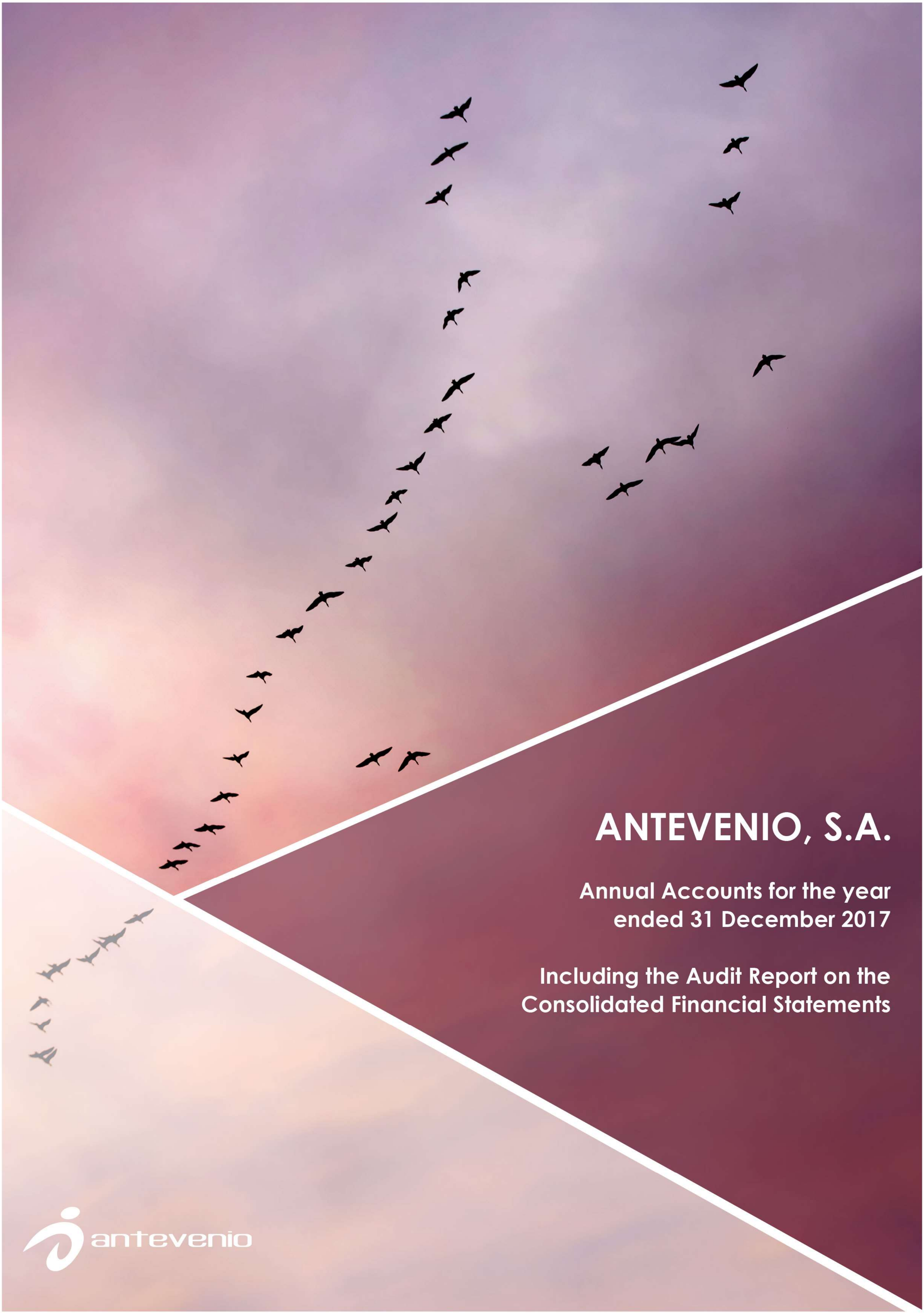

ANTEVENIO, S.A.

Annual Accounts for the year ended 31 December 2017

Including the Audit Report on the Consolidated Financial Statements

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INDEPENDENT AUDITOR'S REPORT ON THE ANNUAL ACCOUNTS

To the shareholders of Antevenio, S.A.:

Qualified Opinion

We have audited the annual accounts of Antevenio, S.A. (hereafter, "the Company") which comprise the balance sheet at 31 December 2017, the profit and loss account, the statement of changes in net equity, the statement of cash flows and the notes to the accounts for the year ended on that date.

In our opinion, except for the effects of the matter described in the paragraph "Basis for Qualified Opinion", the accompanying annual accounts present, in all material aspects, a true and fair view of the net equity and the financial situation of the Company at 31 December 2017, and of the results of its operations and its cash flows, for the period ended on that date, in accordance with the applicable framework of financial reporting standards (as described in note 2 to the accounts), and in particular, in compliance with the accounting principles and criteria contained in that framework.

Basis for Qualified Opinion

In the year 2017 ANTEVENIO, S.A. has not recorded any expense for the stock options plan detailed in note 19, given that it recorded the total expense, 675.000 euros, in the year 2016. This expense did not comply with the requirements set in the applicable regulations to be completely considered as expense for the year 2016, since said amount should be recorded according to the period established in said plan. Therefore, as of 31 December 2017, the epigraph of personnel expenses is understated by 292.860 euros and the Company result should decrease by the same amount, and the results of previous years should increase the amount of 528.750 euros. As the balancing entry of this expense is a rise in equity, it does not have any effect on the net equity of ANTEVENIO, S.A. as of 31 December 2017 and 31 December 2016. The audit report for the previous year included a qualified opinion on this same matter.

We have carried out our audit in accordance with the current Spanish standards for auditing accounts. Based on those standards, our responsibilities are set out below in the section *Auditor's responsibilities for the audit of the annual accounts* of our report.

We are independent of the Company in accordance with the ethical requirements, including those relating to independence, that are relevant to our audit of the annual accounts in Spain, as required by the regulations governing the auditing of annual accounts. In this regard, we have not provided any services different to the audit of the annual accounts and no situations or circumstances have arisen that, based on the aforementioned regulations, might have affected the required independence in such a way that it could have been compromised.

We believe that the audit evidence we have obtained provides a sufficient and appropriate basis for our qualified opinion.

Key audit matters

The key audit matters are those that, in our professional judgement, were considered as the most significant risks of material misstatement in our audit of the annual accounts of the current period. These matters were addressed in the context of our audit of the annual accounts as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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In addition to the issue described in the paragraph "Basis for Qualified Opinion", we have determined that the risks described below are the most significant risks considered in the audit that must be stated in our report.

Investments in group companies and long-term associates.

The Company is the parent company of a group of companies that includes a certain number of subsidiaries, in which the amount of investments in equity and loans granted to said companies is highly significant (notes 8 and 9 of the accompanying annual accounts). Investments in equity amounting to 14.102 thousand euros are held in companies that carry out different activities and are located in different countries. In accordance with the applicable regulatory framework for financial information, at least at the end of the year, the need to make valuation adjustments on said participations based on their recoverable amount must be evaluated. Likewise, as indicated above, the Company has granted long-term loans to significant Group companies, amounting to 1.982 thousand euros as of 31 December 2017. In accordance with the applicable regulatory framework for financial information, at least at the end of the year, valuation corrections must be made as long as there is objective evidence of signs of impairment. The methods allowed for the calculation of the recoverable amount are several and require the calculation of fair values, the calculation of present values of cash flows and the identification of unrealized gains, all of which are areas where there is a high degree of judgment and of estimation, since slight changes in the variables and hypotheses used can have a significant impact on the determination of the said variables in relation to investments in equity as well as in credits granted.

Consequently, we have considered this area as relevant in our audit, given that in the determination of the recoverable value, both the investments and the loans granted involve projections of future cash flows prepared by the Group, which include estimates of future sales and results, discount and growth rates estimated in perpetuity.

Our audit procedures have included, among others, the understanding of the Company's procedures to identify indications of impairment, as well as the understanding of the procedure followed by the Management to obtain the information that has served as the basis for the calculation of the recoverable value and the assumptions used. We have analyzed the projections of cash flows made, and we have involved specialists from our firm in the review of aspects related to the valuation methodology used, in the mathematical review of the model and in the analysis of reasonableness of the most relevant hypotheses. Additionally, we have evaluated whether the information disclosed in the annual accounts complies with the requirements of the applicable financial reporting regulatory framework.

Other information: Report of the Directors

The other information relates exclusively to the Report of the Directors for the period ended 31 December 2017. The directors of the Company are responsible for preparing this report, which does not form an integral part of the annual accounts.

Our audit opinion on the annual accounts does not cover the Report of the Directors. In accordance with the regulations governing the auditing of accounts, our responsibility regarding the Report of the Directors includes evaluating and reporting on the consistency of the Report of the Directors with the annual accounts, based on the knowledge of the entity obtained during our audit of those accounts, excluding any information different to that obtained as evidence during our audit. Furthermore, our responsibility includes evaluating and reporting on whether the content and presentation of the Report of the Directors meet the requirements of the applicable regulations. If, as a result of our work, we conclude that there are material misstatements, we are required to report that fact.

