

# AFFLE IBERIA, S.L. (SOCIEDAD UNIPESONAL)

Annual Accounts for the financial statements for the year ended 31 March 2024

Includes Annual Accounts Audit Report

**INDEPENDENT AUDITOR'S REPORT ON THE ANNUAL ACCOUNTS**

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

To the sole shareholder of AFFLE IBERIA, S.L.U.:

**Opinion**

We have audited the annual accounts of AFFLE IBERIA, S.L.U. (the Company) which comprise the balance sheet at 31 March 2024, the income statement, the statement of changes in equity, the statement of cash flows and the notes to the annual accounts for the year then ended.

In our opinion, the accompanying annual accounts present, in all material respects, a true and fair view of the equity and the financial position of the Company at 31 March 2024, and of the results of its operations and cash flows for the year then ended, in accordance with the applicable framework of financial reporting standards (which is identified in note 2 to the annual accounts) and, in particular, in compliance with the accounting principles and criteria contained in that framework.

**Basis for opinion**

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

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

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

**Most relevant audit aspects**

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

**Revenue recognition**

As mentioned in Note 1 to the accompanying annual accounts, the Company derives its revenue primarily from providing all kinds of services, including programming and marketing services, in the mobile commerce and mobile marketing arena. In accordance with the applicable financial reporting framework and as mentioned in Note 4.11 to the accompanying annual accounts, the Company follows a five-step process to determine whether revenue should be recognised:

- Identify the contract with the customer.
- Identify the performance obligations.
- Determine the transaction price.
- Allocate the transaction price to the performance obligations.
- Recognise revenue when the performance obligations are satisfied.

Revenue from the sale of goods and the rendering of services is measured at the monetary amount or, if applicable, at the fair value of the consideration received or expected to be received. The transaction price does not include variable consideration such as rights to refunds, volume rebates, significant financial components or non-cash considerations. Given the importance of timely revenue recognition, we consider this to be the most significant risk of material misstatement in the financial statements.

In response to this risk, our audit procedures have included, among others:

- Understanding the Company's policies regarding the revenue recognition process.
- We have tested the recognition of revenue in the appropriate period using a sample of sales made before and after year-end.
- Obtaining external confirmations for a sample of customer receivables at the reporting date or by performing, where appropriate, alternative procedures by obtaining evidence of subsequent collection or supporting documentation of invoicing at the reporting date.
- We have assessed if the information disclosed in the annual accounts complies with the requirements of the regulatory framework applicable to financial reporting.

#### **Other matters**

The annual accounts of Affle Iberia, S.L.U. for the year ended 31 March 2023 were audited by another auditor who expressed a favourable opinion regarding these annual accounts on 30 May 2023.

#### **Other information: Directors' report**

Other information comprises exclusively the directors' report for the year ended 31 March 2024. The directors of the Company are responsible for preparing this report, which does not form an integral part of the annual accounts.

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

Based on the work performed, as described in the preceding paragraph, the information contained in the directors' report is consistent with that disclosed in the annual accounts for the year ended 31 March 2024 and its content and presentation meet the requirements of the applicable regulations.

#### **Responsibility of the directors for the annual accounts**

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

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

#### **Auditor's responsibilities for the audit of the annual accounts**

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

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

- Identify and assess the risks of material misstatement in the annual accounts, whether due to fraud or error, design and perform audit procedures to respond to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of the accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention to this in our auditor's report to the related disclosures in the annual accounts or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual accounts, including the disclosures, and whether the annual accounts represent the underlying transactions and events in a manner that achieves a true and fair view.

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

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

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

Grant Thornton, S.L.P. Sociedad Unipersonal

ROAC nº S0231



Iñigo Martínez Aramendi

ROAC nº 22134

27 June 2024



GRANT THORNTON, S.L.P.

2024 Núm. 01/24/13586

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Informe de auditoría de cuentas sujeto  
a la normativa de auditoría de cuentas  
española o internacional  
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**AFFLE IBERIA, S.L.**

**Financial statements  
for the year ended  
31 March 2024**

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### MANAGEMENT REPORT

### FORMULATION OF THE ANNUAL ACCOUNTS AND MANAGEMENT REPORT

**AFFLE IBERIA, S.L.**  
**Statement of financial position as at 31 March 2024**  
**(€)**

<b>ASSETS</b>	<b>Note</b>	<b>31/3/24</b>	<b>31/3/23</b>
<b>NON-CURRENT ASSETS</b>		<b>311,167</b>	<b>353,150</b>
Property, plant and equipment	5	38,608	34,323
Technical installations and other property, plant, and equipment		38,608	34,323
Non-current financial assets	6	5,200	6,580
Other financial assets		5,200	6,580
Deferred tax assets	10	267,359	312,247
<b>CURRENT ASSETS</b>		<b>7,124,373</b>	<b>2,249,672</b>
Trade and other receivables		6,559,848	1,710,961
Trade receivables	6.1	1,079,644	377,546
Trade receivables from group companies and associates	6.1 & 13.1	5,445,903	1,307,183
Other taxes receivable	10	34,301	26,232
Prepayments for current assets		18,276	65,386
Cash and cash equivalents	7	546,249	473,325
Cash		546,249	473,325
<b>TOTAL ASSETS</b>		<b>7,435,540</b>	<b>2,602,822</b>

**AFFLE IBERIA, S.L.**  
**Statement of financial position as at 31 March 2024**  
(€)

<b>EQUITY AND LIABILITIES</b>	<b>Note</b>	<b>31/3/24</b>	<b>31/3/23</b>
<b>EQUITY</b>		<b>840,516</b>	<b>877,310</b>
<b>CAPITAL AND RESERVES</b>		<b>840,516</b>	<b>677,310</b>
Capital	8.1	124,282	124,282
Registered capital		124,282	124,282
Share premium	8.2	334,552	334,552
Reserves	8.3	653,330	624,139
Legal and by-law reserves		24,856	24,856
Other reserves	8.4	628,474	599,283
Retained earnings (prior years' losses)	8.3	(405,664)	(485,980)
Prior years' losses		(405,664)	(485,980)
Profit/(loss) for the period	3	134,016	80,317
<b>NON-CURRENT LIABILITIES</b>		<b>293,120</b>	<b>428,793</b>
Loans and borrowings	9	293,120	428,793
Bank borrowings		14,830	99,905
Other financial liabilities		278,290	328,888
<b>CURRENT LIABILITIES</b>		<b>6,301,904</b>	<b>1,496,719</b>
Loans and borrowings	9	136,200	237,522
Bank borrowings		85,603	81,055
Other financial liabilities		50,597	156,467
Loans and borrowings with group companies and associates	9	48,327	0
Trade and other payables		6,117,377	1,259,197
Suppliers	9.2	4,930,783	751,206
Trade payables to group companies and associates	9.2	762,608	246,291
Other payables	9.2	24,260	54,985
Personnel (salaries payable)	9.2	253,272	107,334
Other taxes payables	10	98,595	69,441
Advances from customers	9.2	47,859	29,941
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>7,435,540</b>	<b>2,602,822</b>



**AFFLE IBERIA, S.L.**  
**Statement of profit or loss for the year ended 31 March 2024**  
(€)

	Note	31/3/24	31/3/23
<b>CONTINUING OPERATIONS</b>			
Revenue	11.1	14,260,169	8,378,392
Sales		14,260,169	8,378,392
Cost of sales		(8,776,617)	(3,998,412)
Subcontracted work		(8,776,617)	(3,998,412)
Other operating income		21	0
Ancillary and other current revenues		21	0
Employee benefits expense	11.2	(3,614,348)	(2,465,099)
Salaries, wages and similar		(2,785,657)	(1,913,055)
Employee benefits		(828,691)	(552,044)
Other operating expenses		(1,625,731)	(1,650,881)
External services	11.3	(1,618,652)	(1,650,881)
Taxes other than income tax		(1,377)	(2,511)
Losses, impairment and change in trade provisions	6.1	(5,702)	(21,912)
Depreciation and amortisation	5 & 11.5	(14,776)	(12,805)
Impairment and gains/(losses) on disposal of property, plant and equipment		(349)	(2,265)
Gains on sale of property, plant and equipment		372	0
Gains/(losses) on disposal and other		(721)	(2,265)
Other income/(expenses)		(649)	(1,365)
Exceptional expenses		(649)	(1,365)
<b>OPERATING PROFIT/(LOSS)</b>		<b>227,720</b>	<b>247,584</b>
Finance costs	11.4	(17,402)	(8,533)
On payables to third parties		(17,402)	(8,533)
Exchange differences	12	(31,414)	(131,942)
<b>NET FINANCE INCOME/(EXPENSE)</b>		<b>(48,816)</b>	<b>(140,475)</b>
<b>PROFIT/(LOSS) BEFORE TAX</b>		<b>178,904</b>	<b>107,089</b>
Income tax expense	10.1	(44,888)	(26,772)
<b>PROFIT/(LOSS) FOR THE PERIOD</b>	<b>3</b>	<b>134,016</b>	<b>80,317</b>

