



advertising & user experience

2017 INTERIM FINANCIAL REPORT

A corporation with a capital of 4,329,132 euros
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Management report

PRESENTATION OF EARNINGS FOR THE FIRST HALF OF 2017

I. Comments concerning the consolidated income statement

Held back by the legacy activities, consolidated revenue declined by 8% to €26.1 million in the first half 2017. Margins remained firm overall (47% vs. 46% in the first half 2016) , with gross profit tracking the revenue trend line (€12.3 million, - 7%).

The company maintained cost discipline over the period. Purchases, that amounted for €3.5 million, down compared to the first half 2016 (€4.2 million). Other provisions and allocations related to depreciation and amortization for €1 million are mainly resulting of investments directly linked to the development of technical platforms.

The current operating result amounts before stock based compensation and before taking other non-current income and charges to -€0.6 million, which represents in line versus the 2016 first half (-€0.6 million).

The consolidated net income amounts to €0.5 million (versus €0.2 million for the 2016 first half).

This net result can be detailed as follow:

- The current operating profit -€0.6 million (versus -€0.6 million for the first half of 2016).
- A non-operating income of €0.3 million (against €1.4 million in the first half of 2016)
- And a tax expense of -€0.1 million (against -€0.4 million in the first half of 2016).

II. Internal developments and innovations

Development fees capitalized during the period correspond mainly to:

- The continuation of developments for Quantum platform,
- The continuation of developments for MapubFacile platform,
- The continuation of developments for AdMoove platform,
- In developing of new out-stream formats and rich media.

III. Significant events of the period

On April 10th, 2017 AdUX SA acquired 49,9% stake in its subsidiary Local Media and now owns 100% of the subsidiary. As a result, a project of merger-absorption of Admoove by Local Media (also held 100% by AdUX) has been initiated in order to simplify the management and the group organization.

This process is carried out by "simplified merger", AdUX having proceeded beforehand with the sale of its Admoove shares in favor to Local Media.

The accounting and fiscal effect date for the merger has been set up January 1st, 2017 and the date of implementation July 31st, 2017.

On May 4th, 2017, the Extraordinary Board decided to change the name of HiMedia to "AdUX".

IV. Event posterior of the closing

AdUX SA canceled by anticipation his administration office in Paris on July 10th, 2017 with effect date on July 17th, 2017. However AdUX continues to occupy those offices as sub-lessee for 12 months from the termination date of the lease.

MAIN RISKS AND UNCERTAINTIES CHARACTERISING THE SECOND HALF OF 2017

The main risks to which the Group is exposed are described in the Report to the President page 114 and following of the 2016 annual report.

The Company is not aware of other risks and uncertainties affecting the Group.

PROSPECTS

The native advertising, drive-to-store marketing and social marketing businesses are all expanding very quickly, their positioning has been amply validated by the advertising market and they enjoy major growth potential. They are now large enough to act as AdUX's core business and no longer require any significant financing. As a result, the Group plans to focus on these three activities and will seek to adjust its business base accordingly.

The planned refocusing process is designed to give AdUX a clearer growth profile, while retaining its strong commitment to flexibility and cost discipline, so as to make the Group more profitable.

If any scope variations might intervene in 2017, new targets will be communicated to the market but the positive EBITDA achievement is not reconsidered.

The company has the financial resources needed to fund these developments, with €4.7 million in gross cash and cash equivalents, a transferable equity interest in HiPay worth €2.2 million.

TRANSACTIONS BETWEEN AFFILIATED PARTIES

The affiliated parties of AdUX Group correspond to the authorized agents, senior managers and directors of the group, as well as the companies in which they exercise control, notable influence, or hold a significant voting right.

I. Compensation of management members

The compensation and benefits relating to the executive officers were paid for an amount of €116 thousand (against €161 thousand on June 30th, 2016) including €100 thousand of wages, €16 thousand of benefits.

II. Transactions with the subsidiaries

AdUX SA invoices its subsidiaries for holding expenses as well as for trademark expenses, eliminated in the consolidated financial statements.

III. Other affiliated parties

During the first half of 2017, no significant operation has been carried out with:

- shareholders holding a significant voting right in the AdUX S.A. capital,
- members of the management organs, including the directors,
- entities over which one of the main senior managers or shareholders exercise control, or notable influence, or hold a significant voting right.

