ISPD Network, S.A.

Financial statement and management report for 2023
Including the Audit Report on the Financial Statements

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

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS

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

Opinion

We have audited the financial statements of ISPD Network, S.A. (the Company), which comprise the balance sheet at 31 December 2023, profit and loss account, statement of changes in equity, cash flow statement and notes thereto for the year ended on that date.

In our opinion, the accompanying financial statements render a fair image of the equity and financial position of the Company in all material aspects as of 31 December 2023, and the results of its operations and cash flows for the year then ended in accordance with the pertinent legislative framework on financial reporting in force (indicated in Note 2) and, in particular, the accounting principles and criteria contained therein.

Basis for opinion

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

We are independent from the company in accordance with the ethical requirements, including those regarding independence, which apply to our auditing of financial statements in Spain, as required by the regulatory legislation governing statutory auditing. In this regard, we have provided no other services than auditing services and no circumstances or situations have occurred that, in accordance with the provisions of the aforementioned legal framework, have affected our necessary independence resulting in the compromise thereof.

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

Key audit matters

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

We have determined that the risk described below is the most significant one considered in the audit and to be conveyed in our report.

Non-current investments in group companies and associates

The Company is the parent company of a group encompassing a given number of subsidiaries, and the amount of equity investments in and loans granted to group companies is highly significant (Notes 8 and 9). The net amount of €17,628 thousand invested in equity are maintained in companies carrying out different activities based in different countries.

In accordance with the applicable legislative framework on financial reporting, an assessment must be made at least at year end to determine whether there is a need to make value corrections on those holdings in consideration of their recoverable amount. There are several permitted methods for calculating the recoverable amount but nevertheless require the calculation of fair values, calculation of actual cash flow values and identification of implicit capital gains, which are all areas that require an elevated level of judgement, since slight changes in the variables and assumptions used could have a significant influence on determining them in relation to equity investments and granted loans. We have thus considered this area to be relevant in our audit work.

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

Additional disclosures: Management report

Other information exclusively includes the management report for fiscal year 2023, for which the Company's directors are responsible, yet it is not integral part of the financial statements.

The scope of our audit opinion on the financial statements does not include the management report. Our responsibility concerning the management report, in accordance with the requirements of the legislation regulating statutory auditing, consists of evaluating and reporting on the concordance of the management report with the financial statements, based on the knowledge of the Company obtained after performing the audit of the aforementioned statements and without including any information other from that obtained as evidence during the audit. Additionally, our responsibility consists in assessing, and reporting on whether the contents and presentation of the management report comply with the applicable regulations. Should we conclude, based on our audit work, that there are material misstatements, we are obligated to report any such material misstatements.

On the basis of the work performed, as described in the paragraph above, the information contained in the management report is consistent with that in the financial statements for the year ended 31 December 2023 and its content and presentation comply with the pertinent legislation currently in force.

Responsibility of the directors regarding the financial statements

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

When drawing up the financial statements, the directors are responsible for assessing the Company'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 intend to liquidate the Company or cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

- We reached a conclusion on the adequacy of the use by the directors of the accounting principle of going concern and, based on the evidence obtained in the audit, we concluded on whether or not there is a material uncertainty related to events or conditions which can lead to significant doubts about the ability of the Company to continue as a going concern. Should we conclude that there is material uncertainty, our audit report must point out the relevant information disclosed in the consolidated financial statements or, when the relevant disclosures are not appropriate, to issue a qualified opinion. Our conclusions are based on the audit evidence obtained up to the date of our audit report. However, future conditions or events may be the cause of the Company ceasing to be a going concern.

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

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

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

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

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

ROAC n.º S0231

Alfredo González del Olmo

ROAC n.º 18863

23 April 2024

ISPD NETWORK, S.A.

Annual Accounts and management Report at 31 December 2023
Includes the Auditor´s report on the annual accounts

ISPD NETWORK, S.A.
Balance Sheet
at 31 December 2023
(expressed in euro)

ASSETS	Note	31.12.2023	31.12.2022
NON-CURRENT ASSETS		**19,855,673**	**18,906,244**
Intangible assets	**6**	**1,542,534**	**769,482**
Assets under construction		975,768	698,500
Computer software		566,766	70,982
Property, plant and equipment	**5**	**166,665**	**149,738**
Technical installations and other items of PPE		166,665	149,738
Non-current investments in group companies		**17,727,862**	**17,568,412**
Equity instruments	**9**	17,627,862	17,468,412
Non-current loans to group companies	**8.1 and 18**	100,000	100,000
Long-term financial investments	**8.1**	**2,610**	**2,610**
Loans to companies		2,610	2,610
Deferred tax assets	**13**	**416,002**	**416,002**
CURRENT ASSETS		**7,034,216**	**5,938,091**
Trade and other receivables		**4,973,396**	**4,685,253**
Trade receivables	**8.1**	7,342	6,010
Trade receivables, group companies	**8.1 and 18**	4,337,673	4,453,116
Other receivables from Public Entities	**13**	628,381	226,127
Current investments in groupcompanies	**8.1 and 18**	**1,856,454**	**879,372**
Loans to companies		1,856,454	879,372
Current accruals		**44,796**	**180,032**
Cash and cash equivalents	**8.1**	**159,570**	**193,434**
Cash		159,570	193,434
TOTAL ASSETS		**26,889,889**	**24,844,335**

ISPD NETWORK, S.A.
Balance
at 31 December 2023
(expressed in euro)

EQUITY AND LIABILITIES	Note	31.12.2023	31.12.2022
EQUITY		**6,611,709**	**7,009,756**
Capital and reserves	**11**	**6,611,709**	**7,009,756**
Share Capital		**819,099**	**819,099**
Issued capital		819,099	819,099
Reserves	**11.2**	**12,701,235**	**12,701,235**
Legal and statutory		46,282	46,282
Other reserves		12,654,953	12,654,953
(Treasury shares and equity holding)		**(665,000)**	**(665,000)**
Prior period´s losses		**(5,845,579)**	**(5,702,589)**
Profit/loss for the year	**3**	**(398,046)**	**(142,990)**
NON-CURRENT LIABILITIES		**5,477,698**	**5,574,528**
Non-current debts	**8.2.2**	**300,450**	**397,280**
Debts with financial institutions		291,136	373,108
Finance lease payables	**7.2**	-	5,545
Other financial liabilities	**8.2**	9,314	18,627
Non-current payables, group companies	**8.2 and 18**	**5,177,248**	**5,177,248**
CURRENT LIABILITIES		**14,800,482**	**12,260,052**
Current payables	**8.2**	**2,701,666**	**1,491,385**
Debt with financial institutions		2,549,153	897,413
Finance lease payables		-	17
Other financial liabilities		152,513	593,956
Current payables, group companies	**8.2 and 18**	**8,232,424**	**7,481,048**
Trade and other payables		**3,866,392**	**3,287,619**
Suppliers	**8.2**	522,047	121,540
Suppliers, group companies	**8.2 and 18**	1,910,944	1,540,566
Other payables	**8.2**	953,315	966,884
Personnel, outstanding remmunerations	**8.2**	254,863	316,433
Current tax liabilities	**13**	53,404	28,404
Other debts to Public Entities	**13**	171,819	313,791
TOTAL EQUITY AND LIABILITIES		**26,889,889**	**24,844,335**

ISPD NETWORK, S.A.
Profit and loss Account
for the year ended 31 December 2023
(expressed in euro)

	Note	31.12.2023	31.12.2022
CONTINUING OPERATIONS			
Revenue	**14**	**8,221,031**	**8,420,478**
Sales		260,137	47,525
Rendering of Service		7,960,894	8,372,952
Work carried out by the company for assets		**400,000**	-
Supplies:		**(146,885)**	**(109,455)**
Work carried out by other companies		(146,885)	(109,455)
Other operating income:			
Ancillary and other current revenues		**1,586**	**2,515**
Personal expenses:	**14**	**(4,631,020)**	**(4,120,624)**
Wages, salaries and similar		(3,897,396)	(3,516,989)
Employee benefits expenses		(733,624)	(603,635)
Other operating expenses		**(3,740,458)**	**(4,384,335)**
External services		(3,730,417)	(3,519,541)
Losses, impairment and change in trade provisions	**8.1.1**	-	(28,262)
Other expenses from ongoing operations		(10,041)	(836,532)
Amortization and depreciation	**5 and 6**	**(279,436)**	**(87,151)**
Impairment and gains/losses on disposal of fixed assets	**5**	**(3,508)**	**38,907**
Other Income/loss		**32,596**	**998,790**
OPERATING PROFIT/LOSS		**(146,094)**	**759,124**
Financial income:	**14**	**42,107**	**13,759**
Dividends		42,107	13,759
From group companies	**18**	41,653	7,870
From third parties		454	5,889
Financial expenses:	**14**	**(614,513)**	**(207,847)**
Debts with third parties		(68,224)	(17,828)
Debts with group companies	**18**	(546,289)	(190,020)
Exchange rate differences	**12**	**356,109**	**4,793**
Impairment and gain/loss on disposal of financial instruments		-	**(586,389)**
NET FINANCE INCOME/EXPENSES		**(216,297)**	**(775,684)**
PROFIT/LOSS BEFORE INCOME TAX		**(362,391)**	**(16,560)**
Income tax	**13**	**(33,545)**	**(124,108)**
Other taxes		(2,110)	(2,322)
PROFIT/LOSS FOR THE YEAR		**(398,046)**	**(142,990)**

ISPD NETWORK, S.A.
Statement of Changes in Equity
for the year ending 31 December 2023

A) STATEMENT OF RECOGNISED INCOME AND EXPENDITURE

	31.12.2023	31.12.2022
(A) PROFIT/LOSS FOR THE PERIOD	**(398,046)**	**(142,990)**
	-	-
B) TOTAL INCOME AND EXPENSES DIRECTLY RECOGNISED IN EQUITY		
Transfers to the profit and loss account	-	-
(C) TOTAL TRANSFERS TO THE PROFIT / LOSS ACCOUNT		
TOTAL RECOGNISED INCOME AND EXPENSE	**(398,046)**	**(142,990)**

(B) STATEMENT OF TOTAL CHANGES IN EQUITY

	Issued Capital	Share premium	Reserves	(Treasury shares and equity holding)	Other equity instruments	Profit/loss for the year	Prior period´s losses	Total
BALANCE AT THE BEGINNING OF THE YEAR 2022	**819,099**	**-**	**12,701,235**	**(570,000)**	**-**	**(530,198)**	**(5,172,390)**	**7,247,746**
Other changes in equity.								
Result for the year						(142,990)		(142.990)
Distribution of the previous year's results.						**530,198**	(530,198)	-
Other transactions				(95,000)				(95.000)
Capital increases and other distributions								
BALANCE, 31 DECEMBER 2022	**819,099**	**-**	**12,701,235**	**(665,000)**	**-**	**(142,990)**	**(5,702,588)**	**7,009,756**
Other changes in equity.								
Result for the year						(398,046)		(398.046)
Distribution of the previous year's results.						142,990	(142,990)	-
BALANCE, 31 DECEMBER 2023	**819,099**	**-**	**12,701,235**	**(665,000)**	**-**	**(398,046)**	**(5,845,578)**	**6,611,709**

