

**ANTEVENIO, S.A.**

**INTERIM FINANCIAL STATEMENTS FOR THE PERIOD  
ENDED 30 JUNE 2019**

**ANTEVENIO, S.A.**  
**Balance Sheet**  
**at 30 JUNE 2019**  
**(in Euros)**

<b>ASSETS</b>	<b>Note</b>	<b>30.06.2019</b>	<b>31.12.2018</b>	<b>30.06.2018</b>
<b>NON-CURRENT ASSETS</b>		<b>16,290,683</b>	<b>16,060,268</b>	<b>16,593,621</b>
<b>Intangible assets</b>	<b>6</b>	<b>10,968</b>	<b>6,279</b>	<b>6,438</b>
Computer software		10,968	6,279	6,438
<b>Property, plant and equipment</b>	<b>5</b>	<b>183,733</b>	<b>182,360</b>	<b>192,165</b>
Technical installations and other items of PPE		183,733	182,360	192,165
<b>Non-current investments in group companies and associates</b>		<b>15,873,534</b>	<b>15,741,616</b>	<b>16,084,205</b>
Equity instruments	<b>9</b>	14,297,035	14,229,616	14,102,012
Non-current loans to group companies and associates	<b>8.1 and 18</b>	1,576,499	1,512,000	1,982,193
<b>Non-current investments</b>	<b>8.1</b>	<b>55,114</b>	<b>55,114</b>	<b>55,114</b>
Loans to companies		29,991	29,991	29,991
Other financial assets		25,123	25,123	25,123
<b>Deferred tax assets</b>	<b>13</b>	<b>167,334</b>	<b>74,898</b>	<b>255,699</b>
<b>CURRENT ASSETS</b>		<b>2,123,870</b>	<b>1,654,539</b>	<b>1,821,294</b>
<b>Trade and other receivables</b>		<b>1,666,219</b>	<b>988,570</b>	<b>1,419,929</b>
Trade receivables	<b>8.1</b>	18,726	18,429	998
Trade receivables from group companies and associates	<b>8.1 and 18</b>	1,645,826	967,284	1,416,678
Personnel	<b>8.1</b>	1,667	2,856	2,254
<b>Current investments in group companies and associates</b>	<b>8.1 and 18</b>	<b>328,407</b>	<b>66,943</b>	<b>86,356</b>
Debt securities		78,407	66,943	86,356
Other financial assets		250,000	-	-
<b>Current accruals</b>		<b>19,917</b>	<b>-</b>	<b>9,000</b>
<b>Cash and cash equivalents</b>	<b>8.1</b>	<b>109,327</b>	<b>599,026</b>	<b>306,009</b>
Cash		109,327	599,026	306,009
<b>TOTAL ASSETS</b>		<b>18,414,553</b>	<b>17,714,807</b>	<b>18,414,915</b>

<b>ANTEVENIO, S.A.</b>				
<b>Balance Sheet</b>				
<b>at 30 JUNE 2019</b>				
<b>(in Euros)</b>				
<b>EQUITY AND LIABILITIES</b>	<b>Note</b>	<b>30.06.2019</b>	<b>31.12.2018</b>	<b>30.06.2018</b>
<b>EQUITY</b>		<b>14,810,415</b>	<b>13,640,707</b>	<b>12,809,781</b>
<b>Capital and reserves</b>	<b>11</b>	<b>14,810,415</b>	<b>13,640,707</b>	<b>12,809,781</b>
<b>Share capital</b>		<b>231,412</b>	<b>231,412</b>	<b>231,412</b>
Issued capital		231,412	231,412	231,412
<b>Share Premium</b>	<b>11.2</b>	<b>8,189,787</b>	<b>8,189,787</b>	<b>8,189,787</b>
<b>Reserves</b>	<b>11.2</b>	<b>5,063,808</b>	<b>4,313,720</b>	<b>3,903,985</b>
Legal and statutory reserves		46,282	46,282	46,282
Other reserves		5,017,526	4,267,438	3,857,703
<b>(Treasury shares and equity holdings)</b>	<b>11.2 d</b>	<b>(194,314)</b>	<b>(114,300)</b>	<b>(513,805)</b>
<b>Profit/(loss) for the year</b>	<b>3</b>	<b>1,249,722</b>	<b>750,087</b>	<b>91,601</b>
<b>Other equity instruments</b>	<b>19</b>	<b>270,000</b>	<b>270,000</b>	<b>906,801</b>
<b>NON-CURRENT LIABILITIES</b>		<b>1,923,328</b>	<b>2,432,972</b>	<b>3,269,958</b>
<b>Non-current payables</b>	<b>8.2.2</b>	<b>1,923,328</b>	<b>1,932,972</b>	<b>2,004,958</b>
Finance lease payables		4,129	6,343	21,664
Other financial liabilities	<b>8.2</b>	1,919,199	1,926,629	1,983,294
<b>Non-current payables, Group companies</b>	<b>8.2 and 18</b>	<b>-</b>	<b>500,000</b>	<b>1,265,000</b>
<b>CURRENT LIABILITIES</b>		<b>1,680,810</b>	<b>1,641,128</b>	<b>2,335,176</b>
<b>Current payables</b>	<b>8.2</b>	<b>34,394</b>	<b>226,904</b>	<b>1,276,608</b>
Debts with financial institutions		12,980	15,014	10,062
Finance lease payables		17,537	27,324	3,540
Other financial liabilities		3,877	184,566	1,263,006
<b>Current payables to Group companies and associates</b>	<b>8.2 and 18</b>	<b>929,257</b>	<b>532,410</b>	<b>369,616</b>
<b>Trade and other payables</b>		<b>717,159</b>	<b>881,814</b>	<b>688,952</b>
Suppliers	<b>8.2</b>	243,208	134,182	287,810
Suppliers, group companies and associates	<b>8.2 and 18</b>	34,715	93,281	56,092
Other payables	<b>8.2</b>	97,044	107,208	108,535
Personnel (outstanding remunerations)	<b>8.2</b>	58,602	148,797	69,702
Current tax liabilities	<b>13</b>	28,404	28,404	28,404
Other payables to Public Entities	<b>13</b>	245,869	360,626	129,092
Advances from customers	<b>8.2</b>	9,317	9,317	9,317
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>18,414,553</b>	<b>17,714,807</b>	<b>18,414,915</b>

<b>ANTEVENIO, S.A.</b>				
<b>Profit and Loss Account</b>				
<b>for the annual period ended 30 June 2019</b>				
<b>(in Euros)</b>				
	Note	30.06.2019	31.12.2018	30.06.2018
<b>CONTINUING OPERATIONS</b>				
<b>Revenue:</b>	14.c	1,370,940	2,342,243	1,151,483
Rendering of services		1,370,940	2,342,243	1,151,483
<b>Supplies</b>		1,096	80,614	4,341
Subcontracted work		1,096	80,614	4,341
<b>Personnel expenses:</b>		(709,558)	(1,060,631)	(525,549)
Wages and salaries		(568,980)	(907,990)	(447,559)
Employee benefit expense	14.a	(140,578)	(152,642)	(77,990)
<b>Other operating expenses</b>		(630,973)	(1,164,047)	(493,198)
External services		(630,973)	(1,164,047)	(493,198)
<b>Amortization and depreciation</b>	5 and 6	(31,471)	(63,453)	(29,371)
<b>Other income / (loss)</b>		-	-	16,887
<b>OPERATING PROFIT / (LOSS)</b>		<b>34</b>	<b>134,725</b>	<b>124,593</b>
<b>Finance income:</b>	14.b	1,267,357	720,258	11,309
Dividends		1,250,000	700,000	-
Group companies and associates		1,250,000	700,000	-
Marketable securities and other financial instruments		17,357	20,258	11,309
Group companies and associates		17,357	18,265	9,316
Other		-	1,993	1,993
<b>Finance Expenses:</b>	14.b	(13,378)	(55,031)	(14,604)
Debts with third parties		(9,781)	(37,663)	(4,854)
Debts with Group companies and associates		(3,597)	(17,368)	(9,750)
<b>Translation differences</b>	12	(4,291)	759	2,328
<b>Change in fair value of financial instruments</b>			-	-
<b>NET FINANCE INCOME/(EXPENSE)</b>		<b>1,249,688</b>	<b>665,985</b>	<b>(967)</b>
<b>PROFIT / (LOSS) BEFORE INCOME TAX</b>		<b>1,249,722</b>	<b>800,710</b>	<b>123,626</b>
<b>Income Tax</b>	13	-	(47,650)	(31,978)
<b>Other taxes</b>		-	(2,973)	(47)
<b>PROFIT/(LOSS) FOR THE PERIOD</b>		<b>1,249,722</b>	<b>750,087</b>	<b>91,601</b>

ANTEVENIO, S.A.  
Statement of Changes in Equity  
for the annual period ended 30 June 2019

A) STATEMENT OF RECOGNIZED INCOME AND EXPENSES

	30.06.2019	31.12.2018	30.06.2018
<b>PROFIT / (LOSS) FOR THE PERIOD</b>	1,249,722	750,087	91,601
Income and expense directly recognized in equity:	-	-	-
<b>B) TOTAL INCOME AND EXPENSES DIRECTLY RECOGNIZED IN EQUITY</b>			
Transfers to Profit and Loss Account	-	-	-
<b>C) TOTAL TRANSFERS TO PROFIT AND LOSS ACCOUNT</b>			
<b>TOTAL RECOGNIZED INCOME AND EXPENSE</b>	1,249,722	750,087	91,601

B) STATEMENT OF TOTAL CHANGES IN EQUITY

	Issued capital	Share Premium	Reserves	(Treasury shares and equity holdings)	Other equity instruments	Profit/(loss) for the year	Prior period's losses	Total
<b>BALANCE, 30 JUNE 2018</b>	231,412	8,189,787	3,903,985	- 513,805	906,801	91,601	-	12,809,781
<b>TOTAL RECOGNIZED INCOME AND EXPENSE</b>								
<b>Transactions with equity holders and owners</b>	-	-	170,337	399,505	- 636,801	-	-	66,959
Distribution of dividends	-	-	-	-	-	-	-	-
Transactions in own shares	-	-	170,337	399,505	- 636,801	-	-	66,959
<b>Other changes in equity</b>	-	-	-	-	-	658,486	-	658,486
Profit/(loss) for the year	-	-	-	-	-	658,486	-	658,486
<b>Other transactions</b>	-	-	239,398	-	-	-	-	239,398
<b>BALANCE AT 31 DECEMBER 2018</b>	231,412	8,189,787	4,313,720	- 114,300	270,000	750,087	-	13,640,707
<b>TOTAL RECOGNIZED INCOME AND EXPENSE</b>								
<b>Transactions with equity holders and owners</b>	-	-	-	- 80,014	-	-	-	80,014
Distribution of dividends	-	-	-	-	-	-	-	-
Transactions in own shares	-	-	-	- 80,014	-	-	-	80,014
<b>Other changes in equity</b>	-	-	-	-	-	1,249,722	-	1,249,722
Profit/(loss) for the year	-	-	-	-	-	1,249,722	-	1,249,722
<b>Other transactions</b>	-	-	750,087	-	-	- 750,087	-	-
<b>BALANCE, 30 JUNE 2019</b>	231,412	8,189,787	5,063,807	- 194,314	270,000	1,249,722	-	14,810,415

