

INCOME STATEMENT AT 31/03/2021

SPARK44 COMMUNICATIONS SL

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(EXPENSE)		Amount	INCOME		Amount
A) EXPENSES		4,893,002.60	B) REVENUE		4,801,324.03
1. Reduction in inventories of finished products and work in progress			1. Net turnover		4,789,632.07
2. Supplies		1,199,545.31	a) Sales		
a) Consumption of goods			b) Services rendered		4,789,632.07
b) Consumption of raw materials and consumables			c) Returns and volume discounts		
c) Other external expenses		1,199,545.31	2. Increase in inventories of finished products and work in progress		
3. Personnel expenses		2,814,861.79	3. Own work capitalised		
a) Salaries, wages and similar items		2,244,847.23	4. Other operating revenue		11,691.96
b) Social security contributions		570,014.56	a) Ancillary and other operating revenue		11,691.96
4. Depreciation/amortisation		108,345.06	b) Grants		
5. Change in operating provisions			c) Surplus provision for risks and expenses		
a) Change in inventory provisions					
b) Change in provision and losses on bad debt					
c) Change in other operating provisions					
6. Other operating expenses		742,033.71			
a) External services		736,905.72			
b) Taxes		5,127.99			
c) Other current operating expenses					
d) Addition to reversion fund					
I. OPERATING PROFIT			I. OPERATING LOSS		63,461.84
7. Finance costs and similar expenses		280.50	5. Income from equity investments		
a) For debts with group companies			a) In group companies		
b) For debts with associates			b) In associates		
c) For debts with third parties and similar items		280.50	c) In non-group companies		
d) Losses from financial investments			6. Income from negotiable securities and non-current asset loans		
8. Change in provision for financial investments			a) From group companies		
9. Negative exchange differences			b) From associates		
			c) From non-group companies		
			7. Other interest and similar income		
			a) From group companies		
			b) From associates		
			c) Other interest		
			d) Financial gains and investments		
			8. Positive exchange differences		
II. FINANCE INCOME			II. FINANCE EXPENSE		280.50
III. PROFIT FROM ORDINARY OPERATIONS			III. LOSSES FROM ORDINARY OPERATIONS		60,742.34
10. Change in provision for non-current assets			9. Gain on disposal of non-current assets		
11. Losses from non-current assets and control portfolio			10. Gain on transactions with treasury stock and own bonds		
12. Losses on trading with shares and own bonds			11. Capital grants transferred to profit or loss		
13. Extraordinary expenses			12. Extraordinary revenue		
14. Other years' expenses and losses			13. Other years' revenue and profits		
IV. EXTRAORDINARY PROFIT			IV. EXTRAORDINARY LOSS		
V. PROFIT BEFORE TAX			V. LOSS BEFORE TAX		63,742.34
15. Corporate income tax		27,936.23			
16. Other taxes					
VI. PROFIT FOR THE YEAR			VI. LOSS FOR THE YEAR		91,678.57

INCOME STATEMENT AT 31/03/2021

SPARK44 COMMUNICATIONS SL

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(EXPENSE)/INCOME	Amount
1. Net turnover	4,789,632.07
2. Change in inventories of finished goods and work in progress	0.00
3. Own work capitalised	0.00
4. Supplies	-1,199,545.31
5. Other operating revenue	11,691.96
6. Personnel expenses	-2,814,861.79
7. Other operating expenses	-742,033.71
8. Depreciation/amortisation	-108,345.06
9. Allocation to profit(loss) of grants for non-financial assets and other grants	0.00
10. Provision surpluses	0.00
11. Impairment and gain (loss) on disposal of non-current assets	0.00
12. Negative differences from business combinations	0.00
13. Other profit (loss)	0.00
A) OPERATING PROFIT (LOSS)	-63,461.84
14. Finance income	0.00
15. Finance expense	-280.50
16. Change in fair value of financial instruments	0.00
17. Exchange rate differences	0.00
18. Impairment and gains (losses) on disposal of financial instruments	0.00
19. Other finance income and expenses	0.00
B) NET FINANCE (EXPENSE)	-280.50
C) PROFIT BEFORE TAX	-63,742.34
20. Income tax expense	-27,936.23
D) PROFIT FOR THE YEAR	-91,678.57

BALANCE SHEET AT 31/03/2021

SPARK44 COMMUNICATIONS SL

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ASSETS	Amount	LIABILITIES	Amount
A) Non-current assets	268,339.27	A) Equity	601,209.33
I. Intangible assets	-0.00	A-1) Own funds	601,209.33
5. Computer software	-0.00	I. Capital	3,000.00
II. Property, plant and equipment	246,889.06	1. Authorised capital	3,000.00
2. Plant and other PPE	246,889.06	III. Reserves	689,887.90
V. Non-current financial investments	21,450.21	1. Legal and articles of association	885.13
5. Other financial assets	21,450.21	2. Other reserves	689,002.77
B) Current assets	1,257,268.62	VII. Profit (loss) for the year	-91,678.57
II. Inventories	6,453.88	2. Profit and loss for the year, date: 31-03	-91,678.57
2. Raw materials and other suppliers	3,611.19		
6. Advances to suppliers	2,842.69	C) Current liabilities	924,398.56
III. Trade and other receivables	976,844.39	III. Current payables	-93.29
1. Trade receivables	888,148.08	5. Other financial liabilities	-93.29
5. Current tax assets	20,337.22		
6. Other tax receivables	68,359.09	V. Trade and other payables	595,855.91
V. Current financial investments	36,264.20	1. Trade payables	157,594.15
2. Loans to companies	36,000.00	3. Miscellaneous payables	136,285.55
5. Other financial assets	264.20	4. Personnel (outstanding remuneration)	-1,837.16
VI. Prepayments and accrued income	4,064.22	6. Other tax payables	303,813.37
VII. Cash and cash equivalents	233,614.93		
1. Cash	233,614.93	VI. Current accruals and deferred income	328,635.94
General total (A + B)	1,525,607.89	General total (A + B + C)	1,525,607.89

Difference in Balance Sheet... 0.00

SPARK44 COMMUNICATIONS, S.L.

