YDREAMS DO BRASIL SOLUÇÕES INTERATIVAS LTDA.

Condensed Interim Financial statements
March 31, 2016

NOTICE OF NO AUDITOR REVIEW

The unaudited condensed interim financial statements, and accompanying notes thereto, for the periods ended March 31, 2016 and 2015 have not been reviewed by the Company’s external auditor.

YDREAMS DO BRASIL SOLUÇÕES INTERATIVAS LTDA

Condensed interim statements of financial position
(In Brazilian Reais)

Asset

	March 31, 2016	December 31, 2015
Current		
Cash and cash equivalents – Note 3	24.863	17.363
Trade accounts receivable – Note 4	2.114.888	1.068.443
Recoverable taxes – Note 5	740.650	686.340
Recoverable taxes – IRPJ and CSLL - Note 6	217.499	217.499
Advances	92.122	-
Other receivables	46.772	62.546
	3.236.794	**2.052.191**
Noncurrent		
Accounts receivable – related parties – Note 7	1	1
Other receivables	28.380	28.380
Fixed assets – Note 8	549.569	611.486
	577.950	**639.867**
Total Assets	**3.814.744**	**2.692.058**

Liabilities and shareholders' equity (deficit)

	March 31, 2016	December 31, 2015
Current		
Loans and financing – Note 9	300.000	905.548
Trade accounts payable – Note 10	122.060	227.777
Salaries and social charges payable – Note 11	424.281	769.843
Taxes and contributions payable – Note 12	3.211.925	2.619.399
Privision for Income and Social Contribution Taxes – Note 13	411.136	49.364
Advances from clients – Note 14	116.892	109.873
Other payables	4	149.124
	4.586.298	**4.830.928**
Noncurrent		
Loans and financing – Note 9	447.787	90.722
Taxes and contributions payable – Note 12	212.164	-
	659.951	**90.722**
Shareholders' equity (deficit)		
Capital Stock – Note 15	321.742	321.742
Accumulated deficit	(1.753.247)	(2.551.334)
	(1.431.505)	(2.229.592)
Total liabilities and shareholders' equity (deficit)	**3.814.744**	**2.692.058**

The accompanying notes are an integral part of these condensed interim financial statements.

YDREAMS DO BRASIL SOLUÇÕES INTERATIVAS LTDA.

Condensed interim statements of operations
(In Brazilian Reais)

		Three months ended March 31,	
	Note	2016	2015
Net sales revenue	16	3.267.895	1.697.332
Costs of services rendered	17	(912.507)	(1.240.711)
Gross Profit		**2.355.388**	**456.621**
Operating expenses			
Personnel expenses	18	(247.927)	(187.768)
Expenses on sales and marketing		(142.613)	(72.834)
General and administrative expenses	19	(271.063)	(282.109)
Fees – service providers	20	(246.722)	(297.640)
Other expenses		(2.802)	(9.303)
Income before financial effects		**1.444.261**	**(393.033)**
Financial income (expense)			
Financial income	21	1	9
Financial expense	21	(235.039)	(232.988)
		(235.038)	**(232.979)**
(Loss)/income before Income and Social Contribution taxes		1.209.223	(626.012)
Income and Social Contribution taxes – Current	22	(411.136)	-
Net (loss) income for the period		**798.087**	**(626.012)**
Number of shares		321.742	213.400
Net (loss) income per share (R$)		2,48	(2,93)

The accompanying notes are an integral part of these condensed interim financial statements.

YDREAMS DO BRASIL SOLUÇÕES INTERATIVAS LTDA.

Condensed interim statements of comprehensive (loss) income
(In Brazilian Reais)

	Three months ended March 31,	
	2016	2015
Net (loss) income for the period	**798.087**	**(626.012)**
Other comprehensive (loss) income	-	-
Total comprehensive (loss) income for the period	**798.087**	**(626.012)**

The accompanying notes are an integral part of these condensed interim financial statements.

YDREAMS DO BRASIL SOLUÇÕES INTERATIVAS LTDA.