ISPD NETWORK, S.A.
CASH FLOW STATEMENT FOR THE YEAR
ENDED 31 DECEMBER 2023 (expressed in euros)

CASH FLOWS	Note	31.12.2023	31.12.2022
(A) CASH FLOWS FROM OPERATING ACTIVITIES		**(445,982)**	**(153,223)**
Profit/loss for the year before tax		**(362,391)**	**(16,560)**
Adjustments for:		**65,059**	**(149,113)**
a) Amortization and Depreciation	**5 and 6**	279,436	87,151
(b) Recognized impairment losses		-	586,389
(c) Change in provisions		-	28,262
d) Financial income	**14.b**	(42,107)	(13,759)
e) Financial expenses	**14.b**	614,513	207,847
(f) Exchange rate differences	**12**	(356,109)	(4,793)
g) Result on disposal of fixed assets (+/-)		3,508	(38,907)
(h) Other income and expenses		(432,596)	(998,789)
(i) Allocation of subsidies (-)		(1,586)	(2,515)
Changes in operating assets and liabilities		**425,866**	**74,114**
a) Trade and other receivables		(288,143)	(660,882)
b) Other current assets		135,236	
c) Trade and other payables		578,774	734,995
d) Other non-current assets and liabilities			
Other cash flows from operating activities		**(574,516)**	**(61,663)**
a) Interest paid		(614,513)	(207,847)
b) Interest received		42,107	13,759
c) Income tax (payments) (-/+)		(2,110)	124,108
d) Other payments (-/+)		-	8,317
(B) CASH FLOWS FROM INVESTING ACTIVITIES		**(1,354,695)**	**(593,106)**
Investment payments		**(1,354,695)**	**(593,106)**
a) Group companies			
b) Intangible assets	**6**	(695,372)	(470,958)
(c) Property, plant and equipment	**5**	(98,428)	(106,383)
(d) Other financial assets			
e) Group companies		(560,895)	158,075
(f) Other assets			(173,840)
(C) CASH FLOWS FROM FINANCING ACTIVITIES		**1,766,812**	**761,998**
Proceeds and payments for equity instruments		**-**	**(95,000)**
(a) Acquisition of equity instruments	**11**	-	(95,000)
b) Issue of equity instruments		-	
Proceeds and payments for financial liability instruments		**1,321,787**	**852,205**
(a) Issue		**2,306,133**	**2,869,600**
1. Debts to financial institutions		1,564,207	26,976
2. Debts to group companies (+)		741,926	2,842,624
3. Other			
(b) Redeption and amortization		**(948,347)**	**(2,017,395)**
1. Debts to financial institutions			
2. Payable to group companies (+)		(977,082)	(73,897)
3. Other		(7,265)	(1,943,499)
Dividend and interest on other equity instruments			
Dividend payments			
(D) EFFECT OF EXCHANGE RATE FLUCTUATIONS		**445,026**	**4,793**
(E) NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS		**(33,864)**	**15,668**
Cash or cash equivalents at beginning of the year		**193,434**	**177,766**
Cash or cash equivalents at end of period		**159,570**	**193,434**

ISPD NETWORK, S.A.

ANNUAL ACCOUNTS AT 31 DECEMBER 2023

ISPD Network, S.A

ANNUAL REPORT CORRESPONDING TO THE FINANCIAL YEAR ENDING AT 31 DECEMBER 2023

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

a) Constitution and Legal Regime

ISPD Network, S.A. (hereinafter, the Company) was incorporated on 20 November 1997 under the name "Interactive Network, S.L.", becoming a public limited company and changing its name to I-Network Publicidad, S.A. on 22 January 2001. On 7 April 2005, the General Shareholders' Meeting agreed to change the company name to Antevenio, S.A. On 25 November 2021, the General Shareholders' Meeting approved to change the name to ISPD Network, S.A.

b) Activity and registered Address

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

The Company had its registered office at C/Marqués de Riscal, 11, 4th floor in Madrid, having moved its registered address to Apolonio Morales, 13c, Madrid on 30 September 2020. The Company is the parent company of a group of companies whose activity consists of carrying out activities related to internet advertising. The annual accounts of ISPD Network, S.A. and subsidiaries for the financial year 2022 were approved by the General Shareholders' Meeting of the Parent Company on 22 June 2023 and deposited with the Commercial Registry of Madrid.

The Company has been listed on the French alternative market Euronext Growth since 2007.

The Company has a significant volume of balances and transactions with the companies of the Group to which it belongs.

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

c) Legal Regime

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

NOTE 2. BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS

a) Fair presentation

The financial statements for the year ended 31 December 2023 have been obtained from the Company's accounting records and have been prepared in accordance with current mercantile legislation and the rules established in the General Accounting Plan approved by Royal Decree 1514/2007, of 16 November, applying the amendments introduced by Royal Decree 1159/2010, of 17 September and by Royal Decree 602/2016, of 2 December, and by Royal Decree 1/2021, of 12 January, in order to give a true and fair view of the net worth, financial position, results, changes in equity and cash flows for the year.

b) Accounting Principles applied

The attached financial statements have been prepared in accordance with the accounting principles set out in the Spanish Commercial Code and the Spanish National Chart of Accounts.

There are no accounting principles or mandatory measurement bases with significant effect that are no longer applied in its preparation.

c) Presentation currency and functional currency

In accordance with current accounting legislation, the financial statements are presented in euros, which is the Company's functional currency.

d) Comparative information

These financial statements for the year ended 31 December 2023 show comparative figures for the year 2022, which formed part of the financial statements for the year 2022 approved by the Annual General Meeting of Shareholders on 22 June 2023 . Therefore, the items of the different periods are comparable and consistent.

e) Aggregation of items

In order to facilitate understanding of the balance sheet, income statement, statement of changes in equity and cash flow statement, these statements are grouped together and the required analyses are presented in the relevant notes to the financial statements.

f) Responsibility for information and estimates

The preparation of the attaching financial statements requires judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The related estimates and assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. The respective estimates and assumptions are reviewed on an ongoing basis; the effects of revisions to accounting estimates are recognised in the period in which they are made, if they affect only that period, or in the period of the revision and in future periods, if the revision affects them.

In preparing the Annual Accounts for the year ended 31 December 2023, estimates have been made to value certain assets, liabilities, income, expenses and commitments reported therein. Basically, these estimates relate to:

- Assessment of possible impairment losses on certain assets (note 4c)
- Assessment of possible losses in the determination of the recoverable amount of equity investments in group, multi-group and associated companies in which projections of future cash flows have been used, with returns, discount rates and other variables and assumptions established by the Company's management that justify the valuation of such investment (notes 4e).
- Useful lives of intangible and tangible assets (notes 4a and 4b)
- Amount of certain provisions (note 4i)

Although these estimates have been made on the basis of the best estimate available at 31 December 2023, additional information or external events and circumstances may make it necessary to change the assumptions used in making these accounting estimates in future periods, which would be done prospectively, recognising the effects of the change in estimate in the related future profit and loss account.

In addition to the process of systematic estimates and their periodic review, certain value judgements are made, notably those relating to the assessment of the possible impairment of assets, provisions and contingent liabilities.

g) <u>Mention on the Statement of Non-Financial Information (NFI)</u>

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 Commercial Code, 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. DISTRIBUTION OF PROFIT/LOSS

The proposed distribution of the Company's profit for the financial year 2023, which the Board of Directors of the Company has submitted to the General Meeting of Shareholders for approval, is as shown below:

Basis of distribution	**2023**
Profit and loss (loss)	(398,046)
Total	(398,046)
Application	
Prior period´s losses	(398,046)
Total	**(398,046)**

The proposed distribution of the profit for 2022 approved at the General Meeting of Shareholders held on 22 June 2023 was as follows:

Basis of distribution	2022
Profit and loss (loss)	(142,990)
Total	(142,990)
Application	
Prior period´s losses	(142,990)
Total	**(142,990)**

NOTE 4. RECOGNITION AND MEASUREMENT STANDARDS

The main valuation rules used by the Company in the preparation of its Annual Accounts at 31 December 2023, in accordance with those established by the Annual Accounts, were as follows:

a) Intangible assets

Intangible assets are stated at cost, either acquisition or production cost, less accumulated amortization (calculated on the basis of their useful life) and any impairment losses.

They are measured at production or acquisition cost, less accumulated amortization and less accumulated impairment losses.

Computer software

Licences for software purchased from third parties or internally developed software are capitalised on the basis of the costs incurred in acquiring or developing the software and preparing it for use.

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

Computer software maintenance costs incurred during the period are recorded in the profit and loss account.

b) Property, plant and equipment

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

Upkeep and maintenance costs incurred during the period are charged to the profit and loss account. The costs of renewing, extending or improving tangible fixed assets, which represent an increase in capacity, productivity or a lengthening of the useful life, are capitalised as an increase in the value of the corresponding assets, after derecognition of the book values of the items that have been replaced.

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.

Property, plant and equipment, net of any residual value, are depreciated on a straight-line basis over the years of estimated useful life over which the Company expects to use them, as shown in the following table:

	31/12/2023		31/12/2022	
	Annual Percentage	Estimated Years of Useful Life	Annual Percentage	Estimated Years of Useful Life
Other installations	20	5	20	5
Furniture	10	10	10	10
Computer hardware	25	4	25	4
Other property, plant and equipment	20-10	5-10	20-10	5-10

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

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

Investments made by the Company in leased premises, which are not separable from the leased asset, are depreciated over the shorter of the useful life of the lease contract, including the renewal period when there is evidence to support that renewal will take place, and the economic life of the asset.

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

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 this purpose, at least at year-end, the Company assesses, by means of the so-called "impairment test", whether there are indications that any tangible or intangible fixed 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.

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.

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 income statement.

d) Leases and other transactions of a similar nature

The Company classifies a lease as a finance lease when the economic terms of the lease agreement indicate that substantially all the risks and rewards of ownership of the leased asset have been transferred to the Company. If the terms of the lease agreement are not met to qualify as a finance lease, the lease is classified as an operating lease.

d.1) Financial leasing

In finance lease transactions in which the Company acts as lessee, the Company recognises an asset in the balance sheet based on the nature of the leased asset and a liability for the same amount, which is the lower of the fair value of the leased asset and the present value at the inception of the lease of the agreed minimum lease payments, including the purchase option. Contingent rent, service charges and taxes payable by the lessor are not included. The finance charge is taken to the profit and loss account in the year in which it accrues, using the effective interest method. Contingent rents are recognised as an expense in the year in which they are incurred.