Group's summary consolidated financial statements

Consolidated income statements for the half-years ending on 30 June 2017 and 30 June 2016

<i>In thousands of euro</i>	Notes	30 June 2017	30 June 2016
Sales		26 087	28 415
Charges invoiced by the media		-13 819	-15 261
Gross profit		12 268	13 154
Purchases		-3 469	-4 214
Payroll charges	3	-8 446	-8 632
EBITDA ⁽¹⁾		353	309
Depreciation and amortization		-988	-902
Current operating profit		-635	-593
Stock based compensation		-106	-19
Other non-current income and charges	4	332	1 386
Operating profit		-410	774
Cost of indebtedness		-20	-51
Other financial income and charges		78	-99
Earning of the consolidated companies		-351	624
Share in the earnings of the companies treated on an equity basis		-	-
Earnings before tax of the consolidated companies		-351	624
Income Tax	5	-105	-381
Net income of the consolidated companies		-456	243
Net income from discontinued operations		-	-
Net income		-456	243
Minority interests from continuing operations		124	253
Minority interests from discontinued operations		-	-
Including Group Share		-332	495
		30 June 2017	30 June 2016
Weighted average number of ordinary shares		2 886 088	2 886 088
Earnings per share, Group share (in euro)		- 0,11	0,17
Weighted average number of ordinary shares (diluted)		2 886 088	2 886 088
Diluted earnings per share, Group share (in euro)		- 0,11	0,17

⁽¹⁾ Current operating income before allocations and reversals of depreciation, amortisation and provisions.

Statement of Comprehensive Income for the half years ending on 30 June 2017 and on 30 June 2016

<i>in thousands of euro</i>	30 June 2017	30 June 2016
Net result	- 332	495
Other element of the global result	-	
- Hedge accounting on financial instruments	-	-
- Exchange differences	- 2	232
- Other	-	-
- Taxes on other elements of the global result	-	-
- Actuarial gain and losses related to post-employment benefits		-
Other elements of the global result, net of tax	- 2	232
Group share	- 18	201
Minority interests	16	31
Global result	- 334	727

Consolidated balance sheets as of 30 June 2017 and 31 December 2016

ASSETS - In thousands of euro	Notes	30 June 2017	31 Dec 2016
Net goodwill	6	20 860	20 860
Net intangible fixed assets	7	1 255	1 413
Net tangible fixed assets		1 245	1 319
Deferred tax credits	8	54	54
Other financial assets		1 428	1 484
Non-current assets		24 842	25 131
Customers and other debtors	9	26 587	26 101
Other current assets	10	12 305	13 988
Current financial assets		2 215	3 259
Cash and cash equivalents	0	4 687	5 690
Current assets		45 794	49 037
TOTAL ASSETS		70 635	74 168

LIABILITIES - In thousands of euro	Notes	30 June 2017	31 Dec 2016
Share capital		4 329	4 329
Premiums on issue and on conveyance		83 870	83 870
Reserves and retained earnings		-68 002	-64 485
Treasury shares		-4 107	-5 722
Consolidated net income (Group share)		-332	-1 092
Shareholders' equity (Group share)		15 758	16 900
Minority interests		371	375
Shareholders' equity		16 129	17 274
Long-term borrowings and financial liabilities	11	3 187	3 416
Non-current provisions		706	696
Non-current liabilities		0	-
Deferred tax liabilities	8	188	264
Non-current liabilities		4 082	4 376
Short-term financial liabilities and bank overdrafts	11	480	480
Current provisions		-	-
Suppliers and other creditors		39 905	40 612
Other current debts and liabilities	12	10 039	11 425
Current liabilities		50 424	52 517
TOTAL LIABILITIES		70 635	74 168

Table of consolidated cash flows for the half-years ending on 30 June 2016 and on 31 December 2017 and on 30 June 2016

