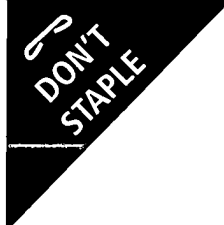


MOTO £60



# OS AA01

## Statement of details of parent law and other information for an overseas company

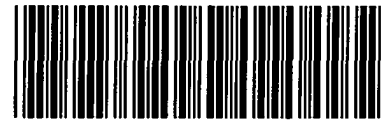


Companies House

✓ **What this form is for**  
You may use this form to accompany your accounts disclosed under parent law.

✗ **What this form is NOT for**  
You cannot use this form to accompany an alteration of manner of accounting requirements with accounting requirements.

FRIDAY



\*ACXYZ9E9\*

A21

01/03/2024

#115

COMPANIES HOUSE

→ **Filling in this form**  
Please complete in typescript or in bold black capitals.

All fields are mandatory unless specified or indicated by \*

① This is the name of the company in its home state.

### Part 1 Corporate company name

Corporate name of overseas company ① **IBERICA DE COMPRAS CORPORATIVAS S.L.**

UK establishment number **B R 0 0 8 6 7 8**

### Part 2 Statement of details of parent law and other information for an overseas company

#### A1 Legislation

Please give the legislation under which the accounts have been prepared and audited.

Legislation ② **SPAIN**

② This means the relevant rules or legislation which regulates the preparation of accounts.

#### A2 Accounting principles

Accounts Have the accounts been prepared in accordance with a set of generally accepted accounting principles?

Please tick the appropriate box.

No. Go to **Section A3**.

Yes. Please enter the name of the organisation or other body which issued those principles below, and then go to **Section A3**.

③ Please insert the name of the appropriate accounting organisation or body.

Name of organisation or body ③ **INSTITUTO CONTABILIDAD Y AUDITORIA CUENTAS**

# OS AA01

Statement of details of parent law and other information for an overseas company

**A3**

## Audited accounts

Audited accounts

Have the accounts been audited in accordance with a set of generally accepted auditing standards?

Please tick the appropriate box.

No. Go to Part 3 'Signature'.

Yes. Please enter the name of the organisation or other body which issued those standards below, and then go to Part 3 'Signature'.

❶ Please insert the name of the appropriate accounting organisation or body.

Name of organisation or body ❶

INSTITUO CONTABILIDAD Y AUDITORIA CUENTAS

## Part 3

## Signature

I am signing this form on behalf of the overseas company.

Signature

Signature

X  X

This form may be signed by:  
Director, Secretary, Permanent representative.

# OS AA01

Statement of details of parent law and other information for an overseas company

## Presenter information

You do not have to give any contact information, but if you do it will help Companies House if there is a query on the form. The contact information you give will be visible to searchers of the public record.

Contact name	LAURA LOPEZ PULGAR
Company name	AQUANIMA UK
Address	UNITY PLACE
	200 GRAFTON GATE
Post town	MILTON KEYNES
County/Region	BUCKINGHAMSHIRE
Postcode	M K 9 1 U P
Country	UK
DX	
Telephone	

## Checklist

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

- The company name and, if appropriate, the registered number, match the information held on the public Register.
- You have completed all sections of the form, if appropriate.
- You have signed the form.

## Important information

Please note that all this information will appear on the public record.

## Where to send

You may return this form to any Companies House address:

### England and Wales:

The Registrar of Companies, Companies House,  
Crown Way, Cardiff, Wales, CF14 3UZ.  
DX 33050 Cardiff.

### Scotland:

The Registrar of Companies, Companies House,  
Fourth floor, Edinburgh Quay 2,  
139 Fountainbridge, Edinburgh, Scotland, EH3 9FF.  
DX ED235 Edinburgh 1

### Northern Ireland:

The Registrar of Companies, Companies House,  
Second Floor, The Linenhall, 32-38 Linenhall Street,  
Belfast, Northern Ireland, BT2 8BG.  
DX 481 N.R. Belfast 1.

## Further information

For further information, please see the guidance notes on the website at [www.gov.uk/companieshouse](http://www.gov.uk/companieshouse) or email [enquiries@companieshouse.gov.uk](mailto:enquiries@companieshouse.gov.uk)

This form is available in an alternative format. Please visit the forms page on the website at [www.gov.uk/companieshouse](http://www.gov.uk/companieshouse)

**Ibérica de Compras Corporativas, S.L.**

Independent Auditor's Report,  
Annual accounts and Management's Report  
for the year ended December 31, 2020



*This version of our report is a free translation of the original, which was prepared in Spanish. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of our report takes precedence over this translation.*

## Independent auditor's report on the annual accounts

To the shareholders of Ibérica de Compras Corporativas, S.L.

---

### Opinion

---

We have audited the annual accounts of Ibérica de Compras Corporativas, S.L. (the Company), which comprise the balance sheet as at 31 December 2020, and the income statement, statement of changes in equity, cash flow statement and related notes for the year then ended.

In our opinion, the accompanying annual accounts present fairly, in all material respects, the equity and financial position of the Company as at 31 December 2020, as well as its financial performance and cash flows for the year then ended, in accordance with the applicable financial reporting framework (as identified in note 2.a of the notes to the annual accounts), and in particular, with the accounting principles and criteria included therein.

---

### Basis for opinion

---

We conducted our audit in accordance with legislation governing the audit practice in Spain. 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 relevant to our audit of the annual accounts in Spain, in accordance with legislation governing the audit practice. In this regard, we have not rendered services other than those relating to the audit of the accounts, and situations or circumstances have not arisen that, in accordance with the provisions of the aforementioned legislation, have affected our necessary independence such that it has been compromised.

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

---

### Most relevant aspects of the audit

---

The most relevant aspects of the audit are those that, in our professional judgment, were considered to be the most significant risks of material misstatement in our audit of the annual accounts of 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.

---

*PricewaterhouseCoopers Auditores, S.L., Torre PwC, Pº de la Castellana 259 B, 28046 Madrid, España*  
*Tel.: +34 915 684 400 / +34 902 021 111, Fax: +34 915 685 400, www.pwc.es*

1



Most relevant aspects of the audit	How our Audit addressed the most relevant aspects on the audit
<p>Balances and transactions with related parties</p> <p>As mentioned in note 12 of the accompanying annual accounts, 97.17% of the Company's share capital is owned by Banco Santander, S.A., the parent company of the Santander Group. The main activity of the Company is to provide services to companies of the Group and Associates.</p> <p>Therefore, our audit has focused on these balances and transactions, due to their representativeness on the Company's financial statements.</p> <p>See note 18 to the accompanying annual accounts.</p>	<p>The main audit procedures performed to check the most significant balances and transactions with related parties are described below:</p> <ul style="list-style-type: none"><li>• We have obtained external confirmation from Banco Santander, S.A. of the balances of cash and cash equivalents as at December 31, 2020 and we have obtained the bank reconciliations prepared by the Company.</li><li>• We have obtained the reconciliation of balances and transactions with related parties as of December 31, 2020.</li><li>• We have checked for a sample of operations, the existing agreements and contracts with related parties related to the services provided and received as clients and suppliers.</li><li>• We have checked for a sample of operations, the invoicing of clients and suppliers with related parties and we have check the bank collection, as well as their correct accounting record.</li><li>• We have checked the information and transactions presented in the annual accounts with related parties.</li></ul> <p>As a result of the above-mentioned procedures, no differences were identified, outside a reasonable range.</p>

---

<p>Other operating expenses accrued but not invoiced</p> <p>As mentioned in note 14 of the accompanying annual accounts, the Company records certain accrued expenses in the accompanying balance sheet item 'Trade and other payables' which have not been billed by its various creditors. The balance in this item amounts to 2.852 thousand euros as at December 31, 2020.</p>	<p>The main audit procedures performed to check the other operating expenses have been recognized in the appropriate accounting period and the item 'Trade and other payables' reflects liabilities owed by the Company as of December 31, 2020, have been the following:</p> <ul style="list-style-type: none"><li>• We have obtained an understanding of the Company's process of other operating expenses, focusing our procedures on testing the existing key controls.</li></ul>
--	---



Ibérica de Compras Corporativas, S.L.

Most relevant aspects of the audit	How our Audit addressed the most relevant aspects on the audit
<p>The Company recognizes expenses on an accrual basis, that is when the actual flow of the related goods and services occurs, regardless of when the resulting monetary or financial flow arises.</p> <p>We identify this area as relevant to our work performed due to its significance in relation to the Company's liabilities and other operating expenses recognized in the income statement for the year.</p> <p>See note 17.c to the accompanying annual accounts.</p>	<ul style="list-style-type: none"><li data-bbox="855 584 1372 719">• We have check for a sampled of transactions, that other operating expenses recognized and not invoiced, correspond to services received in the year ended 31 December 2020.</li><li data-bbox="855 734 1372 869">• We have check for a sampled of transactions, that the invoices received after the year ended, correspond to the concepts and balances registered as at 31 December 2020.</li></ul> <p>As a result of the above procedures, no differences were identified, outside a reasonable range.</p>

---

#### Other information: Management report

---

Other information comprises only the management report for the 2020 financial year, the formulation of which is the responsibility of the Company's directors and does not form an integral part of the annual accounts.

Our audit opinion on the annual accounts does not cover the management report. Our responsibility regarding the management report, in accordance with legislation governing the audit practice, is to evaluate and report on the consistency between the management report and the annual accounts as a result of our knowledge of the entity obtained during the audit of the aforementioned financial statements, as well as to evaluate and report on whether the content and presentation of the management report is in accordance with applicable regulations. If, based on the work we have performed, we conclude that material misstatements exist, we are required to report that fact.

On the basis of the work performed, as described in the previous paragraph, the information contained in the management report is consistent with that contained in the annual accounts for the 2020 financial year, and its content and presentation are in accordance with the applicable regulations.

---

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

---

The directors are responsible for the preparation of the accompanying annual accounts, such that they fairly present the equity, financial position and financial performance of the Company, in accordance with the financial reporting framework applicable to the entity in Spain, and for such internal control as the aforementioned directors determine is necessary to enable the preparation of annual accounts that are free from material misstatement, 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.



Ibérica de Compras Corporativas, S.L.

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

As part of an audit in accordance with legislation governing the audit practice in Spain, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of 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 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 fair presentation.

