COMMUNICATION OF FINANCIAL INFORMATION FOR THE FISCAL YEAR 2023 **BY JUNGLE**

Madrid, on March 26th, 2024

JUNGLE21, S.A. (thereinafter, **"Jungle",** or the **"Company"**), pursuant to the provisions of article 17 of Regulation (EU) No. 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (Market Abuse Regulation), and article 61003/2 of Euronext Rule Book I, on ongoing obligations of companies listed on Euronext, hereby notifies to the market the following financial information for the fiscal year 2023:

I. Audit report and consolidated annual accounts of JUNGLE21, S.A. and subsidiaries companies for the year ended December 31, 2023 and consolidated performance report.

II. Audit report and individual annual accounts of JUNGLE21, S.A. for the fiscal year ended December 31, 2023.

The foregoing documentation is available to the market on the Company's website (www.wejungle.com/investors/).

Yours faithfully,

Mr. Agustín Vivancos
CEO
JUNGLE21, S.A.

JUNGLE21, S.A. and subsidiaries

Consolidated Annual Accounts for the financial year 2023

Includes Audit Report on Consolidated Annual Accounts

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INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED ANNUAL ACCOUNTS

(Translation of a report and consolidated annual 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)

To the shareholders of Jungle21, S.A.

Opinion

We have audited the consolidated annual accounts of Jungle21, S.A. (the Parent company) and its subsidiaries, (the Group), which comprise the consolidated balance sheet at 31 December 2023, the consolidated income statement, the consolidated statement of changes in equity, the consolidated statement of cash flows and the notes to the consolidated annual accounts for the year then ended.

In our opinion, the accompanying consolidated annual accounts present, in all material respects, a true and fair view of the consolidated equity and the consolidated financial position of the Group at 31 December 2023, and of the consolidated results of its operations and consolidated cash flows for the year then ended, in accordance with the applicable framework of financial reporting standards (which is identified in note 2a to the consolidated annual accounts) and, in particular, in compliance with the accounting principles and criteria contained in that framework.

Basis for opinion

We conducted our audit in accordance with the current Spanish standards for auditing accounts. Our responsibilities under those standards are further described in the *Auditor´s responsibilities for the audit of the consolidated annual accounts* section of our report.

We are independent of the Group in accordance with the ethical requirements, including those relating to independence, that are applicable to our audit of the consolidated annual accounts in Spain, as required by the regulations governing the auditing of accounts. In this regard, we have not provided any services different to the audit of accounts and no situations or circumstances have arisen that, based on the aforementioned regulations, might have affected the required independence in such a way that it could have been compromised.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Most relevant audit aspects

The most relevant audit aspects of the audit are those that, in our professional judgement, were considered as the most significant material misstatement risks in our audit of the consolidated annual accounts of the current period. These risks were addressed in the context of our audit of the consolidated annual accounts as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these risks.

Revenue recognition

As mentioned in note 1, the Group derives its revenues mainly from advertising activities. In accordance with the applicable financial reporting framework and as disclosed in note 3.p to the consolidated financial statements, the total transaction price of a contract is allocated to the various performance obligations on the basis of their relative stand-alone selling prices. The transaction price of a contract excludes any amounts collected on behalf of third parties. Revenue is recognised over time when (or as) the Group satisfies the performance obligations by transferring the promised services to its customers. Given the significant nature of the timing of revenue recognition, we consider this to be the most significant risk of material misstatement in relation to revenue.

Our key audit procedures at year-end 2023 included, among other things, obtaining an understanding of management's established revenue recognition policies and procedures, substantive testing of the revenue recognition process by obtaining external confirmations for a sample of outstanding customers and performing, where appropriate, alternative verification procedures using subsequent proof of collection or supporting sales documentation. In addition, based on a sample of invoices close to both year-end and the beginning of the following year, we have verified the correct recognition of the revenue in the appropriate period. Finally, we have assessed whether the information disclosed in the consolidated financial statements complies with the requirements of the applicable financial reporting framework.

Subsequent valuation of goodwill in consolidation

As stated in note 5 to the accompanying consolidated annual accounts, the Group has recognised under "Goodwill on Consolidation" in the consolidated balance sheet an amount of Euros 2.107 thousand relating to the positive differences arising between the carrying amount of the investment and the value attributed to this investment of the fair value of the assets acquired and liabilities assumed of certain companies acquired by the Parent Company and included in the consolidation. The estimate of the recoverable amount of these assets requires the exercise of judgement by the directors of the parent company, which has been based on a valuation performed by the management of the parent company using valuation techniques, the calculation of which also requires the application of judgement. Because of the inherent uncertainty in these estimates, we consider this matter to be one of the most significant aspects of the audit.

Our audit procedures included, among other things, an understanding of the process followed by the Group to obtain the information on which the recoverable amount was based, an assessment of the impairment indicators and the methodology and assumptions used in estimating the recoverable amount, comparing the information contained in the business plans with the Group's own known historical experience. We have also assessed, involving our valuation specialists where necessary, the reasonableness of the valuation model and of the main assumptions and data used in the estimation of recoverable amount. In addition, we have assessed whether the information disclosed in the consolidated financial statements is adequate in relation to the requirements of the applicable financial reporting framework.

Other information: Consolidated directors' report

The other information comprises only the consolidated management report for the 2023 financial year, the preparation of which is the responsibility of the Parent Company's directors and does not form an integral part of the consolidated financial statements.

Our audit opinion on the consolidated financial statements does not cover the consolidated management report. Our responsibility for the consolidated management report, as required by the regulations governing the audit activity, is to evaluate and report on the consistency of the consolidated management report with the consolidated financial statements, based on our knowledge of the entity obtained from the audit of those financial statements, and to evaluate and report on whether the content and presentation of the management report are in accordance with the applicable regulations. If, based on the work we have performed, we conclude that there are material misstatements, we are required to report them.

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Based on the work performed, as described in the preceding paragraph, the information contained in the consolidated management report is consistent with that in the consolidated financial statements for the year 2023 and its content and presentation are in accordance with the applicable standards.

Responsibility of the directors of the Parent company for the consolidated annual accounts

The directors of the Parent company are responsible for the preparation of the accompanying consolidated annual accounts, so that they show a true and fair view of the consolidated equity, the consolidated financial position and the consolidated results of the Group, in accordance with the framework of financial reporting standards applicable to the Group in Spain and for such internal control that they consider necessary to enable the preparation of consolidated annual accounts that are free from material misstatements, whether due to fraud or error.

In preparing the consolidated annual accounts, the directors of the Parent company are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors of the Parent company either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor´s responsibilities for the audit of the consolidated annual accounts

Our objectives are to obtain reasonable assurance about whether the consolidated annual accounts 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 the current Spanish regulations for auditing accounts will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated annual accounts.

As part of an audit in accordance with current Spanish regulations for auditing accounts, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

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

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

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

- Conclude on the appropriateness of the directors of the Parent company's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention to this in our auditor's report to the related disclosures in the consolidated annual accounts or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

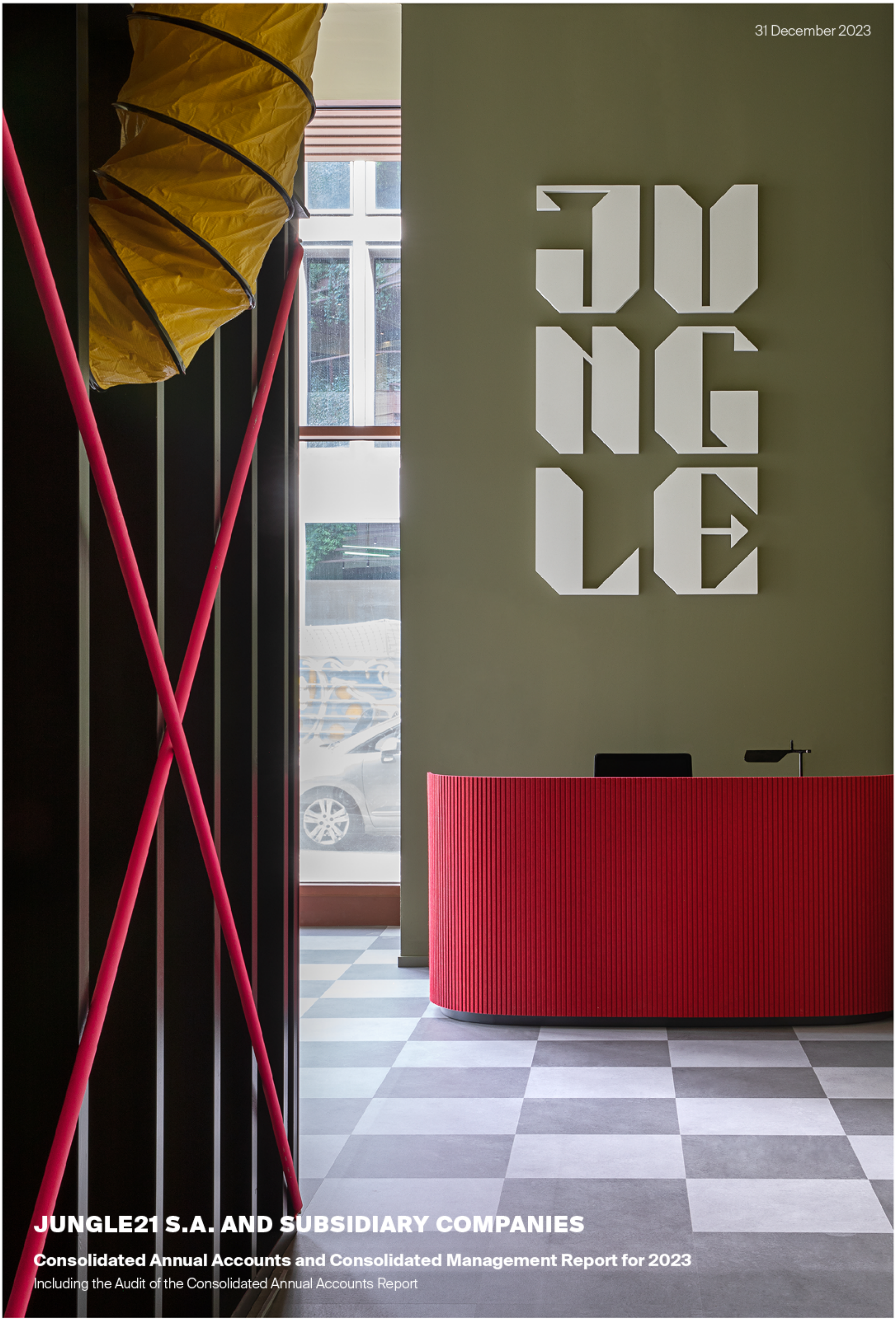
- Evaluate the overall presentation, structure and content of the consolidated annual accounts, including the disclosures, and whether the consolidated accounts represent the underlying transactions and events in a manner that achieves a true and fair view.

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

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

From the significant risks communicated to the directors of the Parent company, we determine those risks that were of most significance in the audit of the consolidated annual accounts of the current period and are, therefore, the risks considered most significant.

We describe these risks in our auditor’s report unless law or regulation precludes public disclosure about the matter.



31 December 2023

JUNGLE21 S.A. AND SUBSIDIARY COMPANIES

Consolidated Annual Accounts and Consolidated Management Report for 2023

Including the Audit of the Consolidated Annual Accounts Report

Consolidated Management Report

1. Evolution of the business and position of the company

Financial year 2023 closes with a total revenue of €24.7 million, of which €18.1 million corresponds to the Gross Margin, the measure used by the company as a reference for its management. Gross Margin is calculated by deducting the cost of sales for third party expenses from total revenues.

The pre-tax profit was €3.3 million, and the after-tax profit was €2.4 million.

In general terms, 2023 has been a year of consolidation, growth in several key areas and preparation for the future. Turnover has increased by 52% compared to 2022, and the consolidated EBITDA has increased significantly (132%) due to the Group's expense control policies.

Our organic growth in Gross Margin has reached 61%, due to the Group's continued focus on recurring customers, which has been a constant priority over the years and the sustainable increase generated by the incorporation of new clients and projects.

Creativity still represents our most valuable asset. In this regard, 2023 has been an excellent year for the Jungle Group, consolidating PS21 as a leading brand in Spain, and obtaining the Best Agency award from Eficacia Awards for the second consecutive year. These awards – possibly the most relevant in our industry from an advertiser and brand standpoint – show that well-applied creativity has the ability to generate value, business opportunities and sustainable growth for companies. In addition, with these same awards, MeMe won third place in the Best Agency category, being 2023 the first year in which it competes.

In September 2023, JUNGLE opened new offices in Barcelona's @22 technology district. This expansion provides us with the opportunity to strengthen our presence in Catalonia and promote collaboration and synergies among the teams of our different companies there. These new facilities will allow us to be closer to our clients in the region and will contribute to our continued development and success in the Catalan market.

In relation to our ESG strategy, in 2023 we continue being certified as a B-Corp company. This certification ensures that the Group is part of a global community of business leaders who drive business forward as a positive force for the common good. This achievement reflects the Jungle Group's strong commitment to sustainability, corporate responsibility and creating a positive impact on all aspects of our operation.

2. Results and evolution of the company

Growth in 2023 is primarily due to the following factors:

a. Consolidation of processes and implementation of commercial strategies employed to increase the financial and operating performance of the companies acquired before the start of 2023 (+61% Gross Margin between 2022 and 2023).

b. Consolidation and increased business from long-term clients, by cross-selling products, better identifying opportunities, positioning through competitive differentiation and offering services of higher value perceived by the customer.

Operating staff expenses (eliminating board expenses and redundancy payments) have increased +44% in line with our decision to increase employee knowledge and create recruitment processes to attract and retain top talent in key areas. Management believes that those investments will deliver long-term economic benefits by allowing it to better capitalise on market opportunities and distinguish itself from the competition.

Overhead operating expenses (eliminating extraordinary expenses) have increased by 41%, due to (i) an increase in the Group's overall operating activity, and (ii) higher inflation rates that have been reflected in the prices of certain suppliers.

Considering the operating EBITDA (EBIDTA without taking into account the amount of redundancy payments, extraordinary expenses and variable remunerations), has grown to €5,292,460 (€2,279,092 in 2022) and net profit has increased to €2,376,495 compared to €253,529 in 2022.

The profitability of EBITDA stands at 29% (20% in 2022) and the net result is 13% relative to net income (1% in 2022). In the net result, in addition to what has already been mentioned in the personnel expenses and general expenses that affect the result, it has been influenced by (i) an increase in amortisations for investments in fixed assets and M&As (goodwill amortised over 10 years), (ii) variation in the fair value of financial instruments and (iii) company tax payable.

On a Group level, the ambition is to continue to grow at the set pace and in 2024 continue to incorporate new lines of business for the Group, as well as to see our current clients grow.

The following tables show the summary operating account and the calculation of the recurring EBITDA for years 2022 and 2023:

BPE	**2022**	**2023**
Revenue (net MMFF)	16.136.614	24.717.552
Cost of good sales	4.912.841	6.612.307
Gross margin (net MMFF)	11.223.772	18.105.245
% / Revenue	*70%*	*73%*
Personal cost	7.380.143	10.613.549
Net margin	3.843.629	7.491.696
General Cost (net MMFF)	1.564.537	2.199.236
Total general, personel+general	8.944.680	12.812.785
EBITDA	**2.279.092**	**5.292.460**
% margin	*20%*	*29%*
Financial results	(651.393)	(143.576)
Extra results	(582.849)	(1.181.042)
PBTA	1.044.850	3.967.841
Amortizations	561.409	711.335
Tax	229.912	880.011
Net profit	253.529	2.376.495

ADJUSTED OPERATING EBITDA		
Operation Profit and Loss	**1.134.834**	**3.400.083**
Amortisation on assets	561.409	711.335
Severance cost	48.830	144.181
Depreciation comercial	213.939	124.890
Tributes	14.591	15.456
Depreciation property, plant and equipm	97	25.351
Regularizations and others	(34.849)	(54.417)
Board expenses	123.314	185.413
Acquisition and set-up related expenses	216.927	740.167
Operating EBITDA	**2.279.092**	**5.292.460**
Pro-forma Adjustments	174.603	0
Operating EBITDA (pro-forma)	**2.453.695**	**5.292.460**

On the other hand, and understanding pro-forma as non-consolidated results prepared as if the Group and the acquired companies had existed in their entirety during the year and prepared in comparable terms without consolidation eliminations, the following tables show the reduced operating account and the calculation of recurrent EBITDA for the years 2022 and 2023, comparing the consolidated results with the pro-forma:

BPE	Pro-forma 2022	Pro-forma 2023	Consolidated 2022	Consolidated 2023	Pro-forma vs Conso. 2022	2023
Revenue (net MMFF)	18.245.444	27.188.577	16.136.614	24.717.552	2.108.830	2.471.025
Cost of good sales	5.911.793	8.951.332	4.912.841	6.612.307	998.951	2.339.025
Gross margin (net MMFF)	12.333.651	18.237.245	11.223.772	18.105.245	1.109.879	132.000
% / Revenue	*68%*	*67%*	*70%*	*73%*		
Personal cost	8.051.691	10.613.549	7.380.143	10.613.549	671.548	0
Net margin	4.281.960	7.623.696	3.843.629	7.491.696	438.331	132.000
General Cost (net MMFF)	1.828.265	2.331.236	1.564.537	2.199.236	263.728	132.000
Total general, personel+general	9.879.956	12.944.785	8.944.680	12.812.785	935.276	132.000
EBITDA	**2.453.695**	**5.292.460**	**2.279.092**	**5.292.460**	**174.603**	**0**
% margin	*20%*	*29%*	*20%*	*29%*		
Financial results	260.889	1.916.262	(651.393)	(143.576)	912.283	2.059.838
Extra results	(574.141)	(1.031.314)	(582.849)	(1.181.042)	8.708	149.728
PBTA	2.140.444	6.177.407	1.044.850	3.967.841	1.095.594	2.209.566
Amortizations	381.459	436.081	561.409	711.335	(179.950)	(275.254)
Tax	247.225	880.011	229.912	880.011	17.312	0
Net profit	1.511.760	4.861.315	253.529	2.376.495	1.258.232	2.484.820
ADJUSTED OPERATING EBITDA						
Operation Profit and Loss	**1.498.096**	**3.825.064**	**1.134.834**	**3.400.083**	**363.261**	**424.982**
Amortisation on assets	381.459	436.081	561.409	711.335	(179.950)	(275.254)
Severance cost	48.995	144.181	48.830	144.181	165	0
Depreciation comercial	200.003	124.890	213.939	124.890	(13.936)	0
Tributes	14.480	15.456	14.591	15.456	(111)	0
Depreciation property, plant and equipm	97	25.351	97	25.351	0	0
Regularizations and others	(29.675)	(54.417)	(34.849)	(54.417)	5.174	0
Board expenses	123.314	185.413	123.314	185.413	0	0
Acquisition and set-up related expenses	216.927	590.440	216.927	740.167	0	(149.728)
Operating EBITDA	**2.453.695**	**5.292.460**	**2.279.092**	**5.292.460**	**174.603**	**(0)**
Pro-forma Adjustments	0 €	0	174.603	0	(174.603)	0
Operating EBITDA (pro-forma)	**2.453.695**	**5.292.460**	**2.453.695**	**5.292.460**	**0**	**0**

3. Use of financial instruments

There are no liquidity risks, nor any cash flow risks, due to the company's good financial position, which has positive working capital.

This working capital ensures the necessary solvency to meet the estimates and ensure the payment of short-term financing needs.

4. Research and development activities

There were no changes in 2023 with regards to 2022 and there are no research and development activities other than those explained in note 4 of the annual report and activated in accordance with the conditions indicated in the recognition and measurement standards, outlined in note 3f of the consolidated annual report itself.

5. Treasury Stock

In 2022, 91,098 shares were acquired for the value of €25,001.34 through the deed signed before a notary public on 21 December 2022.

During 2023, a total of 139,350 own shares were acquired for a value of €478,565, with 368,119 own shares being disposed of, whose cost amounted to €230,046.

The shares held by the Parent Company on 31 December 2023, are as follows:

Treasury stock	Number	Average acquisition price	Total acquisition cost
At the end of financial year 2023	684,542	0.67	460,803

On the date these consolidated annual accounts are drawn up, the Board of Directors of the Parent Company has not made a decision on the final intended destination for the aforementioned own shares.

6. Average payment period

The average payment period to Group suppliers as of 31 December 2023 is as follows:

	2023	2022
	Days	Days
Average period of payment to suppliers	72	64
Transactions Paid Ratio	77	67
Transactions Pending Payment Ratio	48	53
	Amount (euros)	Amount (euros)
Total payments made	7,462,337	5,171,901
Total outstanding payments	1,527,625	1,267,722
Volume of invoices paid within the legal timeframe	2,745,166	2,297,669
Number of invoices paid within the legal timeframe	1,438	1,114
Percentage of volume of invoices paid within the legal timeframe (%)	37%	44%
Percentage of number of invoices paid within the legal timeframe (%)	54%	60%

The average payment period to suppliers is longer than the established legal period of 60 days. This is because the company makes payments on one day per month.

7. Subsequent events

Since the closing date of the financial year to which these Consolidated Annual Accounts refer, and up to the date of formulation of these Consolidated Annual Accounts, there have been no events or circumstances with an impact on them that should have been included but have not been, except as indicated below.

On 19 February 2024 the Parent Company acquired 58,000 shares at 3.40 euros each, increasing the Company's own shares by 197,200 euros.

On 21 February 2024, the Parent Company acquired 24,000 shares at 3.40 euros each, increasing the Company's own shares by 81,600 euros.

On 14 March 2024, the Parent Company acquired 75.04% of the share capital of Web Partners Madrid, S.L. for a fixed amount plus a variable amount depending on the future performance of the acquired company.

8. Outlook for the Company

In October 2023, the Group has developed its Strategic Plan for the next 1,000 days, thus establishing the roadmap that will guide the company’s actions during the 2024-2026 period.

In the next 1,000 days, the company plans to drive its growth through the acquisition of other companies, which supplement the Group’s current services.

The Group’s motivation to seek accelerated growth stems from the need to serve large accounts that demand suppliers with minimum income levels, which can be difficult for most independent companies to achieve. In this industry, turnover is a fundamental factor in achieving stability, security, talent retention and the ability to attract the best professionals.

Therefore, through these acquisitions, and the organic growth of the existing businesses, the Group aspires to maintain the positive growth in terms of revenue, results and profitability, it has experienced over the past few years.

Consolidated annual accounts

JUNGLE21, S.A. AND SUBSIDIARY COMPANIES
CONSOLIDATED BALANCE SHEET AS OF 31 DECEMBER 2023 (EXPRESSED IN EUROS)

ASSETS	Notes	31.12.2023	31.12.2022*
NON-CURRENT ASSETS		**5,283,635**	**4,561,222**
Intangible fixed assets	**4**	**2,259,723**	**2,690,651**
Consolidated goodwill	5	2,107,236	2,382,490
Other intangible fixed assets	4	152,487	308,161
Tangible fixed assets	**6**	**1,149,137**	**855,267**
Technical facilities and other tangible fixed assets		1,149,137	855,267
Investment property	**7**	-	**-**
Investment land and buildings		-	-
Long-term investments in group and associated companies	**9**	**136,578**	**13,484**
Other financial assets	9	136,578	13,484
Long-term financial investments	**9**	**960,553**	**135,624**
Deferred tax assets	**12**	**777,643**	**866,195**
CURRENT ASSETS		**10,064,348**	**7,218,271**
Inventories		**48,986**	**55,204**
Commercial debtors and other accounts receivable		**5,482,621**	**4,132,668**
Clients from sales and provision of services	9a	5,366,524	3,869,667
Other loans with public administrations	12	116,097	263,001
Short-term investments in group and associated companies	**9**	**-**	**420**
Short-term financial investments	**9**	**10,000**	**678,388**
Short-term accruals		**122,025**	**121,123**
Cash and other cash equivalents	**9a**	**4,400,715**	**2,230,469**
TOTAL ASSETS		**15,347,983**	**11,779,493**

*Restated data

JUNGLE21, S.A. AND SUBSIDIARY COMPANIES
CONSOLIDATED BALANCE SHEET AS OF 31 DECEMBER 2023 (EXPRESSED IN EUROS)

SHAREHOLDERS' EQUITY AND LIABILITIES	Notes	31.12.2023	31.12.2022*
SHAREHOLDERS' EQUITY		**3,121,430**	**852,242**
OWN FUNDS	**10**	**3,121,430**	**852,242**
Capital	**10a**	**165,862**	**165,862**
Issued capital		165,862	165,862
Issue premium		-	-
Reserves	**10b**	**1,039,876**	**645,135**
Legal and statutory reserves	10c	33,173	33,173
Reserves in fully consolidated companies	10b	-699,048	352,388
Other reserves	10b	1,705,751	259,575
(Shares and shareholdings of the parent company)	**10d**	**-460,803**	**-212,283**
Profit and loss for the year attributed to the parent company		**2,376,495**	**253,529**
(Interim dividend)		**-**	**-**
NON-CURRENT LIABILITIES		**3,143,464**	**3,501,613**
Long-term debts	**9b**	**3,133,031**	**3,491,180**
Debts with credit institutions		2,577,577	2,722,814
Creditors for financial leasing	8	16,863	20,839
Other financial liabilities		538,592	747,527
Deferred tax liabilities	**12**	**10,433**	**10,433**
CURRENT LIABILITIES		**9,083,089**	**7,425,638**
Short-term debts	**9b**	**4,072,423**	**4,228,927**
Debts with credit institutions		3,908,869	3,655,807
Creditors for financial leasing	8	3,976	3,764
Other financial liabilities		159,577	569,356
Commercial creditors and other accounts payable	**9b**	**5,010,666**	**3,196,711**
Suppliers	9b	1,766,811	1,498,536
Other creditors	9b	261,521	185,696
Personnel remunerations pending payment	9b	60,707	19,625
Current tax liabilities	9b -12	779,739	236,727
Other debts with public administrations	9b -12	1,799,472	1,256,127
Advance payments from clients	9b	342,416	-
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**15,347,983**	**11,779,493**

*Restated data

JUNGLE21, S.A. AND SUBSIDIARY COMPANIES
STATEMENT OF RECOGNISED INCOME AND EXPENSES AS OF 31 DECEMBER 2023 (EXPRESSED IN EUROS)

