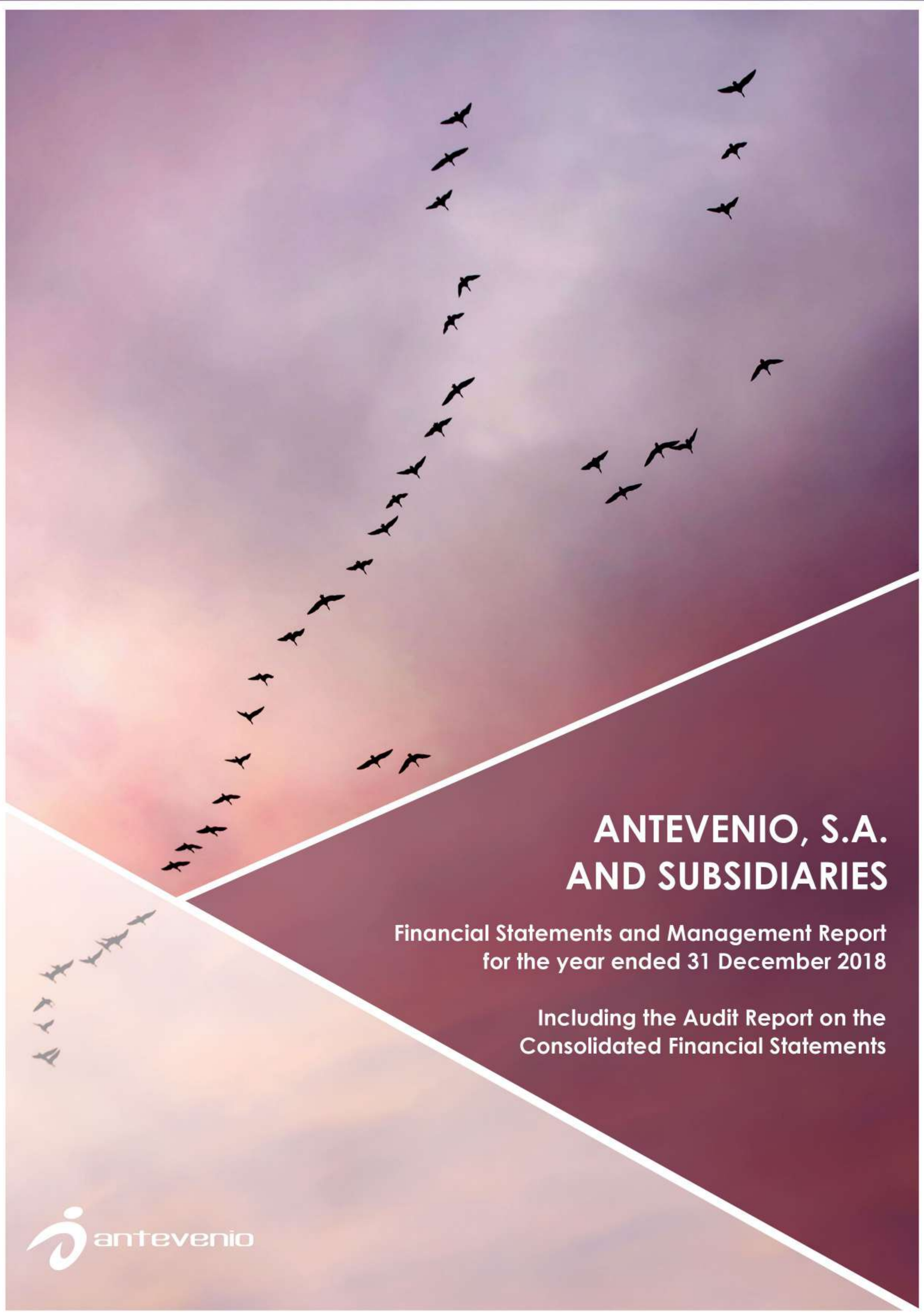
ANTEVENIO, S.A.
AND SUBSIDIARIES
Financial Statements and Management Report
for the year ended 31 December 2018
Including the Audit Report on the
Consolidated Financial Statements
antevenio

ANTEVENIO S.A.
AND SUBSIDIARIES

Consolidated financial statements and consolidated management report for 2018

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 2018, 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 2018, 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 2018 ANTEVENIO, S.A. and subsidiaries have not recorded any expense for the stock options plan detailed in note 14, 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, 2018, the epigraph of personnel expenses is understated by 190.638 euros and the Group result should decrease by the same amount, and the results of previous years should increase the amount of 235.309 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 2018 and 31 December 2017. 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 2018, 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 analyzed 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 2018. 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 2018 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 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.

- 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

11 April 2019

ANTEVENIO S.A. AND SUBSIDIARIES

Consolidated financial statements and consolidated management report for 2018

CONSOLIDATED FINANCIAL STATEMENTS AND CONSOLIDATED MANAGEMENT REPORT FOR 2018

Consolidated statement of financial position as at December 31, 2018

Consolidated Profit and Loss Account at 31 December 2018

Consolidated Statement of Comprehensive Income at 31 December 2018

Consolidated Statement of Changes in Equity at 31 December 2018

Consolidated Statement of Cash Flows at 31 December 2018

Notes to the consolidated financial statements at 31 December 2018

ANTEVENIO S.A. AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS AND CONSOLIDATED MANAGEMENT REPORT FOR 2018

ANTEVENIO S.A. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 31 DECEMBER 2018
(in Euros)

ASSETS	Note	31/12/2018	31/12/2017
Property, plant and equipment	6	266,226	266,550
Consolidation goodwill, both equity and fully consolidated cos.	5	10,219,054	10,219,054
Intangible assets	7	442,351	499,876
Investment Property		0	0
Under construction		0	0
Non-current financial assets	9	121,371	82,611
Holdings consolidated using the equity method		0	0
Deferred tax assets	16	1,812,973	1,296,807
Other non-current assets		0	0
Non-current assets		**12,861,974**	**12,364,899**
Inventories		0	0
Trade and other receivables	9	8,254,292	8,446,356
Trade receivables, Group companies	9 and 24	604,941	447,547
Other current financial assets		0	0
Other current assets	9	254,408	66,801
Other current assets, Group companies	9 and 24	0	0
Personnel, salaries advances		0	0
Receivables from Public Entities	16	174,765	459,798
Prepaid expenses		99,357	58,429
Cash and cash equivalents	9	5,611,926	5,219,018
Current assets		**14,999,688**	**14,697,948**
TOTAL ASSETS		**27,861,663**	**27,062,847**

ANTEVENIO S.A. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 31 DECEMBER 2018
(in Euros)

EQUITY AND LIABILITIES		31/12/2018	31/12/2017
Share capital		231,412	231,412
Share Premium		8,189,787	8,189,787
Treasury shares		(114,300)	(513,805)
Legal reserve		46,282	46,282
Reserves from fully consolidated companies		5,415,595	4,413,023
Prior period's losses		(0)	(11,009)
Profit/(Loss) for the year attributable to the Parent Company		2,421,962	2,338,309
Other equity instruments	14	270,000	1,022,700
Translation differences	13	(204,919)	(269,395)
Equity attributable to the Parent Company	14	**16,255,820**	**15,447,305**
Equity	13	**16,255,820**	**15,447,305**
Non-current payables, debts with financial institutions	10	6,343	21,664
Other non-current payables	10	405,402	617,677
Other non-current liabilities	10 and 25	1,926,629	1,983,294
Provisions	18	204,459	131,180
Guarantees received		0	0
Deferred tax liabilities	16	18,701	11,945
Non-current liabilities		**2,861,534**	**2,765,760**
Current payables, debts with financial institutions	10	256,800	315,044
Other current payables	10	0	0
Current payables to Group companies	24	633,665	415,300
Trade and other payables	10	4,802,622	5,676,777
Suppliers, Group companies	24 and 10	174,446	70,539
Other financial liabilities	10	181,478	0
Personnel, salaries payable	10	341,236	711,319
Public Entities, payables	16	2,172,020	1,465,591
Unearned income		8,235	14,309
Other current liabilities	2, 10 and 19	173,807	180,901
Current liabilities		**8,744,308**	**8,849,782**
TOTAL EQUITY AND LIABILITIES		**27,861,663**	**27,062,847**

ANTEVENIO S.A. AND SUBSIDIARIES
CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2018

(in Euros)

PROFIT AND LOSS	Note	31/12/2018	31/12/2017
Revenue	17.a	**29,526,962**	**28,599,212**
Other income		**-**	**56,448**
Work carried out by the company for assets		**137,950**	**9,699**
Operating grants taken to income		**37,755**	**11,383**
TOTAL OPERATING INCOME		**29,702,668**	**28,676,742**
Supplies	17.b	**(12,414,401)**	**(11,624,797)**
Changes in inventories		**-**	**-**
Personnel expenses	17.c	**(10,313,775)**	**(10,209,842)**
Wages and salaries		(8,494,081)	(8,477,284)
Employee benefit expense		(1,819,694)	(1,732,558)
Equity instruments-based payment expenses		-	-
Amortization and depreciation		**(351,082)**	**(365,687)**
Depreciation of property, plant and equipment	6	(101,840)	(88,862)
Amortization of intangible assets	7	(249,242)	(276,825)
Other operating expenses		**(3,563,796)**	**(3,579,005)**
External services	17.d	(3,279,202)	(3,032,232)
Impairment losses on current assets	9.2	(284,594)	(546,586)
Impairment and gains / (losses) on disposal of fixed assets		-	(187)
Provision surpluses		-	-
Other income / (loss)		**-**	**109, 411**
TOTAL OPERATING EXPENSES		**(26,643,054)**	**(25,669,919)**
OPERATING PROFIT / (LOSS)		**3,059,613**	**3,006,823**
Finance income	17.e	2,840	16,109
Finance income, Group companies		(0)	-
Translation differences, gains	11	133,349	150,546
Profit on treasury shares		-	-
TOTAL FINANCE INCOME		**136,190**	**166,655**
Finance expenses	17.f	(78,643)	(87,013)
Finance expense, Group companies		(0)	-
Translation differences, losses	11	(180,981)	(170,361)
Losses on treasury shares		-	-
Debt provisions adjustments		-	-
TOTAL FINANCE EXPENSES		**(259,625)**	**(257,374)**
Impairment and gains / (losses) on disposal of financial instruments		**-**	**-**
Share of profit (loss) of consolidated companies		-	-
Impairment and gains/(losses) from loss of significant influence over investees consolidated using the equity method or from loss of control over jointly controlled entities.		-	-
NET FINANCE INCOME/(EXPENSE)		**(123,435)**	**(90,719)**
PROFIT / (LOSS) FROM CONTINUING OPERATIONS		**2,936,178**	**2,916,104**
CONSOLIDATED PROFIT / (LOSS) BEFORE TAX		**2,936,178**	**2,916,104**
Income tax expense	16	(443,613)	(415,393)
Taxes and other		(70,603)	(162,401)
CONSOLIDATED PROFIT / (LOSS) FOR THE YEAR		**2,421,962**	**2,338,309**
Profit / (loss) attributable to minority interests		-	-
PROFIT/(LOSS) ATTRIBUTABLE TO HOLDERS OF EQUITY INSTRUMENTS OF THE PARENT COMPANY		**2,421,962**	**2,338,309**
Earnings per share:			
Basic		0.58	0.58
Diluted		0.58	0.58

