Audit Report on Financial Statements
issued by an Independent Auditor

MEDIASMART MOBILE, S.L.U.
Financial Statements and Management Report
for the year ended
March 31, 2021

Building a better
working world

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AUDIT REPORT ON FINANCIAL STATEMENTS ISSUED BY AN INDEPENDENT AUDITOR

Translation of a report and financial statements originally issued in Spanish. In the event of discrepancy, the Spanish-language version prevails (See Note 20)

To the only shareholder of Mediasmart Mobile, S.L.U.:

Opinion

We have audited the financial statements of Mediasmart Mobile, S.L.U. (the Company), which comprise the balance sheet as at March 31, 2021, the income statement, the statement of changes in equity, the cash flow statement, and the notes thereto for the year then ended.

In our opinion, the accompanying financial statements give a true and fair view, in all material respects, of the equity and financial position of the Company as at March 31, 2021 and of its financial performance and its cash flows for the year then ended in accordance with the applicable regulatory framework for financial information in Spain (identified in Note 2 to the accompanying financial statements) and, specifically, the accounting principles and criteria contained therein.

Basis for opinion

We conducted our audit in accordance with prevailing audit regulations in Spain. Our responsibilities under those regulations are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report.

We are independent of the Company in accordance with the ethical requirements, including those related to independence, that are relevant to our audit of the financial statements in Spain as required by prevailing audit regulations. In this regard, we have not provided non-audit services nor have any situations or circumstances arisen that might have compromised our mandatory independence in a manner prohibited by the aforementioned requirements.

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

Most relevant audit issues

Most relevant audit issues are those matters that, in our professional judgment, were the most significant assessed risks of material misstatements in our audit of the financial statements of the current period. These risks were addressed in the context of our audit of the financial statements as a whole, and in forming our audit opinion thereon, and we do not provide a separate opinion on these risks.

Domicilio Social: C/ Raimundo Fernández Villaverde, 65. 28003 Madrid - Inscrita en el Registro Mercantil de Madrid, tomo 9.364 general, 8.130 de la sección 3ª del Libro de Sociedades, folio 68, hoja nº 87.690-1, inscripción 1ª. Madrid 9 de Marzo de 1.989. A member firm of Ernst & Young Global Limited.

Revenue recognition

Description

As explained in Note 4.12 to the financial statements, revenue is recognized when it is probable that the profit or economic benefits associated with the transaction will flow to the Company and the amount of revenue and costs incurred or to be incurred can be measured reliably. Revenue is measured at the fair value of the consideration received or receivable, less any trade discounts, rebates or similar items granted by the Company and interest on the nominal amount of credit extended. Applicable indirect taxes on transactions which are reimbursed by third parties are not included as revenue.

Revenue for the year ended March 31, 2021, amounted to €6,706.709 euros. Revenue is a key measurement indicator of the Company's performance, so there could be an incentive to recognize revenue before the risks and rewards have been transferred. Therefore, we have determined revenue recognition to be a most relevant audit issue.

Our response

In this regard, our audit procedures included, among others:

- Reviewing the Company's revenue recognition policy to determine whether revenue is recorded correctly in the accounts and monitoring a sales transaction to confirm the understanding and correct design of the process.
- Performing substantive analytical tests, including analytical procedures and tracking monthly trends.
- Performing detail testing on a sample of revenue transactions.
- Performing a test on a sample of credit notes issued after the reporting period.
- Performing cut-off testing of transactions at year-end to confirm whether revenue was recognized in its proper accounting period.
- Performing tests to confirm third-party balances and reviewing the related supporting evidence using alternative procedures for a representative sample of accounts receivable as at March 31, 2021.
- Reviewing the disclosures included in Notes 4.12 and 14.1 to the financial statements as required in the applicable regulatory framework for financial reporting.

Other matters

On September 23, 2020, other auditors issued their audit report on the financial statements for the three month period ended March 31, 2020, in which they expressed a qualified opinion for non-compliance with accounting principles and standards.

Other information: management report

Other information refers exclusively to the annual year ended March 31, 2021 management report, the preparation of which is the responsibility of the Company's directors and is not an integral part of the financial statements.

Our audit opinion on the financial statements does not cover the management report. In conformity with prevailing audit regulations in Spain, our responsibility in terms of the management report is to assess and report on the consistency of the management report with the financial statements based on the knowledge of the entity obtained during the audit, and to assess and report on whether the content and presentation of the management report are in conformity with applicable regulations. If, based on the work carried out, we conclude that there are material misstatements, we are required to disclose them.

Based on the work performed, as described in the above paragraph, the information contained in the management report is consistent with that provided in the annual year ended March 31, 2021 financial statements and its content and presentation are in conformity with applicable regulations.

Directors' responsibilities for the financial statements

The directors are responsible for the preparation of the accompanying financial statements so that they give a true and fair view of the equity, financial position and results of the Company, in accordance with the regulatory framework for financial information applicable to the Company in Spain, identified in Note 2 to the accompanying financial statements, and for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, 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 financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with prevailing audit regulations in Spain will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with prevailing audit regulations in Spain, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

- 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 accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of the director'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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

From the significant risks communicated with the Company's directors of Mediasmart Mobile, S.L.U we determine those that were of most significance in the audit of the financial statements of the current period and are therefore the most significant assessed risks.

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

ERNST & YOUNG, S.L.
(Inscribed in the Official Auditors of Financial Statements Register with the number S0530)

Luis Rosales López de Carrizosa
(Inscribed in the Official Auditors of Financial Statements Register with the number 21869)

June 22, 2021

MEDIASMART MOBILE, S.L.U.

Financial statements
for the year ended
31 March 2021

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MEDIASMART MOBILE, S.L.U.
Statement of financial position as at 31 March 2021
(€)

ASSETS	Note	31/03/2021	31/03/2020 (*)
NON-CURRENT ASSETS		**352.721**	**390.989**
Intangible assets	**5**	**22**	**190**
Patents, licenses, trademarks and similar rights		22	190
Property, plant and equipment	**6**	**15.217**	**13.522**
Technical installations and other property, plant, and equipment		15.217	13.522
Investments in group companies and associates	**7**	**-**	**1**
Equity instruments		-	1
Non-current financial assets	**8**	**6.034**	**6.780**
Other financial assets		6.034	6.780
Deferred tax assets	**13**	**331.448**	**370.496**
CURRENT ASSETS		**2.361.765**	**2.181.265**
Trade and other receivables		**1.436.371**	**1.775.376**
Trade receivables	8	1.034.449	912.725
Trade receivables from group companies and associates	8	238.812	632.503
Other receivables	8	154.616	-
Other taxes receivable	13	8.494	230.148
Prepayments for current assets		**25.425**	**31.780**
Cash and cash equivalents	**9**	**899.969**	**374.109**
Cash		899.969	374.109
TOTAL ASSETS		**2.714.486**	**2.572.254**

(*) Three months ended 31 March 2020

MEDIASMART MOBILE, S.L.U.
Statement of financial position as at 31 March 2021
(€)

EQUITY AND LIABILITIES	Note	31/03/2021	31/03/2020 (*)
EQUITY		**69.514**	**(107.132)**
CAPITAL AND RESERVES		**69.514**	**(123.820)**
Capital	**10.1**	**124.282**	**124.282**
Registered capital		124.282	124.282
Share premium	**10.2**	**334.552**	**334.552**
Reserves	**10.3**	**527.598**	**527.993**
Legal and by-law reserves		24.856	24.856
Other reserves		502.742	503.137
Retained earnings (prior years' losses)	**10.3**	**(1.110.647)**	**(1.073.878)**
Prior years' losses		(1.110.647)	(1.073.878)
Profit/(loss) for the period	**3**	**193.729**	**(36.769)**
GRANTS, DONATIONS AND BEQUESTS RECEIVED	**11**	**-**	**16.688**
NON-CURRENT LIABILITIES		**754.115**	**370.818**
Loans and borrowings	**12**	**754.115**	**365.055**
Bank borrowings		268.538	142.050
Other financial liabilities		485.577	223.005
Deferred tax liabilities	**13**	**-**	**5.763**
CURRENT LIABILITIES		**1.890.857**	**2.308.568**
Loans and borrowings		**308.649**	**1.054.170**
Bank borrowings	12	197.774	605.658
Other financial liabilities	12	110.875	448.512
Loans and borrowings with group companies and associates	**12**	**435.701**	**218.870**
Trade and other payables		**1.146.506**	**1.035.528**
Suppliers	12.2	754.864	703.747
Trade payables to group companies and associates	12.2	254.337	-
Other payables	12.2	49.534	189.606
Personnel (salaries payable)	12.2	24.582	107.168
Other taxes payables	13	38.460	35.007
Advances from customers	12.2	24.729	-
TOTAL EQUITY AND LIABILITIES		**2.714.486**	**2.572.254**

(*) Three months ended 31 March 2020

MEDIASMART MOBILE, S.L.U.
Statement of profit or loss for the year ended 31 March 2021
(€)

	Note	31/03/2021	31/03/2020 (*)
CONTINUING OPERATIONS			
Revenue	**14.1**	**6.706.709**	**1.404.963**
Sales		6.706.709	1.404.963
Cost of sales		**(3.747.071)**	**(750.980)**
Subcontracted work		(3.747.071)	(750.980)
Other operating income		**78.576**	**-**
Grants related to income recognised in profit or loss	**11**	78.576	-
Employee benefits expense	**14.2**	**(788.941)**	**(190.862)**
Salaries, wages and similar		(604.673)	(161.215)
Employee benefits		(184.268)	(29.647)
Other operating expenses		**(2.043.560)**	**(568.661)**
External services	**14.4**	(1.613.698)	(567.949)
Taxes other than income tax		(1.688)	(635)
Losses, impairment and change in trade provisions	**8**	(428.161)	-
Other operating expenses		(13)	(77)
Depreciation and amortisation	**5 and 6**	**(7.541)**	**(1.713)**
Impairment and gains/(losses) on disposal of property, plant and equipment		**201**	**-**
Gains/(losses) on disposal and other		201	-
Other income/(expenses)		**9.504**	**(409)**
Exceptional expenses		(5.008)	(2.234)
Exceptional income		14.512	1.825
OPERATING PROFIT/(LOSS)		**207.876**	**(107.662)**
Finance income	**14.3**	**1.033**	**3.257**
Marketable securities and other financial instruments		1.033	3.257
Other		1.033	3.257
Finance costs	**14.4**	**(25.308)**	**(18.946)**
On payables to third parties		(25.308)	(18.946)
Exchange differences		**(13.248)**	**13.807**
Impairment and gains/(losses) on disposal of financial instruments		**(1)**	**-**
Impairment and losses		(1)	-
NET FINANCE INCOME/(EXPENSE)		**(37.524)**	**(1.883)**
PROFIT/(LOSS) BEFORE TAX		**170.351**	**(109.545)**
Income tax expense	**13.1**	**23.378**	**72.775**
PROFIT/(LOSS) FOR THE PERIOD	**3**	**193.729**	**(36.769)**

