 euro, respectively (see Note 17 d).

Those minimum future payment commitments relating to non-cancellable operating leases have been recognised by the Group on the basis of the adoption of IFRS 16 as detailed in note 2 (refer to notes 7 and 10.1).

The main rents correspond to offices in Spain and the USA and to a lesser extent to office rents in Italy, Chile and the USA.

The breakdown of recorded leases as at 31 December 2021 is as follows:

	ASSETS	2021 Amortisation	2021 Accumulated Amortisation	Financial Liabilities	Interest expenses	Rental expenses
Antevenio Publicité, S.A.S.U.	-	-	-	-	-	-
Antevenio S.R.L.	280,013	67,651	-199,741	-80,272	1743.83	-69,395
Antevenio México, S.A. de CV.	-	24,904	-	-	509	-25,414
Digilant, Inc	501,437	92,391	-92,391	-409,046	6,214	-98,606
React2Media, L.L.C.	-	-	-	-	-	-
ISPD Network SA	140,244	17,982	-17,982	-122,261	1817.63	-19,800
Digilant Chile	192,316	60,771	-60,771	-131,545	2,238	-63,009
Rebold Marketing and Communication, S.L.U. (Madrid)	580,584	126,147	-168,500	-412,084	7,159	-133,306
Rebold Marketing and Communication, S.L.U. (Barcelona)	254,723	142,577	-192,048	-62,675	2,114	-144,691
	1,949,317	**532,423**	**-731,433**	**-1,217,884**	**21,796**	**-554,220**

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

Financial Liabilities	2022	2023	2024	2025	Total
Antevenio S.R.L.	68,717	11,555			**80,272**
Digilant, Inc	95,904	100,100	104,359	108,683	**409,046**
ISPD Network SA	25,651	29,761	34,640	32,210	**122,262**
Digilant Chile	71,307	60,238			**131,545**
Rebold Marketing and Communication, S.L.U. (Madrid)	128,039	129,960	131,909	22,176	**412,084**
Rebold Marketing and Communication, S.L.U. (Barcelona)	62,675				**62,675**
	452,292	**331,614**	**270,908**	**163,069**	**1,217,884**

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

NOTE 9. CURRENT AND NON-CURRENT FINANCIAL ASSETS

Financial assets are recognised at amortised cost, with no financial assets carried at fair value through profit or loss or other comprehensive income, as in the previous year.

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

	Receivables and other		Total	
	31/12/2021	31/12/2020	31/12/2021	31/12/2020
Loans and receivables (Note 9.2)	83,340	93,180	83,340	93,180
Total	**83,340**	**93,180**	**83,340**	**93,180**

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

	Current		Total	
	31/12/2021	31/12/2020	31/12/2021	31/12/2020
Cash and cash equivalents (Note 9.1)	20,113,345	9,126,417	20,113,345	9,126,417
Loans and receivables (Note 9.2)	34,871,654	31,948,347	34,871,654	31,948,347
Total	**54,984,999**	**41,074,764**	**54,984,999**	**41,074,764**

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

9.1) Cash and cash equivalents

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

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

	31/12/2021	31/12/2020
Current accounts	20,112,192	9,125,480
Treasury	1,153	937
Total	**20,113,345**	**9,126,417**

At 31 December 2021, treasury in foreign companies amounted to 19,224,100 euro (7,321,312 euro at December 31, 2020).

9.2) Loans and receivables

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

	31/12/2021		31/12/2020	
	Non-current	Current	Non-current	Current
Trade receivables				
Third-party receivables		34,569,652		31,391,713
Total trade receivables		**34,569,652**		**31,391,713**
Trade receivables, Group companies		147,146		302,618
Other current assets, Group companies		17,383		
Total with group companies		**164,529**		**302,618**
Non-trade receivables				
Guarantees and deposits	81,723		91,563	
Other assets	1,617	137,472	1,617	254,017
Total non-trade receivables	**83,340**	**137,472**	**93,180**	**254,017**
Total	**83,340**	**34,871,653**	**93,180**	**31,948,347**

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

Description	31/12/2021	31/12/2020

Trade receivables		
Trade balances	34,205,299	31,372,868
Volume discounts granted and pending settlement	(644,635)	(628,804)
Trade balances pending issue	1,008,989	647,648
Total	**34,569,652**	**31,391,713**

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

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

Impairment	31/12/2019	Business combination registrations (note 27)	Impairment loss	Impairment reversal	Application	31/12/2020	Impairment loss	Impairment reversal	31/12/2021
Trade receivables									
Trade receivables	(1,560,603)	(604,224)	(972,651)	410,496	348,262	(2,378,720)	(1,401,936)	1,937,128	(1,843,527)
Total	**(1,560,603)**	**(604,224)**	**(972,651)**	**410,496**	**348,262**	**(2,378,720)**	**(1,401,936)**	**1,937,128**	**(1,843,527)**

The Group recognizes these changes in impairment losses under "Impairment losses on current assets" in the Consolidated Income Statement. A reversal of impairment on trade receivables of 1,937,128 was applied in 2021, corresponding in part to trade receivables collected and provided for under this heading in the amount of 1,110,933 and in part to bad debt losses of €826,196.

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

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

NOTE 10. NON-CURRENT AND CURRENT LIABILITIES

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

	Other		Total	
	31/12/2021	31/12/2020	31/12/2021	31/12/2020
Debts and payables (Note 10.1)	**18,673,736**	**20,601,652**	**18,673,736**	**20,601,652**
Total	**18,673,736**	**20,601,652**	**18,673,736**	**20,601,652**

Financial liabilities are recognised at amortised cost, with no financial liabilities recognised at fair value through profit or loss, with the exception of the financial liability recognised in 2020 on the basis described in note 25 on the business combination for transactions with the subsidiaries B2Marketplace and React2Media, which was designated as such on initial recognition.

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

	Other current payables		Other		Total	
	31/12/2021	31/12/2020	31/12/2021	31/12/2020	31/12/2021	31/12/2020
Debts and payables (Note 10.1)	1,850,103	843,967	47,941,279	34,169,189	49,791,382	35,013,156
Total	**1,850,103**	**843,967**	**47,941,279**	**34,169,189**	**49,791,382**	**35,013,156**

10.1) Debts and payables

At 31 December 2021 and at 31 December 2020 the breakdown of "Debts and payables" is as follows:

	Balance at 31/12/2021		Balance at 31/12/2020	
	Non-current	Current	Non-current	Current
Trade payables:				
Suppliers	-	22,819,612	-	4,941,800
Group Suppliers	-	1,832,742	-	1,974,255
Other trade payables	-	13,730,369	-	22,151,479
Total trade payables	**-**	**38,382,723**	**-**	**29,067,534**
Non-trade payables:				
Debts with financial institutions (2)	7,753,691	1,850,103	8,417,261	843,967
Other debts (1)	2,409,967	3,356,421	3,753,121	913,167
Provisions	289,050		283,309	-
Loans and other payables	**10,452,708**	**5,206,524**	**12,453,691**	**1,757,134**
Payables to Group companies (notes 16 and 24)	8,221,028	876,156	8,147,961	609,732
Personnel (outstanding remunerations)		5,017,573	-	3,566,255
Total non-trade payables	**8,221,028**	**5,893,729**	**8,147,961**	**4,175,987**
Unearned income			-	
Advances from customers		308,407	-	12,500
Other current liabilities	**-**	**308,407**	**-**	**12,500**
Total Debts and payables	**18,673,736**	**49,791,382**	**20,601,652**	**35,013,155**

(1) The heading "Other debts" refers to long-term debts with the Centro de Desarrollo Tecnológico Industrial (CDTI - Spanish Centre for the Development of Industrial Technology) and mainly to the impact of IFRS 16. See Note 15 An amount of €2,512,885 is also reflected in the short term and also €307,747 in the long term corresponding to the financial liabilities generated by the business combinations detailed in note 25.

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

The financial expenses associated with the liabilities recorded as at 31 December 2021 amount to €367,110 (€231,583 in 2020).