STATEMENT OF CASH FLOWS FOR THE FINANCIAL YEAR ENDING 31 MARCH 2021

	31/03/2021	31/03/2020
A) CASH FLOWS FROM OPERATING ACTIVITIES		
1. Profit (loss) for the year before tax	-63,742.34	135,000.99
2. Adjustments to profit	108,345.06	104,490.66
a) Depreciation and amortisation	108,345.06	104,014.11
b) Gains (losses) on de-registrations and disposals of non-current assets	0.00	476.55
3. Changes in working capital	-179,185.93	-152,361.51
a) Inventories	1,870.60	37,017.23
b) Trade and other receivables	-489,371.34	190,320.22
c) Other current assets	-37,139.93	456.84
d) Trade and other payables	16,819.44	36,287.05
e) Other current liabilities	328,635.30	-416,442.85
4. Other cash flows from operating activities	-27,936.23	-65,626.78
d) Corporate income tax paid (recovered)	-27,936.23	-65,626.78
Other tax receivables	-162,519.44	21,503.36
Current financial investments		
6. Payments for investments	-1,962.00	-117,949.74
b) Property, plant and equipment	-1,962.00	-118,680.69
e) Other financial assets	0.00	730.95
8. Cash flows from investing activities	-1,962.00	-117,949.74
C) CASH FLOWS FROM FINANCING ACTIVITIES		
10. Proceeds from and payments for financial liability instruments	-5,743.68	4,733.28
a) Issuance	-5,743.68	4,733.28
4. Other Debts	-5,743.68	4,733.28
b) Repayment	0.00	0.00
4. Other Debts	0.00	0.00
12. Cash flows from financing activities	-5,743.68	4,733.28
D) EFFECT OF EXCHANGE RATE VARIATIONS	0.00	0.00
E) NET INCREASE/ DECREASE IN CASH AND CASH EQUIVALENTS	-170,225.12	-91,713.10
Cash and cash equivalents at the start of the year	403,867.05	495,580.15
Cash and cash equivalents at the end of the year	233,641.93	403,867.05

NOTES TO THE 2020/2021 ACCOUNTS

SPARK44 COMMUNICATIONS S.L.U

PRESENTATION:

*The Governing Body of the company "**SPARK44 COMMUNICATIONS, S.L.U.**" has prepared the 2020/2021 annual accounts based on the balance sheet at 31 March and they were made available to all the shareholders at the company's registered address sufficiently in advance of the Ordinary General Meeting, as required by law.*

THE JOINT AND SEVERAL DIRECTOR
Signed:

NOTES TO THE 2020/2021 ACCOUNTS

SPARK44 COMMUNICATIONS S.L.U

INCORPORATION AND ACTIVITY

- *"SPARK44 COMMUNICATIONS, S.L.U." was incorporated with the same legal form and name and with its articles of association adapted to the Capital Companies Act in force.*
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- *The registered address is located in Madrid –28004, at Calle Prim 19, planta: 4.*
- *The activity performed by the company since its incorporation is that of "Advertising and public relations services"*

THE JOINT AND SEVERAL DIRECTOR
Signed:

BASIS FOR PRESENTATION

NOTES TO THE 2020/2021 ACCOUNTS

SPARK44 COMMUNICATIONS S.L.U

The annual accounts were drawn up based on our internal accounting, which in turn forms the basis for preparing the official books.

Current legal provisions on accounting matters have been applied in order to fairly present the net worth, financial position and results for the year.

THE JOINT AND SEVERAL DIRECTOR
Signed:

FAIR PRESENTATION:

NOTES TO THE 2020/2021 ACCOUNTS

SPARK44 COMMUNICATIONS S.L.U

The financial statements present the net worth, financial position and results for the year ending on the reporting date. The annual accounts have been prepared using the Company's accounting records.

The accompanying Annual Accounts for 2020/2021 have been prepared by the Governing Body based on the company's accounting records at 31 March 2021. The Governing Body has applied the accounting principles and criteria for measurement laid down in Royal Decree 1515/2007, of 16 November, the third part of which is dedicated to annual accounts and is of mandatory application, and other applicable legal accounting provisions, and they fairly present the company's net worth, financial position and results.

The accounts have been prepared in line with the current Capital Companies Act and other applicable legislation.

There are no exceptional reasons as a result of which, in order to ensure fair presentation, legal accounting provisions have not been applied.

THE JOINT AND SEVERAL DIRECTOR
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AGGREGATION OF ITEMS:

NOTES TO THE 2020/2021 ACCOUNTS

SPARK44 COMMUNICATIONS S.L.U

All the assets and liabilities are grouped in accordance with their nature in line with the initial account presentation model.

The accounts have no item that has been subject to aggregation in the balance sheet, income statement or in the statement of changes in equity.

ELEMENTS INCLUDED IN VARIOUS ITEMS:

There are no assets or liabilities recorded under two or more items on the balance sheet.

CORRECTION OF ERRORS:

There was no correction of errors during the year.

