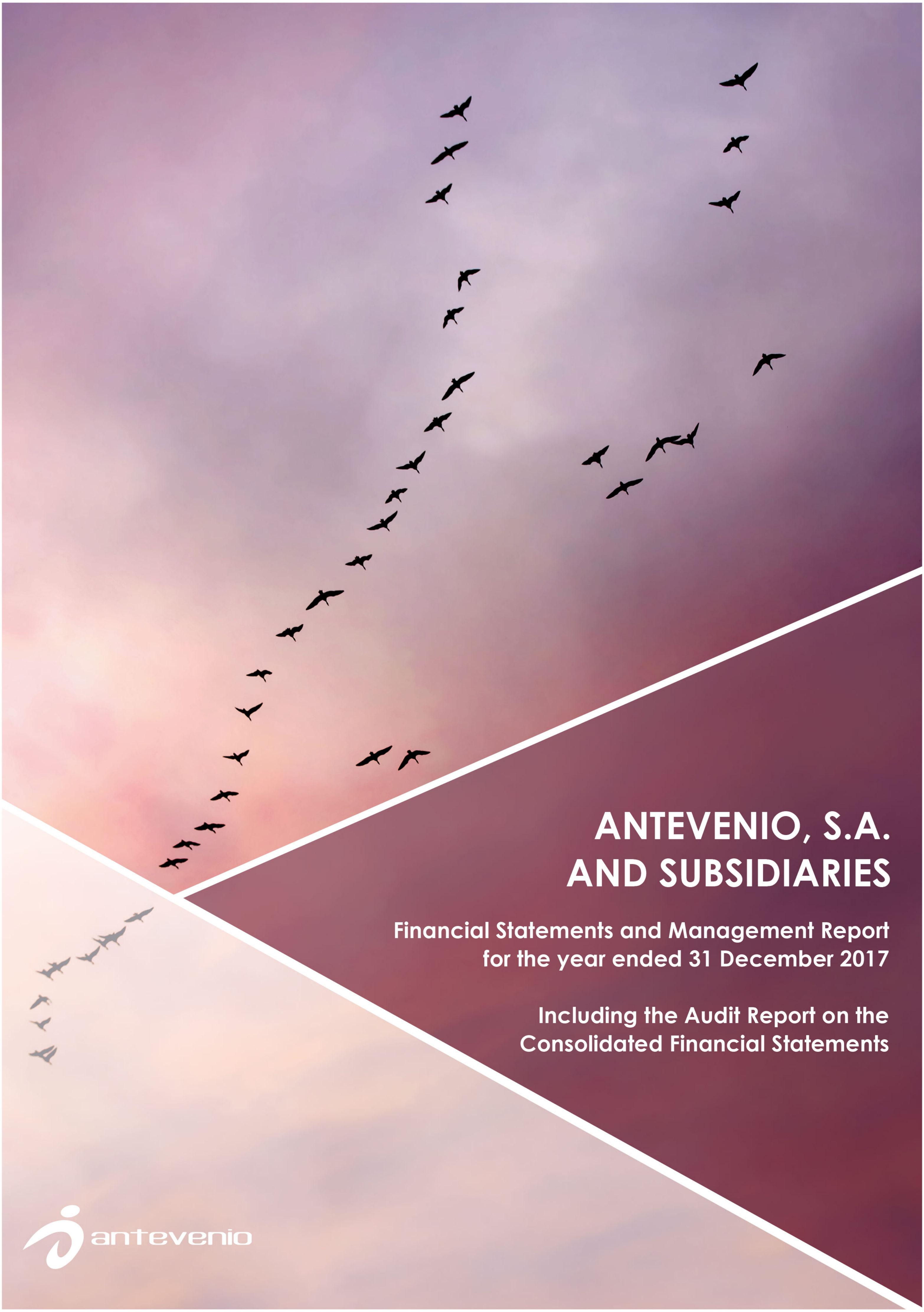

ANTEVENIO, S.A. AND SUBSIDIARIES

Financial Statements and Management Report for the year ended 31 December 2017

Including the Audit Report on the Consolidated Financial Statements

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INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED ANNUAL ACCOUNTS

To the shareholders of Antevenio, S.A.

Qualified Opinion

We have audited the consolidated annual accounts of Antevenio, S.A. (the Controlling Company) and its subsidiaries (the Group) which comprise the statement of financial position as at 31 December 2017, the income statement, the statement of changes in equity, the statement of comprehensive income, the statement of cash flows and the notes to the annual accounts, all prepared on a consolidated basis, for the year ended on that date.

In our opinion, except for the effects of the matter described in the paragraph "Basis for Qualified Opinion", the accompanying consolidated annual accounts present, in all material aspects, a true and fair view of the net equity and the financial situation of the Group at 31 December 2017, and of the results of its operations and its cash flows, on a consolidated basis, for the period ended on that date, in accordance with the International Financial Reporting Standards as adopted by the European Union (EU-IFRS) and the rest of the regulations reflected in the financial reporting framework applicable in Spain.

Basis for Qualified Opinion

In the year 2017 ANTEVENIO, S.A. and subsidiaries have not recorded any expense for the stock options plan detailed in note 15, given that it recorded the total expense, 675.000 euros, in the year 2016. This expense did not comply with the requirements set in the applicable regulations to be completely considered as expense for the year 2016, since said amount should be recorded according to the period established in said plan. Therefore, as of December 31, 2017, the epigraph of personnel expenses is understated by 292.860 euros and the Group result should decrease by the same amount, and the results of previous years should increase the amount of 528.750 euros. As the balancing entry of this expense is a rise in equity, it does not have any effect on the net equity of ANTEVENIO, S.A. and subsidiaries as of 31 December 2017 and 31 December 2016. The audit report for the previous year included a qualified opinion on this same matter.

We have carried out our audit in accordance with the current Spanish standards for auditing accounts. Based on those standards, our responsibilities are set out below in the section *Auditor´s responsibilities for the audit of the consolidated annual accounts* of our report.

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

We believe that the audit evidence we have obtained provides a sufficient and appropriate basis for our qualified opinion.

Key audit matters

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

In addition to the issue described in the paragraph "Basis for Qualified Opinion", we have determined that the risks described below are the most significant risks considered in the audit that must be stated in our report.

Revenue Recognition

The revenue recognition is a significant area and susceptible to material misstatement, particularly at the end of the year in relation to its adequate cut-off.

As part of our audit procedures to mitigate this risk we have performed, among others, an evaluation of the controls on the revenue recognition process, tests of detail of a sample of income billed throughout the year 2017, analytical procedures on the movements of the period, carrying out an analysis on the credit notes issued after period end, obtaining external confirmations for a sample of customers outstanding balance and carrying out, when appropriate, alternative procedures through receipts for subsequent collection or documentation supporting the billing at the period end.

Goodwill Impairment

As indicated in note 5 of the consolidated annual accounts, the Group's consolidated assets includes Goodwill amounting to 10.219 thousand euros, broken down into five cash-generating units, corresponding to the subsidiaries that generate them. We have considered this area as relevant in our audit, given that in the impairment assessment of these goodwill are included projections of future cash flows prepared by the Group, including estimates of future sales and results, discount and growth rates estimated in perpetuity.

Our audit procedures have included, among others, the understanding of the Group's allocation process of the Goodwill to the corresponding cash generating units, the understanding of the Group's procedure to identify indications of impairment, as well as the understanding of the procedure followed by the Management to obtain the information that has served as the basis for the calculation of the recoverable value and the assumptions used. We have analysed the projections of cash flows made, and we have involved specialists from our firm in the review of aspects related to the valuation methodology used, in the mathematical review of the model and in the analysis of reasonableness of the most relevant hypotheses.

Other information: Consolidated Report of the Directors

The other information relates exclusively to the consolidated Report of the Directors for the period ended 31 December 2017. The directors of the controlling company are responsible for preparing this report, which does not form an integral part of the consolidated annual accounts.

Our audit opinion on the consolidated annual accounts does not cover the consolidated Report of the Directors. In accordance with the regulations governing the auditing of accounts, our responsibility regarding the consolidated Report of the Directors includes evaluating and reporting on the consistency of the consolidated Report of the Directors with the consolidated annual accounts, based on the knowledge of the Group obtained during our audit of those accounts, excluding any information different to that obtained as evidence during our audit. Furthermore, our responsibility includes evaluating and reporting on whether the content and presentation of the consolidated Report of the Directors meet the requirements of the applicable regulations. If, as a result of our work, we conclude that there are material misstatements, we are required to report that fact.

On the basis of the work performed, as described in the preceding paragraph, the information reflected in the consolidated Report of the Directors is consistent with that of the 2017 consolidated annual accounts, and, the content and presentation meet the requirements of the applicable regulations.

Responsibility of the directors concerning the consolidated annual accounts

The directors of the controlling Company are responsible for drawing up the attached consolidated annual accounts, so that they show a true and fair view of the net equity, the financial situation and the consolidated results of the Group, in accordance with the International Financial Reporting Standards as adopted by the European Union (EU-IFRS) and the rest of the regulations reflected in the financial reporting framework applicable in Spain, and for such internal control that they consider necessary to enable the preparation of consolidated annual accounts that are free from material misstatements, whether due to fraud or error.

When drawing up the consolidated annual accounts, the directors of the controlling Company are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and the use of the going concern basis, unless the directors intend to liquidate the Group or to cease its operations, or whether there is no other realistic alternative.

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

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

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

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

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

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

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

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

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

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

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

From the matters communicated to the directors of the controlling Company, we determine those matters that were most significance in the audit of the consolidated annual accounts of the current period and are, therefore, the key audit matters.

We describe these matters in our auditor's report unless law or regulations prohibit public disclosure of the matter.

Grant Thornton, S.L.P., Sociedad Unipersonal

ROAC nº S0231

Alfredo González del Olmo

ROAC nº 18863

12 April 2018

ANTEVENIO S.A. AND SUBSIDIARIES

FINANCIAL STATEMENTS AND MANAGEMENT REPORT FOR THE YEAR ENDED 31 DECEMBER 2017

AUDIT REPORT ON THE CONSOLIDATED ANNUAL ACCOUNTS

FINANCIAL STATEMENTS AND MANAGEMENT REPORT FOR THE YEAR ENDED 31 DECEMBER 2017:

ANTEVENIO S.A. AND SUBSIDIARIES

FINANCIAL STATEMENTS AND MANAGEMENT REPORT FOR THE YEAR ENDED 31 DECEMBER 2017

ANTEVENIO S.A. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 31 DECEMBER 2017
(in Euros)

(*) Restated financial statements (see Note 2 e)

ASSETS	Note	31/12/2017	31/12/2016 (*)
Property, plant and equipment	7	266,550	251,861
Consolidation goodwill, both equity and fully consolidated cos.	5	10,219,054	6,313,920
Intangible assets	8	499,876	693,191
Non-current financial assets	10	82,611	75,407
Deferred tax assets	17	1,296,807	1,255,124
Non-current assets		**12,364,899**	**8,589,503**
Trade and other receivables	10 and 25	8,446,356	7,787,143
Trade receivables, Group companies	25	447,546	0
Other current assets	10	66,801	44,200
Other current assets, Group companies	10 and 25	0	1
Receivables from Public Entities	17	459,798	619,606
Prepaid expenses	10	58,429	98,860
Cash and cash equivalents	10	5,219,018	6,852,272
Current assets		**14,697,948**	**15,402,082**
Total assets		**27,062,847**	**23,991,585**

ANTEVENIO S.A. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 31 DECEMBER 2017
(in Euros)

(*) Restated financial statements (see Note 2 e)

EQUITY AND LIABILITIES		31/12/2017	31/12/2016 (*)
Share capital		231,412	231,412
Share Premium		8,189,787	8,189,787
Own Shares		(513,805)	(513,805)
Legal reserve		46,282	46,282
Reserves from fully consolidated companies		4,402,014	3,502,719
Profit/(Loss) for the year attributable to the Parent Company		2,338,309	2,097,203
Other equity instruments	15	1,022,700	1,022,700
Translation differences	14	(269,395)	(166,780)
Equity attributable to the Parent Company	13	**15,447,305**	**14,409,519**
Equity	13	**15,447,305**	**14,409,519**
Non-current payables, debts with financial institutions	11	57,500	41,629
Non-current payables, Group companies	25	0	44,373
Other non-current payables	11	581,841	645,490
Other non-current liabilities	11 & 26	1,983,294	0
Provisions	19	131,180	149,259
Deferred tax liabilities	17	11,945	193,643
Non-current liabilities		**2,765,760**	**1,074,394**
Current payables, debts with financial institutions	11	315,044	411,070
Current payables, Group Companies	11 & 25	415,299	0
Trade and other payables	11	5,676,777	5,326,549
Suppliers, Group companies	11 & 25	70,539	0
Personnel, salaries payable	11	711,319	986,428
Public Entities, payables	17	1,465,591	1,475,973
Unearned income	11	14,309	153,805
Other current liabilities	11	180,901	153,848
Current liabilities		**8,849,782**	**8,507,673**
Total equity and liabilities		**27,062,847**	**23,991,585**

ANTEVENIO S.A. AND SUBSIDIARIES
CONSOLIDATED PROFIT AND LOSS ACCOUNT
AT 31 DECEMBER 2017
(in Euros)

(*) Restated financial statements (see Note 2 e)

PROFIT AND LOSS	Note	31/12/2017	31/12/2016
Revenue	18.a	**28,599,212**	**25,378,584**
Other income		**56,448**	**5,343**
Work carried out by the company for assets		**9,699**	**107,450**
Operating grants taken to income		**11,383**	**110,449**
TOTAL OPERATING INCOME		**28,676,742**	**25,601,825**
Supplies	18.b and 24	**(11,624,797)**	**(11,115,946)**
Personnel expenses	18.c	**(10,209,842)**	**(9,763,936)**
Wages and salaries		(8,477,284)	(7,037,097)
Employee benefit expense		(1,732,558)	(1,773,679)
Other equity instruments costs	15	0	(953,160)
Amortization and depreciation		**(365,687)**	**(345,840)**
Depreciation of property, plant and equipment	7	(88,862)	(96,534)
Amortization of intangible assets	8	(276,825)	(249,306)
Other operating expenses		**(3,579,005)**	**(3,233,242)**
External services	18.d	(3,032,232)	(2,701,749)
Impairment losses on current assets	10.2	(546,586)	(531,493)
Impairment and gains / (losses) on disposal of fixed assets		(187)	0
Other income / (loss)	18.h	**109,411)**	**1,121,844**
TOTAL OPERATING EXPENSES		**(25,669,919)**	**(23,337,120)**
OPERATING PROFIT / (LOSS)		**3,006,823**	**2,264,705**
Finance income	18.e	16,109	21,092
Translation differences, gains	12	150,546	18,277
TOTAL FINANCE INCOME		**166,655**	**39,368**
Finance expenses	18.f	(87,013)	(70,869)
Translation differences, losses	12	(170,361)	(134,379)
TOTAL FINANCE EXPENSES		**(257,374)**	**(205,247)**
Impairment and gains / (losses) on disposal of financial instruments		0	1,272
NET FINANCE INCOME/(EXPENSE)		**(90,719)**	**(164,607)**
PROFIT / (LOSS) FROM CONTINUING OPERATIONS		**2,916,104**	**2,100,098**
CONSOLIDATED PROFIT / (LOSS) BEFORE TAX		**2,916,104**	**2,100,098**
Income tax expense	17	(415,393)	119,135
Taxes and other		(162,401)	(122,030)
CONSOLIDATED PROFIT / (LOSS) FOR THE YEAR		**2,338,309**	**2,097,203**
Profit / (loss) attributable to minority interests		0	0
PROFIT/(LOSS) ATTRIBUTABLE TO HOLDERS OF EQUITY INSTRUMENTS OF THE PARENT COMPANY		**2,338,309**	**2,097,203**
Earnings per share:			
Basic		0.58	0.52
Diluted		0.58	0.52