	Notes	31.12.2023	31.12.2022*
CONTINUING OPERATIONS			
Net turnover	**13a**	**24,704,607**	**16,264,308**
Provision of services		24,704,607	16,264,308
Changes in inventories of finished goods and work in progress		**-20,615**	**-131,879**
Provisioning	**13b**	**-6,612,307**	**-4,912,841**
Works carried out by other companies		-6,612,307	-4,912,841
Other operating income		**33,561**	**4,185**
Ancillary income and others from current operations		-	10
Operating grants included in the profit and loss for the year		33,561	4,176
Personnel expenses	**13c**	**-11,349,967**	**-7,552,287**
Wages, salaries and similar expenses		-9,047,694	-5,984,557
Social contributions		-2,302,273	-1,567,730
Other operating expenses	**13d**	**-2,523,197**	**-2,009,994**
External services		-2,382,852	-1,781,464
Taxes		-15,456	-14,591
Losses, impairment and variation of provisions due to commercial operations		-124,890	-213,939
Other current management expenses		-	-
Depreciation of fixed assets	**4, 5 and 6**	**-711,335**	**-561,409**
Impairment and profit and loss due to transfers of fixed assets		**-25,351**	**-97**
Profits and losses from transfers and others		-25,351	-97
Other profits or losses		**-95,311**	**34,849**
OPERATING PROFIT AND LOSS		**3,400,083**	**1,134,834**
Financial income	**9**	**2,423**	**1,528**
From negotiable securities and other financial instruments		2,423	1,528
Financial expenses		**-262,151**	**-142,720**
Due to debts with third parties		-262,151	-142,720
Change in fair value of financial instruments	**9**	**116,641**	**-503,640**
Fair value with changes in profits and losses		116,641	-503,640
Exchange differences		**-489**	**-6,562**
Impairment and profit and loss for transfers of financial instruments		-	-
FINANCIAL PROFIT AND LOSS		**3,256,506**	**483,441**
PROFIT AND LOSS BEFORE TAXES		**3,256,506**	**483,441**
Tax on profits	**12**	**-880,011**	**-229,912**
PROFIT AND LOSS FOR THE YEAR FROM CONTINUOS OPERATIONS		**2,376,495**	**253,529**
PROFIT AND LOSS FOR THE FINANCIAL YEAR		**2,376,495**	**253,529**

*Restated data

JUNGLE21, S.A. AND SUBSIDIARY COMPANIES
CONSOLIDATED STATEMENT OF RECOGNISED INCOME AND EXPENSES AS OF 31 DECEMBER 2023 (EXPRESSED IN EUROS)

	Notes	31.12.2023	31.12.2022
Consolidated profit and loss for the financial year		**2,376,495**	**253,529**
TOTAL CONSOLIDATED RECOGNISED INCOME AND EXPENSES		**2,376,495**	**253,529**

*Restated data

JUNGLE21, S.A. AND SUBSIDIARY COMPANIES
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY AS OF 31 DECEMBER 2023 (EXPRESSED IN EUROS)

	Notes	Issued capital	Issue premium	Reserves	Treasury stock	Profit and loss for the year	Interim dividend	TOTAL
ADJUSTED BALANCE AT START OF YEAR 2022		**165.862 -**	-	**170,208**	**-187,282**	**2,196,453**	**-1,700,000**	**645,241**
Total recognised income and expenses		-	-	-	-	150,673	-	150,673
Transactions with shareholders or owners		-	-	-	-	-	**1,700,000**	**1,700,000**
Distribution of dividends		-	-	-	-	-	1,700,000	1,700,000
Other changes in shareholders' equity		-	-	**493,506**	**-25,001**	**-2,196,453**	-	**-1,727,949**
BALANCE AT END OF YEAR 2022		**165.862 -**	-	**663,714**	**-212,283**	**150,673**		**767,966**
Error correction adjustments	**2j**	-	-	**-18,579**	-	**102,856**	-	**84,276**
ADJUSTED BALANCE AT START OF YEAR 2023		**165.862 -**		**645,135**	**-212,283**	**253,529**	-	**852,242**
Total recognised income and expenses		-	-	-	-	**2,376,495**	-	**2,376,495**
Transactions with shareholders or owners		-	-	**-886,875**	-	-	-	**-886,875**
Distribution of dividends		-	-	-886,875	-	-	-	-886,875
Removals from the scope of consolidation		-	-	**149,409**	-	-	-	**149,409**
Other changes in shareholders' equity	**12d**	-	-	1,132,207	-248,520	-253,529	-	**630,159**
BALANCE AT END OF YEAR 2023		**165,862**	**0**	**1,039,876**	**-460,803**	**2,376,495**	-	**3,121,430**

JUNGLE21, S.A. AND SUBSIDIARY COMPANIES
CONSOLIDATED STATEMENT OF CASH FLOWS AS OF 31 DECEMBER 2023 (EXPRESSED IN EUROS)

	Notes	31.12.2023	31.12.2022
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit and loss for the year before tax		**3,256,506**	**483,441**
From continuing operations		3,256,506	483,441
Adjustments to profit and loss		**1,005,153**	**1,420,276**
Depreciation of fixed assets		711,335	561,409
Measurement corrections for impairment		124,890	213,939
Profit and loss for disposals and transfers of fixed assets		25,351	97
Financial income		-2,423	-1,528
Financial expenses		262,151	142,720
Exchange differences		489	-
Change in fair value of financial instruments		-116,641	503,640
Changes in working capital		**-139,414**	**-246,917**
Inventories		6,217	-32,235
Debtors and other accounts receivable		-1,416,575	-1,181,742
Creditors and other accounts payable		1,270,943	967,060
Other cash flows from operating activities		**-567,346**	**-613,787**
Interest payments		-262,151	-142,720
Collection of interest		2,423	1,528
Collection (payments) due to tax on profits		-306,716	-403,066
Other collections (payments)		-902	-69,529
Cash flows from operating activities		**3,554,899**	**1,043,013**
CASH FLOWS FROM INVESTMENT ACTIVITIES			
Payments due to investments		**-1,439,575**	**-2,137,494**
Group and associated companies, net of cash in consolidated companies		-	-13,445
Intangible fixed assets		-5,900	-530,375
Tangible fixed assets		-602,293	-717,250
Other financial assets		-831,382	-876,425
Collections due to de-investments		**677,372**	**-**
Tangible fixed assets		8,564	-
Other financial assets		668,807	-
Cash flows from investment activities		**-762,203**	**-2,137,494**
CASH FLOWS FROM FINANCING ACTIVITIES			
Collections and payments from equity instruments		**329,567**	**-25,001**
Acquisition of equity instruments		-478,565	-25,001
Disposal of equity instruments		808,132	-
Collections and payments due to financial liabilities instruments		**-64,652**	**1,815,276**
Issue		3,714,275	3,802,308
Debts with credit institutions		3,763,632	3,802,308
Other debts		-49,358	
Repayment and amortisation of		-3,778,927	-1,987,032
Debts with credit institutions		-3,659,571	-1,862,032
Other debts		-119,356	-125,000
Payments for dividends and remuneration from other equity instruments		**-886,875**	**-**
Dividends		-886,875	-
Cash flows from financing activities		**-621,960**	**1,790,275**
EFFECT OF EXCHANGE RATE CHANGES		**-489**	
NET INCREASE/ DECREASE OF CASH AND CASH EQUIVALENTS		**2,170,246**	**695,793**
Cash and cash equivalents at the start of the year		2,230,469	1,534,676
Cash and cash equivalents at the end of the year		4,400,715	2,230,469

1. General Information

Parent company, subsidiary companies and associated companies

JUNGLE21, S.A. and its subsidiaries are an ecosystem of creative companies dedicated to the provision of strategic consulting services, industrial design, advertising, communications, public relations, as well as the design of digital products and services. This includes a wide range of activities such as field and digital research, trend and anticipation analysis, brand strategy and design, industrial design, digital product and service creation, event production, advertising campaigns, brand content generation, digital and social strategy, public relations, influencer marketing and corporate communications.

The company JUNGLE21, S.A., parent company of the Group, was incorporated as a corporation on 17 May 2000. Its registered office is at Calle Antonio Maura, 16, in Madrid.

In line with the growth of recent years, on 25 February 2022, the Euronext Board approved the incorporation of JUNGLE shares for trading in Euronext Access. The company has received the official letter of approval and the effective date for incorporation (first trading date) was 4 March 2022.

JUNGLE functions as a company and parent brand that connects and drives the rest of the Group's brands mentioned below. The companies operate independently under a house of brands model. The companies, as businesses, are 100% owned by JUNGLE.

The Group's functional currency is the euro.

The Consolidated Annual Accounts for the financial year 2022 were drawn up by the Board of Directors of the Parent Company on 30 March 2023 and were approved by the General Shareholders' Meeting on 24 April 2023.

The Company is majority-owned by MISS VALENTINE, S.L., which is the head of a group of subsidiaries and, in accordance with current legislation, is not obliged to draw up consolidated annual accounts, being exempt from this obligation, due to the small size of the group. In any case, the Directors have drawn up the consolidated annual accounts, in a meeting of their Board of Directors held on 15 March 2023.

Subsidiaries

The subsidiaries included in the scope of consolidation in the 2023 financial year are the following:

Company	Company holding the direct stake	Nominal percentage of capital owned	Activity	Registered office
PS21 Creative, S.L.	JUNGLE21, S.A.	100%	Advertising, public relations and similar services	C/ Antonio Maura, 16 28014 Madrid
True Relaciones Públicas, S.L.	JUNGLE21, S.A.	100%	Advertising, public relations and similar services	C/ Antonio Maura, 16 28014 Madrid
Estresarte Comunicación, S.L.	JUNGLE21, S.A.	100%	Advertising, public relations and similar services	C/ Antonio Maura, 16 28014 Madrid
Redbility, S.L.	JUNGLE21, S.A.	100%	Consulting, design, development and intermediation services for digital environments	C/ Conde de Peñalver, 38 28006 Madrid
Invisible Lab, S.L.	JUNGLE21, S.A.	100%	Business management consulting activities	C/ Antonio Maura, 16 28014 Madrid
Pink Lab, S.L.	JUNGLE21, S.A.	100%	Advertising, public relations and similar services	C/ Antonio Maura, 16 28014 Madrid
PS21 Barna, S.L.	JUNGLE21, S.A.	100%	Advertising, public relations and similar services	C/ Alava, 111 08018 Barcelona
Revista Líbero, S.L.	JUNGLE21, S.A.	100%	Production and dissemination of ideas using communications media	C/ Antonio Maura, 16 28014 Madrid
Lúcid Product Design Agency, S.L.	JUNGLE21, S.A.	100%	Development, design, appliance and machinery services for consumer and industrial goods.	C/ Alava, 111 08018 Barcelona

On 21 April 2023, all of the available shares of Holyvama Capital, S.L. were sold, leaving the scope of consolidation of the corporate group and generating a positive result of €40,433.

On 17 October 2023, the company name of Randm Production, S.L., was changed to True Relaciones Públicas, S.L. and the company name of Full Circle Karma, S.L., was changed to PS21 Barna, S.L.

All of the aforementioned companies, as well as the parent company, close their annual accounts on 31 December 2023 and have been included in the consolidation applying the global integration method.

The premise that determines that these companies are subsidiaries is the majority holding of voting rights.

The parent company, in 2023, has received dividends on account of Estresarte Comunicación, Redbility and PS21 Creative for €150,000, €1,500,000 and €600,000, respectively (€80,000, €840,000 and €0 respectively in 2022).

On 24 April 2023, the General Shareholders' Meeting of the Parent Company approved the distribution of the profit for fiscal year 2022, for the amount of €1,363,693, allocated entirely to the voluntary reserves of the Parent Company. On 24 April 2023, the General Meeting of the Parent Company approved the distribution of a dividend from the reserves to the amount of €886,875.

2. Basis of presentation of the consolidated annual accounts

a) True and fair view

The consolidated annual accounts, comprised of the consolidated balance sheet, consolidated profit and loss account, consolidated statement of changes in equity, consolidated cash flow statement and consolidated annual report comprised of notes 1 to 17, have been prepared from the accounting records of the Company, JUNGLE21, S.A. and the subsidiaries of the Group (see breakdown in note 1), having applied the legal provisions in force in accounting matters, specifically Royal Decree 1159/2010 of 17 September, which approves the standards for formulating consolidated annual accounts and modifies the General Accounting Plan approved by Royal Decree 1514/2007 of 16 November 2007, and its amendments approved by Royal Decree 1159/2010 of 17 September, by Royal Decree 602/2016 of 2 December, and by Royal Decree 1/2021 of 12 January, in order to show a true and fair view of the equity, financial position, results, changes in equity and cash flow of the Group arising during the corresponding financial year.

The figures included in the consolidated annual accounts are expressed in euros, unless otherwise stated.

b) Accounting principles

The consolidated annual accounts have been prepared in accordance with obligatory accounting principles. There is no principle of accounting, which would have a significant effect, that has not been applied.

c) Critical aspects of the measurement and estimation of uncertainty

In producing the attached consolidated annual accounts, use has been made of the estimates performed by the Directors of the Parent Company to value some of the assets, liabilities, revenues, expenses, and commitments included within them. These estimates, in essence, relate to:

- The useful life of tangible and intangible assets (note 4, note 6 and note 7).
- The recoverability of tangible and intangible assets (note 3h).
- The recoverability of deferred tax assets (note 12).
- The calculation of provisions, as well as the likelihood and amount of undetermined or contingent liabilities (note 3n).

Although these estimates were made based on the best information available at the date on which these consolidated annual accounts were drawn up on the facts analysed, it is possible that events that may take place in the future may require them to be modified (higher or lower) in future financial years, which would be done prospectively recognising the effects of the change of estimates on the corresponding future profit and loss accounts.

The Group has prepared the consolidated annual accounts for financial year 2022 having taken into account the situation of financial year 2022 and the situation derived from COVID-19, as well as its possible effects on the economy in general and on the Group in particular, with there being no risk to continuity in its activity. The measures that have taken place across the Group due to this pandemic have been to carry out an assessment of the events described and their impact on the Group and its operations, as well as to implement numerous control and management measures in order to minimise the risks derived from this situation and minimise the impact on both the employees of the Group and its operations and its finances. The Group has not suffered significant impacts on its operations or finances as a result of the COVID-19 pandemic.

d) Classification of assets and liabilities between current and non-current

Assets and liabilities are presented in the balance sheet as classified between current and non-current. For these purposes, assets and liabilities are classified as current when: they are linked to the Group’s normal operating cycle and are expected to be sold, consumed, realised or settled during the course thereof; they are different from the above and their expiration, disposal or realisation is expected to occur within a maximum period of one year;

and they are held for trading purposes or are treated as cash and other cash equivalents whose use is not restricted for a period of more than one year. Otherwise they are classified as non-current assets and liabilities.

e) Changes in the scope of consolidation

In April 2023, Holyvama Capital, S.L., with address at Calle Antonio Maura, 16, was sold, causing a drop in reserves of €149,409.

The consolidation has been done following the global integration method, which applies to obtaining the consolidated financial statements corresponding to the group companies. It includes the total amount of the items of the individual financial statements (assets, liabilities, expenses and income) which are added together and on which the appropriate adjustments and deletions are made in order to obtain the consolidated statements. For acquired companies, the amounts generated in the operating account from their entry into the Group's scope of consolidation until the end of the year.

For this purpose, first of all, the homogenisation of the data is analysed, making the necessary adjustments to enable the comparison and aggregation of the items that comprise the financial statements. The financial statements of all the companies that comprise the scope of consolidation are added and, finally, the different intra-group equity, investment or operations and balances are eliminated.

f) Comparison of information

In accordance with commercial law, for each item in the consolidated balance sheet, consolidated profit and loss account, consolidated statement of changes in equity and consolidated cash flow statement, in addition to the figures for 2023, those for the previous year are presented for comparison purposes. The consolidated annual report also includes quantitative information for the previous year, except when an accounting standard specifically states that it is not necessary.

g) Grouping of entries

Specific entries in the consolidated balance sheet, consolidated profit and loss account, consolidated statement of changes to net equity, and the consolidated cash flow statement are presented in a grouped manner in order to facilitate understanding, although, when relevant, the separate information has been included in the corresponding notes of the consolidated annual report.

h) Elements included in several entries

No element which has been recorded on two or more entries of the consolidated balance sheet has been identified during the drafting of the abbreviated annual accounts.

i) Changes in accounting criteria

No changes in accounting criteria in the consolidated annual accounts for financial year 2023 have been made during the year.

j) Correction of errors

These 2023 annual accounts include adjustments made to comparative information as a result of applying during the financial year the provisions of section 2.6 of NRV (*Normas de registro y valoración contable* [Accounting recording and valuation standards]) 19 "Interim accounting" of the Financial Information Framework described in note 2.a of this report, to the 2022 figures. The correction amount for each of the affected items is as follows:

ASSETS	Note	31.12.2022	Adjustment	31.12.2022 Restated
NON-CURRENT ASSETS		7,007,913	-2,446,691	4,561,222
Intangible fixed assets		5,137,342	-2,446,691	2,690,651
Consolidated goodwill	5	4,829,181	-2,446,691	2,382,490
CURRENT ASSETS		7,218,271	-	7,218,271
TOTAL ASSETS		14,226,183	-2,446,691	11,779,493

SHAREHOLDERS' EQUITY AND LIABILITIES	Note	31.12.2022	Adjustment	31.12.2022 Restated
SHAREHOLDERS' EQUITY		767,966	84,276	852,242
NON-CURRENT LIABILITIES		6,263,206	-2,761,594	3,501,613
Long-term debts		6,252,774	-2,761,594	3,491,180
Other financial liabilities	9b	3,509,120	-2,761,594	747,527
CURRENT LIABILITIES		7,195,011	230,627	7,425,638
Short-term debts		3,998,300	230,627	4,228,927
Other financial liabilities		338,729	230,627	569,356
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		14,226,183	-2,446,691	11,779,493

The company has made adjustments as a result of changes in the fair value of contingent considerations, after the revaluation of information relating to the facts and circumstances that existed on the acquisition date and that, if known, would have affected the amounts recognised on that date.

k) Relative importance

When determining the information to be broken down in this consolidated annual report on the different items of the financial statements or other matters, the Parent Company and consolidated companies, in accordance with the Conceptual Framework of the General Accounting Plan, have taken into account the relative importance in relation to the consolidated annual accounts for financial year 2022.

l) Application of the profit and loss of the Parent Company

The proposal for the application of the profit and loss of the Parent Company formulated by the General Meeting of said company is as follows:

Balance for purposes of distribution	
Profits and losses (results)	2,376,495
Application	
Interim dividend	-
To voluntary reserves	2,283,127
Total	2,283,127

3. Recognition and measurement standards

The main recognition and measurement standards used in the preparation of the consolidated annual accounts are as follows:

a) Measurement homogenisation

The assets and liabilities, income and expenses and other items in the group companies' annual accounts are measured using uniform methods and in accordance with the measurement standards and principles.

If any of the assets or liabilities or any income or expense, or any other item of the annual accounts have been valued according to non-uniform criteria with respect to those applied in the consolidation, such items are valued again and only for the purposes of the consolidation; in accordance with such criteria, the necessary adjustments will be made, unless the result of the new measurement offers an interest that has little relevance to the effects of achieving a true and fair view of the group.

b) Consolidated Goodwill

In 2019, the Parent Company takes control of the acquired or merged companies, generating the consolidated Goodwill, which corresponds to the positive differences arising between the cost of the acquisition or merger and the value attributed to said investment for the fair value of the assets acquired and liabilities assumed from the acquired companies.

Goodwill is allocated to each of the cash-generating units on which the benefits of the business combination are expected to accrue and, where appropriate, the corresponding value adjustment is recorded.

In the event that an impairment loss of a cash-generating unit to which all or part of a Goodwill has been assigned needs to be recognised, first of all the book value of the Goodwill corresponding to that unit is reduced. If the impairment loss is greater than this amount, the remaining assets of the cash-generating unit are reduced in second place, in proportion to their book value, up to the limit of the higher value between: its fair value less the cost of sales, its value in use and zero. The impairment loss is recorded against the profit or loss for the period.

When an impairment loss is subsequently reversed (a procedure that is not permitted in the specific case of Goodwill), the book value of the asset or cash-generating unit is increased by the revised estimate of its recoverable amount, but in such a way that the increased book value does not exceed the book value that would have been determined had no impairment loss been recognised in prior periods. Such reversal of an impairment loss is recognised as income in the consolidated profit and loss account.

A useful life of 10 years has been determined for Goodwill, determined separately for each cash-generating unit recognised in the Consolidated Goodwill.

In 2021, a new company, Holyvama Capital, was integrated into the scope of consolidation with no Consolidated Goodwill and, furthermore, the company Mauro Real Estate, was contributed to another related company without this affecting the Consolidated Goodwill.

In 2022, the companies Invisible and PS21 Creative were integrated into the scope of consolidation with no Consolidated Goodwill.

The Pink, Full Circle Karma (currently referred to as PS21 Barna, S.L.), Revista Líbero and Lúcid companies were also integrated in that year within the consolidation perimeter with a Consolidated Goodwill increase of €4,395,294, that has been revalued in 2023, so the increased amount after the analysis of the business plans has been €1,845,748. This year, the 2022 Consolidated Goodwill has been reduced by €2,549,546, there has also been a lower amortisation thereof for a value of €102,856. As of today, Consolidated Goodwill is €2,107,236.

This note reflects the company's effort to maintain an accurate and up-to-date record of the value of the Goodwill in our consolidated accounts and will be reviewed annually or as circumstances require.

c) Reserves in companies consolidated by global integration and by the equity method

This heading includes the results generated – not distributed – by the subsidiaries and associated companies of the group, for consolidation purposes, between the date of the first consolidation and the beginning of the year submitted.

d) Transactions and balances between companies included in the consolidation scope

The removals of reciprocal credits and debits and expenses, income and results from internal transactions have been made based on the provisions for this in Royal Decree 1159/2010, of 17 September.

e) Conversion differences

All companies within the scope of consolidation have the euro as their currency, so no conversion differences are recorded.

f) Intangible fixed assets

As a general rule, intangible fixed assets are recorded if they are identifiable and are initially recognised at their net acquisition cost or production cost, then subsequently reduced at the corresponding rate of accumulated depreciation and accounting for any impairment losses they might have suffered. In particular the following criteria apply:

f.1. Research and development expenses

Research expenses incurred in the year are recorded in the consolidated profit and loss account. However, the Group considers these expenses as intangible fixed assets if the following conditions are met:

- They are specifically individualised by projects and their cost is clearly established so that they can be distributed over time.
- There are well-founded reasons for the technical success and economic-commercial profitability of the project.

Development expenses are also recognised under assets when they meet the above conditions.

The research and development expenses shown under assets are amortised linearly over their useful life (5 years), with a maximum of five years.

f.2. Industrial property

This is initially valued at the acquisition price or production cost, including recording and formalisation costs. It is depreciated on a straight-line basis over its useful life.

f.3. Goodwill recognised in individual companies

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

Goodwill is allocated to each of the cash-generating units on which the benefits of the business combination are expected to accrue and, where appropriate, the corresponding value adjustment is recorded.

The cash-generating units on which the benefits of the business combination are expected to fall, and among which their value has been assigned, are subject, at least annually, to a value impairment test and, with any corresponding measurement correction being duly recorded.

After initial recognition, Goodwill is measured at its acquisition price less any accumulated depreciation and any accumulated impairment losses recognised.

Goodwill is amortised on a straight-line basis over ten years. The useful life shall be determined separately for each cash-generating unit to which Goodwill is allocated.

At the close of each fiscal year, an analysis is conducted looking for indications of any value impairment in the cash-generating units to which the Goodwill has been assigned and, if there are any, their possible value impairment will be verified as indicated in note 5. The impairment valuation corrections recognised in Goodwill are not subject to reversal in subsequent fiscal years.

f.4. IT applications

This concept includes the amounts paid for access to the ownership of or the right to use computer programs.

The computer programs that meet the recognition criteria are recognised at their cost of acquisition or development. Depreciation is carried out linearly over a period of 5 years starting from the first use of each application.

The maintenance costs of the IT applications are expensed in the year in which such costs are incurred.

f.5. Other intangible fixed assets

The Group includes within this heading the research and development of the new business model developed during the years 2018 and 2019, in addition to the computer applications used in the Group, which are initially valued at their acquisition cost or production cost and subsequently reduced by the corresponding accumulated amortisation.

g) Tangible fixed assets

Items of tangible fixed assets are stated at acquisition or production cost plus any revaluations required by law, minus any accumulated depreciation and any impairment losses.

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

The initial estimate of the present value of the obligations assumed as a result of dismantling or withdrawal and other obligations associated with that asset – such as the costs of restoring the site on which it is located – is included as the greater value of the tangible fixed asset, provided that these obligations give rise to the recording of provisions.

The costs of expansion, modernisation or improvements that represent an increase in productivity, capacity or efficiency, or a lengthening of the useful life of the assets, are accounted for as a higher cost of the assets. Upkeep and maintenance expenses are charged to the profit and loss account for the financial year in which they are incurred.

The work carried out by the Group on its own fixed assets is reflected on the basis of the cost price of raw materials and other consumables, the costs directly allocable to these assets and a reasonable proportion of indirect costs.

The Group depreciates its tangible fixed assets linearly over the estimated useful lives of the assets. The years of useful life applied are as follows:

Item	%	Years of useful life
Other facilities	20	5
Furniture	15	7
Information processing equipment	25	4
Transport items	15	7
Other tangible fixed assets	10	10

h) Impairment of the value of non-financial assets

An impairment loss occurs when the carrying amount of an item of tangible or intangible fixed assets exceeds its recoverable amount, understood as the greater of its fair value minus costs of sales and its value in use.

For these purposes, at least at year-end, the Company evaluates, through the so-called "impairment test" if 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 its recoverable amount is estimated by making the corresponding measurement corrections.

Calculations of impairment of tangible fixed assets are made 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 the fixed asset belongs is determined.

In the event that an impairment loss of a cash-generating unit to which all or part of a Goodwill has been assigned needs to be recognised, first of all the book value of the Goodwill corresponding to that unit is reduced. If the impairment loss is greater than this amount, the remaining assets of the cash-generating unit are reduced in second place, in proportion to their book value, up to the limit of the higher value between: their fair value minus the costs of sales, their value in use and zero. The impairment loss must be recorded against the profit or loss for the period.

When an impairment loss is subsequently reversed (a procedure that is not permitted in the specific case of Goodwill), the book value of the asset or cash-generating unit is increased by the revised estimate of its recoverable amount, but in such a way that the increased book value does not exceed the book value that would have been determined had no impairment loss been recognised in prior periods. Such reversal of an impairment loss is recognised as income in the consolidated profit and loss account.

i) Investment property

This section includes the values of land, buildings and other structures that are held either to be rented or to obtain a gain on their sale as a result of future increases in their respective market prices.

Investment property is valued at its acquisition price or production cost minus the corresponding accumulated depreciation and the impairment losses experienced.

In addition, financial expenses accrued during the construction period that are directly attributable to the acquisition or manufacture of the investment are included, provided that a period of more than one year is required for it to be in conditions of use.

Indirect taxes on investment property are only included in the acquisition price or production cost if they are not recoverable directly from the tax authorities.

The initial estimate of the present value of the obligations assumed as a result of dismantling or withdrawal and other obligations associated with that asset – such as the costs of restoring the site on which it is located – is included as the higher value of the investment property, provided that these obligations give rise to the recording of provisions.

The costs of expansion, modernisation or improvements that represent an increase in productivity, capacity or efficiency, or a lengthening of the useful life of the assets, are accounted for as a higher cost of the assets. Upkeep and maintenance expenses are charged to the profit and loss account for the financial year in which they are incurred.

The work carried out by the Group on its own fixed assets is reflected on the basis of the cost price of raw materials and other consumables, the costs directly allocable to these assets and a reasonable proportion of indirect costs.