ANTEVENIO, S.A.  
STATEMENT OF CASH FLOWS FOR THE YEAR  
ENDED 30 JUNE 2019 (in Euro)

CASH FLOWS	Note	30.06.2019	31.12.2018	30.06.2018
<b>A) CASH FLOWS FROM OPERATING ACTIVITIES</b>		<b>(1,188,070)</b>	<b>529,474</b>	<b>(129,988)</b>
Profit/(loss) for the year before tax		1,249,722	800,710	123,626
Adjustments for:		<b>(1,218,217)</b>	<b>(654,445)</b>	<b>13,451</b>
a) Amortization and depreciation	5 and 6	31,471	63,453	29,371
b) Recognized impairment losses		-	-	-
c) Changes in provisions		-	-	-
f) Proceeds from disposal and derecognition of financial instruments		-	-	-
d) Finance income	14.b	(1,267,357)	(720,258)	(11,309)
e) Financial expenses	14.b	13,378	55,031	14,604
f) Exchange gains/(losses)	12	4,291	(759)	(2,328)
g) Change in fair value of financial instruments		-	-	-
h) Other income and expenses		-	(51,912)	(16,887)
<b>Changes in operating assets and liabilities</b>		<b>(1,108,797)</b>	<b>149,423</b>	<b>(263,771)</b>
a) Trade and other receivables		(677,650)	342,985	(86,460)
b) Other current assets		(281,381)	184,998	(1,881)
c) Trade and other payables		(49,900)	(364,144)	(288,449)
d) Other non-current assets and liabilities		(99,866)	(14,416)	113,019
<b>Other cash flows from operating activities</b>		<b>(110,778)</b>	<b>233,784</b>	<b>(3,295)</b>
a) Interest paid		(13,378)	(55,031)	(14,604)
b) Interest received		17,357	20,258	11,309
c) Income tax received (paid)		(114,757)	268,557	-
d) Dividends received		-	-	-
<b>B) CASH FLOW FROM INVESTING ACTIVITIES</b>		<b>(37,529)</b>	<b>(101,761)</b>	<b>451,259</b>
<b>Payment for investments</b>		<b>(37,529)</b>	<b>(101,761)</b>	<b>(59,346)</b>
a) Group companies and associates		-	-	-
b) Intangible assets	6	(6,337)	(5,998)	(2,400)
c) Property, plant and equipment	5	(31,192)	(95,763)	(47,630)
d) Other financial assets		-	-	-
e) Group companies and associates		-	-	(9,316)
<b>Proceeds from sale of investments</b>		-	-	<b>510,605</b>
a) Property, plant and equipment		-	-	-
b) Other financial assets		-	-	-
c) Group companies and associates		-	-	510,605
<b>C) CASH FLOW FROM FINANCING ACTIVITIES</b>		<b>740,191</b>	<b>(176,242)</b>	<b>(364,386)</b>
<b>Proceeds from and payments for equity instruments</b>		-	-	-
c) Acquisition of equity instruments	21	(147,433)	-	-
b) Issue of equity instruments	19	-	-	-
<b>Proceeds from and payments for financial liability instruments</b>		<b>(362,376)</b>	<b>386,006</b>	<b>(9,088)</b>
a) Issue		202,123	710,805	-
b) Redemption and repayment of		(564,499)	(324,799)	(9,088)
<b>Dividends and interest on other equity instruments received</b>	14.b	<b>1,250,000</b>	<b>700,000</b>	<b>(355,298)</b>
<b>Dividends paid</b>	3 and 11	-	(1,262,249)	-
<b>D) EFFECT OF EXCHANGE RATE FLUCTUATIONS</b>		<b>(4,291)</b>	<b>759</b>	<b>2,328</b>
<b>E) NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS</b>		<b>(489,699)</b>	<b>252,230</b>	<b>(40,788)</b>
Cash or cash equivalents at beginning of period		599,026	346,796	346,796
Cash or cash equivalents at end of period		109,327	599,026	306,009

**ANTEVENIO S.A.**

**INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2019**

**ANTEVENIO, S.A.**

**NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED  
30 JUNE 2019**

**NOTE 1. INCORPORATION, ACTIVITY AND LEGAL REGIME OF THE COMPANY**

**a) Incorporation and Legal Regime**

Antevenio, S.A. (hereinafter the Company) was incorporated on 20 November 1997 under the name "Interactive Network, S.L."; later, on 22 January 2001, the Company converted into a public limited company and changed its corporate name to I-Network Publicidad, S.A.. On 7 April 2005, the Annual General Meeting approved the change of the Company's name to its current one.

**b) Activity and Registered Address**

The Company's corporate purpose involves any 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 fulfilment of the aforementioned corporate purpose. The activities that form the Company's corporate purpose may be performed, entirely or partly, by the Company, either directly or indirectly through its interests in other companies with an identical or similar purpose.

The Company's registered address is in Madrid, at calle Marqués de Riscal 11; the Company is part of the Group Antevenio S.A. and subsidiaries, whose activities involve the performance of activities relating to advertisement in Internet; the Company is the parent of the Group and files its individual financial statements with the Mercantile Register of Madrid. Antevenio and subsidiaries Financial Statements for 2017 were approved by the Annual General Meeting of the Company, held on 28 June 2018, and filed before the Business Register of Madrid.

The Company is listed on the French alternative market, Euronext Growth, since 2007.

The Company has a significant volume in balances and transactions with group companies.

The Company's financial year begins on 1 January and finishes on 31 December of each year.

**c) Legal Regime**

The Company is governed by its Articles of Association and By-laws and by the existing Spanish Law on Corporations.



## **NOTE 2. BASIS FOR PRESENTATION OF THE INTERIM FINANCIAL STATEMENTS**

### **a) Fair presentation**

The interim financial statements for the year ending 30 June 2018 have been prepared based on the accounting records of the Company and are presented in accordance with the existing Code of Commerce and the accounting policies set forth in the Spanish General Chart of Accounts approved by Royal Decree 1514/2007, of 16 November, and applying the amendments introduced thereto by Royal Decree 1159/2010, of 17 September, and by Royal Decree 602/2016, of 2 December, in order to offer a fair image of the Company's equity, financial position and the results of its operations, changes in equity and cash flows during the reporting period.

### **b) Accounting Principles applied**

In the preparation of the accompanying Interim Financial Statements the accounting policies set forth in the Spanish Code of Commerce and General Chart of Accounts have been applied.

All mandatory accounting principles which would have a significant effect on the preparation of these consolidated financial statements have been applied.

### **c) Functional and presentation currency**

In compliance with the existing regulations on accounting, the accompanying Interim Financial Statements are presented in Euro, which is the Company's functional currency.

### **d) Comparative information**

For each line item in the Interim Balance, in the Interim Profit and Loss Account, in the Interim Statement of Changes in Equity and in the Interim Statement of Cash Flows, in addition to the relevant figures for the half-year ended 30 June 2019, comparative information for the year ended 31 December 2018, taken from the financial statements for 2018 approved by the Annual General Meeting held on 19 June 2019, and for the half-year ended 30 June 2018 is presented.

Line items from different periods are both comparative and homogeneous, except for the figures from the financial year ended 31 December 2018 that relate to a 12-month period and are therefore non-comparative.

### **e) Aggregation of items**

In order to facilitate the understanding of the Balance Sheet, of the Profit and Loss Account, of the Statement of Changes in Equity and of the Statement of Cash Flows, line items are therein presented on an aggregated basis and the required relevant disclosures are included in the Notes.

### **Responsibility for information and estimates**

Preparation of the accompanying Interim Financial Statements requires judgements, estimates and assumptions affecting the application of accounting policies and the balances of assets, liabilities, income and expenses. The related estimates and assumptions are based on past experience and several other factors deemed to be reasonable in the current context. Estimates and assumptions are subject to continuous revision; the effects of changes in accounting estimates are recognized in the period of the change, if the change affects that period only, or in the period of the change and future periods, if the change affects both.

In preparing the Interim Financial Statements for the half-year ended 30 June 2019, the Company's Directors have made certain accounting estimates for the measurement of the assets, liabilities, income, expenses and commitments therein recorded. These estimates relate basically to the following:

- The assessment of eventual impairment losses on certain assets (note 4c).
- The assessment of eventual losses arising from the determination of the recoverable value of equity investments in Group companies, jointly controlled entities and associates, for which future cash flows projections based on return and discount rates and other variables and assumptions made by the Company's management, that justify the measured value of those investments (see notes 4e and 9).
- The useful lives of intangible fixed assets and of items of property, plant and equipment (see notes 4a and 4b).
- The amount for certain provisions (Note 4i)

Although these estimates were based on the best information available at 30 June 2019, additional information subsequently obtained or events and circumstances taking place in the future might make it necessary to change in future periods the assumptions on which these estimates are based; the effects of those changes will be prospectively recognized and included in the profit or loss account for the relevant period.

In addition of the process of systematic estimates and the revision thereof, certain judgements are used, amongst which those relating to measurement of the eventual impairment of assets, and those relating to provisions and contingent liabilities.

### **NOTE 3. DISTRIBUTION OF PROFIT/(LOSS)**

The General Shareholders Meeting held on 19 June 2019 approved the following proposal for the distribution of profit obtained by the Company in 2018:

#### **Basis of distribution**

Profit and loss (profit)	750,087
Total	<u>750,087</u>

#### **Application**

To offset prior periods' losses	-
Voluntary reserves	<u>750,087</u>
<b>Total</b>	<b><u>750,087</u></b>

#### **NOTE 4. RECOGNITION AND MEASUREMENT STANDARDS**

In compliance with the provisions of the Spanish General Accounting Plan, the main measurement standards applied by the Company in the preparation of the accompanying Interim Financial Statements at 30 June 2019 were as follows:

##### **a) Intangible assets**

Elements of intangible assets are measured at cost, determined as the purchase price or the production cost, less any accumulated amortization (calculated on the basis of their useful lives) and, where appropriate, any impairment losses.

Intangible assets are measured at production cost or acquisition price, net of any accumulated amortization, in the case of intangible assets with a finite useful life, and net of any accumulated impairment losses.

##### **Industrial property**

Development expenditure capitalized when a patent or similar right is obtained, including expenses incurred on registering industrial property, and the acquisition costs of the related rights from third parties, are accounted for as industrial property.

Industrial property is amortized on a straight-line basis throughout its useful life, at an annual rate of 20%.

##### **Computer software**

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%.

Maintenance costs incurred from computer applications during the period are recognized in the Profit and Loss Account.

##### **b) Property, plant and equipment**

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

Upkeep and maintenance costs incurred during the period are recorded in the Profit and Loss Account. Costs incurred to renovate, enlarge or improve items of property, plant and equipment which increase capacity or productivity or extend the useful life of the asset are capitalized as part of the cost of the related asset. The carrying amount of items that are replaced are derecognized.