ANTEVENIO S.A. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2017
(in Euros)

	Note	31/12/2017	31/12/2016
PROFIT / (LOSS) FOR THE PERIOD		**2,338,309**	**2,097,203**
Income and expense directly recognized in equity:		**-**	**-**
Translation differences		(102,615)	(68,484)
TOTAL INCOME AND EXPENSES DIRECTLY RECOGNIZED IN EQUITY		**(102,615)**	**(68,484)**
Transfers to Profit and Loss Account:		**-**	**-**
TOTAL TRANSFERS TO PROFIT AND LOSS ACCOUNT		**-**	**-**
TOTAL RECOGNIZED INCOME AND EXPENSE		**2,235,694**	**2,028,720**
Attributable to the Parent Company		**2,235,694**	**2,028,720**
Attributable to minority interests		**-**	**-**

ANTEVENIO S.A. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2017
(in Euros)

	Registered Capital	Share Premium	Reserves and Profit/(Loss) for the period	(Parent Company Shares)	Distribution of dividends	Other equity instruments	Translation differences	Total
Balance at 01/01/2016	**231,412**	**8,189,787**	**3,705,022**	**(513,805)**	**-**	**69,540**	**(98,296)**	**11,583,660**
Recognized income and expense	-	-	**2,097,203**	**-**	**-**	**-**	**(68,484)**	**2,028,720**
Other transactions	-	-	(39,435)	-	-	953,160	-	913,725
Balance at 31/12/2016	**231,412**	**8,189,787**	**5,762,790**	**(513,805)**	**-**	**1,022,700**	**(166,780)**	**14,526,105**
Adjustments for errors, 2016 (Note 2 e)	**-**	**-**	(116,586)	**-**	**-**	**-**	**-**	**(116,586)**
Balance at 01/01/2017	**231,412**	**8,189,787**	**5,646,204**	**(513,805)**	**-**	**1,022,700**	**(166,780)**	**14,409,519**
Recognized income and expense	-	-	**2,338,309**	**-**	**-**	**-**	**(102,615)**	**2,235,694**
Other transactions	-	-	4,837	-	-	-	-	4,837
Dividends	-	-	(1,202,744)	-	-	-	-	(1,202,744)
Balance at 31/12/2017	**231,412**	**8,189,787**	**6,786,606**	**(513,805)**	**-**	**1,022,700**	**(269,395)**	**15,447,305**

ANTEVENIO S.A. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CASH FLOWS
AT DECEMBER 31, 2017
(in Euros)

STATEMENT OF CASH FLOWS	Note	31/12/2017	31/12/2016
CASH FLOWS FROM OPERATING ACTIVITIES (A)		**2,162,892**	**1,036,349**
Profit / (Loss) before taxes		2,916,104	2,100,098
Adjustments for:			
+ Depreciation and amortization	7 and 8	365,687	345,840
+ / - Impairment losses		546,773	530,221
+ / - Grants taken to P&L		(11,383)	(110,449)
- Finance income	18	(16,109)	(21,092)
+ Finance expense	18	87,013	70,869
+/- Translation differences	12	19,815	116,102
+/- Other income and expenses		(119,110)	(276,134)
+/- Other taxes		162,401	-
Changes in operating assets and liabilities:			
Changes in receivables		(1,653,345)	(1,182,379)
Changes in payables		420,768	(434,162)
Changes in other current assets		(22,601)	92,784
Changes in other non-current liabilities		62,181	65,757
Changes in other current liabilities		(248,055)	(45,983)
Other non-current assets		(7,204)	139
+ Collection of R&D monetization		-	78,423
- Income tax paid		(269,138)	(253,450)
Interest paid (-)		(87,013)	(57,097)
Interest received (+)		16,109	16,864
CASH FLOWS FROM INVESTING ACTIVITIES (B)		**(2,282,796)**	**(241,281)**
Investments in intangible assets	8	(103,551)	(165,606)
Investments in property, plant and equipment	7	(81,199)	(86,974)
Group companies and associates	26	(2,102,882)	-
Other non-current assets		4,837	(39,435)
Proceeds from disposal of fixed assets		-	50,734
CASH FLOWS FROM FINANCING ACTIVITIES (C)		**(1,390,920)**	**87,824**
Changes in other non-current liabilities		-	(196,481)
Changes in debt to other entities		(188,176)	292,607
Grants awarded		-	(8,302)
Dividends paid	3	(1,202,744)	-
EFFECT OF FOREIGN EXCHANGE RATES FLUCTUATIONS (D)		**(122,430)**	**(184,586)**
Net increase/decrease in cash and cash equivalents (E=A+B+C+D)		**(1,633,254)**	**698,306**
Cash and cash equivalents at beginning of period (F)		**6,852,272**	**6,153,966**
Cash and cash equivalents at end of period (G=E+F)		**5,219,018**	**6,852,272**

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CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

ANTEVENIO S.A. AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

NOTE 1. GROUP COMPANIES, JOINTLY CONTROLLED ENTITIES AND ASSOCIATED COMPANIES

1.1) Parent Company; particulars and activity

a) Incorporation and registered address

Antevenio, S.A. (hereinafter the Parent Company) was incorporated as a private company on 20 November 1997, with the name "Interactive Network, SL"; subsequently, the Company converted into public and changed its name to "I Network Advertising, S.A." on 22 January 2001. On 7 April 2005, the General Meeting of Shareholders approved the change of the Company's name to its current one.

Its registered address is at C/ Marqués de Riscal, 11, planta 2ª, Madrid.

As stated under Note 13.1, ISP Digital, S.L.U., a company with registered address at No. 123, Rambla de Cataluña, is the parent company of Antevenio Group

b) General information

The Consolidated Financial Statements of Antevenio Group have been prepared and authorized by the Board of Directors of the Company.

The presentation currency used in these Consolidated Financial Statements is euro. Unless otherwise stated, all figures are presented in Euros.

c) Activity

Its activity consists in those activities that, according to the existing provisions on advertising, are typical of general advertising agencies; accordingly the Company may execute all manner of acts, contracts and transactions and, in general, take all measures directly or indirectly conducive to, or deemed necessary or convenient for the accomplishment of the aforementioned corporate purpose. The activities comprised within its corporate purpose may be performed, entirely or partly, by the parent Company, either directly or indirectly through its interests in other companies with an identical or similar purpose.

Antevenio, S.A. shares are listed on the French alternative stock market Euronext Growth. The company's shares were first admitted to trading on the French alternative stock market Euronext Growth in 2007.

d) Financial Year

The Parent Company's financial year covers the period from January 1 to December 31 of each calendar year.

1.2) Subsidiaries

The details of the subsidiaries included within the consolidation perimeter are as follows:

Company	Percentage of Ownership 31/12/2016	Percentage of Ownership 31/12/2017	Carrying Value
Mamvo Performance, S.L.U.	100%	100%	1,577,382
Marketing Manager Servicios de Marketing, S.L.U.	100%	100%	199,932
Antevenio S.R.L.	100%	100%	5,027,487
Antevenio ESP, S.L.U.	100%	100%	27,437
Antevenio France S.R.L.	100%	100%	2,000
Código Barras Networks S.L.U (**)	100%	100%	145,385
Antevenio Argentina S.R.L. (*)	100%	100%	341,447
Antevenio México S.A de C.V	100%	100%	1,908
Antevenio Publicité, S.A.S.U.	100%	100%	3,191,312
Antevenio Rich & Reach, S.L.U.	100%	100%	3,000
React2Media, L.L.C. (1)	-	51%	4,071,576

Holdings in the capital of these subsidiaries are held by the Parent Company, except:

(*) Holding held by Mamvo Performance, S.L.U. and Antevenio ESP, S.L.U. (75% and 25% respectively).

(**) Holding held by Antevenio, Rich & Reach, S.L.U.

(1) See Note 26 Business combinations.

Companies controlled by the Company have been fully consolidated as subsidiaries. These companies have also fiscal years ending on 31 December each year.

Companies where the Company holds a majority of voting rights have been fully consolidated as subsidiaries. These companies have also fiscal years ending on 31 December each year.

There are no Subsidiaries excluded from consolidation.

In 2017 no changes have occurred in the consolidation perimeter, except for the acquisition, dated 22 June 2017, of the U.S. company React2Media, L.L.C. (see Note 26).

The main features of the subsidiaries are as follows:

Company	Incorporation Year	Registered Address	Corporate Purpose
Mamvo Performance, S.L.U.	1996	C/ Marqués de Riscal, 11	Online advertising and direct marketing for the generation of useful contacts.
Marketing Manager Servicios de Marketing, S.L.U.	2005	C/ Marqués de Riscal, 11	Advice to commercial communication-related companies.
Antevenio S.R.L.	2004	Viale Francesco Restelli 3/7 20124 Milan	Advertising and Marketing on the Internet.
Antevenio ESP, S.L.U.	2009	C/ Marqués de Riscal, 11	Advertising, online advertising and e-commerce operation services through electronic means.
Antevenio France, S.R.L.	2009	62B Rue des Peupliers 92100 Boulogne Billancourt, France.	Advertising and promotional services on the Internet, research, distribution and provision of services in the field of advertising and marketing on the Internet.
Código Barras Networks S.L.	2010	C/ Marqués de Riscal, 11	Advertising and Marketing on the Internet.
Antevenio Argentina S.R.L.	2010	Av. Presidente Figueroa Alcorta 3351, oficina 220, Buenos Aires, Argentina.	Commercial brokerage, marketing and advertising services.
Antevenio México, S.A. de CV.	2007	Parral 41, Col. Condesa Del. Cuauhtémoc, CP 06100, México D.F.	Other advertising services.
Antevenio Publicité, S.A.S.U.	2008	62B Rue des Peupliers 92100 Boulogne Billancourt, France.	Advertising and promotional services on the Internet; research, distribution and provision of services in the field of advertising and marketing on the Internet.
Antevenio, Rich & Reach, S.L.U.	2013	C/ Marqués de Riscal, 11	Internet services, especially in the field of online advertising.
React2Media, L.L.C.	2008	35W 36th St New York	Online marketing services

1.3) Associated companies

Dated 14 October 2016, the company Europermission, S.L was dissolved, wound up and terminated in compliance with the resolution passed by the Extraordinary and Universal General Meeting of Shareholders held on 26 June 2016. Accordingly, at 2016 year end the dissolved company was not included within the consolidation perimeter.

NOTE 2. BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

a) Application of International Financial Reporting Standards (IFRS)

These consolidated financial statements have been prepared in consistence with the provisions of the International Financial Reporting Standards (IFRS), as adopted by the European Union in accordance with Regulation (CE) No. 1606/2002 of the European Parliament and the Council, taking into account all compulsory applicable accounting policies, standards and measurement criteria that a significant impact. Since 2006 the Company has prepared its Consolidated Financial Statements pursuant to the International Financial Reporting Standards (IFRS); shares of the Company were admitted to trading on the French alternative stock market Euronext Growth in 2007 (see Note 2).

Accounting policies and measurement principles applied by Directors in preparing these Consolidated Financial Statements consolidated are summarized in Note 4. The Directors of the Parent Company are responsible for the presentation of the Group´s consolidated financial statements.

In accordance with the provisions of IFRS, the Consolidated Financial Statements include the following Consolidated Statements for the year ended 31 December 2017:

- Consolidated Statement of Financial Position
- Consolidated Profit and Loss Account
- Consolidated Statement of Comprehensive Income
- Consolidated Statement of Changes in Equity
- Consolidated Statement of Cash Flows.
- Notes to the Consolidated Financial Statements.

During 2016 and the financial year ended 31 December 2017 the following new and/or amended accounting standards have come into force; accordingly these standards have been taken into account in the preparation of these Consolidated Financial Statements:

a) Standards and interpretations approved by the European Union, applied for the first time in the Consolidated Annual Accounts of 2016.

The accounting policies used in the preparation of the Consolidated Financial Statements that were applied for the first time in the financial year 2016 are as follows:

		Effective Date (financial years beginning on):
Improvements to IFRSs Cycle 2012-2014	Annual Improvements to several standards Cycle 2012-2014 (IFRS 5, IFRS 7, IAS 19, IAS 34)	1 January 2016
Amendments to IAS 1	Presentation of Financial Statements: Disclosures	1 January 2016
Amendments to IFRS 11	Joint Arrangements: Accounting for Acquisition of Interests in Joint Operations	1 January 2016
Amendments to IAS 16 and IAS 38	Clarification on the Depreciation and Amortization Methods Accepted	1 January 2016
Amendments to IAS 16 and IAS 41	Biological Assets	1 January 2016
Amendments to IFRS 10, IFRS 12 and IAS 28	Investment Entities: Applying the Consolidation Exception	1 January 2016
Amendments to IAS 27	Equity Method in Separate Financial Statements	1 January 2016

Additionally, the following accounting policies have been first applied in the financial year 2017:

		Effective Date (financial years beginning on):
Amendments to IAS 7	Disclosure Initiative	1 January 2017
Amendments to IAS 12	Recognition of Deferred Tax Assets for unrealized losses.	1 January 2017
Improvements to IFRSs	Cycle 2014-2016	1 January 2017

Application of the above mentioned amendments and improvements has had no significant impact on the Consolidated Financial Statements of 2016 and 2017.

b) Other standards, amendments and interpretations issued by the IASB pending approval by the European Union:

		IASB effective date	EU effective date
IFRS 9	Financial instruments	1 January 2018	1 January 2018
IFRS 15	Revenue from Contracts with Customers	1 January 2018	1 January 2018
Clarifications to IFRS 15	Revenue from Contracts with Customers	1 January 2018	1 January 2018
IFRS 16	Leases	1 January 2019	1 January 2019
Amendments to IFRS 2	Classification and measurement of share-based payment transactions	1 January 2018	Pending
Amendments to IFRS 4	Applying IFRS 9 together with IFRS 4	1 January 2018	1 January 2018
Annual improvements to IFRS	Cycle 2014-2016	1 January 2018	1 January 2018
Annual improvements to IFRS	Cycle 2015-2017	1 January 2019	Pending
IFRIC 22	Foreign Currency Transactions and Advance Consideration	1 January 2018	Pending
Amendments to IAS 40	Transfers of investment property	1 January 2018	Pending
Amendments to IFRS 9	Prepayment features with negative compensation	1 January 2019	Pending
IFRIC 23	Uncertainty over Income Tax treatments	1 January 2019	Pending
Amendments to IAS 28	Long-term interests in Associates and Joint Ventures	1 January 2019	Pending
IFRS 17	Insurance Contracts	1 January 2021	Pending
Amendments to IAS 19	Plan Amendment, Curtailment or Settlement	1 January 2019	Pending

None of these Standards has been earlier applied by the Group.

IFRS 15 Revenue from Contracts with Customers

IFRS 15 establishes that the Group shall recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. Revenue is recognized when the customer obtains control of the goods or services. Based on the new criteria, a five step model shall be applied for recognition of revenue in order to determine the timing of recognition and the amount of revenue to be recognized:

- Step 1: Identify the contract
- Step 2: Identify the separate performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the separate performance obligations
- Step 5: Recognize revenue when the entity satisfies a performance obligation

Based on the analysis performed as of the date of preparing these consolidated financial statements, the Group is still assessing the potential impact of these new requirements.

IFRS 9 Financial Instruments

IFRS 9 introduces a single approach for classification and measurement of financial assets based on the contractual cash flows and on the business model within which the financial instruments are held. In this regard, no significant impact has resulted from the analysis of the new classification criteria.

Similarly, IFRS 9 introduces a new impairment model based on expected credit loss instead of the incurred credit loss (based on objective evidence of impairment) model contained in IAS 39 “Financial instruments: recognition and measurement”. The Group is still assessing the potential impact of these new requirements.