The amortisation of the investment property elements will be carried out from the moment in which they are available for start-up, in a linear manner during their estimated useful life.

j) Leasing and other operations of a similar nature

The Group recognises as financial leases those transactions whereby the lessor transfers substantially all the risks and rewards of ownership of the asset covered by the contract to the lessee and the remainder is recognised as operating leases.

j.1. Financial leasing

In finance leases in which the Group acts as lessee, the Group recognises an asset in the balance sheet according to 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 commencement of the lease of the agreed minimum amounts, including the purchase option. It does not include contingent fees, the cost of services and taxes chargeable by the lessor. The finance charge is recorded in the profit and loss account for the year in which it accrues, using the effective interest rate method. Quotas of a contingent nature are recognised as an expense in the year in which they are incurred.

The assets recognised for this type of transaction are depreciated using the same criteria as those applied to all the tangible (or intangible) assets, depending on their nature.

j.2. Operational leasing

Expenses derived from operating lease agreements are recognised in the consolidated profit and loss account in the year in which they accrue.

Any collection or payment made under an operating lease is treated as an advance collection or payment, which is charged to profit and loss over the lease term as the benefits of the leased asset are transferred or received.

j.3. Deposits delivered and received

The difference between the fair value of the deposits provided and received and the amount disbursed or collected is considered to be an advance payment or collection for the lease or provision of the service, which is applied to the consolidated profit and loss account during the period of the lease or during the period in which the service is rendered.

In the case of short-term guarantees, cash flow discounting is not performed since its effect is not significant.

k) Financial instruments

At the time of initial recognition, the Group classifies financial instruments as a financial asset, a financial liability or an equity instrument, based on the economic fund of the transaction, and taking into account the definitions of financial asset, financial liability and equity instrument, of the financial reporting framework that applies to it.

The recognition of a financial instrument occurs at the time when the Group becomes a party bound by an obligation to it, either as an acquirer, as a holder or as an issuer thereof.

k.1. Financial assets

The Group classifies its financial assets according to the business model that applies to them and the characteristics of the cash flows from the instrument.

The business model is determined by the Management of the Group and reflects how each group of financial assets is jointly managed to achieve a specific business objective. The business model that the Group applies to each group of financial assets is the manner in which it manages them with the objective of obtaining cash flows.

The Group also considers the characteristics of the cash flows that accrue when categorising assets. Specifically, it distinguishes between those financial assets whose contractual conditions give rise, on specified dates, to cash flows that are collections of principal and interest on the amount of outstanding principal (hereinafter, assets that meet the OPPI criterion), from other financial assets (hereinafter, assets that do not meet the OPPI criterion).

Specifically, the Group's financial assets fall into the following categories:

- *Financial assets at fair value with changes in the profit and loss account*

As a general criterion, the Group classifies its financial assets as financial assets at fair value with changes in the profit and loss account, unless they have to be classified in some other category of those indicated subsequently for them by the applicable regulatory financial reporting framework.

In particular, financial assets held for trading are classified within this category. The Group considers a financial asset to be held for trading when:

It has originated or been acquired for the purpose of being sold in the short term

- It forms part of a portfolio of financial instruments identified and jointly managed with evidence of recent actions for short-term gains at the time of initial recognition, or
- It is a derivative financial instrument, provided it is not a financial guarantee contract, nor has it been designated as a hedging instrument.

In any case, at the time of initial recognition, the Group classifies within this category any financial asset that it has designated as a financial asset at fair value with changes in the profit and loss account, because with this it eliminates or significantly reduces an inconsistency of measurement or accounting asymmetry that would arise if classified in any other of the categories.

They are initially recorded at their fair value, which, unless evidenced otherwise, will be the transaction price, which will be equivalent to the fair value of the consideration delivered. Transaction costs that are directly attributable to them are recognised as an expense in the consolidated profit and loss account.

After initial recognition, the Group records the assets included in this category at fair value, recording the changes in the consolidated profit and loss account.

- *Financial assets at amortised cost*

These correspond to financial assets to which the Group applies a business model that has the objective of receiving the cash flows derived from the execution of the contract, and the contractual conditions of the financial asset give rise, on specified dates, to cash flows that are only collections of principal and interest on the amount of outstanding principal, even if the asset is admitted to trading in an organised market. As such, they are assets that meet the OPPI criteria (financial assets whose contractual conditions give rise, on specified dates, to cash flows that are collections of principal and interest on the amount of outstanding principal).

The Group considers that the contractual cash flows of a financial asset are only collections of principal and interest on the amount of the outstanding principal, when they are the cash flows inherent to an ordinary or common loan, without prejudice to the transaction being agreed at a zero or below-market interest rate. The

Group considers that the following do not meet this criterion, and therefore, do not fall into this category: financial assets convertible into equity instruments of the issuer; loans with reverse variable interest rates (i.e. a rate that has an inverse relationship with market interest rates); or those in which the issuer may defer the payment of interest if such payment would affect its solvency, without deferred interest accruing additional interest.

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

In general, trade receivables and non-trade receivables are included in this category:

- Trade receivables: Those financial assets originating from the sale of goods and the provision of services from ordinary operations of the Group for deferred collection
- Non-trade receivables: Those financial assets that – provided they are not equity instruments or derivatives – have no commercial origin and whose collections are of a determined or determinable amount, derived from loan or credit transactions granted by the Group.

They are initially recorded at the fair value of the consideration paid plus directly attributable transaction costs.

Notwithstanding the foregoing, the trade receivables maturing in less than one year that do not have a contractual interest rate are initially valued at their nominal value provided that the effect of not adjusting the cash flows is not significant, in which case they will then be valued at that amount, unless they have been impaired.

After their initial recognition, they are valued at amortised cost. Accrued interest is accounted for in the consolidated profit and loss account.

At the end of the year, the Group makes the appropriate impairment measurement corrections whenever there is objective evidence that the value of a financial asset, or a group of financial assets with similar characteristics of collectively valued risks, has been impaired as a result of one or more events occurring after its initial recognition, resulting in a reduction or delay in the collection of estimated future cash flows, and that may be motivated by the debtor's insolvency.

Impairment adjustments are recorded based on the difference between their book value and the present year-end value of the future cash flows estimated to be generated (including those derived from the execution of real and/or personal guarantees), discounted at the effective interest rate calculated at the time of initial recognition. For financial assets at a variable interest rate, the Group uses the effective interest rate that, in accordance with the contractual conditions of the instrument, is applicable at the closing date of the financial year. These corrections are recognised in the consolidated profit and loss account.

- *Financial assets at cost*

This category includes the following financial assets:

- Investments in equity instruments whose fair value cannot be determined with reference to an active market, or cannot be reliably estimated, and derivatives that have such investments underlying them.
- Hybrid financial assets whose fair value cannot be reliably estimated unless it meets the criteria to be classified as a financial asset at amortised cost.

- Contributions made to joint venture agreements and similar accounts.
- Participation loans whose interest is contingent, either because a fixed or variable interest rate is agreed upon which is conditional on the borrower's fulfilment of a milestone (e.g. obtaining profits), or because they are calculated with reference to the evolution of the activity of the borrower.
- Any financial asset, which could initially be classified as a financial asset at fair value with changes in the profit and loss account, when it is not possible to obtain a reliable estimate of its fair value.

They are initially recorded at the fair value of the consideration paid plus directly attributable transaction costs. Fees paid to legal advisors, or other professionals, involved in the acquisition of the asset are expenses recorded in the consolidated profit and loss account. Expenses generated internally in the acquisition of the asset are also not recorded as a higher value of the asset, and are recorded in the consolidated profit and loss account.

Equity instruments classified in this category are valued at their cost, minus any accumulated amount of impairment measurement corrections.

Contributions made as a result of a joint venture agreement and similar accounts are valued at the cost, increased or decreased by the profit or loss, respectively, corresponding to the Group as a non-managing participant, and minus any accumulated amount of measurement adjustments for impairment.

This same criterion applies to participation loans whose interest is contingent, either because a fixed or variable interest rate is agreed upon which is conditional on the fulfilment of a milestone in the borrowing company, or because they are calculated exclusively by reference to the evolution of the activity of the aforementioned company. If, in addition to a contingent interest, they include an irrevocable fixed interest, the latter is accounted for as financial income based on its accrual. Transaction costs are allocated to the consolidated profit and loss account on a straight-line basis over the life of the participation loan.

At least at the end of the year, the Group makes the necessary measurement corrections, provided there is objective evidence that the book value of an investment is not recoverable.

The amount of the measurement correction is calculated as the difference between its book value and the recoverable amount, understood as the greater of its fair value minus costs of sales and the present value of future cash flows derived 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 dividend distribution made by the investee company and the sale or derecognition of the investment in the investee company, or either by estimating its share of cash flows expected to be generated by the investee company, from both its ordinary activities and its disposal or derecognition.

The recognition of measurement corrections due to impairment in value and, where applicable, their reversal, will be recorded as an expense or income, respectively, in the consolidated profit and loss account. The impairment reversal will be limited to the book value of the investment that would be recognised on the reversal date if the impairment of the value had not been recorded.

- *Derecognition of financial assets*

Financial assets are derecognised from the consolidated balance sheet, as established in the Conceptual Accounting Framework of the General Accounting Plan, approved by Royal Decree 1514/2007 of 16 November, taking into account the economic reality of the transactions and not just the legal form of the contracts that regulate them. Specifically, the derecognition of a financial asset is recorded – in whole or in any part – when the contractual rights to the cash flows of the financial asset have expired or have been transferred, provided that in such transfer the risks and benefits of ownership have been substantially transferred. The Group understands that the risks and benefits inherent in the ownership of the financial asset have been substantially assigned when its exposure to variation in cash flows ceases to be significant in relation to the total variation in the present value of net future cash flows associated with the financial asset.

If the Group has not substantially transferred or retained the risks and benefits of the financial asset, it is derecognised when no control is retained. If the Group maintains control of the asset, it continues to recognise it for the amount at which it is presented by the variations in value of the transferred asset, that is to say, for its continued involvement, recognising the associated liability.

The difference between the consideration received net of the attributable transaction costs, considering any new asset obtained minus any assumed liability, and the book value of the financial asset transferred, plus any accumulated amount that has been recognised directly in the consolidated shareholders' equity, determines the gain or loss arising from derecognition of the financial asset and forms part of the profit or loss for the fiscal year in which it occurs.

The Group does not derecognise financial assets in transfers in which it substantially retains the risks and benefits inherent in their ownership, such as the discounting of bills, recourse factoring transactions, sales of financial assets with a repurchase agreement at a fixed price or at the selling price plus interest and the securitisations of financial assets in which the Group retains subordinated financing or other types of guarantees that substantially absorb all expected losses. In these cases, the Group recognises a financial liability for an amount equal to the consideration received.

k.2. Financial liabilities

A financial liability is recognised in the consolidated balance sheet when the Group becomes an obligated party to the contract or legal business in accordance with its provisions. In particular, financial instruments issued are classified, in whole or in part, as a financial liability, provided that, according to the economic reality thereof, they entail a contractual obligation, direct or indirect, for the Group Company to deliver cash or other financial assets or to exchange financial assets or liabilities with third parties under unfavourable conditions.

Additionally, any contract that may be settled with the Group's own equity instruments is classified as a financial liability, provided that:

- It is not a derivative and requires or may require a variable amount of its own equity instruments to be delivered.
- If it is a derivative with an unfavourable position for the Group, which may be settled in a manner other than the exchange of a fixed amount of cash or other financial asset for a fixed amount of the Group's equity instruments. For these purposes, those that are, in themselves, contracts for the future receipt or delivery of the Group's own equity instruments are not included among the equity instruments.

Additionally, the rights, options or warrants that allow a fixed number of equity instruments belonging to the Group to be obtained are recorded as equity instruments, provided that the Group offers such rights, options or warrants proportionately to all shareholders of the same class of equity instruments. However, if the instruments give the holder the right to settle them in cash or by delivering equity instruments based on their fair value or at a fixed price, they are classified as financial liabilities.

Contributions made as a result of a joint venture agreement and similar accounts are valued at the cost, increased or decreased by the profit or loss, respectively, corresponding to the Group as a non-managing participant, and minus any accumulated amount of measurement adjustments for impairment. In this case, when the entire cost of the joint venture or similar account has been impaired, the additional losses generated by it will be classified as a liability.

Participation loans that accrue contingent interest – either because a fixed or variable interest rate is agreed upon which is conditional on the fulfilment of a milestone in the borrowing company (for example, obtaining profits), or because they are calculated exclusively by reference to the evolution of the activity of the aforementioned company – are recorded in the same way. Financial expenses accrued by the participation loan are recognised in the consolidated profit and loss account in accordance with the accrual principle, and transaction costs will be allocated to the consolidated profit and loss account in accordance with a financial criterion or, if not applicable, on a straight-line basis over the life of the participation loan.

In those cases in which the Group does not transfer the risks and benefits inherent to a financial asset, it recognises a financial liability in an amount equivalent to the consideration received.

The categories of financial liabilities, among which the Group classifies them, are as follows:

- *Financial liabilities at amortised cost*

In general, the Group classifies the following financial liabilities within this category:

- Trade payables: are those financial liabilities that originate from the purchase of goods and services for ordinary operations with deferred payment, and
- Non-trade payables: are those financial liabilities that, not being derivative financial instruments, have no commercial origin, but that originate from loan or credit transactions received by the Group.

Participation loans that have ordinary or common loan characteristics are also classified within this category.

Financial liabilities at amortised cost are initially valued at the fair value of the consideration received, adjusted for directly attributable transaction costs.

Notwithstanding the foregoing, trade payables maturing in under one year and which do not have a contractual interest rate – as well as the disbursements paid to third parties on shareholdings, which are expected to be paid in the short term – are initially valued at their nominal value, provided that the effect of not discounting the cash flows is not significant.

Subsequently, they are valued at their amortised cost, employing the effective interest rate. In line with that mentioned in the previous paragraph, those that are initially valued at their nominal value continue to be valued at said amount.

- *Derecognition of financial liabilities*

The Group derecognises a financial liability when the obligation has been extinguished. The Group also derecognises its own financial liabilities that it may acquire (even with the intention of selling them in the future).

When there is an exchange of debt instruments with a lender, provided that they have substantially different conditions, the original financial liability is derecognised and the new financial liability that arises is recognised. Likewise, any substantial change in the current conditions of a financial liability is recorded.

The difference between the book value of the financial liability, or the part thereof that has been derecognised, and the consideration paid – including attributable transaction costs, and in which any transferred asset other than the cash or liability assumed is also recorded – is recognised in the consolidated profit and loss account for the year in which it takes place.

When there is an exchange of debt instruments with no substantially different conditions, the original financial liability is not derecognised from the consolidated balance sheet, with the amount of fees paid being recorded as an adjustment of their book value. The new amortised cost of the financial liability is determined by applying the effective interest rate, which is the one that equals the book value of the financial liability on the date of being changed with the cash flows to be paid according to the new conditions.

For these purposes, the conditions of the contracts are considered to be substantially different when the lender is the same as the one that granted the initial loan and the current value of the cash flows of the new financial liability – including the net commission fees – differs by at least 10% of the current value of the cash flows pending payment of the original financial liability, with both being updated at the effective interest rate of the original liability. In addition, in those cases in which said difference is less than 10%, the Group also considers that the conditions of the new financial instrument are substantially different when there are other substantial modifications thereto of a qualitative nature, such as: change from fixed interest rate to variable interest rate or vice versa, the restatement of the liability in a different currency, an ordinary loan that is converted to a participation loan, etc.

k.3. Own equity instruments of the Parent Company

An equity instrument represents a residual interest in the equity of the Parent Company, after deducting all its liabilities.

Capital instruments issued by the Parent Company are recorded in shareholders' equity for the amount received, net of issuance expenses.

Expenses arising from a transaction involving equity, which has been withdrawn or abandoned, will be recognised in the consolidated profit and loss account.

In the event of the disposal of an equity instrument, the difference between the consideration received and the book value of the instrument is recognised directly in the consolidated equity in a reserve account.

Expenses related to the acquisition, disposal or amortisation of equity instruments are recognised in a reserve account.

The shares acquired by the Group are recorded, for the value of the consideration delivered in exchange, directly as a lower value of Shareholders' Equity. The results derived from the purchase, sale, issuance or amortisation of equity instruments are recognised directly in Shareholders' Equity, without in any case any result being recorded in the consolidated profit and loss account.

k.4. Deposits delivered and received

The difference between the fair value of the deposits provided and received and the amount disbursed or collected is considered to be an advance payment or collection for the lease or provision of the service, which is applied to the consolidated profit and loss account during the period of the lease or during the period in which the service is rendered.

In the case of short-term guarantees or long-term guarantees of a small amount, cash flow discounting is not performed since its effect is not significant.

l) Transactions in foreign currencies

<u>Monetary items</u>

The conversion into the operating currency of items expressed in foreign currencies is performed by applying the current exchange rate at the moment of the corresponding transaction, valued at the financial year close in accordance with the current exchange rate at that moment.

In the particular case of financial assets of a monetary nature classified as available for sale, the determination of the exchange differences produced by the exchange rate variation between the transaction date and the year-end closing date is made as if such assets were valued at amortised cost in the foreign currency, such that the exchange differences will be those resulting from variations in said amortised cost as a result of variations in exchange rates, regardless of their fair value.

The exchange rate differences that occur as a consequence of the valuation at the financial year close of the debits and credits in foreign currencies are entered directly into the consolidated profit and loss account.

m) Tax on profits

The expense or income relating to tax on profits is calculated by adding the current tax expense or income plus the part corresponding to the deferred tax expense or income.

The current tax is the amount that results from applying the tax rate to the taxable profit. Tax deductions and other tax benefits in the amount of tax, excluding tax withholdings and prepayments, as well as tax loss carryforwards from previous periods applied effectively in the period, will result in a reduction of the current tax.

For its part, the deferred tax expense or income corresponds to the recognition and cancellation of deferred tax assets for deductible timing differences, for the right to offset tax losses in subsequent financial years and for deductions and other unused tax advantages pending application and deferred tax liabilities for taxable temporary differences.

The deferred tax assets and liabilities are valued at the tax rates expected at the time of their reversal.

Deferred tax liabilities are recognised for all taxable timing differences, except for those arising from the initial recognition of goodwill or other assets and liabilities in a transaction that does not affect either the tax profit or the accounting profit and is not a business combination.

In accordance with the principle of prudence, the deferred tax assets are only recognised to the extent that obtaining future profits that would enable to apply them is considered likely. Notwithstanding the foregoing, the deferred tax assets corresponding to the deductible temporary differences arising from the initial recognition of assets and liabilities in a transaction that does not affect either the tax profit or the accounting profit and is not a business combination are not recognised.

Both the expenditure or income from current and deferred tax are entered in the profit and loss account. However, the current and deferred tax assets and liabilities that are related to a transaction or event recognised directly in a shareholders' equity item, are recognised with a charge or credit to said item.

The deferred taxes recorded are reviewed at each balance sheet date to verify that they are still in force and the appropriate corrections are made. Likewise, deferred tax assets recognised and those not previously recorded are evaluated, derecognising those recognised assets whose recovery is no longer probable, or recording any assets of this nature not previously recognised, to the extent that their recovery with future tax benefits becomes probable.

The Group does not consolidate fiscally.

n) Provisions and contingencies

In the preparation of the consolidated annual accounts, the Board of Directors of the Parent Company differentiates between:

- Provisions

Credit balances covering current obligations arising from past events, the settlement of which is likely to give rise to an outflow of resources, but which are undetermined as to their amount and/or timing.

- Contingent liabilities

Possible obligations arising from past events, the future materialisation of which is conditional on the occurrence or non-occurrence of one or more future events independent of the Group's will.

The consolidated annual accounts include all the provisions with respect to which it is estimated that the probability that the obligation will have to be settled is greater than the opposite, and are recorded at the present value of the best possible estimate of the amount necessary to settle or transfer the obligation to a third party. Contingent liabilities are not recognised in the consolidated annual accounts, but rather are reported on in the consolidated report.

Provisions are measured at year-end at the present value of the best estimate of the amount required to settle or transfer the obligation to a third party, and adjustments arising from the restatement of those provisions are recorded as a financial expense as they accrue. In the case of provisions maturing in less than or equal to one year, and the financial effect is not significant, no discount rate is applied.

The compensation receivable from a third party on the settlement of the obligation does not decrease the amount of debt, but is recognised as an asset if there are no doubts that said reimbursement will be received.

o) Related party transactions

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

p) Income and Expenses

Income is derived primarily from providing creative services.

To determine whether income should be recognised, the Group follows a five-step process:

1. Identification of the contract with a client.
2. Identification of performance obligations.
3. Determination of the transaction price.
4. Allocation of transaction price to performance obligations.
5. Recognition of income when performance obligations are met.

The Group often conducts transactions that affect a number of services, for example for BBVA, Aliexpress, Grupo Más Móvil, Inditex, KFC or Pepsico.

The total transaction price of a contract is distributed among the various performance obligations based on its relative independent sales prices. The transaction price of a contract excludes any amounts charged on behalf of third parties.

Ordinary income is recognised at a given time or over time, when (or as) the Group meets performance obligations by transferring promised services to its clients.

The Group recognises liabilities for contracts involving a consideration received in relation to unmet performance obligations and presents these amounts as other liabilities in the consolidated balance sheet (see Note 3 k2). Similarly, if the Group satisfies a compliance obligation before receiving the consideration, the Group recognises a contractual asset or a credit in its consolidated balance sheet, depending on whether something more than the passage of time is required before the consideration is due.

The Group is dedicated to the provision of creative services applied in its different lines of business: advertising, communications and digital services. The Group recognises income at a particular point in time, as services are provided.

The Group grants credit to clients for 30 or 60 days from the invoice date. The financial effect is not discounted from the overall price of the transaction, when the directors consider that it is not significant.

In order to provide the services, the Group incurs salary expenses and, in some cases, production costs. Income from these services is recognised by the Group over time, to the extent it provides services to the client, and it is entitled to collect all work performed to date. The Group recognises income using the resource method, to measure the progress of the work performed and the satisfaction of the undertaken obligation. The Group adjusts the progress of the work as circumstances change and prospectively records the potential impact as an estimate change.

The income that the Group recognises over time is recognised as an asset under contract, to the extent that it is pending collection. If, on the contrary, the Group has collected payment in advance for work that it has not yet executed, it records a customer advance, under the heading “Commercial creditors and other accounts payable” in the consolidated balance sheet. There is no financial component within these types of contracts, to the extent that the Group receives advance collections to finance the cost of manufacturing the mould, which causes there to be no financial component in the price.

- *Expenses*

Expenses are recognised using accrual basis, i.e. when the actual flow of the goods and services they represent occurs, regardless of when the resulting monetary or financial flow arises.

Expenses are measured at the fair value of the received consideration, deducting discounts and taxes.

q) Cash flow statement

The statement of cash flows has been prepared using the indirect method, and it uses the following expressions with the meaning indicated below:

- Operating activities: activities that constitute the ordinary income of the Group, as well as other activities that cannot be classified as investment or financing.
- Investment activities: activities of acquisition, or disposal by other means of long-term assets and other investments not included in cash and its equivalents.
- Financing activities: activities that produce changes in the size and composition of shareholders' equity and liabilities that are not part of operating activities.

4. Intangible fixed assets

Intangible fixed assets are composed of other intangible fixed assets and consolidated Goodwill.

The balances and changes during the financial years, of the gross values of accumulated depreciation and of measurement corrections, with the exception of Goodwill, are as follows:

	Development	IT applications	Research	Total
Gross values				
Balance as of 01/01/2022	802,441	29,904	77,000	909,345
Entries	-	98,025	-	98,025
Disposals, derecognitions and reductions	-	-	-	-
Balance as of 31/12/2022	802,441	127,929	77,000	1,007,370
Entries	-	5,900	-	5,900
Entries into the scope of consolidation	-	-	-	-
Disposals, derecognitions and reductions	-	-98,025	-	-98,025
Balance as of 31/12/2023	802,441	35,804	77,000	915,245
Accumulated depreciation				
Balance as of 01/01/2022	-364,761	-28,237	-32,104	-425,102
Amount allocated for depreciation	-160,488	-98,218	-15,400	-274,106
Disposals, derecognitions and reductions	-	-	-	-
Balance as of 31/12/2022	-525,249	-126,455	-47,504	-699,209
Amount allocated for depreciation	-130,358	-684	-29,496	-160,537
Entries into the scope of consolidation	-	-	-	-
Disposals, derecognitions and reductions	-	96,988	-	96,988
Balance as of 31/12/2023	-655,607	-30,151	-77,000	-762,758
Net Book Value as of 31/12/2022	277,192	1,473	29,496	308,161
Net Book Value as of 31/12/2023	146,834	5,653	-	152,487

The gross value of the elements in use, which have been fully depreciated, is as follows:

Account	Balance as of 31/12/2023	Balance as of 31/12/2022
Development	-	-
IT applications	29,904	24,904
Research	77,000	-
	106,904	24,904

5. Consolidated Goodwill

In financial year 2023, valuation adjustments were made to the companies acquired in 2022, so Goodwill is reduced by €2,549,546. No new companies have been acquired, so the current Goodwill, after amortisations made, is €2,107,236, which will be amortised over 10 years from its generation.

The Group tests whether the Goodwill has suffered any impairment of value on an annual basis. The recoverable amount of the cash-generating units (CGUs) is determined based on the value of use calculations that require the use of assumptions. The calculations use cash flow projections based on management-approved financial budgets covering a 5-year period.

Cash flows beyond 5 years are extrapolated using the estimated growth rates noted below. These growth rates are consistent with the forecasts included in specific reports for the industry in which each CGU operates.

The Group management has determined the values assigned to each of the key assumptions mentioned as follows:

Assumption	Approach used to determine values
Sales volume	Average annual growth rate for the expected 5-year period; based on past results and management expectations of market developments.
Sales price	Average annual growth rate for the expected 5-year period; based on current industry trends and includes long-term inflation forecasts for each territory.
Budgeted gross margin	Based on past results and management expectations for the future.
Other operating costs	Fixed costs of the CGUs, which do not vary significantly with sales volumes or prices. Management budgets these costs based on the current business structure, adjusting for inflation increases, but not reflecting future restructurings or cost-saving measures. The amounts itemised above are the average operating costs for the expected 5-year period.
Annual capital expenditure	Expected cash costs in the CGUs. This is based on management's historical experience and expenditure on planned improvements. No incremental revenue or cost savings are assumed in the value-of-use model as a result of this expenditure.
Long-term growth rate	This is the weighted average growth rate used to extrapolate cash flows beyond the budgeted period. Rates are consistent with forecasts included in industry reports.
Pre-tax discount type	Reflects specific risks related to the respective segments and countries in which they operate.