The assets recorded for this type of transaction are depreciated using the same criteria as those applied to property, plant and equipment (or intangible assets) as a whole, based on their nature.

d.2) Operating leases

Expenses arising from operating lease agreements are recognised in the profit and loss account in the year in which they are incurred.

e) Financial instruments

On initial recognition, the Company classifies financial instruments as a financial asset, financial liability or equity instrument on the basis of the economic substance of the transaction, taking into account the definitions of a financial asset, financial liability and equity instrument in the applicable financial reporting framework described in note 2.

Recognition of a financial instrument occurs when the Company becomes a party to the financial instrument, either as the acquirer, the holder or the issuer.

i. Financial assets

The Company classifies its financial assets on the basis of the business model applied to them and the cash flow characteristics of the instrument.

The business model is determined by the Company's management and reflects the way in which each group of financial assets is managed together to achieve a specific business objective. The business model that the Company applies to each group of financial assets is the way in which the Company manages these assets in order to obtain cash flows.

In categorising assets, the Company also takes into account the characteristics of the cash flows that accrue from them. In particular, it distinguishes between those financial assets whose contractual terms give rise, at specified dates, to cash flows that are principal and interest payments on the principal amount outstanding (hereinafter, assets that meet the UPPI criterion), and other financial assets (hereinafter, assets that do not meet the UPPI criterion).

Specifically, the Company's financial assets are classified into the following categories:

i.1.1) Financial assets at amortized cost

These correspond to financial assets to which the Company applies a business model whose objective is to receive the cash flows arising from the performance of the contract, and the contractual terms of the financial asset give rise, on specified dates, to cash flows that are solely collections of principal and interest, The financial assets are assets that meet the UPPI criterion (financial assets whose contractual terms give rise, at specified dates, to cash flows that are payments of principal and interest on the principal amount outstanding).

The Company considers that the contractual cash flows of a financial asset are solely collections of principal and interest on the principal amount outstanding, when these are those of an ordinary or common loan, regardless of whether the transaction is agreed at a zero or below-market interest rate. The Company considers that financial assets convertible into equity instruments of the issuer, loans with inverse floating interest rates (i.e. a rate that has an inverse relationship with market interest rates); or those in which the issuer may defer interest payments if such payment would affect its creditworthiness, without the deferred interest accruing additional interest, do not meet this criterion and therefore are not classified in this category.

In assessing whether it is applying the contractual cash flow collection business model to a group of financial assets, or whether it is applying another business model, the Company takes into consideration the timing, frequency and value of sales that are occurring and have occurred in the past within this group of financial assets. Sales in themselves do not determine the business model and therefore cannot be considered in isolation. Therefore, the existence of one-off sales within a group of financial assets does not determine the change in business model for the other financial assets within that group. In assessing whether such sales determine a change in business model, the Company takes into account existing information on past sales and expected future sales for the same group of financial assets. The Company also considers the conditions that existed at the time of past sales and current conditions when assessing the business model it is applying to a group of financial assets.

In general, this category includes trade and non-trade receivables:

- Trade receivables: Financial assets arising from the sale of goods and the provision of services in connection with the company's business transactions for deferred payment.

- Non-trade receivables: financial assets which, not being equity instruments or derivatives, do not have a commercial origin and whose collections are of a determined or determinable amount, deriving from loan or credit operations granted by the Company.

They are initially recognised at the fair value of the consideration given plus directly attributable transaction costs.

Notwithstanding the above, trade receivables maturing within one year and which do not have a contractual interest rate are initially measured at their nominal value, provided that the effect of not discounting cash flows is not material, in which case they will continue to be measured at that amount unless they are impaired.

Subsequent to initial recognition, they are measured at amortized cost. Accrued interest is recognised in the profit and loss account.

At year-end, the Company makes the appropriate impairment adjustments whenever there is objective evidence that a financial asset, or a group of financial assets with similar risk characteristics measured collectively, has become impaired as a result of one or more events occurring after initial recognition that lead to a reduction or delay in the collection of estimated future cash flows, which may be caused by the insolvency of the debtor.

Impairment losses are recognised on the basis of the difference between their carrying amount and the present value at year-end of the estimated future cash flows to be generated (including those arising from the enforcement of collateral and/or personal guarantees), discounted at the effective interest rate calculated at the time of initial recognition. For floating rate financial assets, the Company uses the effective interest rate that, in accordance with the contractual terms of the instrument, is applicable at year-end. These adjustments are recognised in the profit and loss account.

i.1.2) Financial assets at amortized cost

The following financial assets are included in this category:

- Investments in the equity of group companies, jointly controlled entities and associates.

- Other investments in equity instruments whose fair value cannot be determined by reference to an active market, or cannot be reliably estimated, and derivatives that have such investments as their underlying.

- Hybrid financial assets whose fair value cannot be reliably estimated unless they meet the criteria to be classified as a financial asset at amortized cost.

- Contributions made to joint ventures and similar accounts.

- Participating loans whose interest is contingent either because a fixed or variable interest rate is agreed to be conditional on the borrower meeting a milestone (e.g. making a profit) or because it is calculated by reference to the performance of the borrower's business.

- Any financial asset that could initially be classified as a financial asset at fair value through profit or loss when it is not possible to obtain a reliable estimate of its fair value.

They are initially recognised at the fair value of the consideration given plus directly attributable transaction costs. Fees paid to legal advisers or other professionals involved in the acquisition of the asset are recognised as an expense in the income statement. Internally generated expenses incurred in the acquisition of the asset are also not recognised as an increase in the value of the asset and are recorded in the profit and loss account. In the case of investments made before they are considered to be equity investments in a group company, jointly controlled entity or associate, the carrying amount immediately before the asset qualifies as such is considered to be the cost of the investment.

Equity instruments classified in this category are measured at cost less any accumulated impairment losses.

Contributions made as a result of a joint venture and similar contracts are measured at cost, increased or decreased by the profit or loss, respectively, accruing to the company as a non-managing venturer, less any accumulated impairment losses.

The same criterion is applied to participating loans whose interest is contingent, either because a fixed or variable interest rate is agreed upon conditional upon the achievement of a milestone in the borrower company, or because it is calculated solely by reference to the performance of the borrower company's business. If, in addition to contingent interest, it includes irrevocable fixed interest, the latter is accounted for as finance income on an accruals basis. Transaction costs are taken to the profit and loss account on a straight-line basis over the life of the participating loan.

At least at year-end, the Company makes the necessary valuation adjustments whenever there is objective evidence that the carrying amount of an investment is not recoverable.

The amount of the valuation adjustment is calculated as the difference between its carrying amount and the recoverable amount, the latter being the higher of its fair value less costs to sell and the present value of future cash flows arising from the investment, which in the case of equity instruments is calculated either by estimating those expected to be received as a result of the distribution of dividends by the investee and the disposal or derecognition of the investment in the investee, or by estimating its share of the cash flows expected to be generated by the investee from its ordinary activities and from the disposal or derecognition of the investment.

The recognition of impairment losses and, where applicable, their reversal, shall be recognised as an expense or income, respectively, in the income statement. The reversal of impairment shall be limited to the carrying amount of the investment that would have been recognised at the date of reversal had no impairment loss been recognised.

However, in cases where an investment has been made in the company prior to its classification as a group company, jointly controlled entity or associate, and prior to that classification, and valuation adjustments have been made and recognised directly in equity arising from that investment, those adjustments are retained after classification until the disposal or derecognition of the investment, at which time they are recognised in the income statement, or until the following circumstances occur:

- In the case of previous valuation adjustments due to asset revaluations, impairment losses are recognised in equity up to the amount of previously recognised revaluations and any excess is recognised in the income statement. Impairment losses recognised directly in equity are not reversed.

- In the case of previous impairment losses, when the recoverable amount subsequently exceeds the carrying amount of the investments, the latter is increased, up to the limit of the aforementioned impairment, against the equity item that has recorded the previous impairment losses, and from that moment onwards, the new amount arising is treated as the cost of the investment. However, when there is objective evidence of impairment in the value of the investment, the accumulated losses are recognised directly in equity in the income statement.

The valuation criteria for equity investments in Group companies, associates and jointly controlled entities are detailed in the following section.

(a)<u>Equity investments in group, associated and multi-group companies.</u>

Group companies are considered to be those linked to the Company by a controlling relationship and associates are those over which the Company exercises significant influence. In addition, jointly controlled entities include companies over which, by virtue of an agreement, joint control is exercised with one or more partners. These investments are initially measured at cost, which is the fair value of the consideration paid plus directly attributable transaction costs. In cases where the Company has acquired interests in group companies through a merger, spin-off or non-monetary contribution, if these give it control of a business, it values the interest in accordance with the criteria established by the specific rules for related party transactions, established by section 2 of the NRV 21ª on "Transactions between group companies", by virtue of which they must be valued at the values they contributed to the consolidated annual accounts, prepared in accordance with the criteria established by the Code of Commerce, of the group or major subgroup in which the acquired company, whose parent company is Spanish, is included. In the event of not having consolidated annual accounts, prepared in accordance with the principles established by the Commercial Code, in which the parent company is Spanish, they will be integrated at the value contributed by these holdings to the individual annual accounts of the contributing company.

They are subsequently measured at cost less any accumulated impairment losses. These corrections are calculated as the difference between the carrying amount and the recoverable amount, understood as the higher of fair value less costs to sell and the present value of the expected future cash flows of the investment. Unless there is better evidence of the recoverable amount, the equity of the investee is taken into account, adjusted for any unrealised gains existing at the measurement date.

In the case where the investee has an interest in another investee, the equity shown in the consolidated annual accounts is taken into account.

Changes in value due to impairment losses and, where applicable, their reversal are recorded as an expense or income, respectively, in the profit and loss account.

i.1.3) Derecognition of financial assets

Financial assets are derecognised, as established in the Conceptual Accounting Framework of the Spanish National Chart of Accounts, approved by Royal Decree 1514/2007, of 16 November, based on the economic reality of the transactions and not only on the legal form of the contracts that regulate them. Specifically, a financial asset is derecognised, in whole or in part, when the contractual rights to the cash flows from the financial asset have expired or when it is transferred, provided that substantially all the risks and rewards of ownership are transferred. The Company considers that the risks and rewards of ownership of the financial asset have been substantially transferred when its exposure to changes in cash flows is no longer material in relation to the total change in the present value of the future net cash flows associated with the financial asset.