IFRS 16 Leases

IFRS 16 Leases, which shall be first applied to financial years beginning on 1 January 2019, establishes that the lessee shall recognize (with certain exceptions for short-term and low value leases) an asset for the right-in-use and a liability for the future payment obligations incurred into. As of the date of presentation of these Financial Statements, the Group is still assessing the impact thereof. In this regard, non-cancellable minimum future payments are disclosed in Note 9.

With regards to the other standards, interpretations and amendments issued by IASB which are not yet effective, the Directors have assessed the potential impact of the future application of these standards and consider their coming into force will not have a significant effect on the Consolidated Financial Statements.

c) Fair presentation

The accompanying Consolidated Financial Statements for the year ended 31 December 2017 have been prepared from the accounting records of the companies included in the Group and are presented in accordance with the provisions of the International Financial Reporting Standards and applicable other provisions of the financial reporting legal framework under the applicable Spanish accounting legislation, in order to offer a fair image of the consolidated equity and financial position of Antevenio, S.A., and of the consolidated results, changes in equity and cash flows of the Group during the year ended 31 December 2017.

The consolidated financial statements prepared by the Directors of the Parent Company will be subject to approval of the General Meeting of Shareholders of the Parent Company, and are expected to be approved without modification.

d) Critical issues regarding the measurement and estimation of uncertainties

In the preparation of the attached Consolidated Financial Statements according to IFRS, the Directors of the Parent Company have used accounting estimates and assumptions to measure certain of the assets, liabilities, income, expenses and commitments obligations therein disclosed. The accounting estimates and assumptions having a more significant impact on these Consolidated Financial Statements have been separately addressed in different sections of this document:

- The useful life of property, plant and equipment and intangible assets (Notes 4f and 4g). Determining useful life requires making estimates in connection with future technological developments and alternative uses for assets. There is a significant element of judgment involved in making technological development assumptions, since the timing and scope of future technological advances are difficult to predict. The assessment of eventual impairment losses on goodwill (note 4h). The decision to recognize an impairment loss involves developing estimates that include, among others, an analysis of the causes of the potential impairment, as well as its timing and expected amount. On an annual basis the Group assesses its relevant cash-generating units' performance to identify potential impairments; these assessments are based on risk-adjusted future cash flows discounted at the appropriate interest rates. Key assumptions used are disclosed in Note 5. The assumptions relating to risk-adjusted future cash flows and discount rates are based on business estimates and, accordingly, are inherently subjective in nature. Future events may lead to changes in the estimates made by Directors, with the resulting adverse impact on the Group's future results. Insofar as it has been deemed material, a sensitivity analysis of the impact of changes in the assumptions used and of the impact on the recoverable value of the relevant cash generating unit (CGU) has been disclosed.

- The fair value of certain financial instruments y their eventual impairment (note 4j).

- The recoverability analysis of trade receivables is based on past experience as adjusted to current events and circumstances that may have an impact on future recoverability.

- The calculation of provisions, as well as the likelihood of occurrence and the amount of indeterminate or contingent liabilities (note 4n).

- Forecasts of future taxable profits that make the recovery of deferred tax assets likely (note 4p). The Group assesses the recoverability of deferred tax assets based on estimates of future earnings. Such recoverability ultimately depends on the Group's ability to generate taxable earnings over the period for which the deferred tax assets remain deductible. Future events may lead to changes in the estimates made by Directors, with the resulting adverse impact on the Group's future results. This analysis is based on the estimated schedule for reversing deferred tax liabilities.
- Determination of fair value at acquisition date of assets, liabilities and contingent liabilities acquired in business combinations (Note 26).

These estimates were made based on the best information available at the date of preparation of these Consolidated Financial Statements, on past experience and on other various factors that were then considered material. However, the actual final results may differ from those estimates. Any future event not known at the date of preparation of these estimates could result in changes (upwards or downwards), which would, when appropriate, applied prospectively.

e) Classification of current and non-current items

For the classification of the current items, a maximum period of one year from the date of these consolidated financial statements has been applied.

f) Correction of errors

In 2017, the Antevenio Group has recorded a correction of errors for the inaccurate invoices issued to a client since 2011, which, based on past estimates made, amounted to 116,586 euros.

Based on the aforementioned correction of errors, the Company has restated the figures from the Consolidated Financial Statements for the year ended 31 December 2016. The following items have been affected:

Financial Statement	Line Item	Balance presented at 31/12/2016	Restatement	Restated balance at 31/12/2016
Consolidated Statement of Financial Position	Trade and other receivables	7,903,729	-116,586	7,787,143
Consolidated Statement of Financial Position	Reserves from fully consolidated companies	3,619,304	-116,586	3,502,719

The Group considers that the impact was not material in the context of the consolidated financial statements as a whole and, accordingly, has reclassified the comparative figures but does not present a third statement of financial position as of the beginning of 2016.

g) Comparative information

The Consolidated Financial Statements for the year ended 31 December 2017 include, for comparison purposes, the figures for 2016 presented in the Consolidated Financial Statements for 2016 approved by the Company's General Meeting of Shareholders, held on 28 June 2017, which have also been prepared in accordance with the provisions of the International Financial Reporting Standards, as adopted by the European Union. Accordingly, the accounts from prior periods are comparable and homogeneous. However, with regards to the figures for 2016, upon restatement thereof as stated in the preceding section, for a better understanding thereof the Directors have considered that a greatest level of detail was required in the statement of financial position.

On 22 June 2017 the Group acquired 51% of shares in React2Media, LLC, a company with registered address in the United States, thereby obtaining control over it.

As a result, React2Media, LLC, is included in the consolidation perimeter of the Group as from 22 June 2017 as a fully consolidated company. The main resulting impacts are disclosed in Note 26.

NOTE 3. EARNINGS / LOSS PER SHARE

Basic earnings/loss per share

Basic earnings/loss per share is calculated by dividing the consolidated profit/loss attributable to the Parent Company by the weighted average number of shares outstanding during the financial year, excluding the average number of treasury shares held during the period.

Diluted earnings/loss per share

Diluted earnings/loss per share is calculated similarly to the basic profit/loss per share, but the weighted average number of shares outstanding is increased with stock options, warrants and convertible bonds.

Calculation of earnings/loss per share is shown below:

	31/12/2016	31/12/2017
Net profit/(loss) for the year	2,097,203	2.338.309
Weighted average number of outstanding shares	4,009,147	4,009,147
Basic earnings per weighted average number of shares	**0.52**	**0.58**

During the presented periods, the Group did not execute any transaction causing dilution; accordingly, basic earnings/loss per share matches diluted earnings/loss per share.

The proposed distribution of profits obtained by the Parent Company in 2017 will be submitted by the Directors of the Parent Company to the approval of the General Meeting of Shareholders, which is as follows:

Basis of distribution	
Profit and loss (profit)	2,957,658
Total	2,957,658
Application	
To offset prior periods' losses	11,009
Voluntary reserves	2,946,649
Total	**2,957,658**

The Annual General Meeting held on 28 June 2017 approved the following distribution of 2016 profit of the Parent Company:

Basis of distribution	
Profit and loss (loss)	(11,009)
Total	(11,009)
Application	
Prior period's losses	(11,009)
Total	**(11,009)**

- Distribution of dividends:

On 13 September 2017 the Extraordinary General Meeting of Shareholders approved the distribution of a dividend, charged against voluntary reserves, of 0.30 euro per share, amounting to a total of 1,202,744.10 euro that have entirely been paid out.

NOTE 4. SIGNIFICANT ACCOUNTING POLICIES

The main accounting policies applied by the Group in the preparation of the Consolidated Financial Statements for the year ended 31 December 2017 were as follows:

a) Consolidation methods

These Consolidated Financial Statements include the Parent Company and all the subsidiaries over which the Group has control. Subsidiaries are those companies over which the Parent Company or any of its subsidiaries have control. Control is established by:

- Power over the investee;
- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect the amount of the investor's returns.

Subsidiaries are consolidated even if acquired for disposal.

Any balances, transactions, and gains and losses realized between Group companies included within the Group's continuing operations are subsequently eliminated in the consolidation process. Transactions between continuing and discontinuing operations expected to continue after disposal are not eliminated from continuing operations in order to present continuing operations consistently with the commercial operations they carry out.

Associates, companies over which the Group has a significant influence but over which it has no control, and jointly-controlled entities ("joint ventures"), where companies are entitled to the joint arrangement's net assets, have been consolidated using the equity method, except when these investments are eligible to be classified as held-for-sale. Any gains or losses resulting from transactions between Group companies and associates or jointly-controlled entities have been eliminated in proportion to the Group's interests in those companies. When the Group's share in the losses of a company consolidated using the equity method exceeds the amount of the Group investment, the Group recognizes a provision for its share of losses in excess of the investment. The value of the investment in any investee consolidated using the equity method is equal to the carrying amount of the equity investment and any other non-current interest that form an essential part of the net investment in the investee.

When control over a subsidiary is lost as a result of a transaction, event or any other circumstance, the Group derecognizes all the assets, liabilities and non-controlling interests at their carrying amount and recognizes the fair value of consideration received. Retained interests in the former subsidiary are recognized at fair value as at the date when control over it was lost. Any resulting difference is recognized as a gain or loss under "Other Income (Expense)" in the Statement of Comprehensive Income.

The financial statements of subsidiaries, associates and jointly-controlled entities are referred to the financial year ended on the same date of the Parent Company's separate financial statements, and have been prepared applying consistent accounting policies (EU-IFRS).

b) Uniformity of line items

The different line items in the separate financial statements of each Group company have been subject to the appropriate measurement uniformity by adapting the criteria used to those used by the Parent Company (Antevenio, S.A.) for its own financial statements, provided they involve a significant effect.

No unification of timing is required as all the companies included in the attached Consolidated Financial Statements have their year end date on 31 December 2017.

c) First consolidation difference

The first consolidation difference was calculated as the difference between the carrying amount of the investment in the subsidiaries and the value of the proportional share of the investees' consolidated equity on the date of first consolidation.

In the case of a positive consolidation difference, corresponding to the excess of the cost of the investment and the attributable carrying amount of the investee at the date of joining the Group, the difference is allocated directly, to the extent possible, to assets of the subsidiary without exceeding the market value thereof. When the difference cannot be allocated to assets, it is considered as consolidation goodwill that shall be annually subject to the relevant impairment test (see Note 4 h).

Negative consolidation differences are recognized in the Consolidated Profit and Loss Account, and relate to the negative difference between the carrying amount of the parent Company's direct investment in the capital of the subsidiary and the value of the proportional share in the investee's equity attributable to the investment on the date of initial consolidation.

d) Translation differences

In the Consolidated Statement of Financial Position and in the Consolidated Profit and Loss Account, items relating to consolidated companies whose functional currency is not the euro have been translated to euro using the following criteria:

- Assets, liabilities, income and expenses (excluding equity): at the exchange rate at the end of each year
- Items in the Consolidated Profit and Loss Account: at the average exchange rate of the financial year.
- Equity at the historical exchange rate.

The differences resulting from the application of different exchange rates, in accordance with criteria above, are recognized under the "Translation Differences" in the Consolidated Statement of Financial Position.

e) Transactions between companies included in the consolidation perimeter

As prior step to preparation of the Consolidated Financial Statements, the Directors have proceeded to eliminate all balances and transactions between Group companies, as well as any gains or losses obtained or incurred in by such companies as a result of the aforementioned transactions.

f) Intangible assets

In general, intangible assets are always recognized when they comply with the identifiability criterion and are initially measured at their acquisition or production cost, less accumulated amortization and, where appropriate, impairment losses. In particular, the following criteria are applicable:

Industrial property

Industrial property relates to capitalized development costs for which the relevant patents, etc. have been obtained, and includes the costs of registration and formalization of industrial property and those of acquisition of the rights from third parties. Industrial property is amortized on a straight-line basis throughout its useful life, at an annual rate of 20%.

Computer software

The licenses for computer software acquired from third parties or internally developed computer software are recognized as intangible assets on the basis of the costs incurred in acquiring or developing them, and preparing them for use.

Computer software is amortized on a straight-line basis throughout its useful life, at an annual rate of 25%.

Any maintenance costs relating to computer applications incurred into during the year are recognized in the Consolidated Profit and Loss Account.

g) Property, plant and equipment

Property, plant and equipment is recognized at acquisition or production cost and less any accumulated depreciation and, where appropriate, impairment losses.

Indirect taxes on property, plant and equipment are included in the acquisition price or production cost only when they are not directly recoverable from Tax Authorities.

The costs of expansion, modernization or improvements leading to increased productivity, capacity or efficiency, or to an extension of the useful lives of the assets are recognized as an increased cost thereof. Upkeep and maintenance expenses are charged to the Consolidated Profit and Loss Account for the relevant year.

The Group depreciates property, plant and equipment on a straight-line basis. The useful life and depreciation rates applied are as follows:

	Annual Percentage	Estimated Years of Useful Life
Other installations	20	5
Furniture	10	10
Computer Hardware	18	5.71
Motor vehicles	25	4
Machinery	20	5
Other property, plant and	20-10	5-10

Investments made by the Group in leased premises, which are not separable from the leased asset, are amortized over their useful life which corresponds to the lesser of the duration of the lease, including renewal period when there is evidence to support that it will occur, and the economic life of the asset.

h) Goodwill

Goodwill may only be recognized as an asset when it arises from an onerous acquisition in a business combination.

Goodwill is allocated between all the company's cash-generating units that are expected to benefit from the synergies of the business combination and, where appropriate, an impairment is recognized (see Note 4 i).

Subsequent to initial recognition thereof goodwill is measured at purchase price less, where appropriate, the accumulated amount of any recognized impairment.

The Company shall assess at least at the end of each reporting period whether there is any indication that any cash-generating units to which goodwill had been allocated may be impaired, and, where any such indication exists, the Company shall verify the eventual impairment thereof pursuant to Note 4i). Impairment recognized for goodwill is not reversed in subsequent reporting periods.

i) Impairment of intangible assets; property, plant and equipment, and consolidation goodwill.

An impairment loss in the value of intangible assets or property, plant and equipment occurs when their carrying amount exceed their recoverable value, the latest understood as the higher of its fair value less costs to sell and its value in use. For the calculation of the recoverable value of property, plant and equipment and intangible assets, the value in use is the criterion used by the Group.

To these purposes, at least at year end, the Group assesses, using the so-called "impairment test", whether there is evidence that any intangible assets or property, plant and equipment with indefinite useful life, or, where applicable, any cash-generating unit may be impaired; if so the Company proceeds to estimate the recoverable amount thereof applying the corresponding value adjustments. A cash-generating unit (CGU) is the smallest identifiable group of assets that generates cash flows that are largely independent of those derived from other assets or groups of assets.

The impairment of property, plant and equipment is calculated individually. However, when the recoverable amount of each individual asset cannot be determined, the Company proceeds to establish the recoverable amount of the cash-generating unit to which the relevant asset is associated.

The procedure implemented by the Group management for determining the impairment is as follows:

For estimating value in use, the Group management annually prepares a business plan by markets and activities for each cash-generating unit, these business plans typically extend over a five-year period. The main components of this plan are the projections of income and cash flows.

Other variables that influence the calculation of the recoverable amount are:

- The discount rate to be applied, estimated between 10% and 12%, this percen depends of Geographic area; the main variables that influence the calculation are the cost of the liabilities and the specific risks of the assets.

- The growth rate of the cash flows used were established based on each company and each geographic market.

The projections are prepared based on past experience as well as the best available estimates, which are consistent with the information from external sources.

The five years strategic plan for the Group companies is approved by the Directors of the Parent Company.

At the close of financial year ended 31 December 2017, no circumstances have arisen that may imply changes to the assumptions used and conclusions reached by the Group at year-end 2016.

