ISPD

ISPD Network S.A. and Subsidiaries

Consolidated financial statements and consolidated management report for 2023

Including the Audit Report on the Consolidated Financial Statements

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(Translation of a report and accounts originally issued in Spanish and prepared in accordance with the International Financial Reporting Standards adopted by the European Union (EU-IFRS). 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 2023, 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 2023, 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 2023; 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 indicated in note 5 of the consolidated report, the Group's consolidated assets include consolidation goodwill amounting to 10,755 thousand euros, broken down into eight cash-generating units, corresponding to the subsidiary companies that they generate.

Taking into account the regulatory framework of financial information that is applicable, at least at the end of the financial year, valuation corrections must be made whenever there is objective evidence of signs of impairment. The methods allowed for calculating the recoverable amount are various and require the calculation of fair values, the calculation of present values of cash flows, including estimates of future sales and results and of discount and growth rates in perpetuity and the identification of capital gains. tacit, all of these areas being in which there is a high degree of judgment and estimation, since slight changes in the variables and assumptions used can have a significant impact on their determination in relation to the recognized goodwill. Therefore, we have considered this area as a more relevant aspect of our audit.

Our audit procedures have included, among others, the understanding of the procedure followed by the Group by which signs of impairment are identified, as well as the understanding of the procedure followed by the Group to obtain the information that has served as the basis for the calculation. of the recoverable value and the assumptions used. We have analysed the cash flow projections made, and we have involved specialists from our firm in the review of aspects related to the valuation methodology used, in the mathematical review of the model and in the analysis of the reasonableness of the most relevant hypotheses. Additionally, we have evaluated whether the information disclosed in the consolidated annual accounts meets the requirements of the applicable financial reporting regulatory framework.

Additional disclosures: Consolidated management report

The other information exclusively includes the management report for the 2023 financial year, the formulation of which is the responsibility of the Company's directors, and is not an integral part of the annual accounts.

Our audit opinion on the annual accounts does not cover the management report. Our responsibility for the management report, in accordance with the requirements of the regulations governing account auditing activity, consists of:

a) Only verify that the non-financial information statement has been provided in the manner provided for in the applicable regulations and, if not, report on it.

b) Evaluate and report on the consistency of the rest of the information included in the management report with the annual accounts, based on the knowledge of the entity obtained in carrying out the audit of the aforementioned accounts, as well as evaluate and report whether The content and presentation of this part of the management report are in accordance with the applicable regulations. If, based on the work we have performed, we conclude that there are material misstatements, we are required to report this.

Based on the work carried out, as described above, we have verified that the information mentioned in section a) above is provided in the manner provided for in the applicable regulations and that the rest of the information contained in the management report agrees with the of the annual accounts for the financial year 2023 and their content and presentation are in accordance 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

23 April 2024

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ISPD NETWORK S.A. AND SUBSIDIARY COMPANIES

Consolidated financial statement and consolidated management report for the financial year 2023

Including Auditors' Report on the consolidated financial statements.

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ISPD NETWORK, S.A. AND SUBSIDIARIES

Consolidated financial statements and consolidated management report 2023

CONSOLIDATED FINANCIAL STATEMENTS AND CONSOLIDATED MANAGMENT REPORT FOR 2023:

ISPD NETWORK S.A. AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS AND CONSOLIDATED MANAGEMENT REPORT FOR 2023

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 31 DECEMBER 2023
(Expressed in euro)

ASSETS	Note	31/12/2023	31/12/2022
Property, plant and equipment	6	1,665,581	2,221,695
Consolidation goodwill, both equity and fully consolidated cos.	5	10,754,813	8,195,485
Goodwill	7	295,779	402,249
Intangible assets	7	2,004,243	719,443
Fixed assets in progress	7	976,132	1,234,078
Non-current financial assets	9	184,936	103,788
Deferred tax assets	16	5,894,865	5,066,882
Non-current assets		**21,776,349**	**17,943,619**
Trade and other receivables	9	46,578,968	35,009,755
Trade receivables, Group companies	9 and 24	226,611	36,312
Other current assets	9	153,279	50,640
Other current assets, Group companies	9 and 24	878,531	-
Receivables from Public Entities	16	8,122,796	1,846,006
Current tax assets	16	53,990	2,635,720
Prepaid expenses		363,031	577,680
Cash and cash equivalents	9	11,720,904	18,964,822
Current assets		**68,098,110**	**59,120,934**
Total assets		**89,874,459**	**77,064,554**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION FOR THE YEAR ENDED 31 DECEMBER 2023

(Expressed in euro)

EQUITY AND LIABILITIES		31/12/2023	31/12/2022
Social Capital	12	819,099	819,099
Treasury shares		(665,000)	(665,000)
Legal reserve		46,282	46,282
Reserves from fully consolidated companies		10,641,543	7,583,480
Prior period's losses		(5,845,579)	(5,655,635)
Profit/(Loss) for the year attributable to the Parent Company		2,852,801	4,418,761
Minority interests		(112,314)	(685,367)
Conversion differences	13	26,555	379,699
Equity attributable to the Parent Company	12	**7,875,703**	**6,926,687**
Equity attributable to noncontrolling interests		**(112,314)**	**(685,367)**
Equity	12	**7,763,389**	**6,241,320**
Noncurrent payables, debts with financial institutions	10	3,511,156	5,666,137
Noncurrent payables, Group companies	10 and 24	7,726,852	8,101,742
Other noncurrent payables	10	2,166,358	2,953,755
Suppliers of non-current fixed assets		9,314	-
Provisions	10 and 18	309,778	258,456
Deferred tax liabilities	16	81,964	64,308
Non-current liabilities		**13,805,421**	**17,044,397**
Current payables, debts with financial institutions	10	5,911,005	3,282,616
Other current payables	10	2,981,875	1,188,610
Current payables to Group companies	10 and 24	1,043,921	669,924
Trade and other payables	10	41,930,857	38,192,490
Suppliers Group companies	10 and 24	2,613,460	2,098,328
Suppliers of fixed assets		40,149	-
Personnel, salaries payable	10	3,021,739	3,291,510
Public Entities, payables	16	7,299,237	3,205,463
Current tax liabilities	16	1,210,681	30,169
Unearned income		1,958,395	1,673,808
Other current liabilities	10	294,331	145,917
Current liabilities		**68,305,649**	**53,778,837**
Total equity and liabilities		**89,874,459**	**77,064,554**

ISPD NETWORK,S.A. AND SUBSIDIARIES
CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2023
(Expressed a in euro)

PROFIT AND LOSS	Note	2023	2022
Revenue	17.a	**140,026,537**	**105,880,735**
Other income		**352,000**	**43,370**
Work carried out by the company for assets		**994,534**	**535,582**
Operating grants taken to income		**282,999**	**159,799**
TOTAL OPERATING INCOME		**141,656,070**	**106,619,485**
Supplies	17.b	**(88,334,281)**	**(56,443,885)**
Personal expenses	17.c	**(35,885,408)**	**(36,489,601)**
Wages, salaries and similar		(29,338,834)	(30,369,659)
Employee benefit expense		(6,546,575)	(6,119,942)
Amortization and depreciation		**(1,492,764)**	**(1,243,849)**
Depreciation of property, plant and equipment	6	(786,956)	(743,067)
Amortization of intangible assets	7	(705,808)	(500,781)
Other operating expenses		**(10,876,228)**	**(7,836,409)**
External services	17.d	(10,344,593)	(7,633,638)
Impairment losses on current assets	17.g	(522,547)	(237,263)
Impairment and gains/losses on disposal of fixed assets		(9,087)	34,491
Other Income / Loss		**218,540**	**1,043,372**
TOTAL OPERATING EXPENSES		**(136,370,141)**	**(100,970,371)**
OPERATING PROFIT/LOSS		**5,285,928**	**5,649,113**
Finance income	17.e	64,682	37,388
Group financial income		14,531	-
Positive exchange rate differences		1,906,511	1,345,533
TOTAL FINANCIAL INCOME		**1,985,723**	**1,382,921**
Finance expenses	17.f	(840,078)	(640,007)
Group financial expenses		(390,280)	(157,320)
Negative exchange rate differences		(1,742,174)	(630,434)
TOTAL FINANCIAL EXPENSES		**(2,972,533)**	**(1,427,761)**
NET FINANCE INCOME/EXPENSE		**(986,809)**	**(44,840)**
PROFIT/LOSS FROM CONTINUING OPERATIONS		**4,299,119**	**5,604,273**
CONSOLIDATED PROFIT/LOSS BEFORE TAX		**4,299,119**	**5,604,273**
Income tax expense	16	(857,142)	(1,007,392)
Taxes and other		(574,793)	(229,412)
CONSOLIDATED RESULT FOR THE YEAR		**2,867,184**	**4,367,469**
Profit/loss attributable to minority interests		14,383	(51,292)
PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT COMPANY		**2,852,801**	**4,418,761**
Earnings per share:			
Basic		0.19	0.30
Diluted		0.19	0.30

ISPD NETWORK, S.A. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDING 31 DECEMBER 2023

(Expressed in euro)

ISPD NETWORK S.A. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
AT 31 DECEMBER 2023
(Expressed in euro)

	Note	31/12/2023	31/12/2022
PROFIT AND LOSS ACCOUNT RESULT		**2,867,184**	**4,418,761**
Income and expenses recognised directly in equity:			
Conversion Differences	**13**	353,144	(404,567)
External shareholders		14,383	(51,292)
TOTAL INCOME AND EXPENSES RECOGNISED DIRECTLY IN EQUITY		**367,527**	**(455,859)**
TOTAL TRANSFERS TO THE PROFIT AND LOSS ACCOUNT			**-**
TOTAL RECOGNISED INCOME AND EXPENDITURE		**3,234,711**	**3,962,902**
Attributable to the Parent Company		**2,852,801**	**4,418,761**
Attributable to minority interests		**14,383**	**(51,292)**

ISPD NETWORK, S.A. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2023
(Expressed in euro)

	Registered Capital	Share premium	Reserves and profit/loss for the period	(Parent Company shares)	Other equity instruments	Conversion Differences	Minority interests	Total
Balance at 01/01/2022	**819,099**	**-**	**1,926,850**	**(570,000)**	**-**	**784,267**	**(644,128)**	**2,316,088**
Recognized income and expenses	-	-	**4,418,761**	-	-	**(404,567)**	**(41,239)**	**3,972,955**
Other transations	-	-	47,277	-	-	-	-	47,277
Transactions with Parent Company shares (note 12.5)	-	-	-	(95,000)	-	-	-	(95,000)
Balance at 12/31/2022	**819,099**	**-**	**6,392,888**	**(665,000)**	**-**	**379,700**	**(685,367)**	**6,241,320**
Balance at 01/01/2023	**819,099**	**-**	**6,392,888**	**(665,000)**	**-**	**379,700**	**(685,367)**	**6,241,320**
Recognized income and expenses	-	-	**2,852,801**			**(353,144)**	**14,383**	**2,514,040**
Other operations	-	-	(979,076)				17,697	(961,379)
Capital increases and other distributions	-	-	(571,566)	-	-	-	-	(571,566)
Exit from the consolidation perimeter	-	-	-	-	-	-	540,974	540,974
Transactions with Parent Company shares	-	-	-	-	-	-	-	-
Balance at 12/31/2023	**819,099**	**-**	**7,695,047**	**(665,000)**	**-**	**26,556**	**(112,314)**	**7,763,389**

ISPD NETWORK, S.A. AND SUBSIDIARIES
CONSOLIDATED CASH FLOW STATEMENT
FOR THE PERIOD ENDING 31 DECEMBER 2023

(Expressed in euro)

CASH FLOW STATEMENT	Memory note	31/12/2023	31/12/2022
CASH FLOWS FROM OPERATING ACTIVITIES (A)		**(2,743,493)**	**2,463,633**
Profit/loss before tax		4,299,119	5,604,273
Adjustment for:			
+ Depreciation and amortization	7 and 8	1,088,668	1,243,849
+/- Impairment losses	10.2	522,547	237,263
+/- Grants taken to profit and loss		(227,999)	-
- Financial income	18	(79,213)	(37,388)
+ Financial expenses	18	1,230,358	797,327
+/- Exchange rate differences	12	0	(715,099)
+/- Other income and expenses		(1,203,987)	(1,578,954)
+/- Other taxes			-
Adjustment in operating assets and liabilities:			
Change in receivables		(11,660,584)	(422,309)
Change in payables		4,253,497	1,908,096
Change in other current assets		(560,894)	(565,892)
Change in other non-current liabilities		78,292	-
Change in other current liabilities		2,886,645	(1,939,594)
Other non-current assets		(909,131)	-
- Income tax paid		(1,502,753)	(1,308,000)
Tax refunds		193,085	-
Interest paid (-)		(1,230,358)	(797,327)
Interest received (+)		79,213	37,388
CASH FLOWS FROM INVESTING ACTIVITIES (B)		**(2,550,887)**	**(1,972,618)**
Acquisition in intangible assets	8	(1,441,564)	(540,256)
Investments in property, plant and equipment	7	(98,428)	(290,033)
Treasury shares	25	-	(95,000)
Business combination		(1,010,895)	(1,047,329)
Financial assets		-	-
CASH FLOWS FROM FINANCING ACTIVITIES (C)		**(1,596,394)**	**(1,234,971)**
Change in Group debts		(1,238,890)	-
Change in debts to other entities		(357,505)	(1,234,971)
EFFECT OF EXCHANGE RATE CHANGES (D)		**(353,144)**	**(404,567)**
Net changes in cash and cash equivalents (E=A+B+C+D)		**(7,243,918)**	**(1,148,523)**
Cash and other equivalents at beginning of period (F)		**18,964,822**	**20,113,345**
Additions from business combinations at transaction date		**-**	**-**
Cash and cash equivalents at end of period (G=E+F)		**11,720,904**	**18,964,822**

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ISPD NETWORK, S.A. AND SUBSIDIARIES

CONSOLIDATED ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 20 23

NOTE 1. GROUP, MULTI-GROUP AND ASSOCIATED COMPANIES

1.1) Parent Company; general information and activity.

a. Incorporation and domicile

Antevenio, S.A., (hereinafter the Parent Company) on 25 November 2021, at the General Shareholders' Meeting, was renamed ISPD Network, S.A.. The company was incorporated on 20 November 1997 under the name "Interactive Network, S.L." in Spain, 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 agreed to change the name of the Parent Company to Antevenio S.A.

Its registered office is at C/Apolonio Morales 13C, Madrid.

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

b. General information

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

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

c. Activity

Its activity consists of carrying out those activities which, according to the provisions in force on advertising matters, are typical of general advertising agencies, and it may carry out all kinds of acts, contracts and operations and, in general, adopt all measures that directly or indirectly lead to or are deemed necessary or advisable for the fulfilment of the aforementioned corporate purpose. The activities included in its corporate purpose may be carried out in whole or in part by the Parent Company, either directly or indirectly through its shareholdings in other companies with an identical or similar purpose.

ISPD Network, S.A. shares are listed on the French alternative stock market Euronext Growth. The year in which trading on this market commenced was 2007.

d. Financial Year

The Parent Company´s fiscal year comprises the period from January 1 to December 31 of each year.

1.2) Subsidiary companies

The detail of the subsidiaries included in the scope of consolidation is as follows:

Company	Holding percentage 31/12/2023	Holding percentage 31/12/2022
Mamvo Performance, S.L.U.	100%	100%
Marketing Manager Marketing Services, S.L.U.	100%	100%
Rebold Italy S.R.L.	100%	100%
Rebold Marketing, S.L	100%	100%
Antevenio France S.R.L.	100%	100%
Antevenio Argentina S.R.L. (*)	100%	100%
Antevenio Mexico S.A de C.V.	100%	100%
Antevenio Publicité, S.A.S.U.	100%	100%
Antevenio Media S.L.U.	100%	0%
B2Marketplace Ecommerce Consulting Group, S.L. (1)	100%	100%
Rebold Communication, S.L.U.(1)	100%	100%
Happyfication, Inc.(1)	100%	100%
Acceso Content in Context, S.A. de C.V. (2)	100%	100%
Acceso Colombia, S.A.S (2)	100%	100%
Digilant Colombia, S.A.S. (2)	100%	100%
Digilant INC (2)	100%	100%
Digilant Perú, S.A.C. (2)	100%	100%
Dglnt S.A. de C.V. (2)	100%	100%
Filipides S.A. de C.V.(2)(**)	100%	100%
Digilant Services S.A de C.V. (2)(**)	100%	100%
Blue Digital Servicios de Marketing, S.A. (2)	65%	65%
Digilant Chile, S.p.a.(2)(***)	100%	100%
Blue Media, S.p.A. (2)(***)	100%	100%
Rebold Panama, S.A.	100%	100%
Rocket PPC SRL (****)	100%	0%

The percentage of holding participation coincides with the percentage of voting rights.

Holding in the capital of these subsidiaries is held by the Parent Company, except in:

(*) Stakes held by Mamvo Performance, S.L.U. and Rebold Marketing, S.L.U. (formerly Antevenio España, S.L.U.) (75% and 25% respectively).
(**) Stake held by Digilant SA de CV
(***) Shareholdings held by Blue Digital

(****) On 10 October 2023, Rebold Italy acquired the company Rocket PPC. This company was integrated by global integration into the consolidation perimeter as of 1 September, the date on which it assumed control of the company. (See note 25)

The subsidiary React2Media, L.L.C. was dissolved in its entirety in 2023.

On 7 November 2023, ISPD Network incorporated Antevenio Media, whose corporate purpose is the provision of advertising services and the exploitation of online advertising and e-commerce through telematic media.

(1) See Note 25 Business Combinations.

Subsidiaries have been consolidated using the full consolidation method, which is based on the assumption that they hold the majority of the voting rights. They also close their annual accounts on 31 December of each year.

There are no subsidiaries excluded from the consolidation process.

The main characteristics of subsidiaries are as follows:

Society	Year of incorporation/takeover	Registered office	Corporate purpose
Mamvo Performance, S.L.U.	1996	C/ Apolonio Morales 13C 28036 Madrid	Online advertising and direct marketing for generating useful leads.
Marketing Manager Servicios de Marketing, S.L.U.	2005	C/ Apolonio Morales 13C 28036 Madrid	Advice to companies related to commercial communication.
Rebold Italy S.R.L.	2004	Via Dei Piatti 11 CP 20123 Milano	Advertising and Internet Marketing
Rebold Marketing S.L.U.	2009	C/ Apolonio Morales 13C 28036 Madrid	Provision of advertising services and exploitation of online advertising and e-commerce via telematic media
Antevenio France, S.R.L.	2009	62B Rue des Peupliers 92100 Boulogne Billancourt, France.	Provision of advertising and promotional services on the Internet, Study, dissemination and provision of services in the field of advertising and marketing on the Internet.
Antevenio Argentina S.R.L.	2010	Esmeralda 1376 floor 2 City of Buenos Aires Argentina	Providing commercial intermediary services, marketing, advertising services.
Antevenio Mexico, S.A. de CV	2007	Goldsmith 352, Miguel Hidalgo Polanco III Section CP 11540 Mexico City	Other advertising services
Antevenio Publicité, S.A.S.U.	2008	62B Rue des Peupliers 92100 Boulogne Billancourt, France.	Provision of advertising and promotional services on the Internet, study, dissemination and provision of services in the field of advertising and marketing on the Internet.
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.