**AFFLE IBERIA, S.L.**  
**Statement of changes in equity for the year ended 31 March 2024**  
(€)

**A) Statement of recognised income and expense for the year ended 31 March 2024**

	Note	31/3/24	31/3/23
<b>Profit/(loss) for the period</b>	<b>3</b>	<b>134,016</b>	<b>80,317</b>
<b>Income and expense recognised directly in equity</b>			
Grants, donations and bequests received		-	-
Tax effect		-	-
<b>Total income and expense recognised directly in equity</b>		<b>-</b>	<b>-</b>
<b>Amounts transferred to profit or loss</b>			
Grants, donations and bequests received		-	-
Tax effect		-	-
<b>Total amounts transferred to profit or loss</b>		<b>-</b>	<b>-</b>
<b>TOTAL RECOGNISED INCOME AND EXPENSE</b>		<b>134,016</b>	<b>80,317</b>

**AFFLE IBERIA, S.L.**  
**Statement of changes in equity for the year ended 31 March 2024**  
 (€)

**B) Statement of total changes in equity for the year ended 31 March 2024**

	Registered capital (Note 8.1)	Share premium (Note 8.2)	Reserves (Note 8.3)	Prior periods' losses (Note 8.3)	Profit/(loss) for the period (Note 3)	TOTAL
<b>CLOSING BALANCE AT 31 MARCH 2022</b>	124,282	334,552	544,726	(916,917)	430,937	517,580
Total recognised income and expense	-	-	-	-	80,317	80,317
Other changes in equity	-	-	79,413	430,937	(430,937)	79,413
Distribution of profit/(loss)	-	-	-	430,937	(430,937)	-
Other	-	-	79,413	-	-	79,413
<b>CLOSING BALANCE AT 31 MARCH 2023</b>	124,282	334,552	624,139	(485,980)	80,317	677,310
Total recognised income and expense	-	-	-	-	134,016	134,016
Other changes in equity	-	-	29,191	80,317	(80,317)	29,191
Distribution of profit/(loss)	-	-	-	80,317	(80,317)	-
Other	-	-	29,191	-	-	29,191
<b>CLOSING BALANCE AT 31 MARCH 2024</b>	124,282	334,552	653,330	(405,664)	134,016	840,516

**AFFLE IBERIA, S.L.**  
**Statement of cash flows for the year ended 31 March 2024**  
(€)

	Note	31/3/24	31/3/23
<b>OPERATING ACTIVITIES</b>			
Profit for the year before tax		178,904	107,089
Adjustments for:		215,232	177,757
Depreciation and amortisation	5	14,776	12,805
Change in provisions		151,640	24,477
Finance costs	11.4	17,402	8,533
Exchange differences	12	31,414	131,942
Working capital changes		(64,317)	(218,350)
Trade and other receivables		(4,848,887)	(94,720)
Trade and other payables		84,619	(92,564)
Other receivables		4,858,178	-
Other current assets		(158,227)	(31,066)
Other cash flows from operating activities		(48,816)	(140,475)
Interest paid	11.4	(17,402)	(8,533)
Other amounts paid (received)	12	(31,414)	(131,942)
<b>Net cash flows from operating activities</b>		<b>281,003</b>	<b>(73,980)</b>
<b>INVESTING ACTIVITIES</b>			
Payments for investments		(20,314)	(30,785)
Property, plant and equipment	5	(20,314)	(30,239)
Others		-	(546)
Proceeds from sale of investments		903	5,604
Property, plant and equipment		903	5,604
<b>Net cash flows from/(used in) investing activities</b>		<b>(19,411)</b>	<b>(25,181)</b>
<b>FINANCING ACTIVITIES</b>			
Proceeds from and payments for financial liability instruments		(188,668)	(203,878)
Redemption and repayment of		(188,668)	(203,878)
Bank borrowings		(80,527)	(95,910)
Loans and borrowings with group companies and associates		48,327	(35,701)
Other loans and borrowings		(156,468)	(72,267)
Payments for dividends and remuneration of other equity instruments		-	79,413
Remuneration of other equity instruments		-	79,413
<b>Net cash flows used in financing activities</b>		<b>(188,668)</b>	<b>(124,465)</b>
<b>NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS</b>		<b>72,924</b>	<b>(223,628)</b>
Cash and cash equivalents at the beginning of the period	7	473,325	696,951
Cash and cash equivalents at the end of the period	7	546,249	473,325

## **AFFLE IBERIA, S.L.**

### **Notes to the financial statements for the year ended 31 March 2024**

#### **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 García de Paredes 12 Floor 1ª 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. At the Shareholders' Meeting held on December 26, 2023, the Company's corporate name was changed from its previous name to Affle Iberia, S.L.

Its activity consists of providing all kinds of services, as well as programming and marketing, in the mobile e-commerce and mobile marketing environment, as well as any other activity related to the aforementioned corporate purpose. 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 and its direct parent company Affle International Pte Ltd. are integrated in the Affle Group whose parent company is Affle (India) Ltd. Affle International Pte Ltd. has its registered office in Singapore and Affle (India) Ltd. has its registered office in India, the latter company preparing consolidated financial statements. The consolidated financial statements of the Affle Group for the financial year 2022-23 were approved by the General Meeting of Shareholders of Affle (India) Ltd held on September 22, 2023 and filed with the Registrar of Companies, Delhi.

The Company's functional currency is the euro.

#### **2. BASIS OF PREPARATION**

The annual accounts have been prepared in accordance with the financial information regulatory framework applicable to the Company, which is the one established in the General Accounting Plan approved by Royal Decree 1514/2007, of November 16, which since its publication has been subject to several modifications, the last of them through Royal Decree 1/2021, of January 12, and its implementing regulations, as well as with the rest of the current commercial legislation.

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 2024, those for the period ended 31 March 2023 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.

### **2.3 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 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 March 31, 2024 amounting to € 276,118 (€ 312,247 at March 31, 2023) corresponding to deductible temporary differences and certain of its unused tax losses (note 10).

#### Recovery of accounts receivable (delinquency)

Accounts receivable balances with customers are subject to continuous valuation for the purpose of determining whether there are indicators of impairment and determining their provision. The Administrators evaluate the status of accounts receivables and the agreements reached with clients to determine the necessary provision. It is possible that changes in the situation of customers, in the future, may imply the need to provide additional provisions that, where appropriate, would be recorded on a prospective basis.

### **2.4 Limitations for the distribution of dividends**

The Company is required to allocate 10% of the profits for the year to the constitution of the legal reserve, until it reaches at least 20% of the share capital. This reserve, as long as it does not exceed the limit of 20% of the share capital, is not distributable to the sole shareholder (Note 8.3).

Once the care provided for by law or the bylaws has been covered, dividends may only be distributed charged to the profit for the year, or to freely available reserves, if the value of the equity is not or, as a result of the distribution, is not less than social capital. For these purposes, the profits allocated directly to equity may not be subject to direct or indirect distribution. If there were losses from previous years that caused the value of the Company's equity to be less than the amount of the share capital, the profit will be used to offset said losses.

## **3. DISTRIBUTION OF PROFIT**

The distribution of profit for the year ended 31 March 2024 proposed by the directors and expected to be approved by the sole shareholder is as follows:

**AFFLE IBERIA, S.L.****Notes to the financial statements for the year ended 31 March 2024**

<b>(Euros)</b>	<b>2024</b>
Basis of distribution	
Profit for the period	134,016
	<b>134,016</b>
Distribution	
Offset of prior years' losses	134,016
	<b>134,016</b>

The profit for the year ended March 31, 2023 was allocated to offset negative results from previous years by the Sole Shareholder's resolution dated September 30, 2023.