Should the company need to recognize an impairment loss for a cash-generating unit to which all or part of goodwill has been allocated, it shall first reduce the carrying amount of the goodwill associated with that unit. If impairment exceeds the amount of goodwill, the company shall then reduce the remaining assets in the cash-generating unit on a pro rata basis based on their carrying amounts. The carrying amount of each asset may not be reduced below the higher of its fair value less costs to sell, its value in use or zero. Impairment losses shall be recognized in the income statement as an expense.

When an impairment loss is subsequently reversed (a circumstance that is not permitted in the specific case of goodwill), the carrying amount of the relevant asset or cash-generating unit is increased to the revised estimate of its recoverable value, insofar as the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset or the cash-generating unit in prior years. A reversal of an impairment loss is recognized as income in the Consolidated Profit and Loss Account.

j) Leases and other transactions of similar nature

Financial leases are classified by the Group as transactions by which the lessor transfers substantially the risks and rewards incidental to ownership of the leased asset to the lessee, registering the rest as operational leases.

In the finance lease operations in which the Group acts as a lessor, the Group records an asset in the balance sheet according to the nature of the asset under contract and a liability in the same amount, which is the lower between the fair value of the leased good and the current value of the agreed minimum lease payments at the beginning of the lease, including the price of the purchase option. Finance leases do not include contingent rents, the cost of services and taxes that may be passed on by the lessor. The finance charge is recognized in the

Consolidated Profit and Loss Account for the reporting period in which it is accrued, using the effective interest method. Contingent rents are expensed in the reporting period in which they are accrued.

Assets recorded for this type of operations are depreciated using similar criteria to those applied to tangible (or intangible) assets a whole, depending upon their nature.

Expenses arising from operating leases are recognized in the Consolidated Profit and Loss Account for the year when they accrue.

Similarly, the acquisition cost of the leased asset is presented in the balance sheet according to its nature, increased by the amount of the costs directly attributable to the contract, which are expensed in the period of the contract, applying the same criteria used for the recognition of lease income.

k) Financial Instruments

k.1 Financial Assets

Financial assets held by the Company are classified for measurement purposes in the following categories:

k.1.1) Loans and receivables

These correspond to loans for commercial or non-commercial transactions, arising from the sale of goods, deliveries of cash or the provision of services with fixed or determinable payments that are not traded in an active market.

Loans and receivables are initially recognized at the fair value of the consideration given plus any directly attributable transaction costs. Loans and receivables are subsequently measured at amortized cost, and the interests accrued are recognized in the Income Statement using the effective interest rate method.

Nevertheless, trade receivables with a maturity not exceeding one year and not having a contractual interest rate are initially measured at their nominal value, provided that the effect of not discounting the cash flows is not material, in which case they will be subsequently measured at that amount unless they have been impaired.

Impairment losses shall be shall be measured as the difference between the carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate calculated upon initial recognition. Impairments are recognized in the Consolidated Profit and Loss Account.

Financial assets are derecognized when the contractual rights to the cash flows from the financial asset expire or have been transferred, provided that substantially all the risks and rewards of ownership have been transferred. Conversely, financial assets are not derecognized and a financial liability is recognized for the amount of the consideration received, in transfers whereby the Company retains substantially all the risks and rewards of ownership such as discounted bills.

k.2 Financial Liabilities

A financial liability is recognized in the balance sheet when the Group becomes a party to the contract or any agreement pursuant to the provisions thereof.

Debts and payables arising from the purchase of goods and services in the ordinary course of the business or non-trade receivables are initially measured at fair value of the consideration received, adjusted for directly attributable transaction costs. Nonetheless, trade payables falling due within one year for which there is no contractual interest rate are measured at their nominal amount, provided that the effect of not discounting the cash flows is immaterial.

Debts and payables are subsequently measured at amortized cost, using the effective interest rate method. Payables initially measured at the nominal amount, in accordance with the preceding paragraph, shall continue to be measured at that amount.

Financial liabilities are derecognized when the obligations have been extinguished.

k.3 Guarantees extended and received

Cash flows from extended guarantees are not discounted as the effect thereof is immaterial. Current guarantees extended and received are measured at the amount disbursed.

k.4 Own equity instruments (treasury shares)

Treasury shares of the Parent Company acquired by the Group are recognized at the value of the consideration paid, as a reduction in the value of Equity. The proceeds arising from the purchase, sale, issue or redemption of own equity instruments are recognized directly in Equity, and under no circumstances can they be recognized in the Consolidated Profit and Loss Account.

l) Foreign Currency

Line items included in the Consolidated Financial Statements of each Group company are measured in their respective functional currencies. The Consolidated Financial Statements are expressed in euro, which is the functional and presentation currency of the Parent Company.

The companies included in the Group recognize in their individual financial statements:

- Transactions in currencies other than the functional currency executed during the year at the exchange rates prevailing at the dates of the transaction.

- The balance of monetary assets and liabilities in currencies other than the functional currency (cash and items not losing value on realization) are measured at the exchange rates at year-end.

- The balances of non-monetary assets and liabilities in currencies other than the functional currency are measured at the historical rates.

Any gains and losses from these line items are included in the Consolidated Profit and Loss Account.

m) Income Tax

Group companies with registered address in Spain paid in 2016 taxes under the Special Consolidated Tax Regime within the Group led by the Parent Company.

The Board of Directors informed, at the meeting held on 30 December 2016, that the company Inversiones y Servicios Publicitarios, S.L. ("ISP") owns a 83.09% interest in the share capital of Antevenio (see Note 13) and that, pursuant to the provisions of Article 61.3 of Law 27/2014, of 27 November, on Corporate Income Tax and having regard to the fact that Antevenio S.A. no longer was the parent company of taxation group 0212/2013 sin ISP had acquired an interest exceeding 75% of the share capital and voting rights in Antevenio, the Board had approved including the Company, effective from the taxation period beginning of 1 January 2017, as a subsidiary of taxation group 265/10, whose parent company is ISP.

Income tax expense for the year is calculated as the sum of current tax resulting from applying the corresponding tax rate to the taxable base for the year, net of any deductions and tax reliefs, and net of any changes registered during the year in deferred tax assets and liabilities. Income Tax is recognized in the Consolidated Profit and Loss Account, except when it relates to transactions directly recognized

in Equity, in which case the related tax is also recognized in Equity.
Deferred taxes are recognized for any temporary differences existing at the date of the Consolidated Statement of Financial Position between the tax bases of assets and liabilities and their carrying amounts. The tax base of an asset, liability or equity instrument is the amount attributed to that item for tax purposes. The tax effect of temporary differences is included under the appropriate headings of "Deferred tax assets" and "Deferred tax liabilities" in the Consolidated Statement of Financial Position.

The Group recognizes a deferred tax liability for all taxable temporary differences, except, where appropriate, for the exceptions provided in the existing regulations.

The Group recognizes deferred tax assets for all deductible temporary differences to the extent that it is probable that the Company will have future taxable profits that allow the recovery of these assets, except, where appropriate, for the exceptions provided in the existing regulations.

At each balance sheet date, the Group assesses any recognized deferred tax assets and any previously unrecognized deferred tax assets. On the basis of this assessment, the Company proceeds to derecognize previously recognized deferred tax asset when recovery is no longer probable, or proceeds to recognize a previously unrecognized deferred tax asset if it is probable that the Company will have future taxable profits to enable its application.
Assets and deferred tax liabilities are measured at the rates expected to prevail upon their reversal, based on tax legislation in force and in accordance with the manner in which the assets are reasonably expected to be recovered or and liabilities settled.

Deferred tax assets and liabilities are not discounted and classified as non-current assets and liabilities, regardless of the date of realization or settlement. Deferred tax assets and liabilities of the same tax jurisdiction are presented net.

Since the Consolidated group is member of a taxation group, the resulting payable/receivable amounts for Corporate Income Tax will not be directly settled with Public Entities, but will rather be settled with the parent company of the taxation group in which the Company is included.

n) Revenue and expenses

Antevenio Group specializes in performance and brand marketing. In order to become more responsive to the continuously changing on-line marketing industry, the Antevenio Group develops and markets its own technological solutions.

Revenues and expenses are recognized on an accrual basis, i.e. when the actual flow of goods and services they represent occurs, regardless of when the resulting

monetary or financial flow takes place.
Revenue from services is recognized when the outcome of the transaction can be estimated reliably, taking into account the stage of completion of the transaction at the balance sheet date. Revenue from the rendering of services shall only be recognized when all the following conditions have been satisfied:

a) The amount of revenue can be measured reliably.

b) It is probable that the Group will receive economic benefits or income derived from the transaction.

c) The stage of completion of the transaction, at the balance sheet date, can be measured reliably; and

d) The costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

The Group reviews and, if necessary, revises the estimates of revenue as the service is being performed.

When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue shall be recognized only to the extent of the expenses recognized that are recoverable.

o) Provisions and contingencies

The directors of the Parent Company, in the preparation of the Consolidated Financial Statements, distinguish between:

n.1) Provisions: liabilities that cover present obligations arising from past events, whose future settlement is likely to result in an outflow of resources, for which the amount and settlement date are uncertain.

n.2) Contingent liabilities: possible obligations that arise from past events and whose existence is contingent upon the occurrence or non-occurrence of one or several future events beyond the control of the Company.

The Consolidated Financial Statements include all the provisions for which the probability of having to meet the obligation is estimated as greater than the opposite alternative, and they are measured at the present value of the best possible estimate of the amount required to settle or transfer the obligation to a third party. Contingent liabilities are not recognized in the Consolidated Financial Statements but are disclosed in the notes.

Provisions are measured on the balance sheet date at the present value of the best estimate of the amount required to settle or transfer the obligation to a third party; any adjustments made to update these provisions shall be recognized as a financial expense as it accrues. Provisions expiring within one year shall not be discounted where the financial effect is not material.

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

p) Deferred Income

Non-refundable capital grants, as well as donations and bequests, are measured at the fair value of the amount awarded or the item received. Non-refundable capital grants, donations and bequest are initially accounted for as liabilities under "Deferred income" in the Consolidated Statement of Financial Position and recognized in the Consolidated Profit and Loss Account proportionally to the depreciation of the assets financed by these grants, except in the case of non-depreciable assets that shall be recognized as income the year when their disposal or derecognition occurs.

Refundable grants are accounted for as either current or non-current liabilities (considering the term of repayment) convertible into grants until they meet the criteria for classification as non-refundable.

Operating grants are accounted for as income on an accrual basis.

q) Assets of environmental nature

Because of its activity, the Group has no significant assets of property, plant and equipment, intended to minimize environmental impact and, protecting and improving the environment and, has not received grants nor incurred in expenses during the year whose purpose is to protect and improve the environment. Furthermore, the Group has not made provisions for risks and expenses related to environmental actions, considering that there are no contingencies related to the protection and improvement of the environment.

r) Transactions between related parties

Transactions between related parties, irrespective of the type of relationship, are accounted for in accordance with the general standards. Therefore, as a general rule, items involved in a transaction will be initially measured at fair value. If the agreed transaction price were not the fair value, the difference shall be recognized based on the economic reality of the transaction. Subsequent measurement is performed in accordance with the applicable standards.

s) Equity instruments-based payments

The goods or services received in these operations are recorded as assets or as expenses depending upon their nature, at the moment they are obtained, and the corresponding increase in equity, if the transaction is paid off with equity instruments or the corresponding liability, if the transaction is paid off with the amount based on the value of the same.

The transactions with employees settled with equity instruments, both services rendered as well as the increase in equity to be recognized are assessed according to the fair value of the granted equity instruments, referring to the date of approval of the granting.

The Company operates several remuneration plan for its Management consisting in the delivery of share options in Antevenio and which shall be settled in shares.

These plans are initially measured at fair value at grant date, applying a generally accepted financial calculation method that takes into account, inter alia, the option exercise price, the volatility, the time frame for exercising the options, the expected dividends and the risk-free interest rate.

Options are recognized as a personnel expense in the Profit and Loss Account as vested over the period defined as the minimum required time in the Company's employ for the exercise of the option, except for options granted in 2016 that have been entirely recognized at the initial date, in accordance with principle of prudence, as a personnel expense and an offsetting entry is simultaneously recognized directly in equity without reassessing the initial measurement thereof. Since the offsetting entry is an increase in own funds ("Other equity instruments"), there is no impact whatsoever on the Equity of Antevenio SA and its subsidiaries. However, at each Balance Sheet date the Company reassess its initial estimates on the number of options expected to become exercisable and, where appropriate, recognizes the impact of this reassessment in the Profit and Loss Account and makes the relevant adjustment in equity.

t) Statement of Cash Flows

The Consolidated Statement of Cash Flows has been prepared using the indirect method, and uses the following expressions with the meaning specified:

- Operating activities are the principal revenue-producing activities of the Group and other activities that are not investing or financing activities.

- Investing activities are the acquisition, sale or disposal of long-term assets and other investments not included in cash and cash equivalents.

- Financing activities are activities that result in changes in the size and composition of the equity and liabilities that are not part of the operating activities.

u) Business combinations

At the acquisition date, identifiable assets acquired and liabilities assumed are measured at fair value, provided this can be measured reliably, subject to the following exceptions:

- Non-current assets classified as held-for-sale are measured at fair value less costs to sell.

- Deferred tax assets and liabilities are measured at the amount expected to be paid or recovered from the taxation authorities, using the tax rates expected to prevail upon their reversal, based on the existing or approved and pending publication regulations as of the date of acquisition. Deferred tax assets and liabilities are not discounted.

- Assets and liabilities associated with long-term employee benefits under defined benefit schemes are accounted for at the acquisition date as the present value of the defined benefit obligation less the fair value of the plan assets out of which the obligations are to be settled.

- Intangible assets, the value of which cannot be measured in relation to an active market and would result in a recognition of income in the Profit and Loss Account have been deducted from the initially calculated negative goodwill.

- Assets received as compensation for contingencies and uncertainties are recognized and measured in a manner consistent with the item causing the relevant contingency or uncertainty.

- Reacquired rights recognized as an intangible asset are measured an amortized on the basis of their remaining term of the contract.

- Obligations classified as contingent liabilities are recognized as a liability at fair value, provided that the liability is a present obligation that arises from past events and the fair value can be measured reliably, even when it is not probable that an outflow of resources embodying economic benefits will result from settlement of the obligation.

At acquisition date, the excess of the cost of the business combination over the value of the identifiable assets acquired less the liabilities assumed is recognized as goodwill.

When the value of the identifiable assets acquired less liabilities assumed exceeds the cost of the business combination, the excess is accounted for as income in the Profit and Loss Account. Prior to recognizing the aforementioned income, the Company reassesses whether it has correctly identified and measured the identifiable assets acquired and the liabilities assumed, as well as the cost of the combination.

Subsequently, any liabilities and equity instruments issued as cost of the relevant business combination and any identifiable assets acquired and liabilities assumed will be accounted for in accordance with the relevant recognition and measurement standards applicable to the nature of the transaction or to the nature of the relevant asset or liability.

NOTE 5. CONSOLIDATION GOODWILL

Based on the above mentioned criteria, the breakdown of consolidation goodwill is as follows:

	31/12/2016	31/12/2017
Marketing Manager Servicios de Marketing, S.L.	276,461	276,461
Antevenio S.R.L.	3,686,847	3,686,847
Antevenio ESP, S.L.U.	81,027	81,027
Antevenio Publicite S.A.R.L.	2,269,585	2,269,585
React2Media, L.L.C. (see Note 26)	-	3,905,134
Total Cost	**6,313,920**	**10,219,054**

Each of the above mentioned goodwill arose in the consolidation of the relevant company. The directors have defined each of these companies as a Cash Generating Unit since they are separate businesses operating in different markets.