The balances of the Consolidated Goodwill account are as follows:

	2022							
	True Relaciones Públicas, S.L.	Estresarte Comunicación, S.L.	Redbility, S.L.	Pink Lab, S.L.	PS21 Barna, S.L.	Revista Libero, S.L.	Lucid Product Design Agency, S.L.	TOTAL
Initial gross balance	205,100	433,911	267,784	-	-	-	-	906,795
Entries	-	-	-	597,237	421,133	417,055	2,959,870	4,395,294
Accumulated amortisation, initial balance	-41,020	-86,782	-53,557	-	-	-	-	-181,359
Amortisation entries	-20,510	-43,391	-26,778	-49,770	-31,585	-20,853	-98,662	-291,549
	-61,530	-130,173	-80,335	547,467	389,548	396,202	2,861,208	3,922,386
Final net balance	143,570	303,738	187,449	547,467	389,548	396,202	2,861,208	4,829,181
Entries restatement	-	-	-	50,494	-344,922	-361,421	-1,893,698	-2,549,546
Accumulated amortisation, initial balance	-	-	-	-	-	-	-	-
Amortisation entries restatement	-	-	-	-4,208	25,869	18,071	63,123	102,856
Restated net ending balance	143,570	303,738	187,449	593,753	70,495	52,852	1,030,633	2,382,490

	2023							
	True Relaciones Públicas, S.L.	Estresarte Comunicación, S.L.	Redbility, S.L.	Pink Lab, S.L.	PS21 Barna, S.L.	Revista Líbero, S.L.	Lucid Product Design Agency, S.L.	TOTAL
Initial gross balance	205,100	433,911	267,784	647,730	76,211	55,634	1,066,173	2,752,543
Entries	-	-	-	-	-	-	-	-
Accumulated amortisation, initial balance	-61,530	-130,173	-80,335	-53,978	-5,716	-2,782	-35,539	-370,053
Amortisation entries	-20,510	-43,391	-26,778	-64,773	-7,621	-5,563	-106,617	-275,254
	-82,040	-173,564	-107,114	-118,751	-13,337	-8,345	-142,156	-645,307
Final net balance	123,060	260,347	160,671	528,980	62,874	47,289	924,016	2,107,236

6. Tangible fixed assets

The balances and changes during financial years 2022 and 2023 of the gross values, of accumulated depreciation and of measurement corrections are as follows:

	Other facilities	Furniture	Information processing equipment	Transport items	Other fixed assets	Total
Gross values						
Balance as of 01/01/2022	667,625	234,270	479,420	206,643	12,933	1,600,890
Entries	2,914	492,654	149,572	-	-	645,141
Entries into the scope of consolidation	43,923	54,746	64,639	-	4,020	167,327
Disposals, derecognitions and reductions	-	-	-5,147	-	-	-5,147
Balance as of 31/12/2022	714,462	781,670	688,483	206,643	16,953	2,408,211
Entries	453,820	12,718	132,455	-	3,301	602,293
Entries into the scope of consolidation	-	-	-	-	-	-
Disposals, derecognitions and reductions	-43,923	-37,391	-17,088	-	-1,457	-99,859
Balance as of 31/12/2023	1,124,359	756,996	803,851	206,643	18,797	2,910,645
Accumulated depreciation.						
Balance as of 01/01/2022	-630,849	-196,812	-347,905	-81,283	-10,803	-1,267,652
Amount allocated for depreciation	-17,957	-68,310	-76,729	-30,996	-1,131	-195,124
Entries into the scope of consolidation	-21,376	-21,509	-50,282	-	-1,623	-94,791
Disposals, derecognitions and reductions	-	-	4,624	-	-	4,624
Balance as of 31/12/2022	-670,183	-286,631	-470,293	-112,279	-13,557	-1,552,943
Amount allocated for depreciation	-53,307	-88,008	-95,960	-30,996	-7,272	-275,544
Entries into the scope of consolidation	-	-	-	-	-	-
Disposals, derecognitions and reductions	30,178	20,589	15,171	-	1,042	66,980
Balance as of 31/12/2023	-693,312	-354,050	-551,082	-143,276	-19,787	-1,761,507
Net Book Value as of 31/12/2022	44,279	495,039	218,190	94,363	3,396	855,267
Net Book Value as of 31/12/2023	431,047	402,946	252,768	63,367	-991	1,149,137

The additions for financial year 2023 are mainly due to the opening of the new Barcelona office. The office is leased, but has required renovations to the facilities to make it operational. In addition, just as in 2022, computer equipment was acquired due to the increase in the number of employees during the year.

The gross value of the elements in use, which have been fully depreciated for 2023 and 2022, is as follows:

Account	Balance as of 31/12/2023	Balance as of 31/12/2022
Technical facilities	631,365	591,037
Furniture	196,079	139,340
Computer equipment	363,533	310,360
Other tangible fixed assets	11,476	8,235
	1,202,452	1,048,972

The Group's policy is to have insurance policies in place to cover all possible risks to which the various items of its tangible fixed assets are exposed. At the close of the 2023 period there were no coverage deficits related with these risks.

7. Investment property

There are no real estate investments in the Group.

8. Leasing and other operations of a similar nature

a) Financial leasing

The Group assets that are subject to a financial lease are as follows:

Account	Balance as of 31.12.2023	Balance as of 31.12.2022
Tangible fixed assets	39,539	39,539

This corresponds to an electric vehicle purchased in 2020.

During financial year 2023, the Group has the following minimum leasing instalment payments contracted with lessors, in accordance with the current contracts:

	Pending instalments	
Agreed minimum payments	Balance as of 31.12.2023	Balance as of 31.12.2022
Under one year	3,976	3,764
Between one and five years	16,863	20,839
	20,839	24,603

During financial year 2020, it acquires a financial lease for the value of €39,539. This is an electric vehicle with which to attend meetings with suppliers, clients or potential clients, with less impact on contamination, given the company's responsibility to the environment.

The amount of the financial lease fees recognised respectively as amortisation of the debt in the financial year are as follows:

	2023	2022
Payments made during the financial year	3,764	3,563

During financial years 2023 and 2022, it did not acquire or cancel any financial leases.

b) Operating Leasing

The minimum future fees for the operating leases of the offices in which the Group carries out its activities, in accordance with the current contracts in force, are as follows:

	Pending instalments	
	Financial year 2023	Financial year 2022
Up to one year	435,207	234,658
Between one and five years	1,130,519	449,930
	1,565,727	684,588

The amount of the lease and operating sublease instalment payments recognised respectively as expenses in the year are as follows:

	2023	2022
Payments made during the financial year	392,952	342,482

As a lessee, the most significant operating lease contracts are the following:

- Lease of the office located at Calle Antonio Maura, 16, Madrid. The lease agreement began on 1 December 2005 and is extended by agreement on 12 May 2016, agreeing to a duration of 10 years from 1 June 2016 to 31 May 2026, considering the duration of the long-term agreement. The annual cost of this office is €186,178 in 2023 (€186,178 in 2022).

- Office located at Calle Conde de Peñalver, 38. The lease agreement began on 1 January 2011 for a duration of five years, which have elapsed, and is currently renewed annually. The annual cost of this office is €66,652 in 2023 (€66,474 in 2022).

- Office located in Barcelona at Calle Alava number 111. The lease contract began on 1 May 2023 and is for a duration of five years. The annual cost of this office is €21,318 in 2023 (€0 in 2022).

9. Financial instruments

a) Financial assets

Long-term and short-term financial investments

The financial investments are classified based on the following categories:

	Long-term financial investments							
	Equity instruments		Other financial assets		Derivatives		Total	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022	31.12.2023	31.12.2022	31.12.2023	31.12.2022
Categories:								
Financial assets at amortised cost	-	-	924,318	99,389	-	-	924,318	99,389
Financial assets at cost	172,813	49,719	-	-	-	-	172,813	49,719
	172,813	49,719	924,318	99,389	-	-	1,097,131	149,108

	Short-term financial investments							
	Equity instruments		Other financial assets		Derivatives		Total	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022	31.12.2023	31.12.2022	31.12.2023	31.12.2022
Categories:								
Assets at fair value with changes in profit and loss:								
Trading portfolio	-	-	-	667,374	-	-	-	667,374
Financial assets at amortised cost	-	-	5,366,524	3,869,667	-	-	5,366,524	3,869,667
Financial assets at cost	10,000	11,434		-	-	-	10,000	11,434
	10,000	11,434	5,366,524	4,537,040	-	-	5,376,524	4,548,474

The breakdown by maturity of the various long-term financial assets, with determined or determinable maturity, at the end of financial year 2023, is as follows:

	2025	2026	2027	2028	2029	Total
Categories:						
Financial assets at amortised cost	-	-	-	924,318	-	924,318
Financial assets at cost	-	-	-	172,813	-	172,813
	-	-	-	1,097,131	-	1,097,131

Long-term financial instruments include, mostly, the bonds for the rents held by the group, with the most significant being the bond for the office at Antonio Maura, 16, for the amount of €28,353, the bond for the office at Conde de Peñalver, 38 for the amount of €23,667 and the bond for the office at Calle Alava, 111, for the amount of €33,569.

On the other hand, in 2023 the Parent Company contributed €125,000 to the ongoing capital increase of Materile Barcelona Projects, S.L. The shareholding is a minority stake, so it does not fall within the scope of consolidation. And loans have been made to employees in the amount of €800,000 within the incentive plans approved by the Board of Directors of the Parent Company.

In short-term financial instruments, the Group has mainly recorded at the end of the financial year an amount of €0 (€667,374 in 2022) due to the sale of Holyvama Capital. The value in 2022 corresponded to the fair value of a securities account contracted with Andbank bank. In addition, we have a fixed term deposit in the amount of €10,000 (€10,000 in 2022). The commercial debtors balance is reflected at amortised cost. The revenue obtained in 2023 was €116,641 (losses of €503,640 in 2022).

The Group has recognised in financial year 2023, a credit impairment in the amount of €124,890 (€213,939 in 2022), corresponding to balances with clients. Furthermore, the companies acquired during financial 2022 year have recorded an amount of €70,162, so the balance at closing is €590,008 at the end of financial year 2023 and €465,118 at the end of financial year 2022.

Cash and cash equivalents

The balances of the cash and bank accounts at the end of the year are as follows:

	Euros	
	31.12.2023	31.12.2022
Cash	4,400,715	2,230,469
Other cash equivalents	-	-
	4,400,715	2,230,469

b) Financial liabilities

The book value of each of the categories of financial instruments established in the recognition and measurement standard for "Financial Instruments" is as follows:

	Long-term financial liabilities							
	Debts with credit institutions		Other financial liabilities		Creditors for financial leasing		Total	
	2023	2022	2023	2022	2023	2022	2023	2022
Financial liabilities at amortised cost	2,577,577	2,722,814	538,592	747,527	16,863	20,839	3,133,031	3,491,180
Total	2,577,577	2,722,814	538,592	747,527	16,863	20,839	3,133,031	3,491,180

	Short-term financial liabilities							
	Debts with credit institutions		Other financial liabilities		Creditors for financial leasing		Total	
	2023	2022	2023	2022	2023	2022	2023	2022
Financial liabilities at amortised cost	3,908,869	3,655,807	2,591,033	2,273,213	3,976	3,764	6,503,878	5,932,784
Total	3,908,869	3,655,807	2,591,033	2,273,213	3,976	3,764	6,503,878	5,932,784

The “financial leases” category indicated for financial years 2023 and 2022 corresponds to the leasing of the electric vehicle that the Group acquired (see note 8).

The total balance of “Debts with credit institutions” at the close of the 2023 and 2022 financial years, corresponds to the ICO (*Instituto de Crédito Oficial* [Official Credit Institute]) credits and other loans received, to debts due to credit drawn from bank cards, as well as to lines of credit. The breakdown of this balance is as follows:

		31.12.2023		31.12.2022	
Description	Long term	Long term	Short term	Long term	Short term
BANKINTER	Loan	190,354	55,776	246,027	53,973
	Loan	99,477	38,297	135,855	38,777
	Loan	-	50,000	-	33,333
	Loan	-	17,960	17,888	20,426
	Confirming	-	246,096	-	-
	Line of credit	-	210,680	-	-
SANTANDER	Line of credit	-	668,189	-	579,208
	Line of credit	-	80,150	-	40,000
	Line of credit	-	25,701	-	-
	Line of credit	-	40,225	-	-
	Line of credit	-	25,000	-	-
	Confirming	-	-	-	317,811
	Confirming	-	136,528	-	-
	Loan	-	-	-	28,386
	Loan	56,957	168,747	225,704	165,607
	Loan	806,360	177,966	-	-
	Loan	-	-	-	80,849
	Loan	-	80,238	-	-
	Loan	-	-	-	14,444
	Loan	42,844	127,256	170,100	125,363
	Loan	-	12,710	-	-
	Loan	-	6,756	-	-
	Loan	-	39,439	-	16,633
	Loan	-	12,550	-	-
	Loan	-	13,674	-	-
	Loan	-	119,357	-	50,000
	Loan	53,839	159,912	213,750	157,532
	Loan	14,911	25,191	40,101	24,729
BBVA	Line of credit	-	-	-	96,620
	Line of credit	-	-	-	38,838
	Loan	-	113,770	113,770	133,801
	Loan	100,810	168,730	269,540	163,700
	Loan	160,873	167,227	328,099	159,008
	Loan	36,980	84,918	120,064	82,744
	Loan	-	17,985	17,985	71,048
	Loan	172,871	71,956	292,103	-
SABADELL	Line of credit	-	16,356	-	107,284
	Line of credit	-	100,632	-	-
	Loan	-	42,575	42,575	56,028
	Loan	-	30,923	30,923	36,153
	Loan	-	639	639	3,763
	Loan	68,674	50,172	118,846	49,057
	Loan	79,365	49,167	127,583	48,611
	Loan	-	-	-	6,119
	Loan	222,059	55,219	-	-
	Loan	198,352	44,491	-	-
	Loan	15,951	15,109	30,569	14,855
	Loan	30,073	8,121	38,193	7,920
ANDBANK	Line of credit	-	-	-	503,684
CAIXABANK	Loan	15,000	30,000	45,000	30,000
	Loan	-	13,160	12,963	38,375
	Loan	198,400	44,455	-	-
	Loan	11,335	26,907	38,241	26,493
	Loan	-	37,988	37,988	40,753
	Line of credit	-	49,492	-	69,082
	Line of credit	-	31,317	-	31,976
	Line of credit	-	41,658	-	-
	Loan	2,093	6,175	8,305	5,985
SEVERAL	Cards	-	3,419	-	1,251
	Cards	-	60	-	-
	Cards	-	165	-	-
	Cards	-	117	-	6,425
	Cards	-	5,504	-	109
	Cards	-	1,306	-	163
	Cards	-	3,433	-	-
	Cards	-	20,171	-	47,602
	Cards	-	17,160	-	31,289
TOTALS		2,577,577	3,908,869	2,722,814	3,655,807

These debts have an interest rate that we detail:

	2023	2022
Loans:		
Banco Santander	1.88% - 5.47%	2.25% - 1.88%
Bankinter	1.40% - 5.00%	2.15% - 1.40%
BBVA	2.20% - 5.05%	1.90% - 5.05%
Caixabank	1.80% - 5.33%	1.80% - 2.00%
Sabadell	1.50% - 6.23%	1.50% - 3.60%
Line of credit:		
Banco Santander	2.10%	2.10%
Bankinter	5.66%	2.00%
BBVA	2.15%	2.15%
Caixabank	2.00%	2.00%
Sabadell	5.95%	2.35%

The balance of "other financial liabilities" includes the liabilities payable to the former owners of the companies acquired in previous financial years and in financial years 2023 and 2022, due to compliance with the contingent price stipulated in the purchase contracts.

Classification by maturity

The breakdown by maturity of the various long-term financial liabilities, with determined or determinable maturity, at the end of financial year 2023, is as follows:

	2025	2026	2027	2028	2029	Total
Debts:						
Debts with credit institutions	1,137,144	595,878	501,453	343,103	-	2,577,577
Other financial liabilities	101,024	10,289	414,425	29,716	-	555,454
	1,238,168	606,167	915,877	372,819	-	3,133,031

The data at the end of the 2022 financial year was as follows:

	2024	2025	2026	2027	2028	Total
Debts:						
Debts with credit institutions	1,492,376	880,217	230,917	114,846	4,458	2,722,814
Other financial liabilities	157,935	84,162	10,289	465,425	29,716	747,527
	1,650,311	964,379	241,206	580,271	34,174	3,470,341

Guarantees committed with third parties

At the end of the 2023 financial year, the overall amount of the guarantees provided to third parties amounts to €738,000 (585,000 in 2022). They are presented to ensure the proper fulfilment of the Group's activity.

- Commercial creditors and other accounts payable

The itemisation of the balance for "Commercial creditors and other accounts payable" is as follows:

Item	2023	2022
Suppliers	1,766,811	1,498,536
Other creditors	261,521	185,696
Personnel remunerations pending payment	60,707	19,625
Current tax liabilities	779,739	236,727
Other debts with public administrations	1,799,472	1,256,127
Advance payments from clients	342,416	
Total	5,010,666	3,196,711

The average payment period to Group suppliers as of 31 December 2023 is as follows:

	2023	2022
	Days	Days
Average period of payment to suppliers	72	64
Transactions Paid Ratio	77	67
Transactions Pending Payment Ratio	48	53
	Amount (euros)	Amount (euros)
Total payments made	7,462,337	5,171,901
Total outstanding payments	1,527,625	1,267,722
Volume of invoices paid within the legal timeframe	2,745,166	2,297,669
Number of invoices paid within the legal timeframe	1,438	1,114
Percentage of volume of invoices paid within the legal timeframe (%)	37%	44%
Percentage of number of invoices paid within the legal timeframe (%)	54%	60%

The average payment period to suppliers is longer than the established legal period of 60 days. This is because the company makes payments on one day per month.

10. Own Funds

a) Share capital

At the end of financial year 2023, the share capital of the Parent Company amounts to €165,862, consisting of 16,586,127 shares with a par value of €0.01, fully subscribed and paid.

The company that has a shareholding equal to or greater than 10% is as follows:

	Share percentage
Miss Valentine, S.L.	91.56%
	91.56%

b) Reserves and profit and loss from previous years

The breakdown is as follows:

	2023	2022
Parent Company legal reserve	33,173	33,173
Parent Company voluntary reserves	1,705,751	259,575
First consolidation differences	-	-
Reserves in consolidated companies	-699,048	352,388
Total	1,039,876	645,135

c) Legal reserve

In accordance with the Revised Text of the Capital Companies Act, an amount equal to 10% of the profits from the period should be allocated to the legal reserve until it reaches at least 20% of the total share capital. The legal reserve can be used to increase capital in the portion of its balance that exceeds 10% of the increased capital. With the exception of the purpose noted above, and while it does not exceed 20% of the share capital, this reserve can only be used to compensate losses and provided that there are no other reserves available for this purpose.

At the close of the financial year this reserve is currently fully established.

d) Own shares of the Parent Company

In 2022, 91,098 shares were acquired for the value of €25,001.34 through the deed signed before a notary public on 21 December 2022.

During 2023, a total of 139,350 own shares were acquired for a value of €478,565, with 368,119 own shares being disposed of, whose cost amounted to €230,046.

The shares held by the Parent Company on 31 December 2023, are as follows:

Treasury stock	Number	Average acquisition price	Total acquisition cost
At the end of financial year 2023	684,542	0.67	460,803

On the date these consolidated annual accounts are drawn up, the Board of Directors of the Parent Company has not made a decision on the final intended destination for the aforementioned own shares.

11. Information on the nature and level of risk derived from financial instruments

The management of the Group's financial risks is the responsibility of the Financial Department, which has established the necessary mechanisms to control exposure to variations in interest and exchange rates, as well as credit and liquidity risks. The main financial risks affecting the Group are indicated below:

a) Credit risk:

In general, the Group maintains its cash and equivalent liquid assets in financial institutions with a high credit rating.

Likewise, it should be noted that there is no significant concentration of credit risk with third parties.

b) Liquidity risk:

Liquidity risk arises from the possibility that the Group cannot dispose of liquid funds, or access them, in a sufficient amount and at the appropriate cost, to meet its payment obligations at all times. The purpose of the Group is to maintain the necessary cash and cash equivalents.

c) Market risk (includes interest rate, exchange rate and other price risks):

With regard to the exchange rate risk, this is considered very small due to foreign currency transactions not entailing a significant amount within the Group's turnover.

12. Tax status

The breakdown of the accounts related to Public Administrations during financial years 2023 and 2022 is as follows:

2023

Account	Debtor balances Non-current	Debtor balances Current	Creditor balances Non-current	Creditor balances Current
Value added tax	-	31,041	-	893,221
Individual income tax	-	-	-	657,370
Deferred tax assets	777,643	-	-	-
Current tax assets	-	85,056	-	-
Deferred taxes liabilities	-	-	10,433	-
Current tax liabilities	-	-	-	779,739
Social Security bodies	-	-	-	248,881
	777,643	116,097	10,433	2,579,210

2022

Account	Debtor balances Non-current	Debtor balances Current	Creditor balances Non-current	Creditor balances Current
Value added tax	-	236,214	-	708,585
Individual income tax	-	-	-	377,049
Deferred tax assets	866,195	-	-	-
Current tax assets	-	26,787	-	-
Deferred taxes liabilities	-	-	10,433	-
Current tax liabilities	-	-	-	236,727
Social Security bodies	-	-	-	170,493
	866,195	263,001	10,433	1,492,854

The reconciliation between the consolidated accounting profit and loss and the sum of taxable bases of the consolidation scope for the 2023 and 2022 financial years is as follows:

	Financial year 2023		Financial year 2023		Financial year 2023		
	Losses and Profits		Income and Expenses		Reserves		
	Increases	Decreases	Increases	Decreases	Increases	Decreases	Total
Balance of income and expenses	2,376,495	-	-	-	-	-	2,376,495
Corporation Tax	880,011	-	-	-	-	-	880,011
Permanent differences	10,454	-	-	-	-	-	10,454
Of individual companies	-	-	-	-	-	-	-
Of consolidation adjustments	234,820	-	-	-	-	-	234,820
Tax base (tax result)	3,501,781	-	-	-	-	-	3,501,781

	Financial year 2022		Financial year 2022		Financial year 2022		
	Losses and Profits		Income and Expenses		Reserves		
	Increases	Decreases	Increases	Decreases	Increases	Decreases	Total
Balance of income and expenses	253,529	-	-	-	-	-	253,529
Corporation Tax	229,912	-	-	-	-	-	229,912
Permanent differences	-	-	-	-	-	-	-
Of individual companies	-	-	-	-	-	-	-
Of consolidation adjustments	291,549	-	-	-	-	-	291,549
Tax base (tax result)	774,990	-	-	-	-	-	774,990

The breakdown of the expense/income due to Corporation Tax is as follows:

2023	Current tax	Change in deferred tax – Of assets – Temporary differences	Change in deferred tax – Of assets – Credits for negative tax bases	Change in deferred tax – Of assets – Other credits	Change in deferred tax – Of liabilities – Temporary differences	Total
Recognised in the profit and loss account						
Continuing operations	-873,897	-	-	-6,114	-	-880,011
Discontinued operations	-	-	-	-	-	-
Total expense/ income due to taxation						-880,011

2022	Current tax	Change in deferred tax – Of assets – Temporary differences	Change in deferred tax – Of assets – Credits for negative tax bases	Change in deferred tax – Of assets – Other credits	Change in deferred tax – Of liabilities – Temporary differences	Total
Recognised in the profit and loss account						
Continuing operations	-221,246	-	-	-8,666	-	-229,912
Discontinued operations	-	-	-	-	-	-
Total expense/ income due to taxation						-229,912

Deferred tax assets recorded at the end of 2023 and 2022 correspond to tax loss carry forwards, based on the Parent Company's estimate of their recoverability.

At the close of financial years 2023 and 2022, the tax loss carryforwards pending offsetting are as follows:

	31.12.2023 Amount	31.12.2022 Amount
Tax loss carryforwards:		
Year 2002	-	-
Year 2003	542,121	542,121
Year 2004	569,430	569,430
Year 2005	721,839	733,026
Year 2011	-	183,942
Year 2015	-	-
Year 2016	-	-
Year 2017	-	-
Year 2018	-	-
Year 2019	6,930	6,930
Year 2020	222,963	222,963
Year 2021	125,522	125,522
Year 2022	472,847	1,080,846
Year 2023	448,920	-
Total tax loss carryforwards	3,110,572	3,464,780

Taxable bases have been reduced due to Holyvama Capital's exit from the scope of consolidation and the positive results of several Group companies.

In accordance with applicable tax regulations, the maturity of tax credits for incurred tax losses and deductions is indefinite.

Financial years pending verification and inspection actions

On 31 December 2023, the Group has no ongoing inspections. However, in accordance with that established in current legislation, taxes cannot be considered as definitively paid until the submitted statements have been inspected by the tax authorities or the four year period of limitations has expired. On 31 December 2023, the Group has made the Corporate Tax for financial year 2019 and subsequent financial years available for inspection as well as financial year 2020 and subsequent financial years for the other taxes that are applicable to it. The Board of Directors of the Parent Company considers that the payment of the referred to taxes has been carried out appropriately, and therefore, even in the event that discrepancies were to arise in the interpretation of the current regulations in relation to the tax considerations applied to the operations, the resulting liabilities, should they arise, would not affect the attached consolidated annual accounts in a significant manner.

13. Income and Expenses

a) Net turnover

The distribution of the net turnover by categories of activity and geographical markets is as follows:

2022	Advertising			Communications			Digital Services		
	Spain	Rest of EU	Rest of World	Spain	Rest of EU	Rest of World	Spain	Rest of EU	Rest of World
Income from client contracts									
Income from contracts with clients	7,795,274	816,175	511,136	2,018,721	358,521	379,467	3,465,955	255.453	-
	7,795,274	816,175	511,136	2,018,721	358,521	379,467	3,465,955	255.453	-
Income recognition timeframe									
Over time	7,795,274	816,175	511,136	2,018,721	358,521	379,467	3,465,955	255.453	-
At a particular point in time									
	7,795,274	816,175	511,136	2,018,721	358,521	379,467	3,465,955	255.453	-

2022	Product Design			Future Design			
	Spain	Rest of EU	Rest of World	Spain	Rest of EU	Rest of World	Total
Income from client contracts							
Income from contracts with clients	372,736	113,343	-	51,760	125,767	-	16,264,308
	372,736	113,343	-	51,760	125,767	-	16,264,308
Income recognition timeframe							
Over time	372,736	113,343		51,760	125,767	-	16,264,308
At a particular point in time							
	372,736	113,343		51,760	125,767	-	16,264,308

2023	Advertising			Communications			Digital Services		
	Spain	Rest of EU	Rest of World	Spain	Rest of EU	Rest of World	Spain	Rest of EU	Rest of World
Income from client contracts									
Income from contracts with clients	10,618,322	277,918	969,506	2,628,998	452,349	738,969	6,800,371	329,729	-
	10,618,322	277,918	969,506	2,628,998	452,349	738,969	6,800,371	329,729	-
Income recognition timeframe									
Over time	10,618,322	277,918	969,506	2,628,998	452,349	738,969	6,800,371	329,729	-
At a particular point in time									
	10,618,322	277,918	969,506	2,628,998	452,349	738,969	6,800,371	329,729	-

2023	Product Design			Future Design			
	Spain	Rest of EU	Rest of World	Spain	Rest of EU	Rest of World	Total
Income from client contracts							
Income from contracts with clients	1,599,060	74,805	67,512	147,067	-	-	24,704,607
	1,599,060	74,805	67,512	147,067	-	-	24,704,607
Income recognition timeframe							
Over time	1,599,060	74,805	67,512	147,067	-	-	24,704,607
At a particular point in time							
	1,599,060	74,805	67,512	147,067	-	-	24,704,607

The Group's activity is mainly carried out in the Spanish market. In general, the cost increases are directly related to the positive evolution of the Group and the updating of the prices of certain suppliers (influenced by high inflation rates).

b) Provisioning

	31.12.2023	31.12.2022
Breakdown	Amount	Amount
Works carried out by other companies	6,612,307	4,912,841
	6,612,307	4,912,841

	31.12.2023	31.12.2022
Geographical markets	Amount	Amount
Spain	5,764,784	4,568,835
All other EU countries	317,659	344,006
Rest of the world	529,864	
	6,612,307	4,912,841

c) Personnel expenses

Personnel expenses	31.12.2023 Amount	31.12.2022 Amount
Wages and salaries	8,903,513	5,935,727
Redundancy payments	144,181	48,830
Social security paid for by the company	2,176,299	1,423,002
Other social contributions	125,975	144,728
	11,349,967	7,552,287

d) Other operating expenses

Account	31.12.2023 Amount	31.12.2022 Amount
Leases and fees	392,952	342,482
Repairs and maintenance	74,529	55,982
Independent professional services	574,603	544,151
Insurance premiums	37,067	24,265
Banking and similar services	7,121	4,750
Advertising and public relations	879,220	534,742
Supplies	43,105	41,913
Other services	374,254	233,179
Other taxes	15,456	14,591
Losses, impairment and change in provisions	124,890	213,939
	2,523,197	2,009,994

14. Information on environmental issues

The Group's strategy is to anticipate trends and to constantly protect and reinforce its corporate image. With this in mind, becoming an industry leader is a priority, especially on topics that concern the well-being of society as a whole, such as environmental and social governance.