Condensed interim statements of changes in shareholder’s equity (deficit)
(In Brazilian Reais)

	Capital Stock	Accumulated losses	Total
Balances as of December 31, 2014	213.400	(615.661)	(402.261)
Net loss for the period	-	(626.012)	(626.012)
Balances as of March 31, 2015	**213.400**	**(1.241.673)**	**(1.028.273)**
Paid in capital	108.342	-	108.342
Payment of dividends		(120.000)	(120.000)
Others		10.364	10.364
Net loss for the period		(1.200.025)	(1.200.025)
Balances as of December 31, 2015	**321.742**	**(2.551.334)**	**(2.229.592)**
Net income for the period	-	798.087	798.087
Balances as of March 31, 2016	**321.742**	**(1.753.247)**	**(1.431.505)**

The accompanying notes are an integral part of these condensed interim financial statements.

YDREAMS DO BRASIL SOLUÇÕES INTERATIVAS LTDA.

Condensed interim statements of cash flows
(In Brazilian Reais)

	Three months ended March 31,	
	2016	**2015**
Cash flows from operating activities		
Net (loss)/income for the period	798.087	(626.012)
Adjustments to reconcile (loss)/income to net cash generated from operating activities		
Depreciation and amortization	61.917	61.917
Provision for Income and Social Contribution Taxes	361.772	(26.462)
Increase/(decrease) in operating assets and liabilities		
Changes in trade accounts receivable	(1.046.445)	13.445
Changes in recoverable taxes	(54.310)	(132.437)
Changes in other receivables	15.774	(27.065)
Changes in advances	(92.122)	(231.924)
Changes in trade accounts payable	(105.717)	1.444
Changes in salaries and social charges payable	(345.562)	185.000
Changes in taxes and contributions payable	804.690	25.181
Changes in advances from clients	7.019	665.887
Changes in other payables	(149.120)	7.656
Net cash provided by (used in) operating activities	**255.983)**	**(83,370)**
Cash flows from financing activities		
Loans and financing	(248.483)	63.348
Net cash provided by (used in) financing activities	(248.483)	63.348
Change in cash and cash equivalents during the period	7.500	(20.022)
Cash and cash equivalents, beginning of the period	17.363	148.408
Cash and cash equivalents, end of the period	**24.863**	**128.386**

The accompanying notes are an integral part of these condensed interim financial statements.

1. Operations

Ydreams do Brasil Soluções Interativas Ltda. ("YDreams Brazil" of the "Company") was incorporated on February 7, 2007, with a head office located in Rio de Janeiro and a branch in São Paulo.

Ydreams Brazil is a Technology and Design Agency, focused on innovation and acting as a strategy and execution partner to companies and brands conducting their business in the new post-digital reality. Ydreams Brazil is engaged in producing, developing and selling products and services in the areas of mobile computing, internet, image processing, interactive installations and related areas.

Ydreams Brazil is a subsidiary of Ydreams Med S.L., of group Ydreams, with international operations since 2000. With about 900 projects in over 30 countries, the Ydreams group is redefining the concept of interactivity in the thriving market of interactive technologies. Its projects are innovative such as concept stores, technologic corporate stands, interactive museums, immersive exhibitions, interactive advertising in movie theaters and shows, sensor-based exhibits for retail and brand experience for events.

Today, Ydreams Brazil has a multidisciplinary team with about 50 employees in several areas – design of interfaces, UX design, industrial and interior design and design of interaction with support, mechanical, electronic and computer engineering.

2. Basis of preparation

These condensed interim financial statements of the Company have been prepared in accordance with International Accounting Standard 34 *Interim Financial Reporting* ("IAS34") as issued by the International Accounting Standards Board ("IASB"). Therefore, these condensed interim financial statements do not include all of the information required for full annual financial statements, and should be read in conjunction with the Company's most recently issued audited financial statements for the year ended December 31, 2015, which includes information necessary or useful to understanding the Company's business and financial statement presentation. In particular, the Company's significant accounting policies, use of judgements and estimates were presented in Note 2 and Note 3 of these audited financial statements, and have been consistently applied in the preparation of these condensed interim financial statements.

These condensed interim financial statements were approved to issue by the Company's Management on August 4, 2016.

(Expressed in Brazilian Reais)

3. Cash and cash equivalents

	March 31 2016	December 31 2015
Cash	24,863	17,363

The balance of cash and cash equivalents is represented by cash, bank accounts and short-term financial investments with maturity equal to or below 90 days.