For estimating recoverable value, the Group management annually prepares a business plan by markets and activities for each cash-generating unit, these business plans typically extend over a five-year period. The main components of this plan are the projections of income and cash flows.

The key assumptions used in these projections of future results and cash flows and that have an impact on calculation of the recoverable amount are:

- The discount rate to be applied, estimated between 10% and 12%, this percen depends of geographic area; the main variables that influence the calculation are the cost of the liabilities and the specific risks of the assets.

- Cash flow estimates are based on past performance, accordingly the assumptions used by Directors included estimated profit margins.

- A perpetual growth rate of 1.4%, to reflect the industry's long-term average growth rate.

The projections are prepared based on past experience as well as the best available estimates, which are consistent with the information from external sources.

The five years strategic plan for the Group companies is approved by the Directors of the Parent Company.

At the close of financial year ended 31 December 2017, no circumstances have arisen that may imply changes to the assumptions used and conclusions reached by the Group at year-end 2016.

Sensitivity analysis

Directors consider that the key assumptions used in determining the recoverable amount for the purposes of impairment tests, are not likely to suffer any reasonably possible change that may result in the carrying amount of any cash generating unit exceeding its recoverable amount.

NOTE 6. INVESTMENTS IN COMPANIES CONSOLIDATED USING THE EQUITY METHOD

Dated 14 October 2016, the company Europermission, S.L was dissolved, wound up and terminated in compliance with the resolution passed by the Extraordinary and Universal General Meeting of Shareholders held on 26 June 2016; accordingly the Europermission, S.L. left the consolidation perimeter.

NOTE 7. PROPERTY, PLANT AND EQUIPMENT

In 2017 and 2016, the balances and movements of gross values, accumulated depreciation and impairment are as follows:

	01/01/2016	Recognition	Derecognition	31/12/2016	Recognition	Derecognition	31/12/2017
Cost:							
Technical installations, machinery, tools, furniture and other items of PPE	1,098,811	86,974	(35,271)	1,150,514	103,551	(224,884)	1,029,181
	1,098,811	**86,974**		**1,150,514**	**103,551**	**(224,884)**	**1,029,181**
Accumulated Depreciation:							
Technical installations, machinery, tools, furniture and other items of PPE	(823,054)	(101,536)	32,517	(892,073)	(88,862)	224,884	(756,051)
	(823,054)	**(101,536)**		**(892,073)**	**(88,862)**	**224,884**	**(756,051)**
Impairment							
Technical installations, machinery, tools, furniture and other items of PPE	(10,725)		4,145	(6,580)	-	-	(6,580)
	(10,725)	**-**		**(6,580)**	**-**	**-**	**(6,580)**
Net property, plant and equipment	**265,032**	**(14,562)**	**-**	**251,861**	**14,689**	**-**	**266,550**

The gross value of fully depreciated items in use is as follows:

	31/12/2016	31/12/2017
Technical installations, machinery, tools, furniture and other items of PPE	620,247	583,593
	620,247	**583,593**

The Group's entire property, plant and equipment is allocated to operations, appropriately insured and not subject to any encumbrance whatsoever.

The net carrying amount of items of property, plant and equipment located outside Spain amounts to 92,429 euro at December 31, 2017 (121,308 euro at December 31, 2016).

At 31 December 2017 and 31 December 2016 there were no firm purchase commitments for the acquisition of items of property, plant and equipment.

The policy of the Company consists in taking out insurance policies to cover the possible risks to which the various elements of its property, plant and equipment are subject. At 31 December 2017 and 31 December 2016, the assets of the Company were secured by an insurance policy. The Company's directors consider that this insurance policy sufficiently covers any risks associated to its property, plant and equipment.

NOTE 8. INTANGIBLE ASSETS

In 2017 and in 2016, the balances and movements of gross values, accumulated depreciation and impairment are as follows:

	01/01/2016	Recognition	Derecognition	31/12/2016	Recognition	Derecognition	31/12/2017
Cost:							
Industrial property	99,769	-	-	99,769	-	(34,613)	65,156
Computer software	3,717,225	165,606	(15,463)	3,867,369	83,511	(18,090)	3,932,789
	3,816,994	**165,606**	**(15,463)**	**3,967,138**	**83,511**	**(52,703)**	**3,997,946**
Accumulated Amortization:							
Industrial property	(99,769)	-	-	(99,769)	-	34,613	(65,156)
Computer software	(2,545,122)	(392,226)	24,728	(2,912,621)	(276,825)	18,090	(3,171,356)
	(2,644,891)	**(392,226)**	**24,728**	**(3,012,390)**	**(276,825)**	**52,703**	**(3,236,512)**
Impairment							
Computer software	(404,646)	-	143,089	(261,557)	-	-	(261,557)
	(404,646)	**-**	**143,089**	**(261,557)**	**-**	**-**	**(261,557)**
Net intangible assets	**767,457**	**(226,620)**	**152,354**	**693,191**	**(195,314)**	**-**	**499,876**

The net carrying amount of items of property, plant and equipment located outside Spain amounts to 220,133 euro at 31 December 2017 (215,372 euro at 31 December 2016).

The gross value of fully depreciated items in use is as follows:

	31/12/2016	31/12/2017
Industrial property	99,769	71,611
Computer software	2,728,005	1,559,637
	2,827,774	**1,631,248**

NOTE 9. OPERATING LEASES

In 2017 and 2016 the expense for operating leases amounted to 723,895 euro and 490,685 euro, respectively (see Note 18 d).

There are no commitments for future minimum payments under non-cancellable operating leases with a maturity of more than 5 years.

The main leases relate to offices located at Marqués de Riscal 11, Madrid, and to a lesser extent to offices leased in Italy, France and Mexico.

NOTE 10. CURRENT AND NON-CURRENT FINANCIAL ASSETS

The break-down of non-current financial assets is as follows:

	Receivables and other		Total	
	31/12/2016	31/12/2017	31/12/2016	31/12/2017
Loans and receivables (Note 10.2)	75,407	82,611	75,407	82,611
Total	**75,407**	**82,611**	**75,407**	**82,611**

The break-down of current financial assets is as follows:

	Current		Total	
	31/12/2016	31/12/2017	31/12/2016	31/12/2017
Cash and cash equivalents (Note 10.1)	6,852,272	5,219,018	6,852,272	5,376,101
Loans and receivables (Note 10.2)	7,831,343	8,960,703	7,831,343	8,960,703
Total	**14,683,615**	**14,179,721**	**14,683,615**	**14,179,721**

The carrying amount of loans and receivables is considered a reasonable approximation to the fair value thereof.

10.1) Cash and cash equivalents

This heading includes the fully liquid part of the Group´s assets and consists in the balances of cash in Treasury and with banks, as well as short-term bank deposits with an original maturity shorter than or equal to three months. These balances are freely available and are not subject to risks of changes in value.

The break-down of "Cash and Cash equivalents" is as follows:

	31/12/2016	31/12/2017
Current accounts	4,220,661	4,194,837
Treasury	1,706	1,730
Highly liquid deposits (a)	2,629,905	1,022,450
Total	**6,852,272**	**5,219,018**

(a) The above figures mainly relate to bank deposits with Bankia, amounting to 1,022,450 euros (300,000 euros at 31 December 2017); with Bankinter, amounting to 1,113,500 euros, and with Banco Popular, amounting to 1,216,405 euros at 31 December 2016. These deposits are available and payable on a day margin from cancellation.

In 2017, interests accrued from bank deposits and bank accounts amounted to 3,188 euro (21,092 euro in 2016) (see Note 18 e).

At 31 December 2017, cash in currencies other than euro amounted to 679,137 euro (218,470 euro at 31 December 2016).

10.2) Loans and receivables

The breakdown, in euro, of this heading is as follows:

	31-12-2016		31-12-2017	
	Non-current	Current	Non-current	Current
Trade receivables				
Third-party receivables	-	7,787,143	-	8,446,356
Total trade receivables	**-**	**7,787,143**	**-**	**8,446,356**
Trade receivables, Group companies				447,546
Total receivables Group companies				**447,546**
Non-trade receivables				
Guarantees and deposits	45,416		52,620	
Other assets	29,991	44,200	29,991	66,801
Total non-trade receivables	**75,407**	**44,200**	**82,611**	**66,801**
Total	**75,407**	**7,831,343**	**82,611**	**8,960,703**

The breakdown of the item "Receivables" is as follows:

Description	31/12/2016	31/12/2017
Trade receivables		
Trade balances	9,167,962	8,588,806
Volume discounts granted and pending settlement	(2,109,896)	(1,491,690)
Trade balances pending issue	729,077	1,349,240
Total	**7,787,143**	**8,446,356**

Changes resulting from impairment losses arising from credit risk, broken down by financial assets, were as follows:

Impairment	31/12/2015	Impairment loss	Impairment reversal	Application	31/12/2016	Impairment loss	Impairment reversal	Application	31/12/2017
Trade receivables									
Trade receivables	(1,213,569)	(779,347)	247,854	17,155	(1,727,907)	(746,070)	199,483	615,913	(1,658,581)
Total	**(1,213,569)**	**(779,347)**	**247,854**	**17,155**	**(1,727,907)**	**(746,070)**	**199,483**	**615,913**	**(1,658,581)**

The Group recognizes these changes in impairment losses under "Impairment losses on current assets" in the Consolidated Profit and Loss Account. During 2017, the amounts of impairment losses for which allowances were made in the past have been applied and written-off against receivable balances amounting to 615,913 euro.

10.3) Classification by maturity

The maturity of all of the different non-current financial assets is more than five years.

NOTE 11. NON-CURRENT AND CURRENT LIABILITIES

The breakdown of non-current liabilities, classified by category, is the following:

	Other		Total	
	31/12/2016	31/12/2017	31/12/2016	31/12/2017
Debts and payables (Note 11.1)	**731,492**	**2,622,635**	**731,492**	**2,622,635**
Total	**731,492**	**2,622,635**	**731,492**	**2,622,635**

The carrying amount of debts and payables is considered a reasonable approximation to the fair value thereof.

The breakdown of current financial liabilities, classified by category, is the following:

	Other current payables		Other		Total	
	31/12/2016	31/12/2017	31/12/2016	31/12/2017	31/12/2016	31/12/2017
Debts and payables (Note 11.1.1)	411,070	315,044	6,466,824	7,054,836	6,877,894	7,369,881
Total	**411,070**	**315,044**	**6,466,824**	**7,054,836**	**6,877,894**	**7,369,881**

11.1) Debts and payables

At 31 December 2017 and 31 December 2016 the breakdown of "Debts and payables" is as follows:

	Balance at 31/12/2016		Balance at 31/12/2017	
	Non-current	Current	Non-current	Current
Trade payables:				
Suppliers	-	4,800,718	-	5,123,037
Suppliers,groups	-	-	-	70,539-
Other trade payables	-	525,832	-	553,740
Total trade payables	**-**	**5,326,550**	**-**	**5,747,317**
Non-trade payables:				
Debts with financial institutions (3)	41,629	82,619	57,500	204,005
Other debts (1)	689,863	126,602	581,841	111,039
Debts with third parties (2) and (4)	-	201,850	1,983,294	-
Loans and other payables	**731,492**	**411,070**	**2,622,635**	**315,044**
Current payables, Group Companies (Note 17&25)	-	-	-	415,300
Personnel (outstanding remunerations)	-	986,428	-	711,319
Total non-trade payables	**-**	**986,428**	**-**	**1,126,618**
Other current liabilities	-	153,848	-	180,901
Other current liabilities	**-**	**153,848**	**-**	**180,901**
Total Debts and payables	**731,492**	**6,877,894**	**2,622,635**	**7,369,881**

(1) "Other debts" relates mainly to debts with Centro de Desarrollo Tecnológico Industrial (CDTI).

(2) As a result of the acquisition of an interest in Antevenio Publicité S.A.S.U., completed in prior years, the investee's management team was granted certain rights to the execution of which Antevenio S.A. was bound and the value of which would be based on Antevenio Publicité S.A.S.U. net profit/(loss) in 2015 and 2016, with a maximum payable amount of 1,500,000 Euros.

At 31 December 2016, the amount under "Debts to third parties" relating to the above mentioned agreement amounted to 192,678 euro, which are recognized under "Other current payables" in the Consolidated Statement of Financial Position.

In prior years and based on its best estimates, the Company had recognized the entire liability relating to this payable.

In 2016, the conditions set forth in the agreement were not fulfilled for which provisions relating to the relevant payment obligations had been made. Accordingly, the estimated amount payable has been adjusted using financial criteria, resulting in the reversal of provisions amounting to 1,132,404 euro, that has been recognized under "Other income / (loss)" in the 2016 Profit and Loss Account (see Note 18 h).

In 2017 the Company has settled the above mentioned outstanding amounts.

(3) The amount under "Debts with financial institutions" relates to the outstanding balance from CHASE facility granted to React2Media, bank credit cards and finance leases.

(4) At 31 December 2017, 1,983,294 Euros recognized under "Debts to third parties" relate to financial liabilities expressed in USD, arising from the business combination disclosed in Note 26 below.

11.2)Classification by maturity

At 31 December 2017, the breakdown by maturity of non-current financial liabilities, with either fixed or determinable maturity, is as follows:

	2019	2020	2021	2022	2023 onwards	Total
Non-current payables						
Debts with financial institutions	153,476	156,167	55,669	56,724	**217,305**	**639,341**
Other	321,473	792,007	869,814	-	-	**1,983,294**
Total	**474,949**	**948,174**	**925,483**	**56,724**	**217,305**	**2,622,635**

At year-end 2016, the classification by maturity of the different non-current financial liabilities with fixed or determinable maturity is as follows:

	2018	2019	2020	2021	2022 onwards	Total
Non-current payables						
Debts with financial institutions	81,608	112,300	118,396	54,727	364,461	**731,492**
Total	**81,608**	**112,300**	**118,396**	**54,727**	**364,461**	**731,492**

As stated under Note 12, at 31 December 2017 581 thousand euro recognized under "Other debts" relate mainly to zero interest or practically zero interest CDTI loans (689 thousand euros at 31 December 2016); accordingly future payments relate to payment of the principal amount thereof.

Furthermore, the amount recognized under "Other non-current liabilities" relating to the business combinations, includes 1,983 thousand euros in estimated future payments.

NOTE 12. INFORMATION ON THE NATURE AND LEVEL OF RISK FROM FINANCIAL INSTRUMENTS

The Group's activities are exposed to various types of financial risks, particularly to credit, liquidity and market risks (exchange rate, interest rate and other price risks).

Interest Rate Risk

As disclosed in Note 16 below, the subsidiary Código Barras Networks, S.L.U. was granted by Centro de Desarrollo Tecnológico Industrial (CDTI), a zero-interest loan as contribution to the development of the Research and Development project called "Extractor and automatic data classifier for virtual stores on the Web."

As disclosed in Note 16, the subsidiary Mamvo Performance, S.L. was granted a loan by Centro para el Desarrollo Tecnológico Industrial (CDTI) on a subsidised interest rate, as collaboration in the development of the Research and Development project called "New System of Personalised Digital Advertising through Machine Learning Techniques and through Advanced Algorithms for Data Processing."

Additionally, as previously stated under note 11.1, the company Readt2Media has at 31 December 2017 a credit facility granted by the financial institution CHASE, bearing interest at 8.12% + LIBOR and with a credit limit of USDm 7.5, of which EURk 124 had been drawn.

Based on all the foregoing, the Group's external financing needs are limited, and a change in the interest rate of the debt to the financial institution CHASE would not be significant. Accordingly, as at the date hereof, the Group has not entered into interest rate hedging transactions.

Exchange rate risk

The Group tries to finance foreign currency-denominated non-current assets in the same currency in which the asset is denominated. This is particularly true in the case of acquisitions of companies with assets denominated in currencies other than the euro.

At 31 December 2017, net losses arising from foreign exchange differences amounted to 19,815 euros (net gains amounting to 116,102 euros at 31 December 2016).