On the basis of the work performed, as described in the preceding paragraph, the information reflected in the Report of the Directors is consistent with that of the 2017 annual accounts, and, the content and presentation meet the requirements of the applicable regulations.

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Responsibility of the directors concerning the annual accounts

The directors of the Company are responsible for drawing up the attached annual accounts, so that they show a true and fair view of the net equity, the financial situation and the results of the Company, in accordance with framework of financial reporting standards applicable to the entity in Spain and for such internal control that they consider necessary to enable the preparation of annual accounts that are free from material misstatements, whether due to fraud or error.

When drawing up the annual accounts, the directors of the company are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and the use of the going concern basis, unless the directors intend to liquidate the Company or to cease its operations, or whether there is no other realistic alternative.

Auditor´s responsibilities for the audit of the annual accounts.

Our objectives are to obtain reasonable assurance about whether the annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the current Spanish regulations for auditing accounts will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts.

As part of an audit in accordance with current Spanish regulations for auditing accounts, we exercise our professional judgement and we maintain an attitude of professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement in the annual accounts, due to fraud or error, design and perform audit procedures to respond to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may imply collusion, forgery, deliberate omissions, intentionally incorrect representations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of the accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the director's use of the going concern basis of accounting and, on the basis of the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention to this in our auditor's report to the related disclosures in the annual accounts or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the annual accounts, including the disclosures, and whether the annual accounts represent the underlying transactions and events in a manner that achieves a true and fair view.

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We communicate with the directors of the Company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

From the matters communicated to the directors of the Company, we determine those matters that were most significance in the audit of the annual accounts of the current period and are, therefore, the key audit matters.

We describe these matters in our auditor's report unless law or regulations prohibit public disclosure of the matter.

Grant Thornton, S.L.P., Sociedad Unipersonal

ROAC nº S0231

Alfredo González del Olmo

ROAC nº 18863

12 April 2018

ANTEVENIO S.A.

ANNUAL ACCOUNTS AT 31 DECEMBER 2017

ANTEVENIO, S.A.
Balance Sheet
at 31 December 2017
(in Euros)

ASSETS	Note	31.12.2017	31.12.2016
NON-CURRENT ASSETS		**16,685,981**	**12,265,593**
Intangible assets	**6**	**9,783**	**26,668**
Computer software		9,783	26,668
Property, plant and equipment	**5**	**168,161**	**119,892**
Technical installations and other items of PPE		168,161	119,892
Non-current investments in group companies and associates		**16,084,205**	**11,792,457**
Equity instruments	**9**	14,102,012	10,030,457
Non-current loans to group companies and associates	**8.1 and 18**	1,982,193	1,762,000
Non-current investments	**8.1**	**54,738**	**53,194**
Loans to companies		29,991	29,991
Other financial assets		24,747	23,202
Deferred tax assets	**13**	**369,094**	**273,382**
CURRENT ASSETS		**1,930,291**	**3,639,581**
Trade and other receivables		**1,331,555**	**2,772,266**
Trade receivables	**8.1**	-	3,760
Trade receivables from group companies and associates	**8.1 and 18**	1,331,216	2,470,795
Personnel	**8.1**	339	94
Current tax assets	**13**	-	297,617
Other receivables from Public Entities	**13**	-	-
Current investments in group companies and associates	**8.1 and 18**	**227,769**	**59,991**
Debt securities		77,039	59,991
Other financial assets		150,729	-
Current accruals		**24,172**	**-**
Current investments	**8.1**	**-**	**2,263**
Debt securities		-	763
Other financial assets		-	1,500
Cash and cash equivalents	**8.1**	**346,796**	**805,062**
Cash		346,796	505,062
Cash equivalents		-	300,000
TOTAL ASSETS		**18,616,273**	**15,905,174**

ANTEVENIO, S.A.
Balance Sheet
at 31 December 2017
(in Euros)

EQUITY AND LIABILITIES	Note	31.12.2017	31.12.2016
EQUITY		**14,335,726**	**12,580,812**
Capital and reserves	**11**	**14,335,726**	**12,580,812**
Share capital		**231,412**	**231,412**
Issued capital		231,412	231,412
Share Premium	**11.2**	**8,189,787**	**8,189,787**
Reserves	**11.2**	**2,458,983**	**3,661,727**
Legal and statutory reserves		46,282	46,282
Other reserves		2,412,700	3,615,444
(Treasury shares and equity holdings)	**11.2 d**	**(513,805)**	**(513,805)**
Prior period's losses		**(11,009)**	**-**
Profit/(loss) for the period	**3**	**2,957,658**	**(11,009)**
Other equity instruments	**19**	**1,022,700**	**1,022,700**
NON-CURRENT LIABILITIES		**3,269,958**	**41,629**
Non-current payables		**2,004,958**	**41,629**
Finance lease payables		21,664	41,629
Other financial liabilities	**8.2**	1,983,294	-
Deferred tax liabilities	**13**	**-**	**-**
Non-current payables, Group companies	**8.2 and 18**	**1,265,000**	**-**
CURRENT LIABILITIES		**1,010,588**	**3,282,733**
Current payables	**8.2**	**23,447**	**234,446**
Debts with financial institutions		6,988	13,376
Finance lease payables		16,075	20,225
Other financial liabilities		384	200,846
Current payables to Group companies and associates	**8.2 and 18**	**9,741**	**1,198,162**
Trade and other payables		**977,401**	**1,850,125**
Suppliers	**8.2**	272,592	459,586
Suppliers, group companies and associates	**8.2 and 18**	231,784	311,759
Other payables	**8.2**	171,125	367,302
Personnel (outstanding remunerations)	**8.2**	172,110	244,059
Current tax liabilities	**13**	28,404	28,404
Other payables to Public Entities	**13**	92,069	429,698
Advances from customers	**8.2**	9,317	9,317
TOTAL EQUITY AND LIABILITIES		**18,616,273**	**15,905,174**

ANTEVENIO, S.A.
Profit and Loss Account

Corresponding to the year ended on 31 December 2017
(in Euros)

	Note	31.12.2017	31.12.2016
CONTINUING OPERATIONS			
Revenue:	**14.d**	**2,277,426**	**2,150,111**
Sales		-	-
Rendering of services		2,277,426	2,150,111
Supplies		**247,147**	**142,455**
Subcontracted work		247,147	142,455
Other operating income:		**1,500**	**-**
Non-trading and other operating income		1,500	-
Personnel expenses:		**(1,103,712)**	**(1,993,801)**
Wages and salaries		(939,404)	(896,649)
Employee benefit expense	**14.a**	(164,308)	(143,992)
Costs relating to equity instruments-based payments	**19**	-	(953,160)
Other operating expenses		**(1,294,246)**	**(1,424,087)**
External services		(1,294,246)	(1,424,087)
Losses, impairment and changes in trade provisions		-	-
Amortization and depreciation	**5 and 6**	**(53,915)**	**(52,055)**
Other income / (loss)	**14.c**	**55,997**	**1,132,404**
OPERATING PROFIT / (LOSS)		**130,196**	**(44,973)**
Finance income:	**14.b**	**2,829,345**	**63,703**
Dividends		2,800,000	-
Group companies and associates		2,800,000	-
Marketable securities and other financial instruments		29,345	63,703
Group companies and associates		17,049	52,919
Other		12,297	10,784
Finance Expenses:	**14.b**	**(36,436)**	**(13,011)**
Debts with third parties		(24,099)	(13,011)
Debts with Group companies and associates		(12,337)	-
Translation differences	**12**	**391**	**(6,521)**
Change in fair value of financial instruments		**-**	**(893)**
NET FINANCE INCOME/(EXPENSE)		**2,793,300**	**43,279**
PROFIT / (LOSS) BEFORE INCOME TAX		**2,923,497**	**(1,694)**
Income Tax		**38,355**	**(6,376)**
Other taxes		**(4,193)**	**(2,938)**
PROFIT/(LOSS) FOR THE PERIOD		**2,957,658**	**(11,009)**

ANTEVENIO, S.A.
Statement of Changes in Equity
Corresponding to the year ended on 31 December 2017

A) STATEMENT OF RECOGNIZED INCOME AND EXPENSES

	31.12.2017	31.12.2016
PROFIT / (LOSS) FOR THE PERIOD	**2,957,658**	**(11,009)**
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	**2,957,658**	**(11,009)**