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

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

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

---

PricewaterhouseCoopers Auditores, S.L. (S0242)

Original in Spanish signed by  
Rocío García Sastre (23405)

July 26, 2021



**IBERICA DE COMPRAS CORPORATIVAS, S.L.**  
**BALANCE SHEET AS OF 31 DECEMBER 2020**  
**(thousand euro)**

ASSETS	NOTE	2020	2019 (*)	TOTAL EQUITY AND LIABILITIES	NOTE	2020	2019 (*)
<b>NON-CURRENT ASSETS</b>		<b>2,824</b>	<b>3,061</b>	<b>EQUITY</b>		<b>6,884</b>	<b>6,127</b>
Intangible assets	6	217	296	<b>SHAREHOLDERS' FUNDS</b>		<b>7,243</b>	<b>6,447</b>
Other intangible assets		217	296	Capital	12.a	1,990	1,990
Property, plant and equipment	7	213	232	Share premium account	12.b	2,935	2,935
Computer hardware		213	232	Reserves		4,511	4,511
Computer hardware		213	232	Statutory and mandated by the articles	12.c	398	398
Long-term investments in group and associated undertakings	9	1,652	1,693	Other reserves	12.d	4,113	4,113
Equity instruments		1,069	1,069	Prior years' losses	12.e	(4,056)	(4,513)
Other financial assets		168	168	Other contributions by shareholders	12.f	1,067	1,067
Loans to undertakings		415	456	Profit/(loss) for the year	3	796	457
Long-term financial assets	9	-	25				
Other financial assets		-	25	<b>ADJUSTMENTS FOR CHANGES IN VALUE</b>		<b>(359)</b>	<b>(320)</b>
Deferred tax assets	15	742	815	Exchange differences	12.g	(359)	(320)
						<b>422</b>	<b>756</b>
<b>CURRENT ASSETS</b>		<b>12,259</b>	<b>11,660</b>	<b>NON-CURRENT LIABILITIES</b>			
Inventories		1	-	Long-term provisions	13.a	379	713
Advances to suppliers		1	-	Long-term employee obligations		379	713
Trade and other receivables	10	2,710	2,347	Deferred tax liabilities	15.e	43	43
Trade receivables for sales and services		-	75			<b>422</b>	<b>756</b>
Trade receivables - group and associated undertakings		-	-				
Personnel	18	2,584	2,099	<b>CURRENT LIABILITIES</b>		<b>7,777</b>	<b>7,838</b>
		-	2	Short-term provisions	13.b	678	-
Other receivables from public authorities	15.a	126	171	Short-term payables - Group and associated undertakings	18	378	173
Short-term investments - Group and associated undertakings	9	-	72	Trade and other payables	14	6,683	7,620
Loans to undertakings		-	72	Sundry creditors		3,570	3,816
Other financial assets		-	-	Trade payables		107	208
Short-term financial assets	9	2	3	Personnel		2,154	2,825
Other financial assets		2	3	Current tax liabilities		366	300
				Other amounts payable to public authorities		486	471
Short-term accruals	17.c	104	367				
Cash and cash equivalents		9,442	8,871	<b>Short-term accruals</b>	17.a	<b>38</b>	<b>45</b>
Cash at banks and in hand	11	9,442	8,871				
<b>TOTAL ASSETS</b>		<b>15,083</b>	<b>14,721</b>	<b>TOTAL EQUITY AND LIABILITIES</b>		<b>15,083</b>	<b>14,721</b>

(\*) Presented solely for the purposes of comparison.

Notes 1 to 20 in the accompanying notes to financial statements are an integral part of the balance sheet as of 31 December 2020

**IBERICA DE COMPRAS CORPORATIVAS, S.L.**

**INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2020  
(thousand euro)**

	NOTE	2020	2019 (*)
<b>Revenues</b>	<b>17.a</b>	<b>26,173</b>	<b>21,239</b>
Services provided		26,173	21,239
<b>Personnel expenses</b>	<b>17.b</b>	<b>(14,653)</b>	<b>(13,639)</b>
Wages, salaries and similar		(12,122)	(11,152)
Social Security		(2,531)	(2,487)
<b>Other operating expenses</b>		<b>(10,002)</b>	<b>(6,719)</b>
Outside services	<b>17.c</b>	(9,233)	(6,006)
Taxes other than income tax		(335)	(331)
Losses, impairment and changes in trade provisions	<b>17.e</b>	(434)	(381)
Other current operating expenses		-	(1)
<b>Depreciation and amortization</b>	<b>6 &amp; 7</b>	<b>(234)</b>	<b>(153)</b>
<b>Other results</b>		<b>4</b>	<b>(2)</b>
<b>OPERATING PROFIT/(LOSS)</b>		<b>1,288</b>	<b>726</b>
<b>Financial revenues</b>	<b>17.f</b>	<b>-</b>	<b>1</b>
Marketable securities and other financial instruments in Group and associated undertakings		-	1
<b>Financial expenses</b>	<b>17.f</b>	<b>(1)</b>	<b>(10)</b>
Borrowings from third parties		-	(3)
Restatement of provisions		(1)	(7)
<b>Exchange differences</b>	<b>17.f</b>	<b>-</b>	<b>40</b>
<b>FINANCIAL INCOME</b>		<b>(1)</b>	<b>31</b>
<b>INCOME BEFORE TAXES</b>		<b>1,287</b>	<b>757</b>
Corporate income tax	<b>15.c</b>	(491)	(300)
<b>PROFIT FOR THE YEAR</b>		<b>796</b>	<b>457</b>

(\*) Presented solely for the purposes of comparison.

Notes 1 to 20 in the accompanying notes to financial statements are an integral part of the income statement for the year ended 31 December 2020.

**IBERICA DE COMPRAS CORPORATIVAS, S.L.**  
**STATEMENT OF CHANGES IN EQUITY**

**A) STATEMENT OF RECOGNIZED REVENUES AND EXPENSES FOR THE YEAR ENDED 31  
DECEMBER 2020  
(thousand euro)**

	2020	2019 (*)
<b>PROFIT FOR THE YEAR, PER INCOME STATEMENT (I)</b>	796	457
Revenues and expenses recognized directly in equity (Note 12.g)		
Exchange differences	52	47
Tax effect	(91)	(14)
<b>TOTAL REVENUES AND EXPENSES RECOGNIZED DIRECTLY IN EQUITY (II)</b>	(39)	33
<b>TOTAL TRANSFERS TO PROFIT OR LOSS (III)</b>	-	-
<b>TOTAL RECOGNIZED REVENUES AND EXPENSES (I + II + III)</b>	757	490

(\*) Presented solely for the purposes of comparison.

Notes 1 to 20 in the accompanying notes to financial statements are an integral part of the statement of recognized revenues and expenses for the year ended 31 December 2020.

IBERICA DE COMPRAS CORPORATIVAS, S.L.

STATEMENT OF CHANGES IN EQUITY  
 B) TOTAL STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31  
 DECEMBER 2020  
 (thousand euro)

	Capital	Share premium account	Statutory reserve	Other reserves	Prior years' losses	Other contributions by shareholders	Exchange differences	Profit/(loss) for the year	Total
Balance as of 2018 year-end (*)	1,990	2,935	398	4,113	(2,928)	1,067	(353)	(1,585)	5,637
Distribution of 2018 income	-	-	-	-	(1,585)	-	-	1,585	-
Total recognized revenues and expenses	-	-	-	-	-	-	33	457	490
Balance as of 2019 year-end (*)	1,990	2,935	398	4,113	(4,513)	1,067	(320)	457	6,127
Distribution of 2019 income	-	-	-	-	457	-	-	(457)	-
Total recognized revenues and expenses	-	-	-	-	-	-	(39)	796	757
Balance as of 2020 year-end	1,990	2,935	398	4,113	(4,056)	1,067	(359)	796	6,884

(\*) Presented solely for the purposes of comparison.

Notes 1 to 20 in the accompanying notes to financial statements are an integral part of the total statement of changes in equity for the year ended 31 December 2020.

**IBERICA DE COMPRAS CORPORATIVAS, S.L.**

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2020**  
(thousand euro)

	2020	2019 (*)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>700</b>	<b>116</b>
Income before taxes	1,287	757
Adjustments to income	669	583
Depreciation and amortization	234	153
Change in provisions	434	381
Financial revenues	-	(1)
Financial expenses	1	10
Exchange differences	-	40
<b>Changes in working capital</b>	<b>(1,255)</b>	<b>(1,215)</b>
Debtors and other receivables	(180)	(343)
Creditors and other payables	(1,209)	33
Other current and non-current assets	475	(569)
Other current and non-current liabilities	(341)	(336)
Other operating cash flow	(1)	(9)
Interest paid	(1)	(10)
Interest receipts	-	1
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	<b>(129)</b>	<b>(464)</b>
Investment payments	(129)	(464)
Property, plant and equipment	(34)	(160)
Intangible assets	(95)	(304)
Other financial assets	-	-
Divestment receipts	-	-
Other financial assets	-	-
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>	<b>-</b>	<b>-</b>
Payment of dividends and remuneration on other equity instruments	-	-
Dividends	-	-
<b>NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS</b>	<b>571</b>	<b>(348)</b>
Cash and cash equivalents at the beginning of the year	8,871	9,219
Cash and cash equivalents at year-end	9,442	8,871

(\*) Presented solely for the purposes of comparison.

Notes 1 to 20 in the accompanying notes to financial statements are an integral part of the cash flow statement for the year ended 31 December 2020.

**Ibérica de Compras Corporativas, S.L.**  
Notes to the financial statements for the year ended  
31 December 2020

---

**1. Company business**

Ibérica de Compras Corporativas, S.L., was incorporated as a Limited Liability Company on 29 September 2000 and is located in Santander Group City, Avda. de Cantabria s/n, Boadilla del Monte (Madrid).

The company's object is to act as an intermediary in commercial relations between companies through strictly electronic means, generally referred to as "Business to Business", including:

- The creation, maintenance and development of technology platforms and infrastructures.
- The establishment and management of digital marketplaces operated through an internet technology network for the creation of centres for the commercialization of all types of goods and services.
- The provision of information technology services including, but not limited to, data processing, subject to existing data protection requirements and any other regulations that may be applicable.
- The development and supply of software and hardware.
- The provision of communication and telecommunication services, expressly excluding those that are subject to administrative requirements that the Company does not meet.
- The implementation of computer systems integration projects.

The activities comprising the Company's object may be pursued partially or wholly in Spain and in other countries, either directly or through the ownership of shares or other interests in companies with the same or a similar object.