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 cost of the different items that make up property, plant and equipment, where applicable net of their residual value, is depreciated on a straight-line basis over the estimated years of useful life over which the Company expects to use said items and in line with the following table:

	30/06/2019		31/12/2018		30/06/2018	
	Annual Percentage	Estimated Years of Useful Life	Annual Percentage	Estimated Years of Useful Life	Annual Percentage	Estimated Years of Useful Life
Other installations	20	5	20	5	20	5
Furniture	10	10	10	10	10	10
Computer hardware	25	4	25	4	25	4
Other property, plant and equipment	20-10	5-10	20-10	5-10	20-10	5-10

The carrying amount of an item of property, plant and equipment is derecognized on disposal, or when no future economic benefits are expected from its use or disposal.

The gain or loss on derecognition of an item of property, plant and equipment shall be determined as the difference between the net amount obtained on the disposal of the item, and the carrying amount. The gain or loss shall be recognized in the Profit and Loss Account when the item is derecognized.

Investments made by the Company 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.

### **c) Impairment of intangible assets and of property, plant and equipment**

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.

To these purposes, at least at year end, the Company 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.

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.

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 Profit and Loss Account.

**d) Leases and other transactions of similar nature**

When the economic conditions of a lease agreement indicate that substantially all the risks and rewards incidental to ownership of an asset are transferred, the Company classifies this agreement as a finance lease. When the economic conditions of a lease agreement do not meet the requirements for the agreement to be classified as a finance lease, the Group classifies this agreement as an operating lease.

a.1) Finance leases

In the finance lease operations in which the Company acts as a lessor, the Company 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 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.

a.2) Operating leases

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

**e) Financial Instruments**

The Company only recognizes a financial instrument in its balance sheet under the terms of the contract or legal transaction to which it becomes party.

Upon initial recognition financial instruments are classified as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement and the definitions of a financial asset, a financial liability and an equity instrument.

The Company classifies financial instruments under different categories based on their features and on the Company's intention at the time of initial recognition thereof.

Financial instruments are classified for measurement purposes in the following categories:

1. Loans and receivables and debts and payables
2. Equity investments in group companies, jointly controlled entities and associates

The company's financial instruments mainly relate to cash and cash equivalents, loans and receivables, debts and payables and equity investments in Group companies.

#### **e.1) Cash and other equivalent liquid assets**

The heading "Cash and cash equivalents" in the Balance Sheet includes cash on hand, bank accounts, demand deposits and other highly liquid short-term investments. These items are recognized at historical cost, which does not differ significantly from realizable value.

#### **e.2) Loans and receivables and debts and payables**

##### e.2.1) Loans and receivables

The following items are classified in this category:

- a) Trade receivables: financial assets arising on the sale of goods and the rendering of services in the course of the company's trade operations; and

Non-trade receivables: financial assets that are neither equity instruments nor derivatives, not arising on trade transactions, with fixed or determinable payments, and which are not traded in an active market. This category does not include financial assets for which the Company cannot make substantial recovery of the entire initial investment due to circumstances other than credit impairment. These are classified as available-for-sale.

##### e.2.2) Debts and payables

The following items are classified in this category:

- a) Trade payables: financial liabilities arising on the purchase of goods and services in the course of the company's trade operations; and
- b) Non-trade payables: financial liabilities that are not derivatives and do not arise on trade transactions.

Financial assets and liabilities included in this category are initially measured at fair value, i.e. the transaction price, which is equivalent to the fair value of the consideration given/received, adjusted for directly attributable transaction costs.

Nonetheless, trade receivables and trade payables falling due within one year for which there is no contractual interest rate, and loans and advances to personnel, dividends receivable and receivables on called-up equity instruments expected to be collected in the short term, and called-up equity holdings expected to be settled in the short term, are measured at their nominal amount, provided that the effect of not discounting the cash flows is immaterial.

Financial assets and liabilities included in this category are subsequently measured at amortized cost. Accrued interest shall be recognized in the Profit and Loss Account using the effective interest rate method. However, receivables and payables falling due within one year initially measured at the nominal amount continue to be measured at that amount, unless receivables are impaired.

At the balance sheet date, the Company recognizes any necessary valuation allowances when there is objective evidence that the value of a receivable is impaired, i.e. when there is evidence of a reduction or delay in estimated future cash flows associated to that asset.

### **e.3) Equity investments in group companies, jointly controlled entities and associates**

This category includes equity investments in companies controlled by the Company (group companies), in companies where the Company shares control with one or several partners under statutory or otherwise agreement (jointly-controlled companies), or companies where the Company exercises a significant influence (associates).

Equity investments in group companies, jointly controlled entities and associates are initially measured at cost, which is equivalent to the fair value of the consideration given plus directly attributable transaction costs.

Equity investments in group companies, jointly controlled entities and associates are subsequently measured at cost less any accumulated impairment.

At the balance sheet date, the Company recognizes any necessary valuation allowances when there is objective evidence that the value of an asset is impaired.

Said losses are calculated as the difference between the carrying value and the recoverable amount, with this value being the higher of its fair value less costs to sell and the current value of future cash flows arising from the investment, calculated by estimating its share in the cash flows expected to be generated by the investee from its normal operations as well as from the disposal or derecognition thereof.

Unless there is better evidence of the investment recoverable amount, for measuring the impairment thereof the net equity of the investee is taken into account, adjusted by the unrealized gains existing on the date of valuation.

Where appropriate, in determining the investee's equity for the purposes of the preceding paragraph, when the investee has equity interest in other companies, the Company has taken into account the investee's equity as presented in its consolidated financial statements prepared in accordance with the criteria set forth in the Spanish Code of Commerce and related implementing provisions.



Changes in value due to impairment losses and, where applicable, their reversals are recognized as an expense or income, respectively, in the Profit and Loss Account. Impairment shall only be reversed up to the limit of the carrying amount of the investment that would have been determined at the reversal date had impairment not been recognized.

#### **e.4) Reclassification of financial assets**

The Company may only reclassify a financial asset initially designated as held for trading or at fair value through profit or loss to other categories, or vice versa, when the asset qualifies for classification as an equity investment in group companies, jointly controlled entities or associates.

#### **e.5) De-recognition of financial assets**

A financial asset, or part of a financial asset, is derecognized when the contractual rights to the cash flows from the financial asset expire or have been transferred, provided that substantially all the risks and rewards of ownership have been transferred.

The gain or loss on derecognition of the financial asset shall be determined as the difference between the consideration received net of attributable transaction costs, including any new asset obtained less any liability assumed, and the carrying amount of the financial asset, plus any accumulated amount recognized directly in equity. The gain or loss shall be recognized in profit or loss for the reporting period in which it arises.

#### **e.6) De-recognition of financial liabilities**

Financial liabilities are derecognized when the obligations have been extinguished.

The difference between the carrying amount of a financial liability, or part of that liability, that has been derecognized and the consideration given, including attributable transaction costs and any asset transferred (other than cash) or liability assumed, shall be recognized in the Profit and Loss Account for the reporting period in which it arises.

#### **e.7) Interest and dividends received on financial assets**

Interest and dividends accrued on financial assets after acquisition are recognized as income in the Profit and Loss Account.

Interests are accounted for using the effective interest rate method, while dividends are recognized when the equity holder's right to receive payment is established. Upon initial measurement of financial assets, accrued explicit interest receivable at the measurement date shall be recognized separately, based on maturity. Dividends declared by the pertinent body at the acquisition date shall also be accounted for separately.



#### **e.8) Guarantees extended**

In the case of guarantees extended and received in operating leases and in the provision of services, the difference between their fair value and the amount paid over is recorded as an advance payment or collection for the lease or service provision. Current guarantees extended are measured at the amount disbursed.

Guarantees extended in operating leases are measured at fair value.

#### **e.9) Impairment of financial assets**

A financial asset or group of financial assets is impaired and has generated an impairment loss if there is objective evidence of impairment as a result of an event or events which have occurred subsequent to initial recognition of the asset, and where the event or events causing the loss have an impact on the estimated future cash flows from the asset or group of financial assets which can be reliably estimated.

The company's policy is to recognize the appropriate valuation adjustments for impairment of loans and receivables and debt instruments, where there has been a reduction or delay in estimated future cash flows.

An impairment loss is similarly recognized for equity instruments when the carrying amount thereof becomes non recoverable.

#### **f) Foreign currency balances, transactions and cash flows**

All foreign currency transactions are translated into Euro by applying the spot exchange rate at the date of the transaction.

At the balance sheet date, non-monetary assets and liabilities measured at fair value are measured using the exchange rate prevailing at the fair value calculation date, i.e. at the balance sheet date. When gains or losses arising from changes in the valuation of a non-monetary item are directly recognized in net equity, any exchange component is also directly recognized in net equity. By contrast, when gains or losses arising from changes in the valuation of a non-monetary item are recognized in the Profit and Loss Account for the year, any exchange difference is recognized in the Profit or Loss Account.

At the balance sheet date, monetary assets and liabilities denominated in foreign currencies are converted to Euro at the rates then prevailing, whereas non-monetary assets and liabilities measured at historical cost have been converted at the exchange rates prevailing at the relevant transaction dates.

Positive and negative differences arising from settlement of foreign currency transactions and from conversion to Euros of monetary assets and liabilities denominated in foreign currency are recognized in profit or loss.

## **g)Income Tax**

Between 2013 and 2016, Group companies with registered address in Spain paid 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 11) 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 company of taxation group 0212/2013 sin ISP had acquired an interest exceeding 75% of the share capital and voting rights in Antevenio, the Board had approved including the Company, effective from the taxation period beginning of 1 January 2017, as a subsidiary of taxation group 265/10, whose company is ISP.

Income tax expense (income) is calculated as the sum of current tax expense (income) and deferred tax expense (income).

Current tax is the amount payable as a result of applying the tax rate to the tax base for the year. Tax credits and other tax benefits, excluding tax withholdings and pre-payments, and tax loss carry forwards from prior years effectively offset in the year, reduce the current tax expense.

On the other hand, deferred tax expense (income) relates to the recognition and settlement of deferred tax assets arising from deductible temporary differences, from the offset of tax loss carryforwards from prior years and from unused tax credits and other tax reliefs pending application, as well as of deferred tax liabilities arising from taxable temporary differences.

Deferred tax assets and liabilities are measured at the rates expected to prevail upon their reversal.

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

In accordance with the prudence principle, deferred tax assets shall only be recognised to the extent that it is probable that future taxable income will be available to enable their application. Nonetheless, a deferred tax asset shall not be recognised when the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and affected neither accounting profit/(loss) nor taxable income/(loss).

Both current and deferred tax expense (income) are recognized in the Profit and Loss Account. However, current and deferred tax assets and liabilities relating to a transaction or event that was recognized directly in equity shall be accounted for with a debit or credit to the relevant equity line item.