#### **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

**AFFLE IBERIA, S.L.**  
**Notes to the financial statements for the year ended 31 March 2024**

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. 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

On initial recognition, the Company classifies all financial assets in one of the categories listed below, which determines the initial and subsequent valuation method applicable:



## **AFFLE IBERIA, S.L.**

### **Notes to the financial statements for the year ended 31 March 2024**

#### *- Financial assets at amortized cost*

The Company classifies a financial asset in this category, even when it is admitted to trading on an organized market, if the following conditions are met:

- The Company holds the investment under a management model whose objective is to receive the cash flows derived from the execution of the contract.

The management of a portfolio of financial assets to obtain its contractual cash flows does not imply that all instruments must necessarily be held to maturity; financial assets may be considered to be managed for this purpose even if sales have occurred or are expected to occur in the future. For this purpose, the Company considers the frequency, amount and timing of sales in prior periods, the reasons for those sales and expectations regarding future sales activity.

- The contractual characteristics of the financial asset give rise, at specified dates, to cash flows that are solely collections of principal and interest on the principal amount outstanding. That is, the cash flows are inherent to an agreement that is in the nature of an ordinary or common loan, notwithstanding that the transaction is agreed at a zero or below-market interest rate.

It is assumed that this condition is met, in the case of a bond or a simple loan with a specific maturity date and for which the Company charges a variable market interest rate, and may be subject to a limit. Conversely, it is assumed that this condition is not met in the case of instruments convertible into equity instruments of the issuer, loans with inverse floating interest rates (i.e. a rate that has an inverse relationship with market interest rates) or those in which the issuer may defer the payment of interest, if such payment would affect its solvency, without the deferred interest accruing additional interest.

In general, this category includes trade receivables ("trade receivables") and non-trade receivables ("other receivables").

Financial assets classified in this category are initially measured at fair value, which, unless there is evidence to the contrary, is assumed to be the transaction price, which is equivalent to the fair value of the consideration given, plus directly attributable transaction costs. That is, the inherent transaction costs are capitalized.

However, trade receivables maturing in less than one year and which do not have an explicit contractual interest rate, as well as receivables from personnel, dividends receivable and disbursements required on equity instruments, the amount of which is expected to be received in the short term, are valued at their nominal value when the effect of not discounting cash flows is not significant.

The amortized cost method is used for subsequent valuation. Accrued interest is recorded in the income statement (financial income) using the effective interest rate method.

Receivables maturing in less than one year which, as described above, are initially valued at their nominal value, continue to be valued at that amount, unless they are impaired.

In general, when the contractual cash flows of a financial asset at amortized cost are modified due to the issuer's financial difficulties, the Company analyzes whether an impairment loss should be recognized.

#### Off-balance sheet derecognition of financial assets

The Company derecognizes a financial asset from the balance sheet when:

- The contractual rights to the cash flows from the asset expire. In this sense, a financial asset is derecognized when it has expired and the Company has received the corresponding amount.
- The contractual rights to the cash flows of the financial asset have been assigned. In this case,

the financial asset is derecognized when the risks and rewards of ownership have been substantially transferred. In particular, in repurchase agreements, factoring and securitizations, the financial asset is derecognized once the Company's exposure, before and after the transfer, to the variation in the amounts and timing of the net cash flows of the transferred asset has been compared, it is inferred that the risks and rewards have been transferred.

After analysis of the risks and rewards, the Company records the derecognition of financial assets in accordance with the following situations:

- (a) The risks and rewards of ownership of the asset have been substantially transferred. The transferred asset is derecognized and the Company recognizes the result of the transaction: the difference between the consideration received net of attributable transaction costs (considering any new asset obtained less any liability assumed) and the carrying amount of the financial asset, plus any cumulative amount recognized directly in equity.
- b) The risks and rewards of ownership of the asset have been substantially retained by the Company. The financial asset is not derecognized and a financial liability is recognized for the same amount as the consideration received.
- c) The risks and rewards of ownership of the asset have not been substantially transferred or retained. In this case there are, in turn, two possible situations:
  - Control is relinquished (the transferee has the practical ability to retransfer the asset to a third party): the asset is derecognized.
  - Control is not transferred (the transferee does not have the practical ability to retransfer the asset to a third party): the Company continues to recognize the asset for the amount at which it is exposed to changes in the value of the transferred asset, i.e. for its continuing involvement, and must recognize an associated liability.

#### **4.6 Impairment of financial assets**

##### *Debt instruments at amortized cost or fair value with changes in equity*

At least at year-end, the Company analyzes whether there is objective evidence that the value of a financial asset, or of a group of financial assets with similar risk characteristics valued collectively, has been impaired as a result of one or more events that have occurred after their initial recognition and that cause a reduction or delay in future estimated cash flows, which may be caused by the insolvency of the debtor.

If there is such evidence, the impairment loss is calculated as the difference between the book value and the present value of future cash flows, including, where appropriate, those from the execution of real and personal guarantees, which is estimated to be generated, discounted at the effective interest rate calculated at the time of initial recognition. For financial assets at a variable interest rate, the effective interest rate corresponding to the closing date of the annual accounts is used in accordance with the contractual conditions. In calculating the impairment losses of a group of financial assets, the Company uses models based on statistical formulas or methods.

Value adjustments for impairment, as well as their reversal when the amount of said loss decreases for reasons related to a subsequent event, are recognized as an expense or income, respectively, in the profit and loss account. The reversal of impairment is limited to the book value of the asset that would be recognized on the reversal date if the impairment had not been recorded.

As a substitute for the current value of future cash flows, the Company uses the market value of the instrument, provided that it is reliable enough to be considered representative of the value that the company could recover.

In the case of assets at fair value with changes in equity, the accumulated losses recognized in equity due to a decrease in fair value, provided there is objective evidence of impairment in the value of the asset, are recognized in the income statement and Profits.

#### **4.7 Financial liabilities**

##### Classification and valuation

On initial recognition, the Company classifies all financial liabilities in one of the categories listed below:

- Financial liabilities at amortized cost

The Company has not classified any liability as a financial liability at fair value.

##### *Financial liabilities at amortized cost:*

The Company classifies all financial liabilities in this category except when they must be measured at fair value through profit or loss.

In general, this category includes trade payables ("trade payables") and non-trade payables ("other payables").

Participating loans that have the characteristics of an ordinary or common loan are also included in this category, regardless of whether the transaction is agreed at a zero or below-market interest rate.

Financial liabilities included in this category are initially measured at fair value, which, unless there is evidence to the contrary, is considered to be the transaction price, which is equivalent to the fair value of the consideration received adjusted for directly attributable transaction costs. That is, the inherent transaction costs are capitalized.

However, trade payables maturing in less than one year and which do not have a contractual interest rate, as well as disbursements required by third parties on participations, the amount of which is expected to be paid in the short term, are valued at their nominal value, when the effect of not discounting the cash flows is not significant.

The amortized cost method is used for subsequent valuation. Accrued interest is recorded in the profit and loss account (financial expense), applying the effective interest rate method.

However, debts maturing within one year which, in accordance with the above provisions, are initially valued at their nominal value, continue to be valued at that amount.

Contributions received as a result of joint ventures and similar contracts are valued at cost, increased or decreased by the profit or loss, respectively, to be attributed to the non-managing participants.

The same criterion is applied to participating loans whose interest is contingent, either because a fixed or variable interest rate is agreed upon conditional upon the achievement of a milestone in the borrower company (for example, the achievement of profits), or because it is calculated exclusively by reference to the evolution of the borrower company's activity. Finance costs are recognized in the income statement on an accrual basis, and transaction costs are recognized in the income statement on a straight-line basis over the life of the participating loan, if not applicable.

##### Cancellation

The Company derecognizes a previously recognized financial liability when one of the following circumstances occurs:

- The obligation has been extinguished because payment has been made to the creditor to cancel the debt (through payments in cash or other goods or services), or because the debtor is legally released from any liability on the liability.

## **AFFLE IBERIA, S.L.**

### **Notes to the financial statements for the year ended 31 March 2024**

- Own financial liabilities are acquired, even with the intention of repositioning them in the future
- There is an exchange of debt instruments between a lender and a borrower, provided that they have substantially different terms, and the new financial liability that arises is recognized; in the same way, a substantial modification of the current terms of a financial liability is recorded, as indicated for debt restructurings.