(*) Three months ended 31 March 2020

MEDIASMART MOBILE, S.L.U.
Statement of changes in equity for the year ended 31 March 2021
(€)

A) Statement of recognised income and expense for the year ended 31 March 2021

	Note	31/03/2021	31/03/2020 (*)
Profit/(loss) for the period	3	193.729	(36.769)
Income and expense recognised directly in equity			
Grants, donations and bequests received	11	56.325	-
Tax effect	11	(14.081)	-
Total income and expense recognised directly in equity		42.244	-
Amounts transferred to profit or loss			
Grants, donations and bequests received	11	(78.776)	-
Tax effect	11	19.844	-
Total amounts transferred to profit or loss		(58.932)	-
TOTAL RECOGNISED INCOME AND EXPENSE		177.041	(36.769)

(*) Three months ended 31 March 2020

MEDIASMART MOBILE, S.L.U.
Statement of changes in equity for the year ended 31 March 2021
(€)

B) Statement of total changes in equity for the year ended 31 March 2021

	Registered capital (Note 10.1)	Share premium (Note 10.2)	Reserves (Note 10.3)	Prior periods' losses (Note 10.3)	Profit/(loss) for the period (Note 3)	Grants, donations and bequests received (Note 11)	TOTAL
CLOSING BALANCE AT 31 DECEMBER 2019	**124.282**	**334.552**	**527.993**	**(204.071)**	**(869.807)**	**16.688**	**(70.363)**
Total recognised income and expense	**-**	**-**	**-**	**-**	**(36.769)**	**-**	**(36.769)**
Other changes in equity	**-**	**-**	**-**	**(869.807)**	**869.807**	**-**	**-**
Distribution of profit/(loss)				(869.807)	869.807		
CLOSING BALANCE AT 31 MARCH 2020 (*)	**124.282**	**334.552**	**527.993**	**(1.073.878)**	**(36.769)**	**16.688**	**(107.132)**
Total recognised income and expense	**-**	**-**	**-**	**-**	**193.729**	**(16.688)**	**177.041**
Other changes in equity	**-**	**-**	**-**	**(36.769)**	**36.769**	**-**	**-**
Distribution of profit/(loss)				(36.769)	36.769		
Other	-	-	(395)	-	-	-	**(395)**
CLOSING BALANCE AT 31 MARCH 2021	**124.282**	**334.552**	**527.598**	**(1.110.647)**	**193.729**	**-**	**69.514**

(*) Three months ended 31 March 2020

MEDIASMART MOBILE, S.L.U.
Statement of cash flows for the year ended 31 March 2021
(€)

	Note	31/03/2021	31/03/2020 (*)
OPERATING ACTIVITIES			
Profit for the year before tax		**170.351**	**(109.545)**
Adjustments for:		**394.448**	**3.596**
Depreciation and amortisation	5 and 6	7.541	1.713
Change in provisions	7.1	428.161	-
Grants recognised in profit or loss	11	(78.576)	-
Gains/(losses) on derecognition and disposals of property, plant and equipment	6	(201)	-
Finance income	14.3	(1.033)	(3.257)
Finance costs	14.4	25.308	18.946
Exchange differences		13.248	(13.807)
Working capital changes		**206.501**	**333.422**
Trade and other receivables		117.350	334.184
Trade and other payables		82.796	(762)
Other current assets		6.355	-
Non-current assets and liabilities			-
Other cash flows from operating activities		**(39.848)**	**70.892**
Interest paid	14.4	(25.308)	(18.946)
Interest received	14.3	1.033	3.257
Income tax (paid)/received		-	72.775
Other amounts paid (received)		(15.572)	13.807
Net cash flows from operating activities		**731.452**	**298.365**
INVESTING ACTIVITIES			
Payments for investments		**(9.068)**	**-**
Property, plant and equipment	6	(9.068)	-
Proceeds from sale of investments		**200**	**320.000**
Property, plant and equipment		200	320.000
Net cash flows from/(used in) investing activities		**(8.868)**	**320.000**
FINANCING ACTIVITIES			
Proceeds from and payments for equity instruments		**132.999**	**-**
Grants, donations and bequests received		132.999	-
Proceeds from and payments for financial liability instruments		**(329.722)**	**(437.680)**
Issue		725.000	-
Bank borrowings		325.000	-
Loans and borrowings with group companies and associates		400.000	-
Redemption and repayment of		(1.054.722)	(437.680)
Bank borrowings		(533.557)	(437.680)
Loans and borrowings with group companies and associates		(183.528)	-
Other loans and borrowings		(337.637)	-
Net cash flows used in financing activities		**(196.723)**	**(437.680)**
NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS		525.861	180.685
Cash and cash equivalents at the beginning of the period	**9**	**374.109**	**193.423**
Cash and cash equivalents at the end of the period	**9**	**899.969**	**374.109**

(*) Three months ended 31 March 2020

1. CORPORATE INFORMATION

Mediasmart Mobile, S.L.U. (the "Company") was incorporated on 7 November 2011 in Madrid, Spain. The Company's registered address is calle García de Paredes 12 Planta 1ª Puerta B MADRID 28010. The Company was incorporated as a limited company (*sociedad limitada*) under the name Mediasmart Mobile S.L.U., with taxpayer identification number B86329638.

Its objects include providing all kinds of services, e-commerce and mobile programming and marketing, and any other related activities. The Company operates in Spain and France.

Shareholders at the General Meeting held on 30 June 2020 agreed to change the Company's financial year, which now begins on 1 April and ends on 31 March.

The Company's functional currency is the euro.

The financial statements for the previous year were approved at the Annual General Meeting held on 30 June 2020.

2. BASIS OF PREPARATION

The financial statements have been prepared in accordance with the Spanish General Accounting Plan (*Plan General de Contabilidad*) approved by Royal Decree 1514/2007, of 16 November, as amended in 2016 by Royal Decree 602/2016, of 2 December, and all other prevailing company law.

The financial statements have been authorised for issue by the Company's directors and will be submitted for approval by the sole shareholder. It is expected that they will be approved without modification.

The figures shown are in euros (€) unless stated otherwise.

2.1 True and fair view

The accompanying financial statements have been prepared from the auxiliary accounting records of the Company in accordance with prevailing accounting legislation to give a true and fair view of the Company's equity, financial position and results. The statement of cash flows was prepared to present fairly the origin and use of the Company's monetary assets representing cash and cash equivalents.

2.2 Comparative information

In accordance with company law, for comparative purposes for each item of the balance sheet, income statement, statement of changes in equity and the statement of cash flows, in addition to the figures for year ended 31 March 2021, those for the period of three months ended 31 March 2020 are presented. Quantitative information for the preceding period is also included in the notes unless an accounting standard specifically states that this is not required.

In 2020, the Company changed in its accounting close and ended its year on 31 March 2020. Therefore, in these financial statements, the previous year covers a period of three months.

2.3 Impact of the COVID-19 pandemic on the Company's operations

On 11 March 2020, the World Health Organization escalated the status of the public health crisis triggered by the expansion of the coronavirus (COVID-19) to that of a global pandemic. The way events unfolded, in Spain and abroad, has caused an unprecedented health crisis that has impacted the macroeconomic environment and business performance. A number of measures were taken in 2020 to tackle the economic and social impact brought on by the situation, including restrictions on the mobility of people. Specifically, the Spanish government passed a raft of measures: it declared a state of alarm through Royal Decree 463/2020, of 14 March, which was lifted on 1 July 2020 and approved a series of extraordinary emergency measures to deal with the economic and social impact of COVID-19, including those set out in Royal Decree-Law 8/2020, of 17 March.

The pandemic is affecting the economy in general and the Company's operations in particular. The impacts in the coming months remain to be seen and will depend largely on the direction the pandemic takes and how much it spreads.

As at the date of authorisation for issue of these financial statements, the pandemic has not had a material impact on the Company's operations and, based on the directors' current estimates, is unlikely to have any material effects in 2022.

2.4 Going concern principle

At 31 March 2021, the Company's equity amounted to €69,514. At 31 March 2020, equity was a negative €107,132. Therefore, in accordance with article 317 of the Spanish Companies Act (*Ley de Sociedades de Capital*), the Company was in a circumstance for dissolution due to cumulative losses that had reduced its equity to an amount lower than two-thirds of share capital, except where the capital were increased or decreased as required.

The Company's sole shareholder contributed a €400,000 profit-sharing loan, which was disbursed in full during the year. Pursuant to article 3.1 of the Resolution of 5 March 2019 of Spain's Accounting and Auditing Institute (*Instituto de Contabilidad y Auditoría de Cuentas*), which develops the criteria for the presentation of financial instruments and other accounting aspects related to the corporate regulation of companies, for the purposes of determining whether there is cause for mandatory reduction of share capital or mandatory dissolution due to losses under the consolidated text of the Spanish Companies Act (*texto refundido de la Ley de Sociedades de Capital*), the amount of profit-sharing loans are considered equity. Accordingly, the Company's directors have prepared the financial statements on a going concern basis.

2.5 Critical issues regarding the measurement and estimation of uncertainties

The preparation of the Company's financial statements required the directors to make certain estimates that affect the reported amounts of assets, liabilities, revenue and expenses, and the disclosure of contingent liabilities. These estimates were made based on the best information available at end of the reporting period. However, given the uncertainty inherent in estimates, future events could require these estimates to be modified in subsequent reporting periods. Any changes in accounting estimates would be made prospectively.

Key assumptions concerning the future and other relevant data on the uncertainty about these estimates at the reporting date, which could entail a considerable risk of material adjustment to the value of assets and liabilities in the subsequent reporting period, are as follows:

Deferred tax assets

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and and unused tax losses to the extent that it is probable that future taxable profit will be available against which these assets may be utilised. Significant estimates are required by the directors to determine the amount of deferred tax assets that can be recognised based on the dates and the level of future taxable profits and the timing of the reversal of the taxable temporary differences. The Company recognised deferred tax assets at 31 March 2021 amounting to €331,448 (2020: €370,496) corresponding to deductible temporary differences and certain of its unused tax losses (note 14).