THE JOINT AND SEVERAL DIRECTOR
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Principles applied

- | |
|--|
| <ul style="list-style-type: none">• <i>Prudence</i>• <i>Going concern</i> |
|--|

NOTES TO THE 2020/2021 ACCOUNTS

SPARK44 COMMUNICATIONS S.L.U

- | |
|---|
| <ul style="list-style-type: none">• <i>Recognition</i>• <i>Accrual</i>• <i>Consistency</i>• <i>Materiality</i>• <i>It is expressly recorded whether or not verification by auditors is mandatory.</i> |
|---|

No voluntary principle has been applied.

CRITICAL ISSUES REGARDING THE MEASUREMENT AND ESTIMATION OF UNCERTAINTY:

The Company has prepared the financial statements under the principle of a going concern, with there being no type of significant risk which may involve material changes in the value of the assets and liabilities in the following year.

THE JOINT AND SEVERAL DIRECTOR
Signed:

PROFIT (LOSS) FOR THE YEAR:

NOTES TO THE 2020/2021 ACCOUNTS

SPARK44 COMMUNICATIONS S.L.U

The results obtained in 2020/2021 were as follows:

- RESULTS: Losses for an amount of 91,678.57 euros.
- **COMPARISON OF RESULTS:**

RESULTS	2020/2021	2019/2020
LOSSES	-91,678.57	-
PROFITS		69,374.21
TOTAL FOR YEAR:	-91,678.57	69,374.21

THE JOINT AND SEVERAL DIRECTOR
Signed:

MEASUREMENT STANDARDS:

The following accounting measurement criteria were applied:

NOTES TO THE 2020/2021 ACCOUNTS

SPARK44 COMMUNICATIONS S.L.U

- Non-trade receivables:

Trade receivables are generally measured using Recognition Standard 9 on financial instruments, as most of these items have the nature of financial assets. As financial assets, they represent a contractual right for the holder to receive cash or another financial asset under a scheduled and specific series of flows.

This classification does not include receivables from the public authorities as there is no contractual relationship. These receivables are measured at their nominal amount in accordance with the corresponding recognition and measurement standard.

For the purposes of measurement, trade receivables are included together with non-trade receivables under "Loans and receivables".

They have been recognised at the amount delivered. Provisions have been recorded against profit taking into account the risk associated with their recovery.

THE JOINT AND SEVERAL DIRECTOR

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

NOTES TO THE 2020/2021 ACCOUNTS

SPARK44 COMMUNICATIONS S.L.U

They are subsequently measured at amortised cost. Accrued interest will be recognised in the income statement using the effective interest rate method.

However, receivables falling due within one year initially measured at the nominal amount, in accordance with the preceding section, will continue to be measured at that amount, unless they are impaired.

At least on the reporting date, the company will recognise any necessary valuation adjustments when there is objective evidence that the value of a receivable, or group of receivables with similar risk exposure measured together, is impaired as a result of one or more events occurring after initial recognition and leading to a reduction or delay in estimated future cash flows which could be due to debtor insolvency.

THE JOINT AND SEVERAL DIRECTOR

Signed:

Impairment, and reversals thereof when the loss is reduced due to a subsequent event, will be recognised in the income statement as an expense or income, respectively. The loss can only be reversed up to the limit of the carrying amount of the receivable that would have been recorded at the reversal date had the impairment loss not been recognised.

- **Inventories:**

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SPARK44 COMMUNICATIONS S.L.U

Inventories are initially measured at purchase price or production cost applying the FIFO method or the average price or the average weighted cost to the purchase price or production cost.

They are subsequently measured by taking into account the net realisable value. In the event that this is lower than the purchase price or production cost, the appropriate valuation adjustments will be made and recognised as an expense in the income statement.

No valuation adjustments will be made to raw materials or other consumables used in the production process providing that the resulting finished products are sold at above cost. Where a valuation adjustment needs to be made, the replacement price of raw materials and other consumables may be the best available measure of the net realisable value.

If the impairment is irreversible, i.e., it will be impossible to recover the impaired amount, this situation will be taken into account on measuring the inventories i.e. by de-registering their value.

THE JOINT AND SEVERAL DIRECTOR

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- **Treasury Stock:**

The company has no treasury stock.

Treasury stock is measured in accordance with the standards applicable to financial instruments as they are own equity instruments.

In the event that the company performs any transactions with its treasury stock, the amount of the stock will be recognised in equity,

NOTES TO THE 2020/2021

ACCOUNTS

SPARK44 COMMUNICATIONS S.L.U

as a change in own funds, and in no case may they be recognised as financial assets of the company and no gain or loss may be recognised in profit or loss.

Any expenses resulting from these transactions, including issue costs, such as fees of lawyers, notaries and registrars; printing of reports, bulletins and titles; taxes and advertising; commissions and other placement expenses, will be directly recognised against equity as lower reserves.

Notwithstanding the above, the costs resulting from treasury stock transactions which have been abandoned or withdrawn from will be recognised as an expense in the income statement.

THE JOINT AND SEVERAL DIRECTOR

Signed:

- Grants:

These are recognised at fair value, which is the amount for which an asset may be acquired or a liability settled between interested parties that have the necessary information to set the price and which perform the transactions at arm's length. In general, the price quoted on an active market will be the best benchmark.

In short, monetary grants will be recognised at the fair value of the amount awarded at the time of its recognition.

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SPARK44 COMMUNICATIONS S.L.U

Non-monetary grants will be recognised at the fair value of the item received at the time of its recognition.

Impairment for parts of items financed free of charge will not be reversed. Even though the subsidised asset recovers its value, the reversal of the part that has been financed free of charge cannot be recognised.