The cancellation of a financial liability is as follows: the difference between the carrying amount of the financial liability (or of the part of it that has been derecognized) and the consideration paid, including attributable transaction costs, and which also includes any asset transferred other than cash or liability assumed, is recognized in the income statement for the year in which it occurs. Cash and cash equivalents.

#### **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 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 when 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 closing date of each year, the Company assesses the deferred tax assets recognized and those that have not been previously recognized. Based on this assessment, the Company derecognizes a previously recognized asset if its recovery is no longer probable, or records any previously unrecognized deferred tax asset if it is probable that future taxable profit will be available to the Company to allow its application.

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.

#### **4.10 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.

#### **4.11 Revenue and expenses**

In accordance with the accrual principle, income is recorded with the transfer of control and expenses are recorded when they occur, regardless of the date of collection or payment. The company is dedicated to providing services.

For the accounting record of income, the Company follows a process consisting of the following successive stages:

- a) Identify the contract with the client, understood as an agreement between two or more parties that creates enforceable rights and obligations for them.
- b) Identify the obligation or obligations to be fulfilled in the contract, representative of the commitments to transfer goods or provide services to a client.
- c) Determine the price of the transaction, or consideration of the contract to which the company expects to be entitled in exchange for the transfer of goods or the provision of services committed to the client.
- d) Assign the price of the transaction to the obligations to be fulfilled, which must be carried out based on the individual sale prices of each different good or service that have been committed to in the contract, or, where appropriate, following an estimate of the sale price when it is not observable independently.
- e) Recognize income from ordinary activities when the company fulfills a committed obligation through the transfer of an asset or the provision of a service; fulfillment that takes place when the customer obtains control of that good or service, so that the amount of revenue recognized from ordinary activities will be the amount assigned to the satisfied contractual obligation.

### *Recognition*

The Company recognizes the income derived from a contract when the transfer to the client of the control over the committed goods or services takes place (that is, the transfer of the electronic products whose sale and distribution is carried out by the company). The Company has identified a single obligation to fulfill, determining at the beginning of the contract whether the commitment assumed is fulfilled over time or at a specific moment.

The Company complies with the performance obligation at a point in time. In the case of contractual obligations that are fulfilled at a certain time, the income derived from their execution is recognized on that date. The costs incurred in the acquisition of merchandise are recorded as inventories.

Ordinary income from the sale of goods and the provision of services is valued at the monetary amount or, where appropriate, at the fair value of the consideration received or expected to be received. The counterpart is the agreed price for the assets to be transferred to the client, deducting: the amount of any discount, price reduction or other similar items that the company may grant, as well as the interest included in the nominal value of the loans. The transaction price does not include variable considerations such as return rights, volume discounts, significant financial component or non-cash considerations.

#### **4.11.1 Contract balances**

##### a) Contract assets

#### Unconditional right to receive the consideration

When the Company has an unconditional right to the consideration, regardless of the transfer of control of the assets, a collection right is recognized (sub-headings of "customers for sales and provision of services", or where appropriate "customers, companies of the group and associates") under the headings of "Trade debtors and other accounts payable" of current or non-current assets, as appropriate due to their maturity according to their normal operating cycle.

"Trade and other accounts payable" from current assets, separates customers that, even within the normal operating cycle, have a maturity of more than one year (long-term).

#### Right to consideration for transfer of control

When control of an asset of a contract is transferred without having an unconditional right to invoicing, the Company records a right to consideration for the transfer of control. This right to the consideration for transfer of control is written off when an unconditional right to receive the consideration arises. However, their impairment at year-end is analyzed in the same way as for unconditional rights.

These balances are presented, as are the unconditional rights, under the heading of customers in trade debtors. It is classified as current or non-current depending on its maturity.

#### Assets for right of return

A right of return asset is recognized for the right to recover goods that are expected to be returned by customers. The asset is valued at the previous book value of the inventories, less the expected costs to recover the goods and any potential decrease in value. The Company updates the valuation of the asset for any revision of the expected level of returns and any further decrease in the value of the returned products.

#### Costs incurred to obtain a contract

The costs incurred to obtain a contract are presented as long-term accruals, where appropriate, short-term accruals according to their maturity.

b) Contract liabilities

Contractual obligations

If the customer pays the consideration, or there is an unconditional right to receive it, before transferring the good or service to the customer, the Company recognizes a contract liability when the payment has been made or is due.

These contract liabilities are presented in customer advances under the heading of trade creditors and other accounts payable (current liabilities) or long-term accruals (non-current liabilities) depending on their maturity.

Return provision

The Company has recorded a provision to cover expenses for sales returns, repair guarantees, revisions and other similar concepts.

**4.12 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.

**4.13 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 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.

#### **4.14 Severance payment**

In accordance with current labor legislation, the Company is obliged to pay compensation to those employees with whom, under certain conditions, it terminates their labor relations. Severance payments that can be reasonably quantified are recorded as an expense for the year in which there is a valid expectation, created by the Company against affected third parties.

#### **4.15 Provisions and contingencies**

In preparing the financial statements, the Company's directors distinguish between:

- Provisions: Balances payable covering current obligations arising from past events, the settlement of which is probable to result in an outflow of resources, but whose amount and/or timing are uncertain.
- Contingencies: Possible obligations arising from past events, the future realization of which is conditional upon the occurrence or non-occurrence of one or more future events beyond the Company's control.

The annual accounts include all provisions for which it is estimated that it is more likely than not that the obligation will have to be settled, and are recorded at the present value of the best possible estimate of the amount required to settle or transfer the obligation to a third party. Contingent liabilities are not recognized in the financial statements, but are disclosed in the notes to the financial statements.

Provisions are valued at year-end at the present value of the best possible estimate of the amount required to settle or transfer the obligation to a third party, and adjustments arising from the restatement of such provisions are recorded as a financial expense as accrued. In the case of provisions maturing in one year or less, and the financial effect is not significant, no discounting is performed.

The compensation to be received from a third party at the time of settling the obligation is not deducted from the amount of the debt, but is recognized as an asset if there are no doubts that such reimbursement will be received.

#### **4.16 Cash Flow Statement**

The statement of cash flows has been prepared using the indirect method, and the following expressions are used with the meanings indicated below:

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

#### **4.17 Equity-Based Payments**

The goods or services received in these transactions are recorded as assets or expenses according to their nature at the time of acquisition, and the corresponding increase in equity if the transaction is settled with equity instruments, or the corresponding liability if the transaction is settled with an amount based on the value of those instruments.

In cases where the supplier or provider of goods or services has the option to decide the mode of receiving the consideration, a compound financial instrument is recorded.

Transactions with employees settled with equity instruments, both the services rendered and the increase



**AFFLE IBERIA, S.L.****Notes to the financial statements for the year ended 31 March 2024**

in equity to be recognized, are valued at the fair value of the equity instruments granted, referred to the date of the grant agreement.

In transactions with employees settled with equity instruments that involve goods or services not provided by employees, they are valued at the fair value of the goods or services on the date they are received. If the fair value cannot be reliably estimated, the goods or services received and the increase in equity are valued at the fair value of the equity instruments granted, referred to the date the company obtains the goods or the other party provides the services.

In cash-settled transactions, the goods or services received and the liability to be recognized are valued at the fair value of the liability, referred to the date on which the recognition requirements are met.

The liability generated in these transactions is valued at its fair value at the end of the reporting period, with any changes in valuation during the period being charged to the income statement.

**5. PROPERTY, PLANT AND EQUIPMENT**

Reconciliation of the carrying amount of intangible assets:

(Euros)	Opening balance	Additions and charges	Disposals	Closing balance
<b>31/3/24</b>				
Cost				
Furniture	5,602	1,352	-	6,954
Information process equipment	73,297	18,962	(13,233)	79,026
Other property, plant, and equipment	594	-	-	594
	79,493	20,314	(13,233)	86,574
Accumulated depreciation				
Furniture	(4,993)	(447)	-	(5,380)
Information process equipment	(39,643)	(14,329)	11,981	(41,991)
Other property, plant, and equipment	(594)	-	-	(594)
	(45,170)	(14,776)	11,981	(47,966)
<b>Net carrying amount</b>	<b>34,323</b>			<b>38,608</b>
<b>31/3/23</b>				
Cost				
Furniture	5,602	-	-	5,602
Information process equipment	54,229	30,239	(11,171)	73,297
Other property, plant, and equipment	594	-	-	594
	60,425	30,239	(11,171)	79,493
Accumulated depreciation				
Furniture	(4,576)	(357)	-	(4,933)
Information process equipment	(30,197)	(12,448)	3,002	(39,643)
Other property, plant, and equipment	(594)	-	-	(594)
	(35,367)	(12,805)	3,002	(45,170)
<b>Net carrying amount</b>	<b>25,058</b>			<b>34,323</b>

**5.1 Description of the main movements**

Additions in the year ended 31 March 2024 and 2023 are related to the purchase of computers.