Society	Year of incorporation/takeover	Registered office	Corporate purpose
Rebold 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	177 Huntington Ave Ste 1703 PMB 14953 Boston MA 02115	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 S.A. de C.V.	2014	Goldsmith 352, Miguel Hidalgo Polanco III Sección CP 11540 Mexico City	Provision of Internet access services. Creation, management and development of Internet portals.
Acceso Colombia, S.A.S	2013	carrera 10 #97A-13 oficina 408 torre A Bogotá DC	Provision of media content monitoring and analysis services.
Digilant Colombia, S.A.S.	2013	carrera 10 #97A-13 oficina 408 torre A Bogotá DC	Evaluation and negotiation of advertising space and purchase and sale, provision of consultancy, marketing, communication and general advisory services.
Digilant Inc	2009	177 Huntington Ave Ste 1703 PMB 14953 Boston MA 02115	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.
Dglnt, SA de CV	2010	Goldsmith 352, Miguel Hidalgo Polanco III Section CP 11540 Mexico City	Purchase, sale, exchange, marketing and other commercial transactions in respect of all kinds of advertising space
Filipides, S.A. de C.V.	2008	Goldsmith 352, Miguel Hidalgo Polanco III Section CP 11540 Mexico City	Selecting and recruiting personnel for the filling of any position and providing personal items to any third party
Digilant Services, S.A. de C.V.	2018	Goldsmith 352, Miguel Hidalgo Polanco III Section CP 11540 Mexico City	Provision of administrative services, personnel administration, consultancy, marketing, communication and advisory services in general.
Digilant Peru, S.A.C.	2017	Calle los forestales 573 - residencial Los ingenieros - distrito de 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, S.A.	2011	Av Apoquindo 5950 - 20th floor - Las Condes - Región metropolitana Santiago de Chile	Advertising, publicity, marketing
Digilant Chile, S.p.a.	2017	General del Canto 50 - of 301 PROVIDENCIA / SANTIAGO	Evaluation and negotiation of advertising space, provision of consultancy services, marketing communication and general advice
Rebold Panama, S.A.	2020	OBARRIO, AVENIDA SAMUEL LEWIS Y CALLE 53, EDIFICIO OMEGA, 6O PISO, OFICINA NO. 6B-861 PANAMA. 6B-861 PANAMA,	Conduct business of any nature, inside or outside the Republic of Panama.
Blue Media S.P.A	2015	Av Apoquindo 5950 - 20th floor - Las Condes - metropolitan region Santiago de Chile	Advertising, publicity, marketing
Rocket PPC SRL	2023	Via Dei Piatti 11 CP 20123 Milano	Digital marketing and consultancy
Antevenio Media SLU	2023	C/ Apolonio Morales 13C 28036 Madrid	Provision of advertising services and exploitation of online advertising and e-commerce via telematic media

NOTE 2. BASIS OF PRESENTATION OF THE CONSOLIDATED ANNUAL ACCOUNTS

a) Application of International Financial Reporting Standards (IFRS)

The Consolidated Financial Statements have been prepared in a manner consistent with International Financial Reporting Standards (IFRS) as adopted by the European Union in accordance with Regulation (EC) No. 1606/2002 of the European Parliament and of the Council, taking into account all accounting principles and rules and measurement bases which have a significant effect. 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 (see note 1) in 2007.

Note 4 summarises the significant accounting policies and measurement bases applied in the preparation of these Consolidated Financial Statements prepared by the directors. The information contained in these Consolidated Financial Statements is the responsibility of the Parent Company's directors.

In accordance with IFRS, the Consolidated Financial Statements include the following Consolidated Statements for the year ended 31 December 2023:

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

During the financial years 2023 and 2022 new accounting standards and/or amendments have come into force which have therefore been taken into account in the preparation of these Consolidated Financial Statements and are as follows:

1) Standards and interpretations adopted by the European Union, to be applied for the first time in the Consolidated Financial Statements for the financial year 2023.

Standards and amendments to standards		Effective date IASB	Effective date EU
IAS 1	Amendments to IAS 1: Presentation of Financial Statements and Disclosure of Accounting Policies	1 January 2023	1 January 2023
IAS 8	Amendments to IAS 8: Accounting Policies, Changes in Accounting Estimates and Errors	1 January 2023	1 January 2023
IFRS 17	IFRS 17 and Amendments to IFRS 17: Insurance contracts	1 January 2023	1 January 2023
IFRS 17	IFRS 17 Insurance Contracts: Initial Application of IFRS 17 and IFRS 9: Comparative Information.	1 January 2023	1 January 2023

IAS 12	Amendments to IAS 12: Deferred Taxes Relating to Assets and Liabilities Arising from a Single Transaction	1 January 2023	1 January 2023
IAS 12	Amendments to IAS 12: international tax reform - model rules of the second pillar	1 January 2023	1 January 2023

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

Standards and amendments to standards		Effective date IASB	Effective date EU
IAS 1	Amendments to IAS 1: Presentation of financial statements: Current and non-current classification by date, deferral of effective date and non-current liabilities with covenants.	1 January 2024	1 January 2024
IFRS 16	Amendments to IFRS 16: Leases: Rental Liability on Sale and Leaseback	1 January 2024	1 January 2024
NIC7	IAS 7 Statement of Cash Flows: Supplier financing contracts	1 January 2024	Pending
NIC21	IAS 21 The effects of changes in foreign exchange rates: non-exchangeability of foreign currencies	1 January 2025	Pending

None of these standards have been early adopted by the Group. The directors have assessed the potential impact of the future application of these standards and consider that their entry into force will not have a material effect on the consolidated financial statements.

b) <u>Fair presentation</u>

The accompanying consolidated financial statements for the year ended 31 December 2023 have been prepared from the accounting records of the various companies composing the Group and are presented in accordance with IFRS-EU and applicable Spanish accounting legislation to present fairly the Group's equity, financial position, results of operations, changes in equity and cash flows for the year ended 31 December 2023.

The Consolidated Annual Accounts prepared by the Directors of the Parent Company will be submitted for approval by the General Meeting of Shareholders of the Parent Company, and it is considered that they will be approved without any changes.

c) <u>Critical issues of uncertainty valuation and estimation</u>

In preparing the accompanying consolidated financial statements in accordance with IFRS-EU, estimates and assumptions made by the Parent Company's directors have been used to measure certain of the assets, liabilities, income, expenses and commitments reported herein. Those with the most significant impact on the Consolidated Financial Statements are discussed in the various sections of this document:

- The useful lives of property, plant and equipment and intangible assets (notes 4f and 4g). The determination of useful lives requires estimates of expected technological developments and alternative uses of assets. Assumptions regarding the technological framework and its future development involve a significant degree of judgement, as the timing and nature of future technological changes are difficult to predict.

- The assessment of possible impairment losses on goodwill (notes 4h and 4i). The determination of the need to recognise an impairment loss involves making estimates that include, among other things, an analysis of the causes of the possible impairment and the expected timing and amount of the impairment. Annual impairment tests are performed on the relevant cash-generating units, which are based on risk-adjusted future cash flows discounted at appropriate interest rates. The key assumptions used are specified in note 5. Assumptions regarding future risk-adjusted cash flows and discount rates are based on business forecasts and are therefore inherently subjective. Future events could cause a change in the estimates made by management, with a consequent adverse effect on the Group's future results. To the extent considered material, a sensitivity analysis has been disclosed for the effect of changes in these assumptions and the effect on the recoverable amount of the cash-generating unit (CGU).

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

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

- Forecast of future taxable profits that make the recoverability of deferred tax assets probable (note 4m). The Group assesses the recoverability of deferred tax assets based on estimates of future results of the tax Group. Such recoverability ultimately depends on the tax Group's ability to generate taxable profits over the period in which the deferred tax assets are deductible. Future events could cause a change in the estimates made by management, with a consequent adverse effect on the Group's future taxable profits. The analysis takes into consideration the expected timing of the reversal of deferred tax liabilities.

- The determination of the acquisition-date fair value of assets, liabilities and contingent liabilities acquired in business combinations (note 4u).

- The measurement of the allowance for expected credit losses on trade receivables and contract assets: key assumptions for determining the weighted average loss rate.

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

These estimates have been made on the basis of the best information available at the date of preparation of these Consolidated Financial Statements, historical experience and various other factors considered relevant at the time. However, actual results could differ from these estimates. Future events not known at the date of preparation of these estimates could lead to changes (upwards or downwards), if any, which would be made prospectively.

The Group has concluded that there are no material uncertainties that may call into question its ability to continue as a going concern.

d) Classification of current and non-current items

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

e) Correction of errors

There have been no corrections of errors in the financial year 2023.

f) Comparative information

These Consolidated Financial Statements for the year ended 31 December 2023 show comparative figures for 2022, which formed part of the Consolidated Financial Statements for 2022 approved by the General Meeting of Shareholders of the Parent Company on 22 June 2023, which were also prepared in accordance with International Financial Reporting Standards, as adopted by the European Union.

g) Mention on the Statement of Non-Financial Information

The ISPD Network, S.A. Group and subsidiaries, in accordance with the provisions of articles 262.5 of the LSC and 49.6 of the Code of Commerce, is exempt from presenting the Statement of Non-Financial Information, as the information relating to this Group is included in the Statement of Non-Financial Information of Inversiones y Servicios Publicitarios, S.L. and Subsidiaries, which forms part of the management report.

NOTE 3. EARNINGS PER SHARE

Basic earnings per share

Basic earnings per share are determined by dividing the consolidated profit for the year attributable to the Parent by the weighted average number of shares outstanding during the year, excluding the average number of treasury shares held during the year.

The calculation of the profit/loss per share is shown below:

	31/12/2023	31/12/2022
Net result for the year	2,852,801	4,418,761
Weighted average number of shares outstanding	14,716,262	14,716,262
Basic profit/loss per weighted average number of shares	**0.19**	**0.30**

There are no differences between basic shares and diluted shares.

Diluted earnings per share

Diluted earnings per share is determined similarly to basic earnings/loss per share, but the weighted average number of shares outstanding is increased by stock options, warrants and convertible debt.

During the periods presented, the Group has not entered into any dilutive transactions and therefore the basic earnings/loss per share is the same as the diluted earnings/loss per share.

Distribution of dividends:

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

NOTE 4. SIGNIFICANT ACCOUNTING POLICIES

The principal valuation policies used by the Group in preparing the Consolidated Financial Statements for the year ended 31 December 2023 were as follows:

a) Consolidation methods

The Consolidated Annual Accounts include the Parent Company and all subsidiaries. Subsidiaries are those entities over which the Parent Company or one of its subsidiaries has control. Control is determined through:

- Power over the investee,
- Exposure to, or rights to, variable returns that result from its relationship with the investee
- The ability to use its power over the investee to change the amount of such returns.

Subsidiaries are consolidated even when they are acquired for the purpose of disposal.

Balances, transactions and realised gains and losses between Group companies that form part of continuing operations are eliminated during the consolidation process. Transactions between continuing and discontinued operations that are expected to continue after the sale are not eliminated from continuing operations in order to present continuing operations in a manner consistent with their business operations.

Associates, which are companies over which the Group exercises significant influence but not control, and jointly controlled entities ("joint ventures"), whereby the companies are entitled to the net assets of the contractual arrangement, have been consolidated using the equity method, except where such investments qualify for classification as held for sale. Profits or losses arising from transactions between Group companies and associates or jointly controlled entities have been eliminated in accordance with the Group's percentage interest in such companies. If the Group's share of losses of an entity accounted for using the equity method exceeds its investment in the entity, the Group recognises a provision for its share of the losses in excess of that investment. The investment in an equity accounted investee is the carrying amount of the equity investment, together with other non-current interests that, in substance, form part of the net investment in that investee.

The financial statements of subsidiaries, associates and jointly controlled entities refer to the financial year ended on the same date as the Parent Company's individual financial statements and have been prepared using uniform accounting policies (IFRS-EU).

Loss of control (IFRS 10)

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

(a) They are reached at the same time or one in function of the other.
(b) They form part of a single transaction intended to achieve an overall commercial effect.
(c) The materialisation of one agreement is dependent on the occurrence of at least one of the other agreements.
(d) An arrangement is not economically justified on a stand-alone basis but is economically justified when considered in conjunction with other arrangements.

If a dominant loses control of a dependent:

a) You will need to derecognise the accounts:

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

b) Recognise:

- The fair value of the consideration received, if any, for the transaction, event or circumstances giving rise to the loss of control.
- If the transaction, event or circumstances giving rise to the loss of control involve a distribution of shares of the subsidiary to the owners in their capacity as owners, such distribution; and
- It shall recognise the retained investment in the former subsidiary at fair value at the date that 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 respect of the subsidiary.

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

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

b) Uniformity of line items

The different items in the individual annual accounts of each of the Group companies have been subject to the corresponding valuation homogenisation, adapting the criteria applied to those used by the Parent Company for its own annual accounts, provided that they have a significant effect.

For the subsidiaries included in the annual accounts of the ISPD Network Group, no time homogenisation has been required, as all the companies have 31 December of each financial year as the closing date for the preparation of their Annual Accounts or Financial Statements.

c) First consolidation difference

The difference on first consolidation has been calculated as the difference between the book value of the equity interest in subsidiaries and the value of their proportionate share of consolidated equity at the date of first consolidation.

In the case of the positive consolidation difference, corresponding to the excess between the cost of the investment and the attributable underlying book value of the investee at the date of its incorporation into the Group, it is allocated directly and as far as possible to the assets and liabilities of the subsidiary, without exceeding their market value. If it cannot be allocated to assets and liabilities, it is considered as goodwill in consolidation and is tested annually for impairment (see note 4i).

The negative consolidation difference is recorded in the Consolidated Income Statement and corresponds to the negative difference between the book value of the direct holding of the Parent Company in the capital of the subsidiary and the value of the proportional part of the subsidiary's equity attributable to this holding at the date of first consolidation.

d) Conversion differences

The items in the Consolidated Statement of Financial Position and Consolidated Income Statement of the companies included in the consolidation whose functional currency is not the euro have been translated into euro using the following criteria:

- Assets, liabilities, income and expenses (except own funds) at the year-end exchange rates.
- Consolidated income statement items at the average exchange rate for the year.
- Own funds at historical exchange rates.

The differences resulting from the application of different exchange rates, following the above criteria, are shown under "Translation differences" in the Consolidated Statement of Financial Position.

Hyperinflationary economies:

In accordance with International Accounting Standard (IAS) 21, the results and financial position of an entity whose functional currency is the currency of a hyperinflationary economy are translated into a different presentation currency using the following procedures:

(a) all amounts (i.e. assets, liabilities, equity items, expenses and income, including comparative figures) shall be translated at the closing rate of exchange 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 in the case of translation into the currency of a non-hyperinflationary economy. When the economy in question ceases to be hyperinflationary and an entity ceases to restate its financial statements, it shall use as historical costs in translating the financial statements into the presentation currency the amounts restated to the price level at the date when the entity ceased such restatement. The Group has concluded that the application of this model is not relevant in respect of the Group company domiciled in Argentina and therefore the comparative figures for the year ended 31 December 2021 were not restated.

e) Transactions between companies included in the consolidation perimeter

Prior to the preparation of the Consolidated Financial Statements, all balances and transactions between Group companies have been eliminated, as well as the results produced between these companies as a consequence of the aforementioned transactions.

f) Intangible assets

As a general rule, intangible assets are recognised provided that they meet the identifiability criterion and are initially measured at acquisition or production cost, less any accumulated amortization and any accumulated impairment losses. In particular, the following criteria are applied:

Industrial property

This corresponds to capitalised development costs for which the corresponding patent or similar has been obtained, and includes the costs of registration and formalisation of industrial property, as well as the costs of acquiring the corresponding rights from third parties. It is amortized on a straight-line basis over its useful life, at a rate of 20% per annum.

Computer software

Licences for computer software purchased from third parties or internally developed computer programs are recorded 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 over its useful life at a rate of 25% per annum.

Computer software maintenance costs incurred during the year are recorded in the Consolidated Income Statement.

g) Property, plant and equipment

Property, plant and equipment are stated at acquisition or production cost less any accumulated depreciation and any accumulated impairment losses.

Indirect taxes on tangible fixed assets are only included in the purchase price or production cost when they are not directly recoverable from the tax authorities.

The costs of expansion, modernisation or improvements leading to increased productivity, capacity or efficiency or to a lengthening of the useful lives of assets are expensed as an increase in the cost of the assets. Upkeep and maintenance costs are charged to the Consolidated Income Statement in the year in which they are incurred.

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

	Annual Percentage	Estimated Years of Useful Life
Other facilities	20	5
Furniture	10	10
Information processing equipment	18	6
Transport elements	25	4
Machinery	20	5
Other tangible fixed assets	20-10	5-10

h) Goodwill

Goodwill is recognised only when its value becomes apparent by virtue of an acquisition for consideration in the context of a business combination.

Goodwill is allocated to each of the cash-generating units to which the benefits of the business combination are expected to flow and, where appropriate, a corresponding valuation adjustment is recognised (see note 4 i).

If an impairment loss is to be recognised for a cash-generating unit to which all or part of goodwill has been allocated, the carrying amount of the goodwill of the cash-generating unit is reduced first. If the impairment exceeds the amount of goodwill, the carrying amount of the remaining assets of the cash-generating unit is reduced in proportion to their carrying amount, up to the higher of fair value less costs to sell, value in use and nil. The impairment loss is recognised in profit or loss.

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

An impairment loss occurs when the carrying amount of an item of property, plant and equipment or intangible asset exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. For the calculation of the recoverable amount of property, plant and equipment and intangible assets, the value in use is the criterion used by the Group.

For this purpose, at least at year-end, the Group assesses, by means of an impairment test, whether there are indications that any tangible or intangible assets with an indefinite useful life or, where appropriate, any cash-generating unit may be impaired, in which case the recoverable amount is estimated by making the corresponding valuation adjustments. A cash-generating unit is defined as the smallest identifiable Group of assets that generates cash flows that are largely independent of those from other assets or Groups of assets.

Impairment of property, plant and equipment is calculated on an individual basis. However, when it is not possible to determine the recoverable amount of each individual asset, the recoverable amount of the cash-generating unit to which each item of property, plant and equipment belongs is determined.