ANTEVENIO S.A. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2018
(in Euros)

STATEMENT OF CASH FLOWS	Note	31/12/2018	31/12/2017
CASH FLOWS FROM OPERATING ACTIVITIES (A)		**2,339,851**	**2,162,892**
Profit / (Loss) before taxes		2,936,178	2,916,104
Adjustments for:			
+ Depreciation and amortization	6 and 7	351,082	365,687
+ / - Impairment losses	10.2	284,594	546,773
+ / - Grants taken to P&L		(37,755)	(11,383)
- Finance income	17	(2,840)	(16,109)
+ Finance expense	17	78,643	87,013
+/- Translation differences	12	47,632	19,815
+/- Other income and expenses	17	(6,908)	(119,110)
+/- Other taxes	17	(70,603)	162,401
Changes in operating assets and liabilities:			
Changes in receivables		(234,412)	(1,653,345)
Changes in payables		(770,249)	420,768
Changes in other current assets		31,012	(22,601)
Changes in other non-current liabilities		23,370	62,181
Changes in other current liabilities		584,397	(248,055)
Other non-current assets		(554,926)	(7,204)
- Income tax paid		(243,560)	(269,138)
Interest paid (-)		(78,643)	(87,013)
Interest received (+)		2,840	16,109
CASH FLOWS FROM INVESTING ACTIVITIES (B)		**(105,531)**	**(2,282,796)**
Investments in intangible assets	7	(169,735)	(103,551)
Investments in property, plant and equipment	6	64,204	(81,199)
Business combinations	25	-	(2,102,882)
Other non-current assets		-	4,837
CASH FLOWS FROM FINANCING ACTIVITIES (C)		**(1,905,888)**	**(1,390,920)**
Changes in debt to other entities		14,159	(188,176)
Dividends paid	3	(1,262,249)	(1,202,744)
Interest on other equity instruments (-)		(657,799)	-
EFFECT OF FOREIGN EXCHANGE RATES FLUCTUATIONS (D)		**64,477**	**(122,430)**
Net increase/decrease in cash and cash equivalents (E=A+B+C+D)		**392,908**	**(1,633,254)**
Cash and cash equivalents at beginning of period (F)		**5,219,018**	**6,852,272**
Cash and cash equivalents at beginning of period (G=E+F)		**5,611,926**	**5,219,018**

ANTEVENIO S.A. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2018
(in Euros)

	Notes	31/12/2018	31/12/2017
PROFIT / (LOSS) FOR THE PERIOD		**2,421,962**	**2,338,309**
Income and expense directly recognized in equity:		-	-
Translation differences		64,477	(102,615)
TOTAL INCOME AND EXPENSES DIRECTLY RECOGNIZED IN EQUITY		**64,477**	**(102,615)**
Transfers to Profit and Loss Account:		-	-
TOTAL TRANSFERS TO PROFIT AND LOSS ACCOUNT		-	-
TOTAL RECOGNIZED INCOME AND EXPENSE		**2,486,439**	**2,235,694**
Attributable to the Parent Company		**2,486,439**	**2,235,694**
Attributable to minority interests		-	-

ANTEVENIO S.A. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2018

(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 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**
Acquisition higher percentage of share	-	-	-	-	-	-	-	-
Changes in the percentage interest in capital	-	-	-	-	-	-	-	-
Transactions with Parent Company shares	-	-	-	-	-	-	-	-
Dividends	-	-	**(1,202,744)**	-	-	-	-	**(1,202,744)**
Balance at 12/31/2017	**231,412**	**8,189,787**	**6,786,606**	**(513,805)**	**-**	**1,022,700**	**(269,395)**	**15,447,305**
Adjustments for errors, 2017 (Note 2.e)	-	-	**(55,571)**	-	-	-	-	(55,571)
Balance at 01/01/2018	**231,412**	**8,189,787**	**6,731,035**	**(513,805)**	**-**	**1,022,700**	**(269,395)**	**15,391,734**
Recognized income and expense	-	-	**2,421,962**	-	-	-	**64,477**	**2,486,439**
Other transactions			(6,908)					(6,908)
Acquisition higher percentage of share	-	-	-	-	-	-	-	-
Changes in the percentage interest in capital	-	-	-	-	-	-	-	-
Transactions with Parent Company shares	-	-	-	399,505	-	(752,700)	-	(353,195)
Dividends (Note 12.5)	-	-	(1,262,249)	-	-	-	-	(1,262,249)
Balance at 12/31/2018	**231,412**	**8,189,787**	**7,883,840**	**(114,300)**	**-**	**270,000**	**(204,919)**	**16,255,820**

Table of contents

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

NOTE 1. GROUP COMPANIES, JOINTLY CONTROLLED ENTITIES AND ASSOCIATED COMPANIES 11
NOTE 2. BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS 14
NOTE 3. EARNINGS / LOSS PER SHARE 21
NOTE 4. SIGNIFICANT ACCOUNTING POLICIES 23
NOTE 5. CONSOLIDATION GOODWILL 38
NOTE 6. PROPERTY, PLANT AND EQUIPMENT 39
NOTE 7. INTANGIBLE ASSETS 40
NOTE 8. LEASES 40
NOTE 9. CURRENT AND NON-CURRENT FINANCIAL ASSETS 40
NOTE 10. NON-CURRENT AND CURRENT LIABILITIES 43
NOTE 11. INFORMATION ON THE NATURE AND LEVEL OF RISK FROM FINANCIAL INSTRUMENTS 44
NOTE 12. EQUITY 47
NOTE 13. TRANSLATION DIFFERENCES 50
NOTE 14. EQUITY INSTRUMENTS-BASED PAYMENT TRANSACTIONS. 50
NOTE 15. DEFERRED INCOME 52
NOTE 16. TAXATION 53
NOTE 17 REVENUE AND EXPENSES 57
NOTE 18. PROVISIONS AND CONTINGENCIES 59
NOTE 19. ENVIRONMENTAL INFORMATION 59
NOTE 20. EVENTS AFTER THE REPORTING PERIOD 59
NOTE 21. COMPENSATION AND INTERESTS OF AND BALANCES WITH DIRECTORS OF THE PARENT COMPANY 60
NOTE 22. OTHER INFORMATION 60
NOTE 23. SEGMENT REPORTING 62
NOTE 24. RELATED PARTY TRANSACTIONS 64
NOTE 25. BUSINESS COMBINATIONS 65

ANTEVENIO S.A. AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

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" in Spain; 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.

The Company, the main shareholders of which are listed in note 12, is controlled by ISP Digital, S.L.U., this being the ultimate parent company of the Group.

b) General information

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

These Consolidated Annual Accounts are presented in euros, which is the functional currency of the Company. All the amounts are presented in euros unless indicated otherwise.

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 31/12/2017	Percentage of Ownership 31/12/2018	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%	51%	4,199,158

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 25 Business combinations.

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.

No changes have been recorded in the consolidation perimeter during 2018. In 2017, the only change recorded in the consolidation perimeter related to the acquisition, dated 22 June 2017, of the U.S. company React2Media, L.L.C. (see Note 25).

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 2ª Planta 28010 Madrid	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 2ª Planta 28010 Madrid	Advice to commercial communication-related companies.
Antevenio S.R.L.	2004	Viale Francesco Restelli 3/7 20124Milano	Advertising and Marketing on the Internet.
Antevenio ESP, S.L.U.	2009	C/ Marqués de Riscal, 11 2ª Planta 28010 Madrid	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 2ª Planta 28010 Madrid	Its corporate purpose is the marketing of advertising space in products' search engines, price comparators and contextual windows that the Company implements, manages and maintains on the Internet.
Antevenio Argentina S.R.L.	2010	Esmeralda 1376 piso 2 Ciudad de Buenos Aires Argentina	Commercial brokerage, marketing and advertising services.
Antevenio México, S.A. de CV.	2007	Calle Parral 41 Colonia Condesa Delegacion Cuauhtemoc Ciudad de Mexico	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 2ª Planta 28010 Madrid	Internet services, especially in the field of online advertising.
React2Media, L.L.C.	2008	35W 36th St New York	Online marketing services

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 as adopted by the European Union in accordance with Regulation (CE) No. 1606/2002 of the European Parliament and the Council (IFRS-UE), 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-UE); shares of the Company were admitted to trading on the French alternative stock market Euronext Growth in 2007 (see Note 1).

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-EU, the Consolidated Financial Statements include the following Consolidated Statements for the year ended 31 December 2018:

- 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 2018 the following new and amended accounting standards have come into force, accordingly these standards have been taken into account in the preparation of these Consolidated Financial Statements:

1. Standards and interpretations approved by the European Union, applied for the first time in the Consolidated Annual Accounts of 2018.