The Company is currently focused on providing services as a purchasing centre and on negotiating service and supply contracts for its clients. Additionally, during 2018 it commenced a new line of business: the Vendor Risk Assessment Centre (VRAC). The function of this service is to improve management times, reduce the workload of Managers and Specialized Functions, and provide greater robustness in the implementation of the Framework for Outsourcing and Agreements with Third Parties, and oversight of Suppliers and the Supplier Approval Policy.

The tasks performed include notably the following: validation of the Risk Calculators by the service managers, monthly meetings and follow-up reports, preparation of the Risk Assessment of each undertaking's significant services/suppliers, and the preparation of the action plans defined for each service/supplier/contract.

**Ibérica de Compras Corporativas, S.L.**  
Notes to the financial statements for the year ended  
31 December 2020

---

The Company is part of Santander Group, whose parent company is Banco Santander, S.A. (Note 12), with registered offices at Paseo de Pereda, numbers 9 to 12, Santander, and that is the undertaking that produces consolidated financial statements. The consolidated financial statements of Santander Group for 2020 were authorized by the directors of Banco Santander, S.A. at a meeting of the Board of Directors on 22 February 2021 and approved by the shareholders at the General Shareholders' Meeting on 26 March 2021.

The Company has majority or significant shareholdings in other companies. The financial statements refer to the Company considered individually and, therefore, do not reflect the variations that would result from applying consolidation criteria.

In order to operate internationally, the Company has permanent establishments in Germany, the United Kingdom and Portugal. The Company also has direct and indirect subsidiaries in The Netherlands, the United States, Brazil, Mexico, Chile and Argentina.

**2. Basis of presentation of the financial statements**

***a) Financial reporting framework applicable to the Company***

These financial statements were obtained from the Company's accounting records and are presented in accordance with the regulatory framework on financial reporting that is applicable to the Company, as set out in:

- Spanish Commercial Code and other commercial law.
- The General Accounting Plan approved by Royal Decree 1514/2007, of 16 November (as amended by Royal Decree 602/2016, of 2 December) and its industry-specific amendments.
- The mandatory rules approved by the Instituto de Contabilidad y Auditoría de Cuentas to implement the General Accounting Plan and its supplementary rules.
- Other applicable accounting standards.

***b) True and fair view***

The financial statements were obtained from the Company's accounting records and are presented in accordance with the regulatory financial reporting framework applicable to the Company and, in particular, the accounting principles and criteria contained therein so as to present fairly the Company's net worth, financial position, results of operations and cash flows for the year.

These financial statements were authorised by the Company's directors and will be submitted to the Ordinary General Meeting of Shareholders for approval; they are expected to be approved without any changes. The financial statements for 2019 were approved by the Ordinary General Meeting of Shareholders on 30 June 2020.

**Ibérica de Compras Corporativas, S.L.**  
Notes to the financial statements for the year ended  
31 December 2020

---

As indicated in Note 9, at the end of 2020 and 2019 the Company owned 100% and 90% of the share capital and voting rights of Digital Procurement Holdings, N.V. and Aquanima, S.A., respectively. In accordance with the provisions of Article 9 of Royal Decree 1159/2010 of 17 September 2010, approving the Rules for the Preparation of Consolidated Financial Statements, the Company is exempt from preparing consolidated financial statements with the aforementioned subgroup as it is consolidated within a larger group (Note 1).

***c) Non-obligatory accounting standards that were applied***

No accounting standards that are not obligatory were applied. In addition, the Company's directors authorized the financial statements as of 31 December 2020 taking into consideration all the mandatory accounting principles and standards that have a material impact on these financial statements. No mandatory accounting principle was omitted.

***d) Critical aspects of measuring and estimating uncertainty***

In preparing the financial statements, estimates made by the directors were used to measure certain of the assets, liabilities, revenues, expenses and commitments reported in them. Those estimates refer basically to:

- The useful life of property, plant and equipment and intangible assets (Notes 4.a, 4.b and 6).
- Recognition and measurement of provisions and contingencies (Note 4.i).
- Assessment of possible impairment losses on certain assets (Notes 4.a., 4.b and 6).
- Recoverability of tax credits arising from tax loss carryforwards and international double taxation (Note 15)
- The market value of certain financial instruments (Note 4.c).

Although these estimates were made based on the best information available at 2020 year-end, future events may make it necessary to modify them (upwards or downwards) in future years; if necessary, this will be done prospectively.

During 2020, the event with the greatest impact on the economic situation in Spain and worldwide was the pandemic of Coronavirus disease causing severe acute respiratory syndrome (SARS-CoV-2), generally identified by the acronym COVID-19.

Faced with this situation, the Company and the Group to which it belongs triggered the necessary contingency plans, which contributed to business continuity. These actions enabled the Company to continue its activities without putting its business in a critical situation. In this regard, the Company has not experienced, and does not foresee, any inability to comply with relevant contractual obligations and, therefore, no significant consequences derived from breach of contract due to COVID-19 are expected.



**Ibérica de Compras Corporativas, S.L.**  
Notes to the financial statements for the year ended  
31 December 2020

---

Although, at the date of preparation of these financial statements, the possibility and pace of economic recovery are uncertain and they depend on, among other matters, the macroeconomic measures to be adopted by the Spanish, European and international authorities, the effectiveness of the vaccines and the speed of their deployment in the population, the Company's directors consider that the application of the going concern principle of accounting remains valid under these circumstances.

***e) Comparability***

The information for the year ended 31 December 2019 contained in these financial statements is presented solely and exclusively for comparison with the information relating to the year ended 31 December 2020 and, therefore, is not a part of the Company's financial statements for the year 2020.

***f) Aggregation of items***

Certain items in the accompanying balance sheet, income statement, statement of changes in equity and statement of cash flows are presented in a grouped form to facilitate their understanding, although, to the extent that it is material, disaggregated information is disclosed in the corresponding notes to the financial statements.

***g) Changes in accounting policies***

There were no changes in accounting policies in 2020 with respect to those applied in 2019.

***h) Correction of errors***

No material accounting errors were disclosed in 2020.

***i) Going concern***

The information contained in these financial statements has been prepared on the basis that the Company will continue as a going concern, so that the accounting standards were not applied to determine the net value of the assets for the purposes of a full or partial transfer or a hypothetical liquidation.

***j) Environmental assets and liabilities***

Given the Company's activities, it has no environmental liabilities, expenses, assets, provisions or contingencies that might be material with respect to its equity, financial position and results. For this reason, no specific environmental disclosures are provided in these notes to the financial statements.

**Ibérica de Compras Corporativas, S.L.**  
Notes to the financial statements for the year ended  
31 December 2020

---

**3. Distribution of profit/(loss)**

The proposed allocation of income for 2020 that the Company's directors will submit to the General Meeting of Shareholders for approval is as follows:

	Thousand euro	
	2020	2019
<b>Available for distribution:</b>		
Profit and loss	796	457
	<b>796</b>	<b>457</b>
<b>Allocation:</b>		
Prior years' losses	796	457
	<b>796</b>	<b>457</b>

The allocation of income for 2019 was approved by the General Meeting of Shareholders on 30 June 2020.

No interim dividend was distributed in 2020 or 2019.

**4. Recognition and measurement standards**

The main recognition and measurement standards used by the Company in preparing the financial statements for 2020, in accordance with those established by the Spanish National Accounting Plan, were as follows:

**a) Property, plant and equipment**

Property, plant and equipment are stated initially at acquisition or production cost and subsequently less accumulated depreciation and any impairment.

Upkeep and maintenance expenses for property, plant and equipment are charged to profit or loss in the year in which they are incurred. Investments to improve those assets' capacity or efficiency or extend their useful lives are recognized as an increase in their cost.

**Ibérica de Compras Corporativas, S.L.**  
Notes to the financial statements for the year ended  
31 December 2020

---

The Company depreciates property, plant and equipment on a straight-line basis, applying annual depreciation rates calculated on the basis of the respective assets' years of estimated useful life, as follows:

	Rate (%)
Furniture	10
Computer hardware	25
Other property, plant and equipment	20

*Impairment of property, plant and equipment*

At the end of each year, or whenever there are indications of impairment, the Company performs an impairment test to estimate any impairment losses that might reduce the recoverable amount of such assets to less than their carrying amount.

The recoverable amount is determined as the fair value less selling costs or the value in use, whichever is higher.

In the event that an impairment loss on property, plant and equipment is to be recognized, the carrying amount of these assets is reduced against profit or loss.

**b) Intangible assets**

As a general rule, intangible assets are stated initially at acquisition cost. They are subsequently stated at cost less accumulated amortization and any impairment losses (Note 4.a).

Those assets are amortized based on their useful lives.

*Computer software*

In this account, the Company recognizes the installation, development and rights of use of software used by the Company. Computer software maintenance costs are recognized in profit or loss in the year in which they are incurred. They are amortized on a straight-line basis over a period of 3 years.

**c) Leases**

Leases are classified as finance leases provided that, under the terms of the lease, substantially all the risks and rewards incidental to ownership of the leased asset are transferred to the lessee. Other leases are classified as operating leases.

*Finance leases*

In 2020 and 2019, the Company did not enter into any contract, as lessor or lessee, that might be classified as a finance lease.

In finance lease transactions in which the Company acts as lessee, the cost of the leased assets is presented in the balance sheet according to the nature of the leased asset and a liability is recognized simultaneously for the same amount. That amount will be the lower of the fair value of the leased asset and the present value at the inception of the lease of the minimum agreed amounts, including the purchase option, when there are no reasonable doubts that it will be exercised. Contingent fees, service costs and taxes payable by the lessor are not included in the calculation. The total finance charge under the contract is charged to profit or loss in the year in which it accrues, applying the effective interest rate method. Contingent instalments are recognized as an expense in the year in which they are incurred.

Assets recognized in connection with transactions of this type are depreciated using criteria similar to those applied to property, plant and equipment in general, based on their nature.

*Operating leases*

Expenses arising from operating lease agreements are charged to profit or loss in the year in which they accrue.

Any receipt or payment made when contracting an operating lease will be treated as a prepayment or collection and charged or credited to profit or loss over the lease term as the benefits of the leased asset are transferred or received.

When the Company acts as lessee, lease expenses are charged to profit or loss in the year in which they accrue. During 2020, the Company had operating lease agreements as lessee for the lease of office premises and parking spaces (Note 8).