10.2) Classification by maturity

At 31 December 2021, the breakdown by maturity of non-current financial liabilities, with either fixed or determinable maturity, is as follows:

	2023	2024	2025	2026	2027 onwards	Total
Non-current payables						
Debts with financial institutions	**2,306,360**	**2,309,898**	**1,677,546**	**1,118,774**	**341,113**	**7,753,691**
Other non-current liabilities	**851,771**	**483,318**	**375,449**	**212,410**	**487,019**	**2,406,619**
Total	**3,158,131**	**2,793,216**	**2,052,995**	**1,331,184**	**828,132**	**10,160,310**

At year-end 2020, the classification by maturity of the different non-current financial liabilities with fixed or determinable maturity is as follows:

	2022	2023	2024	2025	2026 onwards	Total
Non-current payables						
Debts with financial institutions	1,741,723	2,392,534	1,789,707	1,639,438	853,859	**8,417,261**
Other non-current liabilities	2,691,518	249,557	250,380	140,655	421,010	**3,753,121**
Total	**4,433,242**	**2,642,092**	**2,040,087**	**1,780,093**	**1,274,869**	**12,170,382**

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

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

Interest Rate Risk

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

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

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

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

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

Exchange rate risk

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

The exchange rate risk arises basically from sales of foreign currency, mainly sales in USD and Mexican Pesos. The net result from exchange differences is a net exchange loss of €183,627 as at 31 December 2021 and a net exchange gain of €40,672 as at 31 December 2020.

Liquidity Risk

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

During 2021, the Group has extended the grace period on most of the ICO loans obtained during 2020.
The Group permanently pays attention to the evolution of the different factors that can help to resolve liquidity crisis and, in particular, to the funding sources and their characteristics.

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

- Liquidity of monetary assets: surplus is always invested on highly available and very short maturities. At December 31, 2021, the amount of cash and cash equivalents is 20,113,345 euro (9,126,417 euro at 31 December 2020).
- The working capital is positive at 31 December 2021 amounting to 2,987,621 euro (1,949,381 euro at 31 December 2020).
- Net indebtedness shifted from -134,811 in 2020 to 10,509,551 in 2021.

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

Credit risk

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

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

The Group carries out constant monitoring on the creditworthiness of the clients using a credit rating measurement. Whenever working with new clients, external credit ratings and/or reports on clients are obtained and used. The policy of the group is to only deal with solvent partners. The credit terms are between 30 and 90 days. The credit conditions negotiated with the clients are subject to an internal approval process which takes into account the credit rating score. Ongoing credit risk is managed through the regular review of the ageing analysis, together with credit and risk limits per customer.

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

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

Competition Risk

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

Customer and Supplier Dependency Risk

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

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

With regard to technology providers, the risk is small since the services provided by these companies are offered by other competing players and could therefore offer the same services to the Group.

"Key-Person" Risk

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

Personal Data Processing Risk

ISPD Network S.A. and its subsidiaries carry out numerous personal data risk management activities in the ordinary course of their business, both as Data Controller and Processor.

Likewise, the nature of its corporate purpose and its activity is subject not only to data protection and privacy regulations, but also to those that may affect commercial communications and digital marketing, for which it has implemented compliance and awareness mechanisms.

The main regulatory framework affecting the company's activities and operations is made up of 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. Guides, guidelines and other relevant recommendations on data protection published by the Spanish Data Protection Agency (SPDA) and the European Data Protection Board (EPDB).
5. Royal Legislative Decree 1/1996 of 12 April, approving the revised text of the Intellectual Property Act, regularising, clarifying and harmonising the legal provisions in force on the matter.
6. Law 34/1988 of 11 November on General Advertising.
7. Specific regulatory provisions and regulations applicable to advertising [such as Circular 1/2022 of 10 January of the National Securities Market Commission (Comisión Nacional del Mercado de Valores) on advertising of crypto-assets presented as an investment object], if applicable.

The ISPD Network Group's approach to legal risk management aims to mitigate legal risks as far as possible and to comply with the principles of proactive responsibility and accountability, especially in the area of data protection. To this end, it has developed a privacy management system with dedicated teams and technologies, both internal and external (such as Onetrust).

Among the resources dedicated to compliance and monitoring to ensure compliance with the applicable regulations in each case, it also relies on a specialist compliance provider (Deloyers).

NOTE 12. EQUITY

The breakdown of consolidated equity is as follows:

	31/12/2021	31/12/2020
Registered share capital of the Parent Company:	**819,099**	**819,099**
Reserves:	**1,785,252**	**(16,630)**
Of the Parent Company	46,282	12,702,945
From fully consolidated companies and from companies consolidated using the equity method	(1,738,970)	(12,719,575)
(Own shares)	**(570,000)**	**-**
Prior period's losses	**(5,172,391)**	
Profit/(Loss) for the year attributable to the Parent Company	**5,313,626**	**(3,930,458)**
Translation differences	**784,629**	**3,563**
Minority Interests	**(644,128)**	**(430,760)**
	2,316,088	**(3,555,186)**

12.1) Share Capital

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

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

The share capital at 31 December 2021 and 2020 comprises 14,891,262 shares, each with a nominal value of €0.055.

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

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

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

The following shareholders hold direct or indirect interests in the share capital as at 31 December 2021:

	No. of Shares	Holding %
ISP Digital, S.L.U.	14,407,743	96.75%
Free Float	333,519	2.24%
Own shares	150,000	1.01%
Total	14,891,262.00	100.00%

On 23 December 2021, the group's parent company acquired a total of 150,000 treasury shares at a price of €3.80 for a total of €570,000. On 22 January 2022, a new purchase of 25,000 more shares is made at the same price.

As at 31 December 2020, they were as follows:

	No. of Shares	Holding %
ISPD	14,407,750	96.75%
Other	273,137	1.83%
Nextstage	210,375	1.41%
Total	**14,891,262**	**100.00%**

12.2) **Parent Company Reserves**

The legal reserve has restrictions of use, which is subject to several legal provisions. In accordance with the Corporations Law, commercial companies obtaining, under the said legal form, benefits are under the obligation of allocating 10% of benefits to the legal reserve, until the reserve reaches one fifth of the registered share capital. The legal reserve may only be used to offset losses; for capital increases, in the 10% portion exceeding the increased capital; and, for distribution to shareholders upon liquidation. As at 31 December 2021, the Legal Reserve was not fully funded due to the capital increase with a contribution from Rebold Marketing and Communication.

12.3) Share Premium

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

12.4) Voluntary Reserves

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

At the meeting of the Parent's Board of Directors on 27 November 2020, it was decided to convert the entire share premium amounting to €21,974,180 following the capital increase described above into voluntary reserves.

12.5) Distribution of dividends

No dividends were distributed to companies outside the scope of consolidation in 2021 and 2020.

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

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

In 2020, the Group benefited from certain relief as a consequence of the COVID-19 pandemic (refer to note 2): ERTEs where social security contributions have not been waived but ICO loans have been applied for.

12.6 Capital management

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

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

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

The capital structure is controlled by the leverage ratio, calculated as net financial debt to equity. The Group mainly has debt with financial entities due to finance leases in 2021 in the amount of 14,951 Euros (25,146 Euros in 2020). The group also has loans and other products with financial institutions amounting to 9.6 million and undrawn credit lines amounting to 7.5 million.

12.7 Treasury stock

On 23 December 2021, the group's parent company acquired a total of 150,000 treasury shares at a price of €3.80 for a total of €570,000. On 22 January 2022, a new purchase of 25,000 more shares is made at the same price.

NOTE 13. TRANSLATION DIFFERENCES

Changes in the balance of this item between 31 December 2020 and 31 December 2021 were as follows:

	31/12/2021	31/12/2020
Opening balance	**3,563**	**(34,022)**
Net change during the reporting period	780,704	37,585
Closing balance	**784,267**	**3,563**

Translation differences are generated by companies with registered address abroad and functional currency other than the Euro. Specifically, these currencies are mainly the Argentine peso, the US dollar and the Mexican peso.

NOTE 14. EQUITY INSTRUMENTS-BASED PAYMENT TRANSACTIONS.

