

ANTEVENIO, S.A.

Interim Financial Statements for the period ended 30 June
2017

ANTEVENIO S.A.

INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2017

ANTEVENIO S.A. (Individual)				
Balance Sheet				
at 30 June 2017				
(in Euros)				
ASSETS	Note	30.06.2017	31.12.2016	30.06.2016
NON-CURRENT ASSETS		16,394,382	12,265,593	11,742,023
Intangible assets	6	18,225	26,668	36,491
Computer software		18,225	26,668	36,491
Property, plant and equipment	5	133,992	119,892	98,977
Technical installations and other items of PPE		133,992	119,892	98,977
Non-current investments in group companies and associates		15,833,233	11,792,457	11,543,350
Equity instruments	9	14,071,233	10,030,457	10,031,350
	8.1 and 19	1,762,000	1,762,000	1,512,000
Non-current loans to group companies and associates				
Non-current investments	8.1	54,738	53,194	57,499
Loans to companies		29,991	29,991	29,991
Other financial assets		24,747	23,202	27,508
Deferred tax assets	13	354,193	273,382	5,707
		2,735,144	3,639,581	2,850,137
CURRENT ASSETS				
Trade and other receivables		1,314,934	2,772,266	1,792,311
Trade receivables	8.1	4,790	3,760	14,287
Trade receivables from group companies and associates	8.1 and 19	1,161,181	2,470,795	1,672,526
Personnel	8.1	1,434	94	1,555
Current tax assets	13	147,283	297,617	103,524
Other receivables from Public Entities	13	245	-	419
Current investments in group companies and associates	8.1 and 19	67,721	59,991	81,711
Debt securities		67,721	59,991	81,711
Other financial assets			-	-
Current investments	8.1	-	2,263	727
Debt securities			763	377
Other financial assets			1,500	350
Current accruals		67,924		
Cash and cash equivalents	8.1	1,284,565	805,062	975,389
Cash		1,284,565	505,062	149,652
Cash equivalents		-	300,000	825,736
TOTAL ASSETS		19,129,524	15,905,174	14,592,161

ANTEVENIO S.A. (Individual)				
Balance Sheet				
at 30 June 2017				
(in Euros)				
EQUITY AND LIABILITIES	Note	30.06.2017	31.12.2016	30.06.2016
EQUITY		12,658,392	12,580,812	11,719,642
Capital and reserves	11	12,658,392	12,580,812	11,719,642
Share capital		231,412	231,412	231,412
Issued capital		231,412	231,412	231,412
Share Premium	11.2	8,189,787	8,189,787	8,189,787
Reserves	11.2	3,661,727	3,661,727	3,661,727
Legal and statutory reserves		46,282	46,282	46,282
Other reserves		3,615,444	3,615,444	3,615,444
(Treasury shares and equity holdings)	11.2 d	(513,805)	(513,805)	(513,805)
Prior period's losses		(11,009)	-	-
Profit/(loss) for the year		77,580	(11,009)	11,441
Other equity instruments	20	1,022,700	1,022,700	139,080
		1,979,522	41,629	1,284,924
NON-CURRENT LIABILITIES				
Non-current payables		1,979,522	41,629	1,284,924
Finance lease payables		41,629	41,629	32,215
Other financial liabilities	8.2 and 16	1,937,894	-	1,252,709
		4,491,610	3,282,733	1,587,596
CURRENT LIABILITIES				
Current payables	8.2	223,600	234,446	243,249
Debts with financial institutions		14,042	13,376	8,811
Finance lease payables		7,615	20,225	826
Other financial liabilities		201,943	200,846	233,612
Current payables to Group companies and associates	8.2 and 19	2,826,421	1,198,162	132,948
Trade and other payables		1,441,589	1,850,125	1,211,398
Suppliers	8.2	419,964	459,586	531,895
Suppliers, group companies and associates	8.2 and 19	228,347	311,759	32,967
Other payables	8.2	388,742	367,302	132,211
Personnel (outstanding remunerations)	8.2	97,396	244,059	86,548
Current tax liabilities	13	28,404	28,404	28,404
Other payables to Public Entities	13	200,209	429,698	304,139
Advances from customers	8.2	78,527	9,317	95,235
TOTAL EQUITY AND LIABILITIES		19,129,524	15,905,174	14,592,161

ANTEVENIO S.A. (Individual)				
Profit and Loss Account				
at 30 June 2016				
(in Euros)				
	Note	30.06.2017	31.12.2016	30.06.2016
CONTINUING OPERATIONS				
Revenue:	22	1,181,343	2,150,111	1,068,399
Sales		20,526	-	2,623
Rendering of services		1,160,817	2,150,111	1,065,776
Supplies	14.a	34,565	142,455	-
Merchandise used		34,565	142,455	-
Personnel expenses:		(574,764)	(1,993,801)	(542,757)
Wages and salaries		(490,360)	(896,649)	(399,491)
Employee benefit expense	14.b	(84,404)	(143,992)	(73,726)
Costs relating to equity instruments-based payments	19	-	(953,160)	(69,540)
Other operating expenses		(596,935)	(1,424,087)	(505,446)
External services		(596,935)	(1,424,087)	(505,446)
Amortization and depreciation	5 and 6	(26,408)	(52,055)	(24,864)
Other income / (loss)	14.c	-	1,132,404	-
OPERATING PROFIT / (LOSS)		17,802	(44,973)	(4,668)
Finance income:	14.c	15,041	63,703	33,536
Dividends		15,041	-	-
Group companies and associates		15,041	-	-
Marketable securities and other financial instruments		-	63,703	33,536
Group companies and associates		-	52,919	33,536
Other		-	10,784	-
Finance Expenses:	14.c	(3,578)	(13,011)	(10,675)
Debts with third parties		(3,578)	(13,011)	(10,675)
Provisions adjustment		-	-	-
Translation differences	12	(610)	(6,521)	(6,068)
Change in fair value of financial instruments		-	(893)	-
NET FINANCE INCOME/(EXPENSE)		10,854	43,279	16,793
PROFIT / (LOSS) BEFORE INCOME TAX		28,656	(1,694)	12,126
Income Tax		48,924	(6,376)	(685)
Other taxes		-	(2,938)	-
PROFIT/(LOSS) FOR THE PERIOD		77,580	(11,009)	11,441

