

ANTEVENIO, S.A.

Financial Statements and Management Report for the year
ended 31 December 2016

Includes the Annual Accounts Audit Report

Independent auditor's report on the annual accounts

To the shareholders of Antevenio, S.A.

Report on the annual accounts

We have audited the accompanying annual accounts of Antevenio, S.A. (hereafter, 'the Company') which comprise the balance sheet at 31 December 2016, 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.

Responsibility of the directors concerning the annual accounts

The directors 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 Antevenio, S.A., in accordance with the framework of financial reporting standards applicable to the entity in Spain, which is explained in note 2 to the annual accounts, 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.

Responsibility of the auditor

Our responsibility is to express an opinion on the accompanying annual accounts based on our audit. We conducted our audit in accordance with the legislation regulating the auditing of financial statements in Spain. This legislation requires that we comply with ethical requirements and plan and execute our audit to obtain reasonable assurance about whether the annual accounts are free from material misstatement.

An audit requires the performance of procedures to obtain audit evidence about the amounts and disclosures in the annual accounts. The procedures selected depend upon the judgement of the auditor, including the assessment of the risks of material misstatement in the annual accounts, due to fraud or error. In making those risk assessments, the auditor takes into account the internal controls relevant to the preparation of annual accounts by the entity, in order to design audit procedures that are appropriate in the circumstances, but not with the aim of expressing an opinion on the effectiveness of the internal controls of the entity. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the presentation of the annual accounts as a whole.

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

Basis for Qualified Opinion

On 31 December, 2016, Antevenio, S.A. has registered a expense for the stock option plan as shown in note 19 amounting to 675,000 euro. This expense does not comply with the requirements set in the applicable regulation and thus cannot be completely considered as expense in this financial year. Instead, this amount needs to be registered according to the period of permanence established in the mentioned plan. Therefore, on 31 December, 2016 the epigraph of personnel expenses is overstated by 528,750 euro and the Group result would increase in the same amount. 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.

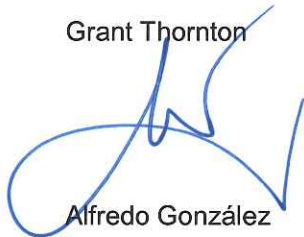
Qualified Opinion

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 Antevenio, S.A. at 31 December 2016, and of the results of its operations and its cash flows for the year ended on that date, in accordance with the applicable framework of financial reporting standards, and in particular, in compliance with the accounting principles and criteria contained in that framework.

Report on Other Legal and Regulatory Requirements

The attached report of the directors for 2016 contains the explanations that the directors consider necessary concerning the situation of the Company, the development of its business and other matters. It does not form an integral part of the annual accounts. We have verified that the accounting information contained in the aforementioned report of the directors agrees with the 2016 annual accounts. Our work as auditors is limited to verifying the report of the directors in accordance with the scope mentioned in this paragraph and does not include the review of any information other than that obtained from the accounting records of the Company.

Grant Thornton



Alfredo González

18 April 2017

ANTEVENIO S.A.

ANNUAL ACCOUNTS AS OF DECEMBER 31 OF 2016

ANTEVENIO, S.A.**Balance Sheet at December 31, 2016 (Expressed in Euros)**

ASSETS	Note	31.12.2016	31.12.2015
NON-CURRENT ASSETS		12,265,593	11,761,539
Intangible assets	6	26,668	43,849
Computer software		26,668	43,849
Property, plant and equipment	5	119,892	110,448
Technical installations and other items		119,892	110,448
Non-current investments in group companies and associates		11,792,457	11,543,350
Equity instruments	9	10,030,457	10,031,350
Long-term loans to group companies and associates	8.1 & 18	1,762,000	1,512,000
Non-current investments	8.1	53,194	57,499
Loans to companies		29,991	29,991
Other financial assets		23,202	27,508
Deferred tax assets	13	273,382	6,392
CURRENT ASSETS		3,639,581	3,298,694
Trade and other receivables		2,772,266	1,876,513
Trade receivables	8.1	3,760	12,995
Trade receivables from group companies and associates	8.1 & 18	2,470,795	1,679,719
Personnel	8.1	94	1,528
Current tax assets	13	297,617	181,946
Other receivables from Public Entities	13	-	324
Current investments in group companies and associates	8.1 & 18	59,991	668,461
Debt securities		59,991	55,358
Other financial assets		-	613,102
Current investments	8.1	2,263	895
Debt securities		763	545
Other financial assets		1,500	350
Cash and cash equivalents	8.1	805,062	752,826
Cash		505,062	126,826
Cash equivalents		300,000	626,000
TOTAL ASSETS		15,905,174	15,060,232

ANTEVENIO, S.A.