B) STATEMENT OF TOTAL CHANGES IN EQUITY

	Issued capital	Share Premium	Reserves	(Treasury shares and equity holdings)	Other equity instruments	Profit/(loss) for the period	Prior period's losses	Total
BALANCE AT 1 JANUARY 2016	**231,412**	**8,189,787**	**2,731,828**	**(513,805)**	**69,540**	**929,898**	**-**	**11,638,661**
Total recognized income and expense	-	-	-	-	-	**(11,009)**	**-**	**(11,009)**
Transactions with equity holders and owners	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Transactions in own shares	-	-	-	-	-	-	-	-
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	-	-	-
BALANCE AT 31 DECEMBER 2016	**231,412**	**8,189,787**	**3,661,727**	**(513,805)**	**1,022,700**	**(11,009)**	**-**	**12,580,812**
BALANCE AT 1 JANUARY 2017	**231,412**	**8,189,787**	**3,661,727**	**(513,805)**	**1,022,700**	**(11,009)**	**-**	**12,580,812**
Total recognized income and expense	-	-	-	-	-	**-**	**-**	**-**
Transactions with equity holders and owners	**-**	**-**	**(1,202,744)**	**-**	**-**	**-**	**-**	**(1,202,744)**
Transactions in own shares	-	-		-	-	-	-	
Distribution of dividends	-	-	(1,202,744)	-	-	-	-	(1,202,744)
Other changes in equity	**-**	**-**	**-**	**-**	**-**	**2,957,658**	**-**	**2,957,658**
Profit/(loss) for the year	-	-	-	-	-	2,957,658	-	2,957,658
Other transactions	**-**	**-**	**-**	**-**		**11,009**	**(11,009)**	**-**
BALANCE, 31 DECEMBER 2017	**231,412**	**8,189,787**	**2,458,983**	**(513,805)**	**1,022,700**	**2,957,658**	**(11,009)**	**14,335,727**

ANTEVENIO, S.A.
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2017 (in Euro)

CASH FLOWS	Note	31.12.2017	31.12.2016
A) CASH FLOWS FROM OPERATING ACTIVITIES		**475,483**	**(1,149,993)**
Profit/(loss) for the year before tax		**2,923,497**	**(1,694)**
Adjustments for:		**(2,795,383)**	**8,776**
a) Amortization and depreciation	5 and 6	53,915	52,055
b) Recognized impairment losses		-	-
c) Changes in provisions		-	-
f) Proceeds from disposal and derecognition of financial instruments		-	-
d) Finance income	14.b	(2,829,345)	(63,703)
e) Financial expenses	14.b	36,436	13,011
f) Exchange gains/(losses)	12	(391)	6,521
g) Change in fair value of financial instruments		-	893
h) Other income and expenses		(55,997)	
Changes in operating assets and liabilities		**558,174**	**(815,792)**
a) Trade and other receivables		1,143,094	(780,083)
b) Other current assets		(189,687)	-
c) Trade and other payables		(535,096)	(35,709)
d) Other non-current assets and liabilities		139,863	-
Other cash flows from operating activities		**(210,805)**	**(341,283)**
a) Interest paid		(36,436)	(13,011)
b) Interest received		29,345	63,703
c) Income tax received (paid)		(203,715)	(391,975)
d) Dividends received		-	-
B) CASH FLOW FROM INVESTING ACTIVITIES		**(53,915)**	**317,090**
Payment for investments		**(53,915)**	**(294,317)**
a) Group companies and associates		-	-
b) Intangible assets	6	(16,886)	(2,900)
c) Property, plant and equipment	5	(37,029)	(41,417)
d) Other financial assets		-	-
e) Group companies and associates			(250,000)
Proceeds from sale of investments		**-**	**611,407**
b) Other financial assets		-	611,407
c) Group companies and associates		-	-
C) CASH FLOW FROM FINANCING ACTIVITIES		**(880,225)**	**891,660**
Proceeds from and payments for equity instruments		**(2,102,903)**	**953,160**
c) Acquisition of equity instruments	21	(2,102,903)	-
b) Issue of equity instruments	19	-	953,160
Proceeds from and payments for financial liability instruments		**(374,578)**	**(61,500)**
a) Issue		1,044,807	1,203,636
b) Redemption and repayment of		(1,419,385)	(1,265,136)
Dividends and interest on other equity instruments received	14.b	**2,800,000**	**-**
Dividends paid	3 and 11	**(1,202,744)**	
D) EFFECT OF EXCHANGE RATE FLUCTUATIONS		**391**	**(6,521)**
E) NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS		**(458,265)**	**52,236**
Cash or cash equivalents at beginning of period		805,062	752,826
Cash or cash equivalents at end of period		346,796	805,062

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ANTEVENIO, S.A.

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

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

a) Incorporation and Legal Regime

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

b) Activity and Registered Address

The Company's corporate purpose involves any activities that, according to the existing provisions on advertising, are typical of general advertising agencies; accordingly the Company may execute all manner of acts, contracts and transactions and, in general, take all measures directly or indirectly conducive to, or deemed necessary or convenient for, the fulfilment of the aforementioned corporate purpose. The activities that form the Company's corporate purpose may be performed, entirely or partly, by the Company, either directly or indirectly through its interests in other companies with an identical or similar purpose.

The Company's registered address is in Madrid, at calle Marqués de Riscal 11; the Company is part of the Group Antevenio S.A. and subsidiaries, whose activities involve the performance of activities relating to advertisement in Internet; the Company is the parent of the Group and files its individual financial statements with the Mercantile Register of Madrid. Antevenio and subsidiaries Financial Statements for 2016 were approved by the Annual General Meeting of the Company, held on 28 June 2017, and filed before the Business Register of Madrid.

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, Euronext Growth, since 2007.

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

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

c) Legal Regime

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

NOTE 2. BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS

a) Fair presentation

The Annual Accounts for the year ended 31 December 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 reporting period.

b) Accounting Principles applied

In the preparation of the accompanying 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 financial statements are presented in euro, which is the Company's functional currency.

d) Comparative information

The Annual Accounts for the year ended 31 December 2017 include, for comparison purposes, the figures for 2016 included in the annual accounts for 2016 approved by the Company's General Meeting of Shareholders, dated on 28 June 2017. Accordingly, the accounts from prior periods are comparable and homogeneous.

e) Aggregation of items

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

f) Responsibility for information and estimates

Preparation of accompanying annual accounts 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 Annual Accounts for the year ended 31 December 2017, the Company's Directors have made certain accounting estimates for the measurement of the assets, liabilities, revenues, 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 31 December 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.

NOTE 3. DISTRIBUTION OF PROFIT/(LOSS)

The proposed distribution of profits obtained by the Company in 2017 will be submitted by the Board of Directors of the Company to the approval of the General Meeting of Shareholders, which is as follows:

Basis of distribution	
Profit and loss (profit)	(2,957,658)
Total	(2,957,658)
Application	
To offset prior periods' losses	11,009
Voluntary reserves	(2,946,649)
Total	**(2,957,658)**

Distribution of dividends:

On 13 September 2017 the Extraordinary General Meeting of Shareholders approved the distribution of a dividend, charged against voluntary reserves, of 0.30 euro per share, amounting to a total of 1,202,744.10 euro that have entirely been paid out.

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

Basis of distribution	
Profit and loss (profit)	(11,009)
Total	(11,009)
Application	
Prior period's losses	(11,009)
Total	**(11,009)**

NOTE 4. RECOGNITION AND MEASUREMENT STANDARDS

In compliance with the provisions of the Spanish General Accounting Plan, the main measurement standards applied by the Company in the preparation of the Annual Accounts at 31 December 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, 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:

	31/12/2017		31/12/2016	
	Annual Percentage	Estimated Years of Useful Life	Annual Percentage	Estimated Years of Useful Life
Other installations	20	5	20	5
Furniture	10	10	10	10
Computer hardware	25	4	25	4
Other property, plant and equipment	20-10	5-10	20-10	5-10

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

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

Investments made by the Company in leased premises, which are not separable from the leased asset, are amortized over their useful life which corresponds to the lesser of the duration of the lease, including renewal period when there is evidence to support that it will occur, and the economic life of the asset.

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

An impairment loss in the value of intangible assets or property, plant and equipment occurs when their carrying amount exceed their recoverable value, the latest understood as the higher of its fair value less costs to sell and its value in use.

To these purposes, at least at year end, the Company assesses, using the so-called "impairment test", whether there is evidence that any intangible assets or property, plant and equipment with indefinite useful life, or, where applicable, any cash-generating unit may be impaired; if so the Company proceeds to estimate the recoverable amount thereof applying the corresponding value adjustments.

The impairment of property, plant and equipment is calculated individually. However, when the recoverable amount of each individual asset cannot be determined, the Company proceeds to establish the recoverable amount of the cash-generating unit to which the relevant asset is associated.

When an impairment loss is subsequently reversed (a circumstance that is not permitted in the specific case of goodwill), the carrying amount of the relevant asset or cash-generating unit is increased to the revised estimate of its recoverable value, insofar as the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset or the cash-generating unit in prior years. A reversal of an impairment loss is recognized as income in Profit and Loss Account.

d) Leases and other transactions of similar nature

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

a.1) Finance leases

In the finance lease operations in which the Company acts as a lessor, the Company records an asset in the balance sheet according to the nature of the asset under contract and a liability in the same amount, which is the lower between the fair value of the leased good and the current value of the agreed minimum lease payments at the beginning of the lease, including the price of the purchase option. Finance leases do not include contingent rents, the cost of services and taxes that may be passed on by the lessor. The finance charge is recognized in the Profit and Loss Account for the reporting period in which it is accrued, using the effective interest method. Contingent rents are expensed in the reporting period in which they are accrued.