Stock Option Plan Digilant Inc

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

NOTE 15. DEFERRED INCOME

Mamvo Performance, S.L. (presently absorbed in Rebold Marketing SL.) "TrueTarget"

In 2014, the Centre for the Development of Industrial Technology (CDTI) approved the granting of aid to the company Mamvo Performance, S.L. for collaboration in the development of the research and development project entitled "New personalised digital advertising system using machine learning techniques and advanced data risk management algorithms", for a total amount of €563,147.95, with a non-refundable tranche of €99,379.05 and another tranche of €463,768.90 as a loan at a subsidised interest rate.

Mamvo Performance, S.L. (presently absorbed in Rebold Marketing SL.) "Datalake"

On 27 November 2018, Centro para el Desarrollo Tecnológico Industrial (CDTI) granted a loan for a total amount of 445,176 euro, comprising a non-refundable tranche of 133,553 euro and a refundable tranche of 331,623 euro as subsidised interest rate loan, to the company Mamvo Performance, S.L. as collaboration in the development of a Research and Development project named "Dynamic assessment and advice on marketing campaigns". The final payment due from the CDTI was €181,396, which was received on 22 January 2022.

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

Rebold Marketing and Communication, S.L.U. "Lune"

In 2020, the Centre for the Development of Industrial Technology (CDTI) granted Rebold Marketing and Communication, S.L.U. a grant to collaborate in the development of the Research and Development project called "Lune" (based on a project to apply technology for reverse typesetting of news to simplify their processing), amounting to €347,373.82, comprising a non-reimbursable tranche of €69,474.76 and another reimbursable tranche of €277,899.06 as a loan at a subsidised interest rate. The first disbursement arrived on 13 July 2020 of €121,750.30 (35%), of which €24,350.06 was posted as a grant and €97,400.24 as a loan. The next 2 disbursements are expected to be received in March 2022.

Rebold Marketing and Communication, S.L.U. "Profiling Tool"

The Centro de Desarrollo Tecnológico Industrial (CDTI) granted the subsidiary Rebold Marketing y Comunicación, S.L. a zero-interest loan as contribution to the development of the Research and Development project called "System for exploiting knowledge by combining multiple points of contact that brands have with consumers from different channels", €714,340.96, comprising a non-refundable tranche of €142,868.19 and another refundable tranche of €571,472.77 euros as a loan at a subsidised interest rate.

Rebold Marketing and Communication, S.L.U. "Living Communities"

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

NOTE 16. TAXATION

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

31/12/2021	Receivables	Payables
Value Added Tax	2,817,271	(2,646,061)
Recoverable Taxes	57,291	(5,973)
Assets arising from deductible temporary differences (**)	3,135,312	
Tax loss carryforwards (**)	2,779,745	
Deferred tax liabilities (**)		(64,232)
Withholdings for Personal Income Tax		(154,367)
Other payables to Public Entities		
Income tax expense		(667,668)
Social Security	954	(383,136)
	8,790,572	**(3,921,436)**

31/12/2020	Receivables	Payables
Value Added Tax	2,106,294	(4,171,736)
Recoverable Taxes	59,203	-
Assets arising from deductible temporary differences (**)	2,989,910	-
Tax loss carryforwards (**)	2,945,270	-
Deferred tax liabilities (**)	-	(718,794)
Withholdings for Personal Income Tax	-	(221,613)
Other payables to Public Entities	-	(10,947)
Income tax expense	-	(140,015)
Social Security	-	(335,025)
	8,100,677	**(5,598,130)**

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

The Group has been part of the tax group 265/10 since 2017, whose parent company is Inversiones y Servicios Publicitarios, S.L. (ISP).

The consolidated Group's income tax expense is obtained as the sum of the tax expense of each of the companies. The tax bases are calculated from the profit/(loss) for the year as adjusted for any temporary differences, any permanent differences and tax losses from prior years.

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

Tax rate	2021	2020
Spain	25.00%	25.00%
Italy (*)	30.45%	30.45%
France	33.33%	33.33%
Mexico	30.00%	30.00%
Colombia	31.00%	31.00%
Chile	10.00%	10.00%
USA(**)	2.09%	2.09%
Argentina	30.00%	30.00%

(*) Average tax rate accrued in Italy
(**) There is no single rate. Federal tax amounts

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

	Profit and Loss Account		Income and expenses recognised directly in equity		TOTALS
Profit/(loss) for the year		5,434,750		-	5,434,750
	Increases	Decreases	Increases	Decreases	
Income tax expense	707,510	(515,681)	-	-	191,828
Permanent differences	371,998	(403,883)	-	-	(31,885)
Temporary differences			-	-	-
Originating in the fiscal year	1,604,907	(11,933)	-	-	1,592,974
Originating in previous fiscal years	34,565	(1,707,455)	-	-	(1,672,890)
Tax base (Taxable income)					**5,514,778**
Gross tax payable					172,303
Deduction for dividends					-
Deduction for double taxation					-
Deduction for environmental affairs					-
Deduction for research and development programme and investments					(19,400)
Deduction for training					-
Deduction for donations					-
Deduction for export companies					-
Other deductions					-
Net tax payable					152,903
Withholdings and payments on account					(17,363)
Liquid to be paid in/returned					**135,540**

	31/12/2020
Profit / (Loss) before taxes	(4,930,740)
	-
Permanent differences	5,459,466
Tax liability	(512,359)
Deductions	-
Monetizations	-
Other	-
Application of tax lox carryforwards and deductions	53,276
Domestic CIT payable or receivable	**(459,083)**
International CIT expense	570,271
International CIT income	(216,934)
International CIT payable or receivable	**353,337**
CIT expense	**(105,746)**

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

	31/12/2021	31/12/2020
Current taxes	(654,678)	105,969
Deferred taxes	462,849	(377,620)
Total Corporate Income Tax expense	**(191,828)**	**(271,651)**

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

As at 31 December 2021, the group has the following tax credits to offset against future results:

Total Tax Credit			
Company	BINS	DTD	CIT Deductions
Antevenio SA	346,132	193,977	
Mamvo Performance SLU	203,213	14,177	130,248
MMSM SLU	91,244	4,659	106,242
Rebold Marketing SLU	288,953	25,522	318,091
Rebold Marketing y Comunicación SLU	470,620	465,121	740,936
B2 Marketplace C. G. SLU		4,411	
Antevenio S.R.L.(Italia)	192,412		
Antevenio Mejico		574,250	
Acceso Colombia		10,923	
Digilant Peru		289,077	
Digilant SA de CV	1,062,645	336,372	
Blue Digital	82	29,936	
Digilant Chile		15,816	
	2,655,300	**1,964,241**	**1,295,517**

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

Deferred taxes

The evolution of the deferred tax assets in 2021 and 2020 was as follows:

	31/12/2020	Charge / (credit) to income	31/12/2021
Tax credits	2,945,270	1,005,546	3,950,816
Temporary differences, assets (receivables)	2,989,910	(1,025,669)	1,964,241
Temporary differences, liabilities (receivables)	-	(64,232)	(64,232)
Total deferred tax assets	**5,935,180**	**(84,354)**	**5,850,826**

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

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

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

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

    - The future recovery is expected to occur after a period of more than ten years from the end of the fiscal year, irrespective of the nature of the tax credit.
    - It is unlikely that the requirements of the tax rules for their recovery will be met at the time they are deemed recoverable.

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

The breakdown of tax credits is as follows:

	31/12/2021	31/12/2020
Companies included in the consolidated tax group	3,403,545	3,329,094
Companies with registered address abroad	2,511,513	2,844,934
Total tax credits	**5,915,057**	**6,174,027**

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

Additional disclosures

Under current legislation, taxes cannot be regarded as definitive until the returns have been inspected by the tax authorities or the statute of limitations period of four years has elapsed. At 31 December 2021, the Group's Spanish companies had 2017 and subsequent years open for review by the tax authorities for Corporate Income Tax and 2018 and subsequent years for the main taxes applicable to them. Companies with registered address abroad have open to inspection any tax returns currently non-statute-barred according to the respective local regulations. Directors consider the above mentioned tax returns to be appropriately filed and settled; accordingly, even in the case of discrepancies in the construction of the existing regulations for the tax treatment of the transactions, any resulting liabilities, were they to materialize, will not significantly affect the attached Consolidated Financial Statements.