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

To estimate value in use, Group management prepares an annual business plan for each cash-generating unit by market and activity, generally covering a period of five years. The main components of this plan are earnings and cash flow projections.

Other variables that influence the calculation of recoverable value are:

- Discount rate to be applied, calculated between 9% and 11.5%. depending on the geographical area, the main variables influencing its calculation being the cost of the liabilities and the specific risks of the assets.

- The growth rate of the cash flows used has been made on a company-by-company and geographic market basis and is in the order of 2.50%.

The projections are prepared on the basis of past experience and on the basis of best available estimates, consistent with external information.

The five-year strategic plan of the Group companies is approved by the Finance Department and will be submitted to Board of Directors of the Parent Company for approval.

If an impairment loss is to be recognised for a cash-generating unit to which all or part of goodwill has been allocated, the carrying amount of the goodwill of the cash-generating unit is reduced first. If the impairment exceeds the amount of goodwill, the carrying amount of the remaining assets of the cash-generating unit is reduced in proportion to their carrying amount, up to the higher of fair value less costs to sell, value in use and zero. The impairment loss must be recognised in profit or loss.

When an impairment loss subsequently reverses (which is not permitted in the specific case of goodwill), the carrying amount of the asset or cash-generating unit is increased by the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised in prior periods. Such a reversal of an impairment loss is recognised as income in the Consolidated Income Statement.

j) Leases and other transactions of a similar nature

<u>The Group as lessee</u>

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". In applying this definition, the Group assesses whether the contract meets three key assessments, namely:

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

-the Group is entitled to substantially all of the economic benefits from the use of the identified asset during the period of use, taking into account its rights within the scope defined in the contract.

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

Valuation and recognition of leases as a lessee

At the inception date of the lease, the Group recognises a right-of-use asset and a lease liability in the balance sheet. The right-of-use asset is measured at cost, which consists of the initial acquisition value of the lease liability, the initial direct costs incurred by the Group, an estimate of the costs of dismantling and disposing of the asset at the end of the lease, as well as payments made prior to the commencement date of the lease (net of any incentives received).

The Group depreciates right-of-use assets from the lease commencement date until the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Group also assesses right-of-use assets for impairment when such indicators exist.

At the commencement date, the Group measures the liability at the present value of the lease payments outstanding at that date, discounted using the interest rate implicit in the lease contract if such a rate is readily available or the Group's incremental borrowing rate.

The lease payments included in the valuation of the lease liability consist of fixed payments (including in substance fixed payments), variable payments based on an index or interest rate, expected amounts, etc. payable under a residual value guarantee and payments under options that are reasonably certain to be exercised.

Subsequent to initial measurement, the liability is reduced for payments made and increased for interest. It is remeasured to reflect any revaluation or modification, or if there are changes in fixed payments in substance.

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

The Group has chosen to account for short-term leases and leases of low-value assets using the practical expedient. Instead of recognising a right-of-use asset and a finance lease liability, the related payments are recognised as an expense in profit or loss on a straight-line basis over the lease term.

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

k) Financial instruments

k.1) Recognition and derecognition

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

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

k.2) Classification and initial valuation of financial assets

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

Financial assets, other than those designated and effective as hedging instruments, are classified in the following categories:

- Amortized cost.
- Fair value through profit or loss (FVTPL).
- Fair value through other comprehensive income (FVOCI).

In the periods presented, the Group does not have any financial assets classified as FVOCI.

The classification is determined by both:

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

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

k.3) Subsequent measurement of financial assets

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

- They are held within a business model whose objective is to hold financial assets and collect their contractual cash flows.

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

After initial recognition, they are measured at amortized cost using the effective interest rate method. Discounting is omitted when the effect of discounting is immaterial. Cash and cash equivalents, guarantees, trade receivables and most of the Group's other receivables are included in this category of financial instruments, as are listed bonds.

k.4) Impairment of financial assets

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

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

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

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

Step 3 would cover financial assets that have objective evidence of impairment at the reporting date.

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

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

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

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

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

k.5) Classification and measurement of financial liabilities

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

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

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

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

There are no liabilities that are subsequently measured at fair value through profit or loss.

l) Foreign currency

The items included in the financial statements of each of the Group companies are stated in their respective functional currencies. The Consolidated Financial Statements are presented in euro, which is the Parent Company's functional and presentation currency.

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

The companies comprising the Group record in their individual financial statements:

- Transactions in currencies other than the functional currency carried out during the year at the exchange rates prevailing at the dates of the transactions.

- The balances of monetary assets and liabilities in currencies other than the functional currency (cash and items that are not impaired when they become liquid) at year-end exchange rates.

- Balances of non-monetary assets and liabilities in currencies other than the functional currency at historical exchange rates.

Profits and losses from these entries are included in the consolidated income statement.

m) Income tax

The Group companies domiciled in Spain were taxed until 2016 under the Special Tax Consolidation Regime, in the Group headed by the Parent Company.

On 30 December 2016, a meeting of the Board of Directors was held at which it was reported that Inversiones y Servicios Publicitarios, S.L. ("ISP") holds 83.09 % of the share capital of the Parent Company (see note 12), and that pursuant to the provisions of Article 61.3 of Law 27/2014, of 27 November, on Corporate Income Tax, and on the grounds that the Parent Company had lost its status as the controlling entity of tax Group number 0212/2013 as ISP had acquired an interest 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 controlling entity is ISP.

The income tax expense for the year is calculated as the sum of the current tax, which results from applying the corresponding tax rate to the taxable profit for the year less any existing tax credits and deductions, and the changes during the year in the deferred tax assets and liabilities recognised. It is recognised in the consolidated income statement, except when it relates to transactions recognised directly in equity, in which case the related tax is also recognised in equity.

Deferred taxes are recognised for temporary differences existing at the date of the consolidated statement of financial position between the tax base of assets and liabilities and their carrying amounts. The tax base of an asset and liability is taken to be the amount attributed to it for tax purposes. The tax effect of temporary differences is included under "Deferred tax assets" and "Deferred tax liabilities" in the consolidated statement of financial position.

The Group recognises a deferred tax liability for all taxable temporary differences, except, where applicable, for the exceptions provided for in current regulations.

The Group recognises deferred tax assets for all deductible temporary differences to the extent that it is probable that future taxable profits will be available to the tax Group to allow the recovery of these assets, except, where applicable, for the exceptions provided for in current regulations.

At the end of each reporting period, the Group assesses its recognised and previously unrecognised deferred tax assets. Based on this assessment, it derecognises a previously recognised asset if its recovery is no longer probable, or recognises any previously unrecognised deferred tax assets if it is probable that future taxable profit will be available to the Company to allow their utilisation.

Deferred tax assets and liabilities are measured at the tax rates expected at the time of reversal, in accordance with current enacted legislation, and in accordance with the manner in which the deferred tax asset or liability is rationally expected to be recovered or paid.

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

The resulting amounts payable/collectible for corporate income tax for the year, as the consolidated Group belongs to a tax Group, will not be settled with the tax authorities, but will be settled with the Parent Company of the tax Group to which it belongs.

n) Revenue and expenses

IFRS 15 requires that revenue is recognised so that it represents the transfer of committed goods and services to customers in an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods and services. Revenue is recognised when the customer obtains control of the goods or services.

Under the new criteria, a five-step revenue recognition model should be applied to determine when revenue should be recognised and how much revenue should be recognised:

-Step 1: Identify the contract
-Step 2: Identifying the performance obligations in the contract
-Step 3: Determine the price of the transaction
-Step 4: Allocate the transaction price between contract obligations
-Step 5: Recognise revenue as contract obligations are fulfilled

This model specifies that revenue should be recognised when (or as) an entity transfers control of goods or services to a customer, and in the amount that the entity expects to be entitled to receive. Depending on whether certain criteria are met, revenue is recognised either over a period of time to reflect the entity's realisation of the contractual obligation or at a point in time when the customer obtains control of the goods or services.

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

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

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

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

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

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

o) Provisions and contingencies

In preparing the consolidated financial statements, the directors of the Parent Company distinguish between:

1) Provisions: credit balances covering present obligations arising from past events, the settlement of which is probable to result in an outflow of resources, but the amount and/or timing of which is uncertain.

2) Contingent liabilities: possible obligations arising from past events, the future realisation of which is conditional on the occurrence or non-occurrence of one or more future events beyond the Group's control.

The Consolidated Financial Statements include all provisions for which it is considered more likely than not that the obligation will have to be settled, and are recorded 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 recognised in the consolidated financial statements, but are disclosed in the notes to the consolidated financial statements.

Provisions are measured at year-end at the present value of the best possible estimate of the amount required to settle or transfer the obligation to a third party, and adjustments arising from the discounting of provisions are recognised as a finance cost as they accrue. In the case of provisions maturing in one year or less, and where the financial effect is not material, no discounting is applied.

Compensation to be received from a third party upon settlement of the obligation is not deducted from the amount of the debt but is recognised as an asset if there is no doubt that the reimbursement will be received.

p) Deferred income

Non-refundable capital grants as well as donations and bequests are measured at the fair value of the amount granted or the asset received. They are initially recognised under "Deferred income" on the liability side of the consolidated income statement and are recognised in the consolidated income statement in proportion to the period depreciation of the assets financed by these grants, unless they are non-depreciable assets, in which case they are taken to profit or loss in the year in which they are disposed of or derecognised.

Grants that are repayable are recorded as long-term or short-term liabilities (depending on the repayment period) that can be converted into grants until they become non-repayable.

Operating grants are credited to profit or loss as they accrue.

q) Environmental assets

Due to its business activities, the Group has no significant assets included in property, plant and equipment intended to minimise environmental impact and protect and improve the environment, nor has it received any grants or incurred any expenses during the year for the purpose of protecting and improving the environment. The Group has not made any provisions to cover environmental risks and expenses, as it considers that there are no contingencies related to environmental protection and improvement.

r) Related party transactions

Transactions between related parties, irrespective of the degree of relatedness, are accounted for in accordance with the general rules. Accordingly, as a general rule, transacted items are initially recognised at fair value. If the price agreed in a transaction differs from its fair value, the difference is recorded on the basis of the economic reality of the transaction. Subsequent measurement is carried out in accordance with the relevant standards.

s) Payments based on equity instruments

Goods or services received in these transactions are recognised as an asset or as an expense based on their nature at the time they are obtained, with a corresponding increase in equity if the transaction is settled in equity instruments, or a corresponding liability if the transaction is settled with an amount based on the value of the equity instruments.

Equity-settled transactions with employees, both the services rendered and the increase in equity to be recognised are measured at the fair value of the equity instruments transferred, referring to the date of the grant agreement.

Stock option plans are measured at fair value (see note 4w) at the initial time of grant using a generally accepted financial calculation method, which, among others, considers the option exercise price, volatility, exercise term, expected dividends and the risk-free interest rate.

t) Statement of cash flows

The consolidated cash flow statement has been prepared using the indirect method and uses the following expressions with the meanings set out below:

- Operating activities: activities that constitute the Group's ordinary revenues, as well as other activities that cannot be classified as investing or financing activities.

- Investing activities: activities of acquiring, selling or otherwise disposing of long-term assets and other investments not included in cash and cash equivalents.

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

u) Business combinations

At the acquisition date, identifiable assets acquired and liabilities assumed are measured at fair value, provided that the fair value could be measured with sufficient reliability, with the following exceptions:

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

- Deferred tax assets and liabilities are measured at the amount expected to be recovered or paid, based on the tax rates that will apply in the years in which the assets are expected to be realised or the liabilities are expected to be paid, on the basis of the regulations in force or those approved but not yet published, at the date of acquisition. Deferred tax assets and liabilities are not discounted.
- Assets and liabilities associated with defined benefit pension plans: these are recognised at the acquisition date at the present value of the committed remuneration less the fair value of the assets assigned to the commitments against which the obligations will be settled.
- Intangible assets whose valuation cannot be made by reference to an active market and which would entail the recognition of income in the income statement: they have been deducted from the negative difference calculated.
- Assets received as compensation for contingencies and uncertainties: they are recognised and measured on a basis consistent with the item generating the contingency or uncertainty.

- reacquired rights recognised as intangible assets: these are valued and amortized on the basis of the remaining contractual period to completion.

- Obligations classified as contingencies: are recognised as a liability at the fair value of assuming such obligations, provided that the liability is a present obligation that arises from past events and its fair value can be measured with sufficient reliability, even though it is not probable that an outflow of resources will be required to settle the obligation.

The excess, at the acquisition date, of the cost of the business combination over the corresponding value of the identifiable assets acquired less the liabilities assumed is recognised as goodwill.

If the amount of the identifiable assets acquired less the liabilities assumed exceeded the cost of the business combination, this excess was recognised in the income statement as income. Before recognising such revenue, a reassessment is made as to whether the identifiable assets acquired and liabilities assumed and the cost of the business combination have been identified and measured.

Subsequently, the liabilities and equity instruments issued as a cost of the combination and the identifiable assets acquired and liabilities assumed are accounted for in accordance with the relevant recognition and measurement rules based on the nature of the transaction or the asset or liability element.

v) Own equity instruments (treasury shares)

Treasury shares acquired by the Group from the Parent Company are recognised as a reduction in equity at the value of the consideration paid in exchange. Gains or losses arising from the purchase, sale, issue or redemption of own equity instruments are recognised directly in equity and in no case are any gains or losses recognised in the consolidated income statement.

w) Fair value measurement of financial instruments

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

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included in Level 1 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 2023 and 2022.

NOTE 5. CONSOLIDATION GOODWILL

Details of goodwill on consolidation are as follows:

	31/12/2022	(Impairment)/value gain	Business combination (*)	31/12/2023
Marketing Manager Servicios de Marketing, S.L.	276,461			276,461
Rebold Italy SRL.	3,686,847			3,686,847
Rebold Marketing 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 (see Note 25)	1,757,952			1,757,952
Rocket PPC (see Note 25)			2,559,328	2,559,328
Total cost	**8,195,485**		**2,559,328**	**10,754,813**

	31/12/2021	(Impairment)/value gain	Business combination (*)	31/12/2022
Marketing Manager Servicios de Marketing, S.L.	276.461			276,461
Rebold Italy SRL.	3.686.847			3,686,847
Rebold Marketing 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 (see Note 25)	1.915.982		(158,029)	1,757,952
Total cost	**8,353,514**		**(158,029)**	**8,195,485**

(*) Such goodwill may be adjusted in the interim accounting period permitted by the regulations applicable to the consolidated financial statements with respect to the estimates made in the previous year based on additional information and/or new circumstances obtained by the Parent Company's directors.

Each Goodwill arose on the acquisition of each of the Group companies. The directors have defined each of the companies as a Cash Generating Unit (CGU) as detailed in note 25.

To estimate the recoverable amount, Group management prepares an annual business plan for each cash-generating unit by market and activity, generally covering a period of five years. The main components of this plan are earnings and cash flow projections. The recoverable amount of each CGU is determined on the basis of value in use.

The recoverable amount of each company's goodwill has been determined based on management's estimates of their value in use. To make these estimates, the cash flows of each company for the next five years have been 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 situation of the time value of money and the specific risks of each company. The key assumptions made in these earnings and cash flow projections which influence the calculation of the recoverable amount are:

- The discount rate to be applied, calculated at between 9% and 11.5%, being the main variables influencing its calculation, the cost of liabilities and risks specific to the assets, as well as those derived from the country and business.
- The cash flow estimates have been made on the basis of yields past, therefore, the management's assumptions include profit margins stable taking into account ongoing investments.
- A perpetuity rate of approximately 2.5% reflecting growth long-term industry average.

Projections are prepared on the basis of past experience and based on the best available estimates, being consistent with the information from abroad.

In preparing the estimates made to analyse the key assumptions used in the calculations of value in use and sensitivity to changes in the assumptions, account was taken of the impact of new AI technologies on market growth, the increase in the average ticket price of our customers, the synergies derived from the different business units, the upward trend in prices, interest rate rises and the crazy situations in each of the countries that may have had an impact on the main assumptions in particular:

1. Gross margins: The forecast gross margins have been reduced, since the lower margin of customers with higher average ticket prices, the effect of increased competition, the increase in suppliers' prices not passed on in sales prices, and the decrease in households' disposable income, as end users, have been taken into account.
2. Growth rates: With regard to this variable, the impact of new AI technologies on market growth, the increase in the average ticket per customer, the synergies derived from the different business units, the upward trend in prices, interest rate rises and the crazy situations in each of the countries, which may affect the evolution of final demand, have all been taken into account.

The five-year strategic plan of the Group companies is approved by the Finance Department and will be submitted to the Board of Directors of the Parent Company for approval.

The Group has performed a sensitivity analysis of the assumptions used in estimating the fair value of these assets, altering these estimates (discount rate and growth rate) by +/-2%. This sensitivity analysis would result in a non-significant change in the fair value of these assets which would not alter the conclusions reached by the Group.

During the financial year 2021, new goodwill of EUR 1,915,982 was recognised as a result of the acquisition of the US-based company Happyfication Inc. based on the Parent's management's best possible estimate. During the 2022 financial year, and within the provisional accounting period provided for in the applicable accounting regulations, this goodwill was revised and amounts to was revised and amounts to 1,757,952 euros.

During the financial year 2023 a new goodwill of EUR 2,559,328 has become apparent at as a result of the acquisition of the company Rocket PPC domiciled in Italy based on the best possible estimate of the Parent Company's management.

NOTE 6. PROPERTY, PLANT AND EQUIPMENT

The balances and changes during the financial years 2023 and 2022 in gross values, accumulated amortization and valuation adjustments are as follows:

	31/12/2022	Recognition	Derecognitions	Diff. Change	31/12/2023
Cost:					
Technical installations, machinery, tools, furniture and other tangible fixed assets	2,923,601	98,4 28	(176, 704)		2,845,325
Right of use	2,533,353	189,432	(668,980)	(14,613)	2,039,193
	5,456,954	**2 87,8 60**	**(8 45,6 84)**	**(14,613)**	**4,884,519**
Accumulated Amortization:					
Technical installations, machinery, tools, furniture and other tangible fixed assets	(2,535,986)	(205,152)	131,684	188,005	(2,421,450)
Right of use	- (699,275)	(581,804)	465,321	18,269	(797,489)
	(3,235,261)	**(786,956)**	**597,004**	**206,274**	**(3,218,939)**
Net property, plant and equipment	**2,221,693**	**(544,115)**	**(203,660)**	**191,661**	**1,665,581**

	31/12/2021	Recognition	Derecognitions	Transfer	31/12/2022
Cost:					
Technical installations, machinery, tools, furniture and other tangible fixed assets	2,866,244	290,033	(225,202)	(7,474)	2,923,602
Right of use	1,949,316	1,280,087	(696,050)	-	2,533,354
	4,815,560	**1,570,120**	**(921,252)**	**(7,474)**	**5,456,954**
Accumulated Depreciation:					
Technical installations, machinery, tools, furniture and other tangible fixed assets	(2,499,412)	(160,776)	131,939	(7,736)	(2,535,986)
	-				-
Right of use	(731,433)	(582,291)	614,449	-	(699,275)
	(3,230,845)	**(743,067)**	**746,387**	**(7,736)**	**(3,235,261)**
Net property, plant and equipment	**1,584,715**	**827,053**	**(174,864)**	**(15,210)**	**2,221,695**

The amount of the right of use asset at 31 December 2023 amounts to 2,039,193 euros (2,533,354 euros in 2022) with a depreciation expense of 581,804 euros (582,291 euros in 2022). The balance recorded refers to office leases contracted by the Group and which must be capitalised under IFRS 16 (see note 8).