Liquidity Risk

The Group permanently pays attention to the evolution of the different factors that can help to resolve liquidity crisis and, in particular, to the funding sources and their characteristics.

In particular, we can summarize the points which are our main focus of attention:

- Liquidity of monetary assets: surplus is always invested on highly available and very short maturities. At December 31, 2017, the amount of cash and cash equivalents is 5,376,101 euro (6,852,272 euro at 31 December 2016).

- The working capital is positive at 31 December 2017 amounting to 5,848,167 euro (6,894,409 euro at 31 December 2016).

Credit risk

The Group has no significant concentration of credit risk, exposure being spread over a large number of counterparties and customers.

The Group's main financial assets are cash and cash equivalents, trade and other receivables, and investments which represent the Group's maximum exposure to credit risk in relation to financial assets.

The Group's credit risk is primarily attributable to its trade receivables. The Consolidated Statement of Financial Position includes the amounts, net of provisions for insolvencies, estimated by the Group's management based on prior years' experience and their assessment of the current economic scenario.

The Group has no significant concentration of credit risk, exposure being spread over a large number of counterparties and customers.

Competition Risk

In an industry constantly evolving and offering high growth rates, new players have entered the markets where Antevenio operates. However, given the experience of over fifteen years in this market, the position and visibility of the Antevenio Group and the quality of our services, Directors believe the Group will continue holding a leading position.

Customer and Supplier Dependency Risk

The risk of dependency on customers and suppliers is limited because none bears significant weight in the turnover.

Customers include media agencies that work in turn with many advertisers, which further dilutes the customer dependency risk.

With regard to technology providers, the risk is small because the services provided by these companies are offered by other actors competing with them and which could, therefore, provide Antevenio with similar services.

"Key-Person" Risk

One of the Antevenio Group main assets is that the Group was able to gather a team of managers and key executives in strategic positions of the Group.

Personal Data Processing Risk

In ordinary course of its business, Antevenio Group performs a number of personal data processing both as Data Processor and as Data Comptroller.

Antevenio Group is deeply aware of the importance of the regulations governing personal data, electronic communications, privacy and commercial communications, and uses all available means to achieve a scenario of utmost compliance therewith.

The legal framework governing the company's business and its operations is formed by the following regulations:

1) Organic Law 15/1999, of 13 December, on Personal Data Protection (in force, at least, until 25 May 2018).

2) Royal Decree 1720/2007, of 21 December, approving the Implementing Regulations of Organic Law 15/1999, of 13 December, on Personal Data Protection (in force, at least, until 25 May 2018).

3) Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation).

4) Draft Organic Law on Personal Data Protection.

5) Law 34/2002, of 11 July, on Information Society Services and Electronic Commerce.

6) Proposal, dated 10 January 2017, for a Regulation of the European Parliament and of the Council concerning the respect for private life and the protection of personal data in electronic communications and repealing Directive 2002/58/EC (Regulation on Privacy and Electronic Communications).

7) Guides, guidelines and other relevant materials issued by the Spanish Data Protection Agency and the so-called Article 29 Working Group on Data Protection.

Antevenio Group is currently in the process of adaptation to the existing and upcoming regulations, by way of the creation and implementation of privacy management system (PMS) and the permanent monitoring thereof by the Legal and Privacy team.

Antevenio Group is aware of the increased regulations concerning the digital marketing business, and has engaged two providers (INT55 and DELOYERS) to promote legal compliance and to provide assistance in the event of any incident occurring.

NOTE 13. EQUITY

The breakdown of consolidated equity is as follows:

	31/12/2016	31/12/2017
Registered share capital of the Parent Company:	**231,412**	**231,412**
Reserves:	**11,738,788**	**12,638,084**
Of the Parent Company	9,351,514	8,137,761
From fully consolidated companies and from companies consolidated using the equity method	2,387,274	4,500,323
(Own shares)	**(513,805)**	**(513,805)**
Other equity instruments	**1,022,700**	**1,022,700**
Profit/(Loss) for the year attributable to the Parent Company	**2,097,203**	**2,338,309**
Translation differences	**(166,780)**	**(269,395)**
	14,409,519	**15,447,305**

13.1)Capital

At 31 December 2017 and 31 December 2016, the capital of the Parent Company is represented by 4,207,495 shares of 0.055 euro each, entirely subscribed and paid in. These shares have equal voting and dividend rights.

The company Inversiones y Servicios Publicitarios, S.L. (ISP) holder at 31 December 2015 of a 18.68% interest in Antevenio S.A. share capital, represented by 785,905 nominal value shares of 0.055 euros each, purchased on 3 August 2016 the shares from the Company’s founder and CEO, Mr. Joshua David Novick, who owned a 11.89% interest in the Company’s share capital, represented by 500,271 nominal value shares of 0.055 euros each, at a price of 6 euros per share.

Subsequent to the above mentioned shareholding change, ISP launched a Voluntary Public Offer Bid on the remaining Company's shareholders that was accepted by 1,360,806 shares, representing 32.34% of Antevenio S.A. share capital, at a purchase price of 6 Euros each. The company Aliada Investment B.V. has thereafter transferred its shares in the Company to ISP; accordingly, ISP currently controls 83.09% of Antevenio SA share capital.

At 31 December 2017 and at 31 December 2016, direct and indirect shareholders of the Company were as follows:

	No. of Shares	% Ownership
ISP Digital SLU	3,496,008	83.09%
Others	454,407	10.80%
Nextstage	257,080	6.11%
Total	**4,207,495**	**100.00%**

13.2)Parent Company Reserves

The breakdown of reserves is as follows:

	31/12/2016	31/12/2017
Legal reserve	46,282	46,282
Voluntary reserves	1,115,444	(87,300)
Prior periods' losses	-	(11,009)
Share premium	8,189,787	8,189,787
Total	**9,351,513**	**8,137,760**

The legal reserve has restrictions of use, which is subject to several legal provisions. In accordance with the Corporations Law, commercial companies obtaining, under the said legal form, benefits are under the obligation of allocating 10% of benefits to the legal reserve, until the reserve reaches one fifth of the registered share capital. The legal reserve may only be used to offset losses; for capital increases, in the 10% portion exceeding the increased capital; and, for distribution to shareholders upon liquidation. At 31 December 2017 and 31 December 2016, the Parent Company's legal reserve is fully allocated. Additionally, there are legal reserves in subsidiaries amounting to 30 thousand euros that have been recognized under "Reserves from Consolidated Companies", subject to the above mentioned restrictions.

Share Premium

The Corporations Law expressly permits the use of the share premium balance for capital increases and does not establish any specific restriction as to the availability of that balance.

Voluntary Reserves

These are unrestricted reserves generated by the Parent Company as a result of prior years' income not distributed.

In 2017 a dividend was distributed with a charge against these unrestricted reserves (see Note 3).

Own Shares

The Extraordinary General Meeting of Shareholders of the Parent Company authorized on 25 June 2014 the acquisition of up to 10% of the Company's share capital in at a minimum price of 1 euro per share and a maximum price of 15 euro per share; the authorization was granted for a period of 18 months as from the date of the resolution.

The General Meeting of Shareholders of the Parent Company authorized on 28 June 2017 the acquisition of up to 10% of the Company's share capital in at a minimum price of 2 euro per share and a maximum price of 15 euro per share; the authorization was granted for a period of 18 months as from the date of the resolution. At 31 December 2017 no further purchases of own shares have been completed.

On 29 January 2015, the Parent Company purchased 190,000 own shares at a unit price of 2.59 Euros.

At 31 December 2017 and at 31 December 2016, the Parent Company held 198,348 shares representing 4.7% of share capital. At 31 December 2017 and at 31 December 2016 these treasury shares amounted to 513,805 Euros.

In 2016 and 2017 the Parent Company did not execute any transaction with treasury shares.

At 31 December 2016 and 2017 the breakdown of treasury shares is follows:

	Balance at 12/31/2016		Balance at 12/31/2017	
Company	No. of Shares	Cost	No. of Shares	Cost
Antevenio S.A.	198,348	513,805	198,348	513,805
	198,348	**513,805**	**198,348**	**513,805**

Capital Management

The Group's objective regarding capital management is to maintain an optimal financial structure that reduces the capital cost while ensuring the ability to continue to manage its operations, always with the objective of growth and creation of value. This Group's objective is not officially defined nor have parameters thereto been set by the Board of Directors.

The main sources used by the Group to finance its growth are:

- The cash flows generated by the Group.
- The cash available at year-end.
- Existence of positive working capital.

The capital structure is controlled by the leverage ratio, calculated as net financial debt to equity. The Group mainly has debt with financial entities due to the amounts drawn from a credit facility and to finance leases in 2017 in the amount of 37,739 Euros (61,853 Euros in 2016).

NOTE 14. TRANSLATION DIFFERENCES

Changes in the balance of this item between 31 December 2016 and 31 December 2017 were as follows:

	31/12/2016	31/12/2017
Opening balance	**(98,296)**	**(166,780)**
Net change during the reporting period	(68,484)	(102,615)
Closing balance	**(166,780)**	**(269,395)**

Translation differences are generated by companies with registered address abroad and functional currency other than the euro. Specifically, these currencies are the American dollar and the Mexican peso.

Translation differences have recognized net of tax effect, in accordance with IAS 12 requirements.

NOTE 15. EQUITY INSTRUMENTS-BASED PAYMENT TRANSACTIONS.

On 25 June 2015 the Annual General Meeting of the Parent Company approved a remuneration plan consisting in remuneration system, options on shares, linked to the value of the Company's shares, for certain Executive Directors and Managers and Employees of the Parent Company.

The following terms were approved:

(i) the maximum number of shares that can be granted cannot exceed 190,000 shares;
(ii) the exercise or delivery price or the calculation method for exercise or delivery shall be the market value of the share on the day of exercise or delivery;
(iii) the value of the shares shall be 2.59 euro per share; and
(iv) the plan will be in force for a maximum term of two years and six months.

Additionally, the AGM delegated to the Board of Directors of the Parent Company the development, settlement, clarification and interpretation of the terms of the remuneration plan, that was approved by the Board of Directors on 16 December 2015.

Changes in existing options were as follows:

	31/12/2016		31/12/2017	
	Number	**Weighted average price**	**Number**	**Weighted average price**
Granted options (+)	190,000	2.59	190,000	2.59
Options at the end of the year	190,000	2.59	190,000	2.59

On 16 November 2016 the Annual General Meeting approved a remuneration plan (2016 Plan) consisting in remuneration system, linked to the value of the Company's shares, for certain Executive Directors and Managers and Employees of the Company.

The following terms were approved:

(i) the maximum number of shares that can be granted cannot exceed 125,000 shares;
(ii) the exercise or delivery price or the calculation method for exercise or delivery shall be the market value of the share on the day of exercise or delivery;

(iii) shares shall be awarded free of charge; and
(iv) the plan will be in force up to 30 June 2019.
(v) eligible employees shall stay in the Company during the entire above mentioned term

Additionally, the AGM delegated to the Board of Directors of the Company the development, settlement, clarification and interpretation of the terms of the remuneration plan, that was approved by the Board of Directors on 16 November 2016.

Changes in the above mentioned options were as follows:

	31/12/2016		31/12/2017	
	Number	Weighted average price	Number	Weighted average price
Granted options (+)	125,000	-	125,000	-
Options at the end of the year	125,000	-	125,000	-

At 31 December 2016, the value of 2015 Plan shares (278,160 Euros) has been recognized as a personnel expense in the Profit and Loss Account as vested over the period defined as the minimum required time in the Company's employ for the exercise of the option, and are also recognized with an offsetting entry in equity without reassessing the initial measurement thereof. The 2015 Plan contemplated launching in 2016 a Public Takeover Bid on the Company's shares (see Note 13.1) among the requirements for the early exercise and accrual of the relevant options. Accordingly, the remaining amounts have been entirely recognized. At 31 December 2016, the effect thereof on the Company's equity amounted to 347,700 Euros recognized under "Other equity instruments".

At 31 December 2016, the value of 2016 Plan shares (675,000 Euros) has been entirely recognized, in accordance with the principle of prudence, as a personnel expense during the reporting period where the agreement was entered into, irrespective of the minimum required stay in the Company. Since the offsetting entry is an increase in own funds ("Other equity instruments"), there is no impact whatsoever on the Equity of Antevenio SA and its subsidiaries.

NOTE 16. DEFERRED INCOME

The subsidiary Código Barras Networks, S.L.U. has obtained from Centro de Desarrollo Tecnológico Industrial (CDTI), a zero-interest loan as contribution to the development of the Research and Development project called "Extractor and automatic data classifier for virtual stores on the Web." Of the amount received, 15% was non-refundable and was therefore recognized as capital grants.

Regarding the zero-interest loans, an interest-rate subsidy was recognized as the difference between the amount received and the fair value of the debt, determined by the actual value of payments due discounted at market rate.

In 2013, the Company recognized the impairment of intangible assets associated with this zero-interest loan due to technological obsolescence, and adjusted accordingly the amounts pending to be taken to income from both from the capital grant and the interest-rate subsidy by recognizing an income under "Other income" in the Consolidated Profit and Loss Account.

During 2015, the company Mamvo Performance, S.L. was granted a loan from Centro para el Desarrollo Tecnológico Industrial (CDTI) on a subsidized interest rate as collaboration in the development of the Research and Development project called "New System of Personalized Digital Advertising through Machine Learning Techniques and Advanced Algorithms for Data Processing." for a total amount of 563,178 Euros, comprising a non-refundable tranche amounting to 99,379 Euros and a refundable tranche amounting to 463,768 Euros as subsidized interest rate loan. On 18 October 2016 the final instalment of the granted loan was received.

Regarding the subsidised interest rate loan, it revealed an interest rate subsidy, the difference between the amount received and the fair value of the debt, determined by the actual value of payments payables discounted at market interest, having recorded in the Consolidated Balance of Financial Position the amount of 35,836 Euros.

In 2016, 99,379 Euros recognized under "Other income" in the Profit and Loss Account related to the non-refundable tranche of the grant awarded to Mamvo Performance, S.L., as the necessary expenses were completed for which the grant had been awarded.

NOTE 17. TAXATION

The breakdown of the balances with Public Entities is as follows:

31/12/2017	Receivables	Payables
Current:		
Value Added Tax	151,721	(980,771)
Recoverable Taxes	306,403	-
Withholdings and payments on account of Income Tax	1,675	-
Assets arising from deductible temporary differences (*)	377,759	-
Tax loss carryforwards (*)	919,048	-
Deferred tax liabilities (*)	-	(11,945)
Deductions arising from Personal Income Tax	-	(157,946)
Other payables to Public Entities	-	(5,973)
Income Tax	-	(68,418)
Social Security	-	(252,484)
	1,756,605	**(1,477,537)**

31/12/2016	Receivables	Payables
Current:		
Value Added Tax	8,095	(794,124)
Recoverable Taxes	611,511	-
Withholdings and payments on account of Income Tax	-	-
Assets arising from deductible temporary differences (*)	775,260	-
Deferred tax liabilities (*)	-	(193,643)
Tax loss carryforwards (*)	479,864	-
Deductions arising from Personal Income Tax	-	(347,944)
Other payables to Public Entities	-	(5,973)
Income Tax	-	(84,990)
Social Security	-	(242,943)
	1,874,730	**(1,669,617)**

(*) Amounts recognized under non-current assets in the Consolidated Statement of Financial Position

The Board of Directors informed, at the meeting held on 30 December 2016, that the company Inversiones y Servicios Publicitarios, S.L. ("ISP") owns a 83.09% interest in the share capital of Antevenio (see Note 13) and that, pursuant to the provisions of Article 61.3 of Law 27/2014, of 27 November, on Corporate Income Tax and having regard to the fact that Antevenio S.A. no longer was the parent company of taxation group 0212/2013 sin ISP had acquired an interest exceeding 75% of the share capital and voting rights in Antevenio, the Board had approved including the Company, effective from the taxation period beginning of 1 January 2017, as a subsidiary of taxation group 265/10, whose parent company is ISP.