To achieve this aim, the Group has attained B-Corp certification. Certified B Corporations are a new type of business that balances purpose and profits. They are required to consider the impact of their decisions on their workers, customers, suppliers, the community and the environment. This rating certifies that J21 is a member of a global community of leaders that drives a worldwide movement of people who use business as a force for good.

Certified B Corporations receive this status from the non-profit institution called: B Lab. To achieve this status, companies must have a high standard of social and environmental performance as measured by the B Impact Assessment, they must verify their scores through transparency requirements and legally commit to taking all stakeholders into account, not just their shareholders.

In summary, JUNGLE is a for-profit corporation with a modified standard of fiduciary duty, subject to higher standards of purpose, responsibility, and transparency, and that it has internalised its duty to consider the best interests of employees, communities, customers, and suppliers, as well as shareholders.

15. Operations with related parties

During the year, transactions have been carried out with the following related parties:

Company	Type of relationship
Miss Valentine, S.L.	Parent Company
Agustín Vivancos	CEO

The pricing policy followed for all transactions carried out during the period is based on the fair market value, in accordance with article 16 of the Corporation Tax Act.

On 8 November 2021, an agreement was reached to appoint a Board of Directors consisting of a chairman, four directors and a non-director secretary.

During financial year 2023, salaries were paid for the work of the Board of Directors and CEO, for the amount of €28.373 (€665,637 in 2022).

In 2023, within the incentive plan prepared by the company, loans totalling €800,000 have been granted to employees of the company which have been used to acquire shares of JUNGLE21, S.A.

The Group has taken out a civil liability insurance policy covering the CEO and all members of the Board of Directors for the amount of €10,597 (€9,193 in 2022).

The Group has no pension obligations with the CEO.

The CEO and the rest of the members of the Board and the persons related to them referred to in Article 231 have not reported any conflict of interest, direct or indirect, that they might have with the interests of the Group.

16. Other information

The average number of people employed during financial years 2023 and 2022, and the number of people employed at the end of both financial years, distributed by professional categories, is as follows:

	2023 Average		2022 Average	
Account	Men	Women	Men	Women
Administrators	1	0	0	0
Senior Management	4	4	5	5
Departmental Directors/ Middle Managers	27	19	20	14
Creativity	17	13	21	12
Strategy	1	3	1	4
Social Media	6	7	3	4
New business	0	4	0	1
Education/training studies	4	2	3	2
Accounts	2	28	3	28
Finance/Administration	5	5	2	4
UX Consultant	23	42	13	22
UX Researcher	0	2	0	0
Visual Designer	1	3	9	7
Development	1	0	1	0
Foresight Strategist	1	1	0	0
Industrial Designer	3	0	0	0
Product Engineer	2	0	0	0
	97	134	82	101

	31.12.2023		31.12.2022	
Account	Men	Women	Men	Women
Administrators	1	0	0	0
Senior Management	4	5	5	4
Departmental Directors/ Middle Managers	27	19	18	15
Creativity	17	14	20	12
Strategy	1	4	1	3
Social Media	8	7	3	6
New business	0	4	0	2
Education/training studies	4	2	4	1
Accounts	1	27	3	27
Finance/Administration	4	5	3	3
UX Consultant	26	51	14	34
UX Researcher	0	1	0	0
Visual Designer	1	5	8	4
Development	1	0	1	0
Foresight Strategist	1	2	0	0
Industrial Designer	2	0	0	0
Product Engineer	1	0	0	0
	99	146	80	111

Professional fees for account auditors

The fees to be accrued by Grant Thornton S.L.P. for the audit services of the Consolidated Annual Accounts for the financial year 2023 will amount to euros 20,850 (euros 20,250 in 2022).

The additional fees accrued by Grant Thornton S.L.P. are as follows:

- Fees for the audit of the Parent Company's Annual Accounts for the financial year 2023 amounting to euros 12,875 (euros 12,500 in 2022).

- Fees for limited review of the Consolidated Interim Financial Statements at 30 June 2023 in the amount of euros 10,750 (euros 0 in 2022).

- Fees for translation of Annual Accounts for an amount of euros 5,500 (euros 5,200 in 2022).

17. Events subsequent to closing

Since the closing date of the financial year to which these Consolidated Annual Accounts refer, and up to the date of formulation of these Consolidated Annual Accounts, there have been no events or circumstances with an impact on them that should have been included but have not been, except as indicated below.

On 19 February 2024 the Parent Company acquired 58,000 shares at 3.40 euros each, increasing the Company's own shares by 197,200 euros.

On 21 February 2024, the Parent Company acquired 24,000 shares at 3.40 euros each, increasing the Company's own shares by 81,600 euros.

On 14 March 2024, the Parent Company acquired 75.04% of the share capital of Web Partners Madrid, S.L. for a fixed amount plus a variable amount depending on the future performance of the acquired company.

JUNGLE21, S.A.

Annual Accounts for the financial year 2023

Includes Annual Accounts Audit Report

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INDEPENDENT AUDITOR'S REPORT ON THE ABRIDGED ANNUAL ACCOUNTS

(Translation of a report and abridged annual 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)

To the shareholders of Jungle21, S.A.

Opinion

We have audited the annual accounts of Jungle21, S.A. (the Company) which comprise the balance sheet at 31 December 2023, the income statement, the statement of changes in equity, the statement of cash flows and the notes to the annual accounts for the year then ended.

In our opinion, the accompanying annual accounts present, in all material respects, a true and fair view of the equity and the financial position of the Company at 31 December 2023, and of the results of its operations and cash flows for the year then ended, in accordance with the applicable framework of financial reporting standards (which is identified in note 2.a) to the annual accounts and, in particular, in compliance with the accounting principles and criteria contained in that framework.

Basis for opinion

We conducted our audit in accordance with the current Spanish standards for auditing accounts. Our responsibilities under those standards are further described in the *Auditor´s responsibilities for the audit of the annual accounts* section of our report.

We are independent of the Company in accordance with the ethical requirements, including those relating to independence, that are applicable to our audit of the annual accounts in Spain, as required by the regulations governing the auditing of accounts. In this regard, we have not provided any services different to the audit of accounts and no situations or circumstances have arisen that, based on the aforementioned regulations, might have affected the required independence in such a way that it could have been compromised.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Most relevant audit aspects

The most relevant audit aspects of the audit are those that, in our professional judgement, were considered as the most significant material misstatement risks in our audit of the abridged annual accounts of the current period. These risks were addressed in the context of our audit of the abridged annual accounts as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these risks.

Revenue recognition

As mentioned in note 1, the Company derives its revenues mainly from advertising activities. In accordance with the applicable financial reporting framework and as disclosed in note 4.k of the notes to the consolidated financial statements, the total transaction price of a contract is allocated to the various performance obligations on the basis of their relative stand-alone selling prices. The transaction price of a contract excludes any amounts collected on behalf of third parties. Revenue is recognised over time when (or as) the Company satisfies performance obligations by transferring promised services to its customers. Given the significant nature of the timing of revenue recognition, we consider this to be the most significant risk of material misstatement in relation to revenue.

Our key audit procedures at year-end 2023 included, among other things, obtaining an understanding of management's established revenue recognition policies and procedures substantive testing of the revenue recognition process by obtaining external confirmations for a sample of customers receivable by performing and, where appropriate, alternative testing procedures using subsequent proof of collection or supporting sales documentation. In addition, based on a sample of invoices close to both year-end and the beginning of the following year, we have verified the correct recognition of the revenue in the appropriate period. Finally, we have assessed whether the information disclosed in the annual accounts complies with the requirements of the applicable financial reporting framework.

Investments in group and associated companies

Investments in the equity of group and associated companies, amounting to Euros 4.611 thousand, are held in various companies engaged in different activities related to the audiovisual sector. In accordance with the applicable financial reporting regulatory framework, the need to make valuation adjustments to investments based on their recoverable amount must be assessed at least at year end. The methods permitted for calculating the recoverable amount are various and require the calculation of fair values, the calculation of present values of cash flows and the identification of unrealised gains, all of which are areas in which there is a high degree of judgement and estimation, as slight changes in the variables and assumptions used can have a significant impact on the determination of these in relation to equity investments.

The possible impairment loss on this class of financial assets is calculated as the difference between their carrying amount and the present value of the estimated future cash flows to be generated, discounted at the effective interest rate at the reporting date. The calculation of present values of estimated cash flows involves a high degree of judgement and estimation, as slight changes in the variables and assumptions used may have a significant impact on their determination.

Accordingly, the matters described in the preceding paragraphs were significant in our audit.

In connection with the matters referred to above, we performed a number of audit tests, applying certain procedures as set out below:

- We tested the numerical accuracy of the calculations made by the Company's management for each of the criteria used.

- We tested, involving our valuation specialists where necessary, the consistency of the estimation process performed by the Company's management and corroborated the appropriateness of the methods used.

Emphasis of matter

We draw attention to note 2e of the notes to the financial statements, which describes that the Company has a negative working capital of EUR 618 thousand. In the opinion of the Board of Directors, its payment obligations

are adequately covered due to changes in the business model in previous years, which is leading to an increase in the activity through which the Company is able to meet its obligations to third parties. Consequently, the Company's directors present these annual accounts on a going concern basis, considering that it will continue to carry on its business as usual during the coming year. Our opinion has not been modified in this respect.

Other information: Directors' report

Other information comprises exclusively the directors' report for the 2023 financial year. The directors of the Company are responsible for preparing this report, which does not form an integral part of the annual accounts.

Our audit opinion on the annual accounts does not cover the directors' report. In accordance with the regulations governing the auditing of accounts, our responsibility regarding the directors' report includes evaluating and reporting on the consistency of the directors' report with the annual accounts, based on the knowledge of the Company obtained during our audit of those accounts, as well as evaluating and reporting on whether the content and presentation of the directors' report meet the requirements of the applicable regulations. If, as a result of our work, we conclude that there are material misstatements, we are required to report that fact.

Based on the work performed, as described in the preceding paragraph, the information contained in the directors' report is consistent with that disclosed in the annual accounts for the year 2023 and its content and presentation meet the requirements of the applicable regulations.

Responsibility of the directors for the annual accounts

The directors are responsible for the preparation of the accompanying annual accounts, so that they show a true and fair view of the equity, the financial position and the results of the Company, in accordance with the framework of financial reporting standards applicable to the Company in Spain and for such internal control that they consider necessary to enable the preparation of annual accounts that are free from material misstatements, whether due to fraud or error.

In preparing the annual accounts, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor´s responsibilities for the audit of the annual accounts

Our objectives are to obtain reasonable assurance about whether the annual accounts 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 the current Spanish regulations for auditing accounts 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 annual accounts.

(*) As part of an audit in accordance with current Spanish regulations for auditing accounts, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

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

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

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

- Conclude on the appropriateness of the directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention to this in our auditor's report to the related disclosures in the annual accounts or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

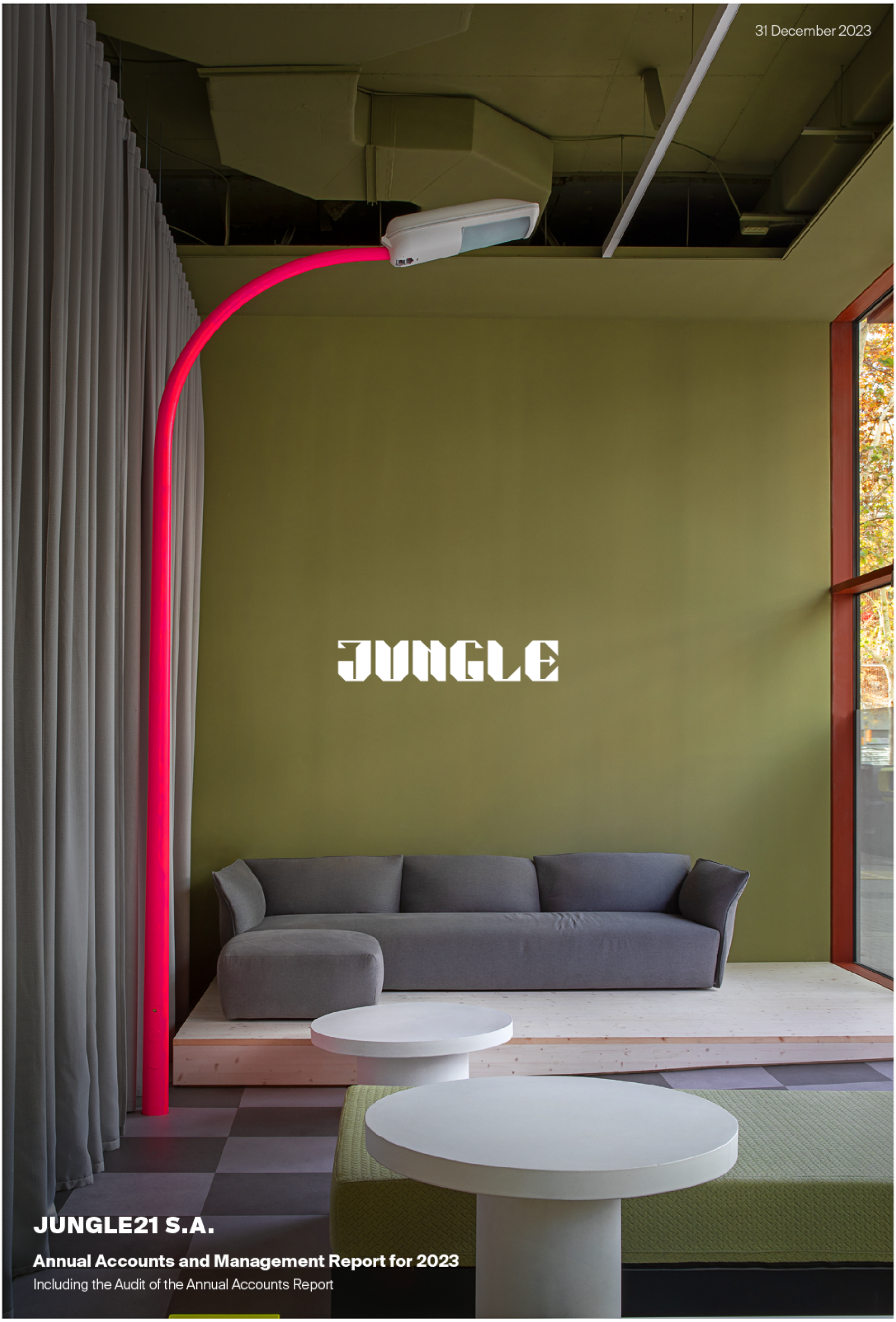
- Evaluate the overall presentation, structure and content of the annual accounts, including the disclosures, and whether the annual accounts represent the underlying transactions and events in a manner that achieves a true and fair view.

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

From the significant risks communicated to the directors of the Company, we determine those risks that were of most significance in the audit of the annual accounts of the current period and are, therefore, the risks considered most significant.

We describe these risks in our auditor's report unless law or regulation precludes public disclosure about the matter.

31 December 2023



JUNGLE21 S.A.

Annual Accounts and Management Report for 2023

Including the Audit of the Annual Accounts Report

Management Report

1. Evolution of the business and position of the company

In general terms, 2023 has been a year in which the model has evolved, given that, as we mentioned in 2022, JUNGLE stopped providing services as a company under the PS21 brand – services which from 2023 are now managed by PS21 Creative, S.L., a company created for this purpose. In this way, JUNGLE transitions to providing cross-divisional services to other companies within the Group, such as management, finance, communication or human resources.

Year 2023 closes with a revenue of €5.7 million, of which €4 million correspond to Gross Margin, the measure used by the company as a reference for its management. The Gross Margin is calculated by deducting the costs of sales due to third-party expenses from the total income.

Creativity still represents our most valuable asset. In this regard, 2023 has been an excellent year for the JUNGLE Group, consolidating PS21 as a leading brand in Spain, and obtaining the Best Agency award from Eficacia Awards for the second consecutive year. These awards – possibly the most relevant in our industry from an advertiser and brand standpoint – show that well-applied creativity has the ability to generate value, business opportunities and sustainable growth for companies. In addition, with these same awards, MeMe won third place in the Best Agency category, being 2023 the first year in which it competes.

In September 2023, JUNGLE opened new offices in Barcelona's @22 technology district. This expansion provides us with the opportunity to strengthen our presence in Catalonia and promote collaboration and synergies among the teams of our different companies there. These new facilities will allow us to be closer to our clients in the region and will contribute to our continued development and success in the Catalan market.

In relation to our ESG strategy, in 2023 we continue being certified as a B-Corp company. This certification ensures that the Group is part of a global community of business leaders who drive business forward as a positive force for the common good. This achievement reflects the JUNGLE Group's strong commitment to sustainability, corporate responsibility and creating a positive impact on all aspects of our operation.

2. Results and evolution of the company

At the individual level, JUNGLE's ambition is to continue to provide value to the rest of the Group's companies, encompassing those cross-sectional services that help them grow at the set pace and incorporate new lines of business.

The Group's evolution this year has been extremely satisfactory (data available in the consolidated annual accounts). The individual company's pre-tax result is €2.33 million, €2.28 million after-tax, generated mostly by dividends received from the Group's different companies.

In addition, we have added new profiles this year in the management, finance and human resources areas, and given continuance to the M&A team, thus helping to continue to foster both the organic growth of the companies and future new acquisitions.

3. Use of financial instruments

The company is in a good financial position, although working capital is negative (positively evolving from the previous year) due to investments made in the purchase of new companies. It should be noted that these new companies were acquired according to an earn-out model, so their valuation is conditioned on future growth, which in turn will generate a greater profit and increase the value of the Group itself in the following years.

The analysis of the cash flow for the next 12 months shows that the company is able to secure its short-term financing needs through the generation of cash in the same period.

Therefore, there is no liquidity risk or cash flow risk, and we have the proper solvency to be able to meet the set estimates and ambition.

4. Research and development activities

There were no changes in 2023 with regards to 2022 and there are no research and development activities other than those explained in note 5 of the annual report and activated in accordance with the conditions indicated in the recognition and measurement standards outlined in Note 4a of the annual report itself.

5. Treasury Stock

In 2022, 91,098 shares were acquired for the value of €25,001.34 through the deed signed before a notary public on 21 December 2022.

During 2023, a total of 139,350 own shares were acquired for a value of €478,565, with 368,119 own shares being disposed of, whose cost amounted to €230,046, generating a positive result of €1,028,087 against reserves.

The shares held by the Parent Company on 31 December 2023, are as follows:

Treasury stock	Number	Average acquisition price	Total acquisition cost
At the end of financial year 2023	684,542	0.67	460,803

On the date these consolidated annual accounts are drawn up, the Board of Directors of the Parent Company has not made a decision on the final intended destination for the aforementioned own shares.

6. Average payment period

The average payment period to Group suppliers as of 31 December 2023 is as follows:

	2023	2022
	Days	Days
Average period of payment to suppliers	74.51	64
Ratio of transactions paid	72.59	67
Ratio of transactions pending payment	114.95	42

	2022	2022
	Amount	Amount
Total payments made	625,601	2,101,428
Total outstanding payments	29,675	296,613

	2022	2022
Volume of invoices paid within the legal timeframe	160,485	1,013,492
Number of invoices paid within the legal timeframe	342	476
Percentage of volume of invoices paid within the legal timeframe over the total volume of invoices paid (%)	26%	48%
Percentage of number of invoices paid within the legal timeframe over total number of invoices paid (%)	72%	58%

The average payment period to suppliers is longer than the established legal period of 60 days. This is because the company makes payments on one day per month. The company is working to reduce that pay period and come within the legal term.

7. Subsequent events

Since the closing date of the fiscal year to which these Consolidated Financial Statements refer, and up to the date of formulation of these Consolidated Financial Statements, no events or circumstances have occurred that should have been included in the Consolidated Financial Statements but have not been, except as indicated below.

On February 19, 2024 the Parent Company acquired 58,000 shares at 3.40 euros each, increasing the Company's own shares by 197,200 euros.

On February 21, 2024, the Parent Company acquired 24,000 shares at 3.40 euros each, increasing the Company's own shares by 81,600 euros.

On March 14, 2024, the Parent Company acquired 75.04% of the share capital of the company Web Partners Madrid, S.L.

8. Outlook for the Company

In October 2023, the Group has developed its Strategic Plan for the next 1,000 days, thus establishing the roadmap that will guide the company's actions during the 2024-2026 period.

In the next 1,000 days, the company plans to drive its growth through the acquisition of other companies, which supplement the Group's current services.

The Group's motivation to seek accelerated growth stems from the need to serve large accounts that demand suppliers with minimum income levels, which can be difficult for most independent companies to achieve. In this industry, turnover is a fundamental factor in achieving stability, security, talent retention and the ability to attract the best professionals.

Therefore, through these acquisitions, and the organic growth of the existing businesses, the Group aspires to maintain the positive growth in terms of revenue, results and profitability, it has experienced over the past few years.

Individual annual accounts

JUNGLE 21, S.A.

Balance Sheet as of
31 December 2023 (expressed in euros)

ASSETS	Note	31/12/2023	31/12/2022*
NON-CURRENT ASSETS		7,229,939	5,873,896
Intangible fixed assets	**5**	**146,834**	**306,688**
Development		146,834	277,192
IT applications		--	1
Research		--	29,496
Tangible fixed assets	**6**	**1,007,756**	**689,145**
Technical facilities and other tangible fixed assets		1,007,756	689,145
Long-term investments in group and associated companies		**4,610,956**	**4,323,456**
Equity instruments	9	4,610,956	4,323,456
Long-term financial investments	**8**	**1,006,045**	**47,476**
Equity instruments		140,000	15,000
Loans to third parties		800,000	--
Other financial assets		66,045	32,476
Deferred tax assets	**13**	**458,348**	**507,130**
CURRENT ASSETS		**2,453,696**	**2,208,017**
Inventories		**6,146**	**2,101**
Advance payments to suppliers		6,146	2,101
Commercial debtors and other accounts receivable		**499,197**	**1,299,410**
Clients from sales and provision of services	8	316,561	680,956
Clients, group and associated companies	8	182,609	612,940
Other loans with public administrations	13	28	5,514
Short-term investments in group and associated companies		**--**	**25,000**
Other financial assets	8	--	25,000
Short-term financial investments		**10,000**	**10,000**
Other financial assets	8	10,000	10,000
Short-term accruals		**95,509**	**114,822**
Cash and other cash equivalents		**1,842,844**	**756,684**
Cash		1,842,844	756,684
TOTAL ASSETS		**9,683,635**	**8,081,913**

*Restated (Note 2.i)

JUNGLE 21, S.A.

Balance Sheet as of
31 December 2023 (expressed in euros)

SHAREHOLDERS' EQUITY AND LIABILITIES	Note	31.12.2023	31.12.2022*
SHAREHOLDERS' EQUITY		**3,876,518**	**1,700,699**
Own funds	**11**	**3,876,518**	**1,700,699**
Capital		**165,862**	**165,862**
Issued capital		165,862	165,862
Reserves		**1,888,332**	**383,427**
Legal and statutory reserves		33,173	33,173
Other reserves		1,855,159	350,254
(Shares and shareholdings in own equity)		**(460,803)**	**(212,283)**
Profit and loss for the financial year	**3**	**2,283,127**	**1,363,693**
NON-CURRENT LIABILITIES		**2,735,272**	**2,462,940**
Long-term debts	**10**	**2,735,272**	**2,462,940**
Debts with credit institutions		2,196,681	1,715,414
Other financial liabilities		538,592	747,527
CURRENT LIABILITIES		**3,071,845**	**3,918,274**
Short-term debts	**10**	**2,389,593**	**2,846,033**
Debts with credit institutions		2,231,658	2,278,177
Other financial liabilities		157,935	567,856
Short-term debts with group and associated companies	**10**	**150,000**	**--**
Commercial creditors and other accounts payable		**532,252**	**1,072,240**
Suppliers	10	29,645	306,939
Sundry creditors	10	106,016	166,589
Personnel (remunerations pending payment)	10	355	8,438
Other debts with public administrations	13	291,235	590,274
Advance payments from clients	10	105,000	--
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**9,683,635**	**8,081,913**

*Restated (Note 2.i)

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JUNGLE 21, S.A.

Profit and Loss Account for the financial year ended on 31/12/2023 (expressed in euros)

	Note	2,023	2,022
CONTINUING OPERATIONS			
Net turnover:	**14**	**7,969,053**	**6,210,627**
Provision of services		7,969,053	6,210,627
Provisioning:	**14**	**(1,751,870)**	**(2,254,069)**
Works carried out by other companies		(1,751,870)	(2,254,069)
Other operating income:		**17,324**	**1,614,186**
Ancillary income and others from current operations		--	1,614,000
Operating grants included in the profit and loss for the year		17,324	186
Personnel expenses:	**14**	**(1,812,486)**	**(3,255,488)**
Wages, salaries and similar expenses		(1,525,819)	(2,647,120)
Social contributions		(286,667)	(608,368)
Other operating expenses	**14**	**(1,386,296)**	**(1,263,097)**
External services		(1,371,959)	(1,193,254)
Taxes		(8,287)	(8,604)
Losses, impairment and variation of provisions due to commercial operations		(6,050)	(61,239)
Depreciation of fixed assets	**5, 6**	**(383,694)**	**(334,075)**
Other profits or losses		**30,185**	**(50)**
OPERATING PROFIT AND LOSS		**2,682,216**	**718,034**
Financial income:		**140**	**920,005**
From interests in equity instruments		--	920,000
In group and associated companies	**16**	--	920,000
From negotiable securities and other financial instruments		140	5
From third parties		140	5
Financial expenses:		**(159,853)**	**(91,116)**
Due to debts with group and associated companies		--	(5,580)
Due to debts with third parties		(159,853)	(85,536)
Change in fair value of financial instruments		**(190,162)**	**(11,750)**
Fair value with changes in profits and losses	16	(190,162)	(11,750)
Exchange differences		**(432)**	**(913)**
FINANCIAL PROFIT AND LOSS		**(350,307)**	**816,225**
PROFIT AND LOSS BEFORE TAXES		**2,331,909**	**1,534,259**
Taxes on profits	**13**	**(48,782)**	**(170,566)**
PROFIT AND LOSS FOR THE FINANCIAL YEAR FROM CONTINUOS OPERATIONS	**3**	**2,283,127**	**1,363,693**
PROFIT AND LOSS FOR THE FINANCIAL YEAR		**2,283,127**	**1,363,693**

JUNGLE 21, S.A.