The reason that the future reversibility of the impairment loss may not be recognised is that, if this were to be the case, income could be recorded (if the necessary conditions were met) with the impaired asset recovering its initial value. This could lead to a situation in which an asset, or the part thereof financed at no cost, exceeds the value of the corresponding grant and also the recognition of income for the reversal of the impairment, which, due to its nature, has not taken place.

No type of grant was received or given over the year.

THE JOINT AND SEVERAL DIRECTOR

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- *Pensions:*

The company has no pension funds for the members of the Governing Body, although it does have employee pension funds.

- *Accrual accounts.*

- There are two headings within the section:

- Prepayments and accrued income. This will be determined by the proportion of the full period of a transaction remaining as from the

NOTES TO THE 2020/2021 ACCOUNTS

SPARK44 COMMUNICATIONS S.L.U

reporting date until its maturity with regard to the total amount of the expense of said transaction.

- Accruals and deferred income. This will be determined by the proportion of the full period of a transaction remaining as from the reporting date until its maturity with regard to the total amount of the income from said transaction.

THE JOINT AND SEVERAL DIRECTOR
Signed:

- Non-trade payables:

Within this category, non-trade loans and payables will be initially measured at fair value. In the absence of evidence to the contrary, this will be the transaction price, which is equivalent to:

- The fair value of the consideration received plus directly attributable transaction costs.

They are subsequently measured at amortised cost.

Accrued interest will be recognised in the income statement using the effective interest rate method.

NOTES TO THE 2020/2021 ACCOUNTS

SPARK44 COMMUNICATIONS S.L.U

- *Trade receivables for sales and services rendered:*

These are measured following the rules of Standard 9 in the Spanish General Chart of Accounts, which refers to financial assets, including receivables.

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

THE JOINT AND SEVERAL DIRECTOR
Signed:

Notwithstanding the above, trade receivables falling due within one year for which there is no contractual interest rate can be measured at their nominal amount provided the effect of not discounting the cash flows is not material.

They are subsequently measured at amortised cost. Accrued interest will be recognised in the income statement using the effective interest rate method.

However, receivables falling due within one year initially measured at the nominal amount, in accordance with the preceding section, will continue to be measured at that amount, unless they are impaired.

NOTES TO THE 2020/2021

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SPARK44 COMMUNICATIONS S.L.U

At least on the reporting date, the company will recognise any necessary valuation adjustments when there is objective evidence that the value of a receivable, or group of receivables with similar risk exposure measured together, is impaired as a result of one or more events occurring after initial recognition and leading to a reduction or delay in estimated future cash flows, which could be due to debtor insolvency.

THE JOINT AND SEVERAL DIRECTOR

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The amount of the impairment loss will be measured as the difference between the carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate calculated upon initial recognition. For variable interest assets, the effective interest rate at the balance sheet date, in accordance with contractual terms, will be used.

Impairment, and reversals thereof when the loss is reduced due to a subsequent event, will be recognised in the income statement as an expense or income, respectively. The loss can only be reversed up to the limit of the carrying amount of the receivable that would have been recorded at the reversal date had the impairment loss not been recognised.

- Trade and other payables:

NOTES TO THE 2020/2021 ACCOUNTS

SPARK44 COMMUNICATIONS S.L.U

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

However, trade payables falling due within one year for which there is no contractual interest rate can be measured at their nominal amount, provided that the effect of not discounting the cash flows is immaterial.

THE JOINT AND SEVERAL DIRECTOR

Signed:

The liabilities included in this category will subsequently be measured at amortised cost. Accrued interest will be recognised in the income statement using the effective interest rate method.

For these purposes, contributions received as a result of a silent partnership or similar arrangement will be measured at cost plus or minus the gain or loss, respectively, attributable to the non-managing or silent partners.

Nonetheless, trade payables falling due within one year initially measured at the nominal amount, in accordance with the preceding section, will continue to be measured at that amount.

THE JOINT AND SEVERAL DIRECTOR

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NOTES TO THE 2020/2021 ACCOUNTS

SPARK44 COMMUNICATIONS S.L.U

Marketable securities:

This section includes:

Held-to-maturity investments:

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

They will subsequently be measured at amortised cost.

Accrued interest will be recognised in the income statement using the effective interest rate method.

The company has no assets of this type in this financial year.

Impairment.

At least on the reporting date, the company will recognise any necessary valuation adjustments applying the criteria indicated for loans and receivables.

NOTES TO THE 2020/2021 ACCOUNTS

SPARK44 COMMUNICATIONS S.L.U

However, the market value of the instrument may be used instead of the present value of estimated future cash flows provided that this is sufficiently reliable to be considered representative of the value recoverable by the company.

These assets will subsequently be measured at fair value, without deducting any transaction costs that may be incurred on disposal.

THE JOINT AND SEVERAL DIRECTOR
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- Marketable securities:

Changes in fair value will be recognised in profit or loss for the reporting period.

Equity investments in group companies, jointly-controlled entities and associates:

- Financial assets held for trading.

An asset is classified as held for trading when it:

- originates or is acquired principally for the purpose of selling in the short term,

- forms part of a portfolio of identified financial instruments that are managed together and for which there is evidence of recent initiatives to obtain profits in the short term, or

NOTES TO THE 2020/2021 ACCOUNTS

SPARK44 COMMUNICATIONS S.L.U

- is a derivative financial instrument, except for a derivative that is a financial guarantee contract or a designated hedging instrument.

• They will initially be measured at fair value. In the absence of evidence the contrary, this will be the transaction price, which is equivalent to the fair value of the consideration given. Directly attributable transaction costs will be recognised in profit and loss for the reporting period.

THE JOINT AND SEVERAL DIRECTOR
Signed:

- **Marketable securities:**

Initial measurement of equity instruments will include any pre-emptive and similar rights acquired.