Assets recorded for this type of operations are depreciated using similar criteria to those applied to tangible (or intangible) assets a whole, depending upon their nature.

a.2) Operating leases

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

e) Financial Instruments

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

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

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

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

1. Loans and receivables and debts and payables.

2. Equity investments in group companies, jointly controlled entities and associates

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

e.1) Cash and other equivalent liquid assets

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

e.2) Loans and receivables and debts and payables

e.2.1) Loans and receivables

The following items are classified in this category:

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

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) <u>Foreign currency balances, transactions and cash flows</u>

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) <u>Income Tax</u>

Between 2013 and 2016, Group companies with registered address in Spain paid taxes under the Special Consolidated Tax Regime within the Group led by the Parent Company.

The Board of Directors informed, at the meeting held on 30 December 2016, that the company Inversiones y Servicios Publicitarios, S.L. ("ISP") owns a 83.09% interest in the share capital of Antevenio (see Note 13) and that, pursuant to the provisions of Article 61.3 of Law 27/2014, of 27 November, on Corporate Income Tax and having regard to the fact that Antevenio S.A. no longer was the company of taxation group 0212/2013 sin ISP had acquired an interest exceeding 75% of the share capital and voting rights in Antevenio, the Board had approved including the Company, effective from the taxation period beginning of 1 January 2017, as a subsidiary of taxation group 265/10, whose company is ISP.

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

Current tax is the amount payable as a result of applying the tax rate to the tax base for the year. Tax credits and other tax benefits, excluding tax withholdings and pre-payments, and tax loss carry forwards from prior years effectively offset in the year, reduce the current tax expense.
On the other hand, deferred tax expense (income) relates to the recognition and settlement of deferred tax assets arising from deductible temporary differences, from the offset of tax loss carryforwards from prior years and from unused tax credits and other tax reliefs pending application, as well as of deferred tax liabilities arising from taxable temporary differences.

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

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

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

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

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

h) Revenue and expenses

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

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

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

a) The amount of revenue can be measured reliably.

b) It is probable that the economic benefits associated with the transaction will flow to the Company.

c) The stage of completion of the transaction, at the balance sheet date, can be measured reliably; and

d) The costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

i) Provisions and contingencies

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

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

i.1) Provisions

Liabilities that cover present obligations arising from past events, whose future settlement is likely to result in an outflow of resources, for which the amount and settlement date are uncertain.

i.2) Contingent liabilities

Possible obligations that arise from past events and whose existence is contingent upon the occurrence or non-occurrence of one or several future events beyond the control of the Company.

Adjustments arising from the discounting of the provision are recognized as a finance expense when accrued. Provisions expiring within one year are not discounted where the financial effect is not material.

Reimbursements receivable from a third party on settlement of the obligation shall not reduce the amount of debt; the company shall nonetheless recognize the related receivable as an asset, provided that there is no doubt as to its collection.

j) Assets of environmental nature

The Company, due to its line of business, has no environmental assets and has not incurred in any expenditure to minimize the environmental impact and to protect and improve the environment. Furthermore, there are not provisions for risks and expenses, nor contingencies related to the protection and improvement of the environment.

k) **Business combinations**

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

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

- Deferred tax assets and liabilities are measured at the amount expected to be paid or recovered from the taxation authorities, using the tax rates expected to prevail upon their reversal, based on the existing or approved and pending publication regulations as of the date of acquisition. Deferred tax assets and liabilities are not discounted.

- Assets and liabilities associated with long-term employee benefits under defined benefit schemes are accounted for at the acquisition date as the present value of the defined benefit obligation less the fair value of the plan assets out of which the obligations are to be settled.

- Intangible assets, the value of which cannot be measured in relation to an active market and would result in a recognition of income in the Profit and Loss Account have been deducted from the initially calculated negative goodwill.

- Assets received as compensation for contingencies and uncertainties are recognized and measured in a manner consistent with the item causing the relevant contingency or uncertainty.

- Reacquired rights recognized as an intangible asset are measured an amortized on the basis of their remaining term of the contract.

- Obligations classified as contingent liabilities are recognized as a liability at fair value, provided that the liability is a present obligation that arises from past events and the fair value can be measured reliably, even when it is not probable that an outflow of resources embodying economic benefits will result from settlement of the obligation.

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

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

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

l) Transactions with related parties

As a general rule, items involved in a transaction between related parties are initially recognized at fair value. If the agreed transaction price were not the fair value, the difference shall be recognized based on the economic reality of the transaction. Subsequent measurement is performed in accordance with the applicable standards.

m) Equity instruments-based payments

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

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

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

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

Options are recognized as a personnel expense in the Profit and Loss Account as vested over the period defined as the minimum required time in the Company's employ for the exercise of the option, except for options granted in 2016 that have been entirely recognized at the initial date, in accordance with principle of prudence, as a personnel expense and an offsetting entry is simultaneously recognized directly in equity without reassessing the initial measurement thereof. Since the offsetting entry is an increase in own funds ("Other equity instruments"), there is no impact whatsoever on the Equity of Antevenio SA. 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 financial instruments that are convertible to cash and have a maturity of three months or less from the date of acquisition, provided that there is no significant risk of changes in value and that they form part of the Company's usual cash management policy.

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

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

Investing activities are the acquisition, sale or disposal of non-current assets and other investments not included in cash and cash equivalents.

Financing activities are activities that result in changes in the size and composition of the equity and financial liabilities.

NOTE 5. PROPERTY, PLANT AND EQUIPMENT

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

	01/01/2016	Recognition	Derecognitions	Transfers	31/12/2016	Recognition	Derecognition	31/12/2017
Cost:								
Technical installations, machinery, tools, furniture and other items of PPE	417,535	41,417	(9,752)	-	449,200	85,298	(87,992)	446,506
	417,535	**41,417**	**(9,752)**	**-**	**449,200**	**85,298**	**(87,992)**	**446,506**
Accumulated Depreciation:								
Technical installations, machinery, tools, furniture and other items of PPE	(302,943)	(31,973)	9,752	(4,144)	(329,308)	(37,029)	87,992	(278,345)
	(302,943)	**(31,973)**	**9,752**	**(4,144)**	**(329,308)**	**(37,029)**	**87,992**	**(278,345)**
Provision for impairment:								
Technical installations, machinery, tools, furniture and other items of PPE	(4,144)	-	-	4,144	-	-	-	-
Net property, plant and equipment	**110,448**	**13,588**	**-**	**0**	**119,892**	**48,269**	**0**	**168,161**

Fully amortized intangible assets in use

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

	31/12/2016	31/12/2017
Technical installations, machinery, tools, furniture and other items of PPE	272,282	204,278
Total	**272,282**	**204,278**

Additional disclosures

At 31 December 2017 and 2016, the Company had no tangible fixed assets acquired from group companies or any tangible assets outside Spanish territory.

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

At 31 December 2017 and 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.

NOTE 6. INTANGIBLE ASSETS

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

	01/01/2016	Recognition	31/12/2016	Recognition	Derecognition	31/12/2017
Cost:						
Computer software	107,286	2,900	110,186	-	(18,090)	92,096
	107,286	**2,900**	**110,186**	**-**	**(18,090)**	**92,096**
Accumulated Amortization:						
Computer software	(54,121)	(20,082)	(74,203)	(16,886)	18,090	(72,998)
	(54,121)	**(20,082)**	**(74,203)**	**(16,886)**	**18,090**	**(72,998)**
Provision for impairment:						
Computer software	(9,315)	-	(9,315)	-	-	(9,315)
Net Intangible Assets Net	**43,850**	**(17,182)**	**26,668**	**(16,886)**	**-**	**9,783**

Fully amortized intangible assets in use

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

	31/12/2016	31/12/2017
Computer software	42,695	24,605
Total	**42,695**	**24,605**

Additional disclosures

At 31 December 2017 and 2016, the Company had no intangible assets acquired from Group companies or any fixed assets outside Spanish territory.

On 31 December 2017 and 2016, there were no firm purchase commitments for the acquisition of intangible assets.

NOTE 7. LEASES AND OTHER TRANSACTIONS OF SIMILAR NATURE

7.1) Operating leases (Company as lessee)

The charge to the income of the years 2017 and 2016 in respect of operating leases amounted to 362,463 Euros and 257,883 Euros, respectively.

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

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

7.2) Finance lease

The Company has contracted a finance lease for the computer hardware its uses to conduct its business. The Company's main finance lease is with a financial entity with maturity date on 28 July 2020. At 31 December 2017 future payments under this finance lease amounted to 37,739 euros (61,853 euros in 2016) which were recognized under "Finance lease payables" in both current and non-current liabilities (see Note 8.2.2).

NOTE 8. FINANCIAL INSTRUMENTS

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

8.1) Financial Assets

The breakdown of non-current financial assets at 31 December 2017 and 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	
	31/12/2016	31/12/2017	31/12/2016	31/12/2017
Loans and receivables (Note 8.1.1)	1,815,194	2,036,931	1,815,194	2,036,931
Total	**1,815,194**	**2,036,931**	**1,815,194**	**2,036,931**

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

	Loans, Derivatives and other		Total	
	31/12/2016	31/12/2017	31/12/2016	31/12/2017
Cash and cash equivalents (Note 8.1.a)	805,062	346,796	805,062	346,796
Loans and receivables (Note 8.1.1)	2,536,902	1,559,323	2,536,902	1,559,323
Total	**3,341,964**	**1,906,119**	**3,341,964**	**1,906,119**

a) Cash and cash equivalents

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

	Balance at 31/12/16	Balance at 31/12/17
Highly liquid investments (a)	300,000	-
Current accounts and treasury	505,062	346,796
Total	**805,062**	**346,796**

(a) Relates to bank deposits in several financial institutions. These deposits were available and payable on a day margin from cancellation. In 2017 the Company has terminated these deposits.