3. DISTRIBUTION OF PROFIT

The distribution of profit for the year ended 31 March 2021 proposed by the directors and expected to be approved by the sole shareholder is as follows:

€	2021
Basis of distribution	
Profit for the period	193.729
	193.729
Distribution	
Offset of prior years' losses	193.729
	193.729

3.1 Limitations on the distribution of dividends

The Company must earmark 10% of profit for the year for the legal reserve until such reserve represents at least 20% of capital. Unless the balance of the reserve exceeds this amount, it cannot be distributed to the sole shareholder (Note 10.3).

Dividends may only be drawn on the year's profit or freely available reserves after meeting the requirements laid down by law or in the by-laws, and if the value of the corporate equity is not, or as a result of such distribution would not be, less than the company's capital. For these purposes, any profit directly allocated to equity may not be distributed either directly or indirectly. In the event of losses in preceding years that reduce corporate equity to less than the Company's capital, profits shall be used to offset such losses.

4. RECOGNITION AND MEASUREMENT STANDARDS

The main recognition and measurement standards applied by the Company in the preparation of these financial statements are as follows:

4.1 Intangible assets

Intangible assets are measured on initial recognition at cost, determined as the purchase price or production cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition.

Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

Intangible assets are amortised on a systematic basis over their estimated useful life, taking into account their residual value. Amortisation methods and periods are reviewed at the end of each reporting period and adjusted prospectively, if appropriate. Intangible assets are tested for impairment at least at the end of each reporting period and any impairment is recognised.

Patents and trademarks

Patents and trademarks are amortised on a straight-line basis over a 10-year period.

4.2 Property, plant and equipment

Property, plant and equipment are measured initially at cost, determined as the purchase price or production cost. The cost of property, plant and equipment acquired in business combinations is their fair value at the date of acquisition.

Following initial recognition, property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any.

The cost of assets acquired or produced since 1 January 2008 that need more than one year to get ready for use (qualifying assets) includes borrowing costs accrued prior to putting the assets to use whenever such expenses meet the capitalisation requirements.

The value of an item of property, plant and equipment also includes the initial estimate of the present value of obligations for dismantling or removing the item, as well as other obligations associated with the asset, such as restoration, when these obligations give rise to the recognition of provisions.

Expenses for repairs that do not extend the useful life of the assets, as well as maintenance expenses, are recognised in profit or loss as incurred. Costs incurred to renovate, enlarge or improve items of property, plant and equipment which increase capacity or productivity or extend the useful life of the asset are capitalised as an increase in the value of the asset. The carrying amount of items that are replaced are derecognised.

Major overhaul costs of items of property, plant and equipment, irrespective of whether the items affected are replaced, are identified as a component of the cost of servicing the asset at the date of recognition of the asset and depreciated over the period until the next overhaul is performed.

When available for use, property, plant and equipment are depreciated on a straight-line basis over the estimated useful life of the assets.

The estimated years of useful life of property, plant and equipment are as follows:

	Years of useful life
Furniture	10
Information technology equipment	4

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

4.3 Impairment of non-financial assets

The Company assesses, at least at each reporting date, whether there is an indication that a non-current asset or, where applicable, a cash-generating unit (CGU) may be impaired. If any indication exists, the Company estimates the asset's recoverable amount.

The recoverable amount is the higher of the fair value of the asset less costs to sell and its value in use. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired. The value in use is the present value of the future cash flows expected to be obtained, discounted at a market risk-free rate and adjusted for any risks specific to the asset. For those assets that do not generate cash inflows that are largely independent of those from other assets or groups of assets, the recoverable amount is determined for the CGU to which the asset belongs. A CGU is understood as the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or groups of assets.

Impairment losses and any subsequent reversals are recognised in profit or loss. Impairment losses are reversed only if the circumstances that gave rise to the impairment cease to exist. Goodwill impairment losses cannot be reversed. Impairment is only reversed up to the limit of the carrying amount of the asset that would have been determined had the impairment loss not been recognised.

4.4 Leases

Leases are classified as finance leases when the economic conditions of the lease agreement indicate that substantially all the risks and rewards incidental to ownership of the asset are transferred. All other lease arrangements are classified as operating leases.

Company as lessee

Operating lease payments are recognised as expenses in profit or loss when accrued.

4.5 Financial assets

Classification and measurement

Loans and receivables

Classified in this category are trade and non-trade receivables, which include financial assets with fixed or determinable payments which are not traded in an active market and financial assets for which the Company expects to recover all of its initial investment except, where applicable, for reasons of credit deterioration.

These assets are initially measured at fair value. In the absence of evidence to the contrary, this is the transaction price, which is equivalent to the fair value of the consideration given plus directly attributable transaction costs.

The financial assets included in this category are subsequently measured at amortised cost.

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

In guarantees extended for operating leases, the difference between the fair value and the amount disbursed is considered prepayments for the lease and recognised in profit or loss over the lease term. When estimating the fair value of guarantees, the minimum contractual term is considered as the remaining period.

Equity investments in group companies, jointly controlled entities and associates

This category includes equity investments in companies over which the Company has control (group companies), joint control through a statutory or contractual arrangement with one or more partners (jointly controlled entities) or has significant influence (associates).

These assets are initially measured at fair value. In the absence of evidence to the contrary, this is the transaction price, which is equivalent to the fair value of the consideration given plus directly attributable transaction costs.

Equity investments in group companies are measured, where applicable, using the accounting principles for transactions between group companies (Note 4.14).

When an investment is newly classified as an investment in a group company, jointly controlled entity or associate, the cost is deemed to be the investment's recognised carrying amount immediately before classification. Where applicable, prior valuation adjustments associated with the investment and recognised directly in equity continue to be recorded in equity until the investment is either sold or impaired.

Initial measurement includes any pre-emptive and similar rights acquired.

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

When pre-emptive or similar rights are sold, or separated to be exercised, the carrying amount of the respective assets is reduced by the cost of the rights.

Derecognition

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset have expired or have been transferred, provided that substantially all the risks and rewards of ownership have been transferred.

If the Company has neither transferred nor retained substantially all the risks and rewards, it derecognises the financial asset when it has not retained control over that asset. If the Company retains control over the asset, it continues to recognise the asset at the amount of the exposure to variability in the value of the transferred asset; that is, to the extent of its continuing involvement in the financial asset. The associated liability is also recognised.

The gain or loss on derecognition of the financial asset is determined as the difference between the consideration received net of attributable transaction costs, including any new asset obtained less any liability assumed, and the carrying amount of the financial asset, plus any accumulated amount recognised directly in equity. The gain or loss is recognised in profit or loss for the reporting period in which it arises.

The Company does not derecognise financial assets in transfers whereby it retains substantially all the risks and rewards of ownership. These include discounted bills, factoring with recourse, sales of financial assets with an agreement to repurchase them at a fixed price or at the sales price plus interest, and securitisations of financial assets whereby the Company retains subordinated financing or another type of guarantee that absorbs substantially all expected losses. In these cases, it recognises a financial liability for the amount of the consideration received.

4.6 Impairment of financial assets

The Company adjusts the carrying amount of financial assets against profit or loss when there is objective evidence that the asset is impaired.
To determine impairment losses on financial assets, the Company assesses the potential loss of individual as well as groups of assets with similar risk exposure.

Debt instruments

There is objective evidence that debt instruments (receivables, loans and debt securities) are impaired as a result of an event occurring after initial recognition and leading to a reduction or delay in estimated future cash flows.

The Company classifies as impaired assets (doubtful exposures) debt instruments for which there is objective evidence of impairment, which refers basically to the existence of unpaid balances, non-compliance issues, refinancing and data which evidence the possible irrecoverability of total agreed-upon future cash flows or collection delays. For trade and other receivables, the Company considers balances more than six months past due for which collection is uncertain, as well as balances owed by companies that have filed for creditor protection, to be non-performing assets.

For financial assets measured at amortised cost, the amount of the impairment loss is measured as the difference between the carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate calculated upon initial recognition. For floating rate financial assets, the effective interest rate at the reporting date is used. The Company considers market value instead of the present value of estimated future cash flows in the case of quoted securities, provided that it is considered sufficiently reliable.

When there is objective evidence of a decline in the fair value of available-for-sale financial assets due to impairment, the unrealised losses recognised in equity under “Valuation adjustments” are recognised in profit or loss.

The reversal of an impairment loss is recognised as income in profit or loss. The loss can only be reversed up to the limit of the carrying amount of the financial asset that would have been disclosed at the reversal date had the impairment loss not been recognised.

Equity instruments

There is objective evidence that equity instruments are impaired as a result of one or more events that occurred after initial recognition giving rise to a failure to recover the carrying amount due to a significant or prolonged decline in the fair value.

In the case of equity instruments measured at fair value and included in the available-for-sale financial asset portfolio, impairment losses are measured at the difference between acquisition cost and fair value, less any previously recognised impairment losses. Unrealised losses recognised as “Valuation adjustments” in equity are recognised immediately in profit or loss when it is deemed that these losses reflect a decline in fair value resulting from impairment. If, in a subsequent period, impairment losses are partially or totally reversed, the amount is recognised in “Valuation adjustments” in equity.

In the case of equity instruments measured at cost and included in "Available-for-sale financial assets" and "Equity investments in group companies, jointly controlled entities and associates", the amount of the impairment loss is measured as the difference between the carrying amount of the financial asset and the recoverable amount, which is the higher of the fair value less costs to sell and the present value of future cash flows from the investment. When estimating impairment, the investee’s equity is taken into consideration, corrected for any unrealised gains existing at the measurement date, unless better evidence of the recoverable amount is available. Reversals of impairment for equity investments in group companies, jointly controlled entities and associates are recognised in profit or loss up to the limit of the carrying amount of the investment that would have been disclosed at the reversal date had the impairment loss not been recognised. Meanwhile, for available-for-sale financial assets measured at cost, prior valuation adjustments cannot be reversed.

4.7 Financial liabilities

Classification and measurement

Debts and payables

This category includes financial liabilities arising on the purchase of goods and services in the course of the Company’s trade operations, and non-trade payables that are not derivatives.

Financial liabilities included in this category are initially measured at fair value. In the absence of evidence to the contrary, this is the transaction price, which is equivalent to the fair value of the consideration received, adjusted for directly attributable transaction costs.

The financial liabilities included in this category are subsequently measured at amortised cost. Accrued interest is recognised in profit or loss using the effective interest rate method.

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

In guarantees received for operating leases, the difference between the fair value and the amount received is considered as revenue received in advance for the lease and recognised in profit and loss over the lease term. When estimating the fair value of guarantees, the minimum contractual term is considered as the remaining period.