These assets will subsequently be measured at fair value, without deducting any transaction costs that may be incurred on disposal.

Changes in fair value will be recognised in profit or loss for the reporting period.

- **Current debts:**

The classification of current and non-current debts is made by taking into account the expected term for maturity, disposal or cancellation of the obligations, with 'non-current' considered to be a period greater than one year.

- **Non-current debts:**

NOTES TO THE 2020/2021 ACCOUNTS

SPARK44 COMMUNICATIONS S.L.U

The company has no non-current debts.

THE JOINT AND SEVERAL DIRECTOR
Signed:

- Provisions:

Provisions will be measured on the reporting date at the present value of the best estimate of the amount required to settle the obligation or transfer it to a third party. Adjustments arising from the discounting of the provision will be recognised as a finance expense when accrued. Provisions expiring within one year will not be discounted where the financial effect is not material.

Reimbursements receivable from a third party on settlement of the obligation will not reduce the amount of debt. The company will nonetheless recognise the related receivable as an asset, provided that there is no doubt as to its collection.

The amount of the asset will not exceed the amount of the obligation recognised. Where a risk is externalised by means of a legal or contractual agreement, provision is only made for the part of the risk assumed by the company.

The company has no provisions of this type in this financial year.

NOTES TO THE 2020/2021 ACCOUNTS

SPARK44 COMMUNICATIONS S.L.U

THE JOINT AND SEVERAL DIRECTOR
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- Foreign currency transactions:

Financial currency transactions are translated into euros by applying the spot exchange rate, i.e., the exchange rate used in transactions between both currencies with immediate delivery on the transaction date.

An average exchange rate may be used for all transactions in each foreign currency occurring during a period (maximum period of one month), except where there have been significant fluctuations in this rate during the period.

Subsequently, on the reporting date, monetary items will be measured at the closing rate, which is considered to be the average spot exchange rate at that date.

Exchange gains and losses arising in this process and on settlement of these assets and liabilities will be recognised in the income statement for the reporting period in which they occur.

- *Own Funds:*

NOTES TO THE 2020/2021 ACCOUNTS

SPARK44 COMMUNICATIONS S.L.U

The changes in the year result from the profit for the year.

THE JOINT AND SEVERAL DIRECTOR
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- *Share Capital*

The share capital amounts to 3,000.00 euros, made up of 300 shares of one single series, numbered from 1 to 300, both inclusive, each with a par value of 10 euros, which are fully subscribed and paid-up.

- *Legal reserve:*

The legal reserve is not freely available. It may only be used to offset losses or for a possible capital increase.

- *Group Companies:*

Spark44 (JV) Limited is the sole shareholder and owns 100% of the company's share capital.

As from September 2018, Jaguar Land Rover LTD holds 50.5% of the share capital of Spark44 (JV) Limited.

Related-party transactions are recorded using the following criteria:

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SPARK44 COMMUNICATIONS S.L.U

Cost plus method: *the standard margin in identical or similar transactions with independent parties or entities or, in default thereof, the margin that independent persons or entities apply to similar transactions is added to the acquisition value or production cost of the goods or services, carrying out, should this be appropriate, the necessary corrections to obtain the equivalence taking into account any specific features of the transaction. This method is particularly suitable for transactions with semi-finished products and the provision of services*

THE JOINT AND SEVERAL DIRECTOR

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- Sales and revenue:

Revenue from the sale of goods and rendering of services will be measured at the fair value of the consideration received or receivable. In the absence of evidence to the contrary, this will be the agreed price of those goods or services, less any trade discounts, rebates or similar items granted by the company and interest on the nominal amount. However, the company could include interest incorporated in trade balances maturing in less than a year that do not have a contractual rate of interest when the effect of not discounting the cash flows is immaterial.

Taxes on sales of goods and the rendering of services that the company must pass on to third parties, such as value added tax and special taxes, and amounts collected on behalf of third parties will not be included in revenue.

Revenue, and the interest generated thereon, is recorded upon accrual.

All revenue is specified according to its nature in the income statement.

THE JOINT AND SEVERAL DIRECTOR

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NOTES TO THE 2020/2021

ACCOUNTS

SPARK44 COMMUNICATIONS S.L.U

Trade receivables will be measured in accordance with the standard on financial instruments.

Consequently, the interest charged on transactions for delays in payment will be recorded in the income statement as finance income as it accrues (effective interest rate method), which is in line with international standards.

However, the company may include the interest in trade receivables falling due within one year which do not have a contractual interest rate, provided the effect of not discounting the cash flows is immaterial. Trade receivables falling due within one year may therefore be measured at their nominal value.

- Purchases and Expenses:

Purchases are recorded when all the significant risks and rewards of ownership have been transferred.

This principle is applied irrespective of whether or not the goods have been received or the invoice issued.

NOTES TO THE 2020/2021

ACCOUNTS

SPARK44 COMMUNICATIONS S.L.U

Signed:

They are generally recorded at the purchase price including:

- The amount invoiced by the seller.
- Less any discounts, rebates or other similar items.
- Less interest incorporated into the nominal amount of the payables. However, the purchase price can include interest on payables falling due within one year that do not have a contractual rate of interest when the effect of not discounting the cash flows is not material.
- Plus all the additional costs incurred to bring the goods to a saleable condition, such as transport, import duties, insurance and other costs directly attributable to the acquisition of inventories.
- Expenses which are ancillary to the purchase are therefore at the expense of the seller and will not increase the purchase cost.
- The delivery costs of goods in commercial sales will be at the expense of the seller until they are made available, weighed or measured, to the buyer unless otherwise agreed. Costs of their receipt and extraction from the delivery place will be at the expense of the buyer.