The impairment tests in relation to this right of use have not led to impairments in the Group.

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

	31/12/2023	31/12/2022
Technical installations, machinery, tools, furniture and other tangible fixed assets	2,317,748	1,830,175
	2,317,748	**1,830,175**

All of the Group's property, plant and equipment are assigned to operations and duly insured and are not subject to any kind of encumbrance.

The net book value of property, plant and equipment located outside Spanish territory amounts to 209,863 euros at 31 December 2023 (88,403 euros at 31 December 2022).

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

The Group's policy is to take out insurance policies to cover the possible risks to which its various items of property, plant and equipment are subject. At 31 December 2023 and 2022, the Group's assets are insured by means of an insurance policy. The Group's directors consider that this policy sufficiently covers the risks associated with property, plant and equipment.

NOTE 7. INTANGIBLE ASSETS

The balances and changes during the financial year 2023 and the financial year 2022 in gross values, accumulated depreciation and valuation adjustments are as follows:

	31/12/2021	Recog.	Derecog.	Transfers	31/12/2022	Recog.	Derecog.	Diff. change	Transfers	31/12/2023
Cost:										
Industrial property	398,880	89,804	(102,566)	-	386,118	14,529	(143,062)	16,349	-	273,934
Computer software	4,314,269	79,452	(1,454,344)	4,570	2,943,947	1,367,262	(41,667)	13,851	-	4,283,394
Fixed assets in progress	551,520	1,234,078	(551,520)		1,234,078	976,132	(1,234,078)	-	-	976,132
Goodwill	1,032,090				1,032,090	2,981	-	2,438	-	1,037,509
Internally developed assets	-	-	-	-	-	595,134	-	-	-	595,134
	6,296,759	**1,403,334**	**(2,108,430)**	**4,570**	**5,596,233**	**2,956,038**	**(1,418,807)**	**32,638**	**-**	**7,166,103**
Accumulated Depreciation:										
Industrial property	(300,460)	(93,303)	102,566	-	(291,197)	(33,727)	143,062	(10,040)	-	(191,902)
Computer software	(3,328,079)	(360,474)	1,385,498	(7,055)	(2,310,111)	(1,352,120)	727,992	(22,078)	-	(2,956,317)
Goodwill	(248,275)	(47,005)	-	-	(295,280)	(47,005)	-	-	-	(342,285)
	(3,876,814)	**(500,782)**	**1,488,064**	**(7,055)**	**(2,896,587)**	**(1,432,852)**	**871,054**	**(32,118)**	**-**	**(3,490,503)**
Deterioration:										
Goodwill	(280,820)	(59,288)	-	5,547	(334,561)	(56,140)	-	(8,744)	-	(399,446)
Computer software	(9,315)	-	-	-	(9,315)	-	9,315	-	-	-
	(290,135)	**(59,288)**	**-**	**5,547**	**(343,876)**	**(56,140)**	**9,315**	**(8,744)**	**-**	**(399,446)**
Intangible Fixed Assets, Net	**2,129,810**	**843,264**	**(620,366)**	**3,061**	**2,355,770**	**1,467,046**	**(538,438)**	**(8,224)**	**-**	**3,276,154**

As regards additions to intangible assets, in 2023 there are additions of 2,956 thousand euros, most of which relate to Computer software for the development of an asset in progress, as well as the right to use trademarks.

On the downsizing side, this is mainly due to the elimination of obsolete databases in the balance sheets.

The net book value of intangible assets located outside Spanish territory amounts to 289,754 euros at 31 December 2023 (119,211 at 31 December 2022).

The gross value of fully depreciated assets in use is as follows:	31/12/2023	31/12/2022
Industrial property	47,273	46,648
Computer applications	2,025,344	1, 688, 225
	2,072,617	**1, 734, 874**

NOTE 8. LEASES

The charge to income for the years 2023 and 2022 for leases amounted to 803,320 euros and 535,869 euros, respectively (see note 17 d).

Those minimum future payment commitments relating to non-cancellable leases have been recognised by the Group on the basis of the adoption of IFRS 16 as detailed in note 2 (see 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 and Mexico.

At 31 December 2023, the breakdown of leases recorded under IFRS 16 is as follows:

	Active	Amortization 2023	Accumulated Amortization 2023	Financial liabilities	Interest expenses	Rental expenses
Rebold Italy SRL	199,875	31,749	(31,749)	(168,127)	6,624	(38,372)
Digilant Inc	258,438	106,354	(205,371)	(54,534)	-	-
ISPD Network SA (Madrid 2)	93,394	28,138	(28,138)	(65,256)	2,862	(31,000)
Digilant Chile	188,023	71,355	(188,023)	-	1,054	-
ISPD Network SA (Madrid 1)	301,486	136,617	(136,617)	(164,869)	8,394	(145,012)
Antevenio Mexico	189,432	36,173	(36,173)	(153,259)	3,987	(40,160)
ISPD Network SA (Barcelona)	808,546	171,418	(171,418)	(637,128)	26,032	(197,450)
	2,039,194	**581,804**	**(797,489)**	**(1,243,172)**	**48,953**	**(451,995)**

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

Financial liabilities	2024	2025	2026	2027	2028	Total
Rebold Italy SRL	33,483	34,822	36,215	37,664	25,942	168,126
Digilant Inc	54,534	-	-	-	-	54,534
ISPD Network SA (Madrid 2)	33,434	31,822				65,256
Digilant Chile	-	-	-	-	-	-
ISPD Network SA (Madrid 1)	140,852	24,018	-	-	-	164,870
Antevenio Mexico	63,969	66,528	22,762	-	-	153,259
ISPD Network SA (Barcelona)	177,723	184,832	192,226	82,346	-	637,128
	503,995	**342,022**	**251,203**	**120,010**	**25,942**	**1,243,172**

These maturities are included in the maturities described in note 10.2 under Other long-term debts.

NOTE 9. CURRENT AND NON-CURRENT FINANCIAL ASSETS

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

Details of long-term financial assets are as follows:

	Receivables and other		Total	
	31/12/2023	31/12/2022	31/12/2023	31/12/2022
Loans and receivables (Note 9.2)	184,936	103,788	184,936	103,788
Total	**184,936**	**103,788**	**184,936**	**103,788**

Details of current financial assets are as follows:

	Short term		Total	
	31/12/2023	31/12/2022	31/12/2023	31/12/2022
Cash and cash equivalents (Note 9.1)	11,720,904	18,964,822	11,720,904	18,964,822
Loans and receivables (Note 9.2)	47,837,388	35,096,707	47,837,388	35,096,707
Total	**59,558,292**	**54,061,529**	**59,558,292**	**54,061,529**

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

9.1) Cash and cash equivalents

This item represents the fully liquid portion of the Group's equity and consists of cash on hand and at banks, as well as short-term bank deposits with an original maturity of three months or less. These balances have no restrictions on their availability and are not subject to risk of changes in value.

The breakdown of these assets is as follows:

	31/12/2023	31/12/2022
Current accounts	11,718,899	18,861,918
Treasury	2,005	102,904
Total	**11,720,904**	**18,964,822**

Cash in foreign companies at 31 December 2023 amounts to 11,501,220 euros (18,337,684 euros at 31 December 2022).

9.2) Loans and receivables

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

	31/12/2023		31/12/2022	
	Long-term	Short Term	Long-term	Short Term
Trade receivables				
Third-party customers		46,578,968		35,009,755
Total trade receivables		**46,578,968**		**35,009,755**
Customers Group companies		226,611		36,312
Other current assets Group company		878,531		-
Total Amounts with Group companies		**1,105,142**		**36,312**
Non-trade receivables				
Guarantees and deposits	184,936		103,740	
Other assets		153,279	48	50,640
Total non-trade operations	**184,936**	**153,279**	**103,788**	**50,640**
Total	**184,936**	**47,837,388**	**103,788**	**35,096,707**

Details of trade receivables are as follows:

Description	31/12/2023	31/12/2022
Customers for sales and services		
Trade balances	45,343,169	32,977,089
Volume discounts granted and pending	(1,181,891)	(902,022)
Trade balances pending	2,417,690	2,934,688
Total	**46,578,968**	**35,009,755**

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

The changes in impairment losses arising from credit risk by class of financial assets were as follows:

Impairment	31/12/2021	Impairment loss	Reversal of impairment	Application	31/12/2022	Impairment loss	Reversal of impairment	Eliminations and exchange rate differences	Application	31/12/2023
Trade receivables										
Trade receivables	(3,109,585)	(212,686)	151,378	47,441	(3,123,452)	(601,458)	183,470	305,358	(27,419)	(3,263,502)
Total	**(3,109,585)**	**(212,686)**	**151,378**	**47,441**	**(3,123,452)**	**(601,458)**	**183,470**	**305,358**	**(27,419)**	**(3,263,502)**

The Group records the movements of these corrections under the heading "Impairment of current assets" in the consolidated income statement. During the financial year 2023, an impairment charge of EUR 601,458 was recognised for commercial transactions, which corresponds to the company's risk policy.

9.3) Classification by maturity

The maturity of most of the different long-term financial assets is less than five years.

NOTE 10. NON-CURRENT AND CURRENT LIABILITIES

Details of long-term financial liabilities at amortized cost, classified by category, are as follows:

	Other		Total	
	31/12/2023	31/12/2022	31/12/2023	31/12/2022
Debits and payables (Note 10.1)	**13,723,457**	**16,980,090**	**13,723,457**	**16,980,090**
Total	**13,723,457**	**16,980,090**	**13,723,457**	**16,980,090**

Details of short-term financial liabilities at amortized cost, classified by category, are as follows:

	Short-term payables to credit institutions		Other		Total	
	31/12/2023	31/12/2022	31/12/2023	31/12/2022	31/12/2023	31/12/2022
Debts and payables (Note 10.1)	5,911,005	3,282,616	51,926,332	45,586,780	57,837,336	48,869,396
Total	**5,911,005**	**3,282,616**	**51,924,370**	**45,586,780**	**57,835,374**	**48,869,396**

The amount of financial liabilities carried at amortized cost resembles their fair value.

10.1) Debits and payables

Details at 31 December 2023 and 31 December 2022 are shown below:

	Balance at 31/12/2023		Balance at 31/12/2022	
	Long term	Short term	Long term	Short term
For commercial operations:				
Suppliers		32,762,326		25,699,563
Suppliers, Group companies		2,613,460		2,098,328
Suppliers of fixed assets	9,314	40,149		
Other trade payables		9,168,530		12,492,927
Total trade payables	**9,314**	**44,584,465**		**40,290,819**
Non-trade payables:				
Debts with financial institutions (2)	3,511,156	5,911,005	5,666,137	3,282,616
Other debts (1)	2,166,358	2,981,875	2,953,755	1,188,610
Provisions	309,778		258,456	
Loans and other debts	**5,987,292**	**8,892,880**	**8,878,348**	**4,471,226**
Payable to Group companies (note 16 and 25)	7,726,852	1,043,921	8,101,742	669,924
Personnel (outstanding salaries)		3,021,739		3,291,510
Total non-trade payables	**7,726,852**	**4,065,660**	**8,101,742**	**3,961,434**
Customer advances		294,331		145,917
Other current liabilities		**294,331**		**145,917**
Total Debits and payables	**13,723,457**	**57,837,336**	**16,980,090**	**48,869,396**

(1) The heading "Other debts" refers to long-term debts with the Centro de Desarrollo Tecnológico Industrial (CDTI) and the impact of IFRS 16. See note 15. It also reflects an amount of 2,347,279 euros in the short term as well as 85,998 euros in the long term which correspond to the financial liabilities generated by the business combinations detailed in note 25.

(2) The amount included under Bank borrowings relates mainly to finance leases, ICO loans and credit facilities and other short-term financing sources.

The financial expenses associated with the liabilities recorded at 31 December 2023 amount to 840,078 euros (640,007 euros in 2022).

10.2) Classification by maturity

The breakdown by maturity of the various long-term financial liabilities with fixed or determinable maturity at 31 December 2023 is as follows:

	2025	2026	2027	2028	2029 onwards	Total
Non-current payables						
Debts with financial institutions	1,482,343	824,900	1,170,782	33,130		3, 511,156
Other debts	815,018	548,201	313,068	180,742	309,328	2,166,358
Total	**2,297,362**	**1,373,101**	**1,483,851**	**213,872**	**309,328**	**5, 677,514**

The breakdown by maturity of the various long-term financial liabilities (bank borrowings and other payables), with fixed or determinable maturity, at year-end 2022 is as follows:

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

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

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

Interest rate risk

The company is financed by CDTI loans, the non-reimbursable part of which is accompanied by very low fixed rates, by internal financing whose interest rates are fixed, by financing with ICOS loans, most of which have fixed interest rates and are therefore not subject to the upward volatility of the market, and by current policies whose use is restricted to the short term, and therefore with little exposure to the variability of the Euribor.

Exchange rate risk

The financing of long-term assets denominated in currencies other than the euro is sought in the same currency in which the asset is denominated. This is particularly so in the case of acquisitions of companies with assets denominated in currencies other than the euro.

The exchange rate risk arises mainly from foreign currency sales, mainly in US Dollars and Mexican Pesos. The net foreign exchange gains/losses result in a net foreign exchange gain of 164,336 euros at 31 December 2023 and a net foreign exchange gain of 715,099 euros at 31 December 2022.

Liquidity risk

The general situation in the financial markets, especially the banking market, over the last months was particularly unfavourable for credit seekers, although the Group was Click here to enter text. able to resort to the 2020 governmental aid (ICO loans) described in note 2 to reduce the liquidity risk given the situation.

The Group pays permanent attention to the evolution of the different factors that can help to solve liquidity crises and, in particular, to the sources of funding and their characteristics.

In particular, we can summarise the points on which most attention is paid:

Liquidity of monetary assets: the placement of surpluses is always carried out at very short terms and highly available. At 31 December 2022 the amount in cash and cash equivalents is 11,720,904 euros (18,964,822 euros at 31 December 2022).

At the end of 2023 and with the objective of financing investment projects in the ISPD Group, financing options were closed with Cofides, which will become effective during 2024. In Latin America, borrowings were increased to cover possible liquidity needs in Colombia.

Indebtedness: the Group maintains the levels of indebtedness of previous years with a level of leverage that allows the sustainability of the business in the medium and long term.
The working capital is negative at 31 December 2023 in the amount of 207,539 euros (5,439,832 euros at 31 December 2022).

The Group uses available analytical information to calculate the cost of its products and services, which helps it to review its cash requirements and optimise the return on its investments. The Group reviews its DSO and DPO to optimise its immediate cash requirements. The Group takes into consideration 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 does not have a significant concentration of credit risk, the exposure being spread over a large number of counterparties and customers.

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

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

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

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

Competition risk

The ISPD Network Group finds itself in a constantly evolving market with high growth rates. Despite the entry of new competitors in the market, the Group relies on its experience of more than twenty years, as well as its established position and reputation, to maintain its leading position.

The Group has also expanded its services over the years through acquisitions and the integration of other companies, such as Rebold. This has enabled it to diversify its offering and improve the quality of its services. As a result, the Group is confident that it will continue to hold a leading position in the market.

The ISPD Network Group relies on its experience, reputation, service expansion and quality to maintain its leading position despite competition in an ever-changing and growing market.

Dependence Customers and Suppliers Risk

The risk of dependence on customers and suppliers is limited as none of them have a significant weight in revenue or are very long-term contracts.

Clients include media agencies that in turn work with numerous advertisers, which further dilutes the risk of client dependency.

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

In the United States, the potential risk associated with suppliers has been mitigated by ceasing collaboration with our main DSP provider, Media Math. Instead, we have explored various alternatives for this service.

"Key Persons" Risk

One of the main assets of the ISPD Network Group is to have been able to assemble a team of key people and managers in the Group's strategic positions.

Personal data processing risk

The ISPD Network Group carries out personal data processing activities in the ordinary course of its business, both as a Data Controller and as a Data Processor.
The ISPD Network Group is deeply aware of the importance of regulations affecting personal data, privacy and commercial communications, and devotes significant resources and efforts to achieve a maximum compliance scenario.

The regulatory framework affecting the company's activities and its operation is made up of the following regulations:

- 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).
- Organic Law 3/2018 of 5 December on the Protection of Personal Data and Guarantee of Digital Rights and the Legislative Decree of 30 June 2003, n.196, updated as "Codice in materia di protezione dei dati personali" in Italy.
- Law 34/2002, of 11 July, on Information Society Services and Electronic Commerce.
- Guides, guidelines and other relevant materials published by the Spanish Data Protection Agency (AEPD), the CNIL, the Garante della Privacy and the European Data Protection Board (EDPB).
- Law 34/1988 of 11 November 1988 on General Advertising.
- Specific regulatory provisions and regulations applicable to advertising (such as Circular 1/2022 of 10 January of the National Securities Market Commission on advertising of crypto-assets presented as an investment object or Circular 1/2023 on the protection of personal data and privacy in relation to unsolicited communications, including the right not to receive unsolicited calls from the AEPD, among others).
- Applicable legislation in the United States (such as the California Consumer Privacy Act - CCPA-) and various Latin American countries in which the Group has a presence.

The ISPD Network Group has implemented processes and deployed procedures for compliance with current and applicable regulations, also taking into account the regulations whose approval is imminent, through the creation and implementation of a privacy management system (PMS) and its continuous control and management by the Legal and Privacy team.

The ISPD Network Group has an appropriately appointed internal DPO for its European companies, who carries out his activity under the terms of the Regulation, advising in relation to the Regulation and driving and managing compliance activities.

The ISPD Network Group is aware of the increasing regulation affecting the digital marketing business and therefore maintains an external consultancy with the Deloyers law firm to promote regulatory compliance, develop projects such as privacy by design or Privacy Impact Assessments, assist in the management of data subjects' rights and collaborate in the event of an incident, among other tasks, within the framework of the Group's European companies. The US and Latin American subsidiaries are also supported by external privacy advisors, in addition to the support of the ISPD Group's legal and privacy team.

The Privacy Management System is structured through a regulatory body, a consolidated team, regular risk reporting systems and the use of a reputable privacy management technology platform, OneTrust.