Derecognition

The Company derecognises a financial liability when the obligation is extinguished.

An exchange between a borrower and a lender of debt instruments with substantially different terms entails derecognition of the original financial liability and recognition of the new financial liability. Similarly, any substantial modification of the terms of an existing financial liability is also recognised.

The difference between the carrying amount of a financial liability, or part of that liability, that has been derecognised and the consideration given, including attributable transaction costs and any asset transferred (other than cash) or liability assumed, is recognised in profit or loss for the reporting period in which it arises.

In an exchange of debt instruments that do not have substantially different terms, the original financial liability is not derecognised. Fees and commissions paid are accounted for as an adjustment to the carrying amount. The new amortised cost of the financial asset is calculated using the effective interest rate, which is the discount rate that equates the carrying amount of the financial liability at the modification date to the cash flows payable under the new terms.

For these purposes, the terms of the contract are considered substantially different when the lender is the same that granted the original loan and the present value of the cash flows from the new financial liability, including any net fees, differs by at least 10% from the discounted present value of the remaining cash flows from the original financial liability, discounted using the effect interest rate of the latter.

4.8 Cash and cash equivalents

Cash and cash equivalents include cash, current accounts, deposits and purchases of assets under resale agreements which meet the following criteria:

- They are readily convertible to cash.
- They have a maturity of three months or less from the date of acquisition.
- They are subject to an insignificant risk of changes in value.
- They form part of the Company’s usual cash management strategy.

For the purposes of the statement of cash flows, occasional overdrafts may also be included as a decrease in cash and cash equivalents when these form an integral part of the Company’s cash management.

4.9 Government grants

Grants are classified as non-repayable when the conditions attaching to them are met, at which time they are recognised directly in equity, net of the related tax effect.

Repayable grants are recognised as liabilities until they meet the criteria for classification as non-repayable. Until then, no income is recorded.

Grants awarded to finance specific expenses are recognised as income in the reporting period in which the financed expenses are accrued. Grants awarded to acquire assets or settle liabilities are recognised as income for the reporting period in proportion with the amortisation or depreciation charges for those assets.

4.10 Income tax expense (tax income)

Income tax expense (tax income) for the year is calculated as the sum of current tax resulting from applying the corresponding tax rate to taxable profit for the year, less deductions and other tax relief, taking into account changes during the year in recognised deferred tax assets and liabilities. The corresponding tax expense is recognised in profit or loss, except when it relates to transactions recognised directly in equity, in which case the corresponding tax expense is likewise recognised in equity, and in the initial recognition of business combinations, for which it is recognised in a similar manner to the other assets and liabilities of the acquiree.

Deferred taxes are recognised for all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts. The tax base of an asset or liability is the amount attributed to it for tax purposes.

The tax effect of temporary differences is included in "Deferred tax assets" or "Deferred tax liabilities" in the statement of financial position, as applicable.

The Company recognises deferred tax liabilities for all taxable temporary differences, except where disallowed under prevailing tax legislation.

The Company recognises deferred tax assets for all deductible temporary differences, the carry forward of unused tax credits, and unused tax losses, to the extent that it is probable that future taxable profit will be available against which these assets may be utilised, except where disallowed by prevailing tax legislation.

On the initial recognition of business combinations, when the deferred tax assets of the acquiree do not qualify for separate recognition, the deferred assets recognised during the measurement period arising from new information on events and circumstances existing at the acquisition date adjust the amount of the related goodwill. Deferred tax assets recognised after the measurement period, or which arise from events or circumstances that did not exist at the acquisition date, are recognised in profit and loss or, if required by the standard, directly in equity.

At the end of each reporting period, the Company reassesses recognised and previously unrecognised deferred tax assets. Based on this analysis, the Company then derecognises previously recognised deferred tax assets when recovery is no longer probable, or recognises a previously unrecognised deferred tax asset to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

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

Deferred tax assets and deferred tax liabilities are not discounted and are classified as non-current assets or non-current liabilities, regardless of the date they are expected to be realised or settled.

4.11 Current versus non-current classification

The Company presents assets and liabilities in the statement of financial position based on current/non-current classification. Accordingly, assets and liabilities are classified as current when they are associated with the Company's operating cycle and it is expected that they will be sold, consumed, realised or settled within the normal course of that cycle; when they differ from the aforementioned assets and are expected to mature, to be sold or settled within one year; and when they are held for trading or are cash and cash equivalents whose use is not restricted to one year. All other assets and liabilities are classified as non-current assets and non-current liabilities.

The normal operating cycle is less than one year.

4.12 Revenue and expenses

In accordance with the accruals principle, revenue and expenses are recognised when the goods or services represented by them take place, regardless of when actual payment or collection occurs.

Revenue from the sale of goods or rendering of services

Revenue is recognised when it is probable that the profit or economic benefits associated with the transaction will flow to the Company and the amount of revenue and costs incurred or to be incurred can be measured reliably. Revenue is measured at the fair value of the consideration received or receivable, less any trade discounts, rebates or similar items granted by the Company and interest on the nominal amount of credit extended. Applicable indirect taxes on transactions that the Company must pass on to third parties are not included in revenue.

4.13 Foreign currency transactions

The Company's functional and presentation currency is the euro.

Transactions in foreign currencies are initially recorded at their functional currency spot rates at the date of the transaction.

Monetary assets and liabilities denominated in foreign currency are translated at the functional currency spot rates of exchange at the reporting date. Exchange gains or losses arising on this process and on settlement of these assets and liabilities are recognised in profit or loss for the reporting period in which they occur.

Non-monetary items that are measured in terms of historical cost are translated using the exchange rates at the dates of the transaction.

Non-monetary items measured at fair value are translated using the exchange rate at the date when fair value is determined. Exchange gains or losses are recognised in profit or loss, unless the change in value of the non-monetary item is recognised in equity, in which case the exchange gains or losses are also recognised in equity.

4.14 Related party transactions

Related party transactions are measured using the same criteria described above, except for the following transactions:

- Non-monetary contributions of a business to a group company, which, in general, are measured at the carrying amount of the assets and liabilities contributed in the consolidated financial statements at the date of the transaction.
- Mergers and and spin-offs, whereby the assets and liabilities acquired are measured at the amount corresponding to them, after the transaction, in the consolidated financial statements, with any differences recognised in reserves.

The prices of related party transactions are adequately documented; therefore, the Company’s directors consider there are no risks of significant tax liabilities arising.

5. INTANGIBLE ASSETS

Reconciliation of the carrying amount of intangible assets:

(€)	Opening balance	Additions and charges	Disposals	Closing balance
31/03/2021				
Cost				
Trademark	672	-	-	672
	672	-	-	672
Accumulated amortisation				
Trademark	(482)	(168)	-	(650)
	(482)	(168)	-	(650)
Net carrying amount	**190**			**22**
31/03/2020 (*)				
Cost				
Trademark	672	-	-	672
Computer software	1.683.287	-	(1.683.287)	-
	1.683.959	-	(1.683.287)	672
Accumulated amortisation				
Trademark	(449)	(33)	-	(482)
Computer software	(1.363.287)	-	1.363.287	-
	(1.363.736)	(33)	1.363.287	(482)
Net carrying amount	**320.223**			**190**

(*) Three months ended 31 March 2020

5.1 Description of the main movements

There were no significant movements in intangible assets in the year ended 31 March 2021. In the three months ended 31 March 2020, the Company sold software to Affle MEA FZ-LLC, a wholly owned subsidiary of Affle International, for €320,000, calculated as the difference between the acquisition cost and accumulated amortisation, net of impairment.

There were no fully amortised items of intangible assets at 31 March 2021.

At 31 March 2021, the Company did not have any intangible assets located outside Spain.

The Company did not have any firm commitments to acquire intangible assets at 31 March 2021.

6. PROPERTY, PLANT AND EQUIPMENT

Reconciliation of the carrying amount of property, plant and equipment:

(€)	Opening balance	Additions and charges	Disposals	Closing balance
31/03/2021				
Cost				
Technical installations and other property, plant, and equipment	35.362	9.068	(2.461)	41.969
	35.362	9.068	(2.461)	41.969
Accumulated depreciation				
Technical installations and other property, plant, and equipment	(21.840)	(7.373)	2.461	(26.752)
	(21.840)	(7.373)	2.461	(26.752)
Net carrying amount	**13.522**			**15.217**
31/03/2020 (*)				
Cost				
Technical installations and other property, plant, and equipment	35.362	-	-	35.362
	35.362	-	-	35.362
Accumulated depreciation				
Technical installations and other property, plant, and equipment	(20.161)	(1.679)	-	(21.840)
	(20.161)	(1.679)	-	(21.840)
Net carrying amount	**15.201**			**13.522**

(*) Three months ended 31 March 2020

6.1 Description of the main movements

Additions in the year ended 31 March 2021 related to the purchase of computers. There were no significant movements in the year ended 31 March 2020.

6.2 Operating leases

The Company has a lease for its offices in Madrid, which expires on 9 March 2023.

The future minimum payments under non-cancellable operating leases at 31 March are as follows:

(€)	31/03/2021	31/03/2020 (*)
Within one year	27.600	27.600
After one year but not more than five years	27.600	55.200
More than five years	-	-
	55.200	**82.800**

(*) Three months ended 31 March 2020

6.3 Other information:

Fully depreciated property, plant and equipment at 31 March:

(€)	31/03/2021	31/03/2020 (*)
Technical installations and other property, plant, and equipment	12.557	5.531
	12.557	**5.531**

(*) Three months ended 31 March 2020

Property, plant and equipment are located outside Spain.

The Company did not have any firm commitments to acquire property, plant and equipment at 31 March 2021.

7. EQUITY INVESTMENTS IN GROUP COMPANIES, JOINTLY CONTROLLED ENTITIES AND ASSOCIATES

Set out below is a reconciliation of the carrying amount of equity investments in group companies, jointly controlled entities and associates:

(€)	Opening balance	Additions	Disposals	Closing balance
31/03/2021				
Equity instruments				
Cost	1	-	(1)	-
	1	**-**	**(1)**	**-**
31/03/2020 (*)				
Equity instruments				
Cost	1	-	-	1
	1	**-**	**-**	**1**

(*) Three months ended 31 March 2020

7.1 Description of the main movements

During the year ended 31 March 2021, Mediasmart Mobile Ltd was liquidated. As a result, Company recognised a loss for the uncollectability of receivables from the subsidiary amounting to €405,826 (Note 8).