THE JOINT AND SEVERAL DIRECTOR

Signed:

NOTES TO THE 2020/2021 ACCOUNTS

SPARK44 COMMUNICATIONS S.L.U

In addition, the following may not be recognised as purchases:

- Goods received under an ordinary deposit.
- Goods received on consignment for sale.
- Acquisitions with a firm re-purchase agreement, which are in essence financing operations.
- The containers of suppliers with the option to return when it has been decided not to waive said option or under circumstances in which, due to deterioration, said return is not possible.

THE JOINT AND SEVERAL DIRECTOR
Signed:

NOTES TO THE 2020/2021 ACCOUNTS
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SPARK44 COMMUNICATIONS S.L.U

TREATMENT OF NON-CURRENT ASSETS:

- Intangible assets:

The criteria set out in the standards on property, plant and equipment are followed. For initial recognition, an intangible asset must be identifiable, i.e., it must meet one of the following requirements:

- Separable, i.e., capable of being separated from the company and sold, transferred, licensed, rented or exchanged.
- Arise from legal or contractual rights, irrespective of whether those rights are transferable or separable from the company or from other rights or obligations.

Internally generated brands, mastheads, publishing titles, customer lists and similar items will not be recognised as intangible assets.

For subsequent measurement, the company must establish whether the useful life of an intangible asset is finite or indefinite.

An intangible asset will be considered to have an indefinite useful life when, based on an analysis of all of the relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows for the company.

NOTES TO THE 2020/2021 ACCOUNTS

SPARK44 COMMUNICATIONS S.L.U

Signed:

TREATMENT OF NON-CURRENT ASSETS:

An intangible asset with an indefinite useful life will not be amortised. Rather, it will be tested at least annually for impairment when there is an indication that the asset might be impaired.

The useful life of an intangible asset that is not being amortised will be reviewed in each reporting period to determine whether events and circumstances continue to support an indefinite useful life assessment for that asset. If this is not the case, the change in the assessment of the useful life from indefinite to finite will be accounted for as a change in accounting estimate, except where the change is due to error.

INTANGIBLE ASSETS	Amount	Additions	Initial cumm. amort.	Amort. for the year	De-reg.	Final cumm. amort.	Final value
Development							
Concessions							
Patents, licences, trademarks and similar rights							
Goodwill							
Computer software	5,468.35		5,464.90	3.45		5,468.35	0.00
Research							
Other intangible assets							
TOTAL	5,468.35		5,464.90	3.45		5,468.35	0.00

THE JOINT AND SEVERAL DIRECTOR
Signed:

NOTES TO THE 2020/2021 ACCOUNTS

SPARK44 COMMUNICATIONS S.L.U

TREATMENT OF NON-CURRENT ASSETS:

- Property, plant and equipment and Investment property

They will initially be measured at the purchase price or production cost.

The purchase price or production cost will only include indirect taxes on property, plant and equipment when these are not directly recoverable from the Spanish taxation authorities.

Rights recorded as assets are depreciated in line with their useful life.

<u>ELEMENT USEFUL LIFE</u>	
Plant and machinery	3 to 10 years
Other fixtures, Tools and furniture	4 to 10 years
Other PPE	3 to 10 years

THE JOINT AND SEVERAL DIRECTOR
Signed:

NOTES TO THE 2020/2021 ACCOUNTS

SPARK44 COMMUNICATIONS S.L.U

TREATMENT OF NON-CURRENT ASSETS:

The value of an item of property, plant and equipment will also include 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 of the site on which it is located, provided that these obligations give rise to the recognition of provisions in accordance with the applicable standard.

After initial recognition, property, plant and equipment will be carried at purchase price or production cost, less accumulated depreciation and any accumulated impairment. Repair and maintenance costs that do not increase the productive capacity or lengthen the estimated useful life of the assets are considered as expenses for the period.

PROPERTY, PLANT AND EQUIPMENT	Amount	Additions	Initial cumm. dep.	Dep. for the year	De-reg.	Final cumm. dep.	Final value
Land and buildings							
Plant, machinery and tools.							
Other fixtures	197,507.10		70,375.32	63,623.16		133,998.48	63,508.62
Furniture	259,286.96	712.00	96,194.41	25,951.41		122,145.82	137,853.14
Computer hardware	121,819.52	1,250.00	90,154.64	14,588.04		104,742.68	18,326.84
Transport vehicles							
Other property, plant and equipment	42,255.84		10,876.38	4,179.00		15,055.38	38,076.84
TOTAL	620,869.42	1,962.00	267,600.75	108,341.61	0.00	375,942.36	246,889.06

THE JOINT AND SEVERAL DIRECTOR
Signed:

NOTES TO THE 2020/2021 ACCOUNTS

SPARK44 COMMUNICATIONS S.L.U

EMPLOYEES

- * *The average number of permanent male employees in 2020/2021 stood at 16.09.*
- * *The average number of permanent female employees in 2020/2021 stood at 24.54.*
- * *The average number of non-permanent male employees in 2020/2021 stood at 1.25.*
- * *The average number of non-permanent female employees in 2020/2021 stood at 0.83.*
- * *There were no disabled workers on the staff in 2020/2021.*

• PERSONNEL EXPENSES

The figure for personal expenses and its breakdown in 2020/2021 was as follows:

SALARIES AND WAGES	2,244,847.23
SOCIAL SECURITY	570,014.56
CONTRIBUTIONS TO PENSION SCHEMES	
TERMINATION BENEFITS	
OTHER EMPLOYEE BENEFITS	
PERSONNEL EXPENSES	2,814,861.79

THE JOINT AND SEVERAL DIRECTOR
Signed:

NOTES TO THE 2020/2021

ACCOUNTS

SPARK44 COMMUNICATIONS S.L.U

LEASES:

Assets leased to third parties under operating lease agreements are presented in accordance with the nature of the assets with the accounting principles laid down in the sections on property, plant and equipment and intangible assets being applicable. Income from operating leases, net of incentives granted, are recognised as income on a straight-line basis over the lease term, unless another systematic basis is more representative of the time pattern in which the benefit derived from the use of the leased asset is diminished.