If the Company has neither transferred nor retained substantially all the risks and rewards of the financial asset, the asset is derecognised when control is not retained. If the Company retains control of the asset, it continues to recognise the asset at the amount to which it is exposed to changes in the value of the transferred asset, i.e. its continuing involvement, recognising the associated liability.

The difference between the consideration received net of attributable transaction costs, considering any new asset obtained less any liability assumed, and the carrying amount of the financial asset transferred, plus any cumulative amount recognised directly in equity, determines the gain or loss arising on derecognition of the financial asset and forms part of the profit or loss for the period in which it arises.

The Company does not derecognise financial assets in transfers in which it retains substantially all the risks and rewards of ownership, such as bill discounting, factoring with recourse, sales of financial assets under repurchase agreements at a fixed price or at the sale price plus interest and securitisations of financial assets in which the Companies retain subordinated financing or other types of guarantees that absorb substantially all the expected losses. In these cases, the Companies recognise a financial liability for an amount equal to the consideration received.

ii. Financial liabilities

The company'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 company has designated a financial liability at fair value through profit or loss.

Financial liabilities are subsequently 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.

f) Transactions, balances and flows in foreign currencies.

Transactions in foreign currencies are recorded in the accounts at their equivalent value in euro, using the spot exchange rates prevailing at the dates of the transactions.

At the end of each reporting period, non-monetary assets and liabilities measured at fair value are measured at the exchange rate at the date when the fair value was determined, i.e. at the end of the reporting period. When gains or losses arising from changes in the valuation of a non-monetary item are recognised directly in equity, any exchange differences are also recognised directly in equity. Conversely, when gains or losses arising from changes in the valuation of a non-monetary item are recognised in profit or loss for the year, any exchange differences are recognised in profit or loss.

Monetary assets and liabilities denominated in foreign currencies have been translated into euro at the year-end rate, while non-monetary assets and liabilities measured at historical cost have been translated at the exchange rate prevailing at the date on which the transactions took place.

Positive and negative differences arising on the settlement of foreign currency transactions and on the conversion of monetary assets and liabilities denominated in foreign currencies into euro are recognised in profit or loss.

g) Taxation of profits

From 2013 until 2016, the Group companies domiciled in Spain were taxed under the Special Tax Consolidation Regime, in the group headed by the Company.

On 30 December 2016, a meeting of the Board of Directors was held at which it was reported that the company Inversiones y Servicios Publicitarios, S.L. ("ISP") holds 83.09 % of the share capital of ISPD Network (see note 11), and that pursuant to the provisions of article 61.3 of Law 27/2014, of 27 November, on Corporate Income Tax, and because ISPD Network S. A. has lost its status as a tax group entity number 0212/2013, as ISP has acquired a stake in it of more than 75 % of its share capital and voting rights, it is resolved to incorporate the company into the tax group with effect from 1 January 2016.A. has lost its status as an entity of tax group number 0212/2013 as ISP has acquired a stake in it of more than 75% of its share capital and voting rights, it is resolved to incorporate the Company as a subsidiary of tax group number 265/10, whose entity is ISP, with effect from the tax period commencing on 1 January 2017.

Income tax expense or income is calculated as the sum of the current tax expense or income plus the deferred tax expense or income.

The current tax is the amount resulting from the application of the tax rate to the tax base for the year. Deductions and other tax benefits on the tax liability, excluding withholdings and payments on account, as well as tax losses carried forward from previous years and effectively applied in the year, will result in a lower amount of current tax.

Deferred tax expense or income relates to the recognition and derecognition of deferred tax assets for deductible temporary differences, for the right to offset tax losses in subsequent years and for unused tax credits and other unused tax benefits and deferred tax liabilities for taxable temporary differences.

Deferred tax assets and liabilities are measured at the expected tax rates at the time of reversal.

Deferred tax liabilities are recognised for all taxable temporary differences, except those arising from the initial recognition of goodwill or other assets and liabilities in a transaction that affects neither taxable profit nor accounting profit and is not a business combination.

In accordance with the principle of prudence, deferred tax assets are only recognised to the extent that it is probable that future profits will be available against which they can be utilised. Notwithstanding the above, deferred tax assets are not recognised in respect of deductible temporary differences arising from the initial recognition of assets and liabilities in a transaction that affects neither taxable profit nor accounting profit and is not a business combination.

Both current and deferred tax expense or income are recognised in the income statement. However, current and deferred tax assets and liabilities that relate to a transaction or event recognised directly in an equity item are recognised with a charge or credit to that item.

Deferred tax assets recognised are reviewed at each balance sheet date to ensure that they continue to exist and are adjusted accordingly. In addition, recognised and previously unrecognised deferred tax assets are assessed, and recognised assets are derecognised if it is no longer probable that they will be recovered, or any previously unrecognised deferred tax assets are recognised to the extent that it becomes probable that they will be recovered with future taxable profit.

h) Revenue and expenses

In accordance with Royal Decree 1/2021 of 12 January amending the Spanish National Chart of Accounts, the Company recognises revenue in the ordinary course of its business when control of the goods or services promised to customers is transferred. At that time, the company measures revenue at the amount that reflects the consideration to which it expects to be entitled in exchange for those goods or 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 performed

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 charged on behalf of third parties.

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

The Company 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 Company satisfies a performance obligation before it receives the consideration, it 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.

An asset is recognised 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.

i) <u>Provisions and contingencies</u>

Obligations existing at the end of the period arising from past events which could give rise to a loss for the Company, the amount or timing of which is uncertain, are recognised in the balance sheet as provisions and are measured at the present value of the best possible estimate of the amount required to settle or transfer the obligation to a third party.

The Company's practice with respect to provisions and contingencies is as follows:

i.1) Provisions

Credit balances that cover current 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.

i.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 control of the Company.

Adjustments arising from the restatement of the provision are recognised as a finance cost as they accrue. In the case of provisions maturing in one year or less, and provided that 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.

j) Environmental assets

The Company, due to its activity, has no assets and has not incurred any expenses aimed at minimising environmental impact and protecting and improving the environment. Likewise, there are no provisions for risks and expenses or contingencies related to the protection and improvement of the environment.

k) 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 profit and loss account: these 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 economic 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 the revenue, a reassessment is made to determine 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.

l) Transactions with related party

In general, items in a related party transaction are initially recognised at fair value. Where appropriate, 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 performed in accordance with the relevant standards.

m) 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.

n) Cash flow statements

In cash flow statements, the following expressions are used in the following sense:

Cash and cash equivalents: Cash comprises both cash and demand bank deposits. Cash equivalents are financial instruments, which form part of the Company's normal cash management, are convertible into cash, have initial maturities of not more than three months and are subject to an insignificant risk of changes in value.

Cash flows: inflows and outflows of cash and cash equivalents, defined as highly liquid investments with a term of less than three months and a low risk of changes in value.

Operating activities: these are the activities that constitute the principal source of the Company's ordinary revenues, as well as other activities that cannot be classified as investing or financing activities.

Investing activities: the acquisition and disposal 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 financial liabilities.

NOTE 5. PROPERTY, PLANT AND EQUIPMENT

Details and movement in property, plant and equipment are as follows:

	31/12/2021	Recognition	Derecognition	31/12/2022	Recognition	Derecognition	31/12/2023
Cost: Technical installations, machinery, tools, furniture and other tangible fixed assets	417,435	106,382	-	523,817	98,428	(1,273)	620,972
	417,435	**106,382**	**-**	**523,817**	**98,428**	**(1,273)**	**620,972**
Accumulated Depreciation: Technical installations, machinery, tools, furniture and other tangible fixed assets	(326,644)	(47,435)	-	(374,079)	(80,476)	248	(454,307)
	(326,644)	**(47,435)**	**-**	**(374,079)**	**(80,476)**	**248**	**(454,307)**
Property, plant and equipment, net	**90,790**	**58,947**	**-**	**149,738**	**17,952**	**(1,025)**	**166,665**

There were no write-offs during the financial year 2023. During 2023, one laptop was derecognized.

Fully amortized items in use

The breakdown of fully depreciated assets and assets in use by heading is shown below, with an indication of their cost value:

	31/12/2023	31/12/2022
Technical installations, machinery, tools, furniture and other tangible fixed assets	345,156	253,126

Other information

At 31 December 2023 and 2022, the Company has no tangible fixed assets acquired from Group companies and no tangible fixed assets located outside Spanish territory.

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

At 31 December 2023 and 2022, the Company's assets are insured by means of an insurance policy. The Company's directors consider that this policy sufficiently covers the risks associated with property, plant and equipment.

NOTE 6. INTANGIBLE ASSETS

Details and movement in intangible assets are as follows:

	31/12/2021	Recognition	31/12/2022	Recognition	Derecognition	Relocation	31/12/2023
Cost:							
Computer software	170,104	46,958	217,062		(18,742)	698,500	896,820
Intangible assets under construction	-	698,500	698,500	975,768		(698,500)	975,768
	170,104	**745,458**	**915,562**	**975,768**		**-**	**1,872,588**
Accumulated Depreciation:							
Computer software	(97,050)	(39,716)	(136,766)	(199,208)	15,235		(320,739)
	(97,050)	**(39,716)**	**(136,766)**	**(199,208)**		**-**	**(320,739)**
Impairment provision:							
Computer software	(9,315)	-	(9,315)				(9,315)
Net intangible fixed assets	**63,740**	**705,743**	**769,482**	**776,560**	**-**	**-**	**1,542,534**

Fully amortized items in use

The breakdown of fully depreciated assets and assets in use by heading is shown below, with an indication of their cost value:

	31/12/2023	31/12/2022
Computer software	101,445	97,047

Other information

At 31 December 2023, the Company has intangible assets under construction for 400,000 euros corresponding to the development of the Future Tools Project that it has with its related company Tagsonomy S.L. In addition to this project, the Company has activated as intangible assets under construction 575,768 euros corresponding to the extension of the Oliva Project.

At 31 December 2023 and 2022, there were no firm purchase commitments for the acquisition of intangible assets.

NOTE 7. LEASES AND SIMILAR TRANSACTIONS

7.1) Operating leases (Company as lessee)

The charge to income at 31 December 2023 and 2022 for operating leases amounted to 930,786 euros and 597,480 euros respectively.

There are no minimum future cancellable lease payments in excess of 5 years.

7.2) Financial leases

At year-end 2022, the company had a financial leasing contract for computer equipment for the development of its activity. For this contract made with a financial institution, it had recorded an amount of 5,561.18 euros at December 2022. This contract expired on 25 July 2023 and there was no longer a financial lease.