Accounting policies having entered into force in 2018 are as follows:

		Effective Date (financial years beginning on):
IFRS 9	Financial instruments	1 January 2018
IFRS 15	Revenue from Contracts with Customers	1 January 2018
Clarifications to IFRS 15	Revenue from Contracts with Customers	1 January 2018
Clarifications to IFRS 4	Insurance Contracts	1 January 2018
IFRIC 22	Foreign Currency Transactions	1 January 2018
Clarifications to IAS 40	Investment Property	1 January 2018
Clarifications to IFRS 2	Equity instruments-based payments	1 January 2018
Annual improvements to IFRS	Cycle 2014-2016	1 January 2017-2018

Additionally, the following accounting policies will be first applied in the financial year 2019:

		Effective Date (financial years beginning on):
Clarifications to IFRS 9	Financial instruments	1 January 2019
IFRS 16	Leases	1 January 2019

In 2018, the Group has applied the following new international standards:

IFRS 9 Financial Instruments

The new IFRS 9, published in July 2014, establishes the requirements for recognition, classification and measurement of financial assets, financial liabilities and certain purchases or sales agreements of non-financial items. This standard replaces IAS 39.

The Group has retroactively adopted the requirements of the new standard with the first date of application being 1 January 2018, opting to not restate the numbers corresponding to comparative periods.

i) Classification and measurement

IFRS 9 introduces a new classification approach depending on the characteristics of the contractual cash flows of financial assets and the business model in which said assets are managed, establishing three categories for assessment:

-At amortized cost.
-At fair value with changes in other comprehensive income
-At fair value with changes in profit or loss

There are also two options for irrevocable designation in the initial recognition:

-It is possible to choose to present in other comprehensive income the subsequent changes in the fair value of certain investments in financial instruments, in such a way that subsequently only dividends are carried over into income.

-A financial asset can be designated to be assessed at fair value changes in profits and losses if in this way an accounting misalignment can be reduced or eliminated.

Likewise, it establishes that contractual modifications of financial assets which do not result in derecognition from the balance sheet shall be accounted for as a change in estimate, maintaining the original effective rate.

The Group has classified their financial assets in the following categories as permitted by the standard:

-Financial assets measured at amortized cost,
-Financial assets measured at fair value with changes in profit or loss, which include assets which cannot be measured at amortized cost; and
-Financial assets measured at fair value through changes in equity

In this new classification, no significant adjustments have been recognized since most of the assets continue to be assessed at amortized cost since the contractual cash flows are only payment of principal and interests and the assets are maintained until maturity.

In relation to financial liabilities, IFRS 9 does not change with respect to IAS 39, except for the change in treatment in the renegotiations of financial liabilities which did not cause them to be derecognized. There is no transition fit under this concept.

ii) Impairment

IFRS 9 substitutes an incurred loss model from IAS 39 with one for expected losses.

Under the new standard, the losses provision is calculated based on expected losses for the upcoming 12 months or for the entire life of the instruments depending on the significant increase of risk.

The Group has chosen the simplified approach (provision for expected losses during the asset's entire life). In this respect, the Group has established a procedure by which the accounts receivable not only deteriorate when no longer recoverable (incurred losses) but it also considers the possible expected losses based on the evolution of the specific credit risk of the client, its sector and country. A simplified approach has been used for accounts receivable and the general approach has been used for the other financial assets. In this new

model, the Group has not deemed that significant adjustments will be recognized.

iii) Accounting Hedges

IFRS 9 requires the Group to ensure that the accounting hedge relationships are in line with the risk management objectives and strategy of the Group and to apply a more qualitative and prospective approach to measure efficiency. Likewise, IFRS 9 also introduces new requirements on the rebalancing of hedges and prohibits the voluntary discontinuation of hedges.

When initially applying IFRS 9, the Group has the option to continue applying the hedge accounting requirements of IAS 39 instead of the requirements of IFRS 9. The Group has chosen to apply the new requirements of IFRS 9. The new standard has not in this regard had any relevant impact on the consolidated annual accounts at 31 December 2018.

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

In this new model, it is specified that the income must be recognized when (or insofar as) an entity transmits control of the assets or services to a client, and in the amount that the entity wishes to have the right to receive. Depending on whether certain criteria are met, the income is recognized either throughout a period of time, in such a way that shows the entity's undertaking of the contractual obligation; or at a specific time, when the client obtains control over the assets or services.

The Group has looked over the different types of contracts with clients, identifying the performance obligations, the determination of the schedule to satisfy these obligations, the price of the transaction and its allocation, in order to identify possible differences with the income recognition model of the new standard, without finding any significant differences between them nor any compliance obligations which may give rise to the recognition of liabilities due to contracts with clients.

On the other hand, IFRS 15 requires the recognition of an asset by costs which are incrementally incurred to obtain contracts with clients, and which are expected to be recovered, being amortized systematically in the consolidated profits and losses account to

the same extent that income related to said asset is charged; that is to say, the average expected life of the contracts with clients, which tend to have a duration of less than a year. Based on the evaluations made on the date when the new standard came into force, and considering that there are no incurred costs to obtain contracts with clients, there are no significant impacts derived from applying the new standard.

According to the analysis and implementation carried out on 1 January 2018, the adoption of IFRS 15 “Revenue from Contracts with Customers” has not had any significant impact.

IFRS 16 Leases

IFRS 16 came into force on 1 January 2019 and replaces IAS 17 and the associated interpretations (IFRIC 4, SIC-15 and SIC-27).

IFRS 16 introduces a single accounting model for lessees which means including most of the leases in the balance sheet (given that there are practical exemptions), similarly to the current recognition of financial leases established in IAS 17 (an asset will be recognized for right of use and a liability for lease, in such a way that in the income statement, an expense shall be recognized for the amortization of the asset for right of use and a financial expense for lease liability accounted for at amortized cost). This means, from the point-of-view of the lessee, there will be no distinction between operational and financial leases, but rather all of them will be accounted for in the same way.

The standard, which increases its focus on controlling the asset, allows for two practical exemptions to be applied in order to facilitate the application of the new standard: leases with a duration of less than twelve months, as well as leases with an underlying asset with a rather insignificant value, cannot be recognized as indicated, but rather the lease expense can be recognized simply in the same way as a current operational lease.

In summary, according to IFRS 16, save for cases in which it is decided to apply the aforementioned practical exemptions, the lessee shall:

-Recognize a financial liability equal to the current value of the fixed payments to be carried out during the period of the lease;

-Recognize an asset in the balance sheet for the right to use the corresponding asset, which shall be assessed taking as a reference the amount of the associated financial liability, to which the direct costs incurred to enter into the contract, the payments which must be made in advance, and the costs of future dismantling will be added.

-Show in the income statement the depreciation of the asset recognized and the annual finance charge associated with the financial liability (together, these two components reflect the lease expense associated with fixed payments in the income statement).

-Show, both in the balance sheet and in the income statement, the tax effect associated with the difference between the criteria of IFRS 16 and those applicable to tax purposes.

The Group is currently analysing the impact that the application of this regulation will have

on the 2019 financial year.

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.

2. Other standards, amendments and interpretations issued by the IASB pending approval by the European Union:

		IASB effective date	EU effective date
Annual improvements to IFRS	Cycle 2015-2017	1 January 2019	Pending
IFRS 14	Regulatory Deferral Accounts	1 January 2016	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
IAS 1 and IAS 8	Amendments to IAS 1 and 8: Stock definition	1 January 2020	Pending
IFRS 3	Amendments to IFRS 3 Business combinations	1 January 2020	Pending
Conceptual framework	Amendments to the references to the conceptual framework of the IFRS standards	1 January 2020	Pending

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

b) Fair presentation

The accompanying Consolidated Financial Statements for the year ended 31 December 2018 have been prepared from the accounting records of the companies included in the Group and are presented in accordance with the provisions of the IFRS-EU and the applicable Spanish accounting legislation, in order to offer a fair image of the equity, financial position, results, changes in equity and cash flows of the Group incurred during the year ended 31 December 2018.

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.

c) 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 (notes 4h and 4i). 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 4k and 4w).

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

- Forecasts of future taxable profits that make the recovery of deferred tax assets likely (note 4m). The Group assesses the recoverability of deferred tax assets based on estimates of future earnings, taking into account for companies based in Spain ISP Group tax planning, given that the Group files consolidated tax returns with ISP Group. 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 taxable earnings 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 4u).

-The measurement of the estimation for expected credit losses due to trade and other receivables and assets of the contract: key cases for determining the weighted average loss ratio; 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.

d) 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.

e) Correction of errors

In 2018, the Group has recorded a correction of errors for the invoices issued in previous reporting periods (2014, 2015, 2016), which, based on past estimates made, amounted to 55,571 euros.

The Group considers that the impact has not been material in the context of the consolidated financial statements as a whole and, accordingly, has not restated the comparative figures. Furthermore does not present a third statement of financial position as of the beginning of 2017.

f) Comparative information

These Consolidated Financial Statements for the year ended 31 December 2018 include, for comparative purposes, the relevant figures for the year 2017 that were included in the consolidated financial statements for 2017 as approved by the Annual General Meeting of Shareholders of the Parent Company on 28 June 2018, which had been also prepared in accordance with the provisions of the International Financial reporting Standards as approved by the European Union. Accordingly, the accounts from prior periods are comparable and homogeneous.

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:

	31/12/2017	31/12/2018
Net profit/(loss) for the year	2,338,309	2,421,962
Weighted average number of outstanding shares	4,009,147	4,192,495
Basic earnings per weighted average number of shares	**0.58**	**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 2018 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)	750,087
Total	750,087
Application	
Voluntary reserves	750,087
Total	**750,087**

The Annual General Meeting held on 28 June 2018 approved the following distribution of profit made as of 31 December 2017 by the Parent Company:

Basis of distribution	
Profit and loss (profit)	2,957,658
Total	2,957,658
Application	
Voluntary reserves	1,684,401
Dividends (Note 10.1)	1,262,249
To offset prior periods' losses	11,009
Total	**2,957,658**

Distribution of dividends:

On 28 June 2018 the General Meeting of Shareholders approved the distribution of a dividend against 2017 profit, of 0.30 Euro per share, amounting to a total of 1,262,248.50 Euros.

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 2018 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 2018.

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 4i).

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.

Hyperinflationary economies:
Pursuant to the provisions of International Accounting Standard (IAS) 21, the results and financial position of an entity whose functional currency is the currency of a hyperinflationary economy shall be translated into a different presentation currency using the following procedures:

(a) all amounts (i.e. assets, liabilities, equity items, income and expenses, including comparatives) shall be translated at the closing rate at the date of the most recent statement of financial position; except that

(b) when amounts are translated into the currency of a non-hyperinflationary economy, comparative amounts shall be those that were presented as current year amounts in the relevant prior year financial statements (i.e. not adjusted for subsequent changes in the price level or subsequent changes in exchange rates).