**AFFLE IBERIA, S.L.****Notes to the financial statements for the year ended 31 March 2024****5.2 Operating leases**

The Company has a lease for its offices in Madrid, which expires on 9 March 2028. From that date, renew the lease with a duration of 5 years (until March 9, 2028).

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

(Euros)	31/3/24	31/3/22
Within one year	32,448	32,448
After one year but not more than five years	97,344	97,344
More than five years	0	0
	<b>129,792</b>	<b>156,000</b>

**5.3 Other information:**

Fully depreciated property, plant and equipment at March 31:

(Euros)	31/3/24	31/3/23
Technical installations and other property, plant, and equipment	18,105	26,327
	<b>18,105</b>	<b>26,327</b>

Property, plant and equipment are located within Spain.

As of March 31, 2024 and 2023, the Company did not have any firm commitments to acquire property, plant and equipment.

**6. FINANCIAL ASSETS**

Financial assets as of March 31, it's as follows:

(Euros)	Loans, derivatives and other		Total	
	31/3/24	31/3/23	31/3/24	31/3/23
Non-current financial assets				
Financial assets at amortized cost	5,200	6,580	5,200	6,580
	<b>5,200</b>	<b>6,580</b>	<b>5,200</b>	<b>6,580</b>
Current financial assets				
Financial assets at amortized cost	6,525,547	1,684,729	6,525,547	1,684,729
	<b>6,525,547</b>	<b>1,684,729</b>	<b>6,525,547</b>	<b>1,684,729</b>
	<b>6,530,747</b>	<b>1,691,309</b>	<b>6,530,747</b>	<b>1,691,309</b>

**AFFLE IBERIA, S.L.**  
**Notes to the financial statements for the year ended 31 March 2024**

**6.1 Financial Assets at amortized cost**

Long-term financial investments

Financial assets included in this category as of 31 March:

(Euros)	31/3/24	31/3/23
Non-current guarantees given	5,200	5,200
Long-term deposits	-	1,380
	<b>5,200</b>	<b>6,580</b>

Trade and other receivables

The breakdown of this item of 31 March as follows:

(Euros)	31/3/24	31/3/23
Trade receivables	1,079,644	377,546
Trade receivables from group companies and associates (Note 16.1)	5,445,903	1,307,183
Other receivables	-	-
	<b>6,525,547</b>	<b>1,684,729</b>

Impairment losses

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

(Euros)	31/3/24	31/3/23
Opening balance	21,912	292,526
Arising during the year	7,815	27,524
Unused amounts reversed	(2,113)	(5,612)
Uncollectable	(21,912)	(292,526)
<b>Closing balance</b>	<b>5,702</b>	<b>21,912</b>

**7. CASH AND CASH EQUIVALENTS**

The breakdown of this item at 31 March as follows:

(Euros)	31/3/24	31/3/23
Demand deposits in current accounts	546,249	473,325
	<b>546,249</b>	<b>473,325</b>

Current accounts earn market interest rates.

There are no restrictions on these balances.

**AFFLE IBERIA, S.L.****Notes to the financial statements for the year ended 31 March 2024****8. EQUITY – CAPITAL AND RESERVES****8.1 Registered capital**

The Company's share capital at 31 March 2023 and 2024 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. (now Affle Iberia, S.L.) from the previous shareholders, giving it ownership Share premium.

**8.2 Share premium**

The share premium at 31 March 2024 and 2023 stood at €334,552. The balance of this account is unrestricted.

**8.3 Reserves and retained earnings (prior years' losses)**

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

(Euros)	Opening balance	Distribution of profit/(loss)	Other	Closing balance
<b>31/3/24</b>				
Legal reserve	24,856	-	-	24,856
Voluntary reserves	599,283	-	29,191	628,474
Retained earnings (prior years' losses)	(485,980)	80,317	-	(405,664)
	<b>138,159</b>	<b>80,317</b>	<b>29,191</b>	<b>247,666</b>
<b>31/3/23</b>				
Legal reserve	24,856	-	-	24,856
Voluntary reserves	519,870	-	79,413	599,283
Retained earnings (prior years' losses)	(916,917)	430,937	-	(485,980)
	<b>(372,191)</b>	<b>430,937</b>	<b>79,413</b>	<b>138,159</b>

**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.

**AFFLE IBERIA, S.L.**  
**Notes to the financial statements for the year ended 31 March 2024**

**8.4 Shareholder contributions in the form of shares to employees**

The breakdown of voluntary reserves at the end of the year is as follows:

(Euros)	31/3/24	31/3/23
Voluntary reserves		
Voluntary reserves	502.742	502.742
Employee ESOP contributions from the member to employees	125.732	96.541
	<b>628.474</b>	<b>599.283</b>

The existing variation that has occurred during the year 2024 is mainly due to the valuation of the market value of the shares delivered from the parent company in the form of contributions from shareholders to certain employees of the company. The effect produced is reflected in the profit and loss account under the heading "salaries and wages" (see note 11.2.1).

**9. FINANCIAL LIABILITIES**

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

(Euros)	31/3/24			31/3/23		
	Bank borrowings	Derivatives and other	Total	Bank borrowings	Derivatives and other	Total
Non-current financial liabilities						
Financial liabilities at amortized cost or cost	14,830	278,290	293,120	99,905	328,888	428,793
	14,830	278,290	293,120	99,905	328,888	428,793
Current financial liabilities						
Financial liabilities at amortized cost or cost (*)	85,603	6,117,705	6,203,308	81,055	1,346,224	1,427,279
	85,603	6,117,705	6,203,308	81,055	1,346,224	1,427,279
	<b>100,433</b>	<b>6,395,995</b>	<b>6,496,427</b>	<b>180,960</b>	<b>1,675,112</b>	<b>1,856,072</b>

(\*) Excluding taxes payable and other current taxes

These amounts are included in the following balance sheet items:

(Euros)	31/3/24			31/3/23		
	Bank borrowings	Derivatives and other	Total	Bank borrowings	Derivatives and other	Total
Non-current financial liabilities						
Loans and borrowings	14,830	278,290	293,119	99,905	328,888	428,793
	14,830	278,290	293,119	99,905	328,888	428,793
Current financial liabilities						
Loans and borrowings	85,603	50,598	136,201	81,055	156,467	237,522
Loans and borrowings with group companies and associates	-	48,327	48,327	-	-	-
Trade and other payables (*)	-	6,018,782	6,018,782	-	1,189,757	1,189,757
	85,603	6,117,705	6,203,310	81,055	1,346,224	1,427,279
	<b>100,433</b>	<b>6,395,995</b>	<b>6,496,429</b>	<b>180,960</b>	<b>1,675,112</b>	<b>1,856,072</b>

(\*) Excluding taxes payable and other current taxes

**AFFLE IBERIA, S.L.**  
**Notes to the financial statements for the year ended 31 March 2024**

**9.1 Bank borrowings**

Bank borrowings as of 31 March 2024 and 2023 is as follows:

(Euros)	31/3/24	31/3/23
Non-current		
Bank loans and borrowings	14,830	99,905
	14,830	99,905
Current		
Bank loans and borrowings	85,603	81,055
	85,603	81,055
	<b>100,433</b>	<b>180,960</b>

Bank loans and borrowings

Breakdown of bank loans and borrowings:

(Euros)	31/3/24	31/3/23	Maturity	Interest rate	Limits
	Outstanding amount payable	Outstanding amount payable			
<b>Loans</b>					
Bankinter	-	-	15/05/2022	2,75%	400.000
Sabadell	-	-	30/06/2021	1,75%	200.000
BBVA	100.433	180.960	14/05/2025	2,75%	325.000
	<b>100.433</b>	<b>180.960</b>			