7.2 Description of investments

There is no information on the group company at 31 March 2021 since it was liquidated. Information on group companies at 31 March 2020:

(€)	Net carrying amount	Direct ownership	Capital	Prior years' losses	Profit / (loss) for the year	Total equity
31/03/2020 (*) (**)						
Mediasmart Mobile, Ltd	1	100%	1	(355.971)	23.120	(332.850)
	1					

(*) Three months ended 31 March 2020

(**) Unaudited financial information as at 31 March 2020

On 28 May 2015, Mediasmart Mobile S.L.U. incorporated a subsidiary in the United Kingdom, Mediasmart Mobile Ltd, with share capital of £1. The equivalent amount in euros was presented under non-current financial assets at 31 March 2020.

The company's registered address is John Street 10, London WC1N2EB. Its objects include providing all kinds of services, e-commerce and mobile programming and marketing, and any other related activities. The company operates in the United Kingdom. Its financial year is from 1 January to 31 December.

8. FINANCIAL ASSETS

Financial assets at 31 March:

	Loans, derivatives and other		Total	
(€)	31/03/2021	31/03/2020 (*)	31/03/2021	31/03/2020 (*)
Non-current financial assets				
Loans and receivables	6.034	6.780	6.034	6.780
	6.034	**6.780**	**6.034**	**6.780**
Current financial assets				
Loans and receivables (**)	1.427.878	1.545.228	1.427.878	1.545.228
	1.427.878	**1.545.228**	**1.427.878**	**1.545.228**
	1.433.912	**1.552.008**	**1.433.912**	**1.552.008**

(*) Three months ended 31 March 2020

(**) Excluding tax receivable and other current taxes

These amounts are included in the following statement of financial position line items:

	Loans, derivatives and other		Total	
(€)	**31/03/2021**	**31/03/2020 (*)**	**31/03/2021**	**31/03/2020 (*)**
Non-current financial assets				
Non-current financial assets	6.034	6.780	6.034	6.780
	6.034	**6.780**	**6.034**	**6.780**
Current financial assets				
Trade and other receivables (**)	1.427.878	1.545.228	1.427.878	1.545.228
	1.427.878	**1.545.228**	**1.427.878**	**1.545.228**
	1.433.912	**1.552.008**	**1.433.912**	**1.552.008**

(*) Three months ended 31 March 2020
(**) Excluding tax receivables and other current taxes

Non-current financial assets

Financial assets included in this category at 31 March:

(€)	**31/03/2021**	**31/03/2020 (*)**
Non-current guarantees given	4.654	5.400
Long-term deposits	1.380	1.380
	6.034	**6.780**

(*) Three months ended 31 March 2020

Trade and other receivables

The breakdown of this item at 31 March as follows:

(€)	**31/03/2021**	**31/03/2020 (*)**
Trade receivables	1.034.449	912.725
Trade receivables from group companies and associates (Note 16.1)	238.812	632.503
Other receivables	154.616	-
	1.427.878	**1.545.228**

(*) Three months ended 31 March 2020

Impairment losses

The balance of “Trade receivables” is presented net of impairment. The changes in impairment losses are as follows:

(€)	**31/03/2021**	**31/03/2020 (*)**
Opening balance	281.355	281.355
Arising during the year	430.601	-
Unused amounts reversed	(2.440)	-
Uncollectable (Note 7)	(405.826)	-
Closing balance	**303.690**	**281.355**

(*) Three months ended 31 March 2020

As explained in Note 7, the Company recognised a provision of €405,226 for credit losses with this subsidiary, which has been dissolved (Note 7).

9. CASH AND CASH EQUIVALENTS

The breakdown of this item at 31 March as follows:

(€)	31/03/2021	31/03/2020 (*)
Demand deposits in current accounts	899.969	374.109
	899.969	**374.109**

(*) Three months ended 31 March 2020

Current accounts earn market interest rates.

There are no restrictions on these balances.

10. EQUITY – CAPITAL AND RESERVES

10.1 Registered capital

The Company's share capital at 31 March 2021 and 2020 consisted of 124,282 shares of €1 par value each, for a total of €124,282. The shares were fully subscribed and paid in.

On 28 February 2020, Affle International PTE acquired shares representing 94.78% of the share capital of Mediasmart Mobile, S.L.U. from the previous shareholders. The transaction had no impact on the share capital, share premium and reserves.

On 24 March 2021, Affle Internacional PTE acquired shares representing 5.22% of the share capital of Mediasmart Mobile, S.L.U. from the previous shareholders, giving it ownership of 100% of the Company's shares, making it the sole shareholder.

10.2 Share premium

The share premium at 31 March 2021 and 2020 stood at €334,552. The balance of this account is unrestricted.

10.3 Reserves and retained earnings (prior years' losses)

The breakdown of items composing "Reserves" and "Retained earnings (prior years' losses)" is as follows:

(€)	Opening balance	Distribution of profit/(loss)	Other	Closing balance
31/03/2021				
Legal reserve	24.856	-	-	24.856
Voluntary reserves	503.137	-	(395)	502.742
Retained earnings (prior years' losses)	(1.073.878)	(36.769)	-	(1.110.647)
	(545.885)	**(36.769)**	**(395)**	**(583.049)**
31/03/2020 (*)				
Legal reserve	24.856	-	-	24.856
Voluntary reserves	503.137	-	-	503.137
Retained earnings (prior years' losses)	(204.071)	(869.807)	-	(1.073.878)
	323.922	**(869.807)**	**-**	**(545.885)**

(*) Three months ended 31 March 2020

Legal reserve

In accordance with the restated text of the Spanish Companies Act, until the legal reserve exceeds the limit of 20% of share capital, it cannot be distributed to shareholders and can only be used to offset losses, if no other reserves are available for this purpose. This reserve can be used to increase capital by the amount exceeding 10% of the new capital after the increase.

10.4 Information regarding the shareholder's right of exit due to failure to distribute dividends (Article 348 bis of the consolidated text of the Spanish Companies Act).

No shareholder at the latest Annual General Meetings voting against approval of the proposed distribution of profit or loss submitted.

11. EQUITY - GOVERNMENT GRANTS RECEIVED

The movements in non-repayable grants related to assets are as follows:

(€)	Opening balance	Additions	Tax effect of additions	Amounts transferred to profit or loss	Tax effect of transfers	Closing balance
31/03/2021						
Non-repayable grants	16.688	56.325	(14.081)	(78.776)	19.844	-
	16.688	**56.325**	**(14.081)**	**(78.776)**	**19.844**	**-**
31/03/2020 (*)						
Non-repayable grants	16.688	-	-	-	-	16.688
	16.688	**-**	**-**	**-**	**-**	**16.688**

(*) Three months ended 31 March 2020

In July 2019, Spain's Centre for Technological and Industrial Development (Centro de Desarrollo Tecnológico e Industrial or CDTI) granted the Company partially repayable aid for 85% of the total budget accepted by the CDTI for a project to enhance the efficiency of mobile advertising leveraging incremental metrics and programmatic optimisation. The aid consists of a repayable component, through an interest-free soft loan of €379,485, and a non-repayable component amounting to €136,614.

As the attaching conditions of the grant were met, the grant was considered non-repayable and therefore recognised in equity, net of tax. As all the subsidised expenses were incurred and, therefore, the milestones for the grant were achieved, the Company recognised the full amount in the statement of profit or loss.

12. FINANCIAL LIABILITIES

The breakdown of financial liabilities at 31 December is as follows:

	31/03/2021			31/03/2020 (*)		
(€)	**Bank borrowings**	**Derivatives and other**	**Total**	**Bank borrowings**	**Derivatives and other**	**Total**
Non-current financial liabilities						
Debts and payables	268.538	485.577	754.115	142.050	223.005	365.055
	268.538	485.577	754.115	142.050	223.005	365.055
Current financial liabilities						
Debts and payables (**)	197.774	1.654.622	1.852.396	605.658	1.667.903	2.273.561
	197.774	1.654.622	1.852.396	605.658	1.667.903	2.273.561
	466.312	**2.140.199**	**2.606.511**	**747.708**	**1.890.908**	**2.638.616**

(*) Three months ended 31 March 2020

(**) Excluding tax payables and other current taxes

These amounts are included in the following statement of financial position line items:

	31/03/2021			31/03/2020 (*)		
(€)	**Bank borrowings**	**Derivatives and other**	**Total**	**Bank borrowings**	**Derivatives and other**	**Total**
Non-current financial liabilities						
Loans and borrowings	268.538	485.577	754.115	142.050	223.005	365.055
	268.538	485.577	754.115	142.050	223.005	365.055
Current financial liabilities						
Loans and borrowings	197.774	110.875	308.649	605.658	448.512	1.054.170
Loans and borrowings with group companies and associates	-	435.701	435.701	-	218.870	218.870
Trade and other payables (**)	-	1.108.046	1.108.046	-	1.000.521	1.000.521
	197.774	1.654.622	1.852.396	605.658	1.667.903	2.273.561
	466.312	**2.140.199**	**2.606.511**	**747.708**	**1.890.908**	**2.638.616**

(*) Three months ended 31 March 2020

(**) Excluding taxes payable and other current taxes

12.1 Bank borrowings

Bank borrowings at 31 December:

(€)	31/03/2021	31/03/2020 (*)
Non-current		
Bank loans and borrowings	268.538	142.050
	268.538	142.050
Current		
Bank loans and borrowings	197.774	605.658
	197.774	605.658
	466.312	**747.708**

(*) Three months ended 31 March 2020

Bank loans and borrowings

Breakdown of bank loans and borrowings:

(€)	31/03/2021 Outstanding amount payable	31/03/2020 (*) Outstanding amount payable	Maturity	Interest rate	Limits
Loans					
Bankinter	116.666	216.667	15/05/2022	2,75%	400.000
Sabadell	24.646	125.079	30/062021	1,75%	200.000
BBVA I	325.000	-	14/05/2025	2,75%	325.000
BBVA II	-	40.287	07/03/2022	floating	50.000
BBVA III	-	292.836	31/03/2021	3,35%	850.000
Credit facilities					
BBVA	-	72.839	14/05/2025	3,96%	100.000
	466.312	**747.708**			

(*) Three months ended 31 March 2020

Annual maturities of principal on bank loans and borrowings at 31 March:

(€)	31/03/2021	31/03/2020 (*)
2020/2021	-	605.658
2021/2022	197.774	100.384
2022/2023	88.071	41.666
2023/2024	81.959	-
2024/2025	84.241	-
2025/2026	14.267	-
	466.312	**747.708**

(*) Three months ended 31 March 2020

12.2 Derivatives and other

Financial liabilities classified in this category at 31 March:

(€)	31/03/2021	31/03/2020 (*)
Non-current		
Other financial liabilities	485.577	223.005
Current		
Other financial liabilities	110.875	448.512
Group companies and associates (Note 16.1)	435.701	218.870
Trade and other payables (**)	1.108.046	1.000.521
	2.140.199	**1.890.908**

(*) Three months ended 31 March 2020

(**) Excluding taxes payable and other current taxes

Other non-current and current financial liabilities

The breakdown of these items 31 March 2021 and 2020 is as follows:

(€)	Current	Non-current	Total
31/03/2021			
Emprendetur I+D+I	105.870	105.870	211.740
Avanza	4.011	-	4.011
Centro de Desarrollo Tecnológico e Industrial (CDTI)	-	379.707	379.707
Unused tax credits	994	-	994
31/03/2020 (*)			
Emprendetur I+D+I	105.870	105.870	211.740
Avanza	69.671	6.567	76.238
Billfront Ltd	270.890	-	270.890
Centro de Desarrollo Tecnológico e Industrial (CDTI)	-	110.568	110.568
Unused tax credits	2.081	-	2.081

(*) Three months ended 31 March 2020

On 30 September 2016, the Ministry of Industry granted Mediasmart Mobile, S.L.U. a €317,610 loan within the framework of the Emprendetur R&D&I programme with an original maturity of 30 September 2021. The loan carries a fixed interest rate of 6.571% and includes a 2-year grace period on principal payments. In accordance with Royal Decree 11/2020, of 31 March, payments on the loan were suspended and maturity was pushed back to 30 September 2022 to deal with the situation caused by COVID-19. The outstanding balance at 31 March 2021 was €211,740 (2020: €211,740).

On 9 September 2014, the Ministry of Energy, Industry and Tourism extended the Company a €75,217 grant and a 5-year 0.506% €175,506 loan with a 2-year grace period under the Avanza programme. As a prerequisite for granting the loan, the ministry required a guarantee of €62,681. To extend this guarantee, the Company pledged €45,406 held in Bankinter and deposited €17,275 at Caja General de Depósitos. In April 2017, the second tranche of the Avanza funds were received, requiring the Company to obtain the related guarantee and pledge an amount of €20,894 held in Caja General de Depósitos. Final payment was due on 31 December 2019, but a deferral in 12 monthly payments starting in May 2020 was agreed. The outstanding amount at 31 March 2021 was €4,011 (2020: €76,238).

On 8 July 2017, the Company entered into a working capital finance agreement with Billfront Ltd entailing an advance on certain customer receivables at an agreed price, for up to €500,000 repayable over a term of 30-45 days. At 31 March 2021, the amount advanced by Billfront pending repayment was €0, recognised under "Other current financial liabilities" (2020: €270,890).

In July 2019, the CDTI extended the Company a €136,614 grant and a €379,485 interest-free loan maturing in June 2030. The repayment schedule is as follows: €180,635 in July 2019, €180,849 in the second quarter of 2020 and €154,586 euros in the second quarter of 2021. As security for repayment of the loan, the Company provides bank guarantees for 27.34% of each payment by the CDTI. The outstanding balance on the loan at 31 March 2021 was €379,707 (2020: €110,568).

Annual maturity schedule of other financial liabilities at 31 March:

(€)	31/03/2021	31/03/2020 (*)
2020/2021	-	448.512
2021/2022	110.875	105.870
2022/2023	156.468	14.742
2023/2024	50.598	14.742
2024/2025	50.598	14.742
2025/2026	227.913	72.908
	596.452	**671.517**

(*) Three months ended 31 March 2020

Trade and other payables

The breakdown of this item at 31 March as follows:

(€)	31/03/2021	31/03/2020 (*)
Suppliers	754.864	703.747
Suppliers, group companies and associates (Note 16.1)	254.337	-
Other payables	49.534	189.606
Personnel (extra pro-rated salary)	24.582	107.168
Advances from customers	24.729	-
	1.108.046	**1.000.521**

(*) Three months ended 31 March 2020

13. TAXES

Set out below are tax assets and tax liabilities at 31 March:

(€)	31/03/2021	31/03/2020 (*)
Deferred tax assets	331.448	370.496
Other tax receivables	8.494	230.148
VAT	8.494	215.978
Government grants receivable	-	14.170
	339.942	**600.644**
Deferred tax liabilities	-	5.763
Other taxes payables	38.460	35.007
Personal income tax withholdings	13.368	15.581
Social Security payable	25.092	19.426
	38.460	**40.770**

(*) Three months ended 31 March 2020

Under prevailing tax regulations, tax returns may not be considered final until they have either been inspected by the tax authorities or until the four-year inspection period has expired. The Company is open to inspection of all taxes to which it is liable for the last four years. The Company's directors and their tax advisors consider that, in the event of a tax inspection, no significant tax contingencies would arise as a result of varying interpretations of the tax legislation applicable to the Company's transactions.

13.1 Calculation of income tax expense

The reconciliation of net income and expense for the year to taxable income (tax loss) is as follows:

(€)	Statement of profit or loss		
	Increases	Decreases	Total
31/03/2021			
Income and expense for the year			
Continuing operations	193.729	-	193.729
Income tax			
Continuing operations	-	(23.378)	(23.378)
Income and expense for the year before tax	**193.729**	**(23.378)**	**170.351**
Temporary differences			
Originating in the current period	-	9	9
Offset of unused tax losses	(170.360)	-	(170.360)
Taxable income (tax loss)	**23.369**	**(23.369)**	**-**
31/03/2020 (*)			
Income and expense for the year			
Continuing operations	-	-	-
Income tax			
Continuing operations	-	-	-
Tax adjustment	-	-	-
Income and expense for the year before tax	**-**	**-**	**-**
Permanent differences	-	-	-
Temporary differences			
Originating in the current period	-	-	-
Originating in prior periods	-	-	-
Offset of unused tax losses	-	-	-
Taxable income (tax loss)	**-**	**-**	**-**

(*) Three months ended 31 March 2020

The reconciliation between income tax expense/(income) and the result of multiplying total recognised income and expense by the applicable tax rates is as follows:

(€)	31/03/2021	31/03/2020 (*)
Accounting profit/(loss) before tax	**170.351**	-
Adjusted accounting profit/(loss)	**-**	**-**
Tax expense (income)	**42.588**	**-**
Reimbursement of tax credits	(65.966)	
Total income tax expense/income recognised in profit or loss	**(23.378)**	**-**

(*) Three months ended 31 March 2020

13.2 Deferred tax assets and liabilities

The movements in items composing “Deferred tax assets” and “Deferred tax liabilities” are as follows:

(€)	Opening balance	Additions	Disposals	Closing balance
31/03/2021				
Deferred tax assets				
Other	-	3.542	-	3.542
Tax losses	370.496	-	(42.590)	327.906
	370.496	**3.542**	**(42.590)**	**331.448**
Deferred tax liabilities				
Non-repayable grants (Note 11)	(5.763)	(14.081)	19.844	-
	(5.763)	**(14.081)**	**19.844**	**-**
31/03/2020 (*)				
Deferred tax assets				
Tax losses	370.496	-	-	370.496
	370.496	**-**	**-**	**370.496**
Deferred tax liabilities				
Non-repayable grants (Note 11)	(5.763)		-	(5.763)
	(5.763)	**-**	**-**	**(5.763)**

(*) Three months ended 31 March 2020

Unused tax losses at 31 December after those applied in the year are as follows:

(€) Year arising	31/03/2021	31/03/2020 (*)
2014	90.161	260.522
2015	330.165	330.165
2018	351.051	351.051
2019	540.247	540.247
	1.311.624	**1.481.985**

(*) Three months ended 31 March 2020

At 31 March 2021, the Company recognised deferred tax assets amounting to €327,906 for the carry forward of unused tax losses (2020: €370,496).

Based on its budgets, the Company has estimated the taxable profit it expects to obtain over the next five years (the period for which it considers the estimates to be sufficiently reliable). It also analysed the timing of the reversal of taxable temporary differences, identifying those expected to reverse in periods in which the unused tax losses can be utilised. Based on this analysis, the Company recognised deferred tax assets relating to the unused tax losses and those for which it considers that it is probable that future taxable profit will be available against which the deductible temporary differences can be utilised.

14. REVENUE AND EXPENSES

14.1 Revenue

The breakdown of revenue from continuing operations by business category and geographic market is as follows:

(€)	31/03/2021	31/03/2020 (*)
Segmentation by activity		
Mobile advertising	6.706.709	1.404.963
	6.706.709	**1.404.963**
Segmentation by geographical markets		
Spain	170.711	24.733
European Union	2.534.640	561.835
Other	4.001.358	818.395
	6.706.709	**1.404.963**

(*) Three months ended 31 March 2020

14.2 Employee benefits expense

Breakdown of employee benefits expense:

(€)	31/03/2021	31/03/2020 (*)
Salaries, wages and similar		
Salaries and wages	604.673	161.215
Employee benefits		
Social Security payable	179.548	29.607
Other employee benefits	4.720	40
	788.941	**190.862**

(*) Three months ended 31 March 2020

14.3 Finance income

The breakdown of finance income is as follows:

(€)	31/03/2021	31/03/2020 (*)
Interest on loans to other companies		
Other finance income	1.033	3.257
	1.033	**3.257**

(*) Three months ended 31 March 2020

14.4 Finance costs

The breakdown of finance costs is as follows:

(€)	31/03/2021	31/03/2020 (*)
Interest expense on third-party borrowings		
Bank loans and borrowings	25.308	18.946
	25.308	**18.946**

(*) Three months ended 31 March 2020

15. FOREIGN CURRENCY

15.1 Foreign currency balances and transactions

The breakdown of assets and liabilities denominated in foreign currencies at 31 March is as follows:

Foreign currency transactions:

(€)	US dollars	Pound sterling	Indian rupee	Total
2021				
Trade receivables	705.432	10.330	3.937	719.699
	705.432	**10.330**	**3.937**	**719.699**
Suppliers	614.157	-	-	614.157
	614.157	**-**	**-**	**614.157**
2020 (*)				
Trade receivables	642.907	92.678	-	735.585
	642.907	**92.678**	**-**	**735.585**
Bank borrowings	581.926	331	-	582.257
	581.926	**331**	**-**	**582.257**

(*) Three months ended 31 March 2020

(€)	US dollars	Pound sterling	Indian rupee	Total
2021				
Sales	4.855.943	252.724	3.937	5.112.604
2020 (*)				
Sales	889.643	156.018	-	1.045.660

(*) Three months ended 31 March 2020

16. RELATED PARTY TRANSACTIONS

Related parties with which the Company carried out transactions in the year ended 31 March 2021 and the three months ended 31 March 2020, and the nature of the relationship, are as follows:

	Nature of the relationship
Affle International PTE	Shareholder
NODEOM, S.L.	Shareholder
Affle MEA FZ-LLC	Group company
Affle (India) Limited	Group company
Appnext	Group company

16.1 Related parties

The breakdown of related party balances is as follows:

(€)	Shareholder	Other group companies	Total
2021			
Trade receivables (Note 8)	50.232	188.580	238.812
Current loans and borrowings (Note 12.2)	(400.000)	(35.701)	(435.701)
Suppliers (Note 12.2)	(102.729)	(151.607)	(254.337)
2020 (*)			
Trade receivables (Note 8)	-	632.503	632.503
Current loans and borrowings (Note 12.2)	-	(218.870)	(218.870)

(*) Three months ended 31 March 2020

The breakdown of related party transactions is as follows:

(€)	Shareholder	Other group companies	Total
2021			
Sales	261.609	638.749	900.358
External services	638.247	434.368	1.072.615
2020 (*)			
Sales	1.907	84.092	85.999
External services	-	84.531	84.531

(*) Three months ended 31 March 2020

16.2 Directors and senior management

In the year ended 31 March 2021, the directors accrued €80,000 in remuneration, allowances and by-law stipulated shares (2020: €61,093).