When an entity's functional currency is the currency of a hyperinflationary economy, the entity shall restate its financial statements in accordance with the translation method set out in the foregoing paragraphs, except for comparative amounts that are translated into a currency of a non-hyperinflationary economy. When the economy ceases to be hyperinflationary and the entity no longer restates its financial statements, it shall use as the historical costs for translation into the presentation currency the amounts restated to the price level at the date the entity ceased restating its financial statements. The Group has concluded that application of this model to the Group company based in Argentina is not relevant; accordingly, the comparative figures for the annual period ended 31 December 2017 have been restated.

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 are 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 equipment	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 any accumulated amortization and, where appropriate, the accumulated amount of any recognized impairment.

Goodwill is amortized on a straight-line basis over a period of ten years. Useful life shall be separately determined for each cash generating unit to which goodwill has been allocated.

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 at around 12%; 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-year strategic plan for the Group companies is approved by the Directors of the Parent Company.

At the close of financial year ended 31 December 2018, no circumstances have arisen that may imply changes to the assumptions used and conclusions reached by the Group at year-end 2017.

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) Recognition and derecognition

The Group recognizes financial assets and liabilities when the Group becomes party to the contractual provisions of the financial instrument.

Financial assets are derecognized when the contractual rights to the cash flows from the financial asset expire or when both the financial asset and substantially all the risks and rewards of ownership have been transferred. Financial liabilities are derecognized when they are extinguished, i.e. when the contractual obligation is discharged, cancelled or expires.

k.2) Classification and initial measurement of financial assets

Except for trade receivables that do not contain a significant financing component and that are measured at transaction price in accordance with IFRS 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

Financial assets, other than designated and effective hedging instruments, are classified as either:

- At amortized cost.
- At fair value through profit or loss (FVTPL).
- At fair value through other comprehensive income (FVOCI).

In the reporting periods presented, the Group has no financial asset classified as FVOCI.

Financial assets are classified on the basis of both:

- The entity's business model for managing the financial asset.
- The contractual cash flow characteristics of the financial asset.

Except for the impairment on trade receivables that is presented under “Other expenses”, all income and expense relating to financial assets are recognized in profit or loss for the period as either finance expense, finance income or other finance items.

k.3) Subsequent measurement of financial assets

Financial assets at amortized cost

Financial assets (not designated at FVTPL) are measured at cost if both the following two conditions are met:

- The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows.

- The contractual terms of the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, assets are measured at amortized cost, applying the effective interest method. Financial assets are not discounted when the effect of discounting them is immaterial. Cash and cash equivalents, trade receivables and most Group receivables are included in this category of financial instruments, together with listed bonds that were previously classified as held to maturity in accordance with IAS 39.

k.4) Impairment of financial assets

IFRS 9 impairment requirements include using additional prospective information for recognition of expected credit losses — the expected credit loss (ECL) approach. This approach replaces the "incurred loss model" of IAS 39. Instruments included within the scope of the new requirements include loans and other debt financial assets measured at amortized cost and at FVOCI; trade receivables; contract assets recognized and measured in accordance with IFRS 15, as well as loan commitments and certain financial guarantee contracts (for the issuer) that are not measured at fair value through profit or loss. Recognition of credit losses no longer depends on the Group having first identified a credit loss event. Instead, the Group considers a wider range of information when assessing credit risk and when measuring expected credit losses; this information includes past events, current conditions and reasonable and supporting forecasts affecting the expected collectability of the instrument future cash flows.

When applying this prospective approach, a distinction is made between:

- Financial instruments whose credit risk has not increased significantly since initial recognition or determined to have a low credit risk ("stage one"); and

- Financial instruments whose credit risk has increased significantly since initial recognition or not having a low credit risk ("stage two").

Stage 3 will cover any financial assets when at presentation date there is objective evidence of the asset being credit-impaired.

An allowance equal to "12-month expected credit losses" is recognized for the first category, while an allowance equal to "lifetime expected credit losses" is recognized for the second category. "Credit losses" are recognized for the second category.

Expected credit losses are measured using a probability-weighted estimate of the financial instrument's lifetime expected credit losses.

Trade and other receivables and contract assets

The Group applies a simplified approach in accounting for trade and other receivables and contract assets, and recognizes a loss allowance at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are the expected deficits in contractual cash flows, taking into account potential default at any time during the life of the financial instrument. For measurement thereof, the Group uses its past experience, external indicators and prospective information to calculate expected credit losses using a provision matrix.

The Group assesses the impairment of trade receivables on a collective basis, given that trade receivables share credit risk characteristics and have been grouped by the number of past-due days.

k.5) Classification and measurement of financial liabilities

Since accounting for financial liabilities under IFRS 9 is substantially similar to IAS 39, the Group's financial liabilities have not been affected by the adoption of IFRS 9. However, the accounting policy is disclosed below for the sake of completeness.

The Group's financial liabilities include financial debt and trade and other payables.

Financial liabilities are initially measured at fair value and, where appropriate, are adjusted for transaction cost, unless the Group had designated the financial liability at fair value through profit or loss.

Subsequently, financial liabilities are measured at amortized cost applying the effective interest method, except for derivatives and financial liabilities designated at FVTPL that are subsequently measured at fair value and any gains or losses thereon are recognized in profit or loss.

Any expense relating to interest and, where appropriate, to fair value changes of financial instruments reported in profit or loss are presented under either finance expense or finance income.

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 until 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 12) 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 approved including the any eligible Antevenio Group companies, effective from the taxation period beginning of 1 January 2017, as a subsidiaries 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 Taxation Group 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.

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.

Revenue mostly comes from services related with data processing, outsourced technological services, etc.

In order to determine whether to recognize revenue, the Group applies a five-step procedure:

1. Identify the contract with a customer
2. Identify performance obligations
3. Determine the transaction price
4. Allocate the transaction price to performance obligations
5. Recognize revenue when performance obligations are satisfied

Total transaction price is distributed among performance obligations on the basis of their respective stand-alone selling prices. The transaction price of a contract excludes any amounts collected on behalf of third parties.

Revenue is recognized at a given time or over time, when (or as) the Company satisfies the performance obligations by transferring the promised goods or services to its customers.

The Group recognizes contract liabilities for any unsatisfied performance obligations and

presents the amount thereof as “Other liabilities” in the statement of financial position. Similarly, if the Group satisfies a performance obligation before having received the relevant consideration, the Group recognizes either a contract asset or, when the right to receive the consideration is conditioned on something other than the passage of time, a receivable in the statement of financial position.

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 Parent Company operates a remuneration plan for its Management consisting in the delivery of share options in Antevenio.

These plans are initially measured at fair value (note 4w) 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.

The estimated fair value of this financial liability is classified within Level 1 of the fair value hierarchy (see note 4w).

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 S.A. and its subsidiaries. However, at each Balance Sheet date the Parent

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 results 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 intangible assets are measured an amortized on the basis of their remaining contractual lifecycle.

- 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 results. 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.

v) 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.

w) Measurement of the fair value of financial instruments

The financial assets and liabilities measured at fair value in the statement of financial position are grouped into three levels in a fair value hierarchy. The three levels are defined based on the observability of the significant contributions to the measurement, as indicated below:

- Level 1: (unadjusted) quoted prices in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: unobservable inputs for the asset or liability.

There were no transfers between Level 1 and Level 2 in 2018 and 2017.

NOTE 5. CONSOLIDATION GOODWILL

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

	31/12/2017	31/12/2018
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 25)	3,905,134	3,905,134
Total Cost	**10,219,054**	**10,219,054**

Each of the above mentioned goodwill arose on acquisition of the relevant company. The directors have defined each of these companies as a Cash Generating Unit (CGU).

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 recoverable value of each CGU has been determined on the basis of its value in use.

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 to range from 10% to 12% depending on the relevant region; 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 stable profit margins based on current investments.

- 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-year strategic plan for the Group companies is approved by the Directors of the Parent Company.

As of the reporting date of these Consolidated Financial Statements, no circumstances have arisen that may imply changes to the assumptions used and conclusions reached by the Group at year-end 2018.

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. PROPERTY, PLANT AND EQUIPMENT

In 2018 and 2017, the balances and movements of gross values, accumulated depreciation and impairment are as follows:

	01/01/2017	Recognition	Derecognition	31/12/2017	Recognition	Derecognition	31/12/2018
Cost:							
Technical installations, machinery, tools, furniture and other items of PPE	1,150,514	103,551	(224,884)	1,029,181	103,119	(167,323)	964,977
	1,150,514	**103,551**	**(224,884)**	**1,029,181**	**103,119**	**(167,323)**	**964,977**
Accumulated Amortization:							
Technical installations, machinery, tools, furniture and other items of PPE	(892,073)	(88,862)	224,884	(756,051)	(101,840)	165,720	(692,171)
	(892,073)	**(88,862)**	**224,884**	**(756,051)**	**(101,840)**	**165,720**	**(692,171)**
Impairment							
Technical installations, machinery, tools, furniture and other items of PPE	(6,580)		-	(6,580)	-	-	(6,580)
	(6,580)	**-**		**(6,580)**	**-**	**-**	**(6,580)**
Net property, plant and equipment	**251,861**	**14,689**	**-**	**266,550**	**1,279**	**(1,603)**	**266,226**

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

	31/12/2017	31/12/2018
Technical installations, machinery, tools, furniture and other items of PPE	583,593	407,404
	583,593	**407,404**

The net carrying amount of items of property, plant and equipment located outside Spain amounts to 80,366 euro at December 31, 2018 (94,429 euro at December 31, 2017).

At December 31, 2018 and 2017 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 2018 and 2017, the assets of the Group were insured under an insurance policy. The Group’s directors consider that this insurance policy sufficiently covers any risks associated to its property, plant and equipment.