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

(Euros)	31/3/24	31/3/23
2022/2023	-	-
2023/2024	-	81,055
2024/2025	85,603	85,541
2025/2026	14,830	14,364
	<b>100,433</b>	<b>180,960</b>

**9.2 Derivatives and other**

Financial liabilities classified in this category at 31 March:

**AFFLE IBERIA, S.L.**
**Notes to the financial statements for the year ended 31 March 2024**

(Euros)	31/3/24	31/3/23
Non-current		
Other financial liabilities	278,290	328,888
Current		
Other financial liabilities	50,598	156,467
Group companies and associates (Note 13.1)	48,327	-
Trade and other payables (*)	6,018,782	1,189,757
	<b>6,395,995</b>	<b>1,675,112</b>

(\*) Excluding taxes payable and other current taxes

***Other non-current and current financial liabilities***

The breakdown of these items 31 March 2024 and 2023 is as follows:

(Euros)	Current	Non-current	Total
<b>31/3/24</b>			
Emprendetur I+D+I	-	-	-
Centro de Desarrollo Tecnológico e Industrial (CDTI)	50,598	278,290	328,888
	<b>50,598</b>	<b>278,290</b>	<b>328,888</b>
<b>31/3/23</b>			
Emprendetur I+D+I	105,870	-	105,870
Centro de Desarrollo Tecnológico e Industrial (CDTI)	50,597	328,888	379,485
	<b>156,467</b>	<b>328,888</b>	<b>485,355</b>

On 30 September 2016, the Ministry of Industry granted Mediasmart Mobile, S.L.U. (now Affle Iberia, S.L.) 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 March 31, as a measure to deal with the situation caused by COVID, payments were suspended for one year, with the due date being postponed to September 30, 2022. Subsequently, in accordance to the Second Additional Provision of Royal Decree-Law 5/2021, of March 12, 2021, the suspension of payments for one year, postponing the due date to September 30, 2023. The outstanding balance as of March 31, 2024 amounts to €0 (€105,870 as of March 31, 2023).

In July 2019, the Center for Technological and Industrial Development (CDTI) extended the Company a grant of 136,614 euros and a loan of 379,485 euros maturing in June 2030 at a 0% interest rate. The repayment schedule is as follows: 180,635 euros in July 2019, 180,849 euros in the second quarter of 2020 and 154,586 euros in the second quarter of 2021. As a guarantee of repayment of the loan, the Company offers bank guarantees for 27.34% of each payment by the CDTI. The outstanding balance of the loan granted as of March 31, 2024 amounts to 328,888 euros (379,708 euros as of March 31, 2023).

Annual maturity schedule of other financial liabilities as of 31 March:

(Euros)	31/3/24	31/3/23
2022/2023	-	-
2023/2024	-	156,467
2024/2025	50,598	50,598
2025/2026	50,598	50,598
2026/2027	50,598	50,598
2027/2028	50,598	50,598
2028/2029	126,496	126,496
	<b>328,888</b>	<b>485,355</b>

**AFFLE IBERIA, S.L.**  
**Notes to the financial statements for the year ended 31 March 2024**

Trade and other payables

The breakdown of this item at 31 March as follows:

(Euros)	31/3/24	31/3/23
Suppliers	5,151,137	751,206
Suppliers, group companies and associates (Note 13.1)	419,528	246,291
Other payables	146,986	54,985
Personnel (extra pro-rated salary)	253,272	107,334
Advances from customers	47,859	29,941
	<b>6,018,782</b>	<b>1,189,757</b>

**10. TAXES**

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

(Euros)	31/3/24	31/3/23
Deferred tax assets	267,359	312,247
Other tax receivables	34,301	26,232
VAT	34,301	26,232
	<b>301,660</b>	<b>338,479</b>
Other taxes payables	98,595	69,441
Personal income tax withholdings	36,650	25,572
Social Security payable	61,945	43,869
	<b>98,595</b>	<b>69,441</b>

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.



**AFFLE IBERIA, S.L.**  
**Notes to the financial statements for the year ended 31 March 2024**

**10.1 Calculation of income tax expense**

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

(Euro)	Statement of profit or loss		
	Increases	Decreases	Total
<b>31/3/24</b>			
Income and expense for the year			
Continuing operations	134,016	-	134,016
Income tax			
Continuing operations	44,888	-	44,888
<b>Income and expense for the year before tax</b>	<b>178,904</b>	<b>-</b>	<b>178,904</b>
Offset of unused tax losses	(178,904)	-	(178,904)
<b>Taxable Income (tax loss)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>31/3/23</b>			
Income and expense for the year			
Continuing operations	80,317	-	80,317
Income tax			
Continuing operations	26,772	-	26,772
<b>Income and expense for the year before tax</b>	<b>107,089</b>	<b>-</b>	<b>107,089</b>
Offset of unused tax losses	(107,089)	-	(107,089)
<b>Taxable Income (tax loss)</b>	<b>-</b>	<b>-</b>	<b>-</b>

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:

(Euros)	31/3/24	31/3/23
Accounting profit/(loss) before tax	178,904	107,089
<b>Adjusted accounting profit/(loss)</b>	<b>178,904</b>	<b>-</b>
Tax expense (Income)	44,888	26,772
Reimbursement of tax credits	-	-
<b>Total income tax expense/income recognised in profit or loss</b>	<b>44,888</b>	<b>26,772</b>

Income tax expense/(income) is broken down as follows:

(Euro)	31/3/24	31/3/23
	Statement of profit or loss	Statement of profit or loss
Current tax		
Continuing operations	-	-
Change in Deferred tax		
Unused tax losses	(44,888)	(26,772)
	<b>(44,888)</b>	<b>(26,772)</b>

**10.2 Deferred tax assets and liabilities**

The movements in items composing "Deferred tax assets" and "Deferred tax liabilities" are as follows

**AFFLE IBERIA, S.L.**  
**Notes to the financial statements for the year ended 31 March 2024**

(Euros)	Opening Balance	Increases	Decreases	Final Balance
<b>31/03/2024</b>				
Tax Losses	312.247	-	(44.888)	267.359
	<b>312.247</b>	<b>-</b>	<b>(44.888)</b>	<b>267.359</b>
<b>31/03/2023</b>				
Tax Losses	339.019	54,548	(81,321)	312.247
	<b>339.019</b>	<b>54,548</b>	<b>(88.321)</b>	<b>312.247</b>

Unused tax losses as of 31 March after those applied in the year are as follows:

(Euros)	31/3/24	31/3/23
<b>Year arising</b>		
2014	-	-
2015	-	-
2018	-	169,074
2019	530,435	540,265
2020	561,358	561,358
	<b>1,091,793</b>	<b>1,270,697</b>

At 31 March 2024, the Company recognised deferred tax assets amounting to €276,118 for the carry forward of unused tax losses (2023: €312,247) to be compensated in future.

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.

## 11. REVENUE AND EXPENSES

### 11.1 Revenue

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

(Euros)	31/3/24	31/3/23
Segmentation by activity	14,260,169	8,378,392
Mobile advertising	14,260,169	8,378,392
Segmentation by geographical markets	29,897	39,378
Spain	1,320,713	1,032,218
European Union	12,915,559	7,306,796
Other	14,260,169	8,378,392

### Balances of contracts with customers

The breakdown of the balances of contracts with customers is as follows:

(Euros)	31/3/24	31/3/23
<b>Current contract assets</b>		
Commercial debtors and other receivables	1,079,644	377,546
Customers for sales and short-term services	5,445,903	1,307,183
Trade receivables from group companies and associates	6,525,547	1,684,729
<b>Current contract liabilities</b>		
Customer advances	47,859	29,941

### 11.2 Employee benefits expense

Breakdown of employee benefits expense:

(Euros)	31/3/24	31/3/23
Salaries, wages and similar	2,785,657	1,913,055
Salaries and wages		
Employee benefits	733,164	503,607
Social Security payable	95,527	48,437
Other employee benefits	3,614,348	2,465,089

**AFFLE IBERIA, S.L.**  
**Notes to the financial statements for the year ended 31 March 2024**

**11.2.1 Wages and salaries – employee benefits in kind (ESOP)**

The detail of personnel expenses is as follows:

(Euros)	31/03/2024	31/03/2023
Wages, salaries and similar		
Wages, salaries		
Bonus	2.344.912	1.685.876
ESOP (See note 16)	392.981	146.567
Fixed Allowance	29.191	79.412
	1.050	1.200
	<b>2.785.857</b>	<b>1.913.055</b>

**11.3 External Services**

The breakdown of external services is as follows:

(Euros)	31/3/24	31/3/23
Leases	443,388	469,791
Repairs and maintenance	-	-
Independent professional services	156,594	162,242
Insurance premiums	4,467	5,037
Bank services	42,376	48,567
Publicity, advertising and public relations	307,874	473,958
Utilities	7,034	4,873
Other services	656,919	461,990
	<b>1,818,652</b>	<b>1,628,458</b>

The rental expense includes the rental of the offices that the company has (see Note 5.2) and the payment of royalties for the license rights to use the platform to the Affle India Limited group.