ANTEVENIO S.A. (Individual)
Statement of Changes in Equity
at 30 June 2017

A) STATEMENT OF RECOGNIZED INCOME AND EXPENSES

	30.06.2017	31.12.2016	30.06.2016
PROFIT / (LOSS) FOR THE PERIOD	77,580	(11,009)	11,441
Income and expense directly recognized in equity:	-	-	-
B) TOTAL INCOME AND EXPENSES DIRECTLY RECOGNIZED IN EQUITY	-	-	-
Transfers to Profit and Loss Account	-	-	-
C) TOTAL TRANSFERS TO PROFIT AND LOSS ACCOUNT	-	-	-
TOTAL RECOGNIZED INCOME AND EXPENSE	77,580	(11,009)	11,441

B) STATEMENT OF TOTAL CHANGES IN EQUITY

	Issued capital	Share Premium	Reserves	(Treasury shares and equity holdings)	Other equity instruments	Prior period's losses	Profit/(loss) for the period	Total
A) CLOSING BALANCE 2015	231,412	8,189,787	2,731,829	(513,805)	69,540		929,898	11,638,662
I. Adjustment for changes in criteria	-	-	-	-			-	-
II. Adjustment for errors	-	-	-	-			-	-
B) CLOSING BALANCE 2015, OPENING BALANCE 2016	231,412	8,189,787	2,731,829	(513,805)	69,540		929,898	11,638,662
I. Total recognized income and expense	-	-	-	-	-		(11,009)	(11,009)
II. Transactions with equity holders and owners	-	-	-	-	-		-	-
Transactions in own shares	-	-	-	-	-		-	-
III. Other changes in equity	-	-	929,898	-	953,160		(929,898)	953,160
Distribution of prior period profit/(loss)	-	-	929,898	-	-		(929,898)	-
Other equity instruments	-	-	-	-	953,160		-	953,160
C) BALANCE, END OF YEAR 2016	231,412	8,189,787	3,661,727	(513,805)	1,022,700		(11,009)	12,580,813
I. Adjustment for changes in criteria	-	-	-	-			-	-
II. Adjustment for errors	-	-	-	-			-	-
D) CLOSING BALANCE 2016, OPENING BALANCE 2017	231,412	8,189,787	3,661,727	(513,805)	1,022,700		(11,009)	12,580,813
I. Total recognized income and expense	-	-	-	-	-		77,580	77,580
II. Transactions with equity holders and owners	-	-	-	-	-		-	-
Transactions in own shares	-	-	-	-	-		-	-
III. Other changes in equity	-	-	-	-	-	(11,009)	11,009	-
Distribution of prior period profit/(loss)	-	-	-	-	-	(11,009)	11,009	-
Other equity instruments	-	-	-	-	-		-	-
E) BALANCE, 30 JUNE 2017	231,412	8,189,787	3,661,727	(513,805)	1,022,700	(11,009)	77,580	12,658,392

ANTEVENIO, S.A.
STATEMENT OF CASH FLOWS FOR THE YEAR
ENDED 31 DECEMBER 2015 (in Euro)

CASH FLOWS	Note	30.06.2017	31.12.2016	30.06.2016
A) CASH FLOWS FROM OPERATING ACTIVITIES		987,621	(1,149,993)	(547,177)
Profit/(loss) for the year before tax		28,656	(1,694)	12,126
Adjustments for:		(33,370)	8,776	8,071
a) Amortization and depreciation	5 and 6	26,408	52,055	24,864
d) Finance income	15. c	(15,041)	(63,703)	(33,536)
e) Financial expenses	15. c	3,578	13,011	10,675
f) Exchange gains/(losses)	13	610	6,521	6,068
g) Change in fair value of financial instruments		-	893	-
i) Income tax		(48,924)	-	-
Changes in operating assets and liabilities		830,538	(815,792)	(668,657)
a) Trade and other receivables		1,306,999	(780,083)	5,779
b) Other current assets		(67,924)	-	-
c) Trade and other payables		(408,537)	(35,709)	(674,436)
d) Other non-current assets and liabilities		-	-	-
Other cash flows from operating activities		161,797	(341,283)	101,284
a) Interest paid		(3,578)	(13,011)	(10,675)
b) Interest received		15,041	63,703	33,536
c) Income tax received (paid)		150,333	(391,975)	78,423
d) Dividends received		-	-	-
B) CASH FLOW FROM INVESTING ACTIVITIES		(2,124,922)	317,090	580,884
Payment for investments		(43,492)	(294,317)	580,716
a) Group companies and associates		-	-	-
b) Intangible assets	6	-	(2,900)	(2,900)
c) Property, plant and equipment	5	(35,762)	(41,417)	(3,134)
d) Other financial assets		-	-	-
e) Group companies and associates		(7,730)	(250,000)	586,750
Proceeds from sale of investments		(2,081,430)	611,407	168
b) Other financial assets		21,453	611,407	168
c) Group companies and associates		(2,102,882)	-	-
C) CASH FLOW FROM FINANCING ACTIVITIES		1,617,413	891,660	194,924
Proceeds from and payments for equity instruments		-	953,160	69,540
b) Issue of equity instruments	21	-	953,160	69,540
Proceeds from and payments for financial liability instruments		1,617,413	(61,500)	125,384
a) Issue		1,617,413	1,203,636	125,384
1. Debts with financial institutions		667	5,474	909
2. Other		1,616,747	1,198,162	124,474
b) Redemption and repayment of		-	(1,265,136)	-
2. Other		-	(1,265,136)	-
D) EFFECT OF EXCHANGE RATE FLUCTUATIONS		(610)	(6,521)	(6,068)
E) NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS		479,503	52,236	222,563
Cash or cash equivalents at beginning of period		805,062	752,826	752,826
Cash or cash equivalents at end of period		1,284,565	805,062	975,389

ANTEVENIO, S.A.

**NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED
30 JUNE 2017**

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. The Consolidated Financial Statements of the Antevenio Group for the year 2016 were approved by the Annual General Meeting of the Parent Company, held on 28 June 2017, and were filed before the Business Register of Madrid, in compliance with the provisions of the International Financial Reporting Standards (IFRS), as adopted by the European Union in accordance with Regulation (EC) No 1606/2002 of the European Parliament and Council, effective at 31 December 2015.

Antevenio financial statements for 2016 were approved by the Annual General Meeting of the Company, held on 28 June 2017, and filed before the Business Register of Madrid.

The Company is listed on the French alternative market, Alternext Paris, 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.

2. **BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS**

a) **Fair presentation**

The Interim Financial Statements for the half-year ended 30 June 2017 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 six-month period ended 30 June 2016.