8.1.1) Loans and receivables

The breakdown of this heading is as follows:

Trade receivables	Balance at 31/12/2016 Non-current	Balance at 31/12/2016 Current	Balance at 31/12/2017 Non-current	Balance at 31/12/2017 Current
Trade receivables, Group companies (Note 18)	-	2,470,795	-	1,331,216
Third-party receivables	-	3,760	-	-
Advances to personnel	-	94	-	339
Total trade receivables	**-**	**2,474,649**	**-**	**1,331,555**
Non-trade receivables				
Loans and interest receivable, Group companies (Note 18)	1,762,000	-	1,982,193	-
Current account balances with Group companies (Nota 18)	-	-	-	-
Dividend receivable from Group company (note 18)	-	-	-	-
Debt securities	-	60,753	-	77,039
Other financial recievables Group Company	-	-	-	150,729
Loans to third parties	29,991	-	29,991	-
Guarantees and deposits	23,202	1,500	24,747	-
Total non-trade receivables	**1,815,194**	**62,253**	**2,036,931**	**227,768**
Total	**1,815,194**	**2,536,902**	**2,036,931**	**1,559,323**

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

Impairment	Balance at 01/01/2016	Impairment loss	Impairment reversal / Application of the provision	Balance at 31/12/2016	Impairment loss	Impairment reversal	Application of the provision	Balance at 31/12/2017
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 31 December 2017 non-current financial liabilities relate to the instalments resulting from finance lease contracts with non-current maturity (see Note 7) and to the financial liability arising from the business combination disclosed under Note 21, that have been both classified as "Debts and payables".

The breakdown of current financial liabilities is as follows:

	Debts with financial institutions		Other		Other	
	31/12/2017	31/12/2016	31/12/2017	31/12/2016	31/12/2017	31/12/2016
Debts and payables (Note 8.2.1)	6,988	13,376	866,669	2,811,256	873,657	2,824,632
Total	**6,988**	**13,376**	**866,669**	**2,811,256**	**873,657**	**2,824,632**

At 31 December 2016, 200,846 Euros in "Other financial liabilities" under current liabilities relate to the debt resulting from the prior years' agreement entered into with the Management Team of Antevenio Publicité. This liability was settled by the Company during 2017.

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 2016 Profit and Loss Account (see Note 14 c).

8.2.1) Debts and Payables

The breakdown of "Debts and Payables" is as follows:

	31/12/2016	31/12/2017
Trade payables:		
Suppliers	459,586	272,592
Trade payables, Group companies and associates (Note 18)	311,759	231,784
Other payables	367,302	171,125
Total trade payables	**1,138,647**	**675,501**
Non-trade payables:		
Debts with financial institutions	13,376	6,988
Finance lease payables	20,225	16,075
Other financial liabilities	200,846	384
Loans and other payables	**234,447**	**23,447**
Personnel (outstanding remunerations)	244,059	172,110
Advances from customers	9,317	9,317
Total non-trade payables	**253,376**	**181,427**
Current payables to Group companies and associates (Note 18)	1,198,162	9,741
Total debt to the Group	**1,198,162**	**9,741**
Total Debts and payables	**2,824,632**	**890,116**

8.2.2) Additional disclosures related to financial liabilities

a) Classification by maturity

At 31 December 2017 and 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	6,093	6,327	6,567	2,679	-	21,664
Other financial liabilities	321,473	792,007	869,814	-	-	1,983,294
Total	**327,565**	**798,334**	**876,380**	**2,679**	**-**	**2,004,958**

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**

NOTE 9. GROUP COMPANIES, JOINTLY CONTROLLED ENTITIES AND ASSOCIATES

At 31 December 2017, the breakdown of the Company's interests in Group and Jointly-Controlled Companies 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	4,071,555	-	4,071,555
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
			14,102,012	**-**	**14,102,012**

(1) See Note 21 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.

None of these companies is listed.

At 31 December 2017, the Company's directors believe the net carrying amount of interests in subsidiaries is recoverable, taking into account the estimates of its share in the cash flows from ordinary activities expected to be generated by investee companies. The Company's management has based its cash flow projections to support the recoverable value of investments on the following assumptions:

- 5-year projections of cash flows, based on the business plans provided for by the Company's management.

- The growth rate of the cash flows used for the following years has been based on each company and each geographic market.

- The discount rate applied was approximately 12%.

- A perpetual growth rate of 1.4%.

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

At the close of financial year ended 31 December 2017, no circumstances have arisen that may imply changes to the assumptions used and conclusions reached by the Company at year-end 2016.

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

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

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

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

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

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

Billancourt, France.

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

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

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

React2Media, L.L.C. Its corporate purpose is the provision of a comprehensive service of on-line advertising networks, offering a complete array of interactive marketing opportunities to media agencies, direct advertisers and editors. The company has its registered address at 35 W 36th St, New York, NY 10018, USA.

At 31 December 2017, the breakdown of the equity, in Euros, of the investees was as follows:

	Share capital	Reserves	Prior periods' profit/(loss)	Grants	Translation differences	Profit/(loss) for the year	Equity
Antevenio, S.R.L.	10,000	2,706,307	-	-	-	(193,381)	2,522,926
Mamvo Performance, S.L.	33,967	2,189,430	(876,135)	35,836	-	768,859	2,151,957
Marketing Manager Servicios de Marketing, S.L.	99,800	24,169	(1,019,717)	-	-	(111,860)	(1,007,609)
Antevenio Mexico	4,537	-	400,013	-	(171,253)	400,949	634,246
Antevenio ESP, S.L.U. (formerly Diálogo Media S.L.U)	3,010	508,173	-	-	-	1,389,996	1,901,179
Codigo Barras Network S.L.U.	4,639	730,055	(1,207,491)	-	-	223,964	(248,833)
Antevenio Francia, S.R.L.	2,000	-	(762,520)	-	-	(5,089)	(765,610)
Antevenio Publicité S.A.S.U.	101,913	763,324	-	-	-	(184,950)	680,286
Antevenio Rich & Reach S.L.	3,000	151,702	(344,242)	-	-	151,612	(37,928)
React2Media, L.L.C. (see Note 21)	5,099	-	161,322	-	(10,066)	35,975	192,330

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

	Share capital	Reserves	Prior periods' profit/(loss)	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)

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

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

10.1.1) Credit Risk

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

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

10.1.2) Exposure to liquidity risk

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

10.1.3) Exchange rate risk

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

NOTE 11. EQUITY

11.1) Equity Capital

At 31 December 2017 and 2016, the social capital of the Parent Company is comprised by 4,207,495 securities at 0.055 Euros each, fully subscribed and paid. 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 31 December 2017 and 2016, direct and indirect shareholders of the Company were as follows:

	No. of Shares	% Ownership
ISP Digital SLU	3,496,008	83.09%
Other	454,407	10.80%
Nextstage	257,080	6.11%
Total	**4,207,495**	**100.00%**

11.2) Reserves

At 31 December 2017 and 2016 the breakdown of Reserves is follows:

Reserves	31/12/2016	31/12/2017
Legal reserve	46,282	46,282
Voluntary reserves	3,615,444	2,412,700
Share premium	8,189,787	8,189,787
Total	**11,851,514**	**10,648,769**

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 31 December 2017 and 31 December 2016, the Company's legal reserve is fully allocated.

b) Dividends

On 13 September 2017 the Extraordinary General Meeting of Shareholders approved the distribution of a dividend, charged against voluntary reserves, of 0.30 euro per share, amounting to a total of 1,202,744 euro that have entirely been paid out.

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.

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

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

At 31 December 2017 and at 31 December 2016, the Company held 198,348 shares representing 4.7% of share capital. At 31 December 2017 and at 31 December 2016 these treasury shares amounted to 513,805 Euros.

In 2016 and 2017 the Company did not execute any transaction with treasury shares.

At 31 December 2016 and 2017 the breakdown of treasury shares is follows:

	Balance at 12/31/2016		Balance at 12/31/2017	
Company	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**

NOTE 12. FOREIGN CURRENCY

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

Translation differences	31/12/2016	31/12/017
Translation gains:		
Realized during the period	1,875	2,625
Translation losses:		
Realized during the period	(8,396)	(2,234)
Total	**(6,521)**	**391**

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 and balances in foreign currency executed during the financial year ended 31 December 2017 and in 2016 are immaterial for the Annual Accounts.