NOTE 12. OWN FUNDS

The breakdown of consolidated equity is as follows:

	31/12/2023	31/12/2022
Registered share capital of the Parent Company:	**819,099**	**819,099**
Reservations:	**10,687,826**	**7,629,763**
Of the Parent Company	46,282	46,282
From fully consolidated companies and from companies consolidated using the equity method	10,641,543	7,583,480
Partner contributions		-
(Treasury shares)	**(665,000)**	**(665,000)**
Prior period´s losses	**(5,845,579)**	**(5,655,635)**
Profit/loss for the year attributable to the Parent Company	**2,852,801**	**4,418,761**
Conversion differences	**26,555**	**379,699**
Minority interests	**(112,314)**	**(685,367)**
	7,763,389	**6,241,320**

12.1) Social Capital

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

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

The share capital at 31 December 2023 and 2022 is represented by 14,891,262 shares of EUR 0.055 nominal value each.

On 23 December 2021, the Group´s Parent Company acquired a total of 150,000 treasury shares at a price of 3.80 euros, for a total amount of 570,000 euros. On 22 January 2022, a further purchase of 25,000 shares at the same price was made for a total amount of 95,000 euros, bringing the total amount held as treasury shares at 31 December 2022 to 665,000 euros (570,000 euros at 31 December 2021), with the amount remaining unchanged in 2023.

The shareholders with direct or indirect interests in the share capital at 31 December 2023 and 2022 are as follows:

	No. of shares	Holding %
ISP Digital, S.L.U.	14.407.750	96.75%
Free float	308.512	2.07%
Own shares	175.000	1.18%
Total	**14.891.262**	**100.00%**

12.2) Parent Company Reserves

The legal reserve is restricted in terms of its use, which is determined by various 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. At 31 December 2023 the Legal Reserve was not fully allocated.

12.3) Share premium

The Capital Companies Act expressly permits the use of the share premium balance for the capital increase and does not establish any specific restrictions as to the availability of this balance.

12.4) Voluntary Reserves

These are unrestricted reserves generated by the Parent Company as a result of undistributed profits from previous years.

12.5) Distribution of dividends

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

12.6) Capital management

The Group's objective regarding capital management is to maintain an optimal financial structure to reduce the cost of capital, while ensuring the ability to continue to manage its operations with a focus on growth and value creation. The Group's objective is not formally formalised and no parameters have been set by the Board of Directors.

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

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

The capital structure is controlled through the leverage ratio, calculated as net financial debt over equity. The Group has loans and other products with financial institutions amounting to 9.4 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 was made at the same price, for a total amount of 95,000 euros, bringing the total amount held as treasury shares on 31 December 2023 and 2022 665,000 euros, the amount remaining unchanged in 2023.

NOTE 13. EXCHANGE RATE DIFFERENCES

The movement in the balance of this heading from 31 December 2022 to 31 December 2023 was as follows:

	31/12/2023	31/12/2022
Opening balance	**379,699**	**784,267**
Net change for the reporting period	(353,144)	(404,568)
Closing balance	**26, 555**	**379,699**

Translation differences are generated by companies domiciled abroad with a functional currency other than the euro. Specifically, these currencies are mainly the Argentinean peso, the US dollar, the Colombian peso and the Mexican peso.

NOTE 14. EQUITY INSTRUMENTS-BASED PAYMENT TRANSACTIONS

Stock Option Plan Digilant Inc

In the Group company Digilant Inc. stock options were granted to certain employees under a 2014 stock option plan. The plan was created to incentivise key employees to drive the company's growth. The plan authorised the issuance of options to acquire up to 3,333,333 shares. The vesting period, the number of options granted and the exercise price were determined in the agreements with each beneficiary. In June 2023, the company settled the plan by recovering the options from the few remaining beneficiaries at a fair value agreed and accepted by the beneficiaries.

	Number of Shares	Weighted Average Exercise Price	Weighted Average Remaining Life	Weighted Average Grant Date Fair Value
Granted Outstanding at December 31, 2022	106,408	1.14 €	2.50 €	0.66 €
Canceled or expired	106,408			

The plan was cancelled as of 31 December 2023. As a result, the company paid 262 euros to settle the accrued shares.

NOTE 15. DEFERRED INCOME

Mamvo Perfomance, S.L. "TrueTarget".

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

Mamvo Perfomance, S.L. "Datalake".

On 27 November 2018, the Centre for the Development of Industrial Technology (CDTI) approved the granting to the company Mamvo Perfomance, S.L. of aid for collaboration in the development of the Research and Development project entitled "Evaluator and dynamic recommender of marketing campaigns", for a total amount of 445,176 euros, distinguishing a non-refundable tranche of 133,553 euros and another refundable tranche of 331,623 euros as a loan at a subsidised interest rate. On 22 January 2022, received 181,396 euros, which corresponded to the last payment to be made by the CDTI.

During the financial year 2023, a total of 17,432 euros (4,674 euros at 31 December 2022) recorded in the consolidated income statement, corresponding to the non-refundable tranche of the aid granted for the company Mamvo Performance, S.L. due to part of the expenses incurred, has been charged to the profit and loss account for the year.

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

During 2020, the Centre for the Development of Industrial Technology (CDTI) approved the granting to the company Rebold Communication, S.L.U. of aid as collaboration in the development of the Research and Development project called "Lune", (based on a project to apply technology in the layout of news to facilitate better treatment of the same) for a total amount of 347,374 euros, distinguishing a tranche of 69,475 euros non-refundable and another tranche of 277,899 euros refundable as a loan at a subsidised interest rate. The first payment received on 13 July 2020 was 121,750 euros (35%), of which 24,350 euros have been charged as a grant and 97,400 euros as a loan. The second and third payments were received on 04 April 2022 for a total amount of 225,624 euros (65%), of which 45,125 euros have been imputed as a grant and 180,499 euros as a loan.

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

The subsidiary Rebold Comunicación, S.LU., obtained from the Centre for the Development of Industrial Technology (CDTI) a zero interest rate loan as a collaboration in the development of the Research and Development project entitled "System for exploiting knowledge by combining multiple points of contact that brands have with consumers from different channels”, for a total amount of 714,341 euros, distinguishing a non-refundable tranche of 142,868 euros and another refundable tranche of 571,473 euros as a loan at a subsidised interest rate.

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

During 2016, the Centre for the Development of Industrial Technology (CDTI) approved or granted Rebold Communication, S.L.U. an aid 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 euros, distinguishing between a non-refundable tranche of 52,760 euros and another refundable tranche of 246,210 euros as a loan at a subsidised interest rate.298,970 euros, with a non-refundable tranche of 52,760 euros and another refundable tranche of 246,210 euros in the form of a loan at a subsidised interest rate.

Mamvo Performance S.L. Oliva Platform Project

During the year 2022, the company has submitted to the Centre for the Development of Industrial Technology (CDTI) to apply for a grant to collaborate in the development of this

Research and Development project. The aim of the project is to design and develop an architecture for data acquisition and enrichment, allowing the integration of current modules of value available in MAMVO while developing others necessary to build the prototype platform with the extraction of intelligence from the data. This solution will make it possible to respond to market needs quickly and flexibly, resolve issues that currently require craftsmanship, as well as address issues that are currently unresolved due to the complexity of information extraction.

The total amount of the aid granted is 832,498 euros, which corresponds to 69.53% of the project budget, distinguishing a non-refundable tranche of 183,150 euros and another refundable tranche of 649,349 euros as a loan at an interest rate of 3.337% p.a. The payment has been received on 28 June 2023 for a total amount of 250,000 euros, of which 55,000 euros have been charged as a grant and 195,000 euros as a loan. The payment was received on 28/06/2023 for a total amount of 250,000 euros, of which 55,000 euros have been charged as a grant and 195,000 euros as a loan.

ISPD Network S.A. Luciérnaga Project

As a complement to the Oliva project presented at Mamvo, ISPD Network SA, for 698,500 euros, has developed a delivery data platform to optimise the organisation and structures of audiences and media on a 360-degree platform.

ISPD Network S.A. Future Tools Project

During 2023, the services of Tagsonomy S.L. (DIVE) have been contracted for the development of a digital product based on AI, the "Future Tools" project. This is a key project consisting of four simulators that will make it possible to measure the impact of ISPD's value proposition on the P&L of its current and future customers. This product will give a clear competitive advantage to the Group's executives during commercial actions. The final expenditure in 2023 for this project was 400,000 euros.

B2 Marketplace Ecommerce Consulting Group. Positioning Software

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

This project entailed an expenditure in 2022 of 562,946 euros of which 403,256 euros were invested in personnel, 98,000 euros in external collaborators, 61,668 euros in general expenses and project auditing.

This project was submitted to the Red.es call for proposals, and the project was awarded a grant of 179,900 euros in August 2022, of which 60,000 euros (120,000 euros in 2022) have been charged to the financial year 2023 depending on the degree of progress of the project.

NOTE 16. TAX POSITION

The detail of balances with public administrations is as follows:

31/12/2023	Receivables	Payables
Value Added Tax	3,979,773	(6,214,792)
Recorvable Taxes	53,990	
Deductible temporary difference assets (**)	4,430,982	
Credit for losses to be offset for the year (**)	1,463,883	
Deferred tax liabilities (**)		(81,964)
Personal income tax withholdings		(484,302)
Other debts to public administrations	4,143,023	(5,973)
Corporate income tax		(1,210,681)
Social Security		(594,170)
	14,071,651	**(8,591,882)**

31/12/2022	Receivables	Payables
Value Added Tax	1,329,549	(2,242,610)
Tax Refunds	2,635,720	
Deductible temporary difference assets (**)	5,066,882	
Credit for losses to be offset for the year (**)		
Deferred tax liabilities (**)		(64,308)
Personal income tax withholdings		(529,108)
Other debts to public administrations	516,457	(5,973)
Corporate income tax		(30,169)
Social Security		(427,773)
	9,548,608	**(3,299,940)**

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

Since 2017 the Group has been part of the tax Group 265/10, the Parent Company of which 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 taxable income is calculated on the basis of the profit for the year, adjusted for temporary differences, permanent differences and tax losses from previous years.

Corporate income tax is calculated by applying the tax rates in force in each of the countries in which the Group operates. The main rates are:

Tax rate	**2023**	**2022**
Spain	25.00%	25.00%
Italy (*)	27.90%	30.45%
France	25.00%	25.00%
Mexico	30.00%	30.00%
Colombia	31.00%	31.00%
Chile	10.00%/27.00%	27.00%
USA(**)	2.09%	2.09%
Argentina	25.00%	30.00%
Peru	29.50%	29.50%

(*) Average Taxes due in Italy

(**) There is no single rate. Federal taxes amounts

The reconciliation of the income tax expense to the accounting profit before tax is as follows:

2023	Profit and loss account		Income and expenses recognised directly in equity		TOTALS
Result for the year	-	2,867,184		-	2,867,184
Taxes and other		574,793			574,793
	Increases	Decreases	Increases	Decreases	
Corporate income tax	857,142	-	-	-	857,142
Permanent differences	1,039,376	(154,636)	-	-	884,740
Temporary differences	-	-	-	-	-
Originating in the fiscal year	4,319,178	(398,042)	-	-	3,921,136
Originating from previous fiscal years	-	(3,624,533)	-	-	(3,624,533)
Tax base (taxable income)					**5,480,462**
Gross tax payable					**(1,005,268)**
Other adjustments					**(700,817)**
Currency Conversion					**168,780**
Adjusted tax base (tax result)					**3,943,157**
Full amount (Indicate % of taxable base, *e.g. 30% of taxable base*)					283,107
Dividend deduction					
Double taxation deduction					
Environmental deduction					
Deduction for research and development programme and investments					
Training deduction					-
Deduction for donations					-
Deduction for exporting companies					
Other deductions					
Net tax payable					283,107
Withholdings and payments on account					(231,214)
Liquid to be paid in/returned					**51,893**

2022	Profit and loss account		Income and expenses recognised directly in equity		TOTALS
Result for the year	4,367,469		-		4,367,469
	Increases	Decreases	Increases	Decreases	
Corporate income tax	1,335,680	(328,288)	-	-	1,007,392
Permanent differences	1,222,936	(1,085,838)	-	-	137,099
Temporary differences			-	-	-
Originating in the fiscal year	2,169,281	-	-	-	2,169,281
Originating from previous fiscal years	-	(2,252,785)	-	-	(2,252,785)
Tax base (taxable income)					**5,428,456**
Gross tax payable					318,672
Dividend deduction					-
Double taxation deduction					-
Environmental deduction					-
Deduction for research and development programme and investments					-
Training deduction					-
Deduction for donations					-
Deduction for exporting companies					-
Other deductions					-
Net tax payable					318,672
Withholdings and payments on account					(11,094)
Liquid to be paid in/returned					**307,578**

The breakdown of the corporate income tax expense, distinguishing between current tax and deferred tax, is as follows:

	2023	2022
Current tax:	(844,372)	(945,371)
Deferred tax:	(12,770)	(62,021)
Total tax expense:	**(857,142)**	**(1,007,392)**

According to current legislation, tax losses can be offset against taxable profits obtained in accordance with the legislation of each country.

At 31 December 2023, the Group has the following tax credits to offset against future results:

2023	Total tax credits		
Company	BINS	DTD	CIT deductions
ISPD Network SLU	346,132	69,869	-
Mamvo Performance SLU	206,213	7,797	127,248
MMSM SLU	91,244	7,991	191,568
Rebold Marketing SLU	288,953	12,254	318,091
Rebold Communication SLU	470,620	373,039	714,194
B2Marketplace	-	7,197	4,411
Rebold Italy SRL	74,325	71,206	-
Rocket PPC	-	-	-
Digilant inc	-	151,109	-
Happyfication	-	-	-
Antevenio Mexico	-	865,227	-
Access Mexico	-	-	-
Digilant Peru	-	311,990	-
Dglnt SA de CV	295,762	504,538	-
Filipides Services	-	-	-
Digilant Services	-	-	-
Blue Digital	54,405	67,886	-
Blue Media	-	564	-
Digilant Chile	8,807	(3,271)	-
Access Colombia	-	111,395	-
	1,836,461	**2,558,792**	**1,355,511**

2022	Amount of tax credits		
Company	BINS	DTD	CIT deductions
ISPD Network SLU	346,132	69,870	-
Mamvo Performance SLU	206,213	7,797	127,248
MMSM SLU	91,244	7,991	216,949
Rebold Marketing SLU	288,953	12,254	318,091
Rebold Communication SLU	470,620	419,434	-
B2Marketplace SL	-	4,411	-
Rebold Italy SRL	74,325	71,206	-
Antevenio Mexico co	-	803,506	-
Access Mé xico	-	-	-
Digilant Peru	-	225,022	-
Dglnt SA de CV	-	1,077,552	-
Filipides	-	-	-
Digilant Services	-	-	-
Blue Digital	113,619	26,059	-
Blue Media	944	-	-
Digilant Chile	9,374	-	-
Access C olombia	-	9,640	-
	1,601,434	**2,734,742**	**662,288**

There is no time limit for the statute of limitations for tax credits.

Deferred taxes

The changes in deferred tax assets in 2023 and 2022 are as follows:

	31/12/2022	Charge / credit to income	31/12/2023
Tax credits	2,250,118	(414,429)	1,835,689
Temporary differences assets	2,816,764	404,370	3,221,134
Duties for deductions	-	838,042	838,042
Temporary differences liabilities	(64,308)	(17,656)	(81,964)
Total deferred tax assets	**5,002,575**	**810,327**	**5,812,901**

	31/12/2021	Charge / credit to income	31/12/2022
Tax credits	3,950,816	(1,700,698)	2,250,118
Temporary differences assets	1,964,241	852,523	2,816,764
Temporary differences liabilities	(64,232)	(76)	(64,308)
Total deferred tax assets	**5,850,826**	**(848,250)**	**5,002,575**

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:

-It is probable that the Group will 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 take place more than ten years from the reporting date, irrespective of the nature of the tax credit.
- It is unlikely that the requirements of the tax rules for their recovery will be met at the time they are deemed recoverable.

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

The deferred tax assets have been recognised in the consolidated statement of financial position as the directors consider that, based on the best estimate of the Group companies' future results, including certain tax planning measures, it is probable that these assets will be recovered.

Other information

Under current legislation, taxes cannot be considered definitively settled until the returns filed have been inspected by the tax authorities or the four-year statute of limitations period has elapsed. At 31 December 2023, the Spanish Group companies have open for inspection the 2019 and subsequent years for corporate income tax and the 2020 and following years for the other taxes applicable to them. Companies domiciled abroad are open to inspection for the years for which the statute of limitations has not expired in accordance with the tax legislation in force in each country. The directors consider that the tax returns for the taxes have been duly settled and, therefore, even in the event of discrepancies in the interpretation of current legislation regarding the tax treatment of transactions, any resulting liabilities, should they arise, would not have a material effect on the accompanying consolidated financial statements.

NOTE 17. INCOME AND EXPENSES

a) Revenue

The breakdown of revenue by activity is as follows:

By customer	2023	2022
Online advertising	124,538,303	93,206,389
Technology Services	15,488,234	12,674,346
Total revenue	**140,026,537**	**105,880,735**

b) Supplies

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

c) Personal expenses

The breakdown of this heading in the attached consolidated income statement is as follows:

	31/12/2023	31/12/2022
Wages and salaries	(28,314,792)	(30,053,031)
Termination benefits	(1,024,041)	(316,628)
Social security payable by the company	(4,513,652)	(4,044,764)
Other employee benefits expenses	(2,032,923)	(2,075,178)
Total staff costs	**(35,885,408)**	**(36,489,601)**

d) External services

The breakdown of this heading in the attached consolidated income statement is as follows:

	31/12/2023	31/12/2022
Leases and royalties (note 8)	(803,320)	(535,869)
Repairs and maintenance	(29,689)	(49,061)
Independent professional services	(5,306,343)	(3,778,347)
Transport	(771,605)	(709,321)
Insurance premiums	(186,655)	(81,971)
Banking and similar services	(185,011)	(101,554)
Advertising, publicity and public relations	(807,805)	(914,132)
Utilities	(264,090)	(321,483)
Other services	(1,990,076)	(1,141,900)
	(10,344,593)	**(7,633,638)**

e) Financial income

The breakdown of this heading in the attached consolidated income statement is as follows:

	31/12/2023	31/12/2022
Finance income from accounts and similar	64,682	37,388
Group financial interests	14,531	
	79,213	**37,388**

In 2023, interest of 64,682 euros and 37,388 euros was received in 2022, mainly from the company Dglnt SA de CV and Antevenio Mexico from short-term investments.

f) Financial Expenses

The breakdown of this heading in the attached consolidated income statement is as follows:

	31/12/2023	31/12/2022
Debts and similar expenses	(840,078)	(640,007)
Group financial expenses	(390,280)	(157,320)
	(1,230,358)	**(797,327)**

g) Impairment of assets

	31/12/2023	31/12/2022
Value adjustment for impairment of trade receivables	(628,877)	(165,245)
Other current operating losses	(77,140)	(249,365)
Impairment reversal	183,470	177,348
	(522,547)	**(237,262)**

NOTE 18. PROVISIONS AND CONTINGENCIES

The movements in provisions is as follows:

	31/12/2022	Endowment	Application/Reversion	31/12/2023
Provisions for other liabilities	258,456	116,699	(65,377)	309,778
	258,456	**116,699**	**(65,377)**	**309,778**

	31/12/2021	Endowment	Application/Reversion	31/12/2022
Provisions for other liabilities	289,050	(65,668)	35,074	258,456
	289,050	**(65,668)**	**35,074**	**258,456**

This heading mainly includes provisions for employee benefits arising at Digilant Inc and Rebold Italy S.R.L. in compliance with current labour legislation in the United States and Italy, amounting to 309,778 euros (258,456 euros at 31 December 2022).