In the year ended 31 March 2021, no remuneration was paid to the natural person representatives of the Company on the governing bodies of companies in which the Company is a legal person director (2020: €0).

The Company had no pension or life insurance commitments with directors at either 31 March 2021 or 31 March 2020.

No loans had been granted to senior executives or directors at 31 December 2021 or 2020, nor had any guarantees been given on their behalf.

In the year ended 31 March 2021, premiums were paid on third-party liability insurance of directors for damages caused in the discharge of their directorships amounting to €6,051 (202: €6,051).

In accordance with Article 229 of the Spanish Companies Act, the directors have stated that there are no situations that may involve a conflict of interest with the Company.

The Company considers senior management to be those persons who perform functions related to the Company's general objectives, such as planning, management and control of activities, performing their duties with autonomy and full responsibility, limited only by the criteria and instructions of the Company's legal owners or the governing and administrative bodies representing those owners. As the Company's strategic decisions and its operations are taken and controlled by the parent of the group, the Company does not have any employees who could be considered senior managers as defined above.

17. NATURE AND EXTENT OF RISKS ARISING FROM FINANCIAL INSTRUMENTS

The risk management policies are established by management and were approved by the Company's directors. Based on these policies, the Finance Department has established a series of procedures and controls that make it possible to identify, measure, and manage the risks arising from financial instrument activity. These policies stipulate, *inter alia*, that the Company may not use derivatives for speculative purposes.

Financial instrument activity exposes the Company to credit, market, and liquidity risk.

17.1 Credit risk

Credit risk is the risk of financial loss caused by the Company's counterparties not meeting their obligations, i.e. the possibility that financial assets will not be recovered at their carrying amount within the established time frame.

The maximum exposure to credit risk at 31 December was as follows:

€	31/03/2021	31/03/2020 (*)
Non-current financial assets	6.034	6.780
Trade and other receivables	1.436.371	1.775.376
Cash and cash equivalents	899.969	374.109
	2.342.375	**2.156.264**

(*) Three months ended 31 March 2020

Amounts presented in the statement of financial position are shown net of the allowances for credit losses estimated by the group's management based on prior years' experience and current assessments of the economic environment. The commercial and financial departments set credit limits for each customer.

Each month a breakdown with the age of each of the accounts receivable is prepared; this serves as the basis for managing their collection. The finance department requests settlement of past-due receivables on a monthly basis until they are more than six months old, at which point they has forwarded to legal affairs for monitoring and, where appropriate, legal action.
The credit limits of customers with late payments are reviewed on a half-yearly basis and those of other customers annually.

The detail of "Trade and other receivables" at 31 March, by concentration of credit risk and counterparty, is as follows

	31/03/2021		31/03/2020 (*)	
(€)	No. customers	Amount	No. customers	Amount
Balance of more than €100 thousand	5	680.223	2	1.117.268
Balance between €100 and €50 thousand	5	336.655	4	273.814
Balance between €50 and €20 thousand	10	305.374	7	201.596
Balance of between €20 thousand and €10 thousand	2	29.977	8	117.558
Balance of less than €10 thousand	53	84.143	138	65.140
Total	**75**	**1.436.371**	**159**	**1.775.376**

(*) Three months ended 31 March 2020

17.2 Market risk

Market risk is the risk of loss caused by fluctuations in the fair value or future cash flows of a financial instrument because of changes in market prices. Market risk comprises interest rate, foreign currency and other price risks.

Interest rate risk

Interest rate risk is the risk of loss caused by fluctuations in the fair value or future cash flows of a financial instrument because of changes in market interest rates. The Company's exposure to interest rate risk is mainly related to long-term floating rate loans and borrowings.

Foreign currency risk

Foreign currency risk is the risk of loss caused by fluctuations in the fair value or future cash flows of a financial instrument because of changes in foreign exchange rates.

Receivables is the only item in the Company's assets and liabilities with balances in a currency other than the functional currency.

17.3 Liquidity risk

Liquidity risk is the risk of the Company having a shortage of funds or lacking access to sufficient funds at an acceptable cost to meet its payment obligations at all times. The Group monitors on an ongoing basis trends in various factors that could help offset liquidity risk, especially sources of funding and their features. In August 2020 and November 2020, Affle Group made two payments of €200,000 each under the agreement entered into between the Company and the parent whereby the parent undertakes to provide the Company with finance of up to €600,000.

The Company has its liquidity needs guaranteed at all times through credit facilities with banks. At 31 March 2021, the Company had a €100,000 credit facility with BBVA, of which it had drawn down the entire amount.

18. OTHER INFORMATION

18.1 Structure of personnel

The number of employees by professional category is as follows:

	Total number of employees at year-end			Average number of employees in the year	Average number of employees with a disability of a severity of >33% as a percentage of the total
	Men	Women	Total		
2021					
Administration	13	10	23	19	
	13	**10**	**23**	**19**	**-**
2020 (*)					
Management	-	-	-	1	-
Administration	10	7	17	17	-
	10	**7**	**17**	**18**	**-**

(*) Three months ended 31 March 2020

The Company had three directors at 31 March 2021 and 2020, two men and one woman.

18.2 Audit fees

Audit fees accrued during the year for services rendered by the statutory auditor were as follows:

	31/03/2021	31/03/2020 (*)
Audit of the financial statements	8.750	4.400
Other services	11.955	1.700
	20.705	**6.100**

(*) Three months ended 31 March 2020

18.3 Environmental disclosures

The Company's directors consider that no significant contingencies exist with respect to environmental protection and improvement. Therefore, they did not consider it necessary to recognise any provision in this connection.

18.4 Guarantees

The Company has extended guarantees to several institutions amounting to €98,838 at 31 March 2021 (2020: €402,000).

18.5 Information on average payment period to suppliers. Additional Provision Three. “Disclosure requirements" under Law 15/2010, of 5 July

Disclosures regarding the average supplier payment period:

	31/03/2021	31/03/2020 (*)
(Days)		
Average period of payment to suppliers	48	55
Ratio of transactions paid	48	52
Ratio of transactions outstanding	44	59
(€)		
Total payments made	4.406.729	1.384.332
Total payments outstanding	646.808	956.000

(*) Three months ended 31 March 2020

19. EVENTS AFTER THE REPORTING PERIOD

No events occurred between the reporting date and the date of authorisation for issue of these financial statements worth disclosing.

20. ADDITIONAL NOTE FOR ENGLISH TRANSLATION

These financial statements for the year ended 31 March 2021 are presented on the basis of accounting principles generally accepted in Spain and the Spanish report will prevail over any translation.

MANAGEMENT REPORT FOR THE YEAR ENDED 31 MARCH 2021

1. BUSINESS ACTIVITY

The 2021 financial year (April 2020 - March 2021) was the Company's first year as part of Affle Group. The Company's business did not change, but the geographic revenue mix did, with an increase in Asia's weight after teams were set up in India and Southeast Asia in June to sell platform licences or run advertising campaigns on the platform.

2. BUSINESS PERFORMANCE

Despite the strong negative impact of the pandemic in the first quarter of 2021, the Company still managed to increase revenue by 20% for the year. The effects of COVID-19 were strongest in May, which was the year's worst month, but after that growth was steady factoring in the business' inherent seasonality, i.e. advertising spend is always lowest in the January-March period as this is the planning period for most advertisers.

Gross margin was sustained despite the drop in usage of the more profitable advanced features not linked to media buying. This reduction was also the result of the pandemic, since the features used most until then were no longer so useful with people in lockdown; e.g. real-time measurement of visits or location-based audience creation (see figure 1). Dynamic customer fee management helped make up for this decline.

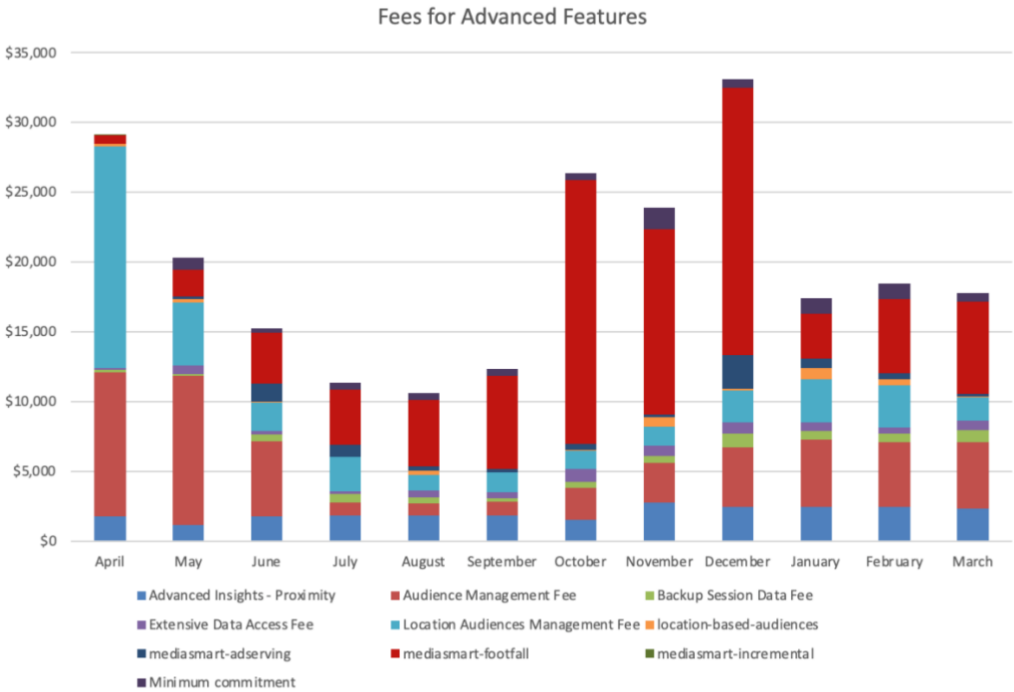

Figure 1. Revenue from separate features of media buying

The team spent the toughest months of the pandemic developing new connected TV (CTV) solutions. Their contribution this year was not material, but expectations are high for next year. Alongside the decrease in location-based campaigns, there was an increase in the use of connected TVs. These months helped convert existing customers and bring in new ones, some of which have already unveiled investment plans for the next financial year.