Leases are classified as finance leases providing it can be deduced that the terms of the lease substantially transfer all the risks and rewards inherent to ownership of the leased asset. All other leases are classified as operating leases.

Current legislation establishes that the cost of leased assets will be recorded in the balance sheet according to the nature of the leased asset. This amount will be the lower of the fair value of the leased asset and the present value of the minimum agreed lease payments at the outset of the lease, including the purchase option, if it is reasonably certain that the option will be exercised. The calculation will not include contingent payments, service costs and taxes that are recoverable by the lessor.

THE JOINT AND SEVERAL DIRECTOR
Signed:

NOTES TO THE 2020/2021 ACCOUNTS

SPARK44 COMMUNICATIONS S.L.U

LEASES:

Assets acquired through finance leases are recognised in accordance with their nature at the lower of the fair value of the asset and the present value of the minimum agreed payments at the outset of the lease, recording a financial liability for the same amount. The lease payments are spread between finance expenses and reduction of the liability. The assets are subject to the same criteria for depreciation, impairment and de-registration as the other assets of their type.

THE JOINT AND SEVERAL DIRECTOR
Signed:

CORPORATE INCOME TAX:

NOTES TO THE 2020/2021

ACCOUNTS

SPARK44 COMMUNICATIONS S.L.U

Corporate income tax is defined as all direct taxes which are settled based on corporate profit or losses calculated in accordance with applicable tax standards. On this point, the Spanish General Chart of Accounts clarifies that they include both Spanish and foreign taxes.

The accounting therefore loses the link which to date existed with Spanish Corporate Income Tax, with disappearance of the need to perform calculations under a tax structure that replicated the tax return for the year and an accounting structure aimed at determining the income tax expense for the year.

The allocation of revenue and expenses for the year not only in the income statement but also directly in equity and reserves means that it is now possible to record the income tax expense resulting from tax settlements and correct allocation in those items where the revenue and expenses for the year have been recognised. Subsequently, they must also be allocated in those items where the changes in the corresponding assets and liabilities have been recognised.

THE JOINT AND SEVERAL DIRECTOR
Signed:

CORPORATE INCOME TAX:

NOTES TO THE 2020/2021

ACCOUNTS

SPARK44 COMMUNICATIONS S.L.U

The income tax expense comprises the following:

- Current tax, which is the amount of tax payable by the company as a result of income tax or other tax settlements for a period.
- Deferred tax, comprising the greater or lesser future tax burdens as a consequence of the difference between the different measurement of assets and liabilities for tax purposes.

In other words, the tax expense (or tax income) does not only comprise the immediate tax on the reported revenue and expenses for the year, but also the tax that will be paid in the future as a consequence of current revenue and expenses, whether these are allocated to the income statement or to equity.

THE JOINT AND SEVERAL DIRECTOR
Signed:

TAX POSITION:

In accordance with current legislation, tax cannot be considered as definitively settled until the statute of limitations of FOUR YEARS

NOTES TO THE 2020/2021 ACCOUNTS

SPARK44 COMMUNICATIONS S.L.U

has passed from the filing of the tax returns or, as the case may be, the returns have been inspected by the competent tax authorities. Consequently, such returns cannot be considered as definitive until their acceptance by said tax authorities.

In view of the different possible interpretations, there may be tax contingencies that may result in liabilities which, in the remote case of materialising, would not have a material effect on the company's financial statements considered as a whole.

Nevertheless, the company is up-to-date in its tax payments.

The annual payments for the year have not been verified by an auditor as the company is not subject to said requirement.

THE JOINT AND SEVERAL DIRECTOR
Signed:

•Information on deferred payments to suppliers.

- Pursuant to the disclosure requirements established in Law 15/2010, of 5 July, the payments and deferred payments made to suppliers are broken down below:

NOTES TO THE 2020/2021 ACCOUNTS

SPARK44 COMMUNICATIONS S.L.U

The information on deferred payments to suppliers in commercial transactions is typical and within the maximum period provided by current legislation.

The average period of payment to suppliers in 2019/2020 stood at 1.49 days, compared with 3.15 days in 2020/2021.

THE JOINT AND SEVERAL DIRECTOR
Signed:

NEGATIVE STATEMENT ON ENVIRONMENTAL REPORTING IN THE 2020/2021 ANNUAL ACCOUNTS
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SPARK44 COMMUNICATIONS, S.L.U.

The undersigned, as sole director of the aforementioned company, declares that in the accounting relating to these annual accounts there are NO entries of an environmental nature which should be included in accordance with the provisions of paragraph 2 of Preparation Standard 3: "Structure of annual accounts" in the third part of the Spanish General Chart of Accounts for Small and Medium-Sized Enterprises (Royal Decree 1515/2007, of 16 November).

THE JOINT AND SEVERAL DIRECTOR
Signed:

**DIFFERENCES AND ADJUSTMENTS BETWEEN
SPANISH ACCOUNTING AND THE WORKAMAJIG
SYSTEM**

2020/2021

SPARK44 COMMUNICATIONS, S.L.U.