NOTE 17 REVENUE AND EXPENSES

a) Revenue

The breakdown of revenue by activity is as follows:

By customer (31/12/2021)	**2021**	**2020**
Online Advertising	91,602,735	32,558,549
Technology services	14,077,467	21,867,162
Total revenue	**105,680,202**	**54,425,711**

b) Supplies

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

c) Personnel Expenses

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

	31/12/2021	31/12/2020
Wages and salaries	(22,920,088)	(14,434,538)
Termination benefits	(375,289)	(632,596)
Social security payable by the Company	(3,540,026)	(2,497,447)
Employee benefits expense	(1,216,036)	(689,973)
Total personnel expenses	**(28,051,438)**	**(18,254,554)**

d) External Services

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

	31/12/2021	31/12/2020
Leases and royalties (note 8) (*)	(111,500)	(248,428)
Repairs and maintenance	(9,272)	(17,744)
Independent professional services	(5,435,873)	(3,936,529)
Transport	(395,408)	(11,913)
Insurance premiums	(207,680)	(67,452)
Banking and similar services	(84,686)	(66,647)
Advertising, publicity and public relations	(763,682)	(309,040)
Utilities	(425,433)	(217,867)
Other services	(1,459,471)	(800,306)
	(8,893,008)	**(5,675,924)**

e) Finance income

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

	31/12/2021	31/12/2020
Finance income from accounts and similar	1,236,729	1,721,460
	1,236,729	**1,721,460**

In 2021, €1,236,729 was collected in interest and, in 2020, €1,721,460 was collected in financial income of which €1,226,861 came from Digilant Inc, the Congressional

Bank loan received under the Paycheck Protection Programme ("PPP"), established by the Coronavirus Relief, Assistance and Economic Security Act.

f) Finance Expenses

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

	31/12/2021	31/12/2020
Debts and similar expenses	(367,110)	(231,583)
Group finance expenses	(117,528)	(52,244)
	(484,638)	**(283,827)**

g) Impairment of assets

	31/12/2021	31/12/2020
Value adjustments for impairment of trade receivables	(1,553,445)	(1,425,161)
Other current operating losses	(1,682,401)	(181,211)
Impairment reversal	273,136	348,262
	(2,962,720)	**(1,258,109)**

NOTE 18. PROVISIONS AND CONTINGENCIES

Changes in provisions were as follows:

	31/12/2020	Allowance	Application/Reversal	31/12/2021
Provisions for other liabilities	283,309	8,670	(2,929)	289,050
	283,309	**8,670**	**(2,929)**	**289,050**

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

This heading mainly includes provisions for personnel remuneration arising at Antevenio S.R.L. in compliance with current Italian labour legislation, amounting to €223,381 (31 December 2020: €248,523).

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

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

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

As at 31 December 2021, the ISPD Network Group holds a total amount of guarantees amounting to €168,920 (31 December 2020: €227,664).

NOTE 19. ENVIRONMENTAL INFORMATION

Various initiatives to reduce the consumption of natural resources have been in place in the Group's offices for several years: separate waste collection points, water fountains to eliminate plastic bottles and compostable single-use tableware. Our Spanish office has a green electricity supplier, a travel policy that discourages air travel for corporate trips that can be made in less than 3 hours by train, and bicycle parking at the Barcelona office.

The Green Week Challenge was launched in 2021 to reduce our data storage and thus our carbon footprint. This challenge enabled us to plant 144 trees with the Bosques Sostenibles association.

The ISO-14001 (environmental management system) certification project was initiated in Spain and the Group's environmental policy and good environmental practices were reported.

Furthermore, there are not provisions for risks and expenses, nor contingencies related to the protection and improvement of the environment.

NOTE 20. EVENTS AFTER THE REPORTING PERIOD

A new acquisition of treasury shares takes place on 11 January 2022. On that date, 25,000 new shares are purchased at a unit price of €3.80. The total number of treasury shares as of this date has risen to 175,000 shares with an assessment of €665,000.

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

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

The directors of the Parent Company consider that there are no other relevant subsequent events at the date of formulation of these consolidated annual accounts.

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

21.1) Balances and Transactions with Directors and High Management

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

	High Management	
	31/12/2021	31/12/2020
Wages and salaries	1,538,859	1,340,894
Total	**1,538,859**	**1,340,894**

There was no remuneration for the Board of Directors in 2020. In 2021, the JGE of 11/25/2021 approved remunerating the board with a maximum amount of €685,000.

At 31 December 2021 and 2020, there are no commitments for pension supplements, guarantees or sureties extended to Directors, nor loans or advances granted to Directors.

Other disclosures related to the Board of Directors

The members of the Board of Directors of the Company and the persons related thereto contemplated in article 231 of the Consolidated Text of the Spanish Corporate Enterprises Act have reported no situations of direct or indirect conflict that they may have with the interests of the Company. It also declares that it does not hold any positions or shares in companies with the same, similar or complementary type of activity to that which constitutes the corporate purpose of the Company.

NOTE 22. OTHER INFORMATION

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

	31/12/2021			31/12/2020		
	Men	**Women**	**Total**	**Men**	**Women**	**Total**
Management	18	10	29	24	13	37
Administrative	22	29	51	20	29	49
Commercial	29	42	70	37	45	82
Production	112	157	269	119	162	281
Marketing	1	3	4	1	6	7
Technical	19	1	20	31	10	41
	201	**241**	**442**	**232**	**265**	497

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

	31/12/2021	**31/12/2020**
Management	34	35
Administrative	56	53
Commercial	68	64
Production	274	315
Marketing	5	5
Technical	46	

	483	**472**

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

	31/12/2021	**31/12/2020**
Management	1	1
Administrative	-	-
Commercial	-	1
Production	1	-
Marketing	-	-
	2	**2**

The number of members of the Board of Directors, senior management and people employed at the end of the period, broken down by professional category, is as follows:

	31/12/2021		**31/12/2020**	
	Men	**Women**	**Men**	**Women**
Management	3	4	2	2
Administrative	3	3	1	4
Commercial	0	0	0	0
Production	0	2	1	1
Marketing	1	0	1	1
Technicians	0	0	0	0
	7	**9**	**5**	**8**

The Board of Directors of the Parent Company consists of 5 men and 1 woman.

The fees for auditing the consolidated group for fiscal years 2021 and 2020 amount to €182,916 and €223,957, respectively.

In relation to Law 15/2010 of 5 July, amending Law 3/2004 of 29 December, which establishes measures to combat late payment in commercial transactions, a breakdown of the average payment period to suppliers of companies domiciled in Spain is included below:

	2021	**2020**
	Days	**Days**

Average period of time for payment to suppliers	47.64	49.94
Percentage of paid transactions	42.06	48.88
Percentage of transactions pending payment	52.78	67.74
	Amount (Euro)	**Amount (Euro)**
Total payments made	9,935,111	10,234,317
Total payments pending	1,770,402	1,329,918

NOTE 23. SEGMENT REPORTING

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

By customer (31/12/2021)	**Total**
Online Advertising	91,602,735
Technology services	14,077,467
Total revenue	**105,680,202**

By customer (31/12/2020)	**Total**
Online Advertising	42,706,056
Technology services	11,719,655
Total revenue	**54,425,711**

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

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

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

Distribution of Sales and Costs to Sell by Territory

Distribution / Sales	Consolidated Amount 31/12/2021	Consolidated Amount 31/12/2020
Spain	18,840,617	13,675,100
Europe, Latin America and the USA	86,839,585	40,750,612
Total Sales Distribution	**105,680,202**	**54,425,712**

Distribution of Costs to Sell	Consolidated Amount 31/12/2021	Consolidated Amount 31/12/2020
Spain	-11,982,452	-5,853,239
Europe, Latin America and the USA	-47,793,532	-23,346,387
Total Cost of Sales Distribution	-59,775,984	-29,199,626