At 31 December 2023, the ISPD Network Group holds a total amount of guarantees amounting to 643,748 euros (366,253 euros at 31 December 2022)

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: selective waste collection points, water fountains to eliminate plastic bottles and reusable tableware. The gradual replacement of lighting fixtures with energy-saving bulbs and fluorescent bulbs was also launched in 2020.

In Spain we have 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 a bicycle parking facility at the Barcelona office.

Since 2024, the Group has contracted the DCycle tool, which allows it to manage environmental sustainability. Its functionality makes it possible to measure, reduce and communicate environmental impact, promoting strategies with a sustainable approach.

NOTE 20. EVENTS AFTER THEREPORTING PERIOD

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

NOTE 21. COMPENSATION, INTERESTS AND BALANCES WITH PARENT COMPANY´S DIRECTORS

21.1) Balances and Transactions with Directors and High Management

The amounts accrued by the members of the Board of Directors or High Management, for all items, are as follows:

	High Management	
	31/12/2023	31/12/2022
Wages and salaries	1,342,556	2,648,271
Total	**1,342,556**	**2,648,271**

At 31 December 2023 and 2022, there are no commitments for pension supplements, guarantees or sureties extended to Directors, nor loans or advances granted to Directors.

Other information related to the Board of Directors

The members of the Board of Directors of the Company and the persons related thereto referred to in article 231 of the Capital Companies Act have not incurred in any conflict of interest situation in accordance with the provisions of article 229.

However, Director Fernando Rodés has notified for the purposes of article 229 of the LSC that he holds significant shareholdings in ISPD Network, S.A. and Tagsonomy, S.L., and that during the 2023 financial year the following contractual relationships have arisen between the two companies under market conditions and in the interests of the Company: (a) Service provision contract dated 19 December 2023 whereby Tagsonomy, S.L. provides artificial intelligence services relating to various projects for a total amount of 400,000 euros (and in February 2024 a framework contract was signed to support the contracting of new projects); (b) Credit line of up to 750,000 euros granted by ISPD Network, S.A. for a total amount of 400,000 euros (and in February 2024 a framework contract was signed to support the contracting of new projects); (c) Credit line of up to 750,000 euros granted by ISPD Network, S.A. for a total amount of 400,000 euros.750,000 euros granted by ISPD Network, S.A. to Tagsonomy, S.L. on 20 September 2023 (novated on 15 December 2023); and (c) ISPD Network, S.A. has also provided Tagsonomy, S.L. with a number of management support and project management services. various management and administrative support services, including financial, IT, human resources, marketing and legal support, and the use of an office space and all related services (electricity, wifi, air conditioning, office supplies, cleaning, security, access to common areas, etc.), valued at approximately EUR 195,000. These services continue in 2024.

NOTE 22. OTHER INFORMATION

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

	31/12/2023				31/12/2022		
	Men	**Women**	**Other**	**Total**	**Men**	**Women**	**Total**
Management	26.1	11.6		37.7	25.2	9.9	35.1
Administration	21.5	36.1	1	58.6	16.0	31.9	47.9
Commercial	31.2	71.6	1	103.8	25.6	55.9	81.5
Production	128	180.1		308.1	126.3	171.5	297.8
Marketing	2	8.8		10.8	2.0	9.3	11.4
Technicians	28.5	6.5		35	31.5	6.0	37.5
	237.3	**314.7**	**2**	**55 4**	**226.7**	**284.5**	**511.2**

The number of persons employed by the Group at the end of the various periods, broken down by category, is as follows:

	31/12/2023	31/12/2022
Management	36	37
Administration	61	47
Commercial	109	87
Production	324	302
Marketing	13	12
Technicians	34	38
	577	**524**

The average number of persons employed during the year with a disability of thirty-three per cent or more by category is as follows:

	31/12/2023	31/12/2022
Management	1	1
Administration	1	
Commercial		
Production + technicians	1	1
Marketing		
	3	**2**

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

	31/12/2023			31/12/2022		
	Men	Women	Total	Men	Women	Total
Management	2.0	1.0	3.0	7.0	1.0	8.0
Administration	3 .0	3.0	6 .0	2.0	2.0	4.0
Commercial	2.0	0.0	2.0	1.0	0.0	1.0
Production	0.0	0.0	0.0	1.0	0.0	1.0
Marketing	0.0	0.0	0.0	1.0	0.0	1.0
Technicians	0.0	0.0	0.0	0.0	0.0	0.0
	7 .0	**4.0**	**11 .0**	**12.0**	**3.0**	**15.0**

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

The fees accrued for the audit of the consolidated Group in 2023 and 2022 amount to a total of EUR 239,576 and EUR 244,000, respectively.

For the purposes of the provisions of the second additional provision of Law 31/2014 of 3 December amending the Corporate Enterprise Act and in accordance with the Resolution of 29 February 2016 of the Spanish Accounting and Audit Institute, a detail of the average payment period to suppliers, ratio of transactions paid, ratio of transactions pending payment, total payments made and total payments pending is included below:

	2023	2022
	Days	**Days**
Average supplier payment time	50.08	43.26
Ratio of paid transactions	41.82	42.77
Ratio of transactions outstanding	56.65	53.41
	Amount (Euros)	**Amount (Euros)**
Amount of payments made	12,920,126.38	12,224,561.11
Amount of outstanding payments	2,566,970.25	1,819,630.01

	2023	2022
Volume of invoices paid within the legal deadline	11,419,322.20	9,607,165.77
Number of invoices paid within the legal deadline	8,337	5,710
Percentage of the volume of invoices paid within the legal deadline as a percentage of the total volume of invoices paid (%)	92%	78%
Percentage of the number of invoices paid within the legal deadline out of the total number of invoices paid (%)	91%	77%

The legal payment deadline of two months is met since we validate the invoices and adjust to the company's payment day for this calculation of the percentage and volume of invoices within the legal deadline out of the total volume of paid invoices.

NOTE 23. SEGMENT REPORTING

The breakdown of net revenues from the Group's ordinary activities by category of activity and by geographical market is as follows:

By customers (31/12/2023)	Total
Online advertising	124,538,303
Technology Services	15,488,234
Total net revenue	**140,026,537**

By customers (31/12/2022)	Total
Online advertising	93,206,389
Technology Services	12,674,346
Total net revenue	**105,880,735**

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

- Online advertising: This is the main activity managed by the Group and covers the advertising activities provided to the company's customers.
- Technology Services: This activity refers to the service of our emailing and SMS platform, Media and consumer intelligence and e-commerce consulting platform.

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

Distribution of Sales and Cost of Sales by Territory

Distribution/Sales	Consolidated amount 31/12/2023	Consolidated amount 31/12/2022
Spain	16,245,303	17,244,981
Europe, Latin America and the USA	123,781,234	88,635,754
Total Sales Distribution	**140,026,537**	**105,880,735**

Cost of Sales Distribution	Consolidated amount 31/12/2023	Consolidated amount 31/12/2022
Spain	(10,904,867)	(7,429,534)
Europe, Latin America and the USA	(77,429,414)	(49,014,351)
Total Cost of Sales Distribution	**(88,334,281)**	**(56,443,885)**

Consolidated income statement by business category

	31/12/2023				31/12/2022		
	Online Advertising	Provision of Technology Services	**Total**		Online Advertising	Provision of Technology Services	**Total**
Revenue	124,538,303	15,488,234	**140,026,537**		93,206,389	12,674,346	**105,880,735**
Other operating income	488,860	1,140,673	**1,629,533**		203,168	535,582	**738,750**
Supplies	(80,384,196)	(7,950,085)	**(88,334,281)**		(51,502,588)	(4,941,297)	**(56,443,885)**
Other operating expenses	(9,027,269)	(1,848,959)	**(10,876,228)**		(6,662,399)	(1,174,010)	**(7,836,409)**
Amortization	(1,268,849)	(223,915)	**(1,492,764)**		(1,044,833)	(199,016)	**(1,243,849)**
Personal expenses	(30,502,597)	(5,382,811)	**(35,885,408)**		(31,142,766)	(5,346,835)	**(36,489,601)**
Other income/loss	218,540	-	**218,540**		1,043,372	-	**1,043,372**
	-	-	-				
Operating income/loss	4,148,106	1,137,822	**5,285,928**		4,100,344	1,548,770	**5,649,113**
	-	-	-				
Net finance income	(986,809)	-	**(986,809)**		(44,840)		**(44,840)**
	-	-	-				
Profit/loss before income tax	3,161,297	1,137,822	**4,299,119**		4,055,504	1,548,770	**5,604,273**
	-	-	-				
Income tax	(719,999)	(137,143)	**(857,142)**		(834,027)	(173,365)	**(1,007,392)**
Other taxes	(574,793)	-	**(574,793)**		(229,412)		**(229,412)**
Profit/loss for the year	1,866,505	1,000,679	**2,867,184**		2,992,064	1,375,405	**4,367,469**

	31/12/2023			31/12/2022		
	Online Advertising	Provision of Technology Services	**Total**	Online Advertising	Provision of Technology Services	**Total**
ASSETS	**31/12/2023**	**31/12/2023**	**31/12/2023**	**31/12/2022**	**31/12/2022**	**31/12/2022**
Property, plant and equipment	1,449,055	216,525	1,665,581	1,925,747	295,948	2,221,695
Consolidation goodwill, both equity and fully consolidated cos.	9,356,687	1,398,126	10,754,813	7,140,307	1,055,177	8,195,485
Goodwill on consolidation by the equity method	-	-	-	-	-	-
Goodwill	257,328	38,451	295,779	348,666	53,583	402,249
Intangible assets	1,743,692	260,552	2,004,243	623,607	95,836	719,443
Investment property	-	-	-	-	-	-
Fixed assets in progress	849,235	126,897	976,132	1,069,689	164,389	1,234,078
Non-current financial assets	160,894	24,042	184,936	89,962	13,826	103,788
Non-current financial assets Group company	-	-	-	-	-	-
Holding consolidated using the equity method	-	-	-	-	-	-
Deferred tax assets	5,128,533	766,332	5,894,865	4,399,736	667,147	5,066,882
Other non-current assets	-	-	-	-	-	-
Non-current assets	18,945,424	2,830,925	21,776,349	**15,597,714**	**2,345,905**	**17,943,619**
				-	-	
Stocks	-	-	-	-	-	-
Trade and other receivables	40,523,702	6,055,266	46,578,968	30,346,170	4,663,585	35,009,755
Trade receivables Group companies	197,152	29,459	226,611	31,475	4,837	36,312
Other current financial assets	-	-	-	-	-	-
Other current assets	133,352	19,926	153,279	43,894	6,745	50,640
Other current assets Group company	764,322	114,209	878,531	-	-	-
Personal, salaries advances	-	-	-	-	-	-
Public Administrations	7,066,832	1,055,963	8,122,796	1,586,062	259,944	1,846,006
Current tax assets	46,972	7,019	53,990	2,284,604	351,115	2,635,720
Prepaid expenses	315,837	47,194	363,031	500,728	76,952	577,680
Cash and cash equivalents	10,197,187	1,523,718	11,720,904	16,438,552	2,526,269	18,964,822
Current assets	59,245,356	8,852,754	68,098,110	**51,231,486**	**7,889,448**	**59,120,934**
					-	
Total assets	**78,190,779**	**11,683,680**	**89,874,459**	**66,829,200**	**10,235,354**	**77,064,553**

**Statement of affairs segmented under the breakdown of sales by business category*

	31/12/2023			31/12/2022		
	Online Advertising	Provision of Technology Services	**Total**	Online Advertising	Provision of Technology Services	**Total**
EQUITY AND LIABILITIES	**31/12/2023**	**31/12/2023**	**31/12/2023**	**31/12/2022**	**31/12/2022**	**31/12/2022**
Share Capital	712,616	106,483	819,099	709,988	109,111	819,099
Treasury shares	(578,550)	(86,450)	(665,000)	(576,416)	(88,584)	(665,000)
Legal reserve	40,266	6,017	46,282	40,117	6,165	46,282
Reserves from fully consolidated companies	9,258,143	1,383,401	10,641,543	6,599,701	983,779	7,583,480
Previous years´ losses	(5,085,654)	(759,925)	(5,845,579)	(4,902,258)	(753,377)	(5,655,635)
Profit/loss for the year attributable to the Parent Company	2,481,937	370,864	2,852,801	3,827,252	591,509	4,418,761
Minority interest	(97,713)	(14,601)	(112,314)	(594,071)	(91,296)	(685,367)
Conversion differences	23,103	3,452	26,555	329,120	50,579	379,699
Equity attributable to the Parent Company	6,851,861	1,023,841	7,875,703	**6,027,504**	**899,183**	**6,926,687**
Equity attributable to non-controlling interests	(97,713)	(14,601)	(112,314)	**(594,071)**	**(91,296)**	**(685,367)**
Equity	6,754,148	1,009,241	7,763,389	**5,433,434**	**807,886**	**6,241,320**
				-	-	
Non-current payables, debts with financial institutions	3,054,706	456,450	3,511,156	4,911,361	754,776	5,666,137
Non-current payables, Group companies	6,722,361	1,004,491	7,726,852	7,022,524	1,079,218	8,101,742
Other non-current payables	1,884,731	281,626	2,166,358	2,560,291	393,464	2,953,755
Suppliers of non-current fixed assets	8,103	1,211	9,314			
Provisions	269,507	40,271	309,778	224,027	34,429	258,456
Deferred tax liabilities	71,309	10,655	81,964	55,741	8,566	64,308
Non-current liabilities	12,010,716	1,794,705	13,805,421	**14,773,944**	**2,270,453**	**17,044,397**
				-	-	
Current payables, debts with financial institutions	5,142,574	768,431	5,911,005	2,845,344	437,272	3,282,616
Other current payables	2,594,231	387,644	2,981,875	1,043,296	145,314	1,188,610
Current payables, Group companies	908,211	135,710	1,043,921	580,685	89,239	669,924
Trade and other payables	36,479,845	5,451,011	41,930,857	33,104,939	5,087,552	38,192,490
Suppliers Group companies	2,273,710	339,750	2,613,460	1,818,814	279,514	2,098,328
Suppliers of fixed assets	34,929	5,219	40,149			
Personal, salaries payables	2,628,913	392,826	3,021,739	2,853,054	438,456	3,291,510
Public administrations payables	6,350,336	948,901	7,299,237	2,778,470	426,994	3,205,463
Current tax liabilities	1,053,292	157,388	1,210,681	26,151	4,019	30,169
Unearned income	1,703,804	254,591	1,958,395	1,450,843	222,965	1,673,808
Other current liabilities	256,068	38,263	294,331	126,480	19,437	145,917
Current liabilities	59,425,915	8,879,734	68,305,649	**46,628,075**	**7,150,761**	**53,778,836**
					-	
Total equity and liabilities	**78,190,779**	**11,683,680**	**89,874,459**	**66,835,453**	**10,229,100**	**77,064,553**

Distribution Non-Current assets

Non-current asset distribution	Consolidated amount 31/12/2023	Consolidated Amount 31/12/2022
Spain	2,526,402	2,922,509
Europe, Latin America et USA	19,249,947	15,021,110
Total non-current assets	**21,776,349**	**17,943,619**

NOTE 24. RELATED PARTY TRANSACTIONS

Related party transactions in 2023 are with the following companies.

Company/Group	Relation
ISP Digital Group	Parent Company
ISP Group	Related company
Tagsonomy S.L	Related company
Shape Communication, S.L	Related company

Details of related party balances at 31 December 2023 and 31 December 2022 are as follows:

RELATED PARTY (31 December 2023)	DEBIT BALANCE	CREDIT BALANCE
Other debts		
ISP for corporate tax		307,074
ISP		99,728
ISP Digital		492,120
TAGSONOMY S.L.	878,531	
ISP short-term loan		145,000
Total other debts	**878,531**	**1,043,921**
Commercial activity balances (customer/supplier)		
ISP Digital		1,551,039
ISP	14,036	581,613
TAGSONOMY S.L.	209,241	480,807
Shape Communication	3,335	
Total commercial activity	**226,612**	**2,613,460**
Loan Balances		
ISP Digital		4,453,154
ISP		3,273,698
Total Loans		**7,726,852**

RELATED PARTY (31 December 2022)	DEBIT BALANCE	CREDIT BALANCE
Other debts		
ISP for corporate income tax	105,362	386,314
ISP		27,141
ISP Digital		216,832
TAGSONOMY S.L.		
ISP short-term loan		145,000
Total other debts	**105,362**	**775,287**
Commercial activity balances (customer/supplier)		
ISP Digital	25,717	1,634,388
ISP	7,260	463,941
TAGSONOMY S.L.		
Shape Communication	3,335	
Total commercial activity	**36,312**	**2,098,329**
Loan Balances		
ISP Digital		4,828,044
ISP		3,273,698
Total Loans		**8,101,742**

Details of related party transactions carried out during 2023 and 2022;

2023	TAGSONOMY S.L.(*)	ISP(*)	ISP DIGITAL(*)
Sales of goods			
Provision of services	205,836	5,600	
Services received	(485,912)	(43,703)	
Financial income	14,531		
Financial expenses		(162,254)	(228,025)
Total	**(265,545)**	**(200,357)**	**(228,025)**

2022	Shape Communication(*)	ISP(*)	ISP DIGITAL(*)
Sales of goods			
Provision of services	2,756	9,648	
Services received		(50,000)	
Financial income			
Financial expenses		(65,780)	(91,540)
Total	**2,756**	**(106,132)**	**(91,540)**

The transactions have been carried out on terms equivalent to those of transactions with third parties.

NOTE 25. BUSINESS COMBINATIONS

B2 MARKETPLACE ECOMMERCE GROUP S.L.:

On 7 October 2019, the Parent Company acquired 51% of the shares of B2MarketPlace, S.L. for a price of 254,240 euros, paying this amount in full to the counterparty on 7 October 2019. This company has been fully consolidated as of that date.