In thousands of euro	Notes	30 June 2017	31 Dec 2016	30 June 2016
Net income		-456	-1 316	243
<i>Ajustments for :</i>		-	-	-
Depreciation of the fixed assets		1 029	1 757	919
Value losses		-	-	-
Other non-current without impact on the cash		191	-411	-1
Cost of net financial indebtedness		20	58	51
Share in associated companies		-	-48	-
Net income on disposals of fixed assets		-764	-1 568	-2 114
Cash flow from discontinued operations		-	-	-
Cash flow from business to be divested		-	-	-
Costs of payments based on shares		106	37	19
Tax charge or proceeds	5	105	333	381
Operating profit before variation of the operating capital need		230	-1 157	-503
Variation of the operating capital need		-1 083	-4 247	-3 001
Cash flow coming from operating activities		-853	-5 404	-3 503
Interest paid		-20	-58	-45
Tax on earnings paid		-390	-369	-281
NET CASH FLOW RESULTING FROM OPERATING ACTIVITIES		-1 262	-5 832	-3 829
Income from disposals of fixed assets		-	-	-
Valuation at fair value of the cash equivalents		-	-	-
Proceeds from disposals of financial assets		-	-	-
Disposal of subsidiary, after deduction of cash transferred	2	1 817	6 303	3 268
Acquisition of a subsidiary		-545	-1 767	-89
Acquisition of fixed assets		-704	-1 297	-515
Variation of financial assets		3	80	38
Variation of suppliers of fixed assets		-13	-398	-34
Effect of the perimeter variations		-2	-	-
NET CASH FLOW COMING FROM INVESTMENT ACTIVITIES		555	2 922	2 668
Proceeds from share issues		-37	-50	3
Redemption of own shares		170	97	33
New borrowings		-	1 576	14
Repayments of borrowings		-240	-	-
Other financial liabilities variation		-218	-406	-1 126
Dividends paid to minority interests		-	-19	-
NET CASH FLOW COMING FROM FINANCING ACTIVITIES		-326	1 198	-1 076
Effect of exchange rate variations		29	-31	-34
NET VARIATION OF CASH AND OF CASH EQUIVALENTS		-1 003	-1 743	-2 270
Cash and cash equivalents on January 1 st		5 690	7 434	7 434
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		4 687	5 690	5 163

Table showing the variation of consolidated shareholders' equity for the half years ending on 30 June 2017 and on 30 June 2016

<i>In thousands of euro</i>	Number of shares	Share capital	Premiums	Treasury shares	Reserve for options and free shares	Income and expenses on equity	Reserves and consolidated earnings	Shareholders' equity (Group share)	Shareholders' equity Minority interests	Shareholders' equity
January 1, 2016	2 959 558	4 439	127 881	- 6 731	816	- 49 728	- 54 630	22 045	- 70	21 975
Dividends paid by subsidiaries to the minorities	-	-	-	-	-	-	-	-	-	-
Call exercise	-	-	-	-	-	-	-	-	-	-
Shares redemptions (1)	- 73 470	- 110	-	- 1 876	-	-	-	- 1 987	-	- 1 987
Stock options and free shares impact(2)	-	-	-	-	19	-	-	19	-	19
Perimeter variation	-	-	-	-	-	- 419	-	- 419	188	- 231
Income and charges directly posted in shareholders' equity	-	-	-	-	-	232	-	232	- 31	201
Net income of the period	-	-	-	-	-	-	495	495	- 254	242
Total global income	-	-	-	-	-	232	495	727	- 284	443
June 30, 2016	2 886 088	4 329	127 881	- 8 607	835	- 49 915	- 54 134	20 385	- 167	20 219
Dividends paid by subsidiaries to the minorities	-	-	-	-	-	-	-	-	- 19	- 19
Call exercise	-	-	-	-	-	-	-	-	-	-
Shares redemptions (1)	-	-	-	64	-	-	-	64	-	64
Capital reduction by cancelling shares	-	-	-	-	-	-	-	-	-	-
Stock options and free shares impact(2)	-	-	-	-	19	-	-	19	-	19
Perimeter variation	-	-	-	-	-	- 1 951	-	- 1 951	531	- 1 420
Income and charges directly posted in shareholders' equity	-	-	-	-	-	30	-	30	-	30
Net income of the period	-	-	-	-	-	-	1 588	1 588	30	1 558
Total global income	-	-	-	-	-	30	1 588	1 617	30	1 588
December 31, 2016	2 886 088	4 329	127 881	- 8 544	854	- 51 896	- 55 722	16 900	375	17 274
Dividends paid by subsidiaries to the minorities	-	-	-	-	-	-	-	-	-	-
Call exercise	-	-	-	-	-	-	-	-	-	-
Shares redemptions (1)	-	-	-	1 615	-	-	-	1 615	-	1 615
Stock options and free shares impact(2)	-	-	-	-	106	-	-	106	-	106
Perimeter variation	-	-	-	-	-	- 2 529	-	- 2 529	12	- 2 517
Income and charges directly posted in shareholders' equity	-	-	-	-	-	2	-	2	- 16	18
Net income of the period	-	-	-	-	-	-	332	332	-	-
Total global income	-	-	-	-	-	2	332	334	- 16	350
June 30, 2017	2 886 088	4 329	127 881	- 6 928	960	- 54 427	- 56 054	15 758	371	16 129

(1) As of June 30th, 2017, AdUX S.A. holds 63,354 treasury shares. Moreover within the framework of the liquidity contract, AdUX holds 18,121 of its own shares as of June 30th, 2017.