First. While **Reverse Charge Input** accounts are not added to the balance sheet under the WKMJ system, these form part of the asset pool under the Spanish General Chart of Accounts.

The following accounting tables form part of the assets under the Spanish General Chart of Accounts:

23100 - Input VAT		46,567.07
	23110 - VAT Input 21%	0.00
	23120 - VAT Input 10 %	0.00
	23140 - VAT input non-EU	46,278.50
	23145 - VAT INPUT 0% (Spanish Vendor's inv.)	0.00
	23148 - VAT INPUT 4%	0.00
	23150 - VAT Reverse Charge Input	0.00
	23151 - VAT Reverse Charge Input	288.57
	23155 - IRPF INPUT 15%	0.00

THE JOINT AND SEVERAL DIRECTOR
Signed:

**DIFFERENCES AND ADJUSTMENTS BETWEEN
SPANISH ACCOUNTING AND THE WORKAMAJIG
SYSTEM**

2020/2021

SPARK44 COMMUNICATIONS, S.L.U.

Second. While payments in advance are deducted from the figure for suppliers under the WKMJ system, they form part of the asset pool under the Spanish General Chart of Accounts.

Composition of payments in advance included as assets:

PAYMENTS IN ADVANCE	
VODAFONE PAY IN ADVANCE	3.00
DABA NESPRESSO PAY IN ADVANCE	344.19
TELEFONICA DE ESPAÑA SAU MOVISTAR PAY IN ADVANCE	30.19
VODAFONE PAY IN ADVANCE	79.00
CARREFOUR PAY IN ADVANCE	56.04
ASPY PREVENCIÓN SLU PAY IN ADVANCE	714.87
RAPID EXPRESS COURIER PAY IN ADVANCE	66.79
AGUAPURA AGUAVIVA SL PAY IN ADVANCE	309.12
VIPMOVIL SPAIN SL	702.26
BA BRITISH AIRWAYS PAY IN ADVANCE	451.21
AIR EUROPA PAY IN ADVANCE	86.02
TOTAL	2,842.69

THE JOINT AND SEVERAL DIRECTOR
Signed:

**DIFFERENCES AND ADJUSTMENTS BETWEEN
SPANISH ACCOUNTING AND THE WORKAMAJIG
SYSTEM**

2020/2021

SPARK44 COMMUNICATIONS, S.L.U.

Third. While **Reverse Charge Output** accounts are not added to the balance sheet under the WKMJ system, these form part of the liabilities pool under the Spanish General Chart of Accounts.

The following accounting tables form part of the liabilities:

23000 - Output VAT		46,567.07
	23010 - VAT Output 21%	0.00
	23040 - VAT Reverse Charge Output (to Portugal)	0.00
	23041 - VAT Output reverse charge EU	288.57
	23043 - VAT Output non EU	46,278.50

Fourth. A small item of 0.32 euros exists carried forward from previous years from a debt that has not been adjusted and which, in accordance with the Spanish General Chart of Accounts, should be recorded under liabilities, while it is recorded as an asset under the WKMJ system. This also arises as a result of the amounts pending to be recorded as expenses and income.

15540 - Deferred Expenses		
	GOOGLE RETURN 15540	-0.64
	ACCRUED SUBSCRIPTIONS 15540	-749
	DANIEL DAVIS	-0.32
TOTAL		-749.96

THE JOINT AND SEVERAL DIRECTOR
Signed:

DIFFERENCES AND ADJUSTMENTS BETWEEN SPANISH ACCOUNTING AND THE WORKAMAJIG SYSTEM

2020/2021

SPARK44 COMMUNICATIONS, S.L.U.

Fifth. As a result of the company's positive credit account with the tax authorities, corresponding to Value Added Tax until the last month of the first quarter of 2021, which will be offset in the same quarter, the final amount to pay in to the Treasury will be lower.

This credit account for this amount is not recorded as such in the balance sheet under the WKMJ system, given that this has already been offset by the creditor balances to be settled for the months of January and February 2021, resulting in a VAT amount to pay for the first quarter of 2021 of 15,936.49 euros.

However, in the Spanish General Chart of Accounts, the amount of 21,792.02 euros to be offset forms part of the assets until such time as the amount to be paid for the first quarter of 2021 is settled, which will take place in April 2021, once the financial year 2020/2021 is closed.

2021 VAT CREDIT TO BE OFFSET IN APRIL 2021		
-	23510 - VAT Control/ Vat due to Tax Authorities March 2021	21,792.02
TOTAL		21,792.02

Sixth. It arises as a consequence of the general ledger account of corporate income tax receivable corresponding to the period 2020/2021.

While in the WKMJ system it is recorded as a negative amount in the liabilities section, it forms part of the asset pool under the Spanish General Chart of Accounts.

CREDIT TO BE REFUNDED CORPORATE TAX 2020-2021		
	26020 - Corp Inc Tax - Pre-Payment	20,337.22
TOTAL		20,337.22

THE JOINT AND SEVERAL DIRECTOR
Signed:

**DIFFERENCES AND ADJUSTMENTS BETWEEN
SPANISH ACCOUNTING AND THE WORKAMAJIG
SYSTEM**

2020/2021

SPARK44 COMMUNICATIONS, S.L.U.

Seventh. It arises as a consequence of the general ledger account of Credit in favour of the company with the Brazilian company Babel.

While in the WKMJ system it is recorded as a negative amount in the liabilities section, it forms part of the asset pool under the Spanish General Chart of Accounts.

CREDIT TO BABEL		
	23710 - Other Current Liabilities	36,000.00
TOTAL		36,000.00

THE JOINT AND SEVERAL DIRECTOR
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