Group companies with registered address in Spain paid in 2016 taxes under the Special Consolidated Tax Regime within the Group led by the Parent Company.

Income Tax expense for the Consolidated Group is calculated as the sum of the Income Tax expense from all Companies, adjusted to the applicable consolidation adjustments. The tax bases are calculated from the profit/(loss) for the year as adjusted for any temporary differences, any permanent differences and tax losses from prior years.

Income Tax is calculated by applying the tax rates in force in each of the countries where the group operates. The main types are:

Tax rate	2017	2016
Spain	25.00%	25.00%
Italy (*)	31.40%	31.40%
France	33.33%	33.33%
Mexico	30.00%	30.00%
Argentina	35.00%	35.00%

(*) Average tax rate accrued in Italy

The reconciliation of Corporate Income Tax expense and pre-tax profit or loss is as follows:

Profit and Loss Account	Spain 2016	Spain 2017
Profit / (Loss) before taxes	**1,215,749**	**5,416,202**
Permanent differences	(1,076,545)	(2,803,535)
Tax liability	34,801	653,167
Tax credits	(17,042)	-
Monetizations	(161,610)	-
other	32,910	25,403
Tax loss carry forwards adjustment	(238,553)	(284,631)
Domestic CIT payable or receivable	**(349,494)**	**393,939**
International Corporation Tax Expense	230,359	176,728
International Corporation Tax Income		(155,274)
International CIT payable or receivable	**230,359**	**21,454**
CIT receivable	**(119,135)**	**415,393**

The breakdown by company of corporate income tax expense, distinguishing current and deferred taxes, is as follows:

	31/12/2016	31/12/2017
Current taxes	(95,865)	(855,298)
Deferred taxes	215,001	439 905
Total Corporate Income Tax expense	**119,135**	**(415,393)**

According to current legislation, tax losses may be offset against taxable profits obtained as per local regulations. At 31 December 2017 the Group has the following tax loss carry forwards to offset tax:

Year of origination	Company	Euros
2008	Marketing Manager Servicios de Marketing	72,977
2009	Marketing Manager Servicios de Marketing	6,229
2011	Mamvo Performance	177,850
2012	Mamvo Performance	592,820
2013	Grupo Antevenio	3,920
2014	Grupo Antevenio	678,753
2015	Grupo Antevenio	36,366
2009	Antevenio Publicité	316,193
2010	Antevenio Publicité	316,309
2011	Antevenio Publicité	720,193
2012	Antevenio Publicité	372,020
2017	Antevenio Publicité	184,950
2010	Antevenio France	204,964
2011	Antevenio France	306,103
2012	Antevenio France	133,564
2013	Antevenio France	99,984
2014	Antevenio France	7,321
2015	Antevenio France	5,596
2017	Antevenio S.R.L. (Italy)	193,381
		4,429,493

(*)From 1 January 2013, the Group companies with registered address in Spain file consolidated income tax returns.

At 31 December 2017, the Group has activated tax loss carryforwards amounting to 813,434 Euros as tax credits to be offset in future years.

Deferred taxes

The breakdown of changes in deferred tax assets between 31 December 2016 and 31 December 2017 is as follows:

	31/12/2016	Charge / (credit) to income	31/12/2017
Tax credits	479,864	439,184	919,048
Temporary differences Assets	775,260	(21,286)	753,974
Temporary differences Liabilities	(193,643)	(182,571)	(376,214)
Total deferred tax assets	**1,061,481**	**417,898**	**1,296,808**

The breakdown of tax credits is as follows:

	31/12/2016	31/12/2017
Companies included in the consolidated tax group	193,410	478,041
Companies with registered address abroad	286,453	441,007
Total tax credits	**479,864**	**919,048**

The above mentioned deferred tax assets have been recognized in the Consolidated Statement of Financial Position as Directors consider that, according to the best estimates of future earnings for companies in the Group, including certain measures of fiscal planning, these assets are likely to be recovered.

Additional disclosures

Under current legislation, taxes cannot be regarded as definitive until the returns have been inspected by the tax authorities or the statute of limitations period of four years has elapsed. At the close of financial year ended 31 December 2017, the Group's Spanish companies had 2012 and subsequent years open for review by the tax authorities for Income Tax and 2013 and subsequent years for the main taxes applicable to it. Companies with registered address abroad have open to inspection any tax returns currently non-statute-barred according to the respective local regulations. Directors consider the above mentioned tax returns to be appropriately filed and settled; accordingly, even in the case of discrepancies in the construction of the existing regulations for the tax treatment of the transactions, any resulting liabilities, were they to materialize, will not significantly affect the attached Consolidated Financial Statements.

NOTE 18 REVENUE AND EXPENSES

a) Revenue

The breakdown of revenue by activity is as follows:

Type of Activity	31/12/2016	31/12/2017
Online Advertising	24,239,974	26,716,172
Technology services	1,138,610	1,883,040
Total revenue	**25,378,584**	**28,599,212**

b) Supplies

The entire balance of this item relates to "Operating Expenses."

c) Personnel Expenses

The breakdown of this heading in the attached Consolidated Profit and Loss Account is as follows:

	31/12/2016	31/12/2017
Wages and salaries	(6,960,140)	(8,271,185)
Termination benefits	(76,956)	(98,708)
Other equity instruments costs	(953,160)	-
Social security payable by the Company	(1,554,998)	(1,750,519)
Employee benefits expense	(218,681)	(89,431)
Total personnel expenses	**(9,763,936)**	**(10,209,842)**

d) External Services

The breakdown of this heading in the attached Consolidated Profit and Loss Account is as follows:

	31/12/2016	31/12/2017
Research and development expense in the reporting period	-	(96,258)
Leases and royalties (Note 9)	(490,685)	(723,895)
Repairs and maintenance	(17,648)	32,758
Independent professional services	(1,201,375)	(1,119,285)
Transport	(38,356)	(51,457)
Insurance premiums	(65,805)	(155,621)
Banking and similar services	(36,534)	(24,258)
Advertising, publicity and public relations	(255,441)	(328,222)
Utilities	(233,034)	(185,066)
Other services	(362,872)	(380,927)
	(2,701,749)	**(3,032,232)**

e) Other finance and similar income

The breakdown of this heading in the Consolidated Profit and Loss Account is as follows:

	31/12/2016	31/12/2017
Finance income from accounts and similar	21,092	16,109
	21,092	**16,109**

f) Finance Expenses

The breakdown of this heading in the Consolidated Profit and Loss Account is as follows:

	31/12/2016	31/12/2017
Debts and similar expenses	(70,869)	(87,013)
	(70,869)	**(87,013)**

g) Changes in working capital provisions

This detail is included in Note 10.2

h) Other income / (loss)

In 2016, the conditions set forth in the agreement entered into with the Management Team of the investee Antevenio Publicité in previous years, were not fulfilled for which provisions relating to the relevant payment obligations had been made. Accordingly, the estimated amount payable has been adjusted using financial criteria, resulting in the reversal of provisions amounting to 1,132,404 euro, that has been recognized under "Other income / (loss)" in the 2016 Profit and Loss Account (see Note 11.1).

NOTE 19. PROVISIONS AND CONTINGENCIES

Changes in provisions were as follows:

	31/12/2016	Allowance	Application/Reversal	31/12/2017
Provisions for other liabilities	149,259	-	(18,079)	131,180
	149,259	**-**	**(18,079)**	**131,180**

This item relates mainly to provisions for the remuneration of personnel arising from Antevenio S.R.L. in compliance with the existing Italian labor-related regulations and amounting to 131,180 euros (149,259 Euros at 31 December 2016).

Net book value of intangible assets located outside Spain amounts to 231,306.67 euros at 31 December 2017 (53,812 euros at 31 December 2016).

NOTE 20. ENVIRONMENTAL INFORMATION

The Group´s companies have no significant assets nor have incurred in expenses intended to minimize environmental impact or to protect and improve the environment. Furthermore, there are not provisions for risks and expenses, nor contingencies related to the protection and improvement of the environment.

NOTE 21. EVENTS AFTER THE REPORTING PERIOD

There are no significant events to be reported after the close of the financial year ended 31 December 2017.

NOTE 22. COMPENSATION AND INTERESTS OF AND BALANCES WITH DIRECTORS OF THE PARENT COMPANY

22.1) Balances and Transactions with Directors and Senior Management

The individuals classified as High Management are also Directors of the Parent Company.

The amounts accrued by the Directors or by members of Senior Management, under all headings, are as follows:

	High Management	
	31/12/2016	31/12/2017
Wages and salaries	457,832	436,702
Total	**457,832**	**436,702**

In addition to these amounts, accrued remunerations arising from share-based payments disclosed under Note 18 c should be included. At 31 December 2017 and 31 December 2016, there are no commitments for pension supplements, guarantees or sureties extended to Directors, nor loans or advances granted to Directors.

22.2) Other disclosures related to the Board of Directors

In compliance with the provisions of Section 229 of the Spanish Corporations Law, Directors and the related parties referred to in Section 231 of the Spanish Corporations Law, have not entered into situations of conflict of interests.

NOTE 23. OTHER INFORMATION

The average number of persons employed by the Group, broken down by category, is as follows:

	31/12/2016			31/12/2017		
	Men	Women	Total	Men	Women	Total
Management	11	2	13	12	4	16
Administrative	7	15	21	7	14	21
Commercial	22	25	47	26	25	51
Production	43	48	91	51	55	106
	83	**89**	**172**	**96**	**98**	**194**

The number of persons employed by the Group at the end of the reporting period and at the end of prior periods, by category, is as follows:

	31/12/2016	31/12/2017
Management	12	16
Administrative	20	21
Commercial	57	56
Production	98	106
	187	**199**

The average number of persons with disabilities equal to or exceeding thirty three percent employed by the Group, broken down by category, is as follows:

	31/12/2016	31/12/2017
Commercial	1	1
Production	1	1
	2	**2**

In 2017 the fees earned by the auditors of the consolidated group totalled 51,800 euro (44,000 euro in 2016).

In compliance with Law 15/2010, of 5 July, amending Law 3/2004, of 29 December, establishing measures to combat late payment in commercial transactions, details of the average period for payment to suppliers:

	2016 Days	2017 Days
Average period of time for payment to suppliers	57.45	49.60
Percentage of paid transactions	57.61	48.80
Percentage of transactions pending payment	56.78	55.72
	Amount (euro)	**Amount (euro)**
Total payments made	5,955,268	7,071,444
Total payments pending	1,473,506	363,293

NOTE 24. SEGMENT REPORTING

The distribution of net turnover corresponding to the ordinary business activities of the Group, by activity categories, as well as by geographical markets is as follows:

By customer (31/12/2017)	Total
Online Advertising	26,716,172
Technology services	1,883,040
Total revenue	**28,599,212**

By customer (31/12/2016)	Total
Online Advertising	24,239,974
Technology services	1,138,610
Total revenue	**25,378,584**

Distribution of Sales and Costs to Sell by Territory

Distribution / Sales	Consolidated Amount 31/12/2016	Consolidated Amount 31/12/2017
Spain	11,498,808	13,765,047
Europe and Latin America	13,879,776	14,834,165
Total Sales Distribution	**25,378,584**	**28,599,212**

Distribution of Costs to Sell	Consolidated Amount 31/12/2016	Consolidated Amount 31/12/2017
Spain	(4,461,349)	(4,438,468)
Europe and Latin America	(6,654,597)	(7,186,329)
Total Costs Distribution	**(11,115,946)**	**(11,624,797)**

Consolidated Profit and Loss Account broken down by category of activity

	31/12/2017			31/12/2016		
	Online Advertising	Rendering of Technology Services	**Total**	Online Advertising	Rendering of Technology Services	**Total**
Revenue	26,716,172	1,883,040	**28,599,212**	24,239,974	1,138,610	**25,378,584**
Other operating income	77,530	0	**77,530**	223,242	0	**223,242**
Supplies	(11,195,895)	(428,902)	**(11,624,797)**	(11,004,931)	(111,015)	**(11,115,946)**
Other operating expenses	(2,259,720)	(772,5129	**(3,032,232)**	(3,071,411)	(161,831)	**(3,233,242)**
Amortization and depreciation	(223,342)	(142,3449	**(365,687)**	(206,119)	(139,721)	**(345,840)**
Personnel expenses	(9,663,684)	(546,1589	**(10,209,842)**	(9,170,641)	(593,295)	**(9,763,936)**
Other income / (loss)	(336,2799	(101,0839	**(437,362)**	1,304,668	(182,8249	**1,121,844**
Operating profit / (loss)	3,114,782	(107,959)	**3,006,823**	2,314,782	(50,076)	**2,264,706**
Net Finance Income	(89,913)	(806)	**(90,719)**	(163,488)	(1,119)	**(164,607)**
Profit / (loss) before income tax	3,024,869	(108,766)	**2,916,104)**	2,151,294	(51,196)	**2,100,099**
Income Tax	(415,393)		**(415,393)**	119,135	0	**119,135**
Other taxes	(159,3079	(3,095)	**(162,401)**	(138,201)	16,171	**(122,030)**
Profit/(loss) for the year	2,450,169	(111,860)	**2,338,309**	2,132,229	(35,025)	**2,097,204**

NOTE 25. RELATED PARTY TRANSACTIONS

As a result of the changes in shareholding occurred during 2016 and detailed in Note 13.1 above, the company ISP Digital S.L.U. has become the majority shareholder of Antevenio Group; accordingly, the following subsidiaries of ISP Digital SLU have become related parties:

Company / Group	Relation
Digilant Group	*Subsidiary of ISP Group*
ISP Digital Group	*Parent Company*
Acceso Group	*Subsidiary of ISP Group*

At 31 December 2017 and 31 December 2016 the balances withe related parties were as follows:

RELATED PARTY (31 December 2017)	BALANCE RECEIVABLE	BALANCE PAYABLE
ACCESO	122,386	(50,512)
DIGILANT	228,361	(20,027)
ISPD	96,800	-
ISP (Income tax)	-	(415,299)
TOTAL RELATED PARTIES	**447,547**	**(485,838)**

RELATED PARTY (31 December 2016)	BALANCE RECEIVABLE	BALANCE PAYABLE
ACCESO COLOMBIA	10,392	-
ACCESO MÉXICO	-	(4,448)
ACCESO GROUP	-	(4,889)
DIGILANT INC	39	-
DIGILANT ITALY	2,440	-
DIGILANT SA DE CV	3,130	-
DIGILANT SPAIN	112,005	(104,556)
TOTAL RELATED PARTIES	**128,006**	**(113,892)**

The breakdown of transactions with related parties during 2017 and during 2016 is as follows:

2017	ACCESO COLOMBIA	DIGILANT SA DE CV	ACCESO GROUP	DIGILANT SPAIN	ISP DIGITAL	DIGILANT USA	ACCESO PANAMÁ
Sales	179,635	135	1,345	116,922	-	2,923	424
Purchases	(104,100)	(1,881)	(17,180)	(68,319)	-	-	-
Services rendered	-	-	9,000	-	80,000	-	-
Services received	-	-	(12,600)	-	-	-	-
Total	75,535	(1,746)	(19,435)	48,603	80,000	2,923	424

2016	DIGILANT INC	ACCESO COLOMBIA	DIGILANT ITALY	DIGILANT SA DE CV	ACCESO GROUP	ACCESO MÉXICO	DIGILANT SPAIN
Sales	-	10,392	6,000	2,722	-	-	92,124
Purchases	-	(6,557)	-	-	-	(6,268)	(129,991)
Services rendered	228	-	-	-	-	-	-
Services received	-	-	-	-	(5,250)	-	-
Total	**228**	**3,835**	**6,000**	**2,722**	**(5,250)**	**(6,268)**	**(37,867)**

NOTE 26. BUSINESS COMBINATIONS

On 22 June 2017 the Parent Company has completed the acquisition of 51% of the shares in the US company React2Media, L.L.C for a consideration of 2,250,000 dollars (2,022,275 euros); the entire amount of the consideration was paid to the counterparty on 23 June 2017. This company will thereafter be included within the consolidation scope and fully consolidated.