Statement of Changes in Equity for the financial year ended on 31/12/2023 (expressed in euros)

A) STATEMENT OF RECOGNISED INCOME AND EXPENSES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	Note	2,023	2,022
Results of the profit and loss account	3	**2,283,127**	**1,363,693**
Total income and expenses directly attributed in shareholders' equity		--	--
Total transfers to the profit and loss account		--	--
TOTAL RECOGNIZED INCOME AND EXPENSES		**2,283,127**	**1,363,693**

B) TOTAL STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	Note	Issued capital	Reserves	(Shares in own equity)	Profit/loss for the year	(Interim dividend)	TOTAL
BALANCE AT END OF YEAR 2021		**165,862**	**220,455**	**(187,282)**	**1,862,972**	**(1,700,000)**	**362,007**
Adjustments for changes in criteria of 2021 and previous years		--	--	--	--	--	--
Adjustments for errors in 2021 and previous years		--	--	--	--	--	--
ADJUSTED BALANCE AT START OF YEAR 2022		**165,862**	**220,455**	**(187,282)**	**1,862,972**	**(1,700,000)**	**362,007**
Total recognised income and expenses		--	--	--	1,363,693	--	1,363,693
Other changes in shareholders' equity		--	162,972	(25,001)	(1,862,972)	1,700,000	(25,001)
BALANCE AT END OF YEAR 2022	**11**	**165,862**	**383,427**	**(212,283)**	**1,363,693**	--	**1,700,699**
Adjustments for change in criteria of 2022		--	--	--	--	--	--
Adjustments for errors in 2022		--	--	--	--	--	--
ADJUSTED BALANCE AT START OF YEAR 2023		**165,862**	**383,427**	**(212,283)**	**1,363,693**	--	**1,700,699**
Total recognised income and expenses		--	--	--	2,283,127	--	2,283,127
Transactions with shareholders or owners		--	141,212	(248,520)	--	--	(107,308)
(-) Distribution of dividends	**3**	--	(886,875)	--	--	--	(886,875)
Operations with own shares or ownership interests (net)	**11.c**	--	1,028,087	(248,520)	--	--	779,567
Other changes in shareholders' equity	**3**	--	1,363,693	--	(1,363,693)	--	--
BALANCE AT END OF YEAR 2023	**11**	**165,862**	**1,888,332**	**(460,803)**	**2,283,127**	--	**3,876,518**

JUNGLE 21, S.A.

Cash Flow Statement for the financial year ending 31/12/2023 (expressed in euros)

	Note	2,023	2,022
CASH FLOWS FROM OPERATING ACTIVITIES		**3,181,689**	**1,965,705**
Profit and loss for the year before tax		**2,331,909**	**1,534,259**
Adjustments to profit and loss:		**(1,509,949)**	**(420,911)**
Depreciation of fixed assets (+)		383,694	334,075
Valuation corrections for impairment (+/-)		6,050	61,239
Financial income (-)		(2,250,140)	(920,005)
Financial expenses (+)		159,853	91,116
Exchange differences (+/-)		432	913
Change in fair value of financial instruments (+/-)		190,162	11,750
Changes in working capital:		**250,130**	**(6,635)**
Inventories (+/-)		(4,044)	5,669
Debtors and other accounts payable (+/-)		794,163	(135,176)
Creditors and other accounts payable (+/-)		(539,989)	122,872
Other cash flows from operating activities:		**2,109,600**	**858,991**
Interest payments (-)		(159,853)	(91,116)
Collection of dividends (+)		2,250,000	920,000
Collection of interest (+)		140	5
Collection (payments) due to tax on profits (-/+)		--	76,577
Other payments (collections) (-/+)		19,313	(46,475)
CASH FLOWS FROM INVESTMENT ACTIVITIES		**(1,953,681)**	**(2,356,191)**
Payments due to investments (-):		**(1,978,681)**	**(2,356,191)**
Group and associated companies		(477,661)	(1,745,541)
Tangible fixed assets		(542,450)	(611,200)
Other financial assets			550
Other assets		(958,569)	--
Collections due to de-investments (+):		**25,000**	**1**
Group and associated companies		25,000	--
Intangible fixed assets		--	1
CASH FLOWS FROM FINANCING ACTIVITIES		**(141,848)**	**995,221**
Collections and payments from equity instruments		**329,567**	**(25,001)**
Acquisition of equity instruments (-)		(478,565)	(25,001)
Disposal of equity instruments (+)		808,132	--
Collections and payments due to financial liabilities instruments:		**415,892**	**1,021,136**
Issue:		2,811,925	2,643,872
Debts with credit institutions (+)		2,712,925	2,643,872
Debts with group and associated companies (+)		150,000	--
Other debts (+)		(51,000)	--
Repayment and amortisation of:		(2,396,033)	(1,622,737)
Debts with credit institutions (-)		(2,278,177)	(1,622,737)
Other debts (-)		(117,856)	--
Payments for dividends and remuneration from other equity instruments		**(886,875)**	**--**
Dividends (-)		(886,875)	--
Effect of exchange rate changes		**(432)**	**(913)**
NET INCREASE/ DECREASE OF CASH AND CASH EQUIVALENTS		**1,086,160**	**604,735**
Cash and cash equivalents at the start of the year		756,684	151,949
Cash and cash equivalents at the end of the year		1,842,844	756,684

1) Activity

The company JUNGLE21, S.A., parent company of the Group, was incorporated as a corporation on 17 May 2000. Its registered office is at Calle Antonio Maura, 16, in Madrid.

The corporate purpose of the Company, in accordance with its articles of association, is the creation, performance and execution of advertising projects and tasks related to the contracting, mediation and dissemination of advertising messages in any of its possible forms and means, including the performance of unconventional advertising activities. The execution of events, creation of campaigns, preparation of market research and promotional activities, design and any other activity concerning the organisation of public relations. The execution of activities directly or indirectly related to marketing, merchandising and other related or similar business activities. The creation and production of audio-visual and graphic productions, the construction and design of websites and other similar computer platforms. The performance of activities and the provision of services in the field of telecommunications, information and communications; in particular, the development of activities related to the internet and any other networks, including access activities, production activities, distribution and/or display of own or third-party content, portal activities, e-commerce activities and any other activities that may arise in this area in the future. Intermediation activities in transactions with securities and other assets. The acquisition, possession, administration, assignment and disposal of any form of shares, shareholdings, obligations, promissory notes, bills of exchange and any other securities, as well as the provision of services in the management, coordination, maintenance and optimisation of the resources of the companies in which the company invests, all on its own account.

JUNGLE21, S.A. and its subsidiaries are an ecosystem of creative companies dedicated to the provision of strategic consulting services, industrial design, advertising, communications, public relations, as well as the design of digital products and services. This includes a wide range of activities such as field and digital research, trend and anticipation analysis, brand strategy and design, industrial design, digital product and service creation, event production, advertising campaigns, brand content generation, digital and social strategy, public relations, influencer marketing and corporate communications.

In line with the growth of recent years, on 25 February 2022, the Euronext Board approved the incorporation of JUNGLE21, S.A. shares for trading in Euronext Access. The company has received the official letter of approval and the effective date for incorporation (first trading date) was 4 March 2022.

JUNGLE functions as a company and parent brand that connects and drives the rest of the Group's brands mentioned below. The companies operate independently under a house of brands model. The companies, as businesses, are 100% owned by JUNGLE.
The Group's functional currency is the euro.

In accordance with the provisions of the financial reporting framework, the Company records under "Revenue" in the accompanying income statement for the year 2023, its principal activity and due to the change in the business model of the Group of which the Company is the parent company, which corresponds to activities of the holding company, income from services rendered to Group entities in the area of administration and management, as well as income from dividends obtained from investees (see notes 14 and 16).

The functional currency of the Group is the euro.

The Board of Directors of the Parent Company prepares the Consolidated Financial Statements for the year 2022, on March 30, 2023 and they were approved on April 24, 2023, by the Ordinary General Shareholders' Meeting.

The Company is majority owned by MISS Valentine, S.L., which is the parent company of a group of subsidiaries and, in accordance with current legislation, is not obliged to prepare consolidated financial statements as it is exempt from this obligation, due to the small size of the Group. In any case, the Directors have prepared the Consolidated Financial Statements of JUNGLE and Subsidiaries, at a meeting of its Board of Directors held on March 15, 2024.

2) Basis of presentation of the annual accounts

a. True and fair view

In order to show a true and fair view of the equity, financial position, results, changes in net equity and cash flows for the corresponding financial year, the annual accounts – comprised of the balance sheet, profit and loss account, statement of changes in equity, cash flow statement and the annual report comprised of notes 1 to 18 – have been prepared from the accounting records, having applied the legal provisions in force in accounting matters*. S*pecifically, these legal provisions include the General Accounting Plan approved by the Royal Decree 1514/2007 of 16 November 2007, and its amendments approved by Royal Decree 1159/2010 of 17 September, by Royal Decree 602/2016 of 2 December, and by Royal Decree 1/2021 of 12 January.

Unless stated otherwise, all of the sums presented in this report are expressed in euros.

The annual accounts and the management report for financial year 2023 will be drawn up in a timely manner and – together with the corresponding audit report – will be submitted and stored in the Register of Companies within the legally established deadlines.

b. Accounting principles

The annual accounts have been prepared in accordance with obligatory accounting principles. There is no principle of accounting, which would have a significant effect, that has not been applied.

c. Critical aspects of the measurement and estimation of uncertainty

In producing the attached annual accounts, use has been made of the estimates performed by the Directors of the Company to measure the value of some of the assets, liabilities, revenues, expenses, and commitments included within them. These estimates, in essence, relate to:

- The useful life of intangible and tangible assets (notes 4a and 4b).
- The recoverability of intangible assets and tangible assets (note 4c).
- The recoverability of deferred tax assets (note 14 and 4g).
- The calculation of provisions, as well as the likelihood and amount of undetermined or contingent liabilities (note 4h).
- The recoverability of investments in group companies (note 4e.1.3).

These estimates have been made on the basis of the best available information up to the date of the drafting of these annual accounts, there being no fact in existence that could change these estimates. Any future event that is unknown at the time of drafting these estimates could lead to changes (increases or decreases), which would be implemented, if applicable, going forward.

d. Comparison of information

In accordance with commercial law, for each item in the balance sheet, the profit and loss account, the statement of changes in equity and the statement of cash flows, in addition to the figures for financial year 2023, those for the previous year are presented for comparative purposes. The annual report also includes quantitative information for the previous year, except when an accounting standard specifically states that it is not necessary.

e. Principle of the business as a going concern

The Company's Board of Directors has prepared the annual accounts based on the principle of the business operating as a going concern.

Current accounting regulations establish the going concern principle as a generally accepted accounting principle, on which the measurement of assets, their recovery over time and the calculation of liabilities are based.

At the close of the 2023 financial year, a negative working capital was recorded for the amount of €618,149 (€1,710,256 as of 31 December 2022, restated data).

In the opinion of the Board of Directors of the Company, its payment obligations are adequately covered due to the changes in the business model in previous financial years, which is causing an increase in the activity that will enable the company to manage its obligations with third parties. The transformation of the Company consists of radically changing the production and innovation models that aim to achieve more substantial economic results. The intention is to apply creativity throughout the value chain.

Consequently, taking into account the aforementioned points that are reflected in the good evolution of working capital which has reduced compared to the previous financial year, the Company has prepared the annual accounts for financial year 2023 under the principle of a going concern.

f. Grouping of entries

Specific entries in the balance sheet, the profit and loss account, the statement of changes to the net equity, and the cash flow statement are presented in a grouped manner in order to facilitate understanding, although, when relevant, the separate information has been included in the corresponding report notes.

g. Elements included in several entries

No element which has been recorded on two or more entries of the balance sheet has been identified during the drafting of the annual accounts.

h. Classification of current and non-current entries

Assets and liabilities are presented in the balance sheet as classified between current and non-current. For these purposes, assets and liabilities are classified as current when: they are linked to the Company's normal operating cycle and are expected to be sold, consumed, realised, or settled during the course of the same, they are different from the above and their expiration, disposal or realisation is expected to occur within a maximum period of one year; and they are held for trading purposes or are treated as cash and other cash equivalents whose use is not restricted for a period of more than one year. Otherwise they are classified as non-current assets and liabilities.

i. Correction of errors

These 2023 annual accounts include adjustments made to comparative information as a result of applying during the financial year the provisions of section 2.6 of NRV (*Normas de registro y valoración contable* [Accounting recording and valuation standards]) 19 "Interim accounting" of the Financial Information Framework described in note 2.a of this report, to the 2022 figures. The correction amount for each of the affected items is as follows:

ASSETS	Note	31.12.2022	Adjustment	31.12.2022 Restated
NON-CURRENT ASSETS		**8,404,863**	**(2,530,967)**	**5,873,896**
Long-term investments in group and associated companies		**6,854,424**	**(2,530,967)**	**4,323,456**
Equity instruments	**10**	6,854,424	(2,530,967)	4,323,456
CURRENT ASSETS		**2,208,017**	**-**	**2,208,017**
TOTAL ASSETS		**10,612,880**	**(2,530,967)**	**8,081,913**

SHAREHOLDERS' EQUITY AND LIABILITIES	Note	31.12.2022	Adjustment	31.12.2022 Restated
SHAREHOLDERS' EQUITY		**1,700,699**	**-**	**1,700,699**
NON-CURRENT LIABILITIES		**5,224,534**	**(2,761,594)**	**2,462,940**
Long-term debts		**5,224,534**	**(2,761,594)**	**2,462,940**
Other financial liabilities	**11, 17**	3,509,120	(2,761,594)	747,527
CURRENT LIABILITIES		**3,687,647**	**230,627**	**3,918,274**
Short-term debts		**2,615,407**	**230,627**	**2,846,033**
Other financial liabilities	**11, 17**	337,229	230,627	567,856
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**10,612,880**	**(2,530,967)**	**8,081,913**

The company has made adjustments as a result of changes in the fair value of contingent considerations, after the revaluation of information relating to the facts and circumstances that existed on the acquisition date and that, if known, would have affected the amounts recognised on that date.

j. Relative importance

When determining the information to be broken down in this annual report on the different items of the financial statements or other matters, in accordance with the Conceptual Framework of the General Accounting Plan, the Company has taken into account the relative importance in relation to the annual accounts for financial year 2023.

3) Application of the profit and loss

The proposal for the distribution of the results of financial year 2023 that was put forth by the Directors for approval by the General Shareholders' Meeting, is as follows:

Balance for purposes of distribution	
Profits and losses (results)	2,283,127
Total	2,283,127
Application	
To voluntary reserves	2,283,127
Total	2,283,127

On 24 April 2023, the General Shareholders' Meeting approved the distribution of the positive result for the financial year 2022, for the amount of €1,363,693, allocated to voluntary reserves.

On 24 April 2023, the General Meeting of the Parent Company approved the distribution of a dividend from the reserves to the amount of €886,875.

4) Recognition and measurement standards:

The main recording and valuation standards used for the drawing up of the annual accounts are as follows:

a. Intangible fixed assets

As a general rule, intangible fixed assets are recorded if they are identifiable and are initially recognised at their net acquisition cost or production cost, then subsequently reduced at the corresponding rate of accumulated depreciation and accounting for any impairment losses they might have suffered. In particular the following criteria apply:

a.1) Research and development expenses

As a general rule, expenses incurred in the year are recorded in the profit and loss account. However, the Company considers these expenses as research expenses if the following conditions are met:

- They are specifically individualised by projects and their cost is clearly established so that they can be distributed over time.
- A strict relationship can be established between the research project and the objectives pursued and obtained.

For its part, the Company considers the expenses incurred as development expenses when, in addition to the above requirements, the following conditions are met:

- There are justified reasons for the technical success and economic-commercial profitability of the project, as well as the availability of the relevant technical or other resources to complete them.
- The financing of the various projects is reasonably assured so as to sell or use them after their completion.

The research expenses shown under assets are amortised linearly over their useful life, which is estimated to be five years. For its part, development expenses are amortised linearly according to a systematic plan over the course of their useful life, which is estimated to be five years, with the amortisation starting from the date of completion of the project.

In the event of any changes to the favourable circumstances of the project that allowed for the capitalisation of research and development expenses, the part pending amortisation is recorded as a loss within the profit and loss account in the year in which they may have changed. Likewise, in the event that there are reasonable doubts about the technical success or economic-commercial profitability of the project, they are also directly attributed to losses for the financial year.

Development expenses are also recognised under assets when they meet the above conditions.

The research and development expenses shown under assets are amortised linearly over their useful life (5 years), with a maximum of five years.

a.2) IT applications

This concept includes the amounts paid for access to the ownership of or the right to use computer programs.

The computer programs that meet the recognition criteria are recognised at their cost of acquisition or development. Depreciation is carried out linearly over a period of 5 years starting from the first use of each application.

The maintenance costs of the IT applications are expensed in the year in which such costs are incurred.

b. Tangible fixed assets

Tangible fixed assets are stated at acquisition or production cost plus any revaluations in accordance with that stipulated by various legal provisions – the latest of which being the Royal Decree Law 7/1996 of 7 June – minus any accumulated depreciation and any impairment losses.

In addition, financial expenses accrued during the construction period that are directly attributable to the acquisition or manufacture of the asset are included, provided that a period of more than one year is required for it to be in conditions of use.

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

The initial estimate of the present value of the obligations assumed as a result of dismantling or withdrawal and other obligations associated with that asset – such as the costs of restoring the site on which it is located – is included as the greater value of the tangible fixed asset, provided that these obligations give rise to the recording of provisions.

The costs of expansion, modernisation or improvements that represent an increase in productivity, capacity or efficiency, or a lengthening of the useful life of the assets, are accounted for as a higher cost of the assets. Upkeep and maintenance expenses are charged to the profit and loss account for the financial year in which they are incurred.

The work carried out by the Company on its own fixed assets is reflected on the basis of the cost price of raw materials and other consumables, the costs directly allocable to these assets and a reasonable proportion of indirect costs.

The Company depreciates its tangible fixed assets using the linear method. The years of useful life applied are as follows:

Item	%	Years of useful life
Buildings	20	5
Furniture	15	7
Information processing equipment	25	4
Transport items	15	7
Other tangible fixed assets	10	10

c. Impairment of the value of non-financial assets

At the end of each year, or whenever there are indications of impairment, the Company conducts an "impairment test" to estimate any impairment losses that may reduce the recoverable amount of these assets to an amount lower than their book value.

The recoverable amount is determined as the greater value between their fair value less cost of sales and their value in use.

The recoverable values are calculated for each cash-generating unit, although in the case of tangible fixed assets, whenever possible, the impairment calculations are performed individually, item by item.

d. Leasing and other operations of a similar nature

The Company recognises as finance leases transactions whereby the lessor transfers substantially all the risks and rewards of ownership of the asset covered by the contract to the lessee and the remainder is recognised as operating leases.

d.1) Operational leasing

Income and expenses derived from operating lease agreements are recognised in the profit and loss account in the year in which they accrue.

Likewise, the acquisition cost of the leased property is presented in the balance sheet according to its nature, plus the amount of the contract costs directly attributable, which are recognised as an expense during the term of the contract, applying the same criteria used for the recognition of the lease income.

Expenses derived from operating lease agreements are recognised in the profit and loss statement in the year in which they accrue.

Any collection or payment made under an operating lease is treated as an advance collection or payment, which is charged to profit and loss over the lease term as the benefits of the leased asset are transferred or received.

e. Financial instruments

At the time of initial recognition, the Company classifies financial instruments as a financial asset, a financial liability or an equity instrument, based on the economic fund of the transaction, and taking into account the definitions of financial asset, financial liability and equity instrument, of the financial reporting framework that applies to it, which has been outlined in note 2.a.

The recognition of a financial instrument occurs at the time when the Company becomes a party bound by an obligation to it, either as an acquirer, as a holder or as an issuer thereof.

e.1) Financial assets

The Company classifies its financial assets according to the business model that applies to them and the characteristics of the cash flows from the instrument.

The business model is determined by the Management of the Company and reflects how each group of financial assets is jointly managed to achieve a specific business objective. The business model that the Company applies to each group of financial assets is the manner in which it manages them with the objective of obtaining cash flows.
The Company also considers the characteristics of cash flows that accrue when categorising assets. Specifically, it distinguishes between those financial assets whose contractual conditions give rise, on specified dates, to cash flows that are collections of principal and interest on the amount of outstanding principal (hereinafter, assets that meet the OPPI criterion), from other financial assets (hereinafter, assets that do not meet the OPPI criterion).

In particular, the financial assets of the Company are classified in the following categories:

e.1.1) Financial assets at amortised cost

These correspond to financial assets to which the Company applies a business model that has the objective of receiving the cash flows derived from the execution of the contract, and the contractual conditions of the financial asset give rise, on specified dates, to cash flows that are only collections of principal and interest on the amount of outstanding principal, even if the asset is admitted to trading in an organised market. As such, they are assets that meet the OPPI criteria (financial assets whose contractual conditions give rise, on specified dates, to cash flows that are collections of principal and interest on the amount of outstanding principal).

The Company considers that the contractual cash flows of a financial asset are only collections of principal and interest on the amount of the outstanding principal, when they are the cash flows inherent to an ordinary or common loan, without prejudice to the transaction being agreed at a zero or below-market interest rate. The Company considers that the following do not meet this criterion, and therefore, do not fall into this category: financial assets convertible into equity instruments of the issuer; loans with reverse variable interest rates (i.e. a rate that has an inverse relationship with market interest rates); or those in which the issuer may defer the payment of interest if such payment would affect its solvency, without deferred interest accruing additional interest.

When the Company evaluates whether it is applying the contractual cash flow collection business model to a group of financial assets, or on the contrary, it is applying another business model, it takes into account the timing, frequency and value of sales that are occurring and have occurred in the past within this group of financial assets. Sales themselves do not determine the business model and therefore cannot be considered in isolation. Therefore, the existence of one-time sales, within the same financial asset group, does not determine a change of business model for the other financial assets included within that group. To evaluate whether such sales determine a change in the 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 takes into account the conditions that existed at the time the past sales occurred and the current conditions, when evaluating the business model that it is applying to a group of financial assets.

In general, trade receivables and non-trade receivables are included in this category:

- Trade receivables: Those financial assets originating from the sale of goods and the provision of services from ordinary operations of the Company for deferred collection

- Non-trade receivables: Those financial assets that – provided they are not equity instruments or derivatives – have no commercial origin and whose collections are of a determined or determinable amount, derived from loan or credit transactions granted by the Company.

They are initially recorded at the fair value of the consideration paid plus directly attributable transaction costs.

Notwithstanding the foregoing, the trade receivables maturing in less than one year that do not have a contractual interest rate are initially valued at their nominal value provided that the effect of not adjusting the cash flows is not significant, in which case they will then be valued at that amount, unless they have been impaired.

After their initial recognition, they are valued at amortised cost. Accrued interest is accounted for in the profit and loss account.

At the end of the year, the Company makes the appropriate impairment measurement corrections whenever there is objective evidence that the value of a financial asset, or a group of financial assets with similar characteristics of collectively valued risks, has been impaired as a result of one or more events occurring after its initial recognition, resulting in a reduction or delay in the collection of estimated future cash flows, and that may be motivated by the debtor's insolvency.

Impairment adjustments are recorded based on the difference between their book value and the present year-end value of the future cash flows estimated to be generated (including those derived from the execution of real and/or personal guarantees), discounted at the effective interest rate calculated at the time of initial recognition. For financial assets at a variable interest rate, the Company uses the effective interest rate that, in accordance with the contractual conditions of the instrument, is applicable at the closing date of the financial year. These corrections are recognised in the profit and loss account.

e.1.2) Financial assets at cost

This category includes the following financial assets:

- Investments in the equity of group, multi-group and associated companies.

- The remaining investments in equity instruments whose fair value cannot be determined with reference to an active market, or cannot be reliably estimated, and derivatives that have such investments underlying them.

- Hybrid financial assets whose fair value cannot be reliably estimated unless it meets the criteria to be classified as a financial asset at amortised cost.

- Contributions made to joint venture agreements and similar accounts.

- Participation loans whose interest is contingent, either because a fixed or variable interest rate is agreed upon which is conditional on the borrower's fulfilment of a milestone (e.g. obtaining profits), or because they are calculated with reference to the evolution of the activity of the borrower.

- Any financial asset, which could initially be classified as a financial asset at fair value with changes in the profit and loss account, when it is not possible to obtain a reliable estimate of its fair value.

They are initially recorded at the fair value of the consideration paid plus directly attributable transaction costs. Fees paid to legal advisors, or other professionals, involved in the acquisition of the asset are expenses recorded in the profit and loss account. Expenses generated internally in the acquisition of the asset are also not recorded as a higher value of the asset, and are recorded in the profit and loss account. In the case of investments made before they are considered investments in the equity of a group, multi-group or associated company, the book value they have immediately before the asset is classified as such is considered the cost of said investment.

Equity instruments classified in this category are valued at their cost, minus any accumulated amount of impairment measurement corrections.

Contributions made as a result of a joint venture agreement and similar accounts are valued at the cost, increased or decreased by the profit or loss, respectively, corresponding to the company as a non-managing participant, and less, where appropriate, the accumulated amount of the measurement adjustments for impairment.

This same criterion applies to participation loans whose interest is contingent, either because a fixed or variable interest rate is agreed upon which is conditional on the fulfilment of a milestone in the borrowing company, or because they are calculated exclusively by reference to the evolution of the activity of the aforementioned company. If, in addition to a contingent interest, they include an irrevocable fixed interest, the latter is accounted for as financial income based on its accrual. Transaction costs are allocated to the profit and loss account on a straight-line basis over the life of the participation loan.

At least at the end of the year, the Company makes the necessary measurement corrections, provided there is objective evidence that the book value of an investment is not recoverable.

The amount of the measurement correction is calculated as the difference between its book value and the recoverable amount, understood as the greater of its fair value minus costs of sales and the present value of future cash flows derived 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 dividend distribution made by the investee company and the sale or derecognition of the investment in the investee company, or either by estimating its share of cash flows expected to be generated by the investee company, from both its ordinary activities and its disposal or derecognition.

The recognition of measurement corrections due to impairment in value and, where applicable, their reversal, will be recorded as an expense or income, respectively, in the profit and loss account. The impairment reversal will be limited to the book value of the investment that would be recognised on the reversal date if the impairment of the value had not been recorded.

However, where an investment has been made in the company prior to its recognition as a group, multi-group or associated company, and where prior to that recognition, measurement adjustments directly attributed to shareholders' equity arising from such an investment have been made, such adjustments are maintained after the recognition until the sale or disposal of the investment, when they are then recorded in the profit and loss account, or until the following circumstances occur:

- In the case of prior measurement adjustments for asset revaluations, impairment valuation corrections are recorded against the shareholders' equity item until the amount of previously recognised valuations is reached, and any surplus is recorded in the profit and loss account. The impairment measurement correction directly attributed to shareholders' equity is not subject to reversal.