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 2017, comparative information for the year ended 31 December 2016, taken from the financial statements for 2016 approved by the Annual General Meeting held on 28 June 2017, and for the half-year ended 30 June 2016 is presented.

Line items from different periods are both comparative and homogeneous, except for the figures from the financial year ended 31 December 2016 that relate to a 12-month period and are therefore non-comparative.

e) **Aggregation of items**

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

f) 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 2017, 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 (nota 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 2017, 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.

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

The Annual General Meeting held on 28 June 2017 approved the following proposal for the distribution of profit/(loss) from 2016:

<u>Basis of distribution</u>	
Profit and loss (profit)	(11,009)
Total	(11,009)
<u>Application</u>	
Prior period's losses	(11,009)
Total	(11,009)

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 2017 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 live, 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:

	30/06/2017		31/12/2016		30/06/2016	
	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.

Operating leases costs incurred into during the period are recognized in the Profit and Loss Account.

The Company has no finance leases.

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
- b) 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.

From 1 January 2017, Antevenio Group companies with registered address in Spain are included, for taxation purposes, ISP Group tax group.

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**

For business combinations arising from the acquisition of shares in the capital of a company, the investor shall, in its individual financial statements, initially measure equity investments in group companies at cost, which shall be equivalent to the fair value of the consideration given plus directly attributable transaction costs (see Note 22).

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 Company operates a remuneration plan for its Management consisting in the delivery of share options in Antevenio that can only 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, and are also recognized directly in equity without reassessing the initial measurement thereof. 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.

5. PROPERTY, PLANT AND EQUIPMENT

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

	30/06/2016	Recognition / depreciation charge	31/12/2016	Recognition / depreciation charge	Derecognition	30/06/2017
Cost:						
Technical installations, machinery, tools, furniture and other items of PPE	420,668	28,532	449,200	35,762	(91,690)	393,272
	420,668	28,532	449,200	35,762	(91,690)	393,272
Accumulated Depreciation:						
Technical installations, machinery, tools, furniture and other items of PPE	(317,547)	(11,761)	(329,308)	(17,965)	87,992	(259,281)
	(317,547)	(11,761)	(329,308)	(17,965)	87,992	(259,281)
Provision for impairment:						
Technical installations, machinery, tools, furniture and other items of PPE	(4,144)	4,144	-	-	-	-
Net property, plant and equipment	98,977	20,915	119,892	17,797	(3,698)	133,992

Fully depreciated items of property, plant and equipment in use

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

	30/06/2016	31/12/2016	30/06/2017
Technical installations, machinery, tools, furniture and other items of PPE	264,927	272,282	179,155
Total	264,927	272,282	179,155

Additional disclosures

At 30 June 2017 and 2016 and at 31 December 2016, 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 2017 and 2016 and at 31 December 2016, there were no firm purchase commitments for the acquisition of items of property, plant and equipment.

At 30 June 2017 and 2016 and at 31 December 2016, the assets of the Company were secured by an insurance policy. The Company's directors consider that this insurance policy sufficiently covers any risks associated to its property, plant and equipment.

6. INTANGIBLE ASSETS

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

	30/06/2016	Recognition/Derecognition	31/12/2016	Recognition/Derecognition	Derecognition	30/06/2017
Cost:						
Computer software	110,186	-	110,186		(18,090)	92,096
	110,186	-	110,186	-	(18,090)	92,096
Accumulated Amortization:						
Computer software	(64,380)	(9,823)	(74,203)	(8,443)	18,090	(64,555)
	(64,380)	(9,823)	(74,203)	(8,443)	18,090	(64,555)
Provision for impairment:						
Computer software	(9,315)	-	(9,315)			(9,315)
Net Intangible Assets	36,491	(9,823)	26,668	(8,443)	-	18,225
Net						

Fully amortized intangible assets in use

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

	30/06/2016	31/12/2016	30/06/2017
Computer software	24,042	42,695	24,605
Total	26,139	42,695	24,605

Additional disclosures

At 30 June 2017 and 2016 and at 31 December 2016, the Company had no intangible assets acquired from Group companies or any intangible assets located outside Spain.

At 30 June 2017 and 2016 and at 31 December 2016, there were no firm purchase commitments for the acquisition of intangible assets.

7. LEASES AND OTHER TRANSACTIONS OF SIMILAR NATURE

7.1) Operating leases (Company as lessee)

The charge to the income at 30 June 2017, at 31 December 2016 and at 30 June 2016 in respect of operating leases amounted to 149,259 Euros; 257,883 Euros, and 131,573 Euros, respectively.

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

At the balance sheet date of all periods presented in these Interim Financial Statements, there are no future minimum payments under non-cancellable lease agreements.

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 with maturity date on 28 July 2020. At 30 June 2017 future payments under this finance lease amounted to 55,671 Euros which were recognized under "Finance lease payables" in both current and non-current liabilities (see Note 8.2.2).

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 2017, at 31 December 2016 and at 30 June 2016, 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		
	30/06/2016	31/12/2016	30/06/2017	30/06/2016	31/12/2016	30/06/2017
Loans and receivables (Note 8.1.1)	1,569,499	1,815,194	1,816,738	1,569,499	1,815,194	1,816,738
Total	1,569,499	1,815,194	1,816,738	1,569,499	1,815,194	1,816,738

The breakdown of current financial assets at 30 June 2017, at 31 December 2016 and at 30 June 2016, is as follows:

	Loans, Derivatives and other			Total		
	30/06/2016	31/12/2016	30/06/2017	30/06/2016	31/12/2016	30/06/2017
Cash and cash equivalents (Note 8.1.a)	975,389	805,062	1,284,565	975,389	805,062	1,284,565
Loans and receivables (Note 8.1.1)	1,770,806	2,536,902	1,235,126	1,770,806	2,536,902	1,235,126
Total	2,746,195	3,341,964	2,519,691	2,746,195	3,341,964	2,519,691

a) Cash and cash equivalents

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

	Balance at 30/06/16	Balance at 31/12/16	Balance at 30/06/17
Highly liquid investments (a)	825,736	300,000	-
Current accounts and treasury	149,652	505,062	1,284,565
Total	975,389	805,062	1,284,565

(a) Relates to bank deposits in several financial institutions. These deposits are available and payable on a day margin from cancellation.