4. Trade accounts receivable

The amount of R$2,114,888 (R$1,068,443 for December 31, 2015) recorded in the caption "Trade accounts receivable" refers to services rendered, billed and not yet received.

Management analyzed each client individually, in order to properly judge balances of difficult realization, paying particular attention to the following requirements when applicable:

- Significant financial difficulty from the issuer or obligor;
- Breach of contract, such as non-compliance or late payment of interest or capital;
- It is probable that the debtor will go bankrupt or into other kind of financial reorganization;
- The disappearance of an active market for this financial asset due to financial difficulties;
- Negative changes in the payment status of debtors of the group (for example, increasing number of late payments);
- National or local economic conditions that are correlated to non-compliance of the group's assets.

5. Recoverable taxes

	March 31 **2016**	December 31 **2015**
Social contribution tax – Law No. 10833	295,004	274,196
Withholding income tax (IRRF) on revenue earned	398,222	364,871
PIS (Tax on sales) - Law No. 10833	7,030	7,031
COFINS (Tax on sales) – Law No 10833	28,612	28,613
Others	11,782	11,629
	740,650	**686,340**

(Expressed in Brazilian Reais)

6. Recoverable taxes – IRPJ and CSLL

	March 31 2016	December 31 2015
Estimated IRPJ (Corporate Income Tax)	156,423	156,423
Estimated social contribution tax	61,076	61,076
	217,499	**217,499**

7. Accounts receivable – related parties

	March 31, 2016	December 31, 2015
Related parties	**Accounts receivable**	**Accounts receivable**
Ydreams Portugual	1	1,164,670
Provision for losses with related party loans		-1,164,669
	1	**1**

On April 2, 2015, the management of Ydreams Portugal, aligned with its shareholders, has decided to file for an In-court Reorganization (PER) aiming to solve the worsening of the financial situation that risks its continuity as a going concern, mainly due to the pressure from its creditors and its exposure to possible claims for non-compliance with its obligations.

Through the PER, the debt of Ydreams Portugal to Ydreams Brazil amounts to EUR 274,156, with forgiveness of future interest and maturing until 2027. The management of Ydreams Brazil, according to its best estimate and due to the matters referred to above, has decided to recognize a provision for the totality of balance receivable from Ydreams Portugal.

(Expressed in Brazilian Reais)

8. Fixed assets

Acquisition cost	Rate	December 2015	Additions	March 31 2016
Machinery and equipment		208.852	-	208.852
Furniture and fixtures		90.825	-	90.824
IT equipment		555.480	-	555.480
Telephone equipment		49.780	-	49.780
Leasehold improvements		269.793	-	269.793
Others		122.031	-	122.031
Total acquisition cost		1.296.761	-	1.296.760
Depreciation				
Machinery and equipment	10%	80.430	10.428	90.858
Furniture and fixtures	10%	43.824	2.151	45.975
IT equipment	20%	340.804	27.774	368.578
Telephone equipment	10%	34.168	2.357	36.525
Leasehold improvements	10%	146.310	13.468	159.778
Others		39.739	5.738	45.477
Total depreciation		685.275	61.916	747.191
		611.486		**549.569**

Impairment

The Company periodically reviews items of fixed assets for evidence of impairment, or when significant changes or events indicate that the assets' book value may not be recovered. If book value exceeds the recoverable value of the asset, an impairment loss is recognized in the statement of operations for the year. There is no indication of impairment in the Company's assets.

(Expressed in Brazilian Reais)

9. Loans and financing

	March 31 2016	December 31 2015
Banco Bradesco S.A.	660.824	746.494
Banco Itau S.A.	44.171	181.065
Banco Santander S.A	8.800	34.718
Consórcio Palio	33.992	33.993
	747.787	**996.270**
Current	300.000	905.548
Noncurrent	447.787	90.722

Banco Bradesco S.A.

Loan for working capital, bearing monthly interest of 2.32% and final maturity in January 2017.

Banco Itaú S.A.

Loan for working capital, bearing monthly interest of 2.44% and final maturity in July 2016.

Banco Santander S.A.