- In the case of previous measurement adjustments for reductions in value, when the recoverable amount subsequently exceeds the book value of the investments, the latter is increased, up to the limit of the indicated reduction in value, against the shareholders' equity item into which the previous valuation adjustments were recorded, and from that moment on, the new amount arising is considered the cost of the investment. However, when there is objective evidence of impairment in the value of the investment, the losses accumulated directly in shareholders' equity are recognised in the profit and loss account.

The measurement criteria of investments in the equity of group, multi-group and associated companies, is detailed in the following section.

(a) Investments in the equity of group, multi-group and associated companies

Companies related to the Company by a control relationship are considered group companies, while associated companies are those over which the Company exercises a significant influence. Additionally, the multi-group category includes those companies over which, by virtue of an agreement, joint control is exercised with one or more partners. These investments are initially valued at their cost value, which will equate to the fair value of the consideration paid plus the transaction costs that are directly attributable to them. In those cases in which the Company has acquired the shareholdings in group companies through a merger, spin-off or through a non-monetary contribution, whereby the control of a business is transferred, the shareholding is valued following the criteria established by the particular standards for transactions with related parties, established under section 2 of NRV 21 on "Inter-company transactions". This states that these shareholdings should be valued by the amount that they contributed to the consolidated annual accounts, formulated in accordance with the criteria established by the Commercial Code, of the larger group or subgroup in which the acquired Company is integrated, whose parent company is Spanish. In the event that consolidated annual accounts – formulated in accordance with the principles established by the Commercial Code, where the parent company is Spanish – are not available, they will be integrated for the value that said shares contributed to the individual annual accounts of the contributing company.

Its subsequent valuation is carried out at its cost value less any accumulated amount of impairment valuation corrections. These corrections are calculated as the difference between their book value and the recoverable amount, with the latter being understood as the higher amount between its 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 shareholders' equity of the investee entity is taken into consideration, corrected for the tacit capital gains existing on the valuation date.

In the event that the subsidiary company in turn invests in another, the net equity derived from the consolidated annual accounts is taken into account.

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

e.1.3) Financial assets at fair value with changes in the profit and loss account

As a general criterion, the Company classifies its financial assets as financial assets at fair value with changes in the profit and loss account, unless they have to be classified in some other category of those indicated subsequently for them by the applicable regulatory financial reporting framework.

In particular, financial assets held for trading are classified within this category. The Company considers a financial asset to be held for trading when:

- It has originated or been acquired for the purpose of being sold in the short term,
- It forms part of a portfolio of financial instruments identified and jointly managed with evidence of recent actions for short-term gains at the time of initial recognition, or
- It is a derivative financial instrument, provided it is not a financial guarantee contract, nor has it been designated as a hedging instrument.

In any case, at the time of initial recognition, the Company classifies within this category any financial asset that it has designated as a financial asset at fair value with changes in the profit and loss account, because with this it eliminates or significantly reduces an inconsistency of measurement or accounting asymmetry that would arise if classified in any other of the categories.

They are initially recorded at their fair value, which, unless evidenced otherwise, will be the transaction price, which will be equivalent to the fair value of the consideration delivered. Transaction costs that are directly attributable to them are recognised as an expense in the profit and loss account.

After initial recognition, the Company records the assets included in this category at fair value, recording the changes in the profit and loss account.

e.1.4) Derecognition of financial assets

Financial assets are derecognised from the balance sheet, as established in the Conceptual Accounting Framework of the General Accounting Plan, approved by Royal Decree 1514/2007 of 16 November, taking into account the economic reality of the transactions and not just the legal form of the contracts that regulate them. Specifically, the derecognition of a financial asset is recorded – in whole or in any part – when the contractual rights to the cash flows of the financial asset have expired or have been transferred, provided that in such transfer the risks and benefits of ownership have been substantially transferred. The Company understands that the risks and benefits inherent in the ownership of the financial asset have been substantially assigned when its exposure to variation in cash flows ceases to be significant in relation to the total variation in the present value of net future cash flows associated with the financial asset.

If the Company has not substantially transferred or retained the risks and benefits of the financial asset, it is derecognised when no control is retained. If the Company maintains control of the asset, it continues to recognise it for the amount at which it is presented by the variations in value of the transferred asset, that is to say, for its continued involvement, recognising the associated liability.

The difference between the consideration received net of the attributable transaction costs, considering any new asset obtained less any assumed liability, and the book value of the financial asset transferred, plus any accumulated amount that has been recognised directly in the net equity, determines the gain or loss arising from derecognition of the financial asset and forms part of the profit or loss for the fiscal year in which it occurs.

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

e.2) Financial liabilities

A financial liability is recognised in the balance sheet when the Company becomes an obligated party to the contract or legal business in accordance with its provisions. In particular, financial instruments issued are classified, in whole or in part, as a financial liability, provided that, according to the economic reality thereof, they entail a contractual obligation, direct or indirect, for the Company to deliver cash or other financial assets or to exchange financial assets or liabilities with third parties under unfavourable conditions.

Additionally, any contract that may be settled with the Company’s own equity instruments is classified as a financial liability, provided that:

- It is not a derivative and requires or may require a variable amount of its own equity instruments to be delivered.

- If it is a derivative with an unfavourable position for the Company, which may be settled in a manner other than the exchange of a fixed amount of cash or other financial asset for a fixed amount of the Company's equity instruments. For these purposes, those that are, in themselves, contracts for the future receipt or delivery of the Company's own equity instruments are not included among the equity instruments.

Additionally, the rights, options or warrants that allow a fixed number of equity instruments belonging to the Company to be obtained are recorded as equity instruments, provided that the Company offers such rights, options or warrants proportionately to all shareholders of the same class of equity instruments. However, if the instruments give the holder the right to settle them in cash or by delivering equity instruments based on their fair value or at a fixed price, they are classified as financial liabilities.

Contributions made as a result of a joint venture agreement and similar accounts are valued at the cost, increased or decreased by the profit or loss, respectively, corresponding to the company as a non-managing participant, and less, where appropriate, the accumulated amount of the measurement adjustments for impairment. In this case, when the entire cost of the joint venture or similar account has been impaired, the additional losses generated by it will be classified as a liability.

Participation loans that accrue contingent interest – either because a fixed or variable interest rate is agreed upon which is conditional on the fulfilment of a milestone in the borrowing company (for example, obtaining profits), or because they are calculated exclusively by reference to the evolution of the activity of the aforementioned company – are recorded in the same way. Financial expenses accrued by the participation loan are recognised in the profit and loss account in accordance with the accrual principle, and transaction costs will be allocated to the profit and loss account in accordance with a financial criterion or, if not applicable, on a straight-line basis over the life of the participation loan.

In those cases in which the Company does not transfer the risks and benefits inherent to a financial asset, it recognises a financial liability in an amount equivalent to the consideration received.

The categories of financial liabilities, among which the Company classifies them, are as follows:

e.2.1) Financial liabilities at amortised cost

In general, the Company classifies the following financial liabilities within this category:

- Trade payables: are those financial liabilities that originate from the purchase of goods and services for ordinary operations with deferred payment, and

- Non-trade payables: are those financial liabilities that, not being derivative financial instruments, have no commercial origin, but that originate from loan or credit transactions received by the Company.

Participation loans that have ordinary or common loan characteristics are also classified within this category.

In addition, all financial liabilities that do not meet the criteria to be classified as financial liabilities at fair value with changes in the profit and loss account will be classified within this category.

Financial liabilities at amortised cost are initially valued at the fair value of the consideration received, adjusted for directly attributable transaction costs.

Notwithstanding the foregoing, trade payables maturing in under one year and which do not have a contractual interest rate – as well as the disbursements paid to third parties on shareholdings, which are expected to be paid in the short term – are initially valued at their nominal value, provided that the effect of not discounting the cash flows is not significant.

Subsequently, they are valued at their amortised cost, employing the effective interest rate. In line with that mentioned in the previous paragraph, those that are initially valued at their nominal value continue to be valued at said amount.

e.2.2) Derecognition of financial liabilities

The Company derecognises a financial liability when the obligation has been extinguished. The Company also derecognises its own financial liabilities that it may acquire (even with the intention of selling them in the future).

When there is an exchange of debt instruments with a lender, provided that they have substantially different conditions, the original financial liability is derecognised and the new financial liability that arises is recognised. Likewise, any substantial change in the current conditions of a financial liability is recorded.
The difference between the book value of the financial liability, or the part thereof that has been derecognised, and the consideration paid – including attributable transaction costs, and in which any transferred asset other than the cash or liability assumed is also collected – is recognised in the profit and loss account for the year in which it takes place.

When there is an exchange of debt instruments with no substantially different conditions, the original financial liability is not derecognised from the balance sheet, with the amount of fees paid being recorded as an adjustment of their book value. The new amortised cost of the financial liability is determined by applying the effective interest rate, which is the one that equals the book value of the financial liability on the date of being changed with the cash flows to be paid according to the new conditions.

For these purposes, the conditions of the contracts are considered to be substantially different when the lender is the same as the one that granted the initial loan and the current value of the cash flows of the new financial liability – including the net commission fees – differs by at least 10% of the current value of the cash flows pending payment of the original financial liability, with both being updated at the effective interest rate of the original liability. In addition, in those cases in which said difference is less than 10%, the Company also considers that the conditions of the new financial instrument are substantially different when there are other substantial modifications thereto of a qualitative nature, such as: change from fixed interest rate to variable interest rate or vice versa, the restatement of the liability in a different currency, an ordinary loan that is converted to a participation loan, etc.

The Company accounts for the effects of the approval of a creditors' agreement in the financial year in which it is approved by a judge, provided that its compliance is reasonably foreseen. For this purpose, the Company records said approval, setting up a record for it in two stages:

- First, it analyses whether there has been a substantial modification of the debt conditions for which it discounts the cash flows of the old and the new one using the initial interest rate, and then, if applicable (if the change is substantial),

- It records the derecognition of the original debt and recognises the new liability at fair value (which implies that the interest expense of the new debt is accounted for thereafter applying the market interest rate on that date).

e.3) Deposits delivered and received

The difference between the fair value of the guarantees provided and received and the amount disbursed or collected is considered to be an advance payment or collection for the lease or provision of the service, which is applied to the profit and loss account during the period of the lease or during the period in which the service is rendered.

In the case of short-term guarantees, cash flow discounting is not performed since its effect is not significant.

f. Transactions in foreign currencies

f.1) Monetary items

The conversion into functional currency of trade receivables and other accounts receivable, as well as trade payables and other accounts payable, expressed in foreign currency is carried out by applying the exchange rate in force at the time of carrying out the corresponding operation, being valued year-end in accordance with the exchange rate in effect at that time.

In the particular case of financial assets of a monetary nature classified as available for sale, the determination of the exchange differences produced by the exchange rate variation between the transaction date and the year-end closing date is made as if such assets were valued at amortised cost in the foreign currency, such that the exchange differences will be those resulting from variations in said amortised cost as a result of variations in exchange rates, regardless of their fair value.

The exchange rate differences that occur as a consequence of the measurement at the financial year close of the debits and credits in foreign currencies are entered directly into the profit and loss account.

g. Tax on profits

The expense or income relating to tax on profits is calculated by adding the current tax expense or income plus the part corresponding to the deferred tax expense or income.

The current tax is the amount that results from applying the tax rate to the taxable profit. Tax deductions and other tax benefits in the amount of tax, excluding tax withholdings and prepayments, as well as tax loss carryforwards from previous periods applied effectively in the period, will result in a reduction of the current tax.

For its part, the deferred tax expense or income corresponds to the recognition and cancellation of deferred tax assets for deductible timing differences, for the right to offset tax losses in subsequent financial years and for deductions and other unused tax advantages pending application and deferred tax liabilities for taxable temporary differences.

The deferred tax assets and liabilities are valued at the tax rates expected at the time of their reversal.

Deferred tax liabilities are recognised for all taxable timing differences, except for those arising from the initial recognition of goodwill or other assets and liabilities in a transaction that does not affect either the tax profit or the accounting profit and is not a business combination.

In accordance with the principle of prudence, the deferred tax assets are only recognised to the extent that obtaining future profits that would enable to apply them is considered likely. Notwithstanding the foregoing, the deferred tax assets corresponding to the deductible temporary differences arising from the initial recognition of assets and liabilities in a transaction that does not affect either the tax profit or the accounting profit and is not a business combination are not recognised.

Both the expenditure or income from current and deferred tax are entered in the profit and loss account. However, the current and deferred tax assets and liabilities that are related to a transaction or event recognised directly in a shareholders' equity item, are recognised with a charge or credit to said item.
The deferred taxes recorded are reviewed at each balance sheet date to verify that they are still in force and the appropriate corrections are made. Likewise, deferred tax assets recognised and those not previously recorded are evaluated, derecognising those recognised assets whose recovery is no longer probable, or recording any assets of this nature not previously recognised, to the extent that their recovery with future tax benefits becomes probable.

h. Provisions and contingencies

In the preparation of the annual accounts, the Directors of the Company differentiate between:

h.1) Provisions: Credit balances covering current obligations arising from past events, the settlement of which is likely to give rise to an outflow of resources, but which are undetermined as to their amount and/or timing.

h.2) Contingent liabilities: Possible obligations arising from past events, the future materialisation of which is conditional on the occurrence or non-occurrence of one or more future events independent of the Company's will.

The annual accounts include all the provisions with respect to which it is estimated that the probability that the obligation will have to be settled is greater than the opposite, and are recorded at the present value of the best possible estimate of the amount necessary to settle or transfer the obligation to a third party. Contingent liabilities are not recognised in the annual accounts, but rather are reported on in the annual report.

Provisions are measured at year-end at the present value of the best estimate of the amount required to settle or transfer the obligation to a third party, and adjustments arising from the restatement of those provisions are recorded as a financial expense as they accrue. In the case of provisions maturing in less than or equal to one year, and the financial effect is not significant, no discount rate is applied.

The compensation receivable from a third party on the settlement of the obligation does not decrease the amount of debt, but is recognised as an asset if there are no doubts that said reimbursement will be received.

i. Related party transactions

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

j. Expenses

Expenses are recognised using accrual basis, i.e. when the actual flow of the goods and services they represent occurs, regardless of when the resulting monetary or financial flow arises.

Expenses are measured at the fair value of the received consideration, deducting discounts and taxes.

k. Income

To determine whether income should be recognised, the Company follows a five-step process:

1. Identification of the contract with a client.
2. Identification of performance obligations.
3. Determination of the transaction price.
4. Allocation of transaction price to performance obligations.
5. Recognition of income when performance obligations are met.

The Company often conducts transactions that affect a number of products and services, for example for BBVA, Acciona, McDonald's, Inditex, KFC, or Pepsico.

In all cases, the total transaction price of a contract is distributed among the various performance obligations based on its relative independent sales prices. The transaction price of a contract excludes any amounts charged on behalf of third parties.

Ordinary income is recognised at a given time or over time, when (or as) the Company meets performance obligations by transferring promised goods or services to its clients.

The Company recognises liabilities for contracts involving a consideration received in relation to unmet performance obligations and presents these amounts as other liabilities in the balance sheet. Similarly, if the Company satisfies a compliance obligation before receiving the consideration, the Company recognises a contractual asset or a credit in its balance sheet, depending on whether something more than the passage of time is required before the consideration is due.

The Company is dedicated to the provision of creative services applied in the advertising line of business. The Company recognises revenue over time, as services are provided.

The Company grants credit to clients for 30 or 60 days from the invoice date. The financial effect is not discounted from the overall price of the transaction, when the directors consider that it is not significant.

In order to provide the services, the Company incurs salary expenses and, in some cases, production costs. Income from these benefits is recognised by the Company over time, to the extent it provides services to the client, and it is entitled to collect all work performed to date. The Company recognises income using the resource method, to measure the progress of the work performed and the satisfaction of the undertaken obligation. The Company adjusts the progress of the work as circumstances change and prospectively records the potential impact as an estimate change.

The income that the Company recognises over time is recognised as an asset under contract, to the extent that it is pending collection. If, on the contrary, the Company has collected payment in advance for work that it has not yet executed, it records a customer advance, under the heading “Commercial creditors and other accounts payable” in the balance sheet. There is no financial component within these types of contracts, to the extent that the Company receives advance collections to finance the cost of manufacturing the mould, which causes there to be no financial component in the price.

l. Cash flow statement

The statement of cash flows has been prepared using the indirect method, and it uses the following expressions with the meaning indicated below:

- Operating activities: activities that constitute the ordinary income of the company, as well as other activities that cannot be classified as investment or financing.
- Investment activities: activities of acquisition, or disposal by other means of long-term assets and other investments not included in cash and its equivalents.
- Financing activities: activities that produce changes in the size and composition of shareholders’ equity and liabilities that are not part of operating activities.

m. Assets and liabilities of an environmental nature

Tangible fixed assets intended to minimise environmental impact and improve the environment are valued at acquisition cost. The costs of expansion, modernisation or improvement that represent an increase in productivity, capacity, efficiency, or an extension of the useful life of these assets, are capitalised as a higher cost of the same. Repair and maintenance expenses incurred during the year are charged to the profit and loss account.

Expenses accrued for environmental activities carried out or for those activities carried out to manage the environmental effects of the Company’s operations are recorded in accordance with the accrual principle, i.e., when the actual flow of goods and services occurs that they represent, regardless of the monetary or financial flow derived from them.

5.) Intangible fixed assets

The balances and changes during the financial years, of the gross values, of accumulated depreciation and of measurement corrections, with the exception of goodwill, are as follows:

	Development	IT applications	Research	Total
Gross values				
Balance as of 01/01/2022	802,441	21,086	77,000	900,527
Balance as of 31/12/2022	802,441	21,086	77,000	900,527
Balance as of 31/12/2023	802,441	21,086	77,000	900,527
Accumulated depreciation				
Balance as of 01/01/2022	(364,762)	(19,419)	(32,104)	(416,285)
Amount allocated for depreciation	(160,488)	(1,667)	(15,400)	(177,555)
Balance as of 31/12/2022	(525,250)	(21,086)	(47,504)	(593,840)
Amount allocated for depreciation	(130,357)	(1)	(29,496)	(159,854)
Balance as of 31/12/2023	(655,607)	(21,086)	(77,000)	(753,693)
Net Book Value as of 31/12/2022	277,191	1	29,496	306,688
Net Book Value as of 31/12/2023	146,834	-	-	146,834

During the 2023 and 2022 financial years, the company did not record any additions or disposals of intangible fixed assets.

The development item is composed of the project to transform the Company’s production model through the acquisition in 2019 of the Estresarte Comunicación S.L. and Redbility S.L. companies and which was based on a new production model, which were activated when the conditions indicated in the recognition and measurement standards outlined in Note 4a) were met.

The amount of intangible fixed assets that were fully amortised at the end of financial year 2023 and 2022, amounted to €98,086 and €93,086 respectively, and corresponds to computer applications and research expenses.

6.) Tangible fixed assets

The balances and changes during financial years 2023 and 2022 of the gross values, of accumulated depreciation and of measurement corrections are as follows:

	Other facilities	Furniture	Information processing equipment	Transport items	Other fixed assets	Total
Gross values						
Balance as of 01/01/2022	620,237	171,908	362,930	160,863	8,026	1,323,964
Entries	2,914	492,654	115,632	-	-	611,200
Balance as of 31/12/2022	623,151	664,562	478,562	160,863	8,026	1,935,164
Entries	453,820	7,742	77,588	-	3,301	542,450
Balance as of 31/12/2023	1,076,971	1,118,382	556,150	160,863	11,327	2,477,614
Accumulated depreciation						
Balance as of 01/01/2022	(595,111)	(149,651)	(266,018)	(71,925)	(6,792)	(1,089,497)
Amount allocated for depreciation	(11,238)	(63,475)	(57,272)	(24,129)	(407)	(156,521)
Balance as of 31/12/2022	(606,349)	(213,126)	(323,290)	(96,054)	(7,199)	(1,246,019)
Amount allocated for depreciation	(44,759)	(80,576)	(67,912)	(24,129)	(6,463)	(223,839)
Balance as of 31/12/2022	(651,108)	(293,702)	(391,202)	(120,183)	(13,662)	(1,469,858)
Net Book Value as of 31/12/2022	16,802	451,436	155,272	64,809	827	689,145
Net Book Value as of 31/12/2023	425,863	824,680	164,948	40,679	(2,335)	1,007,756

The additions for financial year 2023 are mainly due to the opening of the new Barcelona office. The office is leased, but has required renovations to make it operational. During 2023 and 2022 fiscal years, no income was recorded from the disposal of fixed assets.

The gross value of the elements in use, which have been fully depreciated for 2023 and 2022, is as follows:

Account	Gross value as of 31/12/2023	Gross value as of 31/12/2022
Technical facilities	601,111	572,437
Furniture	156,172	99,433
Computer equipment	247,048	234,328
Other tangible fixed assets	4,800	4,800
	1,009,131	910,998

The Group has a policy of having insurance policies in place to cover the possible risks to which the various items of its tangible fixed assets are exposed. At the close of the 2023 and 2022 financial years there were no deficits in cover related with these risks.

7.) Leasing and other operations of a similar nature

a.1. Operational leasing

The minimum instalment payments for operational leases, contracted with the lessees, in accordance with the current contracts, are as follows:

	Pending instalments	
	Balance as of 31/12/2023	Balance as of 31/12/2022
Under one year	167,999	186,178
Between one and five years	281,931	449,930
	449,930	636,108

The amount of lease fees recognised as an expense are as follows (Note 14 d):

	2023	2022
Minimum lease payments	250,372	241,233
	250,372	241,233

As a lessee, the most significant operating lease contracts are as follows:

Lease of the office located at Calle Antonio Maura, 16. The lease agreement began on 23 October 2009, and the duration thereof is annual, with the possibility to renew it for additional periods at the will of the parties, considering the duration of the long-term contract. Likewise, the amounts for rent paid during the 2023 and 2022 financial years amounted to €167,698 and €183,670, respectively.

8.) Financial Assets

The book value of each of the categories of financial instruments established in the "Financial instruments" recognition and measurement standard, except for investments in the equity of group, multi-group and associated companies, which are detailed in note 16, is as follows:

	Long-term financial investments					
	Equity instruments		Loans, derivatives and others		Total	
	31.12.23	31.12.22	31.12.23	31.12.22	31.12.23	31.12.22
Categories:						
Financial assets at amortised cost						
Financial assets at cost	-	-	66,045	32,476	66,045	32,476
	940,000	15,000	-	-	940,000	15,000
	940,000	15,000	66,045	32,476	1,006,045	47,476

	Short-term financial investments					
	Equity instruments		Loans, derivatives and others		Total	
	31.12.23	31.12.22	31.12.23	31.12.22	31.12.23	31.12.22
Categories: Assets at fair value with changes in profit and loss:						
Trading portfolio	10,000	10,000	-	-	10,000	10,000
Financial assets at amortised cost	-	-	499,170	1,318,896	499,170	1,318,896
	10,000	10,000	499,170	1,318,896	509,170	1,328,896

Long-term financial investments at amortised cost, include the bonds for the leases held by the Company, the most significant being the bond for the office at Antonio Maura, 16, for the amount of €27,879, with undefined maturity whereby the lease agreement on said office is extended annually. The financial assets at cost heading shows shares totalling €140,000 in 2023 (€15,000 as of 31 December 2022), also with indeterminate maturity, of which, in 2023 the Company has contributed €125,000 to the ongoing capital increase of Materile Barcelona Proyectos, S.L. The shareholding is a minority stake, so it is not considered a group, associate or multi-group company. In addition, loans have been made to employees for the amount of €800,000, which mature five years from the date they were granted, and accrue market-rate interest, within the incentive plans approved by the Board of Directors of the Parent Company.

At the end of the 2023 financial year, within the category of short-term financial assets at amortised cost, the Company mainly records balances with clients to the amount of €316,651 (€680,956 at the close of 2022) and group company clients for the amount of €182,609 (€612,940 at the close of 2022).

The Company has recognised a credit impairment to the amount of €6,050 in financial year 2023, (€61,239 in 2022), corresponding to balances with clients, so the impaired balance is €153,890 at the end the financial year 2023 and €147,840 at the end of financial year 2022.

9.) Equity instruments in companies of the group, multi-group, and associated companies

The most relevant information relating to the group, multi-group and associated companies as of 31 December 2023, is the following:

31.12.23													
Name	Activity/ Domicile	% of direct shareholding	Capital	Reserves	Partner contributions	Profit and loss from previous	Net profit and loss for the financial	Dividends on account	Total own funds	Value	Pending disbursement	Accumulated impairment

						years	year					
Redbility, S.L.	Consulting, design, development and intermediation services for digital environments. Conde de Peñalver, 38, Madrid, 28006	100%	19,200	153,571	-	(44,394)	1,541,442	(1,500,000)	169,819	344,894	-	-
Estresarte Comunicación, S.L.	Advertising, public relations and similar services Calle Antonio Maura, 16, Madrid	100%	4,000	15,745	-	-	202,331	(150,000)	72,076	426,680	-	-
True Relaciones Publicas, S.L.	Advertising, public relations and similar services. Calle Antonio Maura, 16, Madrid	100%	3,000	-	350,000	(328,154)	82,581	-	107,427	353,000	-	-
PS21 Creative, S.L.	Production/ distribution of audio-visual content. Calle Antonio Maura, 16, Madrid	100%	3,000			(675)	626,181	(600,000)	28,506	3,000	-	-
Pink Lab, S.L.	Production/ distribution of audio-visual content. Calle Antonio Maura, 16, Madrid	100%	3,015	603,738	-	-	293,024		899,777	1,203,821	230,965	-
Invisible Lab, S.L.	Business management consulting activities. Calle Antonio Maura, 16 Madrid	100%	3,000	2,322	-	-	66,306	-	71,628	3,000	-	-
PS21 Barna, S.L.	Production/ distribution of audio-visual content. Calle Larrard, 54, Barcelona	100%	7,110	54,563	400,000	(153,323)	(185,694)	-	122,656	476,877	46,877	-
Revista Líbero, S.L.	Production/ distribution of audio-visual content. Calle Antonio Maura, 16, Madrid	100%	3,100	84,290	150,000	(37,088)	(90,356)	-	109,946	255,293	25,293	-
Lúcid Product Design Agency, S.L.	Development, design, appliance and machinery services for consumer and industrial goods. Calle Soler y Palet, 1, Barcelona	100%	3,000	(20,545)	250,944	-	(66,601)	-	166,798	1,544,392	444,392	-
Total			48,425	893,684	1,150,944	(563,634)	2,469,214	(2,250,000)	1,748,633	4,610,956	747,526	-

The main accounting figures of its subsidiary companies, as of 31 December 2022, are as follows:

31.12.22*

Name	Activity/ Domicile	% of direct shareholding	Capital	Reserves	Partner contributions	Profit and loss from previous years	Net profit and loss for the financial year	Dividends on account	Total own funds	Value	Pending disbursement	Accumulated impairment
Redbility, S.L.	Consulting, design, development and intermediation services for digital environments. Conde de Peñalver, 38, Madrid, 28006	100%	19,200	153,571	-	(44,394)	840,821	(840,000)	128,377	344,894	-	-
Estresarte Comunicación, S.L.	Advertising, public relations and similar services Calle Antonio Maura, 16, Madrid	100%	4,000	9,690	-	-	86,055	(80,000)	19,745	426,680	-	-
Randm Productions S.L.	Advertising, public relations and similar services. Calle Antonio Maura, 16, Madrid	100%	3,000	-	50,000	(35,193)	(292,961)		(275,154)	53,000	-	-
Holyvama Capital, S.L.	Financial activities. Calle Antonio Maura, 16, Madrid	100%	3,000	223,320	459,500	-	(372,729)		313,091	462,500	-	-
PS21 Creative, S.L.	Production/ distribution of audio-visual content. Calle Antonio Maura, 16, Madrid	100%	3,000				(675)		2,325	3,000	-	-
Pink Lab, S.L.	Production/ distribution of audio-visual content. Calle Antonio Maura, 16, Madrid	100%	3,015	589,786			13,952		606,753	1,203,821	523,820	-
Invisible Lab, S.L.	Business management consulting activities. Calle Antonio Maura, 16 Madrid,	100%	3,000		100,000		2,322		105,322	103,000	-	-
PS21 Barna, S.L.	Production/ distribution of audio-visual content. Calle Larrard, 54, Barcelona	100%	7,110	54,563	250,000	(11,252)	(142,071)		158,350	326,877	46,877	-
Revista Líbero, S.L.	Production/ distribution of audio-visual content. Calle Antonio Maura, 16, Madrid	100%	3,100	84,290		(15,423)	(21,665)		50,302	105,293	25,293	-
Lúcid Product Design Agency, S.L.	Development, design, appliance and machinery services for consumer and industrial goods. Calle Soler y Palet, 1, Barcelona	100%	3,000	(55,562)	944		35,017		(16,601)	1,294,392	694,392	-
Total			51,425	1,058,836	860,444	(106,263)	148,067	(920,000)	1,092,510	4,323,457	1,290,382	-

*Restated (Note 2.i)

As of 31 December 2023 and 2022, no impairment of the shares has been considered due to the cash flows expected in the future from its portfolio of investee companies.