8.1.1) Loans and receivables

The breakdown of this heading is as follows:

	Balance at 30/06/2016		Balance at 31/12/2016		Balance at 30/06/2017	
	Non-current	Current	Non-current	Current	Non-current	Current
Trade receivables						
Trade receivables, Group companies (Note 18)	-	1,672,526	-	2,470,795	-	1,161,181
Third-party receivables	-	14,287	-	3,760	-	4,790
Advances to personnel	-	1,555	-	94	-	1,434
Total trade receivables	-	1,688,368	-	2,474,649	-	1,167,405
Non-trade receivables						
Loans and interest receivable, Group companies (Note 18)	1,512,000	-	1,762,000	-	1,762,000	-
Current account balances with Group companies (Nota 18)	-	-	-	-	-	-
Dividend receivable from Group company (note 18)	-	-	-	-	-	-
Debt securities	-	82,088	-	60,753	-	67,721
Loans to third parties	29,991	-	29,991	-	29,991	-
Guarantees and deposits	27,508	350	23,202	1,500	24,747	-
Total non-trade receivables	1,569,499	82,438	1,815,194	62,253	1,816,738	67,721
Total	1,569,499	1,770,806	1,815,194	2,536,902	1,816,738	1,235,126

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

Impairment	Balance at 30/06/2016	Impairment loss	Impairment reversal / Application of the provision	Balance at 31/12/2016	Impairment loss	Impairment reversal / Application of the provision	Balance at 30/06/2017
Trade receivables	(126,490)	-	-	(126,490)	-	5,527	(120,963)
Total	(126,490)	-	-	(126,490)	-	5,527	(120,963)

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 2017 non-current financial liabilities relate to the instalments resulting from finance lease contracts with non-current maturity (see Note 7).

The breakdown of current financial liabilities is as follows:

	Debts with financial institutions		Other			
	30/06/2017	31/12/2016	30/06/2016	30/06/2017	31/12/2016	30/06/2016
Debts and payables (Note 8.2.1)	14,042	13,376	8,811	4,248,955	2,811,256	1,113,294
Total	14,042	13,376	8,811	4,248,955	2,811,256	1,113,294

At 30 June 2017, 201,943.17 Euros in “Other financial liabilities” under current liabilities (200,846 Euros in “Other financial liabilities” under current liabilities at 31 December 2016, and 1,252,709 Euro in “Other financial liabilities” under non-current liabilities at 30 June 2016), relate to the debt resulting from the prior years’ agreement entered into with the Management Team of Antevenio Publicité.

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

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

In 2016, the conditions set forth in the agreement were not fulfilled for which provisions relating to the relevant payment obligations had been made. Accordingly, the estimated amount payable has been adjusted using financial criteria, resulting in the reversal of provisions amounting to 1,132,404 Euro, that has been recognized under “Other income / (loss)” in the Profit and Loss Account (see Note 14 c).

8.2.1 Debts and Payables

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

	30/06/2016	31/12/2016	30/06/2017
Trade payables:			
Suppliers	531,895	459,586	419,964
Trade payables, Group companies and associates (Note 18)	32,967	311,759	228,347
Other payables	132,211	367,302	388,742
Total trade payables	697,073	1,138,647	1,037,053
Non-trade payables:			
Debts with financial institutions	8,811	13,376	14,042
Finance lease payables	826	20,225	7,615
Other financial liabilities	233,612	200,846	201,943
Loans and other payables	243,249	234,447	223,600
Personnel (outstanding remunerations)	86,548	244,059	97,396
Advances from customers	95,235	9,317	78,527
Total non-trade payables	181,783	253,376	175,923
Current payables to Group companies and associates (Note 18)	132,948	1,198,162	2,826,421
Total debt to the Group	132,948	1,198,162	2,826,421
Total Debts and payables	1,255,053	2,824,632	4,262,997

8.2.2) Additional disclosures related to financial liabilities

a) Classification by maturity

At 31 December 2016, the Company had only recognized as non-current financial liabilities the future payments due under the finance lease of computer hardware used in the conduction of its business (see Note 7.2). At 30 June 2017, the Parent Company has additionally recognized 5,169,426 Euros under “Non-current payables” relating to the financial liability arising from the business combination disclosed in Note 22 below.

At 30 June 2017, the breakdown by maturity of non-current financial liabilities, with either fixed or determinable maturity, is as follows:

	2018	2019	2020	2021	2021 onwards	Total
Non-current payables						
Finance lease payables	11,084	11,318	11,558	7,670	-	41,629
Other financial liabilities	288,336	783,921	865,636	-	-	1,937,894
Total	299,420	795,239	877,194	7,670	-	1,979,522

At 31 December 2016, the breakdown by maturity of non-current financial liabilities, with either fixed or determinable maturity, is as follows:

	2018	2019	2020	2021	2021 onwards	Total
Non-current payables						
Finance lease payables	11,084	11,318	11,558	7,670	-	41,629
Total	11,084	11,318	11,558	7,670	-	41,629

At 30 June 2016, the breakdown by maturity of non-current financial liabilities, with either fixed or determinable maturity, was as follows:

	2017	2018	2019	2020	2021 onwards	Total
Non-current payables						
Other financial liabilities	1,252,709	-	-	-	-	1,252,709
Total	1,252,709	-	-	-	-	1,252,709

At 30 June 2016, the balance of “Other non-current financial liabilities” related to debt arising from the agreement entered into with Antevenio Publicité’s management team, financially adjusted to the expected date of payment of the registered obligations that shall take place as from 1 July 2016 (see Note 8.2).

9. GROUP COMPANIES, JOINTLY CONTROLLED ENTITIES AND ASSOCIATES

At 30 June 2017, the breakdown of the Company's interests in Group Companies, Jointly Controlled Entities and Associates was as follows:

	Direct Interest %	% Direct Voting Rights	Investment value	Amount of impairment charge	Net carrying amount of interest
Group Companies					
React2Media, L.L.C. (1)	51	51	4,040,776	-	4,040,776
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	27,437	-	27,437
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
			14,071,233	-	14,071,233

(1) See Note 22 Business combinations.

At 31 December 2016, the breakdown of the Company's interests in Group and Jointly-Controlled Companies and Associates was as follows:

Group Companies	Direct Interest %	% Direct Voting Rights	Investment value	Amount of impairment charge	Net carrying amount of interest
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	27,437	-	27,437
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
			10,030,457	-	10,030,457

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

At 30 June 2016, the breakdown of the Company's interests in Group Companies, Jointly Controlled Entities and Associates was as follows:

	Direct Interest %	% Direct Voting Rights	Investment value	Amount of impairment charge	Net carrying amount of interest
Group Companies					
Europermission, S.L.	49.68	49.68	1,520	(627)	893
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	27,437	-	27,437
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
			10,031,977	(627)	10,031,350

None of these companies is listed.