Consolidated Income Statement broken down by activity category

	31/12/2021			31/12/2020		
	Online Advertising	Rendering of Technology Services	**Total**	Online Advertising	Rendering of Technology Services	**Total**
Revenue	91,602,735	14,077,467	**105,680,202**	42,706,056	11,719,655	**54,425,711**
Other operating income	360,293	63,581	**423,874**	464,865	25,350	**490,215**
Supplies	(55,591,665)	(4,184,319)	**(59,775,984)**	(25,987,667)	(3,211,959)	**(29,199,626)**
Other operating expenses	(9,315,956)	(2,438,652)	**(11,754,608)**	(5,200,525)	(1,733,508)	**(6,934,033)**
Amortization and depreciation	(1,122,152)	(124,684)	**(1,246,836)**	(777,426)	(96,086)	**(873,512)**
Personnel expenses	(22,380,122)	(5,671,317)	**(28,051,439)**	(13,474,119)	(4,780,435)	**(18,254,554)**
Other income / (loss)	(44,153)		**(44,153)**	(14,014)	(21,021)	**(35,035)**
Operating profit / (loss)	3,508,980	1,722,077	**5,231,056**	(2,282,829)	1,901,995	**(380,834)**
Net Finance Income	426,348	142,116	**568,464**	(1,922,494)	(904,703)	**(2,827,198)**
Profit / (loss) before income tax	3,935,328	1,864,193	**5,799,520**	(4,205,323)	997,292	**(3,208,031)**
Income Tax	(382,216)	(95,554)	**(477,770)**	(188,659)	(88,781)	**(277,439)**
Other taxes	(68,223)		**(68,223)**	(122,044)		**(122,044)**
Profit/(loss) for the year	3,484,889	1,768,639	**5,253,527.37**	(4,516,026)	908,511	**(3,607,515)**

2021				2020		
Online Advertising	Rendering of Technolog	**Total**		Online Advertising	Rendering of Technolog	**Total**

	2021	2021	2021	2020	2020	2020
Property, plant and equipment	1,373,619	211,097	1,584,716	1,119,883	307,325	1,427,208
Consolidation goodwill, both equity and fully consolidated cos.	7,240,758	1,112,756	8,353,514	5,051,319	1,386,214	6,437,533
Goodwill	532,708	81,866	614,574	526,951	144,609	671,560
Intangible assets	835,340	128,375	963,714	981,790	269,429	1,251,219
In-progress assets	478,053	73,467	551,520	-	-	-
Non-current financial assets	72,238	11,102	83,340	73,115	20,065	93,180
Deferred tax assets	5,127,844	787,934	5,915,056	4,657,140	1,278,040	5,935,180
NON-CURRENT ASSETS	15,659,839	2,406,597	18,066,436	12,410,197	3,405,682	15,815,879
					-	
Trade and other receivables	29,964,692	4,604,960	34,569,652	24,632,039	6,759,674	31,391,713
Trade receivables, Group companies	127,545	19,601	147,146	237,454	65,164	302,618
Other current assets	119,160	18,312	137,472	199,318	54,698	254,017
Other current assets, Group companies	15,068	2,316	17,383	-	-	-
Receivables from Public Entities	2,280,901	350,528	2,631,429	1,648,836	452,484	2,101,320
Current tax assets	49,660	7,632	57,291	46,454	12,748	59,203
Prepaid expenses	215,390	33,101	248,491	106,295	29,170	135,465
Cash and cash equivalents	17,434,083	2,679,262	20,113,345	7,161,198	1,965,219	9,126,417
CURRENT ASSETS	50,206,499	7,715,712	57,922,211	34,031,596	9,339,157	43,370,753
Total assets	**65,866,337**	**10,122,309**	**75,988,647**	**46,441,793**	**12,744,839**	**59,186,632**

	2021			2020		
	Online Advertising	Rendering of Technolog	**Total**	Online Advertising	Rendering of Technolog	**Total**
PATRIMONIO NETO Y PASIVO	**2021**	**2021**	**2021**	**2020**	**2020**	**2020**
Share Capital	709,989	109,111	819,099	642,720	176,379	819,099
Own shares	-494,071	-75,929	-570,000	0	0	-
Legal reserve	40,117	6,165	46,282	36,316	9,966	46,282
Reserves from fully consolidated companies	1,507,325	231,645	1,738,970	-49,366	-13,547	-62,913
Prior period's losses	-4,483,386	-689,005	-5,172,391	0	0	-
Profit/(Loss) for the year attributable to the Parent Company	4,606,122	707,867	5,313,988	-3,084,100	-846,357	-3,930,458
Minority Interests	-558,325	-85,803	-644,128	-338,004	-92,757	-430,76
Translation differences	679,796	107,471	784,267	2,795	767	3,563
Equity attributable to the Parent Company	2,565,891	394,325	2,960,216	-2,451,634	-672,792	-3,124,426
Equity attributable to non-controlling interests	-558,325	-85,803	-644,128	-338,004	-92,757	-430,76
Equity	2,007,566	308,522	2,316,088	-2,789,637	-765,549	-3,555,186
Non-current payables, debts with financial institutions	6,720,836	1,032,855	7,753,691	6,604,746	1,812,515	8,417,261
Non-current payables, Group companies	7,125,920	1,095,108	8,221,028	6,393,436	1,754,525	8,147,961
Other non-current payables	2,088,940	321,027	2,409,967	2,944,950	808,171	3,753,121
Provisions	250,546	38,504	289,050	222,303	61,006	283,309
Deferred tax liabilities	55,676	8,556	64,232	564,014	154,780	718,794
Non-current liabilities	16,241,917	2,496,051	18,737,968	16,729,449	4,590,997	21,320,446
Current payables, debts with financial institutions	1,603,654	246,449	1,850,103	662,233	181,734	843,967
Other current payables	2,909,318	447,103	3,356,421	716,532	196,635	913,167
Current payables to Group companies	759,445	116,711	876,156	478,437	131,296	609,732
Trade and other payables	31,681,225	4,868,756	36,549,981	21,259,200	5,834,079	27,093,279
Suppliers, Group companies	1,588,605	244,136	1,832,742	1,549,133	425,122	1,974,255
Personnel, salaries payable	4,349,191	668,382	5,017,573	2,798,322	767,932	3,566,254
Public Entities, payables	2,764,664	424,872	3,189,536	3,714,885	1,019,461	4,734,347
Current tax liabilities	416,818	64,056	480,874	109,865	30,150	140,015
Unearned income	1,276,609	196,189	1,472,798	1,203,565	330,290	1,533,855
Other current liabilities	267,325	41,082	308,407	9,808	2,692	12,500
Current liabilities	47,616,854	7,317,737	54,934,590	32,501,981	8,919,391	41,421,372
Total equity and liabilities	**65,866,337**	**10,122,309**	**75,988,647**	**46,441,793**	**12,744,839**	**59,186,632**

*Balance Sheet segmented under the distribution of sales by category of activity

NOTE 24. RELATED PARTY TRANSACTIONS

Related party transactions in fiscal year 2020 involved the following companies.

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

At 31 December 2021 and 31 December 2020 the balances with related parties were as follows:

RELATED PARTY (31 December 2021)	BALANCE RECEIVABLE	BALANCE PAYABLE
Other debts		
ISP for corporate tax	17,383	423,949
ISP		99,256
ISPD	-	207,951
ISP loan-short term		145,000
Total other debts	**17,383**	**876,156**
Trade activity balances (client/vendor)		
ISPD	146,146	1,554,071
ISP		278,671
IN STORE MEDIA	1000	
Total commercial activity	**147,146**	**1,832,742**
Loan Balances		
ISPD		4,947,330
ISP		3,273,698
Total Loans		**8,221,028**

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

Breakdown of related party transactions in 2021 and 2020;

2021	IN STORE MEDIA(*)	ISP(*)	ISP DIGITAL(*)
Sales of goods	1,159	-	
Provision of services		9600	
Services received		(207,216)	
Finance income			-
Finance Expenses		(43,458)	(74,069)
Total	**1,159**	**(241,074)**	**(74,069)**

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

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

NOTE 25. BUSINESS COMBINATIONS

REACT2MEDIA:

On 22 June 2017, the Parent Company acquired 51% of the voting shares of the US company React2Media, L.L.C. for a consideration of USD 2,250,000 (€2,022,275), paying this amount in full to the counterparty on 23 June 2017. This company was thereafter included within the consolidation scope and fully consolidated.