NOTE 7.INTANGIBLE ASSETS

In 2018 and 2017 the balances and movements in gross value, accumulated amortisation and impairment adjustments are as follows:

	01/01/2017	Recognition	Derecognition	31/12/2017	Recognition	Derecognition	31/12/2018
Cost:							
Industrial property	99,769	-	(34,613)	65,156	-	(4,082)	61,074
Computer software	3,867,369	83,511	(18,090)	3,932,791	204,020	(30,203)	4,106,608
	3,967,138	**83,511**	**(52,703)**	**3,997,947**	**204,020**	**(34,285)**	**4,167,682**
Accumulated Amortization:							
Industrial property	(99,769)	-	34,613	(65,156)	-	4,081	(61,075)
Computer software	(2,912,621)	(276,825)	18,090	(3,171,357)	(249,242)	17,900	(3,402,699)
	(3,012,390)	**(276,825)**	**52,703**	**(3,236,513)**	**(249,242)**	**21,981**	**(3,463,774)**
Impairment							
Computer software	(261,557)	-	-	(261,557)	-	-	(261,557)
	(261,557)	**-**	**-**	**(261,557)**	**-**	**-**	**(261,557)**
Net intangible assets	**693,191**	**(193,314)**	**-**	**499,877**	**45,222**	**(12,304)**	**442,351**

The net carrying amount of intangible assets located outside Spain amounts to 150,519 euro at 31 December 2018 (220,133 euro at 31 December 2017).

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

	31/12/2017	31/12/2018
Industrial property	71,611	65,245
Computer software	1,559,637	2,154,182
	1,631,248	**2,219,427**

NOTE 8.LEASES

In 2018 and 2017 the expense for leases amounted to 756,776 euro and 723,895 euro, respectively (see Note 17 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 9.CURRENT AND NON-CURRENT FINANCIAL ASSETS

The financial assets are recognized by their amortized cost without finding any changes with regard to the previous financial year.

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

	Receivables and other		Total	
	31/12/2017	31/12/2018	31/12/2017	31/12/2018
Loans and receivables (Note 9.2)	82,611	121,371	82,611	121,371
Total	**82,611**	**121,371**	**82,611**	**121,371**

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

	Current		Total	
	31/12/2017	31/12/2018	31/12/2017	31/12/2018
Cash and cash equivalents (Note 9.1)	5,219,018	5,611,926	5,219,018	5,611,926
Loans and receivables (Note 9.2)	8,960,703	9,113,641	8,960,703	9,113,641
Total	**14,179,721**	**14,725,567**	**14,179,721**	**14,725,567**

9.1) 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:

	31/12/2017	31/12/2018
Current accounts	4,194,837	4,261,009
Treasury	1,731	967
Highly liquid deposits (a)	1,022,450	1,349,950
Total	**5,219,018**	**5,611,926**

(a) Mainly relating to bank deposits with

(i) Bankia, amounting to 1,022,450 euro at 31 December 2018 and at 31 December 2017; and

(ii)Bankinter, amounting to 327,500 euro at 31 December 2018.

These deposits are available and payable on a day margin from cancellation. In 2018, interests accrued from bank deposits and bank accounts amounted to 2,840 euro (3,188 euro in 2017) (see Note 17 e).

At 31 December 2018, treasury in foreign companies amounted to 1,313,106 euro (679.137 euro at December 31, 2017).

9.2) Loans and receivables

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

	31/12/2017		31/12/2018	
	Non-current	Current	Non-current	Current
Trade receivables				
Third-party receivables	-	8,446,356	-	8,254,292
Total trade receivables	**-**	**8,446,356**	**-**	**8,254,292**
Trade receivables, Group companies	-	447,546	-	-
Other current assets, Group companies (see note 16)	-	-	-	604,941
Total Group companies	**-**	**447,546**	**-**	**604,941**
Non-trade receivables				
Guarantees and deposits	52,620	-	91,380	-
Other assets	29,991	66,801	29,991	254,408
Total non-trade receivables	**82,611**	**66,801**	**121,371**	**254,408**
Total	**82,611**	**8,960,703**	**121,371**	**9,113,641**

The breakdown of the item “Receivables” is as follows:

Description	31/12/2017	31/12/2018
Trade receivables		
Trade balances	8,588,806	8,038,308
Volume discounts granted and pending settlement	(1,491,690)	(1,208,693)
Trade balances pending issue	1,349,240	1,424,676
Total	**8,446,356**	**8,254,292**

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

Impairment	31/12/2016	Impairment loss	Impairment reversal	Application	31/12/2017	Impairment loss	Impairment reversal	Application	31/12/2018
Trade receivables									
Trade receivables	(1,727,907)	(746,070)	199,483	615,913	(1,658,580)	(831,273)	546,679	478,675	(1,464,500)
Total	**(1,727,907)**	**(746,070)**	**199,483**	**615,913**	**(1,658,580)**	**(831,273)**	**546,679**	**478,675**	**(1,464,500)**

The Group recognizes these changes in impairment losses under "Impairment losses on current assets" in the Consolidated Profit and Loss Account. In 2018, 478,675 euro from impairment losses for which allowances were made in the past have been applied against trade receivables (615,913 euro in 2017).

NOTE 10. NON-CURRENT AND CURRENT LIABILITIES

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

	Debts with financial institutions	Other		Total	
		31/12/2017	31/12/2018	31/12/2017	31/12/2018
Debts and payables (Note 10.1)		**2,753,815**	**2,842,833**	**2,753,815**	**2,842,833**
Total		**2,753,815**	**2,842,833**	**2,753,815**	**2,842,833**

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	
	31/12/2017	31/12/2018	31/12/2017	31/12/2018	31/12/2017	31/12/2018
Debts and payables (Note 10.1)	315,044	256,800	7,054,836	5,673,588	7,369,880	5,930,388
Total	**315,044**	**256,800**	**7,054,836**	**5,673,588**	**7,369,880**	**5,930,388**

10.1) Debts and payables

At 31 December 2018 and at 31 December 2017 the breakdown of "Debts and payables" is as follows:

	Balance at 12/31/2017		Balance at 12/31/2018	
	Non-current	Current	Non-current	Current
Trade payables:				
Suppliers	-	5,123,038	-	3,060,366
Suppliers, associates	-	70,539	-	174,446
Other trade payables	-	553,740	-	1,742,256
Total trade payables	**-**	**5,747,317**	**-**	**4,977,068**
Non-trade payables:				
Debts with financial institutions (2)	57,500	204,005	6,343	149,636
Other debts (1)	581,841	111,039	705,402	107,163
Provisions	131,180	-	204,459	-
Payables to third parties (3)	1,983,294	-	1,926,629	181,478
Loans and other payables	**2,753,815**	**315,044**	**2,842,833**	**438,277**
Current payables to Group companies (notes 16 and 25)	-	415,300	-	-
Personnel (outstanding remunerations)	-	711,319	-	341,236
Total non-trade payables	**-**	**1,126,619**	**-**	**341,236**
Advances from customers	-	180,901	-	173,807
Other current liabilities	**-**	**180,901**	**-**	**173,807**
Total Debts and payables	**2,753,815**	**7,369,881**	**2,842,833**	**5,930,388**

(1) “Other debts” relates mainly to debts with Centro de Desarrollo Tecnológico Industrial (CDTI). See Note 15.

(2) The amount under “Debts with financial institutions” relates to the outstanding balance from CHASE facility granted to React2Media, bank credit cards debts and finance leases. See Note 11.

(3) At 31 December 2018, 1,926,629 euro recognized under “Non-current payables to third parties” and 181,478 euro recognized under “Current payables to third parties” (1,983,294 euro at 31 December 2017) relate with financial liabilities arising from the business combination disclosed in note 25 below.

10.2) <u>Classification by maturity</u>

At 31 December 2018, the breakdown by maturity of non-current financial liabilities, with either fixed or determinable maturity, is as follows:

	2020	2021	2022	2023	2024 onwards	Total
Non-current payables						
Debts with credit institutions and other debts	313,867	55,669	56,724	57,799	227,685	**711,744**
Other non-current liabilities	859,900	1,066,729		-	-	**1,926,629**
Total	**1,173,767**	**1,122,398**	**56,724**	**57,799**	**227,685**	**2,638,373**

At year-end 2017, the classification by maturity of the different non-current financial liabilities with fixed or determinable maturity is as follows:

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

<u>NOTE 11.INFORMATION ON THE NATURE AND LEVEL OF RISK FROM FINANCIAL INSTRUMENTS</u>

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).

<u>Interest Rate Risk</u>

As disclosed in Note 15 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 15, 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."

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.

The exchange rate risk arises basically from sales of foreign currency, mainly sales in USD and Mexican Pesos. At 31 December 2018, net loss arising from foreign exchange differences amounted to 47,632 euro (19,815 euro at 31 December 2017).

Liquidity Risk

The general situation of financial markets, especially the banking market, during recent months, has been particularly unfavourable for credit applicants. 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, 2018, the amount of cash and cash equivalents is 5,611,926 euro (5,219,018 euro at 31 December 2017).

- The working capital is positive at 31 December 2018 amounting to 5,881,661 euro (5,792,595 euro at 31 December 2017).

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 carries out constant monitoring on the creditworthiness of the clients using a credit rating measurement. Whenever possible, credit ratings and/or external reports on the clients are obtained and used. The policy of the group is to only deal with solvent partners. The credit terms are between 30 and 90 days. The credit conditions negotiated with the clients are subject to an internal approval process which takes into account the credit rating score. The current credit risk is managed by means of periodic checking of the ageing analysis, along with the credit limits per client.

Trade and other receivables make up a large number of clients in different sectors and geographic areas.

The Group does not have a significant concentration of credit risk, the exposure being distributed among 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. Regulation (EU) 2017/679 of the European Parliament and of the Council of 27 April 2017 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).

2. Organic Law 3/2018, of 5 December, on Personal Data Protection and safeguard of digital rights.

3. Royal Decree 1720/2007, of 21 December, approving the Implementing Regulations of

Organic Law 15/1999, of 13 December, on personal data protection (in all matters not contrary to GDPR).

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

5.Proposal, dated 10 January 2018, 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).

6.Guides, guidelines and other relevant materials issued by the Spanish Data Protection Agency, CNIL, GARANTE Privacy and the so-called Article 29 Working Group on Data Protection, as well as by the European Data Protector Supervisor.