The Company's directors believe the net carrying amount of interests in subsidiaries at 30 June 2017 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%.

At the close of the half-year period ended 30 June 2017, no circumstances have arisen that may imply changes to the assumptions used and conclusions reached by the Group at year-end 2016.

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

Europermission, S.L. Its corporate purpose consists in the development and marketing databases for commercial purposes. Its registered office is at C/Marqués de Riscal, 11, Madrid.

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

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 Abruzzi 13/A20131. 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 120, Av. Du General Leclerc, Paris, 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 Mariano Escobedo, No. 373 Int. 101, Chapultepec Morales, Miguel Hidalgo, 11570 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 office is at 32 Rue de Londres, 75009 Paris.

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.

At 30 June 2017, the breakdown of the equity, in Euros, of the investees was as follows:

	Share capital	Reserves	Prior period's losses	Grants	Profit/(loss) for the year	Equity
Antevenio, S.R.L.	10,000	2,736,846	86,070	-	(314,832)	2,518,084
Mamvo Performance, S.L.	33,967	3,189,430	(876,135)	40,104	332,771	2,720,138
Marketing Manager Servicios de Marketing, S.L.	99,800	24,169	(1,019,717)	-	(136,396)	(1,032,144)
Antevenio Mexico	4,537	(64,528)	400,013	-	286,170	626,192
Antevenio ESP, S.L.U. (formerly Diálogo Media S.L.U)	3,010	2,308,173	-	-	716,309	3,027,492
Codigo Barras Network S.L.U.	4,639	730,055	(1,207,491)	-	30,629	(442,168)
Antevenio Francia, S.R.L.	2,000	-	(762,520)	-	(1,686)	(762,207)
Antevenio Publicité S.A.S.U.	101,913	421,338	341,986	-	(103,633)	761,603
Antevenio Rich & Reach S.L.	3,000	151,702	(344,242)	-	280,382	90,843
React2Media, L.L.C. (see Note 22)	-	-	275,885	-	-	275,885

At 31 December 2016, the breakdown of the equity, in Euros, of the investees was as follows:

	Share capital	Reserves	Prior period's losses	Grants	Profit/(loss) for the year	Equity
Antevenio, S.R.L.	10,000	2,908,986	-	-	(86,091)	2,832,895
Mamvo Performance, S.L.	33,967	3,118,867	(1,449,514)	44,373	643,942	2,391,635
Marketing Manager Servicios de Marketing, S.L.	99,800	24,169	(564,367)	-	(455,350)	(895,748)
Antevenio Mexico	4,537	-	(17,615)	-	412,774	399,696
Antevenio ESP, S.L.U. (formerly Diálogo Media S.L.U)	3,010	747,173	-	-	1,561,000	2,311,183
Codigo Barras Network S.L.U.	4,639	730,055	(1,352,154)	-	144,663	(472,797)
Antevenio Francia, S.R.L.	2,000	-	(757,532)	-	(4,989)	(760,520)
Antevenio Publicité S.A.S.U.	101,913	421,338	-	-	341,986	865,237
Antevenio Rich & Reach S.L.	3,000	151,702	(26,240)	-	(318,002)	(189,540)

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 Interim 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.

11. EQUITY

11.1) Equity Capital

At 30 June 2017, 31 December 2016 and 30 June 2016, 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 at 31 December 2015 of a 18.68% interest in Antevenio S.A. share capital, represented by 785,905 nominal value shares of 0.055 Euros each, purchased on 3 August 2016 the shares from the Company's founder and CEO, Mr. Joshua David Novick, who owned then a 11.89% interest in the Company's share capital, represented by 500,271 nominal value shares of 0.055 Euros each, at a price of 6 Euros per share.

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

At 30 June 2017 and at 31 December 2016, direct and indirect shareholders of the Company were as follows:

	No. of Shares	Holding %
Inversiones y Servicios Publicitarios SA	3,496,008	83.09%
Free-float	404,340	9.61%
Nextstage	307,147	7.30%
Total	4,207,495	100.00%

At 30 June 2016, direct and indirect shareholders of the Company were as follows:

	No. of Shares	Holding %
Aliada Investment BV	848,976	20.18%
Joshua David Novick	500,271	11.89%
Inversiones y Servicios Publicitarios SA	785,905	18.68%
Nextstage	648,375	15.41%
Other	1,423,968	33.84%
Total	4,207,495	100.00%

11.2) Reserves

The breakdown of “Reserves” at 30 June 2017, at 31 December 2016 and at 30 June 2016 is as follows:

Reserves	30/06/2016	31/12/2016	30/06/2017
Legal reserve	46,282	46,282	46,282
Voluntary reserves	3,615,444	3,615,444	3,615,444
Share premium	8,189,787	8,189,787	8,189,787
Total	11,851,514	11,851,514	11,851,514

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 2017, the legal reserve is fully allocated.

b) Dividends

At 30 June 2017 and 2016 and at 31 December 2016, the distribution of dividends had not been approved by the Extraordinary and Universal General Meeting.

c) 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.

d) Own 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.

Under the above mentioned resolution, the Company acquired in 2014 8,348 shares amounting to 21,705 Euros.

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

At 31 June 2016 and at 31 December 2015, the Parent Company holds 198,348 shares representing 4.7% of share capital. These treasury shares amount to 513,805 Euro.

In 2016 and 2017 no transactions have been executed with treasury shares.

The breakdown of changes between 30 June 2016 and 30 June 2017 is as follows:

Company	Balance at 06/30/2016		Balance at 12/31/2016		Balance at 06/30/2017	
	No. of Shares	Cost	No. of Shares	Cost	No. of Shares	Cost
Antevenio S.A.	198,348	513,805	198,348	513,805	198,348	513,805
	198,348	513,805	198,348	513,805	198,348	513,805

12. FOREIGN CURRENCY

At 30 June 2016, at 31 December 2016 and at 30 June 2017, the amount of exchange differences recognized in profit or loss is as follows:

Translation differences	30/06/2016	31/12/2016	30/06/2017
Translation gains:			
Realized during the period	1,814	1,875	367
Translation losses:			
Realized during the period	(7,882)	(8,396)	(977)
Total	(6,068)	(6,521)	(610)

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 half-years ended 30 June 2017 and 2016 and in 2016 are immaterial for the Financial Statements.