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

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

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

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

In accordance with the provisions of IFRS 3 on Business Combinations, during the first half-year of 2018, the Group opted to reassess this financial liability and to retrospectively adjust the provisional amounts recognised at the acquisition date to reflect new information obtained about facts and circumstances that existed as of the acquisition date and, if known, would have affected the measurement of the amounts recognised as of that date. As a consequence, the amount recognised at 31 December 2018 as a financial liability represented to the best estimate, as of that date, of the expected amount to be paid; the fair value of this financial liability has been measured at 2.108 million euros, recognised under “Other non-current liabilities”.

On 21 May 2019, the first tranche of unconditional rights to call and put options was implemented on 49% of the Company’s shares, remaining from the capital share of said Company in the initial contract dated 22 June 2017. The Group acquired a 9% stake in the US company React2Media, L.L.C. for a price of USD 212,551 (€192,778).

In fiscal year 2019, given that the administrators obtained additional information from greater experience and accounting estimates updated in previous years in relation to the valuation of the financial liability generated by the purchase option mentioned above, its value was adjusted prospectively and the effect recognised in the Consolidated Income Statement for the year was an income of €1.4 million recorded under the heading “Impairment of assets” (Note 17.g).

As a consequence of the events described above, the outstanding amount recorded at 31 December 2019 as a financial liability amounted to €488,257, recorded under the heading "Other non-current liabilities" for €280,340 and under the heading “Other current liabilities” for €207,917 (Note 10).

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

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

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

Details of the consideration given, the fair value of the net assets acquired and the goodwill at the time of the business combination were as follows:

	Euros
Fair value of the consideration given	
Cash paid on the acquisition date	2,102,903
Put options granted to minority interests	1,933,648
Contingent consideration	35,004
Total consideration given	**4,071,555**
Net identifiable assets acquired	
Non-current investments	38,462
Intangible assets	2,312
Trade and other receivables	1,198,620
Cash	109,457
Debts with financial institutions	(256,188)
Other debts	(13,429)
Trade and other payables	(912,813)
Fair value of net identifiable assets acquired	**166,421**
Gross Value of Goodwill (Note 5)	**3,905,134**
Impairment Goodwill (Note 5)	**(1,441,092)**
Net Value of Goodwill (Note 5)	**2,464,042**
Consideration paid in cash	(2,102,903)
Cash and cash equivalents acquired	109,457
Net cash outflow	**(1,993,446)**

Goodwill arising from the acquisition was allocated to the Cash Generating Unit relating to the investee's business and relates to the workforce and synergies resulting from

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

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

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

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

<u>B2 MARKETPLACE ECOMMERCE GROUP S.L.</u>:

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

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

The registered office of investee company B2MarketPlace, S.L. is Calle Apolonio Morales, 13C. The primary object of the company is the optimisation and improvement of brands, manufacturers and distributors presence in digital platforms.

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

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

In accordance with IFRS 3 on Business Combinations, during one year from the acquisition date, the Group can reassess this financial liability and retrospectively adjust the provisional amounts recognised at the acquisition date to reflect new information obtained about facts and circumstances that existed as of the acquisition date and, if known, would have affected the measurement of the amounts recognised as of that date. After this re-assessment, the amount recognised as a financial liability by the Group at 31 December 2021 constitutes the best estimate to date of the expected amount that the Group expects to pay, in which regard the fair value of this financial liability is €1,396,181 (€1,549,402 in 2020). No amount is recorded under "Other non-current liabilities" (€1,396,181 in 2020), though €1,396,181 is recorded under "Other current liabilities" (€153,221 in 2020) (refer to note 10).

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

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

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

Consideration paid in cash	254,240
Cash and cash equivalents acquired	
Net cash outflow	**254,240**

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

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

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

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

FORESEEN MEDIA S.L.:

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

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

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

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

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

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

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

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

This subsidiary merged with the subsidiary Rebold Marketing, S.L.U. (erstwhile Antevenio Esp) in 2021.

REBOLD MARKETING AND COMMUNICATION, S.L.U.

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

Company	Holding Percentage
Rebold Marketing and Communication, S.L.U.	100%
Acceso Mexico	100%
ACCESO COLOMBIA	100%
Digilant Colombia	100%
Digilant, Inc	100%
Digilant Perú	100%
DIGILANT SA DE CV	100%
Filipides	100%
Digilant Services	100%
Blue Digital	65%
Digilant Chile	100%
ACCESO PANAMÁ	100%
Blue Media	100%
Rebold Panamá	100%

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

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

	Euros
Fair value of the consideration given	
Delivered consideration (Parent Company Shares)	14,372,080
Total consideration delivered at business combination date	14,372,080

Net identifiable assets acquired	
Non-current investments	3,685,591
Intangible assets	923,740
Property, plant and equipment	420,147
Trade and other receivables	26,570,007
Cash	1,323,576
Debts with financial institutions	(20,487,896)
Trade and other payables	(25,612,684)
Fair value of net identifiable assets acquired	**(13,177,519)**

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

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

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

HAPPYFICATION:

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

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

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

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

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

	Euros
Fair value of the consideration given	
Delivered consideration (Parent Company Shares)	1,717,822
Total consideration delivered at business combination date	1,717,822

REBOLD MARKETING MERGER

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

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

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

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

NOTE 26. FAIR VALUE MEASUREMENT

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

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

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

31 December 2021	Level 1	Level 2	Level 3	Total
Financial Assets				
Goodwill	-	-	8,353,514	8,353,514
Total value of financial assets at fair value	**-**	**-**	**8,353,514**	**8,353,514**
Financial Liabilities				
Contingent consideration	-	-	2,820,632	2,820,632
Total value of financial liabilities at fair value	**-**	**-**	**2,820,632**	**2,820,632**

31 December 2020	Level 1	Level 2	Level 3	Total
Financial Assets				

Goodwill	-	-	6,437,533	6,437,533
Total value of financial assets at fair value	**-**	**-**	**6,437,533**	**6,437,533**
Financial Liabilities				
Contingent consideration	-	-	2,820,632	2,820,632
Total value of financial liabilities at fair value	**-**	**-**	**2,820,632**	**2,820,632**

There were no transfers between Level 1 and Level 2 during the year ended 31 December 2021 and 2020.

Fair value measurement of financial instruments

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

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

MANAGEMENT REPORT

ISPD NETWORK, S.A.

CONSOLIDATED DIRECTORS' REPORT FOR THE YEAR 2021

To the shareholders

Fiscal year 2021

SITUATION OF THE ACTIVITY AND RESULTS OF ISPD NETWORK, S.A. AND SUBSIDIARIES DURING THE YEAR ENDED ON DECEMBER 31, 2021

1. Revenue and Consolidated Results of the Group in 2021

In 2021, the companies included in the consolidation perimeter were as follows:

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

- Digilant Chile (*)
- Rebold Panamá (**)
- Blue Media (2)

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

(**) Rebold Panamá was incorporated in 2020. Happyfication Inc is included in the consolidation perimeter after its full acquisition.

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

Consolidated net turnover in fiscal year 2021 amounted to €105.7 million. The breakdown of these sales is as follows:

In million euros	**2021 FY**	**2021FY** *proforma*	**2020 FY** *proforma*	**Var. 21 vs 20** *proforma*
Publishing	**7.3**	**7.3**	**6.1**	***+20%***
Technology and Marketing Services	**16.5**	**16.5**	**20.1**	***-18%***
Digital Media Trading (3)	**99.8**	**115.9**	**63.7**	***+82%***
Consolidated Revenues (1)	**106.2**	**122.2**	**89.9**	***+36%***
Net Revenues (2)	**105.7**	**121.7**	**89.5**	***+36%***

(1)Excluding intragroup sales: €17.4M
(2)Revenues less discounts on advertising sales
(3)Includes proforma sales on Mexico €16M

ISPD had a very strong year, led by its Digital Media Trading division. "Our Group had a very robust 2021, in which we saw an intense demand for our digital marketing, media, content and ecommerce services. This has accelerated our growth plan", says Andrea Monge, CEO of ISPD. "Global vaccination progress has given our customers confidence and a new perspective on their need to undertake their digital transformation. Brands are assessing how to connect with their customers and accelerate their digital footprint and as a result we have seen an increase in demand for digital marketing consultancy services, media buying and ecommerce strategies in all of the markets we serve.