NOTE 13. TAXATION

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

	31/12/2016		31/12/2017	
	Receivable	Payable	Receivable	Payable
Current:				
Value Added Tax	-	(356,221)	-	(72,050)
Deferred tax liabilities (*)	-	-	-	-
Deferred tax assets (*)	273,382	-	369,094	-
Taxation Authorities, recoverable taxes	297,617	-	-	-
Taxation Authorities, taxes payable	-	(5,973)	-	(5,973)
Withholdings for Personal Income Tax	-	(53,526)	-	(493)
Current tax liabilities	-	(28,404)	-	(28,404)
Social Security	-	(13,979)	-	(13,553)
	570,999	**(458,102)**	**369,094**	**(120,473)**

(*) Classified in the 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 161.610 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:

	31/12/2016 Profit and Loss Account			31/12/2017 Profit and Loss Account		
Profit/(loss) for the year (after taxes)		(11,009)			2,957,658	
	Increases	*Decreases*	*Net effect*	*Increases*	*Decreases*	*Net effect*
Income Tax	6,376	-	6,376	38,355	-	38,355
Permanent differences	-	(1,109,624)	(1,109,624)	37,022	(2,820,880)	(2,783,858)
Temporary differences	1,070,700		1,070,700	45,000	(48,000)	(3,000)
Exemption for double international taxation	-	-	-		-	-
Application of tax loss carryforwards	-	-	-	-	-	-
Tax base (Taxable income)	-	-	(43,557)		-	132,445
Gross tax payable	-	-	-			33,111
Tax credits for R&D&I	-	-	-		-	-)
Net tax payable	-	-	-		-	33,111
Withholdings and payments on account	-	-	(62,328)		-	(163,947)
Accounts with Fiscal Group Companies						546,135
Tax payable / (recoverable) (1)	-	-	(62,328)		-	415,299

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

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

The breakdown of recognized deferred tax assets is as follows:

	31/12/2016	31/12/2017
Temporary differences	267,675	340,095
Tax loss carryforwards	5,707	28,999
Total deferred tax assets	273,382	369,094

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

NOTE 14. REVENUE AND EXPENSES

a) Employee benefit expense

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

	31/12/2016	31/12/2017
Social security payable by the company	(107,897)	(124,172)
Employee benefits expense	(36,096)	(40,135)
Employee benefit expense	**(143,992)**	**(164,308)**

b) Net Finance Income / (Expense)

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

	31/12/2016	31/12/2017
Income:		
Dividends		2,800,000
Income from loans to Group companies	52,919	17,049
Other finance income	10,784	12,297
Total finance income	**63,703**	**2,829,345**
Expense:		
Debts with Group companies and associates		(12,337)
Other Finance Expense	(13,011)	(24,099)
Total finance expense	**(13,011)**	**(36,436)**

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 2016 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	31/12/2016 Euro	%	31/12/2017 Euro	%
Marketing and online advertising	6,942	0%	0	0%
Provision of services (Fees)	2,143,170	100%	2,277,426	100%
Total	**2,150,111**	**100%**	**2,277,426**	**100%**

Geographic segmentation	31/12/2016 Euros	%	31/12/2017 Euro	%
Spain	1,536,122	65%	1,810,275	80%
Europe	432,163	27%	165,024	7%
International (excl. Europe)	181,826	8%	302,127	13%
Total	**2,150,111**	**100%**	**2,277,426**	**100%**

NOTE 15. ENVIRONMENTAL INFORMATION

The Company has no significant assets nor has it incurred in expenses intended to minimize environmental impact or to protect and improve the environment. Furthermore, there are not provisions for risks and expenses, nor contingencies related to the protection and improvement of the environment.

NOTE 16. GUARANTEES AND SECURITIES

At 31 December 2017 and 2016, the Company provided guarantees to banks and government agencies, as follows:

Guarantees	31/12/2016	31/12/2017
Lessor of Head Office	53,812	231,489
Total	**53,812**	**231,307**

NOTE 17. EVENTS AFTER THE BALANCE SHEET DATE

There are no significant events to be reported after the close of the financial year ended 31 December 2017

NOTE 18. TRANSACTIONS WITH GROUP COMPANIES AND RELATED PARTIES

18.1)Balances with group companies

At 31 December 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 SR.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**	**-**	**-**	**-**	**-**	**220,193**	**300,000**	**1,982,193**
1. Non-current investments in Group companies	**100,000**	**500,000**	**600,000**	**-**	**262,000**	**-**	**-**	**-**	**-**	**220,193**	**300,000**	**1,982,193**
a) Loans to companies (1)	100,000	500,000	600,000	-	262,000	-	-	-	-	220,193	300,000	1,982,193
B) CURRENT ASSETS	**293,821**	**40,476**	**86,976**	**510,947**	**221,037**	**132,343**	**320,142**	**94,767**	**69,316**	**14,271**	**82,521**	**1,866,616**
1. Trade and other receivables	**88,334**	**80,382**	**14,116**	**166,355**	**169,723**	**132,343**	**320,142**	**94,767**	**69,316**	**12,652**	**75,418**	**1,223,548**
a) Current trade receivables	88,334	80,382	14,116	166,355	169,723	132,343	320,142	94,767	69,316	12,652	75,418	1,223,548
b) Trade receivables, Group companies												-
2. Current investments in group companies	**205,487**	**(39,907)**	**72,860**	**344,592**	**51.314**	**-**	**-**	**-**	**-**	**1,619**	**7,102**	**643,068**
a) Receivables accounts	12,435	-	33,007	-	-	-	-	-	-	1,619	29,978	77,039
b)Current account	193,051	**(39,907)**	39,853	**344,592**	**51,314**						(22,876)	566,029
C) NON-CURRENT LIABILITIES	**-**	**-**	**-**	**(500,000)**	**-**	**-**	**-**	**-**	**-**	**-**	**(765,000)**	**(1,265,000)**
1. Non-current payables to Group companies and associates	**-**	**-**	**-**	**(500,000)**	**-**	**-**	**-**	**-**	**-**	**-**	**(765,000)**	**(1,265,000)**
Total Non Current	**100,000**	**500,000**	**600,000**	**(500,000)**	**262,000**	**-**	**-**	**-**	**-**	**220,193**	**(465,000)**	**717,193**
D) CURRENT LIABILITIES	**-**	**-**	**-**	**(24,713)**	**-**	**-**	**-**	**(209,650)**	**-**	**-**	**(5,891)**	**(240,254)**
1. Current payables to Group companies and associates	**-**	**-**	**-**	**(3,850)**	**-**	**-**	**-**	**-**	**-**	**-**	**(5,891)**	**(9,741)**
2. Trade and other payables	**-**	**-**	**-**	**(20,863)**	**-**	**-**	**-**	**(209,650)**	**-**	**-**	**-**	**(230,513)**
Total Current	**293,821**	**40,476**	**86,976**	**486,234**	**221,037**	**132,343**	**320,142**	**(114,884)**	**69,316**	**14,271**	**76,630**	**1,626,362**

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 SR.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.

18.2)Transactions among Group companies

The amount of transactions during 2017 included in the accompanying Profit and Loss Account was as follows:

Transactions Performed	Services received	Sales and services rendered	Interests Paid	Interests Charged	Share profit distribution
Mamvo Performance, S.L.U.	-	383,015	1,543	-	1,000,000-
Marketing Manager	-	245,173	-	-	-
Código barras Networks	(6,500)	13,313	9,258	(2,597)	-
Antevenio ESP, S.L.U.	(48,671)	740,834	-	(3,850)	1,800,000
Antevenio Argentina	-	16,114	-	-	-
Antevenio S.R.L. (Italy)	(103,664)	96,536	-	-	-
Antevenio México	-	273,361	-	-	-
Antevenio Publicité	-	68,487	-	-	-
React2Media	-	12,652	1,619		
Antevenio Rich & Reach	-	327,414	4,629	-	-
	(158,835)	**2,176,899**	**17,049**	**(6,447)**	**2,800,000**

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**

At 31 December 2017 the breakdown of balances with related parties was as follows:

Related Party (31 December 2017)	Balance Receivable	Balance Payable
ISP Digital SLU	96,800	-
ISP (Income Tax)		(415,299)
Acceso Group		1270
Digilant Spain	10,834	-
Digilant, Inc	34	-
Total Group companies	**107,668**	**(416,569)**

At 31 December 2016 the balances withe 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 2017 and during 2016 is as follows:

During 2017 transactions with related parties were as follows:

2017	ACCESO GROUP	ISP DIGITAL
Sales	-	-
Purchases	-	-
Services rendered	-	80,000
Services received	12,600	-
Total	**12,600**	**80,000**

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 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:

	31/12/2016	31/12/2017
Wages and salaries	457,832	436,702
Total	**457,832**	**436,702**

In addition to these amounts, accrued remunerations arising from share-based payments disclosed under Note 19 should be included. At 31 December 2017 and 2016, there are no commitments for pension supplements, guarantees or sureties extended to Directors.

Other disclosures related to the Board of Directors

In compliance with the provisions of Section 229 of the Spanish Corporations Law, Directors and the related parties referred to in Section 231 of the Spanish Corporations Law, have not entered into situations of conflict of interests.

NOTE 19. EQUITY INSTRUMENTS-BASED PAYMENT TRANSACTIONS.

On 25 June 2015 the Annual General Meeting of the Company approved a remuneration plan consisting in remuneration system, options on shares, linked to the value of the Company's shares, for certain Executive Directors and Managers and Employees of the 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 two years and six months.