Recognized deferred tax assets and liabilities are reassessed at each balance sheet date in order to ascertain their applicability and the appropriate adjustments are made. Similarly, the company reassesses both recognized and previously unrecognized deferred tax assets. The company then derecognizes previously recorded deferred tax assets when recovery is no longer probable, or recognizes a previously unrecorded deferred tax asset to the extent that it is probable that future taxable profit will enable its application.

## **h) Revenue and expenses**

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

Revenue from the sale of goods and rendering of services is measured at the fair value of the consideration received or receivable. In the absence of evidence to the contrary, this is the agreed price of those goods or services, less any trade discounts, rebates or similar items granted by the Company and interest on the nominal amount.

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

- a) The amount of revenue can be measured reliably.
- b) It is probable that the economic benefits associated with the transaction will flow to the Company.
- c) The stage of completion of the transaction, at the balance sheet date, can be measured reliably; and
- d) The costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

## **i) Provisions and contingencies**

At the balance sheet date liabilities of uncertain timing or amount, arising from past events the settlement of which is expected to result in an outflow of resources embodying economic benefits, are recognized as provisions in the Balance Sheet and are measured at the present value of the best estimate of the amount required to settle the obligation or transfer it to a third party.

With regards to provisions and contingencies the Company applies the following:

### **i.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.

### **i.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.

Adjustments arising from the discounting of the provision are recognized as a finance expense when accrued. Provisions expiring within one year are not 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.

#### **j)Assets of environmental nature**

The Company, due to its line of business, has no environmental assets and has not incurred in any expenditure to minimize the environmental impact and 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.

#### **k)Business combinations**

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

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

- Deferred tax assets and liabilities are measured at the amount expected to be paid or recovered from the taxation authorities, using the tax rates expected to prevail upon their reversal, based on the existing or approved and pending publication regulations as of the date of acquisition. Deferred tax assets and liabilities are not discounted.
- -Assets and liabilities associated with long-term employee benefits under defined benefit schemes are accounted for at the acquisition date as the present value of the defined benefit obligation less the fair value of the plan assets out of which the obligations are to be settled.
- Intangible assets, the value of which cannot be measured in relation to an active market and would result in a recognition of income in the Profit and Loss Account have been deducted from the initially calculated negative goodwill.
- Assets received as compensation for contingencies and uncertainties are recognized and measured in a manner consistent with the item causing the relevant contingency or uncertainty.
- Reacquired rights recognized as an intangible asset are measured and amortized on the basis of their remaining term of the contract.
- Obligations classified as contingent liabilities are recognized as a liability at fair value, provided that the liability is a present obligation that arises from past events and the fair value can be measured reliably, even when it is not probable that an outflow of resources embodying economic benefits will result from settlement of the obligation.

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

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

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

**l) Transactions with related parties**

As a general rule, items involved in a transaction between related parties are initially recognized 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.

**m) Equity instruments-based payments**

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

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

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

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

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

## **n)Statement of Cash Flows**

In cash flows statements the following terms are used with the meanings specified:

**Cash or cash equivalents:** Cash comprises both cash at hand and demand deposits at banks. Cash equivalents are financial instruments that are convertible to cash and have a maturity of three months or less from the date of acquisition, provided that there is no significant risk of changes in value and that they form part of the Company's usual cash management policy.

**Cash flows:** inflows or outflows of cash or cash equivalents, the latter being short-term highly liquid investments subject to a low risk of changes in value.

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

**Investing activities** are the acquisition, sale or disposal of non-current 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 financial liabilities.

## **NOTE 5. PROPERTY, PLANT AND EQUIPMENT**

The breakdown of and changes in "Property, Plant and Equipment" is as follows:

	30/06/2018	Recognition	Derecognition	31/12/2018	Recognition	Derecognition	30/06/2019
<b>Cost:</b>							
Technical installations, machinery, tools, furniture and other items of PPE	494,135	27,351	(131,002)	390,485	31,192	-	421,677
	494,135	27,351	(131,002)	390,485	31,192	-	421,677
<b>Accumulated Amortization:</b>							
Technical installations, machinery, tools, furniture and other items of PPE	(301,971)	(30,324)	124,170	(208,125)	(29,819)	-	(237,944)
	(301,971)	(30,324)	124,170	(208,125)	(29,819)	-	(237,944)
<b>Provision for impairment:</b>							
Technical installations, machinery, tools, furniture and other items of PPE	-	-	-	-	-	-	-
<b>Net property, plant and equipment</b>	<b>192,165</b>	<b>(2,973)</b>	<b>(6,832)</b>	<b>182,360</b>	<b>1,373</b>	<b>-</b>	<b>183,733</b>

### **Fully amortized intangible assets in use**

The breakdown by headings of fully depreciated assets in use is shown below, indicating their cost value:

	30/06/2018	31/12/2018	30/06/2019
Technical installations, machinery, tools, furniture and other items of PPE	204,278	72,956	100,205
<b>Total</b>	<b>204,278</b>	<b>72,956</b>	<b>100,205</b>

### **Additional disclosures**

At 30 June 2019 and 2018 and at 31 December 2018, the Company had no items of property, plant and equipment acquired from group companies or any items of property plant and equipment located outside Spain.

At 30 June 2019 and 2018 and at 31 December 2018, there were no firm purchase commitments for the acquisition of items of property, plant and equipment.

At 30 June 2019 and 2018 and at 31 December 2018, the assets of the Company were secured by an insurance policy. The Company's directors consider that this insurance policy sufficiently covers any risks associated to its property, plant and equipment.

### **NOTE 6. INTANGIBLE ASSETS**

The breakdown of and changes in "Intangible Assets" is as follows:

	30/06/2018	Recognition	Derecognition	31/12/2018	Recognition	30/06/2019
<b>Cost:</b>						
Computer software	94,495	3,599	(1,048)	97,046	6,338	103,384
	<b>94,495</b>	<b>3,599</b>	<b>(1,048)</b>	<b>97,046</b>	<b>6,338</b>	<b>103,384</b>
<b>Accumulated Amortization:</b>						
Computer software	(78,742)	(3,759)	1,048	(81,453)	(1,648)	(83,102)
	<b>(78,742)</b>	<b>(3,759)</b>	<b>1,048</b>	<b>(81,453)</b>	<b>(1,648)</b>	<b>(83,102)</b>
<b>Provision for impairment:</b>						
Computer software	(9,315)	-		(9,315)	-	(9,315)
<b>Net Intangible Assets</b>	<b>6,438</b>	<b>(160)</b>	<b>-</b>	<b>6,279</b>	<b>4,690</b>	<b>10,968</b>
<b>Net</b>						

### **Fully amortized intangible assets in use**

The breakdown by headings of fully depreciated assets in use is shown below, indicating their cost value:

	30/06/2018	31/12/2018	30/06/2019
Computer software	55,517	88,147	88,147
<b>Total</b>	<b>55,517</b>	<b>88,147</b>	<b>88,147</b>

### **Additional disclosures**

At 30 June 2019 and 2018 and at 31 December 2018, the Company had no intangible assets acquired from Group companies or any intangible assets located outside Spain.

At 30 June 2019 and 2018 and at 31 December 2018, there were no firm purchase commitments for the acquisition of intangible assets.

## **NOTE 7. LEASES AND OTHER TRANSACTIONS OF SIMILAR NATURE**

### **7.1) Operating leases (Company as lessee)**

The charge to the income at 30 June 2019, at 31 December 2018 and at 30 June 2018 in respect of operating leases amounted to 141,535 Euros; 359,430 Euros, and 161,591 Euros, respectively.

The Company has several office floors leased in Madrid (Marqués de Riscal Street nº 11), where it operates.

There are no future minimum payments under non-cancellable lease agreements with a maturity of more than 5 years.

### **7.2) Finance lease**

The Company has contracted a finance lease for the computer hardware its uses to conduct its business. The Company's main finance lease is with a financial entity. At 30 June 2019 and 2018 there is a payment of 17,537 euros and 25,204 pending respectively, which were recognised under "Finance lease payables" (see Note 8.2.2). Likewise, the section "Non-current financial lease liabilities" shows an amount of 4,129 euros, maturing at 28 July 2020 (6,343 euros at 31 December 2018) see Note 8.2.2.



## **NOTE 8. FINANCIAL INSTRUMENTS**

The Company classifies financial instruments in the following categories or portfolios based on the Company's intention for them:

### **8.1) Financial Assets**

The breakdown of non-current financial assets at 30 June 2019, at 31 December 2018 and at 30 June 2018, except for equity investments in group companies, jointly controlled entities and associates that are shown in Note 9, is as follows:

	Loans, Derivatives and other			Total		
	30/06/2018	31/12/2018	30/06/2019	30/06/2018	31/12/2018	30/06/2019
Loans and receivables (Note 8.1.1)	2,037,307	1,567,114	1,631,613	2,037,307	1,567,114	1,631,613
<b>Total</b>	<b>2,037,307</b>	<b>1,567,114</b>	<b>1,631,613</b>	<b>2,037,307</b>	<b>1,567,114</b>	<b>1,631,613</b>

The breakdown of current financial assets at 30 June 2019, at 31 December 2018 and at 30 June 2018, is as follows:

	Loans, Derivatives and other			Total		
	30/06/2018	31/12/2018	30/06/2019	30/06/2018	31/12/2018	30/06/2019
Cash and cash equivalents (Note 8.1.a)	306,009	599,026	109,327	306,009	599,026	109,327
Loans and receivables (Note 8.1.1)	1,506,285	1,055,513	1,994,626	1,506,285	1,055,513	1,994,626
<b>Total</b>	<b>1,812,294</b>	<b>1,654,539</b>	<b>2,103,953</b>	<b>1,812,294</b>	<b>1,654,539</b>	<b>2,103,953</b>

#### **a) Cash and cash equivalents**

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

	Balance at 06/30/2018	Balance at 31/12/18	Balance at 06/30/2019
Current accounts and treasury	306,009	599,026	109,327
<b>Total</b>	<b>306,009</b>	<b>599,026</b>	<b>109,327</b>

### 8.1.1) Loans and receivables

The breakdown of this heading is as follows:

	Balance at 06/30/2018		Balance at 12/31/2018		Balance at 06/30/2019	
	Non-current	Current	Non-current	Current	Non-current	Current
<b>Trade receivables</b>						
Trade receivables, Group companies (Note 18)	-	1,416,678	-	967,284	-	1,645,826
Third-party receivables	-	998	-	18,429	-	18,726
Advances to personnel	-	2,254	-	2,856	-	1,667
<b>Total trade receivables</b>	<b>-</b>	<b>1,419,929</b>	<b>-</b>	<b>988,569</b>	<b>-</b>	<b>1,666,219</b>
<b>Non-trade receivables</b>						
Loans and interest receivable, Group companies (Note 18)	1,982,193	-	1,541,991	66,943	1,606,490	78,407
Other group company financial assets	-	-	-	-	-	250,000
Loans to third parties	29,991	-	-	-	-	-
Guarantees and deposits	25,123	-	25,123	-	25,123	-
<b>Total non-trade receivables</b>	<b>2,037,307</b>	<b>86,356</b>	<b>1,567,114</b>	<b>66,943</b>	<b>1,631,613</b>	<b>328,407</b>
<b>Total</b>	<b>2,037,307</b>	<b>1,506,285</b>	<b>1,567,114</b>	<b>1,055,512</b>	<b>1,631,613</b>	<b>1,994,626</b>

Trade and other receivables include impairment caused by default risk, according to the following breakdown:

Impairment	Balance at 06/30/2018	Impairment loss	Impairment reversal / Application of the provision	Balance at 12/31/2018	Impairment loss	Impairment reversal	Balance at 06/30/2019
Trade receivables	(46,759)	-	17,371	(29,388)	-	1,522	(27,866)
<b>Total</b>	<b>(46,759)</b>	<b>-</b>	<b>17,371</b>	<b>(29,388)</b>	<b>-</b>	<b>1,522</b>	<b>(27,866)</b>

### 8.1.2) Additional disclosures related to financial assets

#### a) Reclassifications

No financial instruments have been reclassified during the reporting period.