13. TAXATION

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

	30/06/2016		31/12/2016		30/06/2017	
	Receivable	Payable	Receivable	Payable	Receivable	Payable
Current:						
Value Added Tax	-	(185,463)	-	(356,221)	-	(72,002)
Deferred tax assets (*)	5,707		273,382	-	354,193	-
Withholdings and payments on account of Income Tax	419		-	-	245	-
Taxation Authorities, recoverable taxes	103,524		297,617	-	147,283	-
Taxation Authorities, taxes payable	-	(5,973)	-	(5,973)	-	(5,973)
Withholdings for Personal Income Tax	-	(102,046)	-	(53,526)	-	(107,459)
Income tax expense	-	(28,404)	-	(28,404)	-	(28,404)
Social Security	-	(10,657)	-	(13,979)	-	(14,776)
	109,649	(332,543)	570,999	(458,102)	501,721	(228,614)

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

Under the provisions of Article 39 of Law 27/2014, of 27 November, on the Corporate Income Tax, in 2016, the Company has monetized through its taxation group R&D&I tax credits amounting to 147,283.23 Euros that have been recorded under “Taxation Authorities, recoverable taxes”.

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:

	30/06/2016			31/12/2016			30/06/2017		
	Profit and Loss Account			Profit and Loss Account			Profit and Loss Account		
Profit/(loss) for the year (after taxes)	11,441			(11,009)			77,580		
	<i>Increases</i>	<i>Decreases</i>	<i>Net effect</i>	<i>Increases</i>	<i>Decreases</i>	<i>Net effect</i>	<i>Increases</i>	<i>Decreases</i>	<i>Net effect</i>
Income Tax (2)				6,376	-	6,376			
Permanent differences				-	(1,109,624)	(1,109,624)			
Temporary differences				1,070,700		1,070,700			
Exemption for double international taxation				-	-	-			
Other				-	-	-			(77,580)
Tax base (Taxable income)	-	11,441		-	-	(43,557)	-	-	
Tax credits for R&D&I	-	-		-	-	-	-	-	
Net tax payable	-	-		-	-	-	-	-	
Withholdings and payments on account	-	-		-	-	(62,328)	-	-	
Tax payable / (recoverable) (1)	-	-		-	-	(62,328)	-	-	

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

(2) Income Tax income relates to the monetization of tax credits for R&D&I of the Company.

The breakdown of recognized deferred tax assets is as follows:

	30/06/2016	31/12/2016	30/06/2017
Tax loss carryforwards	5,707	273,382	6,765
Total deferred tax assets	5,707	273,382	6,765

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.

14. REVENUE AND EXPENSES**a) Employee benefit expense**

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

	30/06/2016	31/12/2016	30/06/2017
Social security payable by the company	(52,395)	(107,897)	(63,522)
Employee benefits expense	(21,331)	(36,096)	(20,883)
Employee benefit expense	(73,726)	(143,992)	(84,404)

b) Net Finance Income / (Expense)

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

	30/06/2016	31/12/2016	30/06/2017
Income:			
Income from loans to Group companies	33,536	52,919	15,041
Other finance income	-	10,784	-
Total finance income	33,536	63,703	15,041
Expense:			
Other Finance Expense	(10,675)	(13,011)	(3,578)
Total finance expense	(10,675)	(13,011)	(3,578)

c) **Other income / (loss)**

In 2016, the conditions set forth in the agreement entered into with the Management Team of the investee Antevenio Publicité in previous years, were not fulfilled for which provisions relating to the relevant payment obligations had been made. Accordingly, the estimated amount payable has been adjusted using financial criteria, resulting in the reversal of provisions amounting to 1,132,404 Euro, that has been recognized under “Other income / (loss)” in the Profit and Loss Account (see Note 8.2).

d) **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	30/06/2016		31/12/2016		30/06/2017	
	Euro	%	Euro	%	Euro	%
Marketing and online advertising	2,623	0%	6,942	0%	20,526	2%
Provision of services (Fees)	1,065,776	100%	2,143,170	100%	1,160,817	98%
Total	1,068,399	100%	2,150,111	100%	1,181,343	100%

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.

16. **GUARANTEES AND SECURITIES**

At 30 June 2017, at 31 December 2016 and at 30 June 2016, the Company had provided the following guarantees to banks and government agencies:

Guarantees	30/06/2016	31/12/2016	30/06/2017
Lessor of Head Office	53,811	53,812	231,307
Total	53,811	53,812	231,307

17. EVENTS AFTER THE INTERIM BALANCE SHEET DATE

Subsequent to the close of the 6-month period ended 30 June 2017, the following significant events have taken place:

- On 10 July 2017 the Company repaid 201,850 Euros previously recognized as current payables to the management of the subsidiary Antevenio Publicité S.A.S.U. (see Note 11.1).
- On 1 July 2017, the Parent Company granted a loan to its subsidiary React2Media, amounting to 250,000 US dollars, bearing interest at 1.87% over 3-month EURIBOR, intended for cancellation of a credit facility.
- The Annual General Meeting of Shareholders held on 13 September 2017 approved the distribution by the Parent Company of a dividend of 0.30 Euro/share charged to voluntary reserves and amounting to a total of 1,262,248 Euros. This dividend was paid on 25 September 2017.

18. TRANSACTIONS WITH GROUP COMPANIES AND RELATED PARTIES**18.1) Balances with group companies**

At 30 June 2017 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
A) NON-CURRENT ASSETS	100,000	500,000	600,000	-	262,000	-	-	-	-	-	300,000	1,762,000
1. Non-current investments in Group companies	100,000	500,000	600,000	-	262,000	-	-	-	-	-	300,000	1,762,000
a) Loans to companies (1)	100,000	500,000	600,000	-	262,000	-	-	-	-	-	300,000	1,762,000
Total Non Current	100,000	500,000	600,000	-	262,000	-	-	-	-	-	300,000	1,762,000
B) CURRENT ASSETS	11,665	-	28,387	-	169,723	107,073	314,734	310,668	191,485	8,230	27,668	1,169,633
1. Trade and other receivables	-	-	-	-	169,723	107,073	314,734	310,668	191,485	8,230	-	1,101,912
a) Current trade receivables	-	-	-	-	169,723	107,073	314,734	310,668	191,485	8,230	-	1,101,912
b) Trade receivables, Group companies	-	-	-	-	-	-	-	-	-	-	-	-
2. Current investments in group companies	11,665	-	28,387	-	-	-	-	-	-	-	27,668	67,721
a) Loans to companies	11,665	-	28,387	-	-	-	-	-	-	-	27,668	67,721
b) Current account	-	-	-	-	-	-	-	-	-	-	-	-
b) Dividend receivable	-	-	-	-	-	-	-	-	-	-	-	-
C) CURRENT LIABILITIES	(283,064)	(176,262)	(617,716)	(898,664)	45,379	-	-	(158,070)	-	-	(963,830)	(3,052,227)
1. Current payables to Group companies and associates	(216,305)	(176,262)	(616,739)	(898,664)	45,379	-	-	-	-	-	(963,830)	(2,826,421)
2. Trade and other payables	(66,759)	-	(977)	-	-	-	-	(158,070)	-	-	-	(225,806)
a) Suppliers, current	(66,759)	-	(977)	-	-	-	-	(158,070)	-	-	-	(225,806)
b) Other payables	-	-	-	-	-	-	-	-	-	-	-	-
Total Current	(271,399)	(176,262)	(589,329)	(898,664)	215,102	107,073	314,734	152,598	191,485	8,230	(936,162)	(1,882,594)