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 12.EQUITY

The breakdown of consolidated equity is as follows:

	31/12/2017	31/12/2018
Registered share capital of the Parent Company:	**231,412**	**231,412**
Reserves:	**12,638,084**	**13,651,665**
Of the Parent Company	8,137,760	7,203,507
From fully consolidated companies and from companies consolidated using the equity method	4,500,323	6,448,158
(Treasury shares)	**(513,805)**	**(114,300)**
Other equity instruments	**1,022,700**	**270,000**
Profit/(Loss) for the year attributable to the Parent Company	**2,338,309**	**2,421,962**
Translation differences	**(269,395)**	**(204,919)**
	15,447,305	**16,255,820**

12.1) Capital

At December 31, 2018 and 2017, 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 as of December 31 of 2015 of 18.68% of the share capital of Antevenio, S.A., represented by 785,905 shares with a face value of 0.055 euros each, proceeded to buy on August 3 of 2016 the shares of the founder and managing director of the Company Joshua David Novick, holder of 11.89% of the Company's share capital, represented by 500,271 shares with a face value 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 2018 and at 31 December 2017, direct and indirect shareholders of the Company were as follows:

	No. of Shares	% Ownership
ISP Digital SLU	3,571,008	84.87%
Other <5%	401,036	9.53%
Nextstage	235,451	5.60%
Total	**4,207,495**	**100.00%**

12.2) <u>Parent Company Reserves</u>

The breakdown of reserves is as follows:

	31/12/2017	31/12/2018
Legal reserve	46,282	46,282
Voluntary reserves	(87,300)	(1,032,562)
Prior periods' losses	(11,009)	-
Share premium	8,189,787	8,189,787
Total	**8,137,760**	**7,203,507**

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 2018 and 31 December 2017, the Parent Company's legal reserve is fully allocated.

12.3) <u>Share Premium</u>

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.

12.4) <u>Voluntary Reserves</u>

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

12.5) Distribution of dividends

On 28 June 2018 the General Meeting of Shareholders approved the distribution of a dividend against 2017 profit, of 0.30 Euro per share, amounting to a total of 1,262,248.50 Euros.

12.6)Treasury 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.

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

The Extraordinary General Meeting of Shareholders of the Parent Company authorized on 28 June 2018 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.

Following completion of the transactions in treasury shares relating to equity instruments-based payments (see note 14), at 31 December 2018 the Parent Company owns 15,000 treasury shares representing 0.36% of share capital (at 31 December 2017 the Parent Company owned 198,348 treasury shares representing 4.71% of share capital). At 31 December 2018 these treasury shares amounted to 114,300 euro (513,805 euro at 31 December 2017).

At 31 December 2017 and 2018 the breakdown of treasury shares is follows:

	Balance at 12/31/2017		Balance at 12/31/2018	
Company	**No. of Shares**	**Cost**	**No. of Shares**	**Cost**
Antevenio S.A.	198,348	513,805	15,000	114,300
	198,348	**513,805**	**15,000**	**114,300**

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 finance leases in 2018 in the amount of 33,667 Euros (37,739 Euros in 2017).

NOTE 13. TRANSLATION DIFFERENCES

Changes in the balance of this item between 31 December 2017 and 31 December 2018 were as follows:

	31/12/2017	31/12/2018
Opening balance	**(166,780)**	**(269,395)**
Net change during the reporting period	(102,615)	64,476
Closing balance	**(269,395)**	**(204,919)**

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

NOTE 14. EQUITY INSTRUMENTS-BASED PAYMENT TRANSACTIONS.

2015 Plan:
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 2 years and 6 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. The plan was approved by the Board of Directors on 16 December 2015.

On 5 March 2018, a plan beneficiary executed 63,333 shares at a price of 2.59 Euros each in accordance with the terms of the remuneration plan. Finally, the company and the beneficiary have agreed settlement in cash. The above-mentioned exercise has caused a reduction of assets in 335 thousand euro.

On 31 October 2018, the other two plan beneficiaries executed 63,333 and 63,334 shares, respectively, at a price of 2.59 Euros each in accordance with the terms of the remuneration plan. Finally, the company and the beneficiaries have agreed settlement in shares of the Parent Company.

Following the above-mentioned exercise, the Plan has been extinguished.

Changes in existing options were as follows:

	31/12/2017		31/12/2018	
	Number	**Weighted average price**	**Number**	**Weighted average price**
Granted options (+)	190,000	2.59	-	-
Options at the end of the year	190,000	2.59	-	-

2016 Plan:
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 the development, settlement, clarification and interpretation of the terms of the remuneration plan. The plan was approved by the Board of Directors on 16 November 2016.

On 2 July 2018, a plan beneficiary executed 75,000 shares awarded free of charge in accordance with the terms of the remuneration plan. Finally, the company and the beneficiary have agreed settlement in shares of the Parent Company.

Changes in the above mentioned options were as follows:

	31/12/2017		31/12/2018	
	Number	**Weighted average price**	**Number**	**Weighted average price**
Granted options (+)	125,000	-	50,000	-
Options at the end of the year	125,000	-	50,000	-

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 12.1) among the requirements for the early exercise and accrual of the relevant options. Accordingly, the remaining amounts were been entirely recognized in 2016. 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 resulted in an increase in own funds ("Other equity instruments"), there is no impact whatsoever on the Equity of Antevenio SA and its subsidiaries.

NOTE 15.DEFERRED INCOME

Código Barras Networks S.L.U.

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.

Mamvo Perfomance, S.L. "Machine learning"

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.

In 2016, 99,379 euro were recognized under "Other income" in the Results Account related to the non-refundable tranche of the grant awarded to Mamvo Performance, S.L., as the necessary expenses for which the grant had been awarded were completed during that reporting period.

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 State of Financial Position the amount of 5,800 euro (35,836 euro at 31 December 2017).

Mamvo Perfomance, S.L. "Datalake"
On 27 November 2018, Centro para el Desarrollo Tecnológico Industrial (CDTI) granted a loan for a total amount of 445,176 euro, comprising a non-refundable tranche of 133,553 euro and a refundable tranche of 331,623 euro as subsidised interest rate loan, to the company Mamvo Performance, S.L. as collaboration in the development of a Research and Development project named "Dynamic assessment and advice on marketing campaigns". At 31 December 2018, the loan amount granted had yet to be received.

In 2018, 31,955 euro relating to the non-refundable tranche of the grant awarded to Mamvo Performance, S.L. have been recognized under "Other income" in the Results Account, as the company had started to incur in part of the necessary expenses for which the grant had been awarded.

NOTE 16.TAXATION

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

31/12/2018	Receivables	Payables
Current:		
Value Added Tax	6,018	(1,291,645)
Recoverable Taxes	168,747	-
Assets arising from deductible temporary differences (**)	385,052	-
Tax loss carryforwards (**)	1,427,921	-
Deferred tax liabilities (**)	-	(18,701)
Withholdings for Personal Income Tax	-	(452,380)
Other payables to Public Entities	-	(5,973)
Income Tax	-	(217,795)
Social Security	-	(204,228)
	1,987,738	**(2,190,722)**

31/12/2017	Receivables	Payables
Current:		
Value Added Tax	151,721	(980,771)
Recoverable Taxes	306,403	-
Withholdings and payments on account of the Corporation Tax	1,675	
Assets arising from deductible temporary differences (**)	377,760	-
Tax loss carryforwards (**)	919,048	-
Deferred tax liabilities (**)	-	(11,945)
Withholdings for 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)**

(**) 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 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 approved including the any eligible Group companies, effective from the taxation period beginning of 1 January 2017, as a subsidiaries of taxation group 265/10, whose parent company is ISP.

Group companies with registered address in Spain paid until 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. 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:

(*) Average tax rate accrued in Italy

Tax rate	2018	2017
Spain	25.00%	25.00%
Italy (*)	30.45%	31.40%
France	33.33%	33.33%
Mexico	30.00%	30.00%
Argentina	30.00%	35.00%

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

	31/12/2017	31/12/2018
Profit / (Loss) before taxes	5,416,202	5,553,702
Permanent differences	(2,803,535)	(763,505)
Tax liability	653,167	546,527
Other	25,403	36,246
Application of tax lox carryforwards and deductions	(284,631)	(465,767)
Domestic CIT payable or receivable	**393,939**	**117,006**
International CIT expense	176,728	326,607
International CIT income	(155,274)	
International CIT payable or receivable	**21,454**	**326,607**
CIT receivable	**415,393**	**443,613**

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

	31/12/2017	31/12/2018
Current taxes	(855,298)	(898,972)
Deferred taxes	439,905	455,359
Total Corporate Income Tax expense	**(415,393)**	**(443,613)**

According to current legislation, tax losses may be offset against taxable profits obtained as per local regulations. At December 31, 2018 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
2017	Marketing Manager Servicios de Marketing	116,937
2017	Antevenio Rich and Reach	67,032
2018	Antevenio SA	693,503
2014	Antevenio Publicité	316,193
2015	Antevenio Publicité	316,309
2011	Antevenio Publicité	720,193
2012	Antevenio Publicité	372,020
2017	Antevenio Publicité	184,950
2018	Antevenio Publicité	132,087
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.(Italia)	193,381
		5,439,053

At 31 December 2018, the Group has activated tax loss carryforwards amounting to 438,183 Euros as tax credits to be offset in future years.