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

The investee company B2MarketPlace, S.L., is domiciled at 13C Apolonio Morales Street. The company's main activity is the optimisation and improvement of the presence of brands, manufacturers and distributors on digital platforms.

The Group and the selling shareholders granted each other unconditional call and put options on the company's shares for the remaining 39% of the company's share capital, exercisable in the same period and for the same amount. The options are based on a variable price depending on certain parameters associated with the company's results in 2020, 2021 and 2022. The sale price is subject to the fulfilment of certain conditions of permanence by the sellers.

Based on International Financial Reporting Standards and on the existence of cross call and put options for the same amount and the same exercise period, the transaction has been treated as an early acquisition of the non-controlling interest, in application of the requirements of *IAS 32 Financial Instruments: Presentation* that establishes a contractual obligation to deliver cash to another entity is a financial liability.

In accordance with IFRS 3 Business Combinations, the Group may, during the period of one year from the acquisition date, reassess this financial liability, retrospectively adjusting the provisional amounts recognised at the acquisition date to reflect new information obtained about facts and circumstances that existed at the acquisition date that, had they been known, would have affected the measurement of the amounts recognised at that date . This reassessment was completed in 2020. The amount that the Group recognised at 31 December 2022 as a financial liability was the best estimate, at that date, of the amount that expected to be payable. The fair value of this financial liability, totalling 393,681 euros , is recorded under "Other current liabilities" .

On 30 June 2023 proceeded to option to purchase the remaining 39% of the share capital of the company B2MarketPlace, S.L. paying for this percentage the amount of 356,760 euros, which materialised during July 2023. Following the exercise of this option on the share capital of the company, ISPD Network holds 100% of the shares in this company.

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

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

Net identifiable assets acquired	
Non-current financial 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**
Goodwill adjustment (Note 5)	**(517,986)**
Net value of goodwill (Note 5)	**1,811,125**
Consideration paid in cash	254,240
Cash and cash equivalents acquired	
Net cash outflow on acquisition	**254,240**

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

The Company considered that the fair value of the identifiable assets acquired and liabilities assumed corresponds to the carrying amounts at the date of acquisition. As can be seen in the table above, almost all of the assets and liabilities acquired are current assets and liabilities.

The breakdown of the fair value of customers for services rendered at the acquisition date is as follows:

Euros	Gross contract amount	Impairment correction	Fair value
Clients	43,053	-	43,053

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

HAPPYFICATION:

On 15 September 2021, the Parent Company acquired the US technology company Happyfication. The New York-based company helps marketers through the use of data intelligence and cognitive marketing to better understand their customers' decision-making in today's market environment. To do so, Happyfication connects on and off channels in a way that facilitates operational transparency through a single platform for connection, activation and measurement.

The acquisition of Happyfication 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 capacity for analysis, omnichannel audience targeting and behavioural insights. Through its integration in the marketing sector solutions, 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 that allows users to drill down into weekly reports on campaign effectiveness and attribution models.

In accordance with IFRS 3 Business Combinations, the Group may, during the period of one year from the acquisition date, reassess this financial liability, retrospectively adjusting the provisional amounts recognised at the acquisition date to reflect new information obtained about facts and circumstances that existed at the acquisition date that, had they been known, would have affected the measurement of the amounts recognised at that date. This reassessment was completed in 2022. The amount that the Group has recognised at 31 December 2023 as a financial liability is the best estimate at that date of the amount that the Group expects to pay, the fair value of this financial liability being a total amount of 93,156 euros (147,695 euros in 2022) . For further information see note 10.

Net identifiable assets acquired	
Fair value of identifiable net assets acquired	**(198,159)**

	Euros
Fair value of consideration given	
Delivered consideration (Parent Company shares)	1,559,748
Total consideration delivered as of business combination date	**1,559,748**
Goodwill	**1,757,952**

ROCKET PPC:

On 10 October 2023, Rebold Italy registered the acquisition of 51% of the voting shares of Rocket PPC for a price of 840,245 euros, which materialised on 1 September 2023. On October 2023 he paid 450,000 euros, leaving 90,245 pending maturity in April 2024 and 300,000 in June 2204. This company was fully consolidated from 1 September, the date on which it assumed control of the company.

This acquisition of the Italyn, Milan-based digital advertising and web analytics company Rocket PPC reinforces the company's presence in the Italyn market, with a large portfolio of clients, a range of effective solutions and an experienced team. This operation consolidates a team in areas such as media advertising, publishing, web analytics, content and markets. Its media management background is highly complementary to that of the Group and will allow it to accelerate the development of digital media exchange activities at an international level.

The Group and the selling shareholders granted each other unconditional call and put options on the shares of the company for the remaining 49% of the company's share capital. The options described above are based on a variable price depending on parameters linked to the company's results in the financial years 2024, 2025 and 2026. The sale price is subject to the fulfilment of certain conditions of permanence by the sellers.

In accordance with IFRS 3 Business Combinations, the Group may, during the period of one year from the acquisition date, remeasure this financial liability by retrospectively adjusting the provisional amounts recognised at the acquisition date to reflect new information obtained about facts and circumstances that existed at the acquisition date and, had they been known, would have affected the measurement of the amounts recognised at that date. The amount that the Group has recognised at 31 December 2023 as a financial liability is the best estimate at that date of the amount that the Group expects to pay, and the fair value of this financial liability totals Euros 1,847,430, recognised under "Other non-current liabilities" (see note 10).

Revenues from ordinary activities and results of the acquiree from the acquisition date included in the consolidated statement of profit or loss for the period are EUR 638,312 and EUR 18,545 respectively.
Revenues from ordinary activities from the beginning of the year to year-end is EUR 1,431,162.

Net identifiable assets acquired	
Intangible assets	26,311
Tangible fixed assets	4,777
Trade and other receivables	361,616
Cash	197,324
Trade and other payables	(446,974)
Fair value of identifiable net assets acquired	**143,054**

	Euros
Fair value of consideration given	
Delivered consideration (Parent Company shares)	2,702,382
Total consideration given at date of combination of businesses	**2,702,382**
Goodwill	**2,559,328**

NOTE 26. FAIR VALUE MEASUREMENT

Financial assets and liabilities measured at fair value in the statement of financial position are Grouped into three levels of a fair value hierarchy. The three levels are defined based on the observability of significant measurement inputs as follows:

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

- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, whether 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 2023	Level 1	Level 2	Level 3	Total
Financial assets				
Goodwill	-	-	10.754.813	10.754.813
Total value financial assets at fair value	**-**	**-**	10.754.813	10.754.813
Financial liabilities				
Contingent consideration (see note 25)	-	-	2.036.585	2.036.585
Total value financial liabilities at fair value	**-**	**-**	2.036.585	2.036.585

31 December 2022	Level 1	Level 2	Level 3	Total
Financial assets				
Goodwill	-	-	8,195,485	8,195,485
Total value financial assets at fair value	**-**	**-**	8,195,485	8,195,485
Financial liabilities				
Contingent consideration (see note 25)	-	-	633,820	633,820
Total value financial liabilities at fair value	**-**	**-**	633,820	633,820

There were no transfers between levels during the year ended 31 December 2023 and 2022.

<u>Fair value measurement of financial instruments</u>

The Group performs valuations of financial items for financial reporting purposes, including Level 3 fair values. Valuation techniques are selected based on the characteristics of each instrument, with the overall objective of maximising the use of market information.

For instruments classified in levels 2 and 3, the present value valuation technique is used. The fair value is estimated by weighting the probability of the 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, and discounting the flows based on the assumptions and estimates indicated in the corresponding notes to the financial statements (see detailed information in note 5).

The group has performed a sensitivity analysis of the assumptions used in these estimates and no significant impacts have been identified.

MANAGEMENT REPORT

ISPD NETWORK, S.A.

CONSOLIDATED MANAGEMENT REPORT FOR THE FINANCIAL YEAR 2023

To the shareholders

Financial year 2023

STATEMENT OF ACTIVITY AND RESULTS OF ISPD NETWORK, S.A. AND SUBSIDIARIES FOR THE YEAR ENDED 31 DECEMBER 2023

1. Consolidated Group Revenue and Profit for the year 2023

The detail of the subsidiaries included in the scope of consolidation is as follows:

Society	Holding percentage 31/12/2023	Holding percentage 31/12/2022
Mamvo Performance, S.L.U.	100%	100%
Marketing Manager Marketing Services, S.L.U.	100%	100%
Rebold Italy S.R.L	100%	100%
Rebold Marketing, S.L	100%	100%
Antevenio France S.R.L.	100%	100%
Antevenio Argentina S.R.L.	100%	100%
Antevenio Mexico S.A de C.V.	100%	100%
Antevenio Publicité, S.A.S.U.	100%	100%
Antevenio Media S.L.U.	100%	0%
B2Marketplace Ecommerce Consulting Group, S.L.	100%	100%
Rebold Communication, S.L.U.	100%	100%
Happyfication, Inc.(1)	100%	100%
Acceso Content in Context, S.A. de C.V.	100%	100%
Acceso Colombia, S.A.S	100%	100%
Digilant Colombia, S.A.S.	100%	100%
Digilant INC	100%	100%
Digilant Peru, S.A.C.	100%	100%
Dglnt S.A. de C.V.	100%	100%
Filipides S.A. de C.V.	100%	100%
Digilant Services S.A de C.V.	100%	100%
Blue Digital Servicios de Marketing, S.A.	65%	65%
Digilant Chile, S.p.a.	100%	100%
Blue Media, S.p.A. (2)	100%	100%
Rebold Panama, S.A.	100%	100%
Rocket PPC SRL	100%	0%

All companies are fully consolidated. The consolidated accounts of the ISPD Network Group are presented in accordance with IFRS.

In the financial year 2023, the consolidated net revenue amounted to EUR 140 million.

Net revenue in pro forma terms amounted to 166,2 million euros,

The composition of these pro forma sales is as follows:

Figures in millions of euros	2023	2022	Variation
Consolidated revenue *	140,6	106,4	+32%
Net revenue **	140,0	105,9	+32%
Pro forma net revenue	166,2	142,2	+17%
Pro forma revenue by business area			
Publishing	5,7	7,5	-24%
Technology and Marketing Services	15,5	14,9	+4%
Digital Media Trading	162,1	138,5	+17%

* Excluding intra-Group sales: €16,5m (€18,3m in 2022)

** Total revenue minus advertising discounts

As explained in note 3.4 of this Directors' Report, the pro forma revenue is calculated with the reintegration of sales of advertising space in Mexico, invoiced directly to customers by the Publishers from the second half of 2021 due to the application of the new advertising transparency regulation, which in October 2023 has been annulled and the situation prior to the same has been restored. ISPD in Mexico has resumed billing customers directly for their investments as of this date.

In summary, the sales of our company there have decreased by 26,1 million euros, as they are based on the concept of managed sales, so the revenue decreases, but at the same time the direct costs decrease by the same amount and the gross margin remains unchanged.

In the pro forma comparison, in order to have comparable information, the previous way of accounting has been maintained.

Net revenues in pro forma terms amounted to 166,2 million euros, representing a growth of 17% compared to the previous year. This is well ahead of the estimated 10% increase in 2023 for the global digital advertising market.

The results reflect a strong presence in today's most dynamic regions, in particular the US and Latin America. By market (pro forma), the US contributes 42% of revenues (43% in 2022), Latin America 45% (41% in 2022) and Europe 13% (16% in 2022).
2022). The Group is present in 4 of the 6 countries with the best performance in this area worldwide: Argentina, Chile, Colombia and Mexico.

Forecasts

Most of the investment in new technology systems - automation tools, cybersecurity tools and AI-based strategic planning systems - was made in the first half of 2023. Once implemented, the Group expects profit to be maintained, despite the increase in revenue. By 2024, the objective is to continue the pace of growth and outperform the market globally, thanks to an offer adapted to the new needs of the brands and a relevant presence in the most dynamic geographies.

2. Mention on the Statement of Non-Financial Information

The ISPD Network, S.A. Group and subsidiaries, in accordance with the provisions of articles 262.5 of the LSC and 49.6 of the Code of Commerce, is exempt from presenting the Statement of Non-Financial Information, as the information relating to this Group is included in the Statement of Non-Financial Information of Inversiones y Servicios Publicitarios, S.L. and Subsidiaries, which forms part of the management report.

3. Revenue of the Group's Subsidiaries for the financial year 2023

In euro:

	Net revenue
ISPD NETWORK, S.A.	260.137
Mamvo Perfomance S.L.U.	12.927
Marketing Manager	1.297.557
Rebold Marketing SLU	5.458.468
Antevenio Media	0
Rocket PPC	637.391
B2M	2.352.608
Happyfication	898.943
Antevenio Publicité	427.176
Rebold Italy	4.375.427
Antevenio France	0
Antevenio Argentina	9.561
Antevenio Mexico	4.287.040
Rebold Communication SLU	8.438.400
Access Mexico	0
Access Colombia	6.853.805
Digilant Colombia	0
Digilant INC	69.522.189
Digilant Peru	1.063.877
Dglnt SA de CV	33.850.904
Filipides Services	0
Digilant Services	0
Blue Digital	6.494.139
Digilant Chile	52.810
Blue Media	359.061
Access Panama	0
Rebold Panama	144.629

Sales are without taking into account consolidation eliminations

4. Significant events during the financial year 2023

4.1 BUSINESS COMBINATIONS

B2 MARKETPLACE ECOMMERCE GROUP S.L.:

On 7 October 2019, the Parent Company acquired 51% of the shares of B2MarketPlace, S.L. for a price of 254,240 euros, paying this amount in full to the counterparty on 7 October 2019. This company has been fully consolidated as of that date.

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

The investee company B2MarketPlace, S.L., is domiciled at 13C Apolonio Morales Street. The company's main activity is the optimisation and improvement of the presence of brands, manufacturers and distributors on digital platforms.

The Group and the selling shareholders granted each other unconditional call and put options on the company's shares for the remaining 39 % of the company's share capital, exercisable in the same period and for the same amount. The options described above are based on a variable price depending on parameters linked to the company's performance in 2020, 2021 and 2022. The sale price is subject to the fulfilment of certain conditions of permanence by the sellers.

Based on International Financial Reporting Standards and on the existence of cross call and put options for the same amount and the same exercise period, the transaction has been treated as an early acquisition of the non-controlling interest, in application of the requirements of *IAS 32 Financial Instruments: Presentation* that establishes a contractual obligation to deliver cash to another entity is a financial liability.

In accordance with IFRS 3 Business Combinations, the Group may, during the period of one year from the acquisition date, reassess this financial liability, retrospectively adjusting the provisional amounts recognised at the acquisition date to reflect new information obtained about facts and circumstances that existed at the acquisition date that, had they been known, would have affected the measurement of the amounts recognised at that date. This reassessment was completed in 2020. The amount that the Group recognised at 31 December 2022 as a financial liability was the best estimate, at that date, of the amount expected to be paid. The fair value of this financial liability is a total amount of 393,681 euros recorded under "Other current liabilities".

On 30 June 2023 an option to purchase the remaining 39% of the share capital of the company B2MarketPlace, S.L. was exercised, paying for this percentage the amount of 356,760 euros, which materialised in July 2023. Following the exercise of this option on the share capital of the company, ISPD Network holds 100% of the shares in this company.

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

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

Net identifiable assets acquired	
Non-current investments	4,170
Intangible assets	92
Tangible fixed assets	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 identifiable net assets acquired	**(53,547)**
Gross value of goodwill (Note 5)	**2,329,094**
Goodwill adjustment (Note 5)	**(517,986)**
Net value of goodwill (Note 5)	**1,811,125**
Consideration paid in cash	254,240
Cash and cash equivalents acquired	
Net cash outflow	**254,240**

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

The Company considered that the fair value of the identifiable assets acquired and liabilities assumed corresponds to the carrying amounts at the date of acquisition. As can be seen in the table above, almost all of the assets and liabilities acquired are current assets and liabilities.

The breakdown of the fair value of customers for services rendered at the acquisition date is as follows:

Euros	Gross contract amount	Impairment correction	Fair value
Clients	43,053	-	43,053

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

HAPPYFICATION:

On 15 September 2021, the Parent Company acquired the US technology company Happyfication. The New York-based company helps marketers through the use of data intelligence and cognitive marketing to better understand their customers' decision-making in today's market environment. To do so, Happyfication connects on and off channels in a way that facilitates operational transparency through a single platform for connection, activation and measurement.

The acquisition of Happyfication 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 capacity to analyse, locate omnichannel audiences and gain insights into their behaviour. Through its integration in the marketing sector solutions, 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 that allows users to drill down into weekly reports on campaign effectiveness and attribution models.

In accordance with IFRS 3 Business Combinations, the Group may, during the period of one year from the acquisition date, reassess this financial liability, retrospectively adjusting the provisional amounts recognised at the acquisition date to reflect new information obtained about facts and circumstances that existed at the acquisition date that, had they been known, would have affected the measurement of the amounts recognised at that date. This reassessment was completed in 2023. The amount that the Group has recognised at 31 December 2023 as a financial liability is the best estimate at that date of the amount that the Group expects to pay, and the fair value of this financial liability totals Euros 93,156 (Euros 147,695 in 2022). For further information see note 10.

Net identifiable assets acquired	
Fair value of identifiable net assets acquired	**(198,159)**

	Euros
Fair value of consideration given	
Delivered consideration (Parent Company shares)	1,559,748
Total consideration delivered at business combination date	**1,559,748**
Goodwill	**1,757,952**

ROCKET PPC, S.R.L.:

On 10 October 2023, Rebold Italy registered the acquisition of 51% of the voting shares of Rocket PPC for a price of 840,245 euros, which materialised on 1 September 2023. On October 2023 he paid 450,000 euros, leaving 90,245 pending maturity in April 2024 and 300,000 in June 2204. This company was fully consolidated from 1 September, the date on which it assumed control of the company.

This acquisition of Italyn, Milan-based digital advertising and web analytics company Rocket PPC strengthens the company's presence in the Italyn market, with a large portfolio of clients, a range of effective solutions and an experienced team. This operation consolidates a team in areas such as media advertising, publishing, web analytics, content and markets. Its media management background is highly complementary to that of the Group and will allow it to accelerate the development of digital media exchange activities at an international level.

The Group and the selling shareholders granted each other unconditional call and put options on the shares of the company for the remaining 49% of the company's share capital. The options described above are based on a variable price depending on parameters linked to the company's performance in the financial years 2024, 2025 and 2026. The sale price is subject to the fulfilment of certain conditions of permanence by the sellers.