**11.4 Finance costs**

The breakdown of finance costs is as follows:

(Euros)	31/3/24	31/3/23
Interest expense on third-party borrowings		
Bank loans and borrowings	17,402	8,533
	<b>17,402</b>	<b>8,533</b>

**11.5 Amortization of fixed assets**

The breakdown of fixed asset amortization expenses is as follows:

(Euros)	31/3/24	31/3/23
Intangible assets		
Tangible assets (Note 5)	14,776	12,805
	<b>14,776</b>	<b>12,805</b>

**AFFLE IBERIA, S.L.**  
**Notes to the financial statements for the year ended 31 March 2024**

**12. FOREIGN CURRENCY**

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

<b>(Euros)</b>	<b>US Dollars</b>	<b>Pound Sterling</b>	<b>Indian Rupee</b>	<b>Other</b>	<b>Total</b>
<b>2024</b>					
Trade receivables	4.545.966	-	841	-	4.546.807
	<b>4.545.966</b>	<b>-</b>	<b>841</b>	<b>-</b>	<b>4.546.807</b>
Suppliers	3.507.461	-	4.190	1.947	3.513.598
	<b>3.507.461</b>	<b>-</b>	<b>4.190</b>	<b>1.947</b>	<b>3.513.598</b>
<b>2023</b>					
Trade receivables	1.425.223	-	-	2.104	1.427.327
	<b>1.425.223</b>	<b>-</b>	<b>-</b>	<b>2.104</b>	<b>1.427.327</b>
Suppliers	927.800	-	1.254	-	929.054
	<b>927.800</b>	<b>-</b>	<b>1.254</b>	<b>-</b>	<b>929.054</b>

Foreign currency transactions:

<b>(Euros)</b>	<b>US Dollars</b>	<b>Pound Sterling</b>	<b>India Rupee</b>	<b>Other</b>	<b>Total</b>
<b>2024</b>					
Sales	11.152.608	-	1.831	3.163	11.157.602
<b>2023</b>					
Sales	6.885.567	69.514	16	4.531	6.390.222

The detail of the exchange differences recognized in the profit and loss account by class of financial instruments is as follows:

<b>(Euros)</b>	<b>31.03.24</b>	<b>31.03.23</b>
Negative exchange differences	(31,414)	(131,942)
	<b>(31,414)</b>	<b>(131,942)</b>
	<b>(31,414)</b>	<b>(131,942)</b>

**AFFLE IBERIA, S.L.**  
**Notes to the financial statements for the year ended 31 March 2024**

**13. RELATED PARTY TRANSACTIONS**

Related parties with which the Company carried out transactions in the year ended 31 March 2024 and 31 March 2023, and the nature of the relationship, are as follows:

	Nature of the relationship
Affle International PTE	Shareholder
Affle MEA FZ-LLC	Group company
Affle (India) Limited	Group company
Jampp Ltd	Group company
Appnext	Group company

**13.1 Related parties**

The breakdown of related party balances is as follows:

(Euros)	Shareholder	Other group companies	Total
<b>2024</b>			
Trade receivables (Note 6.1)	101,941	5,343,962	5,445,904
Current loans and borrowings (Note 9.2)	-	-	-
Suppliers (Note 9.2)	(228,315)	(582,620)	(810,935)
<b>2023</b>			
Trade receivables (Note 6.1)	132,721	1,174,462	1,307,183
Current loans and borrowings (Note 9.2)	-	-	-
Suppliers (Note 9.2)	(71,792)	(174,499)	(246,291)

The breakdown of related party transactions is as follows:

(Euros)	Shareholder	Other group companies	Total
<b>2024</b>			
Sales	1,287,208	8,856,051	9,943,259
External services	(620,404)	(1,165,790)	(1,786,194)
<b>2023</b>			
Sales	514,737	2,151,177	2,665,914
External services	(229,425)	(1,483,014)	(1,712,439)

**13.2 Directors and senior management**

In the year ended 31 March 2024, the directors accrued €416,000 in remuneration, allowances and by-law stipulated shares (2023: €332,615).

## AFFLE IBERIA, S.L.

### Notes to the financial statements for the year ended 31 March 2024

During the year ended March 31, 2024, the remuneration corresponding to the natural persons representing the Company in the administrative bodies of the companies in which the Company is the managing legal entity amounted to €200,000 (2023: €172,615).

As of March 31, 2024, the Company had obligations contracted in terms of pensions and life insurance with respect to the administrators for an amount of €0 (2023: €0).

No loans had been granted to senior executives or directors at 31 March 2024 or 2023, nor had any guarantees been given on their behalf.

In the year ended 31 March 2024, premiums were paid on third-party liability insurance of directors for damages caused in the discharge of their directorships amounting to €1,655 (2023: €1,439).

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.

#### 14. 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.

##### 14.1 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 March was as follows:

(Euros)	31/3/24	31/3/23
Non-current financial assets	5,200	6,580
Trade and other receivables	6,559,848	1,710,961
Cash and cash equivalents	546,249	473,325
	<b>7,111,297</b>	<b>2,190,866</b>

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.

## AFFLE IBERIA, S.L.

### Notes to the financial statements for the year ended 31 March 2024

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

(Euros)	31/3/24		31/3/23	
	No. customers	Amount	No. customers	Amount
Balance of more than €100 thousand	6	6,225,135	3	1,274,736
Balance between €100 and €50 thousand	2	116,309	1	72,587
Balance between €50 and €20 thousand	5	135,720	7	237,196
Balance of between €20 thousand and €10 thousand	4	50,206	3	52,976
Balance of less than €10 thousand	24	32,477	30	73,456
<b>Total</b>	<b>41</b>	<b>6,559,848</b>	<b>44</b>	<b>1,710,961</b>

## 14.2 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.

## 14.3 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 at all times guaranteed its liquidity needs through credit lines with credit institutions. As of March 31, 2024 the Company has a credit line from BBVA for up to €100,000, of which nothing has been drawn down this fiscal year, while as of March 31, 2023, €9,823 had been drawn down.

## 15. OTHER INFORMATION

### 15.1 Structure of personnel

The number of employees by professional category is as follows:



**AFFLE IBERIA, S.L.****Notes to the financial statements for the year ended 31 March 2024**

	Total number of employees at year-end			Average number of employees in the year	Average number employees with a disability of a severity of >33% as a percentage of the total
	Men	Women	Total		
<b>2024</b>					
Management	1	1	2	2	-
Administration	20	20	40	38	-
	<b>21</b>	<b>21</b>	<b>42</b>	<b>40</b>	<b>-</b>
<b>2023</b>					
Management	1	-	1	1	-
Administration	20	15	35	33	-
	<b>21</b>	<b>15</b>	<b>36</b>	<b>34</b>	<b>-</b>

The Company had three directors at 31 March 2024 and 2023, two men and one woman.

**15.2 Audit fees**

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

	31/3/24	31/3/23
Audit of the financial statements	9,000	11,210
Other services	15,325	15,425
	<b>24,325</b>	<b>26,635</b>

**15.3 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.

**15.4 Guarantees**

The Company has extended guarantees to several institutions amounting to €127,268 at 31 March 2024 (2023: €141,102).