(2) See (2) in connection with the share subscription option plans and the allocations of free shares.

Notes concerning the Group's summary consolidated interim financial statements

Note 1. Accounting principles and methods

i. Preparation bases for the summary financial statements

The interim financial statements for the 1st half of 2017 are to be read as a complement to the audited consolidated financial statements for the financial year ending on December 31, 2016 as published in the annual report on April 13th, 2017.

The interim consolidated financial statements as of June 30th, 2017 are established in accordance with the accounting and valuation principles of the IFRS international accounting standards adopted by the European Union. Those international accounting standards consist of the IFRS (International Financial Reporting Standards), of the IAS (International Accounting Standards), as well as of their interpretations adopted by the European Union on June 30th, 2017 (publication in the Official Journal of the European Union).

The interim consolidated financial statements for the half-year ending on June 30th, 2017 have been prepared in accordance with the provisions of standard IAS 34 concerning "Interim financial information".

AdUX Group's consolidated financial statements include the financial statements of AdUX S.A. and of its subsidiaries (the whole being designated as "the Group"), as well as the Group's holdings in its affiliated companies or companies under joint control. They are presented in thousands of euro.

The interim consolidated financial statements dated June 30th, 2017 as well as the notes relating thereto have been established on the responsibility of the Board of Directors, and were closed out at its meeting held on July 25th, 2017.

ii. Accounting principles and valuation methods

AdUX Group has applied the same accounting methods as in its consolidated financial statements for the financial year ending on December 31st, 2016, except for standards, amendments and interpretations applicable for the first time as from January 1st, 2017.

Application of new standards and interpretations

- The Group's application of the following standards and interpretations, adopted by the European Union and mandatory in financial years beginning on or after January 1st, 2017, had no major impact on the Group's financial statements:
 - Amendments to IAS 16 and IAS 38 on Clarification of Acceptable Methods of Depreciation and Amortization
 - Amendments to IAS 19 on Employee Contributions
 - Amendments to IFRS 11 – Accounting for Acquisitions of Interests in Joint Operations
 - IFRS annual improvements cycle 2010 – 2012
 - IFRS annual improvements cycle 2012 – 2014
 - Amendments to IAS 27 : Equity method in the individual account
 - Amendments to IAS 1 – « Disclosure initiative » Presentation of financial statements
 - Amendments to IAS 12 – Recognition of deferred tax assets for unused tax losses

The application of these standards, amendments and interpretations to be applied as from January 1st, 2017 did not have a material impact on the Group's condensed interim consolidated financial statements as of and for the six-month period ended June 30th, 2017.

Early application

As at June 30, 2017, the Group does not expect to apply IFRS 15 in advance.

Standards published by the IASB, for which application is not mandatory

- The principles applied by the Group do not differ from IFRS standards as published by the IASB, since the application of the following standards and interpretations is not mandatory in financial years beginning on or after January 1, 2017:

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- IFRS 9 and amendments to IFRS 9 – Financial Instruments: Classification and Measurement of financial assets, fair value option for financial liabilities and hedge accounting
 - IFRS 15 – Revenue from Contracts with Customers
This new standard on revenue recognition intended to replace most of the current IAS 18 and IAS 11. The new standard, which has not yet been endorsed by the European Union, is applicable from January 1, 2018 with early adoption permitted.
The analysis of contracts is in progress. The Group does not plan to apply IFRS 15 by anticipation.
 - IFRS 16 – Leases
- The Group is currently in the process of determining the potential impact of the application of these new standards and interpretations on the Group's consolidated financial statements.

iii. Use of estimates and judgments

Preparation of the financial statements in accordance with the IFRS standards requires Management to take account of estimates and of assumptions for determination of the amounts to be posted with regard to certain assets, liabilities, income and charges, as well as of certain information provided in notes attached to the assets and liabilities, in particular :

- The goodwill and the related depreciation tests,
- The share of profit associated,
- The intangible assets acquired,
- The deferred tax credits,
- The depreciation of receivables,
- The provisions for risk,
- The charge for stock options and free shares.
- The financial instruments.

The estimates and underlying assumptions are developed on the basis of past experience and other factors, such as events to come, considered reasonable in light of the circumstances. They are also used as the basis for exercise of the judgment necessary for determination of the book values of assets and liabilities, which cannot be obtained directly from other sources. In view of the inherently uncertain nature of these valuation procedures, the definitive amounts may prove to be different from the ones initially estimated.