Deferred taxes

The breakdown of changes in deferred tax assets between 31 December 2017 and 31 December 2018 is as follows:

	31/12/2017	Charge / (credit) to income	31/12/2018
Tax credits	919,048	508,873	1,427,921
Temporary differences, assets	753,974		753,974
Temporary differences, liabilities	(376,214)	7,292	(368,922)
Total deferred tax assets	1,296,808	516,165	1,812,973

The breakdown of tax credits is as follows:

	31/12/2017	31/12/2018
Companies included in the consolidated tax group	478,041	989,801
Companies with registered address abroad	441,007	438,120
Total tax credits	**919,048**	**1,427,921**

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 31 December 2018, the Group's Spanish companies had 2014 and subsequent years open for review by the tax authorities for Income Tax and 2015 and subsequent years for the main taxes applicable to them. 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 17 REVENUE AND EXPENSES

a) Revenue

The breakdown of revenue by activity is as follows:

Type of Activity	31/12/2017	31/12/2018
Online Advertising	26,716,172	27,638,518
Technology services	1,883,040	1,888,444
Total revenue	**28,599,212**	**29,526,962**

b) Supplies

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

c) <u>Personnel Expenses</u>

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

	31/12/2017	31/12/2018
Wages and salaries	(8,271,185)	(8,451,777)
Termination benefits	(98,708)	(42,304)
Social security payable by the Company	(1,750,519)	(1,647,787)
Employee benefits expense	(89,431)	(171,907)
Total personnel expenses	**(10,209,843)**	**(10,313,775)**

d) <u>External Services</u>

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

	31/12/2017	31/12/2018
Research and development expense in the reporting period	(96,258)	(9,538)
Leases and royalties (Note 9)	(723,895)	(756,776)
Repairs and maintenance	32,758	(23,908)
Independent professional services	(1,119,285)	(1,473,950)
Transport	(51,457)	(41,781)
Insurance premiums	(155,621)	(108,079)
Banking and similar services	(24,258)	(43,205)
Advertising, publicity and public relations	(328,222)	(320,375)
Utilities	(185,066)	(172,747)
Other services	(380,928)	(328,844)
	(3,032,232)	**(3,279,203)**

e) <u>Other finance and similar income</u>

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

	31/12/2017	31/12/2018
Finance income from accounts and similar	16,109	2,840
	16,109	**2,840**

f) Finance Expenses

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

	31/12/2017	31/12/2018
Debts and similar expenses	(87,013)	(78,643)
	(87,013)	**(78,643)**

NOTE 18.PROVISIONS AND CONTINGENCIES

Changes in provisions were as follows:

	31/12/2017	Allowance	Application/Reversal	31/12/2018
Provisions for other liabilities	131,180	73,279	-	204,459
	131,180	**73,279**	**-**	**204,459**

This item relates mainly to provisions for the remuneration of personnel arising from Antevenio S.R.L. in compliance with the existing Italian labour-related regulations and amounting to 204,459 euros (131,180 Euros at 31 December 2017).

Net book value of intangible assets located outside Spain amounts to 265.684 euros at 31 December 2018 (231,307 euros at 31 December 2017).

NOTE 19. 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 20.EVENTS AFTER THE REPORTING PERIOD

There are no significant events to be reported after the close of the financial year ended 31 December 2018.

NOTE 21. COMPENSATION AND INTERESTS OF AND BALANCES WITH DIRECTORS OF THE PARENT COMPANY

21.1) 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	
	31/12/2017	**31/12/2018**
Wages and salaries	436,702	406,813
Total	**436,702**	**406,813**

In addition to these amounts, accrued remunerations arising from share-based payments disclosed under Note 17.c should be included. At 31 December 2018 and at 31 December 2017 there are no commitments for pension supplements, sureties or guarantees, loans or advances granted to the Board of 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.

NOTE 22. OTHER INFORMATION

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

	31/12/2017			31/12/2018		
	Men	**Women**	**Total**	**Men**	**Women**	**Total**
Management	12	4	16	12	5	17
Administrative	7	14	21	8	14	22
Commercial	26	25	51	25	26	52
Production	51	55	106	52	53	106
	96	**98**	194	**98**	**99**	197

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:

	31/12/2017	31/12/2018
Management	16	16
Administrative	21	23
Commercial	56	42
Production	106	101
	199	**182**

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:

	31/12/2017	31/12/2018
Commercial	1	1
Production	1	1
	2	**2**

In 2018 and 2017, the fees earned by the auditors of the consolidated group totalled 64,500 euro.

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:

	2017	2018
	Days	**Days**
Average period of time for payment to suppliers	49.60	50.62
Percentage of paid transactions	48.80	49.70
Percentage of transactions pending payment	55.72	48.22
	Amount (Euro)	**Amount (Euro)**
Total payments made	7,071,444	6,207,221
Total payments pending	363,293	1,095,927

NOTE 23.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 (31/12/2018)	Total
Online Advertising	27,638,518
Technology services	1,888,444
Total revenue	**29,526,962**

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

Distribution of Sales and Costs to Sell by Territory

Distribution / Sales	Consolidated Amount 31/12/2017	Consolidated Amount 31/12/2018
Spain	13,765,047	12,195,178
Europe and Latin America	14,834,165	17,331,784
Total Sales Distribution	**28,599,212**	**29,526,962**

Distribution of Costs to Sell	Consolidated Amount 31/12/2017	Consolidated Amount 31/12/2018
Spain	(4,438,468)	(4,257,351)
Europe and Latin America	(7,186,329)	(8,157,051)
Total Costs Distribution	**(11,624,797)**	**(12,414,401)**

Consolidated Results Accounts broken down by category of activity

	31/12/2018			31/12/2017		
	Online Advertising	Rendering of Technology Services	**Total**	Online Advertising	Rendering of Technology Services	**Total**
Revenue	27,638,518	1,888,444	**29,526,962**	26,716,172	1,883,040	**25,599,212**
Other operating income	175,705		**175,705**	77,530	0	**77,530**
Supplies	(11,930,955)	(483,447)	**(12,414,401)**	(11,195,895)	(428,902)	**(11,624,797)**
Other operating expenses	(2,796,848)	(766,948)	**(3,563,796)**	(2,259,720)	(772,512)	**(3,032,232)**
Amortization and depreciation	(233,737	(117,345)	**(351,082)**	(223,342)	(142,344)	**(365,687)**
Personnel expenses	(9,818,451)	(495,324)	**(10,313,775)**	(9,663,684)	(546,158)	**(10,209,842)**
Other income / (loss)	(4,995)	4,995		(336,279)	(101,083)	**(437,362)**
Operating profit / (loss)	3,029,237	30,376	**3,059,613**	3,114,782	(107,959)	**3,006,826**
Net Finance Income	(123,185)	(251)	**(123,435)**	(89,913)	(806)	**(90,719)**
Profit / (loss) before income tax	2,906,052	30,125	**2,936,178**	3,024,869	(108,766)	**2,916,104**
Income Tax	(553,069)	109,456	**(443,613)**	(415,393)		**(415,393)**
Other taxes	(70,603)		**(70,603)**	(159,307)	(3,095)	**(162,401)**
Profit/(loss) for the year	2,282,381	139,581	**2,421,962**	2,450,169	(111,860)	**2,338,309**

NOTE 24.RELATED PARTY TRANSACTIONS

As a result of the changes in shareholding occurred during 2016 and detailed in Note 12.1 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	*Related party*
ISP Digital Group	*Parent Company*
Acceso Group	*Related party*

At 31 December 2018 and 31 December 2017 the balances with related parties were as follows:

RELATED PARTY (31 December 2018)	BALANCE RECEIVABLE	BALANCE PAYABLE
ACCESO COLOMBIA	67,831	(12,726)
ACCESO GROUP	17,468	(428)
ANAGRAM	24,618	-
DIGILANT INC	94,691	-
DIGILANT SPAIN	271,832	(161,292)
DIGILANT USA	7,500	-
ISP DIGITAL for Taxation Group Corporate Income tax expense	121,000	(633,665)
TOTAL RELATED PARTIES	604,941	(808,111)

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

The breakdown of transactions with related parties conducted in 2018 and 2017 is as follows:

2018	ACCESO COLOMBIA	DIGILANT USA	DIGILANT MARKETING	DIGILANT INC	ANAGRAM	ACCESO GROUP	DIGILANT SPAIN	ISP DIGITAL
Sales	111,960	7,500	400	227,429	25,290		41,122	-
Purchases	(91,921)					(18,800)	(22,027)	-
Services rendered	-	-				10,873	-	20,000
Services received	-	-				(11,323)	(90,666)	-
Total	**20,039**	**7,500**	**400**	**227,429**	**25290**	**(19,250)**	**(71,571)**	**20,000**

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**

As previously stated in note 12.5, on 28 June 2018 the Company approved the distribution of a dividend amounting to 0.30 euro per share, resulting in 1,071,302.40 euro paid to ISP Digital (1,048,755.90 euro in the dividend paid in 2017)

NOTE 25.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 was thereafter included within the consolidation scope and fully consolidated.

The company React2Media, L.L.C. has its registered address at 35 W 36th St, New York, NY 10018, USA. The company's 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 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 by the Group at 31 December 2017 as a financial liability represented to the best estimate, as of that date, of the expected amount to be paid; the fair value of this financial liability has been measured at 1.98 million euro, recognized under “Other non-current liabilities”.

In accordance with the provisions of International Financial Reporting Standard No. 3 on Business Combinations, during the first half-year of 2018 the Group has decided to reassess this financial liability and to retrospectively adjust the provisional amounts recognized at the acquisition date to reflect new information obtained about facts and circumstances that existed as of the acquisition date and, if known, would have affected the measurement of the amounts recognized as of that date. Consequently, the amount recognized at 31 December 2018 as a financial liability represents the best estimate, as of the date of preparing these Consolidated Financial Statements, of the expected amount to be paid; the fair value (note 4w) of this financial liability has been measured at 2.108 million euro, recognized under “Other non-current liabilities”.

The estimated fair value of this financial liability is classified within Level 3 of the fair value hierarchy (see note 4w).

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

	Euros
Fair value of the consideration given	
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 was 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	-	1,198,620

MANAGEMENT REPORT

ANTEVENIO, S.A.

CONSOLIDATED DIRECTORS' REPORT FOR THE YEAR 2018

To the shareholders

Financial Year 2018

SITUATION OF THE ACTIVITY AND RESULTS OF ANTEVENIO, S.A. AND SUBSIDIARIES DURING THE YEAR ENDED ON DECEMBER 31, 2018

1. Revenue and Consolidated Results of the Group in 2018

In 2018, 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 2018, the consolidated turnover reached a total of 29.6 million euro that represents a 3% increase on 2017 consolidated revenue that amounted to 28.6 million euro.

Editing activities have represented almost 30% of the activity. Technology and associated services sales reached 9.2 million euro, while Media Trading sales totalled 13 million euro.

Net turnover from foreign operations represented 59%, vs. 52% in 2017.

Operating expenses, including sales costs and excluding amortizations and allocations for provisions, have remained stable, a flat growth compared to 2017.

The results attributable to Holders of Net Equity in the Parent Company for the financial year reached 2.4 million euros against 2.3 million euros in financial year 2017. EBITDA for financial year 2018 is of 3.9 million euro, a figure similar to 2017, when EBITDA was 3.8 million euro.