*Financial instruments*

*Financial assets*

The financial assets held by the Company are as follows:

- a) Loans and receivables: financial assets arising from the sale of goods or the delivery of services in the ordinary course of the Company's business, or those which, not having a commercial origin, are not equity instruments or derivatives, whose receipts are of a fixed or determinable amount, and which are not traded in an active market.
- b) Financial assets held for trading: This category includes financial assets that are so designated by the company at the time of initial recognition, specifically mutual funds.

**Ibérica de Compras Corporativas, S.L.**  
Notes to the financial statements for the year ended  
31 December 2020

---

- c) Investments in the equity of group, multi-group and associated undertakings: group undertakings are considered to be those related to the Company by a relationship of control, and associated undertakings are those over which the Company exercises significant influence. Multi-group undertakings include companies over which control is exercised jointly with one or more partners by virtue of an agreement.
- d) Cash and cash equivalents: comprise both cash at hand and sight deposits at banks. Cash equivalents are short-term investments with maturities of less than three months that are not subject to a significant risk of changes in value.

*Initial measurement*

Financial assets are recognized initially at the fair value of the consideration delivered plus directly allocable transaction costs.

Since 1 January 2010, in the case of investments in the equity of group undertakings that give control over the subsidiary, the fees paid to legal advisors or other professionals related to the acquisition of the investment are charged directly to profit or loss.

*Subsequent re-measurement*

Loans and receivables are measured at amortized cost. Provisions for impairment measured at year-end by means of an itemized analysis of the age of the debt and the debtor's solvency are deducted from amortized cost. These provisions are charged to profit or loss.

Financial assets held for trading are measured at fair value with changes through profit or loss.

Investments in the equity of group and associated undertakings are measured at cost less any accumulated impairment losses. Impairment is calculated as the difference between the carrying amount and the recoverable amount, the latter being the fair value less selling costs or the present value of the effective cash flows arising from the investment, whichever is higher. If there is no better evidence of recoverable value, it is taken to be the equity of the investee adjusted by any unrealised capital gains subsisting at the valuation date (including any goodwill).

At least at year-end, the Company performs an impairment test for financial assets that are not measured at fair value. Objective evidence of impairment is considered to exist if the recoverable amount of the financial asset is less than its carrying amount. Any such impairment is recognized in profit or loss.

The recoverable amounts of foreign investments are calculated by applying the official year-end exchange rate to the valuation in local currency.

**Ibérica de Compras Corporativas, S.L.**  
Notes to the financial statements for the year ended  
31 December 2020

---

*Derecognition of financial assets*

The Company derecognizes financial assets when they expire or when the rights to the cash flows associated with the financial asset have been transferred and the risks and rewards inherent to ownership have been substantially transferred, such as the case of outright sale of the asset, assignments of trade receivables in factoring transactions in which the company does not retain any credit or interest rate risk, sale of financial assets under repurchase agreements at fair value, and securitizations of financial assets in which the assigning company does not retain subordinated financing or grant any type of guarantee or assume any other type of risk.

Conversely, the Company does not derecognize financial assets, and it recognizes a financial liability for an amount equal to the consideration received, in transfers of financial assets in which it retains substantially all the risks and rewards of ownership, such as in bill discounting, factoring with recourse, sales of financial assets with repurchase agreements at a fixed price or at the sale price plus interest, and securitizations of financial assets in which the obligor retains subordinated financing or other types of guarantees that absorb substantially all the expected losses.

*Financial liabilities*

Financial liabilities are debts and accounts payable of the Company that originated from the purchase of goods and services for the Company's business operations and those that, though not of commercial origin, cannot be classified as derivative financial instruments.

Debts and accounts payable are recognized initially at the fair value of the consideration received, adjusted for directly allocable transaction costs. Such liabilities are re-measured subsequently at amortized cost.

The Company derecognizes financial liabilities when the obligations that generated them are extinguished.

**d) Foreign currency transactions**

The Company's functional currency is the euro. Consequently, transactions in currencies other than the euro are deemed to be in foreign currency and are recognized using the transaction-date exchange rate.

Monetary assets and liabilities in foreign currencies are translated at year-end at the exchange rates prevailing on the balance sheet date. Any gain or loss so disclosed is recognised directly in profit or loss in the year in which it arises.

Non-monetary assets and liabilities measured at fair value and denominated in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Any gain or loss so disclosed is recognized in equity or in profit or loss following the same policy as for fair value changes, as indicated in the section on Financial Instruments.

**Ibérica de Compras Corporativas, S.L.**  
Notes to the financial statements for the year ended  
31 December 2020

---

***e) Corporate income tax***

The income tax expense or revenue comprises the current tax expense or revenue and the deferred tax expense or revenue.

Current tax is the amount paid by the Company as a result of income tax settlements for a given year. Deductions and other tax credits deducted from tax payable, excluding withholdings and payments on account, as well as tax loss carryforwards from previous years that are taken in the current year, result in a lower amount of current tax.

The deferred tax expense or revenue relates to the recognition and cancellation of deferred tax assets and liabilities. These include temporary differences, identified as those amounts that are expected to be payable or recoverable deriving from the differences between the carrying amount of the assets and liabilities and their tax value, as well as available tax loss carryforwards and unused tax credits. These amounts are recognized by applying, to the relevant temporary difference or tax credit, the tax rate at which they are expected to be recovered or settled.

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

The Company files consolidated tax returns as part of Consolidated Tax Group No. 17/89 of which Banco Santander, S.A. is the parent company. The group distributes the tax charge for the year among the companies comprising it by allocating a tax charge to each company equivalent to that which it would have if it filed an individual corporate income tax return, adjusted for the effect of the tax losses generated by undertakings in the group that can be used by other undertakings in the consolidated tax group (Note 15).

Deferred tax assets are recognized only to the extent that it is considered likely that there will be future taxable profits against which they can be utilized or where the approach adopted by the Consolidated Tax Group allows them to be used.

Deferred tax assets and liabilities arising from transactions charged or credited directly to equity accounts are also recognized with a balancing entry in equity.

**Ibérica de Compras Corporativas, S.L.**  
Notes to the financial statements for the year ended  
31 December 2020

---

At each accounting close, deferred tax assets are re-measured and impairment is recognized to the extent that there are doubts as to their recovery in the future. Also, at each accounting close, the deferred tax assets not recognized on the balance sheet are re-measured and are recognized to the extent that they are likely to be recovered against future taxable income.

**f) Termination indemnities**

In accordance with current legislation, the Company is obliged to pay termination indemnities to employees whom it terminates under certain conditions. Consequently, termination indemnities that can be reasonably quantified are recognized as an expense in the year in which the decision to terminate employment is taken. As of 31 December 2020, the Company had recognized a provision for this purpose amounting to €678 thousand under "Short-term provisions" (no provision as of 31 December 2019) (Note 13.b).

**g) Pension commitments**

*Defined-contribution plan for executives*

In 2007, Santander Group approved the creation of a defined-contribution pension plan for management personnel that guarantees the following benefits:

**Retirement:** receipt of the accumulated funds when the contingency arises. The funds are generated by contributions to be made by the Company (an initial extraordinary contribution based on seniority and regular contributions consisting of a percentage of the executive's base salary).

**Death in service:** in the event of the death of the executive before the retirement date, the accumulated fund plus an additional capital of €6,000 will be paid to the beneficiaries.

**Disability in service:** in the event of disability of the executive before the date of retirement, the fund accumulated prior to the contingency will be paid to the executive.

The Plan is outsourced through an insurance policy with Santander Seguros y Reaseguros, Compañía Aseguradora, S.A. (a Santander Group company).

The contributions made by the Company in this connection each year are recognized under "Personnel expenses" in the income statement (Note 17.b).

**h) Related-party transactions**

All transactions between the Company and related parties are conducted on an arm's-length basis. In addition, the transfer prices are suitably documented and, consequently, the directors consider that there are no significant risks in this respect that might give rise to material liabilities in the future.



**Ibérica de Compras Corporativas, S.L.**  
Notes to the financial statements for the year ended  
31 December 2020

---

***j) Provisions and contingencies***

When preparing the Company's financial statements, the directors make a distinction between:

- a) Provisions: credit balances covering current obligations arising from past events whose settlement is likely to result in an outflow of funds, but the amount and/or timing of which are uncertain.
- b) Contingent liabilities: possible obligations resulting from past events, the future materialization of which is contingent upon the occurrence or otherwise of one or more future events that are beyond the Company's control.

The financial statements include all the material provisions with respect to which it is considered that it is more likely than not that the obligation will have to be settled. Contingent liabilities are not recognized in the financial statements but are disclosed in the notes to the financial statements to the extent that they are not considered to be remote.

Provisions are measured at the present value of the best possible estimate of the amount required to settle or transfer the obligation, taking into account the information available on the event and its consequences, and any adjustments arising from the restatement of such provisions are recognized as a financial expense as they accrue.

The indemnity to be received from a third party at the time of settling the obligation, provided that there are no doubts that such reimbursement will be received, is recognized as an asset, except where there is a legal relationship under which part of the risk has been externalized and by virtue of which the Company is not liable; in this case, such indemnity will be taken into account when estimating the amount of the corresponding provision, if any.

Contingent assets arising as a result of past events whose existence is conditional and must be confirmed when events beyond the Company's control occur or otherwise are not recognized in the balance sheet or in the income statement but are disclosed in the notes to the financial statements whenever it is likely that there will be an increase in funds recognized under profit.

***j) Revenues and expenses***

Revenues and expenses are recognized when the actual flow of the related goods and services occurs, regardless of when the resulting monetary or financial flow arises. Such revenues are measured at the fair value of the consideration received, less discounts and taxes.

Revenue from sales is recognized when the material risks and rewards of ownership of the sold asset have been transferred to the buyer, and current management of the asset or effective control over it are not retained.

Revenue from the delivery of services is recognized by reference to the stage of completion of the transaction at the balance sheet date, provided that the outcome of the transaction can be estimated reliably. The Company generally bills monthly.

**Ibérica de Compras Corporativas, S.L.**  
Notes to the financial statements for the year ended  
31 December 2020

---

Interest revenues from financial assets are recognized in accordance with effective interest rate method, and dividends when the shareholder's entitlement to collect them is declared. In any case, interest and dividends on financial assets accrued after the acquisition date are recognized in profit or loss.

***k) Classification as current and non-current***

The balances of items in the accompanying balance sheets are classified according to their maturity; accounts maturing at less than 12 months from the balance sheet date are classified as current, and those maturing at more than 12 months as non-current.