The estimates and the underlying assumptions are continuously reconsidered. The impact of the changes in accounting estimates is directly entered in the accounting during the period of the change if it affects only said period, or during the period of change and in subsequent periods if they are also affected by the change.

Note 2. Consolidation scope

Corporate name	Country	% held directly and indirectly on 30/06/2017	% control on 30/06/2017	Consolidation method	Date of creation or of acquisition	Date of financial year closeout
Created companies						
Hi-media Belgium SPRL	Belgium	100%	100%	FC	09.03.00	31.12
Hi-media Portugal LTDA	Portugal	54%	54%	FC	31.10.00	31.12
Adysseum SARL	France	100%	100%	FC	13.05.02	31.12
HPMP SPRL	Belgium	100%	100%	FC	17.09.07	31.12
Allopass Scandinavia AB	Sweden	100%	100%	FC	30.09.09	31.12
Hi-media Regions SAS	France	49%	49%	EM	06.12.12	31.12
Mobvious Italia SRL	Italy	100%	100%	FC	17.05.13	31.12
Quantum SAS	France	81%	81%	FC	23.04.14	31.12
Fotolog SAS	France	49%	49%	EM	15.05.14	31.12
HiMedia Advertising SAS	France	100%	100%	FC	02.12.14	31.12
Adexpert SPRL	Belgium	50,1%	50,1%	FC	06.06.14	31.12
Local Media SAS	France	100%	100%	FC	02.12.11	31.12
Latam Digital Ventures	USA	60%	60%	FC	02.02.15	31.12
Hi-Media LLC	USA	100%	100%	FC	30.04.15	31.12
FullScreen Solutions	Mexico	53%	89%	FC	25.03.15	31.12
Quantum Native Solutions Italia SRL	Italy	81%	100%	FC	22.12.15	31.12
Mobvious Corp	USA	36%	60%	FC	23.03.16	31.12
Hi Media España Publicidad Online	Spain	100%	100%	FC	22.09.16	31.12
Quantum Advertising España SL	Spain	81%	100%	FC	14.07.16	31.12
Acquired companies						
Hi-media Deutschland AG	Germany	45%	45%	EM	30.04.01	31.12
Admoove	France	100%	100%	FC	06.01.15	31.12
Hi-media Sales AB	Sweden	100%	100%	FC	04.09.06	31.12
Groupe Hi-media USA Inc	USA	100%	100%	FC	27.11.07	31.12
Vivat SPRL	Belgium	100%	100%	FC	14.03.08	31.12
Hi-media Nederland BV	Netherland	100%	100%	FC	31.08.09	31.12
Hi-media Italia SRL	Italy	100%	100%	FC	31.08.09	31.12
Hi-media Network Internet España SL	Spain	100%	100%	FC	31.08.09	31.12
Pragma Consult SPRL	Belgium	45%	45%	EM	30.01.12	30.09
New Movil Media SL	Spain	100%	100%	FC	13.12.12	31.12
Eresmas	USA	60%	100%	FC	16.03.15	31.12
Starm Interactiva	Mexico	60%	100%	FC	16.03.15	31.12
Hi Media Digital Business SL	Spain	100%	100%	FC	16.03.15	31.12

Note 3. Payroll charges

The breakdown of the payroll charges between salaries, social security charges and provision for end-of-career indemnities look as follows:

<i>In thousands of euro</i>	30 June 2017	30 June 2016
Salaries	6 272	6 346
Social security charges	2 128	2 264
Provision for end-of-career indemnities	45	22
Payroll charges	8 446	8 632

The Group Average headcount change as follows:

	H1 2017	H1 2016
Average headcount	240	231

Note 4. Other non-current income and expenses

The non-recurring expenses (€0.3m) mainly result from:

- Gain on sales of HiPay shares and revaluation of remaining shares for €0.8 million
- Expenses related to the non current disputes and reorganization for -€0.5 million

Note 5. Tax on earnings

The tax charge breaks down as follows:

<i>In thousands of euro</i>	30 June 2017	30 June 2016
Current taxes	-181	-305
Deferred taxes	76	-76
Tax (charge)/Proceeds	-105	-381
<i>Effective tax rate (%)</i>	<i>-30%</i>	<i>61%</i>

The difference between the effective tax rate and the theoretical tax rate is to be analyzed as follows:

<i>In thousands of euro</i>	30 June 2017	30 June 2016
Tax rate in France	33,33%	33,33%
Theoretical tax (charge)/proceeds	117	- 208
<i>Elements concerning the comparison with the effective rate:</i>		
Effect of change in rates	-	-
Earnings charged to losses subject to carryover not previously recorded	18	241
Recognition of deferred tax credits on losses carried over	-	-
Difference of tax rate between the countries	17	90
Effect of non-asset deficit transfers from the fiscal year	- 557	- 1 692
Permanent differences and other elements	334	1 188
Taxes without basis	- 35	- 0
Real tax (charge)/proceeds	- 105	- 381
<i>Effective tax rate</i>	<i>-30%</i>	<i>61%</i>

AdUX S.A., HiMedia Advertising SAS and Adysseum SARL are consolidated for tax purposes.

Note 6. Goodwill

<i>In thousands of euro</i>	31 Dec 2016	Forex	Ch. In scope	Transfert	Increases	Decreases	30 June 2017
Goodwill	103 635	-	0	-	-	-	103 636
Impairments	-82 776	0	-	-	-	-	-82 776
Net goodwill	20 860	0	0	0	0	0	20 860

A depreciation test is carried out when an indication of value loss exists at the time of the semi-annual closeout, in accordance with the procedures defined in Note 10 of the appendix to the consolidated financial statements dated on December 31st, 2016.

Further to the performances of the first half of the year, indications of losses of value were identified on the following UGT:

UGT	Identified indications of loss of value
AdUX Belgium	Sales compared with the forecasted budget
AdUX Spain	Sales compared with the forecasted budget

On June 30th, 2017, an impairment test on this two CGU was conducted in the same methods as the previous years (According to the methods defined in the note 9.2 of the appendix in financial statements of December 31st, 2016).

This procedure, based mainly on the method of discounted future net cash flows, is the assessment of the recoverable value of each entity generating its own cash flow.

The main assumptions in order to determine the value on June 30th, 2017 of the cash generating units are as follows:

- method for valuation of the cash generating unit : value in use,
- number of years for which the cash flows are estimated and projected to infinity: 4 years (2017-2020 normative),
- long-term growth rate: 1% (Idem on December 31st, 2016)
- discount rate for Europe: 8.9% to 10.1% (Idem on December 31st, 2016), among countries
- growth rate of sales: between +3% and +5% per year during the period 2017-2020, among countries and activities and new products launch (vs. +3% to + 10% on December 31st, 2016).

This test didn't show any likely scenario where the recoverable value of a CGU is under its accounting value.

Regarding these CGU AdUX Belgique and AdUX Espagne, the business plans reflect the maintaining of the weight of the top 3 publishers observed in the 2017 first semester. According to the CGU, the top 3 publishers represents around 30% of the portfolio of publishers.

A sensitivity analysis calculating the variation in key parameters did not point to any likely scenario in which the recoverable value of a CGU will become less than its book value. The key parameters variations used for the sensitivity analysis are presented below:

	Discounting rate		Growth rate to infinity		Rate EBITDA	Revenue Growth Rate*
	Rate used	Var	Rate used	Var		
AdUX Belgique	8,9%	+200 pts	1,0%	-150 pts	-200 pts	-20 %
AdUX Espagne	10,1%	+150 pts	1,0%	-100 pts	-50 pts	-5 %

In the impairment tests, the above variables have been adjusted together or two per two separately and the results didn't show any likely scenario where the recoverable value of a CGU is under its accounting value.

*Corresponds to the rates applied on the revenue growth rates per year over the life period of the plan

Note 7. Intangible fixed assets

<i>In thousands of euro</i>	30 June 2017	31 Dec 2016
Software and licences	700	953
Trademarks	74	74
Customer relations	137	137
Fixed assets in progress	341	245
Other	3	4
Total	1 255	1 413

Note 8. Differed taxes

On June 30th, 2017, the unrecognized deferred tax credits consisted mainly of the undefined losses carried over 20 years through HiMedia Group USA for €18.5m as well as undefined losses carried of AdUX France S.A. for €52 million, which can be undefined carried forward.

Note 9. Trade and other receivable

<i>In thousands of euro</i>	30 June 2017	31 Dec 2016
Customers	28 381	27 902
Depreciation	-1 795	-1 801
Customers and other debtors	26 587	26 101

The carrying value indicated above represents the maximum exposure to the credit risk for this heading.

On June 30th, 2017, the contracts involve credit risk transfer: all the sold trade receivable has been derecognized (see below). The amount of receivables sold with credit risk transfer and derecognized under IAS 39 in connection with factoring contract at June 30th, 2017 amounted to €5.2 million.