#### b) Classification by maturity

At each balance sheet date non-current financial assets have maturity at over five years.

Current financial assets include loans to Group companies the maturity of which is extended on an annual basis unless otherwise claimed by the Company.

#### c) Assets pledged as security

The Company has no assets or liabilities pledged as security.

## 8.2) Financial Liabilities

At 30 June 2019 non-current financial liabilities relate to the instalments resulting from finance lease contracts with non-current maturity (see Note 7) and to the financial liability arising from the business combination disclosed under Note 21, that have been both classified as “Debts and payables”.

The breakdown of current financial liabilities is as follows:

	Debts with financial institutions			Other			Total		
	30/06/2019	31/12/2018	30/06/2018	30/06/2019	31/12/2018	30/06/2018	30/06/2019	31/12/2018	30/06/2018
Debts and payables (Note 8.2.1)	12,980	15,014	10,062	3,877	184,566	2,164,079	16,857	199,581	2,174,141
<b>Total</b>	<b>12,980</b>	<b>15,014</b>	<b>10,062</b>	<b>3,877</b>	<b>184,566</b>	<b>2,164,079</b>	<b>16,857</b>	<b>199,581</b>	<b>2,174,141</b>

### 8.2.1) Debts and Payables

The breakdown of “Debts and Payables” is as follows:

	30/06/2018	31/12/2018	30/06/2019
<b>Trade payables:</b>			
Suppliers	287,810	134,182	243,208
Trade payables, Group companies and associates (Note 18)	56,092	93,281	34,715
Other payables	108,535	107,208	97,044
<b>Total trade payables</b>	<b>452,438</b>	<b>334,671</b>	<b>374,967</b>
<b>Non-trade payables:</b>			
Debts with financial institutions	10,062	15,014	12,980
Finance lease payables	3,540	27,324	17,537
Other financial liabilities	758	184,566	3,877
<b>Loans and other payables</b>	<b>14,359</b>	<b>226,904</b>	<b>34,394</b>
Personnel (outstanding remunerations)	69,702	148,797	58,601
Advances from customers	9,317	9,317	9,317
<b>Total non-trade payables</b>	<b>79,019</b>	<b>158,114</b>	<b>67,918</b>
Current payables to Group companies and associates (Note 18)	369,616	532,410	929,257
Dividend payable	1,262,249	-	-
<b>Total debt to the Group</b>	<b>1,631,865</b>	<b>532,410</b>	<b>929,257</b>
<b>Total Debts and payables</b>	<b>2,177,680</b>	<b>1,252,099</b>	<b>1,406,536</b>

## 8.2.2) Additional disclosures related to financial liabilities

### a) Classification by maturity

At 30 June 2019, 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
<b>Non-current payables</b>						
Finance lease payables	4,129	-	-	-	-	4,129
Other financial liabilities	859,900	1,059,299	-	-	-	1,919,199
<b>Total</b>	<b>864,029</b>	<b>1,059,299</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,923,328</b>

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

	2020	2021	2020	2023	2024	Total
<b>Non-current payables</b>						
Finance lease payables	6,343	-	-	-	-	6,343
Other financial liabilities	859,900	1,066,729	-	-	-	1,926,629
Other non-current payables, group companies	500,000	-	-	-	-	500,000

At 30 June 2018, the breakdown by maturity of non-current financial liabilities, with either fixed or determinable maturity, is as follows:

	2019	2020	2021	2022	2023 onwards	Total
<b>Non-current payables</b>						
Finance lease payables	6,093	6,327	6,567	2,679	-	21,664
Other financial liabilities	321,473	792,007	869,814	-	-	1,983,294
<b>Total</b>	<b>327,566</b>	<b>798,334</b>	<b>876,381</b>	<b>2,679</b>	<b>-</b>	<b>2,004,958</b>

## **NOTE 9. GROUP COMPANIES, JOINTLY CONTROLLED ENTITIES AND ASSOCIATES**

At 30 June 2019 and at 31 December 2018, the breakdown of the Company's interests in Group Companies, Jointly Controlled Entities and Associates was as follows:

	Direct Interest % Direct Interest %	Voting right % Direct	Investment value	Amount of impairment charge	Net carrying amount of interest
<b>Group Companies</b>					
React2Media, L.L.C. (1)	51	51	4,199,158	-	4,199,158
Antevenio S.R.L. (*)	100	100	5,027,487	-	5,027,487
Mamvo Performance, S.L. (**)	100	100	1,577,382	-	1,577,382
Marketing Manager Servicios de Marketing, S.L. (**)	100	100	199,932	-	199,932
Antevenio Mexico SA de CV (**)	100	100	1,908	-	1,908
Antevenio ESP, S.L.U. (**)	100	100	27,436	-	27,436
Antevenio Francia, S.R.L.	100	100	2,000	-	2,000
Antevenio Publicité, S.A.S.U. (*)	100	100	3,191,312	-	3,191,312
Antevenio Rich & Reach, S.L. (**)	100	100	3,000	-	3,000
Foreseen Media Sl.	100	100	67,420	-	67,420
			<b>14,297,035</b>	<b>-</b>	<b>14,297,035</b>

(1) See Note 21 Business combinations.

None of these companies is listed.

The Company's directors believe the net carrying amount of interests in subsidiaries at 30 June 2019 is recoverable, taking into account the estimates of its share in the cash flows from ordinary activities expected to be generated by investee companies. The Company's management has based its cash flow projections to support the recoverable value of investments on the following assumptions:

- 5-year projections of cash flows, based on the business plans provided for by the Company's management.
- The growth rate of the cash flows used for the following years has been based on each company and each geographic market.
- The discount rate applied was approximately 12%.
- A perpetual growth rate of 1.4%.

The projections are prepared based on past experience as well as the best available estimates.

At the close of the half-year period ended 30 June 2019, no circumstances have arisen that may imply changes to the assumptions used and conclusions reached by the Group at year-end 2018.

Here below is a breakdown of the corporate purpose and registered address of the investees:

**Mamvo Performance, S.L. (Single-member)** Its objective is online advertising and direct marketing for the generation of useful contacts. Its registered office is at C/Marqués de Riscal, 11, Madrid.

**Marketing Manager Servicios de Marketing, S.L. (Single-member).** Its purpose is to provide counseling related to commercial communication companies. Its registered office is at C/Marqués de Riscal, 11, Madrid.

**Antevenio S.R.L. (Single-member),** its purpose is to provide online marketing and internet advertising services. Its registered address is at Viale Francesco Restelli 3/7 - 20124. Milan (Italy).

**Antevenio ESP, S.L. (Single-member),** formerly **Diálogo Media, S.L. (Single-member),** and **Antevenio Mobile, S.L.U.** Its objective is to provide advertising services and online advertising and e-commerce operations by electronic means. Its registered office is at C/Marqués de Riscal, 11, Madrid.

**Antevenio France, S.R.L. (Single-member)** Its corporate purpose consists in the provision of advertising and promotional services on the Internet; the study, dissemination and provision of services in the field of advertising and marketing on the Internet. Its registered address is at 62B rue des Peupliers, 92100 Boulogne-Billancourt, France.

**Antevenio México, S.A. de CV.** Its corporate purpose is to provide other Advertising services. The company has its registered offices in Mexico. Its registered address is at Col. Condesa Del. Cuauhtémoc, CP 06100, México D.F.

**Antevenio Publicite SARL, formerly Clash Media SARL.** Its corporate purpose consists in the provision of advertising and promotional services on the Internet; the study, dissemination and provision of services in the field of advertising and marketing on the Internet. Its registered address is at 62B rue des Peupliers, 92100 Boulogne-Billancourt, France.

**Antevenio Rich & Reach S.L. (Single-member).** Its corporate purpose is the provision of Internet services, particularly in the field of online advertising; the provision of digital advertising and marketing services; the operation and sale of advertising spaces, the operation of social media and web environments. Its registered office is at C/Marqués de Riscal, 11, Madrid.

**React2Media, L.L.C.** 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 company has its registered address at 35 W 36th St, New York, NY 10018, USA.

**Foreseen Media S.L** The company purpose is related to the purchase, sale, management, marketing and licensing of all types of rights related to eSports or sports played on computer systems, including the purchase and sale of advertising spaces, assets and sponsorship of players, teams and competitions. The company is registered at C/ Marqués de Riscal, 11

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At 30 June 2019, the breakdown of the equity, in Euros, of the investees was as follows:

	Share capital	Reserves	Prior periods' profit/(loss)	Grants	Translation differences	Profit/(loss) for the year	Equity
Antevenio, S.R.L.	10,000	1,741,499	-	-	-	(146,180)	1,605,319
Mamvo Performance, S.L.	33,967	2,579,497	-	68,499	-	271,958	2,953,921
Marketing Manager Servicios de Marketing, S.L.	99,800	33,791	(956,887)	-	-	(36,528)	(859,824)
Antevenio Mexico	4,537	1,232,297	-	-	(146,510)	257,809	1,348,133
Antevenio ESP, S.L.U. (formerly Diálogo Media S.L.U.)	3,010	1,194,264	-	-	-	(53,496)	1,143,778
Antevenio Francia, S.R.L.	2,000	-	(772,759)	-	-	(1,347)	(772,106)
Antevenio Publicité S.A.S.U.	101,913	576,986	(132,087)	-	-	(61,128)	485,684
Antevenio Rich & Reach S.L.	3,000	151,702	(97,251)	-	-	(155,180)	(97,729)
React2Media, L.L.C. (see Note 21)	5,099	-	-	-	(233)	(94,821)	(89,955)
Foreseen Media S.L.	3,750	-	(118,810)	-	-	(29,918)	(144,978)

At 31 December 2018, the breakdown of the equity, in Euros, of the investees was as follows:

	Share capital	Reserves	Prior periods' profit/(loss)	Subsidies	Translation differences	Profit/(loss) for the year	Equity
Antevenio, S.R.L.	10,000	1,731,261	-	-	-	10,238	1,751,499
Mamvo Performance, S.L.	33,967	2,189,430	(242,919)	157,701	-	882,986	3,021,165
Marketing Manager Servicios de Marketing, S.L.	99,800	24,169	(1,086,846)	-	-	139,581	(823,296)
Antevenio Mexico	4,537	-	800,962	-	(121,655)	431,335	1,115,178
Antevenio ESP, S.L.U. (formerly Diálogo Media S.L.U.)	3,010	1,607,737	-	-	-	586,528	2,197,274
Codigo Barras Network S.L.U.	4,639	730,054	(922,354)	-	-	326,754	139,093
Antevenio Francia, S.R.L.	2,000	-	(767,610)	-	-	(5,150)	(770,759)
Antevenio Publicité S.A.S.U.	101,913	578,373	-	-	-	(132,087)	548,200
Antevenio Rich & Reach S.L.	3,000	151,702	-	-	-	133,173	287,875
React2Media, L.L.C. (see Note 21)	5,099	-	-	-	2,982	72,435	80,517

At 30 June 2018, the breakdown of the equity, in Euros, of the investees was as follows:

	Share capital	Reserves	Prior periods' profit/(loss)	Subsidies	Translation differences	Profit/(loss) for the year	Equity
Antevenio, S.R.L.	10,000	2,486,833	-	-	-	131,700	2,628,532
Mamvo Performance, S.L.	33,967	2,189,430	(242,919)	33,661	-	519,102	2,533,241
Marketing Manager Servicios de Marketing, S.L.	99,800	24,169	(1,086,846)	-	-	92,157	(870,720)
Antevenio Mexico	4,537	-	800,962	-	(118,960)	2,511	689,050
Antevenio ESP, S.L.U. (formerly Diálogo Media S.L.U.)	3,010	1,607,737	-	-	-	389,794	2,000,541
Antevenio Francia, S.R.L.	2,000	-	(767,610)	-	-	(1,990)	(767,599)
Antevenio Publicité S.A.S.U.	101,913	763,324	(184,950)	-	-	(280,596)	399,690
Antevenio Rich & Reach S.L.	3,000	265,520	(344,242)	-	-	(37,093)	(112,815)
React2Media, L.L.C. (see Note 21)	5,099	176,229	-	-	2,253	100,384	283,965

## **NOTE 10. INFORMATION ON THE NATURE AND LEVEL OF RISK FROM FINANCIAL INSTRUMENTS**

The Company's activities are exposed to different financial risks, particularly to credit and market risk.

### **10.1.1) Credit Risk**

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

The Company's credit risk is primarily attributable to its trade receivables and to the recoverability of its loans to Group companies. The Balance Sheet includes the amounts, net of provisions for insolvencies, estimated by the Company's management based on prior years' experience and on its assessment of the current economic scenario.

### **10.1.2) Exposure to liquidity risk**

The Company applies a liquidity policy consisting in keeping the balances in available accounts, in order to ensure any payments arising from the normal course of its business.

### **10.1.3) Exchange rate risk**

The Company is not exposed to significant exchange rate risk, so it carries out no transactions with financial hedging instruments.

## **NOTE 11. EQUITY**

### **11.1) Equity Capital**

At 30 June 2019, 31 December 2018 and 30 June 2018, the Company's share capital company is represented by 4,207,495 nominal value shares of 0.055 Euro each, fully subscribed and paid up. These shares have equal voting and dividend rights.

The company Inversiones y Servicios Publicitarios, S.A. (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, at the time 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.

After said change in the shareholding structure, the company ISP launched a Takeover Bid on the remaining shareholders of the Company. This bid was closed with the acceptance of 1,360,806 shares, at a purchase price of 6 euros each, representing 32.34% of the share capital of Antevenio S.A. 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 30 June 2019 and 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%	392,840	9.34%
Nextstage	243,647	5.79%
<b>Total</b>	<b>4,207,495</b>	<b>100.00%</b>

## 11.2) Reserves

The breakdown of “Reserves” at 30 June 2019, at 31 December 2018 and at 30 June 2018 is as follows:

Reserves	30/06/2018	31/12/2018	30/06/2019
Legal reserve	46,282	46,282	46,282
Voluntary reserves	3,857,703	4,267,438	5,017,525
Share premium	8,189,787	8,189,787	8,189,787
<b>Total</b>	<b>12,093,772</b>	<b>12,503,507</b>	<b>13,253,594</b>

### a) Legal reserve

The legal reserve has restrictions of use, which is subject to several legal provisions. Under the Spanish Law on Corporations Act, 10% of any profit made each year must be transferred to the legal reserve. These provisions must be made until the legal reserve reaches 20% of the 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 and 30 June 2018, the legal reserve is fully allocated.

### b) Share Premium

This reserve originated from the capital increase in 2007. Share premium is subject to the same restrictions and may be used for the same purposes as the voluntary reserves, including conversion into share capital.

### c) Treasury shares

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

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

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

The Parent Company owns 26,463 shares representing 0.62% of share capital (at 31 December 2018 it owned 15,000 treasury shares representing 0.36% of share capital and at 30 June 2018, 198,348 shares representing 4.71% of share capital). The total amount that these shares represent amounts to 194,314 euros (114,300 euros at 31 December 2018 and 513,805 euros at 30 June 2018).

The breakdown of changes between 30 June 2018 and 30 June 2019 is as follows:

Company	Balance at 06/30/2018		Balance at 12/31/2018		Balance at 06/30/2019	
	No. of Shares	Cost	No. of Shares	Cost	No. of Shares	Cost
Antevenio S.A.	198,348	513,805	15,000	114,300	26,463	194,314
	<b>198,348</b>	<b>513,805</b>	<b>15,000</b>	<b>114,300</b>	<b>26,463</b>	<b>194,314</b>

## **NOTE 12. FOREIGN CURRENCY**

At 30 June 2018, at 31 December 2018 and at 30 June 2019, the amount of exchange differences recognized in profit or loss is as follows:

Translation differences	30/06/2018	31/12/2018	30/06/2019
<b>Translation gains:</b>			
Realized during the period	4,720	4,907	2
<b>Translation losses:</b>			
Realized during the period	(2,392)	(4,148)	(4,293)
<b>Total</b>	<b>2,328</b>	<b>759</b>	<b>(4,291)</b>

Assets and liabilities denominated in foreign currency relate to debit balances, credit balances and treasury, all of which are part of current assets and liabilities.

Transactions in foreign currency executed in the six-month periods ending 30 June 2019 and 2018 and in 2018 are immaterial for the Financial Statements.

## **NOTE 13. TAXATION**

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

	30/06/2018		31/12/2018		30/06/2019	
	Receivable	Payable	Receivable	Payable	Receivable	Payable
<b>Current:</b>						
Value Added Tax	-	(47,075)	-	(43,956)	-	(220,214)
Deferred tax assets (*)	255,699	-	-	-	167,333	-
Withholdings and payments on account of Income Tax	-	-	74,898	-	-	-
Taxation Authorities, recoverable taxes	-	-	-	-	-	-
Taxation Authorities, taxes payable	-	(5,973)	-	(5,973)	-	(5,973)
Withholdings for Personal Income Tax	-	(64,405)	-	(296,760)	-	-
Current tax liabilities	-	(28,404)	-	(28,404)	-	(28,404)
Social Security	-	(11,639)	-	(13,938)	-	(19,683)
	<b>255,699</b>	<b>(157,496)</b>	<b>74,898</b>	<b>(389,031)</b>	<b>167,333</b>	<b>(274,274)</b>

(\*) Classified in the Balance Sheet under non-current assets.

### **Taxation**

The Company has open to review for all taxes applicable the last four reporting periods.

Under current legislation, tax settlements 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. Accordingly, as a result of eventual tax inspections new tax liabilities may arise in addition to the ones recognized by the Company. Nevertheless, the Company's directors believe that these tax liabilities, should they materialize, would not be material compared with the Company's own funds and annual profits.

### **Income Tax**

The reconciliation of net income and expenses for the period with the taxable income/(tax loss) is as follows:

	31/12/2018			30/06/2019		
	Profit and Loss Account		Net effect	Profit and Loss Account		Net effect
Profit/(loss) for the year (after taxes)	Increases	Decreases		Increases	Decreases	
Income Tax	47,650		47,650	-	-	
Permanent differences	26,885	(720,425)	(693,541)	7,240	(1,262,475)	
Temporary differences		(797,700)	(797,700)	-	-	
Application of tax loss carryforwards			-	-	-	
Tax base (Taxable income)			(693,503)		(5,513)	
Gross tax payable			(173,376)		(1,378)	
Tax credits for R&D&I			-		-	
Net tax payable			(173,376)		(1,378)	
Withholdings and payments on account			(172,892)		-	
Accounts with tax group companies			520,316		-	
Tax payable / (recoverable) (1)			174,048		(1,378)	

(1) In 2017 the Company files consolidated income tax returns within ISP Group.

Given that in 2017 the Company files consolidated tax returns with ISP Group, the amount of tax payable has been recognized as a current receivable from the Group.

The breakdown of recognised deferred tax assets is as follows:

	30/06/2018	31/12/2018	30/06/2019
Temporary differences	226,700	67,500	67,500
Tax credits	28,999	7,398	99,834
<b>Total deferred tax assets</b>	<b>255,699</b>	<b>74,898</b>	<b>167,334</b>

The aforementioned deferred tax assets have been recognized in the balance sheet because the Company's Directors consider that, based on their best estimate of the Company's future earnings, including certain tax planning measures, it is likely that said assets will be recovered.

#### **NOTE 14. REVENUE AND EXPENSES**

##### **a) Employee benefit expense**

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

	30/06/2018	31/12/2018	30/06/2019
Social security payable by the company	(61,357)	(121,349)	(103,106)
Employee benefits expense	(16,634)	(31,293)	(37,472)
<b>Employee benefit expense</b>	<b>(77,990)</b>	<b>(152,642)</b>	<b>(140,578)</b>

##### **b) Net Finance Income / (Expense)**

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

	30/06/2018	31/12/2018	30/06/2019
<b>Income:</b>			
Dividends	-	700,000	1,250,000
Income from loans to Group companies	9,316	18,265	17,357
Other finance income	1,993	1,993	-
<b>Total finance income</b>	<b>11,309</b>	<b>720,258</b>	<b>1,267,357</b>
<b>Expense:</b>			
Debts with Group companies and associates	(9,750)	(17,368)	(3,597)
Other Finance Expense	(4,854)	(37,663)	(9,781)
<b>Total finance expense</b>	<b>(14,604)</b>	<b>(55,031)</b>	<b>(13,378)</b>

**c) Revenue**

The distribution of the net turnover from the ordinary activities of the Company, by categories of activities, is as follows:

Description of the activity	30/06/2018		31/12/2018		30/06/2019	
	Euro	%	Euro	%	Euro	%
Marketing and online advertising	20,000	2%	0	0%		
Provision of services (Fees)	1,131,483	98%	2,342,243	100%	1,370,940	100
<b>Total</b>	<b>1,151,483</b>	<b>100%</b>	<b>2,342,243</b>	<b>100%</b>	<b>1,370,940</b>	<b>100</b>

Geographic segmentation	30/06/2018		31/12/2018		30/06/2019	
	Euro	%	Euro	%	Euro	%
Spain	891,510	77%	1,817,648	78%	1,091,583	80
Europe	95,531	8%	196,098	8%	21,695	2
International (excl. Europe)	164,442	14%	328,497	14%	257,662	19
<b>Total</b>	<b>1,151,483</b>	<b>100%</b>	<b>2,342,243</b>	<b>100%</b>	<b>1,370,940</b>	<b>100</b>

**NOTE 15. ENVIRONMENTAL INFORMATION**

The Company has no significant assets nor has it 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 16. GUARANTEES AND SECURITIES**

At 30 June 2019, at 31 December 2018 and at 30 June 2018, the Company had provided the following guarantees to banks and government agencies:

Guarantees	30/06/2018	31/12/2018	30/06/2019
Lessor of Head Office	231,307	265,684	232,807
<b>Total</b>	<b>231,307</b>	<b>265,684</b>	<b>232,807</b>

**NOTE 17. EVENTS AFTER THE INTERIM BALANCE SHEET DATE.**

Subsequent to the close of the 6-month period ended 30 June 2019, the following significant events have taken place:

On 2 July, two beneficiaries exercised their rights by virtue of the remuneration plan for directors and senior management referenced to the value of the shares, approved on 16 November 2016, requesting the delivery of 50,000 of the Company's shares (Note 14).