***l) Cash flow statements***

The following expressions are used with the following meanings in the cash flow statements:

- a) Cash flows: inflows and outflows of cash and cash equivalents, the latter being short-term, highly-liquid investments with no significant risk of value changes.
- b) Operating activities: The Company's normal activities and others that cannot be classified as investing or financing activities.
- c) Investing activities: The acquisition, sale or disposal by other means of long-term assets and other investments not included in cash and cash equivalents.
- d) Financing activities: Activities that result in changes in the size and composition of equity and financial liabilities.

***m) Statement of changes in equity***

The statements of changes in equity presented in these financial statements show the total changes in equity during the year. This information is broken down into two statements: the statement of recognized revenue and expense and the statement of changes in equity.

The main characteristics of the information disclosed in each part of the statement are described below:

***Statement of changes in equity***

This part of the statement of changes in equity presents revenues and expenses generated by the Company as a result of its activities during the year, distinguishing between revenues and expenses recognized in profit or loss and other revenues and expenses recognized directly in equity in accordance with the prevailing standards.

**Ibérica de Compras Corporativas, S.L.**  
Notes to the financial statements for the year ended  
31 December 2020

---

Accordingly, this statement may contain:

- a) Income for the year.
- b) Revenues and expenses to be recognized directly in the Company's equity, in accordance with the measurement standards.
- c) Any transfers to profit or loss in accordance with the adopted measurement standards.
- d) Any tax effect of items b) and c) above.
- e) Total recognized revenues and expenses, calculated as the sum of the preceding items.

*Statement of changes in equity*

This part of the statement of changes in equity presents all changes in equity, including those arising from changes in accounting policies and error correction. This statement therefore shows a reconciliation of the carrying amount at the beginning and end of the year of all items forming part of equity, grouping movements on the basis of their nature into the following items:

- a) Adjustments due to changes in accounting standards and error correction: include any changes in equity which result from the retroactive restatement of balances in the financial statements arising from changes in accounting policies or error correction.
- b) Total recognized revenues and expenses: this reports, on an aggregate basis, the total items reflected in the statement of recognized revenues and expenses mentioned above.
- c) Transactions with owners: reflects changes in shareholders' equity resulting from dividend distributions, capital increases (capital reductions), payments with equity instruments, etc.
- d) Other changes in equity: this reflects other equity items such as distribution of profit, transfers between equity items and any other increase or decrease in equity.

**Ibérica de Compras Corporativas, S.L.**  
Notes to the financial statements for the year ended  
31 December 2020

---

**5. Information on the nature and scale of risk in financial instruments.**

Financial risk management is centralized in the finance department, which has established the necessary mechanisms to oversee exposure to variations in interest and exchange rates, as well as credit and liquidity risks. The main financial risks affecting the Company are described below:

***a) Credit risk***

The Company maintains its cash and most of its other financial assets with Santander Group undertakings and, therefore, considers that it has no significant credit risk to manage.

***b) Liquidity risk***

In order to ensure liquidity and to be able to honour all payment commitments arising from its activity, the Company has the cash balance shown in its balance sheet, as well as financing from its majority shareholder.

***c) Market risk (including interest rate, exchange rate and other price risks).***

The Company's foreign exchange risk is concentrated in the net assets of its United Kingdom branch, since all of its assets have associated liabilities also in their foreign currency, resulting in small, non-material exchange differences (Note 16).

**Ibérica de Compras Corporativas, S.L.**  
Notes to the financial statements for the year ended  
31 December 2020

**6. Intangible assets**

The composition of the balance under this heading in the accompanying balance sheet as of 31 December 2020 and 2019, and the changes in those years, are as follows:

**2020:**

	Thousand euro				
	Beginning balance	Exchange differences	Recognition / Provision	Derecognition	Ending balance
Cost					
Concessions	200	-	-	-	200
Other intangible assets	1,777	-	34	-	1,811
	1,977	-	34	-	2,011
Amortization:					
Concessions	(200)	-	-	-	(200)
Other intangible assets	(1,481)	-	(113)	-	(1,594)
	(1,681)	-	(113)	-	(1,794)
<b>Intangible assets, net</b>	<b>296</b>	<b>-</b>	<b>(79)</b>	<b>-</b>	<b>217</b>

**2019:**

	Thousand euro				
	Beginning balance	Exchange differences	Recognition / Provision	Derecognition	Ending balance
Cost					
Concessions	200	-	-	-	200
Other intangible assets	1,472	-	305	-	1,777
	1,672	-	305	-	1,977
Amortization:					
Concessions	(200)	-	-	-	(200)
Other intangible assets	(1,472)	-	(9)	-	(1,481)
	(1,672)	-	(9)	-	(1,681)
<b>Intangible assets, net</b>	<b>-</b>	<b>-</b>	<b>296</b>	<b>-</b>	<b>296</b>

As of 31 December 2020 and 2019, the Company was using items of intangible assets with a carrying amount of €1,671 thousand in both years which had been fully amortized. The Company did not recognize impairment losses in 2020 and 2019.

In 2019, the Company developed a tool for managing the risk of suppliers contracted by the undertakings in the Santander Group in order to assess and calculate the risks automatically and homogeneously in all countries and thus mitigate and monitor their risks, especially those suppliers that are considered to provide essential services.

**7. Property, plant and equipment**

The composition of the balance of this item and the changes in 2020 and 2019 are as follows:

**Ibérica de Compras Corporativas, S.L.**  
Notes to the financial statements for the year ended  
31 December 2020

**2020:**

	Thousand euro				
	Beginning balance	Exchange differences	Recognition / Provision	Derecognition	Ending balance
Cost:					
Furniture	19	-	-	-	19
Computer hardware	1,425	(4)	105	(2)	1,524
	1,444	(4)	105	(2)	1,543
Depreciation:					
Furniture	(18)	-	(1)	-	(19)
Computer hardware	(1,194)	1	(120)	2	(1,311)
	(1,212)	1	(121)	2	(1,330)
<b>Property, plant and equipment, net</b>	<b>232</b>	<b>(3)</b>	<b>(16)</b>	<b>-</b>	<b>213</b>

**2019:**

	Thousand euro				
	Beginning balance	Exchange differences	Recognition / Provision	Derecognition	Ending balance
Cost:					
Furniture	19	-	-	-	19
Computer hardware	1,268	1	160	(4)	1,425
	1,287	1	160	(4)	1,444
Depreciation:					
Furniture	(18)	-	-	-	(18)
Computer hardware	(1,048)	(5)	(144)	3	(1,194)
	(1,066)	(5)	(144)	3	(1,212)
<b>Property, plant and equipment, net</b>	<b>221</b>	<b>(4)</b>	<b>16</b>	<b>(1)</b>	<b>232</b>

All the assets comprising property, plant and equipment are covered by insurance arranged by Banco Santander.

As of 31 December 2020, the Company was using property, plant and equipment with a carrying amount of €1,152 thousand (€894 thousand as of 31 December 2019) which had been fully depreciated.

As of 31 December 2020 and 2019, the Company did not have any property, plant and equipment under finance lease. The Company did not recognize any impairment losses in 2020 and 2019.

**Ibérica de Compras Corporativas, S.L.**  
Notes to the financial statements for the year ended  
31 December 2020

---

**8. Leases**

At 2020 and 2019 year-end, the most significant operating lease contract held by the Company, as lessee, was the lease of the fully equipped offices where it carries out its activity in Santander Group City in Boadilla del Monte. The lease was signed on 2 January 2011 with the Santander Group company Santander Global Facilities, S.L. and is tacitly renewable each year for similar periods; it represented an expense of €1,236 thousand for the Company in 2020 (€966 thousand in 2019), which is recognized under "Outside Services" in the accompanying income statement. (Note 17.c).

At the end of 2013, the Company signed an operating lease agreement for the offices located in Mönchengladbach (Germany), specifically at Santander Platz, 1. This resulted in an expense of €7 thousand in 2020 (€7 thousand in 2019). (Note 17.c).

At the end of 2020, the Company had committed to minimum lease payments for the year 2021 in accordance with the current contracts in force in both locations for a total amount of €887 thousand (€1,279 thousand in 2019).

The Company had operating leases with Santander Lease, E.F.C., S.A. for vehicles that accrued an expense of €82 thousand in 2020 (€84 thousand in 2019).

**9. Long- and short-term financial assets and investments in Group undertakings**

*Long-term financial assets and Long-term investments – group and associated undertakings*

The changes in the accounts under "Long-term financial assets" and "Long-term investments - group and associated undertakings" in 2020 and 2019 are as follows:

**2020:**

	Thousand euro			
	Balances at 31/12/2019	Addition / Recognition	Reversal / Derecognition	Balances at 31/12/2020
Holdings in Group undertakings	1,069	-	-	1,069
Receivable from the tax group	456	-	(41)	415
Deposits on property leases	193	-	(25)	168
	<b>1,718</b>	-	<b>(66)</b>	<b>1,652</b>

**Ibérica de Compras Corporativas, S.L.**  
Notes to the financial statements for the year ended  
31 December 2020

**2019:**

	Thousand euro			
	Balances at 31/12/2018	Addition / Recognition	Reversal / Derecognition	Balances at 31/12/2019
Holdings in Group undertakings	1,069	-	-	1,069
Receivable from the tax group	457	-	(1)	456
Deposits on property leases	193	-	-	193
	<b>1,719</b>	<b>-</b>	<b>(1)</b>	<b>1,718</b>

The investees and the main information related to interests in group undertakings as of 31 December 2020 and 2019 is as follows:

**2020:**

	Stake	Thousand euro					
		Carrying amount			Equity		
		Cost	Impairment	Total	Capital Reserves Share premium Cost and Other	Income	Total
Digital Procurement Holdings N.V. and subsidiaries (1) (2) Aquanima Argentina, S.A. (3)	100%	1,022	-	1,022	14,992	898	15,890
	90%	47	-	47	279	94	373
		<b>1,069</b>		<b>1,069</b>	<b>15,271</b>	<b>992</b>	<b>16,263</b>

(1) The financial statements of this subsidiary were translated to euro using the approach described in Note 4.d.

(2) Not audited as there is no legal obligation to do so.

(3) These balances are pending approval by the respective governing bodies. Nevertheless, the Company's directors consider that they will be approved without any changes.

**2019:**

	Stake	Thousand euro					
		Carrying amount			Equity		
		Cost	Impairment	Total	Capital Reserves Share premium Cost and Other	Income	Total
Digital Procurement Holdings N.V. and subsidiaries (1) (2) Aquanima Argentina, S.A. (3)	100%	1,022	-	1,022	17,301	508	17,809
	90%	47	-	47	367	61	428
		<b>1,069</b>		<b>1,069</b>	<b>17,668</b>	<b>569</b>	<b>18,237</b>

(1) The financial statements of this subsidiary were translated to euro using the approach described in Note 4.d.