Note 10. Other current assets

All of the other current assets are at less than one year.

The prepaid charges correspond mainly to overheads relative to the period after the June 30th, 2017.

<i>In thousands of euro</i>	30 June 2017	31 Dec 2016
Financial and corporate assets	9 716	9 496
Current accounts	252	439
Prepaid charges	526	706
Factor guarantee fund	254	608
Others	1 557	2 740
Other current assets	12 305	13 988

Note 11. Borrowings and financial liabilities

<i>In thousands of euro</i>	Balance sheet balance on 30 June 2017		<i>Issue currency</i>	<i>Expiration</i>
	Non-current	Current		
Zero-interest financing for innovation	1 612	480	EUR	2021
Factor	-	-		
Accrued interest on debts	-	-		
Bank overdrafts	-	-		
Tax credit funding	1 576	-	EUR	2019
Total	3 187	480		

Note 12. Other current debts and liabilities

All other debts and liabilities are due at less than one year.

<i>In thousands of euro</i>	30 June 2017	31 Dec 2016
Taxation and social liabilities	8 786	9 704
Debts on fixed assets	131	202
Prepaid income	148	131
Other liabilities	975	1 388
Other current liabilities	10 039	11 426

Note 13. Segment information

<i>In thousands of euro</i>	Growth activities ⁽¹⁾		Legacy activities		Total	
	2017	2016	2017	2016	2017	2016
Sales	14 739	13 241	11 347	15 174	26 087	28 415
Gross profit	7 370	6 655	4 898	6 499	12 268	13 154
EBITDA	247	114	106	194	353	309
Current operating profit	-54	-43	-581	-550	-635	-593
Operating profit	-182	-74	-228	848	-410	774
Financial result	69	-19	-10	-131	59	-150
Income Tax	-111	-48	6	-333	-105	-381
Net income of the consolidated companies	-224	-141	-232	384	-456	243

⁽¹⁾ Current operating profit before allowance and write off of amortization and accruals.

⁽²⁾ The growth activities correspond to the native and local advertising (or community advertising for Spanish speakers in the United States) including Admoove, Local Media, Himedia Sweden, Latam Digital Ventures (which includes Mobvious Corp since July 1st, 2016 and retroactively on June 30th, 2016) and Quantum subsidiaries.

Note 14. Stock option plan and allocations of free shares

a. Stock options

	Plan n°11	Plan n°12	Total
Meeting date	03 May 11	03 May 11	
Date of Board of Directors meeting	31 jan. 12	27 Aug. 2012	
Total number of shares allocated ⁽¹⁾	385 000	105 000	490 000
Total number of shares available for subscription	159 620	64 600	224 220
Including number of shares that could be acquired by executive officers	0	49 600	49 600
Including number of shares that could be acquired by the ten leading employee	159 620	0	159 620
Beginning of exercise of the options	31 jan. 14	27 Aug. 2014	
Date of expiration	31 jan. 22	27 Aug. 2022	
Subscription price (in euros) ⁽²⁾	2,13	1,93	
Number of options subscribed to on Dec. 31 st , 2016	-	-	-
Options cancelled during the period	855	0	855
Remaining options non subscribed	25 092	10 155	35 247
Data after share consolidation and after adjustment resulting from the distribution of HiPay securities ⁽³⁾			
Total number of shares available for subscription	25 092	10 155	35 247
Including number of shares that could be acquired by executive officers	0	7 797	7 797
Including number of shares that could be acquired by the ten leading employee	25 092	0	25 092
Subscription price (in euros)	13,55	12,28	

⁽¹⁾ Options allocated to the employees present to this day in the Company, the employees having left the Company being unable to retain the benefit of such options.

⁽²⁾ Subscription price of the calculated options on the day of allocation of the options and corresponding to the weighted average of the market prices for the last twenty trading sessions (for certain plans, a 5% reduction has been applied).

⁽³⁾ As part of the distribution of 80% of HiPay Group's shares in June 2015, the company adjusted the subscription price of the options to take into account the effect of this distribution on the share price Hi-Media. The company also adjusted the number of allocated options to preserve the rights of allottees. Finally, the number of options takes into account the grouping of shares made in July, 2015 with a parity of 1 new action for 15 old actions.