Loan for working capital, bearing monthly interest of 1.33% and final maturity in March 2016. Loan was paid in March.

10. Trade accounts payable

Trade accounts payable are obligations payable for goods or services acquired from third parties in the ordinary course of business amounting to R$122,060 (R$227,777 for December 31, 2015).

11. Salaries and social charges payable

	March 31 2016	December 31 2015
Salaries payable, provision for vacation pay and charges	335.776	475.165
Social Security Tax (INSS) payable	40.636	145.379
Severance Pay Fund (FGTS) payable	47.869	149.299
Others	-	-
	424.281	**769.843**

(Expressed in Brazilian Reais)

12. Taxes and contributions payable

	March 31 2016	December 31 2015
CIDE (Economic Intervention Contribution) payable	288,182	304,532
PIS/COFINS/CSLL payable	108,711	160,652
ISS (Tax on services) payable	381,458	666,533
Income tax on salary	764,124	664,363
COFINS on shipment payable	266,993	281,485
Others	1,614,621	541,834
	3,424,089	**2,619,399**

13. Provision for Income and Social Contribution Taxes

	March 31 2016	December 31 2015
IRPJ payable	302.305	19.846
CSLL payable	108.831	6.616
Interest /CIT and SCT	-	22.902
	411.136	**49.364**

14. Advances from clients

The amount of R$116.892 at March 31, 2016 (R$109,873 for December 31, 2015), recorded in the caption “Advances from clients”, refers to amounts received by the Company for services not yet rendered.

15. Shareholders’ equity (deficit)

Capital stock

As of March 31, 2016, the Company’s subscribed capital amounts to R$321,742 (R$321,742 for December 31, 2015) represented by 321,742 shares.

(Expressed in Brazilian Reais)

16. Net sales revenue

	Three months ended March 31, 2016	2015
Revenues from services		
Revenues from services	3,646,438	3,824,703
Services cancellation	(182,850)	(2,025,729)
	3,463,588	**1,798,974**
Taxes on sales		
ISS on sales	(69,272)	(35,979)
PIS and COFINS on revenue earned	(126,421)	(65,663)
	(195,693)	**(101,642)**
	3,267,895	**1,697,332**

The amount of R$182.850 (R$2.025.729 in the three months ended March 31, 2015) recorded under "Services cancellation" refers to replacement of invoices due to value changes and error in the descriptions of the services provided.

17. Costs of services rendered

The amount of R$912.507 (R$1.240.711 in the three months ended March 31, 2015) recorded under the caption “Costs of services rendered” refers to costs with workforce, equipment lease, services from legal entities, IT services, assets of permanent nature, among others.

18. Personnel expenses

	Three months ended March 31, 2016	2015
Salaries	86.820	77.950
INSS	24.945	19.866
FGTS	8.454	7.331
Expenses on benefits	24.504	19.636
Management fees	85.751	60.026
Others	17.453	2.959
	247.927	**187.768**

(Expressed in Brazilian Reais)

19. General and administrative expenses

	Three months ended March 31, 2016	2015
Rent – Legal entity	71,879	74,478
Telephone	31,486	20,443
Sundry consulting services	59,061	4,545
Lawyers' fees	11,609	33,500
Accounting fees	36,000	39,300
Taxi	9,955	18,165
IT Services	8,640	12,168
Printing services	8,040	660
Others	34,393	78,850
	271,063	**282,109**

20. Expenses on service providers

	March 31, 2016	2015
Third-party services – Legal entity	**246,722**	**297,640**

Refers to expenses with third-party for part of the development of ongoing projects.

21. Financial income (expense)

	Three months ended March 31, 2016	2015
Financial revenues	1	9
Financial expenses	(235,039)	(232,988)

22. Income and Social Contribution taxes

Income tax and social contribution at March 31, 2016 amounted R$411.136 (R$49,364 for December 31, 2015).

23. Provision for tax contingencies

Income tax returns and other tax information are open to review by tax authorities for five years as from their base date. The taxes and other contributions are also open to review and possible levy for varying statute of limitations periods. However, the Company's management does not expect material losses as a result of possible future reviews by tax authorities.

24. Subsequent events

Until the present date, there were no events that may significantly affect the financial statements or the Company's operations.

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