(2) Not audited as there is no legal obligation to do so.

(3) These balances are pending approval by the respective governing bodies. Nevertheless, the Company's directors consider that they will be approved without any changes.



**Ibérica de Compras Corporativas, S.L.**  
Notes to the financial statements for the year ended  
31 December 2020

---

The subsidiaries of Digital Procurement Holdings, N.V. are: NW Services Co. (Miami, USA), indirectly owned 100% by Ibérica de Compras Corporativas, S.L.; Aquanima México, S. de R.L. de C.V., Aquanima Brasil Ltda., and Aquanima Chile, S.A., indirectly owned 99.99% by Ibérica de Compras Corporativas.

The subsidiaries of Digital Procurement Holdings, N.V. are audited by PricewaterhouseCoopers Auditores, S.L., with the exception of NW Services Co.

*Short-term financial assets and Short-term investments - group and associated undertakings*

The balances of the accounts under "Short-term financial assets" and "Short-term investments - group and associated undertakings" in 2020 and 2019 are as follows:

	Thousand euro	
	2020	2019
VAT to be offset within the group	-	72
Travel expenses	2	3
	<b>2</b>	<b>75</b>

**Ibérica de Compras Corporativas, S.L.**  
Notes to the financial statements for the year ended  
31 December 2020

---

**10. Trade and other receivables**

The composition of the balance under this heading in the accompanying balance sheet as of 31 December 2020 and 2019 is as follows:

	Thousand euro	
	2020	2019
Trade receivables for sales and services	-	75
Trade receivables - group and associated undertakings (Note 18)	3,399	2,480
Personnel	-	2
Other receivables from public authorities	126	171
Impairment of receivables from transactions with Group undertakings (Note 18)	(815)	(381)
	<b>2,710</b>	<b>2,347</b>

The changes in the balance of the "Trade receivables - group and associated undertakings" item relates to a larger uninvoiced balance at 2020 year-end in comparison with the previous year.

The changes in the balance of the "Impairment of receivables from transactions with Group undertakings" in connection with doubtful accounts receivable during 2020 and 2019 were as follows:

*Group undertakings*

	Thousand euro	
	2020	2019
<b>Balance at the beginning of the year</b>	(381)	-
Net provisions through profit or loss (Note 17.e)	(434)	(381)
<b>Balances at year-end</b>	<b>(815)</b>	<b>(381)</b>

**11. Cash and cash equivalents**

The composition of the balance under this heading in the accompanying balance sheets as of 31 December 2020 and 2019 is as follows:

**Ibérica de Compras Corporativas, S.L.**  
Notes to the financial statements for the year ended  
31 December 2020

	Thousand euro	
	2020	2019
Current accounts:		
Banco Santander, S.A.	3,105	3,495
Banco Santander Totta	798	875
Deutsche Bank	2,444	1,858
Banco Santander UK	3,095	2,643
	<b>9,442</b>	<b>8,871</b>

The foregoing current accounts held by the Company were not remunerated in 2020 and 2019.

**12. Equity and own funds**

**a) Share capital**

As of 31 December 2020 and 2019, the Company's share capital amounts to €1,990 thousand, represented by 37,299,582 shares, each with a par value of €0.053360322, that are fully subscribed and paid up. All these shares carry the same rights and obligations.

Also, as of 31 December 2020 and 2019, the composition of share capital was as follows:

	Stake	No. of shares
Banco Santander, S.A.	97.17%	36,244,782
Banco Santander Totta, S.A.	2.83%	1,054,800
	<b>100%</b>	<b>37,299,582</b>

**b) Share premium**

At the end of 2020 and 2019, the share premium recognized in the balance sheet amounts to €2,935 thousand in both years.

The Consolidated Text of the Spanish Capital Companies Law expressly allows the balance of the share premium account to be used to increase share capital and does not establish any specific restriction regarding its availability.

**c) Statutory reserve**

In accordance with the Consolidated Text of the Capital Companies Law, 10% of profits for the year must be transferred to the statutory reserve each year until the balance in the reserve reaches at least 20% of share capital. The statutory reserve can be used to increase capital in the part that exceeds 10% of the capital once increased. Otherwise, except where it exceeds 20% of share capital, the statutory reserve can only be used to offset losses if no other reserves are available.

As of 31 December 2020 and 2019, this reserve was fully funded, amounting to €398 thousand.

**Ibérica de Compras Corporativas, S.L.**  
Notes to the financial statements for the year ended  
31 December 2020

---

**d) Other reserves**

The detail of this item as of 31 December 2020 and 2019 is as follows:

	Thousand euro	
	2020	2019
Voluntary reserves	4,113	4,113
	<b>4,113</b>	<b>4,113</b>

**e) Prior years' loss**

The composition of the balance under this heading as of 31 December 2020 and 2019 is as follows:

	Thousand euro	
	2020	2019
Prior years' loss	(4,056)	(4,513)
	<b>(4,056)</b>	<b>(4,513)</b>

The change in this caption is due to the distribution of income for the previous year in the amount of €457 thousand approved by the General Shareholders' Meeting (Note 3).

**f) Other contributions by shareholders**

The composition of the balance under this heading as of 31 December 2020 and 2019 is as follows:

	Thousand euro	
	2020	2019
Shareholder contributions	1,067	1,067
	<b>1,067</b>	<b>1,067</b>

**g) Translation differences**

The translation differences in 2020 and 2019, amounting to €359 thousand and €320 thousand, respectively, are due solely to the impact of the inclusion in the Company's balance sheet of the balances arising from the Company's permanent establishment in the United Kingdom, whose balance sheet is presented in pounds sterling.

**Ibérica de Compras Corporativas, S.L.**  
Notes to the financial statements for the year ended  
31 December 2020

---

**13. Long- and short-term provisions**

*a) Long-term provisions*

As of 31 December 2020 and 2019, the Company had defined-contribution post-employment remuneration commitments. In addition, the Company offered some employees the possibility of terminating their employment prior to retirement; for this reason, funds are allocated each year to cover the commitments acquired vis-à-vis personnel who have taken early retirement, to cover salaries and other welfare charges, from the time of their early retirement until the agreed termination date. In 2020 and 2019, no employees availed themselves of the early retirement offer and, at the end of the year, this commitment was being maintained with only one employee.

As of 31 December 2020, the actuarial value of the obligations amounted to €379 thousand (€713 thousand in 2019). In 2020, the Company did not provision any additional amount for this item, apart from value adjustments due to actuarial changes and financial cost amounting to €11 thousand (€18 thousand in 2019) which are recognized mainly under personnel expenses.

The variations in the long-term provisions account in 2020 and 2019 are as follows:

	Thousand euro
	Pension plans
<b>Balance at the beginning of 2019</b>	<b>1,040</b>
Allocations charged to the Company:	7
Early retirement (interest cost)	7
Valuation adjustments	11
Utilisations	(345)
<b>Balance at the end of 2019</b>	<b>713</b>
Allocations charged to the Company:	1
Early retirement (interest cost)	1
Valuation adjustments	10
Utilisations	(345)
<b>Balance at the end of 2020</b>	<b>379</b>

**Ibérica de Compras Corporativas, S.L.**  
Notes to the financial statements for the year ended  
31 December 2020

The basic assumptions used for the actuarial calculations of the long-term obligations to personnel as of 31 December 2020 and 2019 for commitments to early retirees are detailed below:

	2020	2019
Mortality table:	PER2020_Col 1st order	PERF/M- 2000 P
Discount rate:	0.10%	0.25%
Annual wage growth:	0%	0%
CPI growth:	1.00%	1.00%
Annual growth in Social Security contribution bases:	1.00%	1.00%
Annual growth in maximum Social Security pension:	N/A	N/A
Rotation:	None	None
Retirement age for personnel on early retirement:	Per early retirement agreement	Per early retirement agreement

*b) Short-term provisions*

The changes in the "Short-term provisions" account in 2020 were as follows:

	Thousand euro
<b>Balance at the beginning of 2020</b>	-
Provisions	678
Charged to personnel expenses	678
Reversal:	-
Charged to personnel expenses	-
Utilisation	-
<b>Balance at the end of 2020</b>	<b>678</b>

The balance of the "Short-term provisions" item in the accompanying balance sheet as of 31 December 2020 includes provisions for personnel restructuring in the amount of €678 thousand, which are expected to be paid in 2021. This provision is part of the personnel restructuring strategy being undertaken by the Group to which the Company belongs. There was no balance under this heading as of 31 December 2019.

**Ibérica de Compras Corporativas, S.L.**  
Notes to the financial statements for the year ended  
31 December 2020

**14. Trade and other payables**

The balance of "Trade and other payables" in the accompanying balance sheet as of 31 December 2020 and 2019 is as follows:

	Thousand euro	
	2020	2019
Trade payables	107	208
Sundry creditors	3,570	3,816
Personnel - Remuneration payable	2,154	2,825
Current tax liabilities	366	300
Other amounts payable to public authorities	486	471
	<b>6,683</b>	<b>7,620</b>

In 2020, the "Trade payables" and "Sundry creditors" items include invoices not yet received amounting to €2,852 thousand (€1,746 thousand in 2019). In addition, the "Personnel – Remuneration payable" item includes mainly the variable remuneration (bonus) payable to employees amounting to €2,104 thousand at the end of 2020 (€2,368 thousand in 2019).

As of 31 December 2020, €1,076 thousand of the total under this item relate to balances with related parties (€2,413 thousand as of 31 December 2019).

**Information on average supplier payment period. Additional provision three "Disclosure requirement" of Law 15/2010, of 5 July.**

The disclosures required by the Second Final Provision of Law 31/2014, of 3 December, amending the Consolidated Text of the Capital Companies Law to improve corporate governance, and Law 15/2010, of July 5, amending Law 3/2004, of 29 December, are set out below. This information was prepared by the Company's directors applying the Resolution of the Instituto de Contabilidad y Auditoría de Cuentas dated 29 January 2016.