## **NOTE 18. TRANSACTIONS WITH GROUP COMPANIES AND RELATED PARTIES**

### **18.1) Balances with group companies**

At 30 June 2019 the breakdown of balances with Group companies was as follows:

BALANCES BETWEEN GROUP COMPANIES	Mamvo Performance, S.L.U.	Marketing Manager S.L.U.	Código Barras Network S.L.U.	Antevenio ESP S.L.U.	Antevenio Francia S.R.L.U.	Antevenio México	Antevenio Argentina S.R.L.	Antevenio Italia S.R.L.U.	Antevenio Publicité S.A.S.U.	React2Media, L.L.C.	Antevenio, Rich & Reach, S.L.U.	Foreseen Media SL	Total
<b>A) NON-CURRENT ASSETS</b>	<b>100,000</b>	<b>500,000</b>	<b>350,000</b>	<b>-</b>	<b>262,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>300,000</b>	<b>-</b>	<b>1,512,000</b>
1. Non-current investments in Group companies	100,000	500,000	350,000	-	262,000	-	-	-	-	-	300,000	-	1,512,000
a) Loans to companies (1)	100,000	500,000	350,000	-	262,000	-	-	-	-	-	300,000	-	1,512,000
<b>B) CURRENT ASSETS</b>	<b>415,102</b>	<b>110,287</b>	<b>16,767</b>	<b>331,479</b>	<b>221,037</b>	<b>221,860</b>	<b>320,142</b>	<b>12,867</b>	<b>25,283</b>	<b>274,733</b>	<b>119,826</b>	<b>-</b>	<b>2,069,382</b>
1. Trade and other receivables	150,341	106,387	600	331,479	169,723	221,860	320,142	12,867	25,283	47,917	82,870	-	1,469,468
a) Current trade receivables	150,341	106,387	600	331,479	169,723	221,860	320,142	12,867	25,283	47,917	82,870	-	1,469,468
2. Current investments in group companies	264,761	3,900	16,167	-	51,314	-	-	-	-	226,816	36,956	-	599,914
a) Current account	-	-	-	-	-	-	-	-	-	-	-	-	-
a) Accounts receivable	264,761	3,900	16,167	-	51,314	-	-	-	-	226,816	36,956	-	599,914
<b>C) NON-CURRENT LIABILITIES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(64,499)</b>	<b>(64,499)</b>
1. Non-current payables to Group companies and associates	-	-	-	-	-	-	-	-	-	-	-	(64,499)	(64,499)
<b>Total Non Current</b>	<b>100,000</b>	<b>500,000</b>	<b>350,000</b>	<b>-</b>	<b>262,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>300,000</b>	<b>(64,499)</b>	<b>1,447,501</b>
<b>D) CURRENT LIABILITIES</b>	<b>(62,558)</b>	<b>(250,062)</b>	<b>(241,855)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(33,849)</b>	<b>-</b>	<b>(376,229)</b>	<b>(2,131)</b>	<b>(966,684)</b>
1. Current payables to Group companies and associates	(62,558)	(250,062)	(241,855)	-	-	-	-	-	-	-	(376,229)	(2,131)	(932,835)
2. Trade and other payables	-	-	-	-	-	-	-	-	(33,849)	-	-	-	(33,849)
<b>Total Current</b>	<b>352,544</b>	<b>(139,775)</b>	<b>(225,088)</b>	<b>331,479</b>	<b>221,037</b>	<b>221,860</b>	<b>320,142</b>	<b>12,867</b>	<b>(8,566)</b>	<b>274,733</b>	<b>(256,403)</b>	<b>(2,131)</b>	<b>1,102,699</b>

Antevenio S.A. Interim Financial Statements at 30 June 2019

At 31 December 2018 the breakdown of balances with Group companies was as follows:

	Mamvo Performance SLU	Marketing Manager S.L.U	Código Barras Network S.L.U.	Antevenio ESP S.L.U	Antevenio Francia S.R.L.U	Antevenio México	Antevenio Argentina S.R.L.U.	Antevenio Italia S.R.L.U.	Antevenio Publicité S.A.S.U.	React2Medi a, L.L.C.	Antevenio , Rich & Reach, S.L.U.	Total
<b>A) NON-CURRENT ASSETS</b>	<b>100,000</b>	<b>500,000</b>	<b>350,000</b>	-	<b>262,000</b>	-	-	-	-	-	<b>300,000</b>	<b>1,512,000</b>
<b>1. Investments in group companies</b>	<b>100,000</b>	<b>500,000</b>	<b>350,000</b>	-	<b>262,000</b>	-	-	-	-	-	<b>300,000</b>	<b>1,512,000</b>
a) Loans to companies (1)	100,000	500,000	350,000		262,000						300,000	1,512,000
<b>B) CURRENT ASSETS</b>	<b>153,246</b>	<b>12,615</b>	<b>26,259</b>	<b>112,614</b>	<b>221,037</b>	<b>148,150</b>	<b>320,142</b>	<b>84,869</b>	<b>15,699</b>	<b>237,754</b>	<b>92,283</b>	<b>1,424,666</b>
<b>1. Trade and other receivables</b>	<b>19,323</b>	<b>12,615</b>	-	<b>48,233</b>	<b>169,723</b>	<b>148,150</b>	<b>320,142</b>	<b>84,869</b>	<b>15,699</b>	<b>12,652</b>	<b>4,012</b>	<b>835,416</b>
a) Trade receivables for sales and services	19,323	12,615		48,233	169,723	148,150	320,142	84,869	15,699	12,652	4,012	835,416
<b>2. Investments in group companies</b>	<b>133,923</b>	-	<b>26,259</b>	<b>64,381</b>	<b>51,314</b>	-	-	-	-	<b>225,102</b>	<b>88,271</b>	<b>589,250</b>
a) Current account	119,941		12,823	64,381	51,314					220,193	53,655	522,307
b) Accounts receivable	13,981		13,437							4,909	34,616	66,943
<b>C) NON-CURRENT LIABILITIES</b>	-	-	-	<b>(500,000)</b>	-	-	-	-	-	-	-	<b>(500,000)</b>
<b>1. Debts with Group companies and associates</b>	-	-	-	<b>(500,000)</b>	-	-	-	-	-	-	-	<b>(500,000)</b>
<b>Total Non Current</b>	<b>100,000</b>	<b>500,000</b>	<b>350,000</b>	<b>(500,000)</b>	<b>262,000</b>	-	-	-	-	-	<b>300,000</b>	<b>1,012,000</b>
<b>D) CURRENT LIABILITIES</b>	<b>(14,617)</b>	<b>(52,665)</b>	<b>(169,103)</b>	<b>(117,378)</b>	-	-	-	<b>(54,808)</b>	<b>(33,849)</b>	-	<b>(71,485)</b>	<b>(513,904)</b>
<b>1. Debts with Group companies and associates</b>	<b>(14,617)</b>	<b>(52,665)</b>	<b>(169,103)</b>	<b>(113,182)</b>							<b>(71,485)</b>	<b>(421,052)</b>
<b>2. Trade and other payables</b>	-	-	-	<b>(4,196)</b>	-	-	-	<b>(54,808)</b>	<b>(33,849)</b>	-	-	<b>(92,853)</b>
<b>Total Current</b>	<b>138,629</b>	<b>(40,050)</b>	<b>(142,843)</b>	<b>(4,764)</b>	<b>221,037</b>	<b>148,150</b>	<b>320,142</b>	<b>30,061</b>	<b>(18,150)</b>	<b>237,754</b>	<b>20,798</b>	<b>910,762</b>

At 30 June 2018 the breakdown of balances with Group companies was as follows:

BALANCES BETWEEN GROUP COMPANIES	Mamvo Performance, S.L.U.	Marketing Manager S.L.U	Código Barras Network S.L.U.	Antevenio ESP S.L.U	Antevenio Francia S.R.L.U	Antevenio México	Antevenio Argentina S.R.L	Antevenio Italia S.R.L.U.	Antevenio Publicité S.A.S.U.	React2Media , L.L.C.	Antevenio, Rich & Reach, S.L.U.	Total
<b>A) NON-CURRENT ASSETS</b>	<b>100,000</b>	<b>500,000</b>	<b>600,000</b>	<b>-</b>	<b>262,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>220,193</b>	<b>300,000</b>	<b>1,982,193</b>
1. Non-current investments in Group companies	100,000	500,000	600,000	-	262,000	-	-	-	-	220,193	300,000	1,982,193
a) Loans to companies (1)	100,000	500,000	600,000	-	262,000	-	-	-	-	220,193	300,000	1,982,193
<b>B) CURRENT ASSETS</b>	<b>294,719</b>	<b>120,089</b>	<b>99,959</b>	<b>456,870</b>	<b>221,037</b>	<b>72,517</b>	<b>320,142</b>	<b>-</b>	<b>104,771</b>	<b>15,880</b>	<b>65,860</b>	<b>1,771,844</b>
1. Trade and other receivables	147,316	79,328	-	344,792	169,723	72,517	320,142	-	104,771	12,652	33,570	1,416,678
a) Current trade receivables	147,316	79,328	-	344,792	169,723	72,517	320,142	-	104,771	12,652	33,570	1,416,678
2. Current investments in group companies	147,403	40,761	99,959	112,078	51,314	-	-	-	-	3,228	32,290	487,034
a) Accounts receivable	147,403	40,761	99,959	112,078	51,314	-	-	-	-	3,228	32,290	487,034
<b>C) NON-CURRENT LIABILITIES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(500,000)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(765,000)</b>	<b>(1,265,000)</b>
1. Non-current payables to Group companies and associates	-	-	-	(500,000)	-	-	-	-	-	-	(765,000)	(1,265,000)
<b>Total Non Current</b>	<b>100,000</b>	<b>500,000</b>	<b>600,000</b>	<b>(500,000)</b>	<b>262,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>220,193</b>	<b>(465,000)</b>	<b>717,193</b>
<b>D) CURRENT LIABILITIES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(7,704)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(54,808)</b>	<b>-</b>	<b>-</b>	<b>(32,492)</b>	<b>(826,387)</b>
1. Current payables to Group companies and associates	-	-	-	(7,704)	-	-	-	-	-	-	(32,492)	(770,294)
2. Trade and other payables	-	-	-	-	-	-	-	(54,808)	-	-	-	(56,092)
<b>Total Current</b>	<b>294,719</b>	<b>120,089</b>	<b>99,959</b>	<b>449,166</b>	<b>221,037</b>	<b>72,517</b>	<b>320,142</b>	<b>(54,808)</b>	<b>104,771</b>	<b>15,880</b>	<b>33,367</b>	<b>945,457</b>