React2Media, L.L.C has its registered address at 35 W 36th St, New York, NY 10018, USA; and its corporate purpose is the provision of a comprehensive service of on-line advertising networks, offering a complete array of interactive marketing opportunities to media agencies, direct advertisers and editors. The main reason supporting the acquisition is the entry of Antevenio Group in the United States market drawing on the market position and knowledge of the investee. Antevenio Group intends to provide the investee with its other business lines in order to generate positive synergies.

Both the Group and the selling shareholders have mutually granted themselves unconditional put option rights and call option rights over the remaining 49% shares in the investee, which may be exercised within the same term and for the same amount. These options have a floating price based on certain parameters relating to the investee's performance over financial years 2018, 2019 and 2020; however, total acquisition value may not exceed 8.5 million dollars (of which 2.25 million dollars have already been paid for the acquisition of 51% of shares). Sale price is subject to the fulfilment of certain continuance conditions by the sellers.

In accordance with the International Financial Reporting Standards and based on the existence of cross put and call options with the same value and the same exercise period, the transaction has been treated as an early acquisition of a non-controlling interest pursuant to the requirements of *IAS 32 Financial Instruments: Presentation*, which provides that a contractual obligation to deliver cash to another entity is a financial liability.
The amount recognized at 31 December 2017 as a financial liability relates to the best estimate, as of the date of preparing these Consolidated Financial Statements, of the expected amount to be paid; the fair value of this financial liability has been measured at 1.94 million Euros, recognized under "Other non-current liabilities".

The ordinary income and profit/(loss) contributed by the investee during the period between the acquisition date, 22 June 2017, and 31 June 2017 were not material. Should the acquisition had taken place at 1 January 2017.

The breakdown of the consideration given, measured as the fair value of net assets and goodwill acquired, is as follows:

Fair value of the consideration given	**Euros**
Cash paid	2,102,903
Put options granted to minority interests	1,933,648
Contingent consideration	35,004
Total consideration given	**4,071,555**
Net identifiable assets acquired	
Non-current investments	38,462
Intangible assets	2,312
Trade and other receivables	1,198,620
Cash	109,457
Debts with financial institutions	(256,188)
Other debts	(13,429)
Trade and other payables	(912,813)
Fair value of net identifiable assets acquired	**166,421**
Goodwill (Note 5)	**3,905,134**
Consideration paid in cash	(2,102,903)
Cash and cash equivalents acquired	109,457
Net cash outflow	**(1,993,446)**

Goodwill arising from the acquisition has been allocated to the Cash Generating Unit relating to the investee's business and relates to the workforce and synergies resulting from Antevenio Group's entry in the United States market drawing on the investee to expand the Group's various business lines.

The Company has considered that fair value of the identifiable assets and liabilities acquired is equal to the relevant carrying values as of the of the acquisition date. As shown in the table above, almost all the assets and liabilities acquired relate to working capital.

The breakdown of fair value of trade receivables as of the acquisition date is as follows:

Euros	Contractual gross amount	Impairment adjustment	Fair value
Trade receivables	1,198,620	0.00	1,198,620

As of the date of preparing these Consolidated Financial Statements, the process for allocating purchase price is still provisional. This analysis is expected to be completed over the coming months, and shall not exceed the Standard's maximum term of 12 months from the acquisition date.

DIRECTORS' REPORT

ANTEVENIO, S.A.

CONSOLIDATED DIRECTORS' REPORT FOR THE YEAR 2017

To the shareholders

2017

SITUATION OF THE ACTIVITY AND RESULTS OF ANTEVENIO, S.A. AND SUBSIDIARIES DURING THE YEAR ENDED ON DECEMBER 31, 2017

- **Revenue and Consolidated Results of the Group in 2017**

In 2017, the companies included in the consolidation perimeter were as follows:

- Mamvo Performance, S.L.U., consolidated using full consolidation method.
- Marketing Manager Servicios de Marketing de Servicios, S.L.U., consolidated using full consolidation method.
- Antevenio S.R.L, consolidated using full consolidation method.
- Antevenio Esp S.L.U., consolidated using full consolidation method.
- Antevenio France S.R.L., consolidated using full consolidation method.
- Antevenio Publicite S.A.S.U., consolidated using full consolidation method.
- Código Barras Networks, S.L.U, consolidated using full consolidation method.
- Antevenio, Rich & Reach, S.L.U., consolidated using full consolidation method.
- Antevenio Argentina, S.R.L., consolidated using full consolidation method.
- Antevenio Mexico, S.A de C.V, consolidated using full consolidation method.
- React2Media, consolidated using full consolidation method.

In 2017, the consolidated turnover reached a total of 28.6 million euro that represents a 13% increase on 2016 consolidated revenue that amounted to 25.4 million euro.

Publishing activities have represented 37% of the activity. Technology and associated services sales reached 8.3 million euro, while Media Trading sales totalled 11.1 million euro.

Net turnover from foreign operations represented 52%, vs. 55% in 2016.

Operating expenses, including costs to sell and excluding depreciation, amortization and provision charges, have registered a year-on-year 7% increase.

Profit/(Loss) attributable to holders of equity instruments of the Parent Company amounted to 2.3 million euro, compared to 2.1 million euro in 2016. EBITDA achieved during the year 2017 is 3.8 Million euros. EBITDA achieved in 2015 was 3.1 Million euros.

The Consolidated Financial Statements of the Antevenio Group are presented according to IFRS international accounting standards.

- **Turnover of Antevenio S.A. subsidiaries in 2017**

In thousands of euro

Turnover

Mamvo Performance, S.L.U.	5,492
Antevenio, S.R.L.	5,189
Marketing Manager de Servicios de Marketing, S.L.	1,883
Antevenio ESP S.L.U	5,403
Código Barras Networks, S.L.U	1,362
Antevenio Argentina S.R.L.	211
React2Media	2,742
Antevenio Publicite S.R.L.	2,841
Antevenio Mexico, S.A de C.V	4,374
Antevenio SA	2,175
Antevenio, Rich & Reach, S.L.U.	4,371

- **Significant events during 2017**

In 2017 the Antevenio Group has maintained the upward trend that began in 2014, registering a 13% increase versus 2016 turnover.

In 2017, investments and new activities initiated in prior years have consolidated, strengthening the leading position of Antevenio in the markets where it operates.

On 22 June 2017 the Parent Company has completed the acquisition of 51% of the shares in the US company React2Media, L.L.C for a consideration of 2,250,000 dollars (2,022,275 euros); the entire amount of the consideration was paid to the counterparty on 23 June 2017. This company will thereafter be included within the consolidation scope and fully consolidated.

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Both the Group and the selling shareholders have mutually granted themselves unconditional put option rights and call option rights over the remaining 49% shares in the investee. These options have a floating price based on certain parameters relating to the investee's performance over financial years 2018, 2019 and 2020; however, total acquisition value may not exceed 8.5 million dollars (of which 2.25 million dollars have already been paid for the acquisition of 51% of shares).

The ordinary income and profit/(loss) contributed by the investee during the period between the acquisition date, 22 June 2017, and 31 December 2017 were not material.

Goodwill arising from the acquisition has been allocated to the Cash Generating Unit relating to the investee's business and relates to the workforce and synergies resulting from Antevenio Group's entry in the United States market drawing on the investee to expand the Group's various business lines.

PROSPECTS

Antevenio faces 2018 with an upward trend in its global operations. The Company expects that growth rates registered in all markets where the Company operates will continue next year, as it has all the resources, related both to finances and production, to face a 2018 where growth shall be coupled with profitability. Our financial strength, our range of products and the investments made in prior years lead us to expect a strengthening of our leadership and further gains in the market share.

FIXED ASSET ADDITIONS

Additions to property, plant and equipment and intangible assets of the Antevenio Group during 2017 relate to:

Additions of items of property, plant and equipment amounted to 157 thousand euro in 2017.

Additions to other intangible assets amounted to 118 thousand euro in 2017 and relate mainly to computer software.

RISKS

The principal risks and uncertainties that the Antevenio Group could face are the following:

Competition Risk

In an industry constantly evolving and offering high growth rates, new players have entered the Spanish and Italians, the most important markets where Antevenio operates. However, given the experience of over ten years in this market, the position and visibility of Antevenio and the quality of our services, Directors believe the Company will continue to occupy a leading position.

Customer and Supplier Dependency Risk

The risk of dependency on customers and suppliers is limited because none bears significant weight in the turnover of Antevenio, S.A.

Customers include media agencies that work in turn with many advertisers, which further dilutes the customer dependency risk.

With regard to technology providers, the risk is small because the services provided by these companies are offered by other actors competing with them and which could, therefore, provide Antevenio with similar services.

"Key-Person" Risk

We believe that one of Antevenio's main assets lies in having been able to assemble a team of managers and key executives in the company's strategic positions.

Regulatory Risks

In ordinary course of its business, Antevenio Group performs a number of personal data processing both as Data Processor and as Data Comptroller.

Antevenio Group is deeply aware of the importance of the regulations governing personal data, electronic communications, privacy and commercial communications, and uses all available means to achieve a scenario of utmost compliance therewith.

The legal framework governing the company's business and its operations is formed by the following regulations:

1. Organic Law 15/1999, of 13 December, on Personal Data Protection (in force, at least, until 25 May 2018).
2. Royal Decree 1720/2007, of 21 December, approving the Implementing Regulations of Organic Law 15/1999, of 13 December, on Personal Data Protection (in force, at least, until 25 May 2018).
3. Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation).
4. Draft Organic Law on Personal Data Protection.
5. Law 34/2002, of 11 July, on Information Society Services and Electronic Commerce.
6. Proposal, dated 10 January 2017, for a Regulation of the European Parliament and of the Council concerning the respect for private life and the protection of personal data in electronic communications and repealing Directive 2002/58/EC (Regulation on Privacy and Electronic Communications).
7. Guides, guidelines and other relevant materials issued by the Spanish Data Protection Agency and the so-called Article 29 Working Group on Data Protection.

Antevenio Group is currently in the process of adaptation to the existing and upcoming regulations, by way of the creation and implementation of privacy management system (PMS) and the permanent monitoring thereof by the Legal and Privacy team.

Antevenio Group is aware of the increased regulations concerning the digital marketing business, and has engaged two providers (INT55 and DELOYERS) to promote legal compliance and to provide assistance in the event of any incident occurring.

Processing of personal data in order to provide direct marketing services is not without risks, accordingly Antevenio has a contract with the company INT55 in order to exercise constant vigilance on the evolution of the law and its application by Antevenio.

PERSONNEL

The Group's average headcount in 2017 was 194, 172 in 2016.

SHAREHOLDING STRUCTURE

At 31 December 2017, direct and indirect shareholders of the Company were as follows:

31/12/2017	
No. of Shares	**Holding %**
3,496,008	83.09%
454,407	10.80%
257,080	6.11%
4,207,495	**100.00%**

TREASURY SHARES

The company has a contract with the Gilbert Dupont company, with the purpose of, without interfering with the normal development of the market and in strict compliance with the securities markets regulations, increasing the liquidity of transactions involving shares, the consistency of share prices and avoiding fluctuations not caused by the market trend itself. Antevenio, whose shares are traded in the Euronext Growth market, has complied with the regulations of this market in relation to operations performed under the contract.

Information on the authorization to acquire treasury shares

Pursuant to the provisions of Articles 146 and sequitur of the Spanish law on Corporations, the Annual General Meeting unanimously approved on 28 June 2017 authorizing and empowering the Board of Directors to acquire on behalf of the Company, either directly or through any of the Company's subsidiaries, own shares, at any time and as many times as deemed appropriate, thereto using any legally admitted means, including profit for the year and/or unrestricted reserves, on the following terms:

- The treasury shares may be directly acquired by the Company or indirectly acquired through subsidiaries under the terms of the resolution;
- Treasury shares may be acquired through purchase, swap or any other legally permitted transaction;
- The sum of the nominal value of treasury shares directly or indirectly acquired by the company and the nominal value of any treasury shares already held by the acquiring company and its subsidiaries and, where applicable, the Parent Company and its subsidiaries, shall not exceed ten (10%) percent of the Company's share capital.
- Treasury shares may not be acquired at a price above 15 euro or at a price below 1 euro.

- The authorization shall be valid for a maximum period of eighteen (18) months as from the date of its approval.
- In compliance with the provisions of Section 146.1b) of the Spanish Corporations Law, as a result of the acquisition of treasury shares, including treasury shares previously acquired by the Company or by any person acting on its own name but on behalf of the Company, the resulting equity shall not be reduced below the Company's share capital plus legal or statutorily restricted reserves.

The authorization expressly states that any treasury shares acquired thereunder may be used for:

- Disposal or redemption thereof;
- implement remuneration systems provided for in paragraph 3 of letter a) of Article 146.1 of the Spanish law on Corporations, and to develop schemes to promote shareholding in the capital of companies, such as granting shares or options on shares, or remuneration packages linked to share or similar instruments price, to be directly delivered to employees or directors of the company, or as a result of the exercise of any rights they might be entitled to;
- To ensure share liquidity, through the brokerage of an investment services provider under a "liquidity contract";
- To acquire shares or stakes in other companies, in which case the limit referred to in point c) above shall be five (5) percent.

Approval of a share-based remuneration plan for executive directors and senior management Delegation of powers

The Company's shareholders unanimously approved, at the General Meeting held on 16 November, a share-based remuneration plan consisting in the free of charge delivery of Company shares to certain Executive Directors and members of Senior Management.

To this end, the following parameters were agreed:

(i) The maximum number of shares that can be granted over the entire Plan, at the maturity date thereof, shall be one hundred and twenty five thousand (125,000) shares to be distributed among Beneficiaries;

(ii) any and all shares granted under the Plan shall be delivered free of charge;

(iii) share value shall be the market value of the share on the relevant delivery day;

(iv) The term of the Plan shall end on 31 August 2019.

Additionally, the AGM delegated to the Board of Directors, with express powers to substitute itself, the powers relating to the development, settlement, clarification and, where appropriate, interpretation of the terms of the remuneration plan.

Balances and Transactions with Directors and High Management

The individuals classified as High Management are also Directors of the Parent Company.

The amounts accrued by the Directors or by members of Senior Management, under all headings, are as follows:

	High Management	
	31/12/2016	**31/12/2017**
Wages and salaries	457,832	436,702
Total	**457,832**	**436,702**

At December 31, 2017 and 2016, there are no commitments for pension supplements, guarantees or sureties extended to Directors, nor loans or advances granted to Directors.

Other disclosures related to the Board of Directors

In compliance with the provisions of Section 229 of the Spanish Corporations Law, Directors and the related parties referred to in Section 231 of the Spanish Corporations Law, have been asked about any conflicting interests, direct or otherwise, between Directors and their respective related parties and the Company.

RESEARCH AND DEVELOPMENT ACTIVITIES

In 2017 the Company has continued several R&D projects, including: Coobis, a marketplace platform for content publishing services. MDirector and its transformation into a cross-channel platform, as well as development of the various applications:

- Real Time Bidding,
- Marketing Automation,
- Email Transactional,
- Multi-Step Landing Pages.

Finally, a project has been developed to unify architecture, infrastructures and services in Antevenio portals, in order to achieve significant savings in resources used and to streamline and simplify the launching of new vertical communities.


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