NOTE 8. FINANCIAL INSTRUMENTS

The Company classifies financial instruments into the following categories or portfolios according to its intention:

8.1) Financial Assets

Details of non-current financial assets at 31 December 2023 and 2022, except for equity investments in Group companies, jointly controlled entities and associates, which are shown in Note 9, are as follows:

	Assets at amortized cost		Total	
	31/12/2023	31/12/2022	31/12/2023	31/12/2022
Loans and receivables (Note 8.1.1)	102,610	102,610	102,610	102,610
Total	**102,610**	**102,610**	**102,610**	**102,610**

Details of short-term financial assets at 31 December 2023 and 2022 are as follows:

	Financial assets at amortized cost		Total	
	31/12/2023	31/12/2022	31/12/2023	31/12/2022
Cash and other cash equivalents (Note 8.1.a)	159,570	193,434	159,570	193,434
Loans and receivables (Note 8.1.1)	6,201,469	5,338,498	6,201,469	5,338,498
Total	**6,361,039**	**5,531,932**	**6,361,039**	**5,531,932**

a) Cash and cash equivalents

Details of these assets are as follows:

	Balance	
	31/12/2023	31/12/2022
Current accounts and cash	159,570	193,434
Total	**159,570**	**193,434**

8.1.1) Loans and receivables

The composition of this heading is as follows:

	Balance at 31/12/2023		Balance at 31/12/2022	
	Long-term	Short term	Long-term	Short term
Trade receivables				
Trade receivables, Group companies (note 19)		4,337,673		4,453,116
Third-party receivables		7,342		6,010
Advances to personnel		-		-
Total trade receivables	**-**	**4,345,015**	**-**	**4,459,126**
Non-trade receivables				
Loans to and interest, group companies (note 19)	100,000	1,856,454	100,000	879,372
Guarantees and deposits	2,610		2,610	
Total receivables from non-trade operations	**102,610**	**1,856,454**	**102,610**	**879,372**
Total	**102,610**	**6,201,469**	**102,610**	**5,338,498**

Trade and other receivables include impairments due to insolvency risks, as detailed below:

Deteriorations	Balance at 31/12/2021	Impairment loss	Reversal of impairment	Balance at 31/12/2022	Impairment loss	Reversal of impairment	Balance at 31/12/2023
Trade receivables	-	(68,262)	40,000	(28,262)	-	-	(28,262)
Total	**-**	**(68,262)**	**102,610**	**(28,262)**	**-**	**-**	**(28,262)**

8.1.2) Other information on financial assets

a) Reclassifications

No financial instruments have been reclassified during the reporting year.

b) Classification by maturity

Non-current financial assets at the end of each period have a maturity of more than five years.

Current receivables from group companies are included on an annual renewal basis in the absence of any claim to the contrary by the Company.

c) Assets pledged as security

There are no assets or liabilities pledged as collateral at .

8.2) Financial liabilities

Long-term financial liabilities at 31 December 2023 mainly relate to the instalments on the loan with credit institutions.
In addition, a financial liability generated by the business combination detailed in note 20 is specified, which would be classified as Payables and receivables.

Details of short-term financial liabilities are as follows:

	Debts with financial intitutions		Other		Total	
	31/12/2023	31/12/2022	31/12/2023	31/12/2022	31/12/2023	31/12/2022
Debits and payables (Note 8.2.1)	2,549,153	897,413	12,026,106	11,020,444	14,575,259	11,917,857
Total	**2,549,153**	**897,413**	**12,026,106**	**11,020,444**	**14,575,259**	**11,917,857**

8.2.1) Payables and payables

Details are given below:

	31/12/2023	31/12/2022
Trade payables		
Suppliers	522,047	121,540
Trade payables group companies (Note 18)	1,910,944	1,540,566
Other payables	953,315	966,884
Total trade payables	**3,386,306**	**2,628,990**
Non-trade payables		
Debts with financial institutions	2,549,153	897,413
Finance lease payables	-	17
Other financial liabilities	152,513	593,956
Loans and other payables	**2,701,666**	**1,491,386**
Personnel (outstanding salaries)	254,863	316,433
Total Non-trade payables	**254,863**	**316,433**
Short-term debts to group companies (Note 18)	8,232,424	7,481,047
Total debts with group	**8,232,424**	**7,481,047**
Total Debts and payables	**14,575,259**	**11,917,856**

8.2.2) Other information relating to financial liabilities

a) Classification by maturity

Details of the maturity by year of the various non-current financial liabilities, with fixed or determinable maturity, at 31 December 2023, are as follows :

Non-current debts	2025	2026	2027	2028	2029 onwards	Total
Debts with financial institutions	83,418	84,889	86,387	36,443	-	291,136
Other financial liabilities	-	-	-	-	9,314	9,314
Total	**83,418**	**84,889**	**86,387**	**36,443**	**9,314**	**300,450**

Non-current debts to group companies amount to 5,177,248 euros.

Details of the maturity by year of the various non-current financial liabilities with fixed or determinable maturity at 31 December 2022 are as follows:

Non-current debts	2024	2025	2026	2027	2028 onwards	Total
Debts with financial institutions	81,972	83,418	84,889	86,387	36,443	373,110
Finance lease payables	5,546					5,546
Other financial liabilities	18,628	-	-	-	-	18,628
Total	**106,146**	**83,418**	**84,889**	**86,387**	**36,443**	**397,283**

NOTE 9. GROUP COMPANIES, JOINTLY CONTROLLED ENTITIES AND ASSOCIATES

The interests held at 31 December 2023 in Group companies, jointly controlled entities and associates are detailed below:

2023	Direct Part.	% Rights. Direct Vote	Investment Value	Amount of Impairment charge	Net book value of the investment.
Group companies					
Antevenio Media	100	100	150,000		150,000
Rebold Italia S.R.L.	100	100	5,027,487	-	5,027,487
Mamvo Performance, S.L.	100	100	1,577,382	-	1,577,382
Marketing Manager Servicios de Marketing, S.L.	100	100	1,441,841	-	1,441,841
Antevenio Mexico SA de CV	100	100	1,908	-	1,908
Rebold Marketing, S.L.U.	100	100	764,540	-	764,540
Antevenio France, S.R.L.	100	100	2,000	-	2,000
Antevenio Publicite S.A.S.U.	100	100	3,893,962	(3,191,312)	702,650
Happyfication	100	100	1,559,748		1,559,748
B2 Market Place Ecommerce Consulting Group SL(1)	100	100	1,811,125	-	1,811,125
Rebold Communication, S.L.U.	100	100	4,572,441	-	4,572,441
Rebold Panama	100	100	16,740		16,740
			20,819,173	**(3,191,312)**	**17,627,861**

(1) See note 20 on business combinations

During the period 2023, the company React2Media L.L.C. has been liquidated and dissolved in its entirety.

As of 31 December 2022, the company adjusted its ISPD shareholding in Happyfication from EUR 1,717,822 in 2021 to EUR 1,559,748 in 2022. This adjustment was caused by the change in the company's contingent payment based on Happyfication's actual results at 31.12.2022.

The General Shareholders' Meeting held on 4 September 2020 approved the capital increase subscribed in full by its majority shareholder ISP Digital, S.L.U., through the contribution of the shares of the company Rebold Communication S.L.U. This company is in turn the head of a group of companies which, from that date, will therefore be consolidated within the consolidated ISPD Network Group.

The interests held at 31 December 2022 in Group companies, jointly controlled entities and associates are detailed below:

2022	Direct Part.	% Rights. Direct Vote	Investment Value	Amount of Impairment charge	Net book value of the investment.
Group companies					
React2Media LLC	60	60	3,930,996	(3,930,996)	-
Rebold Italia S.R.L.	100	100	5,027,487	-	5,027,487
Mamvo Performance, S.L.	100	100	1,577,382	-	1,577,382
Marketing Manager Servicios de Marketing, S.L.	100	100	1,441,841	-	1,441,841
Antevenio Mexico SA de CV	100	100	1,908	-	1,908
Rebold Marketing, S.L.U.	100	100	764,540	-	764,540
Antevenio France, S.R.L.	100	100	2,000	-	2,000
Antevenio Publicite S.A.S.U.	100	100	3,893,962	(3,191,312)	702,650
Happyfication	100	100	1,757,952		1,757,952
B2 Market Place Ecommerce Consulting Group SL(1)	61	61	1,811,125	-	1,811,125
Rebold Communication, S.L.U.	100	100	4,572,441	-	4,572,441
Rebold Panama	100	100	16,824		16,824
			24,798,458	**(7,122,308)**	**17,676,1 51**

None of the investee companies is listed on the stock exchange.

The directors consider that the net carrying amount of the investments in subsidiaries at 31 December 2023 is recoverable, taking into account their estimated share of the cash flows expected to be generated by the investees from ordinary activities. The assumptions on which management has based its cash flow projections to support the recoverable amount of the investments are as follows:

- Cash flows have been projected for a period of 5 years based on the business plans foreseen by the Company's management.

- The growth rate used for the following years has been calculated on a company-by-company and geographic market basis.

- The discount rate applied has been calculated between 9% and 11.5%.

- A perpetuity rate of approximately 2.5%.

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

The corporate purpose and domicile of the investee companies are set out below:

Mamvo Performance, S.L. (Unipersonal) Its corporate purpose consists of online advertising and direct marketing for the generation of useful contacts. Its registered office is at C/ Apolonio Morales, 13c, Madrid.

Marketing Manager Servicios de Marketing, S.L. (**Unipersonal).** Its corporate purpose is to provide consultancy services to companies related to commercial communication. Its registered office is at C/ Apolonio Morales, 13c, Madrid.

Rebold Italia S.R.L. (Single member) its business purpose is online advertising and internet marketing. Its registered office is at Via dei piati 11- 20123. Milano (Italy).

Rebold Marketing, S.L., formerly **Antevenio ESP, S.L. (Unipersonal)**. Its corporate purpose is to provide services through data networks for mobiles and other electronic devices for multimedia content. Its registered office is at C/ Apolonio Morales, 13c, Madrid. On 25 November 2021 the company name was changed to Rebold Marketing, S.L.

Antevenio France, S.R.L. (Single member) Its corporate purpose is to provide advertising and promotional services on the Internet, research, distribution and services in the field of advertising and marketing on the Internet. Its registered office is at 62B rue des Peupliers, 92100 Boulogne-Billancourt, France.

Antevenio México, S.A. de CV. Its corporate purpose is to provide other advertising services. Its registered office is in Mexico. Its registered office is at Goldsmith 352, Miguel Hidalgo Polanco III Sección CP11540 Mexico City.