At 31 December 2016 the breakdown of balances with Group companies was as follows:

BALANCES WITH RELATED PARTIES	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.	Antevenio, Rich & Reach, S.L.U.	Total
A) NON-CURRENT ASSETS	100,000	500,000	600,000	-	262,000	-	-	-	-	300,000	1,762,000
1. Non-current investments in Group companies	100,000	500,000	600,000	-	262,000	-	-	-	-	300,000	1,762,000
a) Loans to companies (1)	100,000	500,000	600,000	-	262,000	-	-	-	-	300,000	1,762,000
Total Non Current	100,000	500,000	600,000	-	262,000	-	-	-	-	300,000	1,762,000
B) CURRENT ASSETS	189,895	350,479	26,085	456,661	169,723	145,953	304,028	443,449	128,486	316,026	2,530,786
1. Trade and other receivables	179,002	350,479	2,336	456,661	169,723	145,953	304,028	443,449	128,486	290,677	2,470,795
a) Current trade receivables											
b) Trade receivables, Group companies	179,002	350,479	2,336	456,661	169,723	145,953	304,027.82	443,449	128,486	290,677	2,470,795
2. Current investments in group companies	10,892	-	23,749	-	-	-	-	-	-	25,349	59,991
a) Loans to companies											-
b) Current account	10,892		23,749							25,349	59,991
C) CURRENT LIABILITIES	(73,499)	(608,121)	(282,921)	(176,258)	40,379	-	-	(30,000)	-	(379,500)	(1,509,921)
1. Current payables to Group companies and associates	(6,740)	(608,121)	(282,921)	(61,258)	40,379	-	-	-	-	(279,500)	(1,198,162)
2. Trade and other payables	(66,759)	-	-	(115,000)	-	-	-	(30,000)	-	(100,000)	(311,759)
a) Suppliers, current										(100,000)	(100,000)
b) Other payables	(66,759)			(115,000)				(30,000)			(211,759)
Total Current	116,395	(257,642)	(256,836)	280,403	210,102	145,953	304,028	413,449	128,486	(63,474)	1,020,865

(1) The amounts recognized relate to shareholder's loans granted to the investees that are subject to annual tacit renewal. These loans bear a floating interest rate based on the investee's profit or loss.

At 30 June 2016 the breakdown of balances with Group companies was as follows:

BALANCES BETWEEN GROUP COMPANIES	Mamvo Performance, S.L.U.	Europemission	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.	Antevenio, Rich & Reach, S.L.U.	Total
A) NON-CURRENT ASSETS	100,000	-	-	250,000	600,000	262,000	-	-	-	-	300,000	1,512,000
1. Non-current investments in Group companies	100,000	-	-	250,000	600,000	262,000	-	-	-	-	300,000	1,512,000
a) Loans to companies (1)	100,000	-	-	250,000	600,000	262,000	-	-	-	-	300,000	1,512,000
Total Non Current	100,000	-	-	250,000	600,000	262,000	-	-	-	-	300,000	1,512,000
B) CURRENT ASSETS	8,472	-	292,316	15,922	113,334	169,723	215,467	301,050	342,403	109,253	19,106	1,587,045
1. Trade and other receivables	134,567	-	292,316	-	75,122	169,723	215,467	301,050	342,403	109,253	32,625	1,672,526
a) Current trade receivables	134,567	-	292,316	-	75,122	169,723	215,467	301,050	342,403	109,253	32,625	1,672,526
b) Trade receivables, Group companies	-	-	-	-	-	-	-	-	-	-	-	-
2. Current investments in group companies	8,472	-	-	15,922	38,212	-	-	-	-	-	19,106	81,711
a) Loans to companies	8,472	-	-	15,922	38,212	-	-	-	-	-	19,106	81,711
b) Dividend receivable	-	-	-	-	-	-	-	-	-	-	-	-
C) CURRENT LIABILITIES	55,261	(14,967)	9,880	(167,147)	(74,817)	40,214	-	-	(18,000)	-	3,662	(165,915)
1. Current payables to Group companies and associates	55,261	-	9,880	(167,147)	(74,817)	40,214	-	-	-	-	3,662	(132,948)
2. Trade and other payables	-	(14,967)	-	-	-	-	-	-	(18,000)	-	-	(32,967)
a) Suppliers, current	-	(14,967)	-	-	-	-	-	-	(18,000)	-	-	(32,967)
Total Current	63,733	(14,967)	302,196	(151,226)	38,517	209,937	215,467	301,050	324,403	109,253	22,768	1,421,130

(1) Tacit annual renewals.

18.2) Transactions among Group companies

The amount, in Euros, of transactions performed during the six first months of 2017 and presented in the accompanying Interim Profit and Loss Account is as follows:

Transactions Performed	Services received	Sales and services rendered	Interests Paid
Mamvo Performance, S.L.U.	-	182,556	773
Marketing Manager	-	120,002	-
Código barras Networks	(5,000)	1,193	4,638
Antevenio ESP, S.L.U.	-	381,529	-
Antevenio Argentina	-	10,706	-
Antevenio S.R.L. (Italy)	(52,084)	53,239	-
Antevenio México	-	142,655	-
Antevenio Publicité	-	62,999	-
Antevenio Rich & Reach	-	157,709	2,319
	(57,084)	1,112,587	7,730

The amount, in Euros, of transactions among Group companies during 2016 and presented in the accompanying Interim Profit and Loss Account is as follows:

Transactions Performed	Services received	Sales and services rendered	Interests Paid
Mamvo Performance, S.L.U.	(66,759)	280,096	4,841
Marketing Manager	-	257,940	-
Código barras Networks	-	1,931	13,030
Antevenio ESP, S.L.U.	(115,000)	604,067	22,561
Antevenio Argentina	-	21,006	-
Antevenio S.R.L. (Italy)	(24,000)	228,563	-
Antevenio México	-	160,820	-
Antevenio Publicité	-	203,600	-
Antevenio Rich & Reach	(2,610)	390,088	12,486
	(208,369)	2,148,111	52,919

The amount, in Euros, of transactions performed during the six first months of 2016 and presented in the accompanying Interim Profit and Loss Account is as follows:

Transactions Performed	Services received	Sales and services rendered	Interests Paid
Mamvo Performance, S.L.U.	-	133,749	2,421
Marketing Manager	-	122,258	-
Código barras Networks	-	-	5,203
Antevenio ESP, S.L.U.	-	301,783	12,486
Antevenio Argentina	-	18,028	-
Antevenio S.R.L. (Italy)	(12,000)	127,517	-
Antevenio México	-	72,327	-
Antevenio Publicité	-	109,253	-
Antevenio Rich & Reach	(1,610)	182,484	6,243
	(13,610)	1,067,399	26,353

At 30 June 2017 the breakdown of balances with related parties was as follows:

Related Party (30 June 2017)	Balance Receivable	Balance Payable
ISP Digital SLU	48,400	-
Digilant Spain	10,834	-
Digilant, Inc	34	-
Acceso Group	-	(2,541)
Total Group companies	59,268	(2,541)

At 31 December 2016 the balances with related parties were as follows:

Related Party (31 December 2016)	Balance Receivable	Balance Payable
ISP Digital SLU	-	-
Digilant Spain	10,834	-
Digilant, Inc	34	-
Acceso Group	-	(1,270)
Total Group companies	10,868	(1,270)

18.4) Related party transactions

The breakdown of transactions with related parties during the first six months of 2017 and during 2016 is as follows:

During the first 6 months of 2017 transactions with related parties were as follows:

2017	ACCESO GROUP	ISP DIGITAL
Sales	-	-
Purchases	-	-
Services rendered	-	40,000
Services received	(6,300)	-
Total	(6,300)	40,000

At 2016 year-end transactions with related parties were as follows:

2016	ACCESO GROUP
Sales	-
Purchases	-
Services rendered	-
Services received	(5,250)
Total	(5,250)

18.5) Core shareholders

During the first six months of 2017, and in 2016, 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:

	Senior Management			Other Directors		
	30/06/2016	31/12/2016	30/06/2017	30/06/2016	31/12/2016	30/06/2017
Wages and salaries	229,404	457,832	243,272	-	-	-
Total	229,404	457,832	243,272	-	-	-

At 30 June 2017, at 31 December 2016 and at 30 June 2016, 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 been asked about any conflicting interests, direct or otherwise, between Directors and their respective related parties and the Company.

19. EQUITY INSTRUMENTS-BASED PAYMENT TRANSACTIONS.

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

The following terms were approved:

- (i) the maximum number of shares that can be granted cannot exceed 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 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.

Changes in the above mentioned options were as follows:

	31/12/2016		31/12/2015	
	Number	Weighted average price	Number	Weighted average price
Granted options (+)	190,000	2.59	190,000	2.59
Options at the end of the year	190,000	2.59	190,000	2.59

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

The following terms were approved:

- (i) the maximum number of shares that can be granted cannot exceed 125,000 shares;
- (ii) the exercise or delivery price or the calculation method for exercise or delivery shall be the market value of the share on the day of exercise or delivery;
- (iii) shares shall be awarded free of charge; and
- (iv) the plan will be in force up to 30 June 2019.
- (v) eligible employees shall stay in the Company during the entire above mentioned term

Additionally, the AGM delegated to the Board of Directors 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.

Changes in the above mentioned options were as follows:

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

At 31 December 2016, the value of 2015 Plan shares (278,160 Euros) has been recognized as a personnel expense in the Profit and Loss Account as vested over the period defined as the minimum required time in the Company's employ for the exercise of the option, and are also recognized with an offsetting entry in equity without reassessing the initial measurement thereof. The 2015 Plan contemplates launching a Public Takeover Bid on the Company's shares (see Note 13.1) among the requirements for the early exercise and accrual of the relevant options. Accordingly, the remaining amounts have been entirely recognized. At 31 December 2016, the effect thereof on the Company's equity amounted to 347,700 Euros (69,540 Euros at 31 December 2015) recognized under "Other equity instruments".

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

20. OTHER INFORMATION

The average number of persons employed is as follows:

	30/06/2016	30/12/2016	30/06/2017
Management	3	3	3
Administrative	7	7	7
	10	10	10

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	30/06/2016		31/12/2016		30/06/2017	
	Men	Women	Men	Women	Men	Women
High Management	3	-	3	-	3	-
Administrative	2	5	2	5	2	5
	5	5	5	5	5	5

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

	2017	2016
	Days	Days
Average period of time for payment to suppliers	35.98	59.92
Percentage of paid transactions	32.73	53.43
Percentage of transactions pending payment	45.79	87.58
	Amount (Euro)	Amount (Euro)
Total payments made	556,526	1,110,956
Total payments pending	184,233	260,598

21. BUSINESS COMBINATIONS

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

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

Both the Group and the selling shareholders have mutually granted themselves put option rights and call option rights over the remaining 49% shares in the investee. These options have a floating price based on certain parameters relating to the investee's performance over financial years 2018, 2019 and 2020; however, total acquisition value may not exceed 8.5 million dollars (of which 2.25 million dollars have already been paid for the acquisition of 51% of shares). At 30 June 2017, a non-current financial liability has been recognized for the best estimate, as of the date of preparing these Interim Financial Statements, of the expected amount to be paid; this financial liability has been measured at a fair value of 1.9 million Euros.

Pursuant to the International Financial reporting Standards and in accordance with a prudent interpretation of IFRS 3, the following assumption has been used: Antevenio Group takes as of the acquisition date the risks and rewards of the entire share capital of the investee, although this circumstance is still pending assessment and measurement as of the date of presentation of these Interim Financial Statement.

The ordinary income and profit/(loss) contributed by the investee during the period between the acquisition date, 22 June 2017, and 30 June 2017 were not material.

The breakdown of the consideration given, the amount recognized as the acquisition price measured as the fair value of net assets acquired, is as follows:

	<u>Euros</u>
Fair value of the consideration given	
Cash paid	2,102,882
Put options granted to minority interests	1,902,869
Contingent consideration	35,025
Total consideration given	4,040,776

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