**15.5 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:

**AFFLE IBERIA, S.L.****Notes to the financial statements for the year ended 31 March 2024**

	31/3/24	31/3/23
<b>(Days)</b>		
Average period of payment to suppliers	38	44
Ratio of transactions paid	43	44
Ratio of transactions outstanding	28	41
<b>(€)</b>		
Total payments made	6,264,902	5,498,437
Total payments outstanding	3,231,713	512,597
Monetary volume of invoices paid in a period less than the maximum established in the delinquency regulations	6,264,902	5,498,437
Percentage represented by payments below this maximum on the total payments made 100%	100%	100%
<b>(Number of invoices)</b>		
Invoices paid in a period less than the maximum established in the delinquency regulations	785	737
Percentage of total invoices	100%	100%

**16. EQUITY-BASED PAYMENT TRANSACTIONS**

Payments based on equity instruments during the years ended March 31, 2024 and 2023 were as follows:

<b>31/03/2024</b>			
<b>Description of the agreement</b>	<b>Equity instrument used</b>	<b>Beneficiary</b>	<b>Amount</b>
ESOP plan	Shares of the Parent Company	5 employees	-
			-

<b>31/03/2023</b>			
<b>Description of the agreement</b>	<b>Equity instrument used</b>	<b>Beneficiary</b>	<b>Amount</b>
ESOP plan	Shares of the Parent Company	5 employees	-
			-

The movement produced in the existing options is as follows:

<b>31/03/2024</b>		
	<b>Number</b>	<b>Weighted average of prices</b>
Options existing at the beginning of the year	51.800	12,0924
Options granted (+)	-	-
Options cancelled (-)	-	-
Options expired (-)	-	-
Existing options at the end of the year	51.800	12,0924

<b>31/03/2023</b>		
	<b>Number</b>	<b>Weighted average of prices</b>
Options existing at the beginning of the year	51.800	12,0924
Options granted (+)	-	-
Options cancelled (-)	-	-
Options expired (-)	-	-
Existing options at the end of the year	51.800	12,0924

**AFFLE IBERIA, S.L.****Notes to the financial statements for the year ended 31 March 2024**

The effect of these shares delivered to employees can be analyzed within the breakdown of wages, salaries and similar items in personnel expenses (see note 11.2.1).

**31/03/2024**

<u>Number</u>	<u>Year of grant</u>	<u>Expiration</u>	<u>Initial valuation</u>	<u>Annual accrued expense (note 11.2.1)</u>
51.800	01/11/2021	01/11/2025	626.386	29.191

**31/03/2023**

<u>Number</u>	<u>Year of grant</u>	<u>Expiration</u>	<u>Initial valuation</u>	<u>Annual accrued expense (note 11.2.1)</u>
51.800	01/11/2021	01/11/2025	626.386	79.412

**17. 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.

**18. ADDITIONAL NOTE FOR ENGLISH TRANSLATION**

These financial statements for the year ended 31 March 2024 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 2024**

### **1. BUSINESS ACTIVITY**

The financial year 2024 (April 2023 - Mar 2024) has been Affle Iberia, SL's third year as part of the Affle group. The activity of the company has not changed, the business model has evolved in some of the regions to which we have expanded in the last three years. In particular, in Brazil we have developed the "Purchase Order" model, which until now was only present in Asia, and in this new business model we invoice clients (mostly large media agency groups) locally. As a result of the growth of the locally billed business, the percentage of revenue from services billed directly to clients has continued to decrease, while services billed through other group companies, with entities in countries such as Brazil, India, Indonesia or, more recently, Malaysia and Thailand, have increased.

### **2. BUSINESS PERFORMANCE**

During the 2024 financial year, the company managed to grow its revenues by 70% (69% more than last year). Revenues from CTV advertising campaigns, as well as video campaigns in OTT applications whose content is consumed on other devices such as tablets or mobile devices, have continued to grow as a result of the sales teams' strategy. In some months of the year, the percentage of revenues from these types of campaigns (CTV + OTT) was almost 50%. The trend that began last year has continued, and ads with video creatives - whether on connected televisions or mobile - have now accounted for more than half of what our clients billed.

This year has seen the consolidation of the platform as a truly multichannel solution, with the addition of the possibility of distributing advertising campaigns on digital OOH devices. Although revenues from this type of channel have not exceeded 1% this year, DOOH campaigns are expected to contribute materially to growth in the coming years.

Revenues from customers to whom we license our technology accounted for 59% of revenues, and the portfolio remains balanced, with the top 10 customers accounting for only 73% of annual gross revenues in this category. It is also noteworthy that we have started to commercialize the connected TV channel as a medium that delivers results (not just brand awareness) for mobile applications. One of our clients in this area has accounted for 6% of the platform's licensing revenues, and we expect this to be a source of growth for the coming year as well.

Revenues from clients for whom the mediasmart team manages campaigns on the platform accounted for 41% of annual revenues. As we planned last year, this model has also been expanded to Brazil, which, having started in August, has already accounted for 4% of revenues. While in the licensing model the target market is medium-sized independent media agencies, in the business model in which mediasmart offers the campaign management service, the target market expands to large agencies and direct advertisers.

### **3. EVENTS AFTER THE REPORTING PERIOD**

No significant events occurred between 31 March 2024 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:

- Frequency capping per strategy
- Maximum CPM in campaigns with CPC goal
- Support for Guaranteed Programmatic Deals with one of our inventory service providers: Equative
- Audience updates so IPs are saved in the case of CTV campaigns
- Premium CTV dashboards
- Campaign targeting by air quality
- Currency in reports
- NEXD surveys

2. At the systems and algorithm level, the team has invested a lot of time and effort in developments that often go unnoticed by customers but are critical to the sustainability of the company. Here are some examples:

- New algorithm for optimization of "cross-screen" campaigns
- Upgrade to TCF 2.0
- Upgrade of RTB filter to optimize based on bids won and not placed
- VAST upgrade to avoid Chrome limitations
- Dashboard update to minimize server costs
- API upgrade for multicampaign calls
- New bid shading algorithm
- Support for PDPL (privacy law in UAE).

3. At the user interface level, the team has continued working on the new front-end architecture and an "alpha" user interface has been made available to our customers at the end of 2023.

4. Integrations with external partners. These included:

- Integration with IAS & mParticle
- Updates in the integration with AppsFlyer, Adjust and Kochava for "cross-screen" attribution
- Integration with new inventory providers SSPs Verve CTV, Vungle and Broadsign

#### **5. TRANSACTIONS WITH DERIVATIVE FINANCIAL INSTRUMENTS**

The Company did not invest in any derivative financial instruments.

#### **6. TREASURY SHARE TRANSACTIONS**

The company did not carry out operations with its own shares

#### **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 March was as follows:

	31/3/24	31/3/23
Long-term financial investments	5,200	6,580
Commercial debtors and other accounts receivables	6,559,848	1,710,961
Cash and other equivalent liquid assets	546,249	473,325
	<b>7,111,297</b>	<b>2,190,866</b>

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.

On a monthly basis, a detail is prepared with the aging of each of the balances receivable, which serves as the basis for managing their collection. Overdue accounts are claimed monthly by the Financial Department until they are more than 6 months overdue, at which time they are passed to the Legal Department for follow-up and, if necessary, subsequent legal action.

Credit limits are reviewed on a semi-annual basis for customers who have been in arrears in collections, and annually for the rest of the customers.

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

(Euros)	31/3/24		31/3/23	
	No. customers	Amount	No. customers	Amount
Balance of more than €100 thousand	6	6,225,135	3	1,274,736
Balance between €100 and €50 thousand	2	116,309	1	72,587
Balance between €50 and €20 thousand	5	135,720	7	237,196
Balance of between €20 thousand and €10 thousand	4	50,206	3	52,976
Balance of less than €10 thousand	24	32,477	30	73,456
<b>Total</b>	<b>41</b>	<b>6,559,848</b>	<b>44</b>	<b>1,710,961</b>

## 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 2024, the Company had a €100,000 credit facility with BBVA.

**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:

	31/3/24	31/3/23
<b>(Days)</b>		
Average period of payment to supplier	38	44




**AUTHORISATION FOR ISSUE OF THE FINANCIAL STATEMENTS**

The directors of Affle Iberia, S.L. authorised for issue the accompanying financial statements and management report for the year ended 31 March 2024 at their meeting held on 25 May 2024.




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D. Noelia Arroedo Casqueiro  
DNI: 44.078.975-G



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D. Anuj Kumar  
NIE: Y8.038.524-S



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D. Viraj Sinh  
NIE: Y8.038.552-C