Antevenio Publicité S.A.S.U., formerly Clash Media SARL. Its corporate purpose is the provision of advertising and promotional services on the internet, research, distribution and provision of services in the field of advertising and marketing on the internet. Its registered office is at 62B rue des Peupliers, 92100 Boulogne-Billancourt, France.

Rebold Communication, S.L.U. Incorporated in 1986. Provision of Internet access services. Creation, management and development of Internet portals. Provision of commercial and marketing consultancy services on and off the Internet and to establish, apply for and otherwise protect the Company's patents, trademarks, licences, concessions, domain names, operating systems and any other industrial or intellectual property rights. Its registered office is at Rambla Catalunya, 123, Entlo.08008 Barcelona.

Happyfication Inc. was incorporated in 2011. The company's corporate purpose is to provide its partners and clients with tools and services to plan, measure and distribute digital media more effectively. Its registered office is located at 177 Huntington Ave Ste 1703 PMB 14953 Boston MA 02115.

Antevenio Media S.L.U. Incorporated on 7 November 2023. The company's corporate purpose is the provision of advertising services and online advertising and e-commerce through telematic media. Its registered office is located at C/ Apolonio Morales 13C 28036 Madrid.

The summary of the net assets of the investees at 31 December 2023 is as follows, in euros:

2023	Share Capital	Reserves	Subsidies	Result of previous years	Conversion differences	Result for the year	Capital and reserves
Mamvo Performance, S.L.	33.967	2.687.154		(806.611)		(597.428)	1.317.082
Marketing Manager Servicios de Marketing S.L.	1.341.709	33.791		(967.510)		(124.409)	283.581
Antevenio Mexico	4.537			768.204	270.080	(309.638)	733.183
Rebold Italia S.R.L.	10.000	2.000		367.244		(321.427)	57.817
Rebold Marketing, S.L.U.	611.694	669.198		(994.758)		(150.528)	135.607
Antevenio France, S.R.L.	2.000			(29.241)		(9.512)	(36.754)
Antevenio Publicite, S.A.S.U.	263.537	10.191		(17.650)		3.293	259.372
Antevenio Media S.L.U.	150.000					(151)	149.849
Happyfication	883			(57.034)	18.809	171.724	134.382
B2MarkeTPlace Ecommerce Consulting Group SL	81.671	186.470		(125.178)		19.733	162.696
Rebold Communication, S.L.U.	7.414.224	(3.135.411)		(1.249.957)		11.904	3.040.760
Rebold Panama	8.831			61.049	(5.921)	108.687	172.647

The summary of the net assets of the investees at 31 December 2022 is as follows, in euros:

2022	Share Capital	Reserves	Subsidies	Result of previous years	Conversion differences	Result for the year	Capital and reserves
Mamvo Performance, S.L.	33.967	2.687.154	27.149	(818.936)	-	12.325	1.941.659
Marketing Manager Servicios de Marketing S.L.	1.341.709	33.791	7.667	(1.031.076)	-	63.565	415.657
Antevenio Mexico	4.537	-	-	950.275	154.133	(182.071)	926.874
Rebold Italia S.R.L.	10.000	548.123	-	-		(178.878)	379.245
Rebold Marketing, S.L.U.	611.694	669.198	1.635	(984.275)	-	(10.483)	287.769
Antevenio France, S.R.L.	2.000	-	-	(804.503)	-	775.261	(27.241)
Antevenio Publicite, S.A.S.U.	100.000	10.191	-	(149.268)	-	127.447	88.370
React2Media SL	19.378	-	-	-	(5.069)	(14.310)	-
Happyfication	883	-	-	23.477	7.368	(80.511)	(48.783)
B2MarkeTPlace Ecommerce Consulting Group SL	81.671	186.470	180.003	-	-	(125.429)	322.715

Rebold Communication, S.L.U.	7.414.224	(3.094.380)	104.924	(1.274.091)	-	24.144	3.174.821
Rebold Panama	8.831			(7.140)	(1.577)	74.393	74.507

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

The Company's activities are exposed to various financial risks, the most significant of which are credit risks and market risks (exchange rate, interest rate and other price risks).

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.

Liquidity risk

ISPD Network 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.

Liquidity of monetary assets: surpluses are always placed at very short maturities and are highly available. At 31 December 2023 the amount in cash and cash equivalents is EUR 159,570 (31 December 2022: EUR 193,434).

The company 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. It also reviews its DSO and DPO to optimise its immediate cash requirements. ISPD Network 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.

NOTE 11. EQUITY

11.1) Share Capital

Until 4 September 2020, the share capital of the Parent Company was represented by 4,207,495 shares with a nominal value of 0.055 euros each, fully subscribed and paid up. On that date, the 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 carried out 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.

As a result, the total disbursement amounts to 14,372,000 euros.

On 7 May 2021, the company approved the purchase of own shares for a value of EUR 570,000. On 23 December 2021, the Company finally 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 was made at the same price of 3.80 euros, for a total of 95,000 euros, the amount remaining unchanged in 2023.

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

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%**

11.2) Reserves

Details of the Reserves at 31 December 2023 and 2022:

Reserves	31/12/2023	31/12/2022
Legal reserve	46,282	46,282
Voluntary reserves	12,654,953	12,654,953
Total	**12,701,235**	**12,701,235**

a) Legal reserve

The legal reserve is restricted in terms of its use, which is determined by various legal provisions. In accordance with the Capital Companies Act, companies that make a profit are obliged to set aside 10% of this reserve until the reserve fund is equal to one fifth of the subscribed share capital. The purpose of the legal reserve is to offset losses or to increase the share capital by the portion exceeding 10% of the increased share capital, as well as its distribution to shareholders in the event of liquidation.

At 31 December 2023 the Legal Reserve is not fully funded.

b) Dividends

No dividends were distributed in 2023.

c) Share premium

The Spanish Law on Corporations 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.

NOTE 12. FOREIGN CURRENCY

The amount of exchange differences recognized in profit or loss at 31 December 2023 and 2022 is as follows:

Exchange rate differences	31/12/2023	31/12/2022
Positive exchange rate differences		
Carried out in the financial year	527,330	109,102
Negative exchange rate differences		
Carried out in the financial year	(171,221)	(104,309)
Total	**356,109**	**4,793**

Assets and liabilities denominated in foreign currencies correspond to receivables, payables and cash balances, all of which form part of current assets and liabilities.

Foreign currency transactions during the year ended 31 December 2023 and 2022 and foreign currency balances are not material in relation to the Annual Accounts.

NOTE 13. TAXATION

The detail of balances with public administrations is as follows:

	31/12/2023		31/12/2022	
	Debtor	Creditor	Debtor	Creditor
Current:				
Value Added Tax	628,381		226,127	
Deferred tax assets (*)	416,002		416,002	(28,404)
Treasury Creditor IAE		(5,973)		(5,973)
Personal income tax withholdings		(79,043)		(196,733)
Current Tax Liabilities		(53,404)		
Social Security		(86,803)		(111,086)
	1,044,383	**(225,222)**	**642,129**	**(342,196)**

(*) Classified as long-term on the balance sheet.

Taxation

For the taxes to which the Company is subject, the last four financial years are open to inspection by the tax authorities.

Under current legislation, tax assessments cannot be considered final until they have been audited by the tax authorities or until the four-year statute of limitations period has elapsed. Consequently, any tax audits may give rise to liabilities in addition to those recorded by the Company. However, the directors consider that such liabilities, should they arise, would not be material in comparison with shareholders' equity and annual results.

Income tax

The reconciliation of the net amount of income and expenses for the year to the income tax base is as follows :

	31/12/2023			31/12/2022		
	Profit and loss account			Profit and loss account		
Profit for the year (after tax)		(398,046)			(142,990)	
	Increases	**Decreases**	**Net effect**	**Increases**	**Decreases**	**Net effect**
Corporate income tax	33,545		33,545	124,108		124,108
Permanent Differences				18,242	(1,010,675)	(992,433)
Temporary Differences				279,479	(775,910)	(496,431)
Application of tax losses						
Tax base (taxable income)			(364,500)			(1,507,746)
Full quota						
Deductions for R&D&I						
Liquid quota						
Withholdings and payments on account						
Accounts with companies in the tax group						
Amount to be paid/(refunded) (1)						

(1) In 2017, the Company files consolidated tax returns for corporate income tax purposes with the ISP Group.

As during 2017 the Company is taxed under the tax consolidation regime with the ISP Group, the amount of the tax payable has been included as a receivable with the Parent Company of the tax group in the short term.

Details of the deferred tax assets recognised are as follows:

	31/12/2023	31/12/2022
Temporary differences	69,870	69,870
Tax Credits	346,132	346,132
Total deferred tax assets	416,002	416,002

The deferred tax assets indicated above have been recognised in the balance sheet because the directors consider that, based on the best estimate of the Company's future results, including certain tax planning measures, it is probable that these assets will be recovered.

Negative taxable income to be offset for tax purposes

The tax loss carryforwards have been recognised, as they comply with the requirements established by current legislation for their recognition, and as there are no doubts as to the Company's ability to generate future taxable profits that will allow them to be recovered. The detail of the tax loss carryforwards pending offset in future years corresponding to this tax credit is as follows:

Year of origin	Euros	Activated
2013	248	YES
2015	6,517	YES
2018	392,571	YES
2019	610,337	YES
2020	374,855	YES
2021	217,383	NO
2022	485,180	NO
	2,087,091	

NOTE 14. INCOME AND EXPENSES

a) Social Charges

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

	31/12/2023	31/12/2022
Wages and salaries	(3,897,396)	(3,516,989)
Social security payable by the company	(705,458)	(537,132)
Other social expenses	(28,166)	(66,503)
Social charges	**(4,631,020)**	**(4,120,624)**

b) Financial results

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

	31/12/2023	31/12/2022
Income:		
Income from holdings in equity instruments		
Income from receivables, group companies	41,653	7,870
Other financial income	454	5,889
Total Income	**42,107**	**13,759**
Expenses:		
Debts with Group companis	(546,289)	(190,020)
Other financial charges	(68,224)	(17,828)
Total Expenses	**(614,513)**	**(207,847)**

c) Revenue

The distribution of the net revenue corresponding to the Company's ordinary activities, by category of activity, is shown below:

	31/12/2023		31/12/2022	
Description of the activity	**Euros**	**%**	**Euros**	**%**
Online marketing and advertising	-	0%	-	0%
Provision of services (Fees)	8.221.031	100%	8.420.478	100%
Total	**8.221.031**	**100%**	**8.420.478**	**100%**

	31/12/2023		31/12/2022	
Geographical segmentation	**Euros**	**%**	**Euros**	**%**
National	1.182.896	14%	3.342.363	39.69%
Europe	59.769	1%	30.199	0.36%
Non-European International	6.978.367	85%	5.047.916	59.95%
Total	**8.221.031**	**100%**	**8.420.478**	**100%**

d) External services

The external services heading is shown below:

	31/12/2023	31/12/2022
External services:		
Leases and royalties	930,786	597,480
Repair and Conservation	14,802	11,573
Independent professional services	2,103,336	2,007,614
Insurance	21,440	101,034
Banking and similar services	36,521	17,330
Advertising, publicity and public relations	145,415	391,399
Utilities	76,418	15,684
Other services	401,699	377,426
Total expenses	**3,730,417**	**3,519,541**

NOTE 15. ENVIRONMENTAL INFORMATION

Various initiatives to reduce the consumption of natural resources have been in place in the Group's offices for several years: separate waste collection points, water fountains to eliminate plastic bottles and reusable tableware.