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

2. Turnover of Antevenio S.A. subsidiaries in 2018

In thousands of euros

Turnover

Mamvo Performance, S.L.U.	5,272
Antevenio, S.R.L.	5,010
Marketing Manager de Servicios de Marketing, S.L.	1,888
Antevenio ESP S.L.U	4,589
Código Barras Networks, S.L.U	1,337
Antevenio Argentina S.R.L.	104
React2Media	4,805
Antevenio Publicite S.R.L.	2,294
Antevenio Mexico, S.A de C.V	5,469
Antevenio SA	2,325
Antevenio, Rich & Reach, S.L.U.	3,336

3. Significant events affecting financial year 2018

In 2018 the Antevenio Group has maintained the upward trend that began in 2014, registering a 3% increase versus 2017 turnover.

In 2018, 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.

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 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).
Pursuant to the International Financial reporting Standards and in accordance with a prudent interpretation of IAS 3, the following assumption has been used: Antevenio Group takes as of the acquisition date the risks and rewards of the entire share capital of the investee,

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 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.

PROSPECTS

Antevenio faces 2019 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 2019 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 2018 relate to:

Additions to property, plant and equipment amount to 103 million euros in 2018.

Additions to other intangible assets amounted to 204 thousand euro in 2018 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. Regulation (EU) 2017/679 of the European Parliament and of the Council of 27 April 2017 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).

2. Organic Law 3/2018, of 5 December, on Personal Data Protection and safeguard of digital rights.

3.Royal Decree 1720/2007, of 21 December, approving the Implementing Regulations of Organic Law 15/1999, of 13 December, on personal data protection (in all matters not contrary to GDPR).

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

5.Proposal, dated 10 January 2018, 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).

6.Guides, guidelines and other relevant materials issued by the Spanish Data Protection Agency, CNIL, GARANTE Privacy and the so-called Article 29 Working Group on Data Protection, as well as by the European Data Protector Supervisor.

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.

PERSONNEL

The Group’s average headcount in 2018 was 197, 194 in 2017.

SHAREHOLDING STRUCTURE

At 31 December 2018, direct and indirect shareholders of the Company were as follows:

	No. of Shares	**% Ownership**
ISP Digital SLU	3,571,008	84.87%
Other <5%	401,036	9.53%
Nextstage	235,451	5.60%
Total	**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 2018 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:

(a)The treasury shares may be directly acquired by the Company or indirectly acquired through subsidiaries under the terms of the resolution;

(b)Treasury shares may be acquired through purchase, swap or any other legally permitted transaction;

(c)The face value of treasury shares acquired directly or indirectly by the company, added to those already held by the acquiring company and its subsidiaries, the parent company and its subsidiaries, cannot exceed ten percent (10%) of its subscribed capital.

(d)Treasury shares may not be acquired at a price above 15 euro or at a price below 1 euro.

(e)The authorization shall be valid for a maximum period of eighteen (18) months as from the date of its approval.

(f)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.

It was expressly stated that shares acquired as a consequence of this authorization may be destined to:

(i)Disposal or redemption thereof;

(ii)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 option rights they might be entitled to;

(iii)To ensure share liquidity, through the brokerage of an investment services provider under a "liquidity contract";

(iv)To acquire shares or stakes in other companies, in which case the limit referred to in point c) above shall be five (5) percent.

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.

The remuneration plans implemented were as follows:

2015 Plan:
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:

(v) the maximum number of shares that can be granted cannot exceed 190,000 shares;
(vi) 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;
(vii) the value of the shares shall be 2.59 Euro per share; and
(viii) the plan will be in force for a maximum term of 2 years and 6 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. The plan was approved by the Board of Directors on 16 December 2015.

On 5 March 2018, a plan beneficiary executed 63,333 shares at a price of 2.59 Euros each in accordance with the terms of the remuneration plan. Finally, the company and the beneficiary have agreed settlement in cash. The above-mentioned exercise has caused a reduction of assets in 335 thousand euro.

On 31 October 2018, the other two plan beneficiaries executed 63,333 and 63,334 shares, respectively, at a price of 2.59 Euros each in accordance with the terms of the remuneration plan. Finally, the company and the beneficiaries have agreed settlement in shares of the Parent Company.

Following the above-mentioned exercise, the Plan has been extinguished.

Changes in existing options were as follows:

	31/12/2017		31/12/2018	
	Number	**Weighted average price**	**Number**	**Weighted average price**
Granted options (+)	190,000	2.59	-	-
Options at the end of the year	190,000	2.59	-	-

2016 Plan:
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:

(vi) the maximum number of shares that can be granted cannot exceed 125,000 shares;
(vii) 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;
(viii) shares shall be awarded free of charge; and
(ix) the plan will be in force up to 30 June 2019.
(x) eligible employees shall stay in the Company during the entire above mentioned term

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

On 2 July 2018, a plan beneficiary executed 75,000 shares awarded free of charge in accordance with the terms of the remuneration plan. Finally, the company and the beneficiary have agreed settlement in shares of the Parent Company.

Changes in the above mentioned options were as follows:

	31/12/2017		31/12/2018	
	Number	Weighted average price	Number	Weighted average price
Granted options (+)	125,000	-	50,000	-
Options at the end of the year	125,000	-	50,000	-

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	
	31/12/2017	31/12/2018
Wages and salaries	436,702	406,813
Total	**436,702**	**406,813**

At December 31, 2018 and 2017, 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 2018 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:

- Marketing Automation,
- Transactional E-mail,
- 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.

Specifically, R&D&I investment expenses are presented in the following table together with the relevant tax deduction generated by such expenses:

Project	Communities/ Portals	CrossMdirector	Rich and Reach	Coobis	Data Lake	TOTAL
Expense	293,590.73	282,212.22	6,407.42	26,505.18	139,645.14	**748,360.69**
Deduction	35,230.89	33,865.47	768.89	3,180.62	47,908.93	**120,954.80**

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PREPARATION OF THE CONSOLIDATED ANNUAL ACCOUNTS AND THE CONSOLIDATED MANAGEMENT REPORT

In compliance with corporate regulation in force, the Board of Directors of **Antevenio, S.A. and Subsidiaries** presents these Consolidated Financial Statements and Consolidated Directors' Report for the year ended on 31 December 2018 consisting in the attached sheet numbers 1- 78.

Madrid, 27 March 2019
The Board of Directors

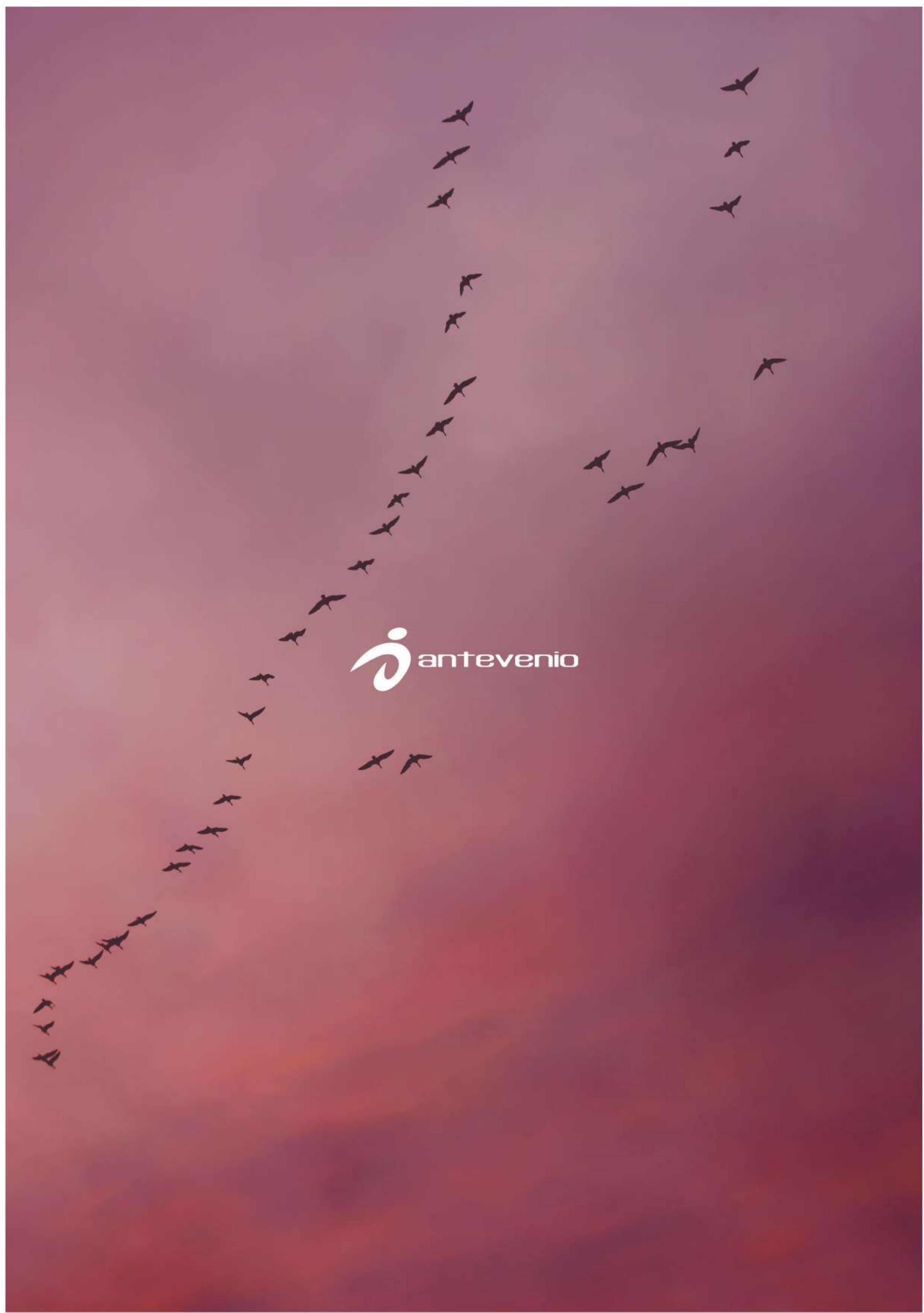
Mr. Pablo Pérez García-Villoslada
President

Mr. David Rodés
Director

Mr. Vincent Bazi
Director

Mr. Fernando Sánchez Gárate
Director

Mr. Juan Rodés
Director-Secretary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