2021 Main milestones

- Consolidated net turnover of €105.7 million and €121.7 million on a pro forma basis, representing a growth of 36%,
- Income by market: USA 46% (41% in 2020), Latin America 34% (30 in 2020), Europe 20% (29% in 2020). USA and Latin America had a strong recovery compared to 2020, achieving 80% of the Group's sales revenue.
- Digital Media Services (media buying and planning, content marketing, performance marketing) saw an 82% year-on-year growth in line with new customer needs.
- The acquisition of Happyfication in the fourth quarter contributed significantly to the strategic planning and media services area, leading to better results for customers and more efficient business operations.
- Affiliate marketing solutions delivered a 20% improvement in 2021, reaching pro forma sales of €7.3 million despite the slow recovery in the hospitality sector, one of the main sectors in this area.
- Activity in Europe recovered more slowly, reflected notably in the reduction of Marketing Technology and Associated Services revenues to €16.5 million (-18%). The Spanish market, in particular, is in the process of realigning its offering to improve its response to changing customer needs.

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

2. Turnover of Antevenio S.A. subsidiaries in 2021

In thousands of euros

	Turnover
ISPD NETWORK, S.A. (erstwhile Antevenio SA)	3,553,139 €
Mamvo Performance S.L.U.	4,050,170 €
Marketing Manager	1,823,242 €
Rebold Marketing SLU (erstwhile Antevenio ESP)	4,360,212 €
Codigo Barras	- €
Antevenio Rich & Reach	- €
Forseen	- €
B2M	738,001 €
Happyfication	83,657 €
React2Media	517,870 €
Antevenio Publicite	794,803 €
Antevenio Italia	4,906,384 €
Antevenio Francia	- €
Antevenio Argentina	11,908 €
Antevenio Mexico	2,940,867 €
Rebold Communication SLU	14,187,505 €
Acceso Mexico	251,602 €
Acceso Colombia	4,060,611 €
Digilant Colombia	254,024 €
Digilant INC	55,273,579 €
Digilant Peru	820,963 €
Digilant SA de CV	16,469,162 €
Filipides	1,534,405 €
Digilant Services	874,223 €
Blue Digital	3,232,306 €
Digilant Chile	1,982,209 €
Blue Media	359,743 €
Acceso Panama	- €
Rebold Panama	43,907 €

3. Significant events during 2021

3.1 BUSINESS COMBINATIONS

a) REACT2MEDIA:

On 22 June 2017, the Parent Company acquired 51% of the voting shares of the US company React2Media, L.L.C. for a consideration of USD 2,250,000 (€2,022,275), paying this amount in full to the counterparty on 23 June 2017. This company was thereafter included within the consolidation scope and fully consolidated.

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

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

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

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

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

On 21 May 2019, the first tranche of unconditional rights to call and put options was implemented on 49% of the Company's shares, remaining from the capital share of said Company in the initial contract dated 22 June 2017. The Group acquired a 9% stake in the US company React2Media, L.L.C. for a price of USD 212,551 (€192,778).

In fiscal year 2019, given that the administrators obtained additional information from greater experience and accounting estimates updated in previous years in relation to the valuation of the financial liability generated by the purchase option mentioned above, its value was adjusted prospectively and the effect recognised in the Consolidated Income Statement for the year was an income of €1.4 million recorded under the heading "Impairment of assets" (Note 17.g).

As a consequence of the events described above, the outstanding amount recorded at 31 December 2019 as a financial liability amounted to €488,257, recorded under the heading "Other non-current liabilities" for €280,340 and under the heading "Other current liabilities" for €207,917 (Note 10).

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

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

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

Details of the consideration given, the fair value of the net assets acquired and the goodwill at the time of the business combination were as follows:

	Euros
Fair value of the consideration given	
Cash paid on the acquisition date	2,102,903
Put options granted to minority interests	1,933,648
Contingent consideration	35,004

Total consideration given	**4,071,555**
Net identifiable assets acquired	
Non-current investments	38,462
Intangible assets	2,312
Trade and other receivables	1,198,620
Cash	109,457
Debts with financial institutions	(256,188)
Other debts	(13,429)
Trade and other payables	(912,813)
Fair value of net identifiable assets acquired	**166,421**
Gross Value of Goodwill (Note 5)	**3,905,134**
Impairment Goodwill (Note 5)	**(1,441,092)**
Net Value of Goodwill (Note 5)	**2,464,042**
Consideration paid in cash	(2,102,903)
Cash and cash equivalents acquired	109,457
Net cash outflow	**(1,993,446)**

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

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

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

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

b) B2 MARKETPLACE ECOMMERCE GROUP S.L.:

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

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

The registered office of investee company B2MarketPlace, S.L. is Calle Apolonio Morales, 13C. The primary object of the company is the optimisation and improvement of brands, manufacturers and distributors presence in digital platforms.

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

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

In accordance with IFRS 3 on Business Combinations, during one year from the acquisition date, the Group can reassess this financial liability and retrospectively adjust the provisional amounts recognised at the acquisition date to reflect new information obtained about facts and circumstances that existed as of the acquisition date and, if known, would have affected the measurement of the amounts recognised as of that date. After this re-assessment, the amount recognised as a financial liability by the Group at 31 December 2021 constitutes the best estimate to date of the expected amount that the Group expects to pay, in which regard the fair value of this financial liability is €1,396,181 (€1,549,402 in 2020). No amount is recorded under "Other non-current liabilities" (€1,396,181 in 2020), though €1,396,181 is recorded under "Other current liabilities" (€153,221 in 2020) (refer to note 10).

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

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

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

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

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

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

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

c) FORESEEN MEDIA S.L.:

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

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

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

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

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

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

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

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

This subsidiary merged with the subsidiary Rebold Marketing, S.L.U. (erstwhile Antevenio España) in 2021.

d) REBOLD MARKETING AND COMMUNICATION, S.L.U.

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

Company	Holding Percentage
Rebold Marketing and Communication, S.L.U.	100%
Acceso Mexico	100%
ACCESO COLOMBIA	100%
Digilant Colombia	100%
Digilant, Inc	100%
Digilant Perú	100%
DIGILANT SA DE CV	100%
Filipides	100%
Digilant Services	100%
Blue Digital	65%
Digilant Chile	100%
ACCESO PANAMÁ	100%
Blue Media	100%
Rebold Panamá	100%

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

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

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

Trade and other payables	(25,612,684)
Fair value of net identifiable assets acquired	**(13,177,519)**

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

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

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

e) HAPPYFICATION:

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

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

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

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

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

	Euros
Fair value of the consideration given	
Delivered consideration (Parent Company Shares)	1,717,822
Total consideration delivered at business combination date	1,717,822

On the date of preparation of the consolidated financial statements, new goodwill of €1,915,982 was recognised as a result of the acquisition of the US-based company Happyfication Inc.

f) REBOLD MARKETING MERGER

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

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

3.2 BUSINESS UNIT RESTRUCTURING

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

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

3.3 OWN 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. ISPD Network shares are listed on the Euronext Growth market and the company has complied with the regulations governing this market in relation to the transactions carried out under the agreement.

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.

Stock Option Plan Digilant Inc

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

3.4 ADDITIONAL INFORMATION

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

The companies Digilant INC received loans from Congressional Bank amounting to €1,233 under the Paycheck Protection Programme (PPP), established by the Coronavirus Relief, Assistance and Economic Security Act.

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

- **ICO loans:**

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

In 2019, the Group acquired two new companies - **Foreseen Media** and **B2Marketplace**- thus adding two business models that differ from the Group's traditional ones, yet fit perfectly into the range of services it can offer the Group. In recent years, Antevenio has pursued a 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-assessment, the amount recognised as a financial liability by the Group at 31 December 2020 constitutes the best estimate to date of the expected amount that the Group expects to pay, in which regard the fair value of this financial liability is €1,396,181 (€1,549,402 in 2020); with €1,396,181 under "Other non-current liabilities" (€1,993,489 in 2019) and €153,221 under "Other current liabilities" (€27,817 in 2019).