The number of options and the weighted average of the exercise prices are as follows:

	2017		2016	
	Options	Weighted average exercise price	Options	Weighted average exercise price
Options in circulation at the opening	36 102	13,19	37 470	13,21
Options allocated during the period	-	-	-	-
Consequential adjustments to the distribution of securities HiPay Group	-	-	-	-
Options exercised during the period	-	-	-	-
Options cancelled during the period	855	13,55	1 367	13,55
Options in circulation at the close	35 247	13,18	36 102	13,19
Options that could be exercise at the close	35 247	13,18	36 102	13,19

b. Allocation of free shares

Pursuant to IFRS 2, the plans for allocation of free shares are valued on the basis of the AdUX share price on the day of the meeting of the Board of Directors deciding on allocation of the said free shares.

	Plan n°28	Plan n°29a	Plan n°29b	Total
Meeting date	06 May 14	04 May 17	04 May 17	
Date of the Board of Directors' meeting	07 Sep. 2015	04 May 17	04 May 17	
Total number of shares allocated	66 000	29 300	17 500	112 800
Including the number of shares that can be subscribed to by the executive officers	-	-	-	-
Including the number of shares that can be subscribed to by the leading ten employee allocated	49 500	29 300	17 500	96 300
Number of cancelled shares	14 500	-	-	14 500
Number of shares definitively allocated as at Jun. 30, 2016	-	-	-	-
Number of shares that can be definitively allocated	51 500	29 300	17 500	98 300
End of acquisition period	07 Sep. 2018	04 May 18	04 May 18	
End of retention period	07 Sep. 2019	04 May 19	04 May 20	
Share price on the date of the executive board meeting	7,65	9,77	9,77	
Non-transferability discount	yes	yes	yes	
Fair value of the free share	6,51	9,02	8,49	

Note 15. Off balance sheet commitments

a. Commitments received

AdUX has no commitment on June 30th, 2017.

b. Commitments given

AdUX SA canceled by anticipation his administration office in Paris on July 10, 2017 with effect date on July 17, 2017. However AdUX continues to occupy those offices as sub-lessee for 12 months from the termination date of the lease.

In addition, AdUX has a long-term lease for a portion of its computer population. This contract represents an annual rent (undiscounted) of €204k.

c. Litigations

Commercial dispute as well as some labor relations litigations arising with former employees disputing the legitimacy of their dismissals are in progress. The company has set aside the provisions it considers necessary in the light of its judgment of the justification for the plaintiffs' demands.

Note 16. Transactions between affiliated parties

The affiliated parties of AdUX Group correspond to the authorized agents, senior managers and directors of the group, as well as the companies in which they exercise control, notable influence, or hold a significant voting right.

I. Compensation of management members

The compensation and benefits relating to the executive officers were paid for an amount of €116 thousand (against €161 thousand on June 30th, 2016) including €100 thousand of wages, €16 thousand of benefits.

II. Transactions with the subsidiaries

AdUX SA invoices its subsidiaries for holding expenses as well as for trademark expenses, eliminated in the consolidated financial statements.

III. Other affiliated parties

During the first half of 2017, no significant operation has been carried out with:

- shareholders holding a significant voting right in the AdUX S.A. capital,
- members of the management organs, including the directors,
- entities over which one of the main senior managers or shareholders exercise control, or notable influence, or hold a significant voting right.

Note 17. Significant events of the period

On April 10, 2017 AdUX SA acquired 49,9% stake in its subsidiary Local Media and now owns 100% of the subsidiary. As a result, a project of merger-absorption of Admoove by Local Media (also held 100% by AdUX) has been initiated in order to simplify the management and the group organization.

This process is carried out by "simplified merger", AdUX having proceeded beforehand with the sale of its Admoove shares in favor to Local Media.

The accounting and fiscal effect date for the merger has been set up January 1, 2017 and the date of implementation July 31, 2017.

Note 18. Important events since 30 June 2017

AdUX SA canceled by anticipation his administration office in Paris on July 10, 2017 with effect date on July 17, 2017. However AdUX continues to occupy those offices as sub-lessee for 12 months from the termination date of the lease.

Statement by the person responsible for the interim financial report

I hereby attest that to my best knowledge, the summary financial statements presented in the 2017 semiannual financial report are established in accordance with the applicable accounting standards and give a fair representation of the property, financial situation and earnings of the company and of the set of companies included in the consolidation, and that the semiannual financial report offers a fair representation of the important events occurring during the first six months of the financial year and of their effect on the semiannual financial statements, of the main risks and uncertainties for the remaining six months of the financial year, and of the main transactions between affiliated parties.

Cyril Zimmermann
Chairman of the Board of Directors and Managing Director of AdUX SA