## 18.2) Transactions among Group companies

The amount, in Euros, of transactions performed during the six first months of 2019 and presented in the accompanying Interim Profit and Loss Account is as follows:

Transactions Performed	Services received	Sales and services rendered	Interests Paid	Interests Charged	Dividends paid
Mamvo Performance, S.L.U.	-	246,573	780	-	250,000
Marketing Manager	-	171,883	3,900	-	-
Código barras Networks	- 2,000	619	2,730	-	-
Antevenio ESP, S.L.U.	-	496,961	-	3,597	1,000,000
Antevenio Argentina	-	-	-	-	-
Antevenio S.R.L. (Italy)	-	12,111	-	-	-
Antevenio México	-	221,860	-	-	-
Antevenio Publicité	-	9,584	-	-	-
React2Media	-	35,265	1,714	-	-
Antevenio Rich & Reach	-	130,268	2,340	-	-
	-	-	-	-	-
	<b>2,000</b>	<b>1,325,124</b>	<b>11,464</b>	<b>3,597</b>	<b>1,250,000</b>

The amount, in Euros, of transactions among Group companies during 2018 and presented in the accompanying Interim Profit and Loss Account is as follows:

Transactions Performed	Services received	Sales and services rendered	Interests Paid	Interests Charged	Dividends paid
Mamvo Performance, S.L.U.	-	432,276	1,546	-	-
Marketing Manager	-	294,674	-	-	-
Código barras Networks	(5,700)	5,260	8,791	-	-
Antevenio ESP, S.L.U.	(33,066)	804,281	-	(7,730)	-
Antevenio Argentina	-	-	-	-	-
Antevenio S.R.L. (Italy)	-	144,944	-	-	700,000
Antevenio México	-	328,497	-	-	-
Antevenio Publicité	(33,849)	51,154	-	-	-
React2Media	-	-	3,290	-	-
Antevenio Rich & Reach	-	244,021	4,638	(9,638)	-
	<b>(72,615)</b>	<b>2,305,107</b>	<b>18,265</b>	<b>(17,368)</b>	<b>700,000</b>

The amount, in Euros, of transactions performed during the six first months of 2018 and presented in the accompanying Interim Profit and Loss Account is as follows:

Transactions Performed	Sales and services		Interests	
	Services received	services rendered	services paid	Interests services charged
Mamvo Performance, S.L.U.	-	213,394	-	771
Marketing Manager	-	143,869	-	-
Código barras Networks	3,000	1,947	-	4,265
Antevenio ESP, S.L.U.	24,520	396,298	3,854	-
Antevenio Argentina	-	-	-	-
Antevenio S.R.L. (Italy)	-	60,076	-	-
Antevenio México	-	164,442	-	-
Antevenio Publicité	-	35,455	-	-
React2Media	-	-	-	1,609
Antevenio Rich & Reach	-	116,002	5,896	2,312
	<b>27,520</b>	<b>1,131,483</b>	<b>9,750</b>	<b>8,957</b>

At 30 June 2019 the breakdown of balances with related parties was as follows:

Related Party (30 June 2019)	Balance Receivable	Balance Payable
ISP Digital SLU	121,000	--
ISP on Taxation Group Corporate Income Tax	-	272,190
Acceso	-	867
Digilant Spain	-	-
Digilant, Inc	34	-
<b>Total Group companies</b>	<b>121,034</b>	<b>273,057</b>

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

Related Party (31 December 2018)	Balance Receivable	Balance Payable
ISP Digital SLU	121,000	633,665
ISP on Taxation Group Corporate Income Tax	-	-
Acceso	-	428
Digilant Spain	10,834	-
Digilant, Inc	34	-
<b>Total Group companies</b>	<b>131,868</b>	<b>634,093</b>

At 30 June 2018 the breakdown of balances with related parties was as follows:

<b>Related Party (30 June 2018)</b>	<b>Balance Receivable</b>	<b>Balance Payable</b>
ISP Digital SLU	121,000	-
ISP on Taxation Group Corporate Income Tax	-	(730,098)
Acceso	-	(1,284)
Digilant Spain	10,834	-
Digilant, Inc	34	-
<b>Total Group companies</b>	<b>131,868</b>	<b>(731,382)</b>

#### **18.4) Related party transactions**

The breakdown of transactions with related parties during the first six months of 2019 and during 2018 is as follows:

During the first 6 months of 2019 transactions with related parties were as follows:

<b>1S 2019</b>	<b>ACCESO GROUP</b>	<b>ISP DIGITAL</b>
<b>Sales</b>	-	-
<b>Purchases</b>	-	-
<b>Services rendered</b>	-	-
<b>Services received</b>	2,149	-
<b>Total</b>	<b>2,149</b>	<b>-</b>

During 2018 transactions with related parties were as follows:

<b>1S 2018</b>	<b>ACCESO GROUP</b>	<b>ISP DIGITAL</b>
<b>Sales</b>	-	-
<b>Purchases</b>	-	-
<b>Services rendered</b>	-	20,000
<b>Services received</b>	6,369	-
<b>Total</b>	<b>6,369</b>	<b>20,000</b>

<b>2018</b>	<b>ACCESO GROUP</b>	<b>ISP DIGITAL</b>
<b>Sales</b>	-	-
<b>Purchases</b>	-	-
<b>Services rendered</b>	-	20,000
<b>Services received</b>	11,323	-
<b>Total</b>	<b>11,323</b>	<b>20,000</b>

### **18.5) Core shareholders**

During the first six months of 2019, and in 2018, the Company has performed no significant transactions with core shareholders.

### **18.6) Balances and Transactions with Directors and Senior Management**

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

The breakdown of the amounts received by the Board of Directors or by members of senior management is as follows:

	30/06/2018	Senior Management 31/12/2018	30/06/2019
Wages and salaries	218,200	406,813	184,766
<b>Total</b>	<b>218,200</b>	<b>406,813</b>	<b>184,766</b>

In addition to these amounts, accrued remunerations arising from share-based payments disclosed under note 19 should be included. At 30 June 2019, at 31 December 2018 and at 30 June 2018, there are no commitments for supplements to pensions, guarantees or securities 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, have not entered into situations of conflict of interests.

### **NOTE 19. 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:

	30/06/2018		31/12/2018		30/06/2019	
	Number	Weighted average price	Number	Weighted average price	Number	Weighted average price
Granted options (+)	126,667	-	-	-	-	-
Options at the end of the year	126,667	-	-	-	-	-

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:

the maximum number of shares that can be granted cannot exceed 125,000 shares;  
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;  
shares shall be awarded free of charge; and  
the plan will be in force up to 30 June 2019.  
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 2nd July 2018, a Plan beneficiary executed 75,000 free shares in accordance with the terms of the remuneration plan. Finally, the company and the beneficiary have agreed settlement in shares of the Parent Company.

On 2 July 2019, two beneficiaries exercised their rights by virtue of the remuneration plan for directors and senior management referenced to the value of the shares, approved on 16 November 2016, requesting the delivery of 50,000 of the Company's shares (Note 20).

Changes in the above mentioned options were as follows:

	30/06/2018		31/12/2018		30/06/2019	
	Number	Weighted average price	Weighted average price	Number	Weighted average price	Weighted average price
Granted options (+)	125,000	-	50,000	-	50,000	-
Options at the end of the year		-	50,000	-	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 11) 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 the Company.

## **NOTE 20. OTHER INFORMATION**

The average number of persons employed is as follows:

	30/06/2018	31/12/2018	30/06/2019
Management	6.0	6.0	4.6
Administrative	4.0	4.0	8.6
Commercial		0.0	0.6
Production		0.0	0.6
Technical		0.0	0.0
Marketing		0.5	2.6
	<b>10.0</b>	<b>10.5</b>	<b>17.0</b>

The number of Directors and persons employed by the Company at the balance sheet date of the presented periods, broken down by professional category, is as follows:

Professional Category	30/06/2018		31/12/2018		30/06/2019	
	Men	Women	Men	Women	Men	Women
Administrators			2		2	-
High Management	2	-	2	2	3	3
Administrative	2	5	1	3	1	5
Marketing			1		2	-
	<b>4</b>	<b>5</b>	<b>6</b>	<b>5</b>	<b>8</b>	<b>8</b>

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:

	30/06/2018	31/12/2018	30/06/2019
	Days	Days	Days
Average period of time for payment to suppliers	35.58	34.57	34.32
Percentage of paid transactions	30.76	34.69	24.44
Percentage of transactions pending payment	51.91	32.50	63.53
	Amount (Euro)	Amount (Euro)	Amount (Euro)
Total payments made	524,045	1,253,534	521,589
Total payments pending	154,711	67,214	176,428

## **NOTE 21. BUSINESS COMBINATIONS**

On 22nd June 2017 the Parent Company 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 2019, 2020 and 2021; 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. The amount recognised by the Group at 31 December 2018 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 2.108 million euros, recognised under "Other non-current liabilities".



On 21 May 2019, the first tranche of rights to purchase and right to unconditional sale was implemented on 49% of the Company's shares, remaining from the capital share of said Company in the initial contract dated 22 June 2017. The Group acquires 8.97% of the US Company React2Media, L.L.C's shares, for 212,551 dollars (192,778 euros). The amount recognised by the Group at 30 June 2019 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 1.91 million euros, recognised under "Other non-current liabilities".

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

	<b>Euros</b>
<b>Fair value of the consideration given</b>	
Cash paid	2,102,903
Put options granted to minority interests	1,933,648
Contingent consideration	35,004
<b>Total consideration given</b>	<b>4,071,555</b>
<b>Net identifiable assets acquired</b>	
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)
<b>Fair value of net identifiable assets acquired</b>	<b>166,421</b>
<b>Goodwill (Note 5)</b>	<b>3,905,134</b>
Consideration paid in cash	(2,102,903)
Cash and cash equivalents acquired	109,457
<b>Net cash outflow</b>	<b>(1,993,446)</b>

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:

<b>Euro</b>	<b>Contractual gross amount</b>	<b>Impairment adjustment</b>	<b>Fair value</b>
Trade receivables	1,198,620	0.00	1,198,620