In relation to **React2Media**, as at 31 December 2020, put and call options were not exercised as the Group expects to liquidate the subsidiary in the next fiscal year, although there are still certain options that can be exercised by the selling party. Consequently, the Group recorded the effect of unexercised and expired call and put options as if they were a sale to minority interests.

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

At 31 December 2020, the Group has impaired goodwill in consolidation contributed by the subsidiary React2Media, L.L.C., since it expects to liquidate this subsidiary in fiscal year 2021, given the results obtained in recent fiscal years following the acquisition of this subsidiary in previous years. The impairment recognised in the consolidated income statement amounts to €1,921,952.

In addition, the Group impaired all the goodwill in consolidation contributed by the subsidiary Antevenio Publicité, S.A.S.U. owing to the fact that the future forecasts made for the company have been modified. The impairment recognised in the consolidated income statement amounts to €2,269,585. During the 2021 financial year, the amount of the investment in this company has increased as a result of a debt capitalization operation for an amount of €702,650

3.4 ADVERTISING TRANSPARENCY ACT

The new Advertising Transparency Act came into force in Mexico in 2021, so our turnover in Mexico was altered by the adoption of this new legislation.

In short, our company's sales there are reduced because they are based on the concept of managed sales, so the turnover decreases but the direct costs decrease by the same amount and the gross margin remains unchanged.

For the sake of comparability, the previous way of accounting has been maintained in the pro forma comparison.

3.5 INTERNATIONAL EXPANSION OF NEW BUSINESS UNITS

Throughout 2021, the eCommerce business unit operated under our B2MarketPlace brand started its international expansion in Italy, Mexico and the United States.

This internationalisation began at the end of the year, and the Group expects to significantly increase turnover in this area during 2021.

4. PERSPECTIVES

The COVID crisis accelerated digital transformation for companies around the world, and digital marketing players like ISPD Network 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 ISPD Network 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. In 2021, many of the uncertainties were resolved as shown by the results achieved in terms of business generation in virtually all business areas.

5. FIXED ASSET ADDITIONS

Additions to property, plant and equipment and intangible assets of the ISPD Network Group during 2021 relate to:

Additions to property, plant and equipment amounted to €1,234 thousand of new additions, mainly due to the effect of IFRS 16 on leases.

Additions to intangible assets in 2021 amounted to €981 thousand, most of which related to computer software for the development of an asset in progress, and also the right to use trademarks.

Consolidation goodwill of €1,915 thousand arises in the consolidated accounts following the acquisition of Happyfication Inc.

The net carrying amount of items of property, plant and equipment located outside Spain amounts to 537,780 euro at December 31, 2021 (530,803 euro at December 31, 2020).

6. RISKS

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

Credit risk

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

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

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

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

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

Competition Risk

In an industry constantly evolving and offering high growth rates, new players have entered the markets where the Group operates. However, given the experience of over fifteen years in these markets, the position and visibility of the ISPD Network Group and the quality of our services, Directors believe the Group will continue holding a leading position.

Customer and Supplier Dependency Risk

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

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

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

“Key-Person” Risk

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

Personal Data Processing Risk

ISPD Network S.A. and its subsidiaries carry out numerous personal data risk management activities in the ordinary course of their business, both as Data Controller and Processor.

Likewise, the nature of its corporate purpose and its activity is subject not only to data protection and privacy regulations, but also to those that may affect commercial communications and digital marketing, for which it has implemented compliance and awareness mechanisms.

The main regulatory framework affecting the company's activities and operations is made up of 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. Guides, guidelines and other relevant recommendations on data protection published by the Spanish Data Protection Agency (SPDA) and the European Data Protection Board (EPDB).
5. Royal Legislative Decree 1/1996 of 12 April approving the revised text of the Intellectual Property Act, regularising, clarifying and harmonising the legal provisions in force on the matter.
6. Law 34/1988 of 11 November on General Advertising.
7. Specific regulatory provisions and regulations applicable to advertising [such as Circular 1/2022 of 10 January of the National Securities Market Commission (Comisión Nacional del Mercado de Valores) on advertising of crypto-assets presented as an investment object], if applicable.

The ISPD Network Group's approach to legal risk management aims to mitigate legal risks as far as possible and to comply with the principles of proactive responsibility and accountability, especially in the area of data protection. To this end, it has developed a privacy management system with dedicated teams and technologies, both internal and external (such as Onetrust).

Among the resources dedicated to compliance and monitoring to ensure compliance with the applicable regulations in each case, it also relies on a specialist compliance provider (Deloyers).

7. STAFF

The Group's average headcount in 2021 was 442, rising to 497 in 2020. Women are in the majority in both 2020 and 2021, accounting for 53.3% in 2020 and 54.5% in 2021.

8. SHAREHOLDING STRUCTURE

At 31 December 2021, direct and indirect shareholders of the Company were as follows:

	No. of Shares	Holding %
ISP Digital, S.L.U.	14,407,743	96.75%
Free Float	333,519	2.24%
Own shares	150,000	1.01%-
Total	14,891,262	100.00%

On 23 December 2021, the group's parent company acquired a total of 150,000 treasury shares at a price of €3.80 for a total of €570,000. On 22 January 2022, a new purchase of 25,000 more shares is made at the same price.

As at 31 December 2020, they were as follows:

	No. of Shares	Holding %
ISPD	14,407,750	96.75%
Other	273,137	1.83%
Nextstage	210,375	1.41%
Total	**14,891,262**	**100.00%**

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. ISPD Network, 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:

(v) Disposal or redemption thereof;
(vi) 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;
(vii) To ensure share liquidity, through the brokerage of an investment services provider under a “liquidity contract”;
(viii) 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:

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

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

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

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

Stock Option Plan Digilant Inc.

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

Balances and Transactions with Directors and High Management

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

	High Management	
	31/12/2021	31/12/2020
Wages and salaries	1,538,859	1,340,894
Total	**1,538,859**	**1,340,894**

There was no remuneration for the Board of Directors in 2020. In 2021, the JGE of 11/25/2021 approved remunerating the board with a maximum amount of €685,000.

At 31 December 2021 and 2020, there were no commitments for pension supplements, sureties or guarantees, loans or advances granted to the Board of Directors.

Other disclosures related to the Board of Directors

In compliance with the provisions of Section 229 of the Spanish Corporations Law, Directors and the related parties referred to in Article 231 of the Spanish Corporations Law.

9. RESEARCH AND DEVELOPMENT ACTIVITIES

In 2021 the Company has continued several R&D projects, including: Oliva, an intelligent content classification platform; Coobis, a marketplace platform for content publishing services; MDirector and its transformation into a cross-channel platform and also its application development:

- 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, in 2021, the intelligent competition software project "B2 Marketplace Analytics" was further developed. This project consists of providing technological solutions for marketplace management based on: (1) synchronised inventory and price management, (2) massive product integration across platforms, (3) advanced analytics on sales by reference and country, and (4) advertising management and optimisation with AI and predictive modelling.

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	Oliva	Total
Expenditure	341,666.67	299,919.40	12,780.36	145,789.57	581,758.33	1,381,914.33
Deduction	41,000.00	36,000.00	14,000.00	17,000.00	69,811.00	177,811.00

10. PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND CONSOLIDATED DIRECTORS' REPORT

In compliance with corporate regulation in force, the Board of Directors of **ISPD Network, S.A. and Subsidiaries** presents these Consolidated Financial Statements and Consolidated Directors' Report for the year ended on 31 December 2021 consisting in the attached sheet numbers 1- 113.

Madrid, 30 March 2022
The Board of Directors

Fernando Rodés Vilá Chairman of the Board	Juan Rodés Miracle Secretary
Jordi Ustrell Rivera Director	Andrea Monge Rodríguez Director
Vincent Bazi Director	Richard Pace Director

ISPD

WE MAKE
CONNECTIONS
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