	2020	2019
	Days	
Average supplier payment period	22	24
Transactions paid ratio	22	24
Transactions pending payment ratio	31	5

	2020	2019
	Euro	
Total payments made	9,236,587	7,351,145
Total payments outstanding	42,762	16,982

**Ibérica de Compras Corporativas, S.L.**  
Notes to the financial statements for the year ended  
31 December 2020

---

The data shown in the preceding table on the average period of payments to suppliers refer to those who, by their nature, are trade creditors for debts to suppliers of goods and services, so that they include the data relating to the items "Trade and other payables - Trade payables", "Trade and other payables - Trade payables - Group and associated undertakings" and "Trade and other payables - Sundry creditors" from current liabilities in the accompanying balance sheet.

"Average supplier payment period" is understood to mean the time taken to pay trade accounts payable. That "Average supplier payment period" is calculated as a ratio whose numerator is the sum of the ratio of transactions paid by the total amount of payments made plus the ratio of transactions outstanding by the total amount of payments outstanding, and the denominator is the total amount of payments made plus the amount of payments outstanding.

The transactions paid ratio is calculated as the ratio whose numerator is the sum of the products of the amounts paid by the number of days taken to pay (difference between the calendar days elapsed from the end of the maximum legal payment period until the actual date of payment), and whose denominator is the total amount of payments made.

Likewise, the ratio of transactions outstanding is the ratio whose numerator is the sum of the products of amounts pending payment by the number of days taken to pay (difference between the calendar days elapsed from the end of the maximum legal payment period until the closing date of the financial statements), and whose denominator is the total amount of payments outstanding.

**15. Public authorities and tax situation**

***a) Current balances with public authorities***

The breakdown of current balances with public authorities is as follows:

**Balances receivable**

	Thousand euro	
	2020	2019
VAT	71	67
Tax withholdings and prepayments (branches)	55	104
	<b>126</b>	<b>171</b>



**Ibérica de Compras Corporativas, S.L.**  
Notes to the financial statements for the year ended  
31 December 2020

**Balances payable**

	Thousand euro	
	2020	2019
Social Security agencies	172	165
Social Security agencies (branches)	4	11
Personal income tax	206	195
Personal income tax (branches)	16	16
VAT (branches)	88	84
Corporate income tax (branches)	366	300
	<b>852</b>	<b>771</b>

***b) Reconciliation of accounting results and tax base***

The reconciliation of the accounting profit to taxable income under corporate income tax for 2020 and 2019 is as follows:

	Thousand euro	
	2020	2019
Profit or loss before tax	1,287	757
Permanent differences	(337)	(424)
Results of permanent establishments	(713)	(676)
Other	376	252
Temporary differences	309	243
<b>Taxable base</b>	<b>1,259</b>	<b>576</b>

***c) Reconciliation between accounting profit and corporate income tax expense or revenue***

The reconciliation between the accounting profit and the corporate income tax expense as of 2020 and 2019 year-end is as follows:

	Thousand euro	
	2020	2019
Pre-existing taxable base	1,259	576
Tax expense (30%)	378	173
Variation in deferred assets arising in the year	(310)	(73)
Variation in deferred assets arising in prior years	217	-
Corporate income tax regularization (*)	28	16
Corporate income tax – Permanent establishments	178	184
<b>Corporate income tax expense</b>	<b>491</b>	<b>300</b>

(\*) Corresponds mainly to the charge by the Parent Company of the Tax Group, Banco Santander, S.A., as a result of the contribution made by the Company in the corporate income tax settlement, which includes deferred taxes.

**Ibérica de Compras Corporativas, S.L.**  
Notes to the financial statements for the year ended  
31 December 2020

---

**d) Recognized deferred tax assets**

The breakdown of deferred tax assets as of 31 December 2020 and 2019 is as follows:

	Thousand euro	
	2020	2019
Temporary differences:		
Pension plan and pre-retirement plan contributions	93	89
Provisions for general and personnel expenses	220	444
Provision for accounts receivable	244	114
Translation differences - branches	185	168
	<b>742</b>	<b>815</b>

The deferred tax assets referred to above were recognized in the accompanying balance sheets because the Company's directors consider that these assets are likely to be recovered based on the best estimate of the Company's future results. The variation related to the general expenses item is due to certain expenses that were classified as deductible in the final tax settlement for 2019, which resulted in a decrease in deferred assets in the year.

Variations in deferred assets in 2020 were as follows:

	Thousand euro
<b>Balance as of 2018 year-end</b>	<b>440</b>
Net change in deferred tax assets due to temporary differences	73
Net change in deferred tax assets due to settlement with tax group	302
<b>Balance as of 2019 year-end</b>	<b>815</b>
Net change in deferred tax assets due to temporary differences	93
Net change in deferred tax assets due to settlement with tax group	(166)
<b>Balance as of 2020 year-end</b>	<b>742</b>

**Ibérica de Compras Corporativas, S.L.**  
Notes to the financial statements for the year ended  
31 December 2020

---

**e) Recognized deferred tax liabilities**

The breakdown of deferred tax liabilities as of 31 December 2020 and 2019 is as follows:

	Thousand euro	
	2020	2019
Temporary differences:		
Temporary differences to be offset within the Group	12	12
Translation differences - branches	31	31
	<b>43</b>	<b>43</b>

The deferred liability generated in prior years arising from the limitation provided for in article 11.12 of the Corporate Income Tax Law is pending application in future years within the Tax Group.

**f) Years open for audit and tax audits**

The company forms part of the Tax Consolidation Group whose controlling company is Banco Santander, S.A. In accordance with current legislation, tax assessments may not be considered definitive until the returns filed have been inspected by the tax authorities or the four-year statute of limitations period has ended.

In 2018, tax assessments were issued in connection with corporate income tax for the Tax Consolidation Group for 2009 through 2011; some were accepted, without an impact on income, and some were contested. With respect to the contested assessments in 2018 and in preceding years (relating to corporate income tax for 2003 through 2007), Banco Santander, S.A., as the parent company of the Tax Consolidation Group, considers, based on the advice of its external lawyers, that the regularizations should not have a material impact on the consolidated financial statements, and there are solid arguments in support of the appeals filed against them before the National Court (for 2003 to 2007) and the Central Economic-Administrative Tribunal (for 2009 through 2011). Consequently, no provision has been recognized in this connection. Following completion of the audits in connection with 2009 through 2011, the subsequent years up to and including 2020 are open for review.

**Ibérica de Compras Corporativas, S.L.**  
Notes to the financial statements for the year ended  
31 December 2020

Because of the different possible interpretations of the tax regulations, audits by the tax authorities of the years that are open for audit may give rise to contingent tax liabilities whose amount cannot be quantified objectively. Nevertheless, the Group's tax advisors believe that the likelihood of those tax liabilities materializing is remote and, in any event, the tax debt that might arise would not have a material effect on the Group's consolidated financial statements.

**16. Currencies other than the euro**

The detail of the most significant balances and transactions in currencies other than the euro, valued at the closing exchange rate and average exchange rate, respectively, are as follows:

	Thousand euro			
	2020		2019	
	GBP	USD	GBP	USD
Cash	3,095	12	2,643	13
Liabilities	<b>838</b>	-	<b>785</b>	-
Revenues from provision of services	3,859	-	3,283	-
Interest revenues	-	-	1	-
Other operating expenses	462	-	241	-

These balances and transactions in currencies other than the euro relate mainly to the Company's branch in the United Kingdom.

**17. Revenues and expenses**

**a) Net revenues**

Net revenues as of 31 December 2020 and 2019 amount to €26,173 thousand and €21,239 thousand, respectively. Revenues arise mainly from the delivery of services related to the procurement of goods and services for clients (collaboration, by category, online negotiation, electronic catalogue), as follows:

**2020**

	Thousand euro				
	Spain	Germany	UK	Portugal	Total
Services provided	12,491	2,020	3,859	1,122	19,492
Intercompany revenues	6,681	-	-	-	6,681
	<b>19,172</b>	<b>2,020</b>	<b>3,859</b>	<b>1,122</b>	<b>26,173</b>

**Ibérica de Compras Corporativas, S.L.**  
Notes to the financial statements for the year ended  
31 December 2020

2019

	Thousand euro				
	Spain	Germany	UK	Portugal	Total
Services provided	9,764	1,978	3,283	1,105	16,130
Intercompany revenues	5,109	-	-	-	5,109
	<b>14,873</b>	<b>1,978</b>	<b>3,283</b>	<b>1,105</b>	<b>21,239</b>

The increase in the balance between 2019 and 2020 is due mainly to the growth of the Consulting business in 2020, mainly in Spain.

As of 31 December 2020, €25,847 thousand of the total under the "Net revenues" caption relate to services provided to Group undertakings (€20,661 thousand as of 31 December 2019) (Note 18.a).

As of 31 December 2021, revenues amounting to €38 thousand were pending accrual and are recorded under "Short-term accruals" on the liability side of the accompanying balance sheet (€45 thousand in 2019).

**b) Personnel expenses**

The balance of the "Personnel expenses" item in the income statement for 2020 and 2019 is as follows:

	Thousand euro	
	2020	2019
Wages, salaries and similar	10,459	10,237
Ordinary and special defined-benefit pension plans, and early retirement funds	318	289
Indemnities	1,345	626
Employer social security contributions	2,116	1,985
Other expenses	415	502
	<b>14,653</b>	<b>13,639</b>

## Ibérica de Compras Corporativas, S.L.

Notes to the financial statements for the year ended  
31 December 2020

---

The balance recorded under "Ordinary and special defined-benefit pension plans, and early retirement funds" includes mainly the amount corresponding to the defined-contribution pension plan for executives in the amount of €206 thousand (€190 thousand in 2019), as well as the contributions to the pension plan for employees of the branches in the United Kingdom and Germany in the amount of €99 thousand (€88 thousand in 2019).

The mathematical reserve recognized by Santander Seguros y Reaseguros, Compañía Aseguradora, S.A. (Note 4.g) amounts to €1,627 thousand as of 31 December 2020 (€1,322 thousand in 2019). As of 31 December 2020, there were 41 people in this pension system (37 in 2019).

The variation in the "Termination indemnities" sub-item corresponds to the recognition of the short-term provision for restructuring (Note 13.b).

The average number of employees by category during 2020 and 2019 is as follows:

	Average number of employees	
	2020	2019
Senior managers	1	1
Analysts, technicians and managers	162	147
Management	4	6
<b>Total</b>	<b>167</b>	<b>154</b>

The total number of persons employed as of 2020 and 2019 year-end, by category and sex, is as follows:

2020

	Men	Women	Total
Senior managers	1	-	1
Analysts, technicians and managers	83	76	159
Management	3	2	5
<b>Total</b>	<b>87</b>	<b>78</b>	<b>165</b>

**Ibérica de Compras Corporativas, S.L.**  
Notes to the financial statements for the year ended  
31 December 2020

---

2019

	Men	Women	Total
Senior managers	1	-	1
Analysts, technicians and managers	88	76	164
Management	4	2	6
<b>Total</b>	<b>93</b>	<b>78</b>	<b>171</b>

There were two differently abled persons (a man and a woman) on staff in 2020 and 2019.