The customer portfolio is balanced, with the top 10 accounting for just 46% of annual gross revenue and no single customer representing more than 12%. Moreover, customers are extremely loyal: 19 of the 20 largest customers this year (i.e. all except Fynd Media) invested with the Company every month since they began operations or in the last 12 months.

Figure 2. Revenue by customers

Geographically, the business is still strongly international; Spain does not even rank among the top 10 countries by revenue generated this year Asia and LATAM are two strategic regions where the Company hopes to continue expanding next year. They already account for 34% of total active customers, but just 18% of revenue.

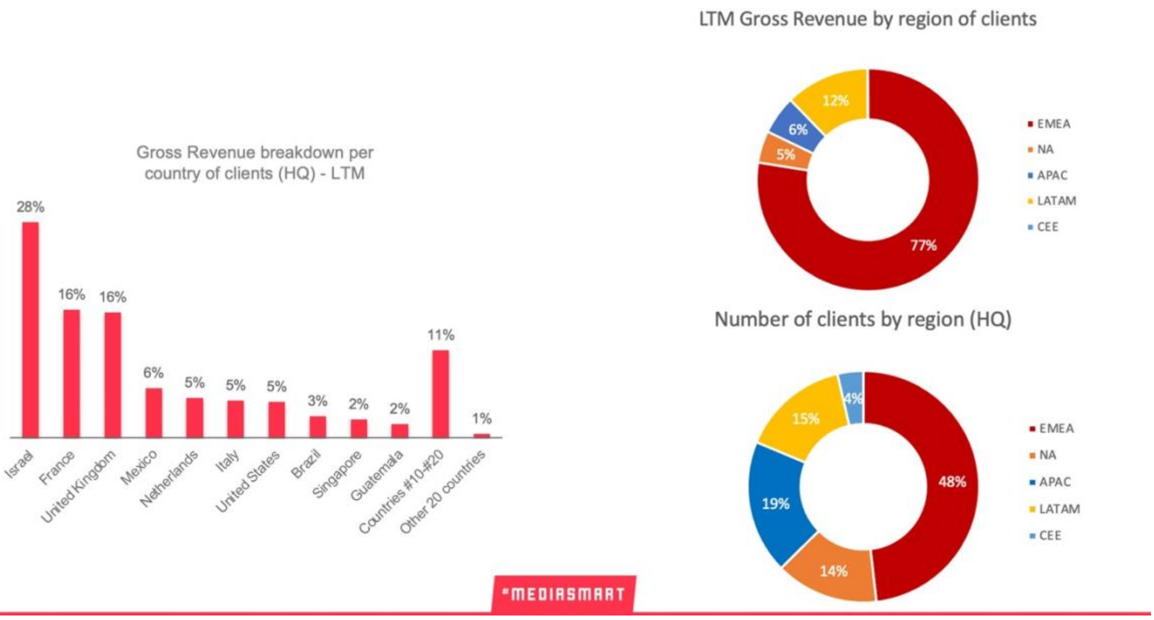

Figure 3. Geographical revenue mix

3. EVENTS AFTER THE REPORTING PERIOD

No significant events occurred between 31 March 2021 and the date of authorisation for issue of these financial statements.

4. R&D MATTERS

The Company invested in research and development in the following areas during the year:

1. Products. Examples of features developed during the year include:

- Measurement of ad viewability in real time using a white-label solution and capability of optimising ad views (not only services) in real time
- Calculation of unique users per campaign
- Household syncing of ads in connected TV campaigns with ads on other devices
- “Audience Insights”: service that shows the % of overlap between different user segments. For instance, what % visitors to Carrefour also visited el Corte Inglés.
- Time based audiences
- New targeting option based on the rating of the app showing the ad in the app store
- Support for new privacy standards: TCF 2.0 and CCPA
- Capacity to set an investment cap by publisher
- Initial development for support of SKAD Network, Apple's measurement system

2. Systems and algorithms. The team spent time and efforts on developments that often go unseen by customers, but that are critical for the Company's sustainability. A few examples are:

- New dynamic fee calculation algorithms
- New algorithm for margin optimisation in both first-price and second-price auctions of inventory (bid shading)
- New price distribution algorithm for calculating optimal price
- New CTR optimisation algorithm
- New anti-fraud algorithms (by comparison, by number of publishers, and by delay)

3. User interface. The team went to great lengths to redesign the core components of front-end architecture so version 2.0 of the interface could be launched during the next financial year.

4. Integrations with external partners. These included:

- Redesign of the integration with Xandr
- Integration with data providers Lifesight and Kochava Collect
- Integration with video inventory provider Chocolate

5. TRANSACTIONS WITH DERIVATIVE FINANCIAL INSTRUMENTS

The Company did not invest in any derivative financial instruments.

6. TREASURY SHARE TRANSACTIONS

The only transaction occurring in the year was the acquisition in March by Affle International PTE of the remaining shares of NODEOM, S.L., which raised its shareholding in the Company to 100%.

7. NATURE AND EXTENT OF RISKS ARISING FROM FINANCIAL INSTRUMENTS

The risk management policies are established by management and were approved by the Company's directors. Based on these policies, the Finance Department has established a series of procedures and controls that make it possible to identify, measure, and manage the risks arising from financial instrument activity. These policies stipulate, *inter alia*, that the Company may not use derivatives for speculative purposes.

Financial instrument activity exposes the Company to credit, market, and liquidity risk.

7.1 Credit risk

Credit risk is the risk of financial loss caused by the Company's counterparties not meeting their obligations, i.e. the possibility that financial assets will not be recovered at their carrying amount within the established time frame.

The maximum exposure to credit risk at 31 December was as follows:

€	31/03/2021	31/03/2020 (*)
Non-current financial assets	6.034	6.780
Trade and other receivables	1.436.371	1.775.376
Cash and cash equivalents	899.969	374.109
	2.342.375	**2.156.264**

(*) Three months ended 31 March 2020

Amounts presented in the statement of financial position are shown net of the allowances for credit losses estimated by the group's management based on prior years' experience and current assessments of the economic environment. The commercial and financial departments set credit limits for each customer.

Each month a breakdown with the age of each of the accounts receivable is prepared; this serves as the basis for managing their collection. The finance department requests settlement of past-due receivables on a monthly basis until they are more than six months old, at which point they has forwarded to legal affairs for monitoring and, where appropriate, legal action.

The credit limits of customers with late payments are reviewed on a half-yearly basis and those of other customers annually.

The detail of "Trade and other receivables" at 31 March, by concentration of credit risk and counterparty, is as follows

	31/03/2021		**31/03/2020 (*)**	
(€)	**No. customers**	**Amount**	**No. customers**	**Amount**
Balance of more than €100 thousand	5	680.223	2	1.117.268
Balance between €100 and €50 thousand	5	336.655	4	273.814
Balance between €50 and €20 thousand	10	305.374	7	201.596
Balance of between €20 thousand and €10 thousand	2	29.977	8	117.558
Balance of less than €10 thousand	53	84.143	138	65.140
Total	**75**	**1.436.371**	**159**	**1.775.376**

(*) Three months ended 31 March 2020

7.2 Market risk

Market risk is the risk of loss caused by fluctuations in the fair value or future cash flows of a financial instrument because of changes in market prices. Market risk comprises interest rate, foreign currency and other price risks.

Interest rate risk

Interest rate risk is the risk of loss caused by fluctuations in the fair value or future cash flows of a financial instrument because of changes in market interest rates. The Company's exposure to interest rate risk is mainly related to long-term floating rate loans and borrowings.

Foreign currency risk

Foreign currency risk is the risk of loss caused by fluctuations in the fair value or future cash flows of a financial instrument because of changes in foreign exchange rates.

Receivables is the only item in the Company's assets and liabilities with balances in a currency other than the functional currency.

7.3 Liquidity risk

Liquidity risk is the risk of the Company having a shortage of funds or lacking access to sufficient funds at an acceptable cost to meet its payment obligations at all times. The Group monitors on an ongoing basis trends in various factors that could help offset liquidity risk, especially sources of funding and their features. In August 2020 and November 2020, Affle Group made two payments of €200,000 each under the agreement entered into between the Company and the parent whereby the parent undertakes to provide the Company with finance of up to €600,000.

The Company has its liquidity needs guaranteed at all times through credit facilities with banks. At 31 March 2021, the Company had a €100,000 credit facility with BBVA, of which it had drawn down the entire amount.

8. INFORMATION ON AVERAGE PAYMENT PERIOD TO SUPPLIERS. ADDITIONAL PROVISION THREE. “DISCLOSURE REQUIREMENTS" UNDER LAW 15/2010, OF 5 JULY

Disclosures regarding the average supplier payment period:

	31/03/2021	31/03/2020 (*)
(Days)		
Average period of payment to suppliers	48	55
Ratio of transactions paid	48	52
Ratio of transactions outstanding	44	59
(€)		
Total payments made	4.406.729	1.384.332
Total payments outstanding	646.808	956.000

(*) Three months ended 31 March 2020

AUTHORISATION FOR ISSUE OF THE FINANCIAL STATEMENTS

The directors of Mediasmart Mobile, S.L.U. authorised for issue the accompanying financial statements and management report for the year ended 31 March 2021 at their meeting held on 14 May 2021.

Noelia Amoedo Casqueiro	Anuj Kumar	Viraj Sinh
Taxpayer ID no.: 44.078.975-G	Foreigner ID no.: Y8.038.524-S	Foreigner ID no.: Y8.038.552-C