The company tests whether the shares have suffered any impairment of value on an annual basis. The recoverable amount of the cash-generating units (CGUs) is determined based on the value of use calculations that require the use of assumptions. The calculations use cash flow projections based on management-approved financial budgets covering a 5-year period.

Cash flows beyond 5 years are extrapolated using the estimated growth rates noted below. These growth rates are consistent with the forecasts included in specific reports for the industry in which each CGU operates.

The management of the Company has determined the values assigned to each of the key assumptions mentioned as follows:

Assumption	Approach used to determine values

Sales volume	Average annual growth rate for the expected 5-year period; based on past results and management expectations of market developments.
Sales price	Average annual growth rate for the expected 5-year period; based on current industry trends and includes long-term inflation forecasts for each territory.
Budgeted gross margin	Based on past results and management expectations for the future.
Other operating costs	Fixed costs of the CGUs, which do not vary significantly with sales volumes or prices. Management budgets these costs based on the current business structure, adjusting for inflation increases, but not reflecting future restructurings or cost-saving measures. The amounts itemised above are the average operating costs for the expected 5-year period.
Annual capital expenditure	Expected cash costs in the CGUs. This is based on management's historical experience and expenditure on planned improvements. No incremental revenue or cost savings are assumed in the value-of-use model as a result of this expenditure.
Long-term growth rate	This is the weighted average growth rate used to extrapolate cash flows beyond the budgeted period. Rates are consistent with forecasts included in industry reports.
Pre-tax discount type	Reflects specific risks related to the respective segments and countries in which they operate.

10.) Financial Liabilities

The book value of each of the categories of financial instruments established in the recognition and measurement standard for "Financial Instruments" is as follows:

	Long-term financial liabilities					
	Debts with credit institutions		Derivatives and others		Total	
	2023	2022	2023	2022*	2023	2022*
Financial liabilities at amortised cost	2,196,681	1,715,414	538,592	747,527	2,735,272	2,462,941
Total	**2,196,681**	**1,715,414**	**538,592**	**747,527**	**2,735,272**	**2,462,941**

*Restated (Note 2.i)

	Short-term financial liabilities					
	Debts with credit institutions		Derivatives and others		Total	
	2023	2022	2023	2022*	2023	2022*
Financial liabilities at amortised cost	2,231,658	2,278,177	548,951	1,049,823	2,780,609	3,328,000
Total	**2,231,658**	**2,278,177**	**548,951**	**1,049,823**	**2,780,609**	**3,328,000**

*Restated (Note 2.i)

Long-term financial liabilities at amortised cost includes debts with credit institutions totalling €2,196,681 in 2023 (€1,715,414 as of 31 December 2022) and debts with third parties – based on management's best estimate of the contingent payments agreed in the purchase and sale transactions, which are referenced to the evolution of certain financial indicators over the next financial years, such as levels of sales and profitability – due to the acquisition of investee companies for the amount of €538,592 (€747,527 at the close of 2022).

At the end of the 2023 financial year, in short-term financial liabilities at amortised cost, the Company mainly records balances of debts with credit institutions to the amount of €2,231,658 (€2,278,177 at the close of 2022), debt with third parties due to the acquisition of investee companies for the amount of €157,935 (€567,856 at the close of 2022), advances to clients for the amount of €105,000 (€0 at the close of 2022), debts with group companies for the amount of €150,000 (€0 at the close of 2022) and debts with suppliers and creditors for the amount of €136,017 in 2023 (€481,971 at the close of 2022).

The entire balance of "Debts with credit institutions" at the close of the 2023 and 2022 financial years, corresponds to the following loans, lines of credit and drawn balances of cards:

Description		2022 Long term	2022 Short term	2023 Long term	2023 Short term
BANKINTER	Line of credit	--	--	--	210,680
	Loan	--	33,333	--	50,000
	Loan	135,855	38,777	99,477	38,297
	Loan	246,027	53,973	190,354	55,776
	Loan	17,888	20,426	--	17,960
SANTANDER	Line of credit	--	56,028	--	668,189
	Loan	--	6,119	806,360	177,966
	Loan	--	28,386	--	--
	Loan	225,704	165,607	56,957	168,747
	Confirming	--	317,810	--	--
BBVA	Line of credit	269,540	260,320	100,810	--
	Loan	113,770	133,801	--	113,770
	Loan	328,099	159,008	160,873	167,227
SABADELL	Line of credit	--	145,658	--	16,356
	Loan	42,575	--	--	--
	Loan	30,923	36,153	--	241,603
	Loan	639	3,763	--	639
	Loan	127,583	48,611	79,365	49,167
	Loan	118,846	49,057	68,674	50,172
	Loan	--	80,849	--	--
	Loan	--	--	198,352	44,491
	Loan	--	--	222,059	55,219
CAIXABANK	Line of credit	--	579,208	--	--
	Loan	45,000	30,000	15,000	30,000
	Loan	12,963	--	--	13,160
	Loan	--	--	198,400	44,455
SEVERAL	Cards		31,290	--	17,785
TOTALS		**1,715,414**	**2,278,177**	**2,196,681**	**2,231,658**

which have an interest rate which we detail below:

	2023	2022
Loans:		
Banco Santander	1.88% - 5.47%	2.25% - 1.88%
Bankinter	1.40% - 5.00%	2.15% - 1.40%
BBVA	2.20% - 5.05%	1.90% - 5.05%
Caixabank	1.80% - 5.33%	1.80% - 2.00%
Sabadell	1.50% - 6.23%	1.50% - 3.60%
Line of credit:		
Banco Santander	2.10%	2.10%
Bankinter	5.66%	2.00%
BBVA	2.15%	2.15%
Caixabank	2.00%	2.00%
Sabadell	5.95%	2.35%

The available and drawn amounts of the open lines of credit on 31 December 2023 are as follows:

	Available limit	Amount drawn
Banco Santander	747,500	668,189
Banco Sabadell	300,000	16,356
BBVA	175,000	210,680
Total	1,222,500	895,224

For financial year 2022, it is as follows:

	Available limit	Amount drawn
Banco Santander	747,500	56,028
Banco Sabadell	200,000	145,658
Banco Bankinter	250,000	-
BBVA	175,000	260,320
Caixabank	200,000	579,208
Total	1,572,500	1,041,214

Classification by maturity

The breakdown by maturity of the various long-term financial liabilities, with determined or determinable maturity, at the end of financial year 2023, is as follows:

	2025	2026	2027	2028	Total
Debts:					
Debts with credit institutions	877,641	512,825	467,571	338,645	2,196,682
Other financial liabilities	84,162	10,289	414,425	29,716	538,592
	961,803	523,114	881,996	368,361	2,735,274

The breakdown by maturity of the various long-term financial liabilities, with determined or determinable maturity at the end of financial year 2022, was as follows:

	2024	2025	2026	2027	Total
Debts:					
Debts with credit institutions	936,228	550,591	147,630	80,964	1,715,413
Other financial liabilities*	157,935	0	0	589,592	747,527
	1,094,163	550,591	147,630	670,556	2,462,940

*Restated (Note 2.i)

Guarantees committed with third parties

At the close of the 2023 financial year, the overall amount of the guarantees provided to third parties amounted to €730,000, with the amount on 31 December 2022 being €585,000. They are presented to ensure the proper fulfilment of the Company's activity.

Average Period of Payment to Suppliers

	2023	2022
	Days	Days
Average period of payment to suppliers	74.51	64
Ratio of transactions paid	72.59	67
Ratio of transactions pending payment	114.95	42
	2022	2022
	Amount	Amount
Total payments made	625,601	2,101,428
Total outstanding payments	29,675	296,613
	2022	2022
Volume of invoices paid within the legal timeframe	160,485	1,013,492
Number of invoices paid within the legal timeframe		
Percentage of volume of invoices paid	342	476
within the legal timeframe over the total volume of invoices paid	26%	48%
(%) Percentage of number of invoices		
paid within the legal timeframe over total number of invoices paid (%)	72%	58%

11.) Own Funds

a) Share capital

In financial year 2021 and as recorded in the minutes, the General Meeting agreed to amend Article 5 of the articles of association, making changes to the following points:

- The par value of the shares, setting it at €0.01 per share (€0.01 in 2021), splitting them into the corresponding proportions.
- Renumbering the shares, correspondingly numbering them from 1 to 16,586,127, both inclusive (from 1 to 16,586,127 in 2021).
- Cancelling the securities for the existing shares and issuing new ones, which replace the previous ones and which belong under full title to the shareholders, who exchange the previous securities for the new ones.

Therefore, the share capital on 31 December 2023 is fixed at the amount of €165,862.

The companies or individuals that have a stake equal to or greater than 10% are the following:

	Share percentage
Miss Valentine, S.L.	91.56%
	91.56%

b) Legal reserve

In accordance with the Revised Text of the Capital Companies Act, an amount equal to 10% of the profits from the period should be allocated to the legal reserve until it reaches at least 20% of the total share capital. The legal reserve can be used to increase capital in the portion of its balance that exceeds 10% of the increased capital. With the exception of the purpose noted above, and while it does not exceed 20% of the share capital, this reserve can only be used to compensate losses and provided that there are no other reserves available for this purpose.

At the close of the financial year, this reserve was currently fully established.

c) Treasury stock

In 2022, 91,098 shares were acquired for the value of €25,001.34 through the deed signed before a notary public on 21 December 2022.

During 2023, a total of 139,350 own shares were acquired for the value of €478,565, with 368,119 own shares being disposed of, whose cost amounted to €230,046, generating a positive result of €1,028,087 against reserves.

The shares held by the Company on 31 December 2023 are as follows:

Treasury stock	Number	Average acquisition price	Total acquisition cost
At the end of financial year 2023	684,542	0.67	460,803

On the date these annual accounts are drawn up, the Directors have not made a decision on the final intended destination for the aforementioned own shares.

12.) Information on the nature and level of risk derived from financial instruments

The management of the Group's financial risks is the responsibility of the Financial Department, which has established the necessary mechanisms to control exposure to variations in interest and exchange rates, as well as credit and liquidity risks. The main financial risks affecting the Group are indicated below:

a) Credit risk:

In general, the Group maintains its cash and equivalent liquid assets in financial institutions with a high credit rating.

Likewise, it should be noted that there is no significant concentration of credit risk with third parties.

b) Liquidity risk:

Liquidity risk arises from the possibility that the Group cannot dispose of liquid funds, or access them, in a sufficient amount and at the appropriate cost, to meet its payment obligations at all times. The purpose of the Group is to maintain the necessary cash and cash equivalents.

c) Market risk (includes interest rate, exchange rate and other price risks):

With regard to the exchange rate risk, this is considered very small due to foreign currency transactions not entailing a significant amount within the Group's turnover.

No hedging financial instruments with significant interest rate or exchange rate risks have been contracted.

13.) Tax status

The breakdown of the accounts related to Public Administrations during financial years 2023 and 2022 is as follows:

2022

	Debtor balances		Creditor balances
Account	Non-current	Current	Current
Value added tax	-	-	214,647
Personal Income Tax	-	-	54,224
Deferred tax assets	458,348	-	-
Current tax assets	-	28	-
Social Security bodies	-	-	22,364
	458,348	28	291,235

2022

[	Debtor balances		Creditor balances
Account	Non-current	Current	Current
Value added tax	-	5,514	384,357
Personal Income Tax	-	-	157,494
Deferred tax assets	507,130	-	-
Social Security bodies	-	-	48,423
	507,130	5,514	590,274

The reconciliation of the net amount of income and expenses for the financial year with the tax base of the Corporation Tax (tax result) is as follows:

Financial year ended 31/12/2023		
Financial year 2022	Profit and Loss Account	
Profit and loss for the financial year	2,283,127	
	Increases	Decreases
Corporation Tax	48,782	
Permanent differences	228	2,137,500
Temporary differences Arising in the current financial period	-	-
Previous taxable profit	-	**194,637**
Offsetting of negative tax bases from financial years against Tax Base (tax	-	(194,637)
result)	-	-

Financial year ended 31/12/2022		
Financial year 2022	Profit and Loss Account	
Profit and loss for the financial year	1,363,693	
	Increases	Decreases
Corporation Tax	170,566	
Permanent differences		874,000
Temporary differences Arising in the current financial period	-	-
Previous taxable profit	-	**660,259**
Offsetting of negative tax bases from financial years against Tax Base (tax	-	(660,259)
result)	-	-

The breakdown of the Expense / (income) due to Corporation Tax is as follows:

	2023					
		Change in deferred tax				
		Of assets			Of liabilities	
	Current tax	Temporary differences	Credits for negative tax bases	Other credits	Temporary differences	Total
Recognised in the profit and loss account						
Continuing operations	-	-	(48,782)	-	-	(48,782)
Total expense/ income due to taxation						(48,782)

	2022					
		Change in deferred tax				
		Of assets			Of liabilities	
	Current tax	Temporary differences	Credits for negative tax bases	Other credits	Temporary differences	Total
Recognised in the profit and loss account						
Continuing operations	(17,001)	-	(153,565)	-	-	(170,566)
Total expense/ income due to taxation						(170,566)

Deferred tax assets recorded

During financial year 2022, the Company recorded in the accompanying balance sheet the tax credits derived from the tax loss carry forwards pending offsetting that had not been recorded in previous financial years, since it has considered that after the results obtained in recent years and based on future forecasts, positive tax bases may be generated that can allow for their recovery.

Deferred tax assets recorded at the end of 2023 and 2022 correspond to tax loss carry forwards, based on the Company's estimate of their recoverability.

At the close of financial years 2023 and 2022, the tax loss carryforwards pending offsetting are as follows:

	2023	2022
2003	347,484	542,121
2004	569,430	569,430
2005	733,026	733,026
2011	183,942	183,942
	1,833,882	2,028,519

In accordance with applicable tax regulations, the maturity of tax credits for incurred tax losses and deductions is indefinite.

Financial years pending verification and inspection actions

On 31 December 2023, the Company has no ongoing inspections. However, in accordance with that established in current legislation, taxes cannot be considered as definitively paid until the submitted statements have been inspected by the tax authorities or the four year period of limitations has expired. On 31 December 2023, the Company has made the Corporate Tax for financial year 2019 and subsequent financial years available for inspection as well as financial year 2020 and subsequent years for other taxes that are applicable to it. The Board of Directors considers that the payment of the referred to taxes has been carried out appropriately, and therefore, even in the event that discrepancies arise in the interpretation of the current regulations in relation to the tax considerations applied to the operations, the resulting liabilities, should they arise, would not affect the accompanying annual accounts in a significant manner.

14.) Income and Expenses

a. Net turnover

The distribution of the net turnover by categories of activity is as follows:

	Euros			
	2023			
	Advertising			
	Spain	Rest of EU	Rest of World	Total
Income from client contracts				
Income from contracts with clients	1,721,747	12,256	13,580	1,747,583
Income from the provision of administrative and management services to related parties (note 16)	3,971,200			3,971,200
Dividend income from holdings in equity instruments of group and associated companies (note 16)	2,250,000			2,250,000
Income recognition timeframe				
Over time	7,942,947	12,256	13,580	7,969,053

	Euros			
	2022			
	Advertising			
	Spain	Rest of EU	Rest of World	Total
Income from client contracts				
Income from contracts with clients	5,458,998	245,493	506,136	6,210,627
Income recognition timeframe				
Over time	5,458,998	245,493	506,136	6,210,627

The Company’s activity is mainly carried out in the Spanish market.

b. Provisioning

Breakdown	2023	2022
Works carried out by other companies	(1,751,870)	(2,254,069)
	(1,751,870)	(2,254,069)

c. Personnel expenses

The breakdown is as follows:

	2023	2022
Wages and salaries	1,493,407	2,631,659
Redundancy payments	32,412	15,461
Social security paid for by the company	171,254	513,165
Other social contributions	115,413	95,203
	1,812,486	3,255,488

d. Other operating expenses

The breakdown is as follows:

Account	2023	2022
Leases and fees (Note 8.1)	250,372	241,233
Repairs and maintenance	62,817	45,293
Independent professional services	401,322	414,397
Insurance premiums	26,904	15,848
Banking and similar services	2,177	1,306
Advertising, publicity and public relations	414,451	283,850
Supplies	25,340	29,410
Other services	188,576	161,918
Other taxes	8,287	8,604
Losses, impairment and variation of provisions due to commercial operations	6,050	61,239
Total	1,386,296	1,263,097

15.) Information on environmental issues

The Group's strategy is to anticipate trends and to constantly protect and reinforce its corporate image. With this in mind, becoming an industry leader is a priority, especially on topics that concern the well-being of society as a whole, such as environmental and social governance.

To achieve this aim, the Group has attained B-Corp certification. Certified B Corporations are a new type of business that balances purpose and profits. They are required to consider the impact of their decisions on their workers, customers, suppliers, the community and the environment. This rating certifies that J21 is a member of a global community of leaders that drives a worldwide movement of people who use business as a force for good.

Certified B Corporations receive this status from the non-profit institution called: B Lab. To achieve this status, companies must have a high standard of social and environmental performance as measured by the B Impact Assessment, they must verify their scores through transparency requirements and legally commit to taking all stakeholders into account, not just their shareholders.

In summary, JUNGLE is a for-profit corporation with a modified standard of fiduciary duty, subject to higher standards of purpose, responsibility, and transparency, and that it has internalised its duty to consider the best interests of employees, communities, customers, and suppliers, as well as shareholders.

16.) Operations with related parties

During the year, transactions have been carried out with the following related parties:

Company	Type of relationship
Estresarte Comunicación, S.L.	Subsidiary Company
Invisible Lab, S.L.	Subsidiary Company
Full Circle Karma, S.L.	Subsidiary Company
Redbility, S.L.	Subsidiary Company
PS21 Creative, S.L.	Subsidiary Company
Randm Productions, S.L.	Subsidiary Company
Lúcid Product Design Agency, S.L.	Subsidiary Company
Pink Lab, S.L.U.	Subsidiary Company
Revista Líbero, S.L.	Subsidiary Company
Holyvama Capital, S.L.	Subsidiary Company
Miss Valentine, S.L.	Majority Partner
-	Directors

The pricing policy followed for all transactions carried out during the period is based on the fair market value, in accordance with article 16 of the Corporation Tax Act.

During financial years 2022 and 2023, there have been a number of events related to the subsidiaries:

- On 28 July 2022, the company PS21 Creative, S.L. was incorporated, for the amount of €3,000.

- On 15 February 2022, the company Invisible Lab, S.L. was incorporated, for the amount of €3,000. Subsequently, in March 2022, a shareholder contribution was made for the amount of €100,000.

- On 16 March 2022, 100% of the share capital of Pink Lab, S.L. was acquired for a fixed amount of €980,000 and an amount of €223,821 of contingent payments (restated data). At the end of the 2023 financial year, the amount of liabilities recorded for outstanding payments amounts to €230,965 (€523,820, restated data, at the close of 2022), of which €157,935 (€292,856 at the close of 2022) have a short-term maturity.

- On 29 April 2022, 100% of the share capital of Full Circle Karma, S.L. was acquired for a fixed amount of €280,000 and an amount of €46,878 of contingent payments (restated data). At the end of the 2023 financial year, the amount of liabilities recorded for outstanding payments amounts to €46,878 (€46,878, restated data, at the close of 2022), of which €0 (€0 at the close of 2022) have a short-term maturity.

- On 11 July 2022, 100% of the share capital of Revista Libero, S.L. was acquired for a fixed amount of €80,000 and an amount of €25,293 of contingent payments (restated data). At the end of the 2023 financial year, the amount of liabilities recorded for outstanding payments amounts to €25,293 (€50,293, restated data, at the close of 2022), of which €0 (€25,000 at the close of 2022) have a short-term maturity.

- On 3 October 2022, 100% of the share capital of Lucid Product Design Agency was acquired for a fixed amount of €850,000 and an amount of €944,392 of contingent payments (restated data). At the end of the 2023 financial year, the amount of liabilities recorded for outstanding payments amounts to €444,391 (€694,392, restated data, at the close of 2022), of which €0 (€250,000 at the close of 2022) have a short-term maturity.

- On 22 December 2022, the company Estresarte Comunicación proceeded to distribute an interim dividend for the financial year, to the amount of €80,000.

- On 22 December 2022, the company Randm Production proceeded to distribute an interim dividend for the financial year, to the amount of €840,000.

- On 31 December 2023, a shareholder contribution was made to the company Randm Production for an amount of €300,000.

- On 31 December 2023, a shareholder contribution was reimbursed by the company Invisible Lab, S.L., for an amount of €100,000.

- On 31 December 2023, a shareholder contribution was made to the company PS21 Barna, S.L., for an amount of €150,000.

- On 31 December 2023, a shareholder contribution was made to the company Revista Libero, S.L., for an amount of €150,000.

- On 31 December 2023, a shareholder contribution was made to Lucid Product Design Agency, for an amount of €250,000.

- On 24 April 2023, 100% of the shares held by the company of the share capital of Holyvama Capital, S.L.U. were disposed of, for an amount of €272,338, recording a negative result of €190,161.

- On 31 December 2023, Estresarte Comunicación proceeded to distribute an interim dividend for the financial year, to the amount of €150,000.

- On 31 December 2023, Randm Production proceeded to distribute an interim dividend for the financial year, to the amount of €1,500,000.

- On 31 December 2023, PS21 Creative proceeded to distribute an interim dividend for the financial year, to the amount of €600,000.

The breakdown of transactions with related parties on 31 December 2023 and 2022, is as follows:

	2023	2022
	Group companies	Group companies
Sales and provision of services	3,971,200	1,614,000
Income from holdings of equity instruments	2,250,000	920,000

The information for the operations carried out with related parties during the 2023 and 2022 financial years, is as follows:

	2023	2022
	Group companies	Group companies
Current accounts		
Randm Productions, S.L.	(150,000)	-
Revista Libero, S.L.	-	25,000
Clients, group companies		
Estresarte Comunicación, S.L.	-	16,300
Redbility, S.L.	-	119,900
Randm Productions, S.L.	-	266,200
PINK Lab, S.L.	-	72,600
Invisible LAB, S.L.	-	36,300
Full Circle Karma, S.L.	72,701	24,200
Revista Libero, S.L.	-	4,840
Lucid Product Design Agency S.L.	109,908	72,600

During financial year 2023, salaries were paid for the work of the Board of Directors and CEO, for the amount of €728,373 (€665,637 in 2022).

In 2023, within the incentive plan prepared by the company, loans totalling €800,000 have been granted to employees of the company which have been used to acquire shares of JUNGLE21, S.A.

The remuneration received in 2023 and 2022 by the members of the Board of Directors and senior management personnel of the Company amounts to 728,373 and 665,637 euros respectively.

In 2023, as part of the incentive plan drawn up by the company, loans totalling 800,000 euros have been granted to employees of the company which have been used for the acquisition of shares in JUNGLE21, S.A.

The Group has no pension or credit obligations with the CEO or other members of the Board of Directors.

The CEO and the rest of the members of the Board and the persons related to them referred to in Article 231 have not reported any conflict of interest, direct or indirect, that they might have with the interests of the Group.

17.) Other information

The average number of people employed during the financial years is as follows:

Professional category	2023 Average		2022 Average	
	Men	Women	Men	Women
Administrators	1	-	1	-
Senior Management	-	1	1	1
Departmental Directors/ Middle Managers	1	3	10	3
Creativity	-	-	10	6
Strategy	-	-	1	4
Digital social	-	-	3	4
New business	-	1	-	1
Education/training studies	-	-	3	2
Accounts	-	1	-	9
Finance/Administration	4	3	1	3
	6	9	29	31

The number of members of the Board of Directors and the number of people employed at the period end, distributed by professional category, are as follows:

Professional category	As of 31/12/2023		As of 31/12/2022	
	Men	Women	Men	Women
Administrators	1	-	1	-
Senior Management	-	2	1	1
Departmental Directors/ Middle Managers	1	4	8	3
Creativity	-	-	8	5
Strategy	-	-	-	3
Digital social	-	-	2	5
New business	-	-	-	2
Education/training studies	-	-	4	1
Accounts	-	1	-	8
Finance/Administration	3	4	2	2
	5	11	26	30

The fees to be accrued by Grant Thornton S.L.P. for the audit services of the Consolidated Annual Accounts for the financial year 2023 will amount to euros 20,850 (euros 20,250 in 2022).

The additional fees accrued by Grant Thornton S.L.P. are as follows:

- Fees for the audit of the Parent Company's Annual Accounts for the financial year 2023 amounting to euros 12,875 (euros 12,500 in 2022).

- Fees for limited review of the Consolidated Interim Financial Statements at 30 June 2023 in the amount of euros 10,750 (euros 0 in 2022).

- Fees for translation of Annual Accounts for an amount of euros 5,500 (euros 5,200 in 2022).

18.) Events subsequent to closing

Since the closing date of the financial year to which these Annual Accounts refer, and up to the date of formulation of these Annual Accounts, no events or circumstances have occurred that should have had an impact on them that should have been included but have not been, except as indicated below.

On 19 February 2024 the Company acquired 58,000 shares at 3.40 euros each, increasing the Company's own shares by 197,200 euros.

On 21 February 2024, the Company acquired 24,000 shares at 3.40 euros each, increasing the Company's own shares by 81,600 euros.

On 14 March 2024, the Company acquired 75.04% of the share capital of the company Web Partners Madrid, S.L. for a fixed amount plus a variable amount depending on the future performance of the acquired company.