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 the beginning of 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 16. GUARANTEES AND SECURITIES

At 31 December 2023 and 2022, the Company has provided guarantees to banks and public bodies as follows:

Endorsements	31/12/2023	31/12/2022
Guarantees for clients	626,515	10,525
Total	**626,515**	**10,525**

NOTE 17. EVENTS AFTER THE REPORTING PERIOD .

The directors of the Company consider that there are no other significant subsequent events at the date of preparation of these consolidated financial statements.

NOTE 18. TRANSACTIONS WITH GROUP COMPANIES AND RELATED PARTIES

18.1) Balances between group companies

Details of balances held with group companies at 31 December 2023 are shown below:

BALANCES WITH RELATED PARTIES	Manvo Performance S.L.U	Marketing Manager S.L.U	Acceso Colombia	RMK	Antevenio Francia S.R.L.U	Antevenio México	Acceso content in Context SA de CV	Rebold Italy SRL	Antevenio Publicite S.A.S.U.	B2MarketPlace	Blue Digital	Digilant Inc	Rocket PPC SRL	RMC	DGLNT SA DE CV	Rebold Panamá	Happyfication	Total
A) NON-CURRENT ASSETS	**100,000**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**100,000**
1. Non-current investments in Group companies	100,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	100,000
a) Loans to companies	100,000	-	-	-		-	-	-	-	-	-	-	-	-	-	-	-	100,000
Total non-current assets	**100,000**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**100,000**
B) CURRENT ASSETS	**658,176**	**151,539**	**421,620**	**1,330**	**5,043**	**190,992**	**57,840**	**341,054**	**8,393**	**5,250**	**223,117**	**677,362**	**150**	**-**	**2,226,415**	**-**	**121,744**	**5,090,025**
1. Trade and other receivables	658,176	151,539	421,620	1,330	5,043	190,992	57,840	341,054	8,393	5,250	223,117	677,362	150	-	2,226,415	-	121,744	5,090,025
a) Current trade receivables		151,539	421,620	-	-	190,992	57,840	38,183	8,393	5,250	223,117	677,362	150	-	2,226,415	-	121,744	4,122,605
2. Current investments in Group companies	658,176	-	-	1,330	5,043	-	-	302,871	-	-	-	-	-		-	-	-	967,420
C) NON-CURRENT LIABILITIES	**(724,095)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(724,095)**
1. Non-current debts in Group companies	(724,095)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(724,095)
D) CURRENT LIABILITIES	**-**	**(26)**	**-**	**(654,744)**	**-**	**-**	**-**	**-**	**(301,336)**	**(502,815)**	**-**	**(4,491,564)**	**-**	**(2,661,940)**	**(120)**	**(9,061)**	**(196,702)**	**(8,818,307)**
1.Current payables to Group companies	-	(26)	-	(654,744)	-	-	-	-	-	(502,815)	-	(3,732,819)	-	(2,661,940)	(120)	(9,061)	-	(7,561,524)
2. Trade and other payables	-	-	-	-	-	-	-	-	(301,336)	-	-	(758,745)	-	-	-	-	(196,702)	(1,256,783)
a) Suppliers	-	-	-	-	-	-	-	-	(301,336)	-	-	(758,745)	-	-	-	-	(196,702)	(1,256,783)
b) Other payables	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Current	**658,176**	**151,513**	**421,620**	**(653,414)**	**5,043**	**190,992**	**57,840**	**341,054**	**(292,944)**	**(497,565)**	**223,117**	**(3,814,202)**	**150**	**(2,661,940)**	**2,226,295**	**(9,061)**	**(74,957)**	**(3,728,283)**

Details of balances held between group companies at 31 December 2022 are shown below:

RELATED PARTY BALANCES	Mamvo Performance S.L.U	Marketing Manager S.L.U	Access Colombia	RMK	Antevenio Mexico	Antevenio Italia S.R.L.U.	Antevenio Publicite S.A.S.U.	B2MarketPlace	Blue Digital	Digilant Inc	RMC	DGLNT SA DE CV	Happyfication	Total
A) NON-CURRENT ASSETS	**100,000**	-	-	-	-	-	-	-	-	-	-	-	-	**100,000**
1. Non-Current investments in Group companies	**100,000**	-	-	-	-	-	-	-	-	-	-	-	-	**100,000**
(a) Loans to companies	100,000	-	-	-	-	-	-	-	-	-	-	-	-	100,000
Total Non-Current	**100,000**	-	-	-	-	-	-	-	-	-	-	-	-	**100,000**
B) CURRENT ASSETS	**18,318**	**490,771**	**145,209**	**518,972**	**399,576**	**187,348**	**137**	-	**133,613**	**3,158,249**	**(540,000)**	**739,929**	**69,771**	**5,321,894**
1. Trade and other accounts receivable	**18,318**	**490,771**	**145,209**	**518,972**	**399,576**	**187,348**	**137**	-	**133,613**	**3,158,249**	**(540,000)**	**739,929**	**69,771**	**5,321,894**
a) Trade receivables for sales and services rendered in the short term		54,062	145,209	109,000	399,576	187,348	137	-	133,613	3,158,249	(540,000)	725,557	69,771	4,442,521
b) Receivables from group companies	18,318	436,709	-	409,972	-	-	-	-	-	-		14,372	-	879,372
(C) NON-CURRENT LIABILITIES	**(724,095)**	-	-	-	-	-	-	-	-	-	-	-	-	**(724,095)**
1. Non-current payables to group companies	**(724,095)**	-	-	-	-	-	-	-	-	-	-	-	-	**(724,095)**
(D) CURRENT LIABILITIES	**(1,121,949)**	**(255,410)**	-	**(1,019,794)**	**(2,800)**	**(101,772)**	**(210,448)**	**(296,957)**	-	**(4,344,266)**	**(882,735)**	-	**(113,471)**	**-8,349,601**
1.Current payables to group companies	**(1,076,771)**	**(116,471)**	-	**(1,043,396)**	-	**(101,772)**	-	**(283,609)**	-	**(3,797,054)**	**(644,909)**	-	-	**(7,063,982)**
2. Trade and other payables	**(45,178)**	**(138,939)**	-	**23,602**	**(2,800)**	-	**(210,448)**	**(13,347)**	-	**(547,212)**	**(237,826)**	-	**(113,471)**	**(1,285,619)**
a) Short-term suppliers	(45,178)	(138,939)	-	23,602	(2,800)	-	(210,448)	(13,347)	-	(547,212)	(237,826)	-	(113,471)	(1,285,619)
b) Sundry creditors	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Current	**(1,103,631)**	**235,362**	**145,209**	**(500,822)**	**396,776**	**85,576**	**(210,312)**	**(296,957)**	**133,613**	**(1,186,016)**	**(1,422,735)**	**739,929**	**(43,700)**	**(3,027,708)**

18.2)Transactions between group companies

The amount of transactions during the year 2023 included in the Profit and Loss Account is detailed below, in euros:

Transactions carried out	Services received	Sales and services provided	Interest paid	Interest charged
Mamvo Performance, S.L.U.	(38,457)	-	21,278	(44,549)
Marketing Manager	(31,000)	187,502	-	(28)
Access Colombia	-	276,411	-	-
Acceso Content in Context, S.A de CV	-	57,840	-	-
Rocket PPC SRL	-	150	-	-
Rebold Marketing	(91)	236,043	1,447	(36,203)
Antevenio France	-	-	43	-
Rebold Italy	-	45,487	4,355	-
Antevenio Mexico	1,706	282,227	-	-
Antevenio Publicitè	(193,945)	15,313	-	-
B2Market Place	(482)	79,229	-	(12,295)
Blue Digital	(5,165)	129,725	-	-
Digilant Inc	(230,262)	3,210,910	-	(148,456)
Rebold Communication	(55,033)	1,046,517	-	(82,751)
DGLNT SA DE CV	-	2,341,565	-	-
Happyfication	(83,231)	51,974	-	-
	(635,959)	**7,960,893**	**27,123**	**(324,281)**

The amount of transactions with group companies during the financial year 2022 included in the Profit and Loss Account is detailed below, in euros:

Transactions carried out	Services received	Sales and services provided	Other expenses	Interest paid	Interest charged
Mamvo Performance, S.L.U.	(713,442)	-		2,868	(25,415)
Marketing Manager	(160,375)	322,884		2,631	(714)
Access Colombia		145,209			-
Antevenio Argentina		(152,373)	(273,081)		
RMK	38,105	319,389		-	(36,909)
Antevenio France	-	(169,723)	(313,308)	-	-
Rebold Italy	-	195,285		-	(2,097)
Antevenio Mexico	(3,735)	437,057		-	-
Antevenio Publicitè	(210,448)	2,637		-	-
B2Market Place	(11,031)	64,207		-	-
Blue Digital	(12,873)	158,307			
Digilant Inc	(528,484)	3,750,479			(18,727)
RMC	(309,743)	2,582,169		-	(21,596)
DGLNT SA DE CV	-	639,465		2,371	-
Happyfication	(113,471)	69,771			-
	(2,025,498)	**8,364,764**	**(586,389)**	**7,870**	**(105,457)**

At 31 December 2023, the detail of the balances with related parties is as follows:

Related Company (31 December 2023)	Debit balance	Credit balance
ISP Digital SLU		(4,889,203)
ISP	24,539	(253,838)
ISP (for corporate taxation Tax group)		(235,173)
Tagsonomy SL	1,076,229	(400,000)
Shape Communication	3,335	
Total group companies	**1,104,102**	**(5,778,214)**

At 31 December 2022 the detail of related party balances is as follows:

Related Company (31 December 2022)	Debit balance	Credit balance
ISP Digital SLU		(4,667,264)
ISP	7,260	(201,275)
ISP (for corporate taxation Tax group)		(256,628)
Shape Communication	3,335	
Total group companies	**10,595**	**(5,125,167)**

18.3) Related party transactions

Details of related party transactions during the financial year 2023 and during the financial year 2022 are as follows:

- During the financial year 2023 the related party transactions are:

Related Company (31 December 2023)	ISP	ISP Digital SLU	Tagsonomy SL
Sales			
Purchases			
Services Provided	5,600		197,288
Services Received	(43,703)		(400,000)
Financial Income			14,531
Financial Expenses		(222,007)	
Total	**(38,103)**	**(222,007)**	**(188,181)**

- During the financial year 2022 the related party transactions are:

Related Company (31 December 2022)	ISP	ISP Digital SLU	Shape Communication
Sales			
Purchases			
Services Provided	6,000		2,756
Services Received	(50,000)		
Financial Income			
Financial Expenses		(84,562)	
Total	**(44,000)**	**(84,562)**	**2,756**

18.4) Balances and Transactions with Directors and High Management

The amounts received by the Board of Directors or High management are detailed below:

	High management	
	31/12/2023	**31/12/2022**
Wages and salaries	1,342,556	2,027,925
Total	**1,342,556**	**2,027,925**

The GSM of 22/06/2023 approved to remunerate the board with a maximum amount of 1,500,000 euros for the financial year 2023. In 2021, the AGM of 23/06/2022 approved to remunerate the board with a maximum amount of EUR 1,750,000.