**c) Other operating expenses**

The detail of "Outside services" in the income statement for 2020 and 2019 is as follows:

	Thousand euro	
	2020	2019
Leases and fees	1,356	1,072
Technology maintenance	4,648	2,128
Independent professional services	2,450	1,649
Communications	200	217
Travel, food, etc.	579	940
<b>Total</b>	<b>9,233</b>	<b>6,006</b>

The increase in the balance between 2019 and 2020 is due mainly to the increase in expenses derived from the consulting business and to an increase in technology maintenance services received.

The "Other operating expenses" item includes €2,242 thousand in 2020 corresponding to expenses invoiced by related parties (€1,638 thousand in 2019) (Note 18.a).

As of 31 December 2020, pre-paid expenses amounting to €104 thousand were pending accrual and are recorded under "Short-term accruals" on the asset side of the accompanying balance sheet (€367 thousand in 2019).

**d) Audit fees**

The "Independent professional services" account in the preceding section includes the fees for the audit of the Company's financial statements for 2020 and 2019 by the auditor PricewaterhouseCoopers Auditores, amounting to €40 thousand in both years.

PricewaterhouseCoopers Auditores did not provide any services other than the audit in 2020 and 2019.

**Ibérica de Compras Corporativas, S.L.**  
Notes to the financial statements for the year ended  
31 December 2020

---

**e) Losses, impairment and changes in trade provisions**

The detail of the "Changes in trade provisions" account in 2020 and 2019 is as follows:

	Thousand euro	
	2020	2019
Reversion of impairment of trade receivables	381	-
Bad debts	-	-
Provision for bad debts	(815)	(381)
	<b>(434)</b>	<b>(381)</b>

Net provisions for bad debts amounted to €434 thousand in 2020 (€381 thousand in 2019) (Note 10).

**f) Financial revenues and expenses**

The detail of this account in the accompanying income statements for 2020 and 2019 is as follows:

	Thousand euro	
	2020	2019
<b>Financial revenues</b>	-	1
Revenues from marketable securities	-	1
<b>Financial expenses</b>	(1)	(10)
Borrowings from third parties	-	(3)
Restatement of provisions	(1)	(7)
<b>Net exchange gains/losses</b>	-	40
Exchange gains	16	43
Exchange losses	(16)	(3)
<b>Total net financial income</b>	<b>(1)</b>	<b>31</b>

Exchange gains and losses arise as a result of transactions and balances in foreign currencies (mainly in pounds sterling and dollars) from trade transactions and from the valuation of the Company's current account in dollars.

There were no revenues from holdings in capital in 2020 and 2019.



**Ibérica de Compras Corporativas, S.L.**  
Notes to the financial statements for the year ended  
31 December 2020

---

**18. Balances and transactions with related parties**

**a) Balances and transactions with related parties**

The amount of the main balances and transactions with related undertakings is as follows:

2020:

	Thousand euro		
	Controlling company	Other Group undertakings	Total
<b>Balances receivable:</b>			
Long-term investments	415	1,237	1,652
Equity instruments (Note 9)	-	1,069	1,069
Other financial assets	-	168	168
Loans to undertakings	415	-	415
Trade accounts receivable (Note 10)	218	2,366	2,584
Cash and cash equivalents (Note 11)	3,105	3,893	6,998
<b>Balances payable:</b>			
Short-term payables - Group and associated undertakings	378	-	378
Trade accounts payable (Note 14)	-	1,076	1,076
<b>Revenues:</b>			
Net revenues (Note 17.a)	6,106	19,741	25,847
<b>Expenses:</b>			
Other operating expenses (Note 17.c)	-	2,242	2,242

**Ibérica de Compras Corporativas, S.L.**  
Notes to the financial statements for the year ended  
31 December 2020

2019:

	Thousand euro		
	Controlling company	Other Group undertakings	Total
<b>Balances receivable:</b>			
Long-term investments	456	1,237	1,693
Equity instruments (Note 9)	-	1,069	1,069
Other financial assets	-	168	168
Loans to undertakings	456	-	456
Trade accounts receivable (Note 10)	395	1,704	2,099
Short-term investments	72	-	72
Cash and cash equivalents (Note 11)	3,495	3,518	7,013
<b>Balances payable:</b>			
Short-term payables - Group and associated undertakings	173	-	173
Trade accounts payable (Note 14)	1,615	798	2,413
<b>Revenues:</b>			
Net revenues (Note 17.a)	4,555	16,106	20,661
<b>Expenses:</b>			
Other operating expenses (Note 17.c)	-	1,638	1,638

***b) Board of Directors and senior management remuneration***

None of the Company's directors were employees in 2020 and 2019.

In 2020 and 2019, the members of the Board of Directors did not receive any compensation from the Company either as per diems or for their status as directors.

As of 31 December 2020 and 2019, the members of the Board of Directors and senior management did not have loans or advances from the Company. Also, the Company had no pension commitments other than the aforementioned pension plan. As of 31 December 2020 and 2019, the Company's Board of Directors consisted of five members, all of whom are men.

**19. Disclosures in connection with conflicts of interest on the part of the directors.**

In accordance with the provisions of Articles 228 and 229 of the Consolidated Text of the Capital Companies Law, the directors must adopt the necessary measures to avoid incurring in situations in which their interests, or those of a person related to them, whether on their own behalf or on behalf of others, may clash with the Company's interests and with their duties to the Company.

**Ibérica de Compras Corporativas, S.L.**  
Notes to the financial statements for the year ended  
31 December 2020

---

As of the end of 2020 and 2019, no member of the Company's Board of Directors had notified the other members of any situation of a direct or indirect conflict that they or persons related to them, as defined in the Consolidated Text of the Capital Companies Law, might have with the Company's interests.

**20. Events after the reporting date**

Royal Decree 1/2021, amending the General Accounting Plan, which will be applicable for annual periods beginning on or after 1 January 2021, was approved on 12 January 2021.

The main changes introduced consist of transposing the European standards (IFRS-EU) on financial instruments to the General Accounting Plan.

No material changes are expected in the Company's financial statements as a result of the application of Royal Decree 1/2021.

From the closing date of 2020 to the date of authorization of these financial statements, no additional events occurred that might have a material impact that are not disclosed in these notes to the financial statements.

# **Ibérica de Compras Corporativas, S.L.**

## **Directors' report for the year ended**

**31 December 2020**

---

Directors' report for 2020

### **1. Business performance and Company situation**

The Company confirmed its potential during 2020 by maintaining good results, with € 26,173 thousand in revenues, an increase compared to the previous year.

### **2. Events after the reporting date**

Royal Decree 1/2021, amending the General Accounting Plan, which will be applicable for annual periods beginning on or after 1 January 2021, was approved on 12 January 2021.

The main changes introduced consist of transposing the European standards (IFRS-EU) on financial instruments to the General Accounting Plan.

No material changes are expected in the Company's financial statements as a result of the application of Royal Decree 1/2021.

From the closing date of 2020 to the date of authorization of these financial statements, no additional events occurred that might have a material impact that are not disclosed in these notes to the financial statements.

### **3. Outlook**

Earnings are expected to improve as new clients are added whose size can increase billing by the Group and the Group undertakings while optimizing the use of its resources.

### **4. Personnel**

The company's headcount has decreased due to the restructuring of the company's support functions in the technology department by outsourcing part of its activity.

As a result, the number of employees went from 171 at the end of 2019 to 165 at the end of 2020 (a decrease of 4%); nevertheless, revenues increased (+23%, from €21.2 million in 2019 to €26.1 million in 2020). It should be noted that the growth in business volume is absorbed by outsourcing through service providers.

### **5. Research and development activities**

No research and development activities were undertaken.

### **6. Acquisition of own shares**

No own shares were acquired.

# **Ibérica de Compras Corporativas, S.L.**

## **Directors' report for the year ended 31 December 2020**

---

### **7. Use of financial instruments by the Company**

The Group finances itself with equity on an ongoing basis.

There were no transactions with financial derivatives.

### **8. Main business risks**

The Company's business does not present significant risks, although it is highly dependent on its main client, Banco Santander, S.A., and, therefore, is pursuing greater client diversification.

### **9. Environment**

Given the Company's activities, it has no environmental contingencies that might be material with respect to its equity, financial position and results.

### **10. Period of payment to suppliers**

Law 3/2004 establishing measures to combat late payment in commercial transactions was amended by Law 11/2013 of July 26, which established from its date of application a maximum legal term of 30 days for payment to suppliers and creditors, unless the parties agree on another term, which may not exceed 60 days. During the year, the Company's period of payment to suppliers conformed to the provisions of Law 3/2004 and Law 15/2010 on measures to combat late payment in commercial transactions.

### **11. Non-financial information statement**

The last paragraph of Article 262.5 of the Consolidated Text of the Capital Companies Law, approved by Legislative Royal Decree 1/2010, of 2 July, and partially amended by Article 2.3 of Law 11/2018, of 28 December, provides that "a subsidiary of a group shall be exempt from the obligation set forth in this section if such company and its subsidiaries, if any, are themselves included in the consolidated directors' report of another company, prepared in accordance with the content established in this article. If a company avails itself of this option, it must disclose, in the directors' report, the identity of the parent company and the Commercial Registry or other public office where its accounts must be filed together with the consolidated directors' report or, if it is not obliged to file its accounts in any public office, or if it has opted to prepare an individual directors' report, where the consolidated information of the parent company is available or can be accessed."

The Company has availed itself of this option, and the information required by the aforementioned Legislative Royal Decree is disclosed in the consolidated directors' report attached to the consolidated financial statements of Banco Santander Group for 2019 in compliance with the aforementioned obligation. Those consolidated financial statements together with the consolidated directors' report will be filed with the Santander Mercantile Registry and will be available at [www.santander.com](http://www.santander.com).

*I certify, as verified by PWC, that this document is a true and correct translation of the annual report and accounts of Ibérica de Compras Corporativas, S.L. for the year ended 31 December 2020, the original of which was prepared in Spanish.*

Vanessa Fresno Ciurana  
Secretary