Additionally, the AGM delegated to the Board of Directors of the Company the development, settlement, clarification and interpretation of the terms of the remuneration plan, that was approved by the Board of Directors on 16 December 2015.

Changes in existing options were as follows:

	31/12/2016		31/12/2017	
	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 of the Company the development, settlement, clarification and interpretation of the terms of the remuneration plan, that was approved by the Board of Directors on 16 December 2016.

Changes in the above mentioned options were as follows:

	31/12/2016		31/12/2017	
	Number	**Weighted average price**	**Number**	**Weighted average price**
Granted options (+)	125,000	-	125,000	-
Options at the end of the year	125,000	-	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 contemplated launching in 2016 a Public Takeover Bid on the Company's shares (see Note 11) among the requirements for the early exercise and accrual of the relevant options. Accordingly, the remaining amounts were been entirely recognized in 2016. At 31 December 2016, the effect thereof on the Company's equity amounted to 347,700 Euros recognized under "Other equity instruments".
At 31 December 2016, the value of 2016 Plan shares (675,000 Euros) has been entirely recognized, in accordance with the principle of prudence, as a personnel expense during the reporting period where the agreement was entered into, irrespective of the minimum required stay in the Company. Since the offsetting entry resulted in an increase in own funds ("Other equity instruments"), there is no impact whatsoever on the Equity of the Company.

NOTE 20. OTHER INFORMATION

The average number of persons employed is as follows:

	31/12/2016	31/12/2017
Management	3	3
Administrative	7	7
	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:

	31/12/2016		31/12/2017	
Professional Category	**Men**	**Women**	**Men**	**Women**
High Management	3	-	3	-
Administrative	2	5	2	5
	5	5	5	5

In 2017 the fees earned by the auditors of the consolidated group totaled 13,000 euro (13,000 euro in 2016).

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 Days	2016 Days
Average period of time for payment to suppliers	49.65	59.92
Percentage of paid transactions	48.76	53.43
Percentage of transactions pending payment	58.95	87.58
	Amount (Euro)	**Amount (Euro)**
Total payments made	1,499,059	1,110,956
Total payments pending	37,712	260,598

NOTE 21. BUSINESS COMBINATIONS

On 22 June 2017 the Company has completed the acquisition of 51% of the shares in the US company React2Media, L.L.C for a consideration of 2,250,000 dollars (2,022,275 euros); the entire amount of the consideration was paid to the counterparty on 23 June 2017. This company will thereafter be included within the consolidation scope and fully consolidated.

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

Both the Group and the selling shareholders have mutually granted themselves unconditional put option rights and call option rights over the remaining 49% shares in the investee, which may be exercised within the same term and for the same amount. These options have a floating price based on certain parameters relating to the investee's performance over financial years 2018, 2019 and 2020; however, total acquisition value may not exceed 8.5 million dollars (of which 2.25 million dollars have already been paid for the acquisition of 51% of shares). Sale price is subject to the fulfilment of certain continuance conditions by the sellers.

In accordance with the International Financial Reporting Standards and based on the existence of cross put and call options with the same value and the same exercise period, the transaction has been treated as an early acquisition of a non-controlling interest pursuant to the requirements of *IAS 32 Financial Instruments: Presentation*, which provides that a contractual obligation to deliver cash to another entity is a financial liability.

The amount recognized at 31 December 2017 as a financial liability relates to the best estimate, as of the date of preparing these Financial Statements, of the expected amount to be paid; the fair value of this financial liability has been measured at 1.94 million Euros, recognized under "Other non-current liabilities".

The ordinary income and profit/(loss) contributed by the investee during the period between the acquisition date, 22 June 2017, and 31 June 2017 were not material.

The breakdown of the consideration given is as follows:

Fair value of the consideration given	**Euros**
Cash paid	2,102,903
Put options granted to minority interests	1,933,648
Contingent consideration	35,004
Total consideration given	**4,071,555**

Goodwill arising from the acquisition has been allocated to the Cash Generating Unit relating to the investee's business and relates to the workforce and synergies resulting from Antevenio Group's entry in the United States market drawing on the investee to expand the Group's various business lines.
The Company has considered that fair value of the identifiable assets and liabilities acquired is equal to the relevant carrying values as of the of the acquisition date. As shown in the table above, almost all the assets and liabilities acquired relate to working capital.

The breakdown of fair value of trade receivables as of the acquisition date is as follows:

Thousands of euro	Contractual gross amount	Impairment adjustment	Fair value
Trade receivables	1,198,620	0.00	1,198,620

As of the date of preparing these 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 12 months from the acquisition date.

MANAGEMENT REPORT

ANTEVENIO, S.A.

MANAGEMENT REPORT FOR THE YEAR 2017

To the shareholders

2017

SITUATION OF THE ACTIVITY AND RESULTS OF ANTEVENIO, S.A. DURING THE YEAR ENDED 31 DECEMBER 2017

1. Turnover and Results of Antevenio S.A. during the year 2017

During 2017, turnover reached a total of 2.2 million Euro, which is similar to 2016 turnover.
From July 2013, almost all the activity of the Media Trading division was transferred to Antevenio Rich & Reach, S.L.U., a 100% subsidiary of Antevenio S.A.. From 2014 Antevenio S.A. is mostly engaged in the provision of corporate services to its subsidiaries and other units in the Group.

Profit for the year was 3 million, compared to break even in 2016.

2. Turnover of Antevenio S.A. subsidiaries in 2017

Thousands of euro

Turnover

Mamvo Performance, S.L.U.	5,492
Antevenio, S.R.L.	5,189
Marketing Manager de Servicios de Marketing, S.L.	1,883
Antevenio ESP S.L.U	5,403
Código Barras Networks, S.L.U	1,362
Antevenio Argentina S.R.L.	211
React2Media	2,742
Antevenio Publicite S.R.L.	2,841
Antevenio Mexico, S.A de C.V	4,374
Antevenio SA	2,175
Antevenio, Rich & Reach, S.L.U.	4,371

During the year, no interests in investees have been sold.

3. Significant events during 2017

In 2017 the Antevenio Group has maintained the upward trend that began in 2014, registering a 13% increase versus 2016 turnover.

In 2017, investments and new activities initiated in prior years have consolidated, strengthening the leading position of Antevenio in the markets where it operates.

PROSPECTS

Antevenio faces 2018 with an upward trend in its global operations. The Company expects that growth rates registered in all markets where the Company operates will continue next year, as it has all the resources, related both to finances and production, to face a 2018 where growth shall be coupled with profitability. Our financial strength, with a treasury position larger than the one we had at the beginning of 2017, our range of products and the investments made in prior years lead us to expect a strengthening of our leadership and further gains in the market share.

FIXED ASSET ADDITIONS

Additions of items of property, plant and equipment amounted to 85 thousand Euros in 2017 and relate mainly to information technology equipment and to works carried out in our offices.
During 2017 there were no additions of intangible assets.

RISKS

The principal risks and uncertainties that the Antevenio Group could face are the following:

Competition Risk

In an industry constantly evolving and offering high growth rates, new players have entered the Spanish and Italians, the most important markets where Antevenio operates. However, given the experience of over ten years in this market, the position and visibility of Antevenio and the quality of our services, Directors believe the Company will continue to occupy a leading position.

Customer and Supplier Dependency Risk

The risk of dependency on customers and suppliers is limited because none bears significant weight in the turnover of Antevenio, S.A. and because Antevenio S.A. is basically engaged in the provision of corporate services to its subsidiaries and to several Group units, and, accordingly, it does not depend on customers from outside the consolidation perimeter.

With regard to technology providers, the risk is small because the services provided by these companies are offered by other actors competing with them and which could, therefore, provide Antevenio with similar services.

"Key-Person" Risk

We believe that one of Antevenio's main assets lies in having been able to assemble a team of managers and key executives in the company's strategic positions.

Regulatory Risks

In ordinary course of its business, Antevenio Group performs a number of personal data processing both as Data Processor and as Data Comptroller.

Antevenio Group is deeply aware of the importance of the regulations governing personal data, electronic communications, privacy and commercial communications, and uses all available means to achieve a scenario of utmost compliance therewith.

The legal framework governing the company's business and its operations is formed by the following regulations:

1.Organic Law 15/1999, of 13 December, on Personal Data Protection (in force, at least, until 25 May 2018).
2.Royal Decree 1720/2007, of 21 December, approving the Implementing Regulations of Organic Law 15/1999, of 13 December, on Personal Data Protection (in force, at least, until 25 May 2018).
3.Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation).
4.Draft Organic Law on Personal Data Protection.
5.Law 34/2002, of 11 July, on Information Society Services and Electronic Commerce.
6.Proposal, dated 10 January 2017, for a Regulation of the European Parliament and of the Council concerning the respect for private life and the protection of personal data in electronic communications and repealing Directive 2002/58/EC (Regulation

on Privacy and Electronic Communications).
7.Guides, guidelines and other relevant materials issued by the Spanish Data Protection Agency and the so-called Article 29 Working Group on Data Protection.