In accordance with IFRS 3 Business Combinations, the Group may, during the period of one year from the acquisition date, remeasure this financial liability by retrospectively adjusting the provisional amounts recognised at the acquisition date to reflect new information obtained about facts and circumstances that existed at the acquisition date and, had they been known, would have affected the measurement of the amounts recognised at that date. The amount that the Group has recognised at 31 December 2023 as a financial liability is the best estimate at that date of the amount that the Group expects to pay, and the fair value of this financial liability totals Euros 1,847,430, recognised under "Other non-current liabilities" (see note 10).

Net identifiable assets acquired	
Intangible assets	26,311
Tangible fixed assets	4,777
Trade and other receivables	361,616
Cash	197,324
Trade and other payables	(446,974)
Fair value of identifiable net assets acquired	**143,054**

	Euros
Fair value of consideration given	
Delivered consideration (Parent Company shares)	2,702,382
Total delivered consideration at business combination date	**2,702,382**
Goodwill	**2,559,328**

- **Other business combinations**

In relation to **Blue Digital Servicios de Marketing, S.A.,** in 2022 the Group proceeded to the deferred payment derived from the acquisition of control of the subsidiary in the amount of 222,000 euros.

In relation to **Dglnt S.A de CV**, during 2022, the amount of the investment in this company was increased as a result of a debt capitalisation operation for an amount of 4,318,431 €.

In relation to **Acceso Colombia, S.A.,** during 2023, the amount of the investment in this company has been increased as a result of a debt capitalisation operation for an amount of 571,566 €.

4.2 BUSINESS UNITS RESTRUCTURING

As a continuation of the business restructuring decisions initiated in previous years, the Group has decided that the email marketing and database management services, as well as their associated costs, which until now were provided through Rebold Marketing S.L.U., will be provided - with no change in the conditions or quality of the service - through the new company recently incorporated Antevenio Media SLU (belonging to the same Group) from the beginning of 2024, recovering a brand with deep-rooted knowledge and prestige within the advertising sector.

4.3 TREASURY SHARES

The company has a contract with Gilbert Dupont in order, without interfering with the normal functioning of the market and in strict compliance with stock exchange regulations, to promote the liquidity of share transactions, regularity in the share price and to avoid variations that are not caused by market trends. ISPD Network, whose shares are admitted to trading on the Euronext Growth market, has complied with the regulations governing this market in relation to the transactions carried out under this contract.

On 23 December 2021, the Group´s Parent Company acquired a total of 150,000 treasury shares at a price of 3.80 euros, for a total of 570,000 euros. On 22 January 2022, a further purchase of 25,000 shares at the same unit price for a total amount of 95,000 euros was made, bringing the total amount held as treasury shares at 31 December 2022 to 665,000 euros (570,000 euros at 31 December 2021), with the amount remaining unchanged in 2023.

Information on the authorisation for the acquisition of treasury shares

Pursuant to the provisions of Articles 146 et seq. of the Spanish law on Corporations, on 16 June 2022, the General Meeting unanimously approved to authorise and empower the Board of Directors so that the Company, directly or through any of its subsidiaries, may acquire, at any time and as many times as it deems appropriate, shares in the Company, by any means permitted by law, including against profits for the year and/or unrestricted reserves, under the following conditions:

(a) Acquisitions may be made directly by the Company or indirectly through its subsidiaries under the same terms of this agreement.
(b) Acquisitions shall be made by purchase and sale, swap or any other transaction permitted by law.
(c) The nominal value of own shares acquired directly or indirectly by the company, added to those already held by the acquiring company and its subsidiaries and, where applicable, by the Parent Company and its subsidiaries, may not exceed ten (10%) per cent of the subscribed capital.
(d) Acquisitions may not be made at a price of more than EUR 15 or less than EUR 1 per share.
(e) This authorisation is granted for a maximum period of eighteen (18) months from the adoption of this agreement.

(f) As a result of the acquisition of shares, including those which the Company or the person acting in his own name but on behalf of the Company had previously acquired and held in portfolio, the resulting net assets may not be reduced below the amount of the share capital plus the legally or statutorily unavailable reserves, all as provided for in letter b) of Article 146.1 of the Capital Companies Act.

It was expressly stated that the shares acquired as a result of this authorisation may be used:

(i) to their disposal or redemption;

(ii) to the application of the remuneration systems contemplated in the third paragraph of letter a) of Article 146.1 of the Capital Companies Act, as well as to the development of programmes that encourage participation in the Company's capital such as, for example, the delivery of shares or share options, or remuneration indexed to the value of the shares or other similar instruments, which must be delivered directly to the employees or directors of the company, or as a consequence of the exercise of option rights that they may hold;

(iii) to ensure the liquidity of the share, through the intermediation of an investment service provider by means of a liquidity contract;

(iv) to the acquisition of shares or participations in other companies, in which case the limit referred to in (c) above shall be five (5) per cent.

It was also agreed to delegate to the Board of Directors of the Company, with express powers of substitution, the powers relating to the development, settlement, clarification and interpretation, as the case may be, of the conditions of the remuneration plan.

Stock Option Plan Digilant Inc

In the Group company Digilant Inc. stock options were granted to certain employees under a 2014 stock option plan. The plan was created to incentivise key employees to drive the company's growth. The plan authorised the issuance of options to acquire up to 3,333,333 shares. The vesting period, the number of options granted and the exercise price were determined in the agreements with each beneficiary. In June 2023, the company settled the plan by recovering the options from the few remaining beneficiaries at a fair value agreed and accepted by the beneficiaries.

4.4 ADVERTISING TRANSPARENCY LAW

During 2021, the Advertising Transparency Law came into force in Mexico, so our revenue in this country was altered by the adoption of this new regulation, which obliged publishers to invoice advertising clients directly for the sale of advertising space from the second half of 2021. However, in October 2023 the regulation was overturned by the courts and the previous situation was restored, so ISPD in Mexico has resumed billing customers directly for their investments as of this date.

In summary, the sales of our company there have decreased by 26.1 million euros, as they are based on the concept of managed sales, so the revenue decreases, but at the same time the direct costs decrease by the same amount and the gross margin remains unchanged.

In the pro forma comparison, in order to have comparable information, the previous way of accounting has been maintained.

4.5 INTERNATIONAL EXPANSION OF NEW BUSINESS UNITS

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

This internationalisation, which began at the end of 2021, has established itself as a steady growth business in Italy during 2023, and is expected to maintain its growth rates in 2024. Once the strategy has been consolidated in Europe, it is expected to follow the same trend in Mexico, where staff and investments will be strengthened to achieve the objectives set for 2024.

5. PERSPECTIVES

During 2023, the emergence of AI-based technologies will mark the beginning of a trend change in business behaviour.
The increase in the technical capabilities of AI systems has led to an increase in the adoption of this technology in all sectors. This situation can be perceived with both enthusiasm and concern due to its potential impact on productivity, employment and the evolution of new professional profiles.

The Group believes that Artificial Intelligence opens up a wide range of business opportunities in various sectors, so its commitment to them has been manifested in the use and development of AI for the intelligent automation of processes to reduce operating costs, to have processes where each customer can be understood and provide personalised experiences in real time and for decision making by processing a large volume of information to extract actionable insights.

Our financial strength, our product diversity, the adoption of AI as an added value to our processes and our proposals, the investments made in previous years and in the current one, and the integration processes carried out, lead us to expect a reinforcement of our leadership and to continue gaining market share. However, our growth prospects consider the upward trend in prices, the increase in interest rates and the macroeconomic situation in each of the countries in which we are present.

6. FIXED ASSETS ADDITIONS

The additions to property, plant and equipment and intangible assets of the ISPD Network Group during 2023 correspond to:

Additions to property, plant and equipment amounted to EUR 2,88 thousand of new additions, mainly due to the effect of IFRS 16 on leases.

As regards additions to intangible fixed assets, in 2023 there were additions of 1,467 thousand euros, the majority of which related to technological developments that are either in the development phase at the end of 2023 or have become completed developments during the year. To a lesser extent, this is due to industrial property rights (trademarks).

The net book value of intangible assets located outside Spanish territory amounts to EUR 289,754 at 31 December 2023 (31 December 2022: EUR 119,211).

7. RISKS

The main risks and uncertainties that the ISPD Network Group could face are as follows:

Interest rate risk

The company is financed by CDTI loans, the non-reimbursable part of which is accompanied by very low fixed rates, by internal financing whose interest rates are fixed, by financing with ICOS loans, most of which have fixed interest rates and are therefore not subject to the upward volatility of the market, and by current policies whose use is restricted to the short term, and therefore with little exposure to the variability of the Euribor.

Exchange rate risk

The financing of long-term assets denominated in currencies other than the euro is sought in the same currency in which the asset is denominated. This is particularly so in the case of acquisitions of companies with assets denominated in currencies other than the euro.

The exchange rate risk arises mainly from foreign currency sales, mainly in US Dollars and Mexican Pesos. The net foreign exchange gains/losses result in a net foreign exchange gain of 164,336 euros at 31 December 2023 and a net foreign exchange gain of 715,099 euros at 31 December 2022.

Liquidity risk

The general situation of financial markets, especially the banking market, over the last few months was particularly unfavourable for credit seekers, even though the Group's was able to

resort to the 2020 governmental aid (ICO loans) described in note 2 to reduce the liquidity risk given the situation.
Click here to enter text.
The Group pays permanent attention to the evolution of the different factors that can help to solve liquidity crises and, in particular, to the sources of funding and their characteristics.

In particular, we can summarise the points on which most attention is paid:

Liquidity of monetary assets: the placement of surpluses is always carried out at very short terms and highly available. At 31 December 2023 the amount in cash and cash equivalents is € 11,720,904 (31 December 2022: € 18,964,822).

At the end of 2023 and with the objective of financing investment projects in the ISPD Group, financing options were closed with Cofides, which will become effective during 2024. In Latin America, borrowings were increased to cover possible liquidity needs in Colombia.

Indebtedness: the Group maintains the levels of indebtedness of previous years with a level of leverage that allows for the sustainability of the business in the medium and long term.
The working capital is negative at 31 December 2023 in the amount of 207,539 (5,439,832 euros at 31 December 2022).

The Group uses available analytical information to calculate the cost of its products and services, which helps it to review its cash requirements and optimise the return on its investments. The Group reviews its DSO and DPO to optimise its immediate cash requirements. The Group takes into consideration 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 does not have a significant concentration of credit risk, the exposure being spread over a large number of counterparties and customers.

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

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

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

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

Competition risk

The ISPD Network Group finds itself in a constantly evolving market with high growth rates. Despite the entry of new competitors in the market, the Group relies on its experience of more than twenty years, as well as its established position and notoriety, to maintain its leading position.

The Group has also expanded its services over the years through acquisitions and the integration of other companies, such as Rebold. This has enabled it to diversify its offering and improve the quality of its services. As a result, the Group is confident that it will continue to occupy a leading position in the market.

The ISPD Network Group relies on its experience, reputation, service expansion and quality to maintain its leading position despite competition in an ever-changing and growing market.

Dependence Customers and Suppliers risk

The risk of dependence on customers and suppliers is limited as none of them have a significant weight in revenue or are very long-term contracts.

Clients include media agencies that in turn work with numerous advertisers, which further dilutes the risk of client dependency.

With respect to technology providers, the risk is small since the services provided by these companies are offered by other competing players and they could offer the same services to ISPD Network.

In the United States, the potential risk associated with suppliers has been mitigated by ceasing collaboration with our main DSP provider, Media Math. Instead, we have explored various alternatives for this service.

“Key Person” risk

One of the main assets of the ISPD Network Group is to have been able to assemble a team of key people and managers in strategic positions within the Group.

Personal data processing risk

The ISPD Network Group carries out personal data processing activities in the ordinary course of its business, both as a Data Controller and as a Data Processor.
The ISPD Network Group is deeply aware of the importance of regulations affecting personal data, privacy and commercial communications, and devotes significant resources and efforts to achieve a maximum compliance scenario.

The regulatory framework affecting the company's activities and its operation is made up of the following regulations:

- 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).
- Organic Law 3/2018 of 5 December on the Protection of Personal Data and Guarantee of Digital Rights and the Legislative Decree of 30 June 2003, n.196, updated as "Codice in materia di protezione dei dati personali" in Italy.
- Law 34/2002, of 11 July, on Information Society Services and Electronic Commerce.
- Guides, guidelines and other relevant materials published by the Spanish Data Protection Agency (AEPD), the CNIL, the Garante della Privacy and the European Data Protection Board (EDPB).
- Law 34/1988 of 11 November 1988 on General Advertising.
- Specific regulatory provisions and regulations applicable to advertising (such as Circular 1/2022 of 10 January of the National Securities Market Commission on advertising of crypto-assets presented as an investment object or Circular 1/2023 on the protection of personal data and privacy in relation to unsolicited communications, including the right not to receive unsolicited calls from the AEPD, among others).
- Applicable legislation in the United States (such as the California Consumer Privacy Act - CCPA-) and various Latin American countries in which the Group has a presence.

The ISPD Network Group has implemented processes and deployed procedures for compliance with current and applicable regulations, also considering the regulations whose approval is imminent, through the creation and implementation of a privacy management system (PMS) and its continuous control and management by the Legal and Privacy team.

The ISPD Network Group has an appropriately appointed internal DPO for its European companies, who carries out its activities under the terms of the Regulation, advising in relation to the Regulation and driving and managing compliance activities.

The ISPD Network Group is aware of the increasing regulation affecting the digital marketing business and therefore maintains an external consultancy with the Deloyers law firm to promote regulatory compliance, develop projects such as privacy by design or Privacy Impact Assessments, assist in the management of data subjects' rights and collaborate in the event of an incident, among other tasks, within the framework of the Group's European companies. The US and Latin American subsidiaries are also supported by external privacy advisors, in addition to the support of the ISPD Group's legal and privacy team.

The Privacy Management System is structured through a regulatory body, a consolidated team, regular risk reporting systems and the use of a reputable privacy management technology platform, OneTrust.

8. STAFF

The average number of people employed by the Group in 2023 is 544, 511 in 2022. In both 2023 and 2022 the proportion of women is in the majority, representing 56.98% in 2023 and 55.65% in 2022.

9. SHAREHOLDING STRUCTURE

The shareholders with direct or indirect interests in the share capital at 31 December 2023 and 2022 are as follows:

	No. of shares	Holding %
ISP Digital, S.L.U.	14,407,750	96.75%
Free float	308,512	2.07%
Own shares	175,000	1.18%
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 euros, for a total of 570,000 euros. On 22 January 2022, a further purchase of 25,000 shares at the same unit price for a total amount of 95,000 euros was made, bringing the total amount held as treasury shares at 31 December 2022 to 665,000 euros (570,000 euros at 31 December 2021), with the amount remaining unchanged in 2023.

The company has a contract with Gilbert Dupont in order, without interfering with the normal functioning of the market and in strict compliance with stock exchange regulations, to promote the liquidity of share transactions, regularity in the share price and to avoid variations that are not caused by market trends. ISPD Network, whose shares are admitted to trading on the Euronext Growth market, has complied with the regulations governing this market in relation to the transactions carried out under this contract.

Balances and Transactions with Directors and High Management

The amounts accrued by the members of the Board of Directors or High Management, for all items, are as follows:

	High Management	
	31/12/2023	**31/12/2022**
Wages and salaries	1,342,556	2,648,271
Total	**1,342,556**	**2,648,271**

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

Other information concerning the Board of Directors

The members of the Board of Directors of the Company and the persons related thereto referred to in article 231 of the Capital Companies Act have not incurred in any conflict of interest situation in accordance with the provisions of article 229.

However, Director Fernando Rodés has notified for the purposes of article 229 of the LSC that he holds significant shareholdings in ISPD Network, S.A. and Tagsonomy, S.L., and that during the 2023 financial year the following contractual relationships have arisen between the two companies under market conditions and in the interests of the Company: (a) Service provision contract dated 19 December 2023 whereby Tagsonomy, S.L. provides artificial intelligence services relating to various projects for a total amount of 400,000 euros (and in February 2024 a framework contract was signed to support the contracting of new projects); (b) Credit line of up to 750,000 euros granted by ISPD Network, S.A. for a total amount of 400,000 euros (and in February 2024 a framework contract was signed to support the contracting of new projects); (c) Credit line of up to 750,000 euros granted by ISPD Network, S.A. for a total amount of 400,000 euros.750,000 granted by ISPD Network, S.A. to Tagsonomy, S.L. on 20 September 2023 (novated on 15 December 2023); and (c) ISPD Network, S.A. has also provided Tagsonomy, S.L. with a number of management support and project management services. various management and administrative support services, including financial, IT, human resources, marketing and legal support, and the use of an office space and all related services (electricity, Wi-Fi, air conditioning, office supplies, cleaning, security, access to common areas, etc.), valued at approximately EUR 195,000. These services continue in 2024.

10. RESEARCH AND DEVELOPMENT ACTIVITY

During the 2023 financial year, a number of projects have been continued, among which the following stand out:

Mamvo Performance S.L. Oliva Platform Project

During the year 2022, the company presented to the Centre for the Development of Industrial Technology (CDTI) to apply for a grant to collaborate in the development of this Research and Development project. The aim of the project is to design and develop an architecture for data acquisition and enrichment, allowing the integration of current modules of value available in MAMVO while developing others necessary to build the prototype platform with the extraction of intelligence from the data. This solution will make it possible to respond to market needs quickly and flexibly, resolve issues that currently require craftsmanship, as well as address issues that are currently unresolved due to the complexity of information extraction.

The total amount of the aid granted is 832,498 euros, which corresponds to 69.53% of the project's budget, with a non-repayable tranche of 183,150 euros and another tranche of 649,349 euros repayable as a loan at an annual interest rate of 3.337%. The payment was received on 28 June 2023 for a total amount of 250,000 euros, of which 55,000 euros have been charged as a grant and 195,000 euros as a loan.

During the 2023 financial year, this project has been extended, broadening its scope and development, mainly through the collaboration of external partners.

ISPD Network S.A. Firefly Project

As a complement to the Oliva project presented at Mamvo, ISPD Network SA, for 698,500 euros, has developed a delivery data platform to optimise the organisation and structures of audiences and media on a 360-degree platform.

ISPD Network S.A. Future Tools Project

During 2023, the services of Tagsonomy S.L. (DIVE) have been contracted for the development of a digital product based on AI, the "Future Tools" project. This is a turnkey project consisting of four simulators that will make it possible to measure the impact of ISPD's value proposition on the P&L of its current and future customers. This product will give a clear competitive advantage to the Group's executives during commercial actions. The final expenditure in 2023 for this project was 400,000 euros.

PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND CONSOLIDATED MANAGEMENT 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 2023, consisting in the attached sheet numbers 1 to 104.

Madrid, 27 March 2024
The Board of Directors

Mr. Fernando Rodés Vilá
Chairman of the Board

Mr. Juan Rodés Miracle
Secretary

Mr. Jordi Ustrell Rivera
Director

Mrs. Andrea Monge Rodríguez
Director

Mr. Vincent Bazi
Director

Mr. Richard Pace
Director