At 31 December 2023 and 2022, there are no commitments for pension supplements, guarantees or sureties granted in favour of the Governing Body.

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, wifi, air conditioning, office supplies, cleaning, security, access to common areas, etc.), valued at approximately EUR 195,000. These services continue in 2024.

NOTE 19. OTHER INFORMATION

The average number of people employed is as follows:

	31/12/2023	31/12/2022
Management	16	12,2
Administration	22	18,5
Commercial	0	0
Production	9	10
Marketing	6	8
Technicians	1	0
	54	**49**

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

		31/12/2023		31/12/2022	
	Men	**Women**	**Other**	**Men**	**Women**
Management	9	7	0	7	6
Administration	6	15	1	5	14
Commercial	0	0	0	0	0
Production	4	5	0	5	5
Marketing	2	4	0	2	5
Technicians	1	0	0	0	0
	22	**31**	**1**	**19**	**30**

The fees accrued for the audit of individual annual accounts during the financial year 2023 amount to a total of 14,625 euros (14,300 euros in the financial year 2022).

For the purposes of the provisions of the second additional provision of Law 31/2014 of 3 December amending the Capital Companies 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:

	31/12/2023	31/12/2022
	Days	**Days**
Average supplier payment period	66.18	40.46
Ratio of paid transactions	50.68	39.79
Ratio of transactions outstanding	60.36	45.46
	Amount (EUR)	**Amount (EUR)**
Total payments made	4,239,183	4,228,956
Total outstanding payments	1,008,392	565,206

	2023	2022
Volume of invoices paid within the legal deadline	3,397,367	3,246,835
Number of invoices paid within the legal deadline	2022	1034
Percentage of the volume of invoices paid within the legal deadline out of the total volume of invoices paid (%)	80%	77%
Percentage of the number of invoices paid within the legal deadline out of the total number of invoices paid (%)	92%	75%

NOTE 20. BUSINESS COMBINATIONS

B2 MARKETPLACE ECOMMERCE GROUP S.L.:

On 7 October 2019, the 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, the Company acquired an additional 10% of the share capital of B2MarketPlace, S.L. for a price of 153,224 euros, thus obtaining 61% of the company's shares.

The 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 Company and the selling shareholders granted each other unconditional call and put options on the Company's shares for the remaining 49% of the Company's share capital, exercisable in the same period and for the same amount. The aforementioned options are based on a variable price depending on parameters associated with 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 Company 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 Company recognised at 31 December 2022 as a financial liability was the best estimate at that date of the amount that ISPD Network, SA expected to pay, and the fair value of this financial liability, of a total amount of Euros 393,681 recognised under "Other current liabilities", was Euros 393,681 in 2022.

On 30 June 2023, , an option to purchase the remaining 39% of the share capital of B2MarketPlace, S.L. was exercised and a sum of 356,760 euros was paid for this percentage, 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.

HAPPYFICATION:

On 15 September 2021, the 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 reinforce the ability to analyse, locate omnichannel audiences and gain insights into their behaviour. Through its integration in marketing 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 Company may, during the period of one year from the acquisition date, reassess this financial liability, retroactively 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 ISPD Network, SA has recognised at 31 December 2023 as a financial liability is the best estimate at that date of the amount it 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.

MANAGEMENT REPORT

ISPD NETWORK, S.A.

MANAGEMENT REPORT FOR THE FINANCIAL YEAR 2023

Dear Shareholders

Financial year 2023

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

1. Revenue and Results for the financial year 2023

In the financial year 2023 the net revenue amounted to EUR 8.2 million (EUR 8.4 million in 2022) and the result for the financial year was a loss of EUR 398,046. The result for the financial year 2022 was a loss of EUR 142,990.

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 Company expects profit to be maintained, despite the increase in revenue. By 2024, the objective is to continue the pace of growth and outperform the global market, thanks to an offering adapted to the new needs of brands and a significant presence in the most dynamic geographies.

2. Mention on the Statement of Non-Financial Information (NFI)

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

3. Company investee revenue for the financial year 2023

In euro:

	Revenue
ISPD NETWORK, S.A.	8.221.030
Mamvo Perfomance S.L.U.	1.187.410
Marketing Manager	1.443.591
Rebold Marketing SLU	5.612.059
Antevenio Media	0
Rocket PPC	637.391
B2M	2.446.607
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	8.632.906
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

4. Significant events during the financial year 2023

4 .1 BUSINESS COMBINATIONS

B2 MARKETPLACE ECOMMERCE GROUP S.L.:

On 7 October 2019, the 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, ISPD Network, SA acquired an additional 10% of the share capital of B2MarketPlace, S.L. for a 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 Company 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 aforementioned options are based on a variable price depending on parameters associated with 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 Company 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 Company recognised at 31 December 2022 as a financial liability was the best estimate of the amount expected to be paid at that date. 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 B2MarketPlace, S.L. was exercised and a sum of 356,760 euros was paid for this percentage, 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.

HAPPYFICATION:

On 15 September 2021, the 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 Company to offer brands new ways to plan and execute online and offline experiences to connect with customers.

This purchase will reinforce the ability to analyse, locate omnichannel audiences and gain insights into their behaviour. Through its integration in marketing 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 Company 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 and, 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 Company has recognised at 31 December 2023 as a financial liability is the best estimate at that date of the amount it 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.

- **Other business combinations**

In relation to **Blue Digital Servicios de Marketing, S.A.,** in 2022 the Company proceeded with the deferred payment derived from the acquisition of control of the company in the amount of 222 thousand 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 RESTRUCTURING BUSINESS UNITS

As a continuation of the business restructuring decisions initiated in previous years, the Company 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 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 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 new purchase of 25,000 more shares was made at the same unit price for a total amount of 95,000 euros, bringing the total amount of 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 Companies Act, 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 often as it deems appropriate, shares in the Company, by any means permitted by law, including against profits for the year and/or unrestricted reserves, subject to the following conditions:

(a) Acquisitions may be made directly by the Company or indirectly through its companies 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 the treasury shares acquired directly or indirectly by the company, added to those already held by the acquiring company and its subsidiaries and, if applicable, the Company, 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, implementation, execution and interpretation, as the case may be, of the conditions of the remuneration plan.

Stock Option Plan Digilant Inc

At 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 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. PROSPECTS

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 Company considers that Artificial Intelligence opens up a wide range of business opportunities in various sectors, and therefore the 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 take into account the upward trend in prices, the increase in interest rates and the macroeconomic situation in each of the countries in which we operate.

6. ADDITIONS TO FIXED ASSETS

The additions of tangible and intangible fixed assets of the ISPD Network during 2023 correspond to:

Additions to property, plant and equipment amount to EUR 98,428 (EUR 106,382 in 2022) of new additions, mainly due to the effect of IFRS 16 on leases.

As regards additions to intangible fixed assets, in 2023 there are additions of 975,768 euros (745,458 euros in 2022), most of which are for technological developments that are either in the development phase at the end of 2023 or have passed to finished developments during the year. To a lesser extent due to industrial property rights (trademarks).

7. RISKS

The main risks and uncertainties that ISPD Network 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 in the financial markets, especially the banking market, over the last months was particularly unfavourable for credit seekers, although the Company was 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 Company 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, 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 Company 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 (5,439,832 euros at 31 December 2022).

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

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

The Company continuously monitors the credit quality of customers through a credit rating measurement. Where possible, external credit ratings and/or reports on customers are obtained and used. The Company'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 maximum exposure to credit risk of is equal to the carrying amount of the financial assets recognised in the balance sheet at the balance sheet date, less the accumulated impairment at the balance sheet date on these assets. Impairment losses on financial assets and contractual assets recognised in profit or loss for the year are as described in the corresponding note.

Risk Competition

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

The company 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 Company is confident that it will continue to occupy a leading position in the market.

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

Risk Dependence Customers and Suppliers

The risk of dependence on customers and suppliers is limited as none of them have a significant weight in turnover 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.

Risk Key Persons

One of the main assets of the ISPD Network is that it has been able to assemble a team of key individuals and managers in strategic positions in the Society.

Risk of personal data processing

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

ISPD Network 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 it has a presence.

ISPD Network 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.

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

ISPD Network is aware of the increasing regulation affecting the digital marketing business and therefore maintains an external consultancy with Deloyers to promote regulatory compliance, develop projects such as privacy by design or Privacy Impact Assessment, assist in the management of data subjects' rights and collaborate in the event of an incident, among other tasks, within the framework of European companies.

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. PERSONNEL

The average number of people employed by the Company in 2023 is 54, with 49 in 2022. In both 2023 and 2022 the proportion of women is in the majority, representing 55% in 2023 and 61% 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 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 new purchase of 25,000 more shares was made at the same unit price for a total amount of 95,000 euros, bringing the total amount of 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	2,027,925
Total	**1,342,556**	**2,027,925**

At 31 December 2023 and 2022 there are no commitments for pension supplements, guarantees or sureties granted in favour of the Governing Body, nor credits or advances granted to them.

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, wifi, 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 28/06/2023 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.

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 olive project presented at Mamvo, ISPD Network SA 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 executives during commercial actions. The final expenditure in 2023 for this project was 400,000 euros.

PREPARATION OF FINANCIAL STATEMENTS AND MANAGEMENT REPORT

In compliance with current mercantile regulations, the Board of Directors of **ISPD Network, S.A.** has prepared the Financial Statements and Directors' Report for the year ended 31 December 2023, which comprise the attached sheets 1 to 63.

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