Antevenio Group is currently in the process of adaptation to the existing and upcoming regulations, by way of the creation and implementation of privacy management system (PMS) and the permanent monitoring thereof by the Legal and Privacy team.

Antevenio Group is aware of the increased regulations concerning the digital marketing business, and has engaged two providers (INT55 and DELOYERS) to promote legal compliance and to provide assistance in the event of any incident occurring.

Processing of personal data in order to provide direct marketing services is not without risks, accordingly Antevenio has a contract with the company INT55 in order to exercise constant vigilance on the evolution of the law and its application by Antevenio.

PERSONNEL

The Group's average headcount in 2017 was 10, 10 in 2016.

SHAREHOLDING STRUCTURE

Companies holding direct or indirect interests equal to or greater than 5% in the Company's share capital are as follows:
at 31 December 2017 were as follows:

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

	No. of Shares	% Ownership
Inversiones y Servicios Publicitarios, S.A.	3,496,008	84.09%
Other	404,340	9.73%
Nextstage	257,080	6.18%
Total	**4,157,428**	**100.00%**

TREASURY SHARES

The company has a contract with the Gilbert Dupont company, with the purpose of, without interfering with the normal development of the market and in strict compliance with the securities markets regulations, increasing the liquidity of transactions involving shares, the consistency of share prices and avoiding fluctuations not caused by the market trend itself. Antevenio, whose shares are traded in the Euronext Growth market, has complied with the regulations of this market in relation to operations performed under the contract.

Information on the authorization to acquire treasury shares

Pursuant to the provisions of Articles 146 and sequitur of the Spanish law on Corporations, the Annual General Meeting unanimously approved on 28 June 2017 authorizing and empowering the Board of Directors to acquire on behalf of the Company, either directly or through any of the Company's subsidiaries, own shares, at any time and as many times as deemed appropriate, thereto using any legally admitted means, including profit for the year and/or unrestricted reserves, on the following terms:

(a) The treasury shares may be directly acquired by the Company or indirectly acquired through subsidiaries under the terms of the resolution;
(b) Treasury shares may be acquired through purchase, swap or any other legally permitted transaction;
(c) The sum of the nominal value of treasury shares directly or indirectly acquired by the company and the nominal value of any treasury shares already held by the acquiring company and its subsidiaries and, where applicable, the Parent Company and its subsidiaries, shall not exceed ten percent (10%) of the Company's share capital.
(d) Treasury shares may not be acquired at a price above 15 euro or at a price below 2 euro.
(e) The authorization shall be valid for a maximum period of eighteen (18) months as from the date of its approval.
(f) In compliance with the provisions of Section 146.1b) of the Spanish Corporations Law, as a result of the acquisition of treasury shares, including treasury shares previously acquired by the Company or by any person acting on its own name but on behalf of the Company, the resulting equity shall not be reduced below the Company's share capital plus legal or statutorily restricted reserves.

The authorization expressly states that any treasury shares acquired thereunder may be used for:

(i) Disposal or redemption thereof;

(ii) implement remuneration systems provided for in paragraph 3 of letter a) of Article 146.1 of the Spanish law on Corporations, and to develop schemes to promote shareholding in the capital of companies, such as granting shares or options on shares, or remuneration packages linked to share or similar instruments price, to be directly delivered to employees or directors of the company, or as a result of the exercise of any rights they might be entitled to;

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

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

Approval of a share-based remuneration plan for executive directors and senior management Delegation of powers

The Company's shareholders unanimously approved a share-based remuneration plan consisting in the free of charge delivery of Company shares to certain Executive Directors and members of Senior Management.

To this end, the following parameters were agreed:

(i) The maximum number of shares that can be granted over the entire Plan, at the maturity date thereof, shall be one hundred and twenty five thousand (125,000) shares to be distributed among Beneficiaries;

(ii) any and all shares granted under the Plan shall be delivered free of charge;

(iii) share value shall be the market value of the share on the relevant delivery day;

(iv) The term of the Plan shall end on 31 August 2019.

Additionally, the AGM delegated to the Board of Directors, with express powers to substitute itself, the powers relating to the development, settlement, clarification and, where appropriate, interpretation of the terms of the remuneration plan.

<u>Balances and Transactions with Directors and High Management</u>

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

The amounts accrued by the Directors or by members of Senior Management, under all headings, are as follows:

	High Management	
	31/12/2016	**31/12/2017**
Wages and salaries	457,832	436,702
Total	**457,832**	**436,702**

At 31 December 2017 and 2016, there are no commitments for pension supplements, guarantees or sureties extended to Directors, nor loans or advances granted to Directors.

Other disclosures related to the Board of Directors

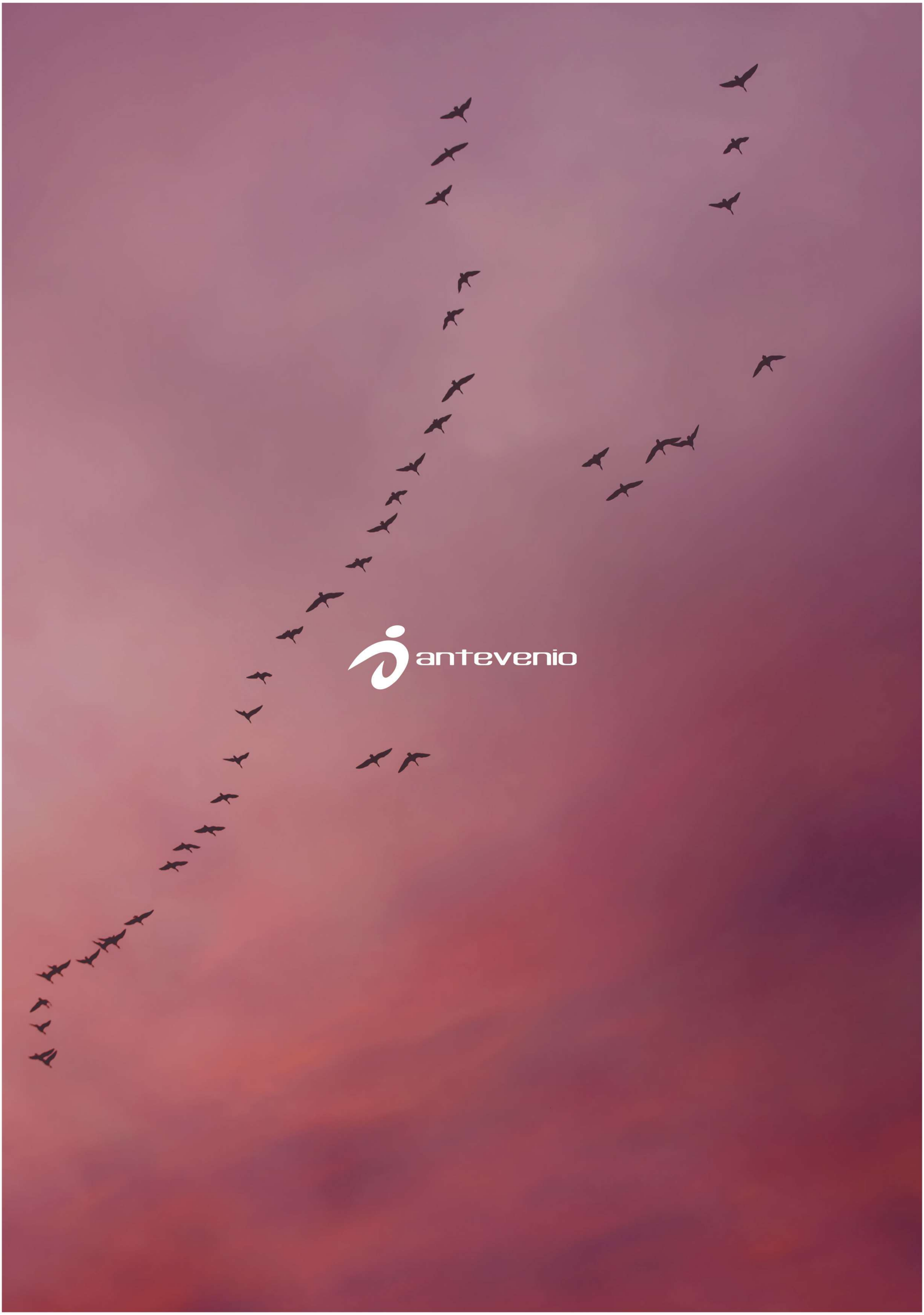
In compliance with the provisions of Section 229 of the Spanish Corporations Law, Directors and the related parties referred to in Section 231 of the Spanish Corporations Law, have been asked about any conflicting interests, direct or otherwise, between Directors and their respective related parties and the Company.

RESEARCH AND DEVELOPMENT ACTIVITIES

In 2017 the Company has continued several R&D projects, including: Coobis, a marketplace platform for content publishing services. MDirector and its transformation into a cross-channel platform, as well as development of the various applications:

- Real Time Bidding,
- Marketing Automation,
- Email Transactional,
- Multi-Step Landing Pages.

Finally, a project has been developed to unify architecture, infrastructures and services in Antevenio portals, in order to achieve significant savings in resources used and to streamline and simplify the launching of new vertical communities.


antevenio