Balance Sheet at December 31, 2016 (Expressed in Euros)

EQUITY AND LIABILITIES	Note	31.12.2016	31.12.2015
EQUITY		12,580,812	11,638,661
Capital and reserves	11	12,580,812	11,638,661
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	3,661,727	2,731,828
Legal and statutory reserves		46,282	46,282
Other reserves		3,615,444	2,685,546
(Treasury shares and equity holdings)	11.2 d	(513,805)	(513,805)
Pofit/(loss) for the year		(11,009)	929,898
Other equity instruments	19	1,022,700	69,540
		41,629	1,257,551
NON-CURRENT LIABILITIES			
Non-current payables		41,629	1,257,551
Finance lease payables		41,629	4.843
Other financial liabilities	8.2	-	1,252,709
		3,282,733	2,164,020
CURRENT LIABILITIES			
Current payables	8.2	234,446	278,186
Debt with credit institutions		13,376	7,902
Finance lease payables		20,225	35,530
Other financial liabilities		200,846	234,754
Short-term loans to group companies and associates	8.2 & 18	1,198,162	-
Trade and other payables		1,850,125	1,885,834
Suppliers	8.2	459,586	625,323
Suppliers, group companies and associates	8.2 & 18	311,759	397,660
Other payables	8.2	367,302	256,187
Personnel (outstanding remunerations)	8.2	244,059	192,655
Current tax liabilities	13	28,404	28,404
Other payables to Public Entities	13	429,698	289,033
Advances from customers	8.2	9,317	96,573
TOTAL EQUITY AND LIABILITIES		15,905,174	15,060,232

ANTEVENIO, S.A.
Profit and Loss Account corresponding to the year ended December 31, 2016
(Expressed in Euros)

	Note	31.12.2016	31.12.2015
CONTINUED OPERATIONS			
Revenue	14.d	2,150,111	2,216,256
Sales		-	142,498
Services rendered		2,150,111	2,073,757
Supplies		142,455	(51,289)
Work performed by other companies		142,455	(51,289)
Other operating income		-	20,505
Non-trading and other operating income		-	20,505
Personnel expenses		(1,993,801)	(862,621)
Wages and salaries		(896,649)	(667,181)
Employee benefit expense	14.a	(143,992)	(125,900)
Expenses linked to equity-instrument based payments	19	(953,160)	(69,540)
Other operating expenses		(1,424,087)	(1,407,621)
External services		(1,424,087)	(1,426,621)
Losses, impairment and changes in trade provisions		-	19,000
Amortization and depreciation	5 & 6	(52,055)	(53,688)
Other income / (loss)	14.c	1,132,404	(87)
OPERATING PROFIT / (LOSS)		(44,973)	(138,545)
- Finance income	14.c	63,703	1,068,957
From holdings in equity instrument		-	1,000,000
In group companies and associates		-	1,000,000
For negotiable securities and other financial instruments		63,703	68,957
From group companies and associates		52,919	55,107
From third parties		10,784	13,849
Finance Expenses	14.b	(13,011)	(17,948)
For debts with third parties		(13,011)	(7,468)
For restatement of provisions		-	(10,481)
Translation differences	12	(6,521)	13,085
Change in fair value of financial instruments		(893)	-
NET FINANCE INCOME/(EXPENSE)		43,279	1,064,094
PROFIT / (LOSS) BEFORE INCOME TAX		(1,694)	925,549
Income Tax		(6,376)	7,288
Other taxes		(2,938)	(2,938)
PROFIT/(LOSS) FOR THE YEAR		(11,009)	929,898

ANTEVENIO, S.A.
Corresponding Statement of Changes in Net Equity corresponding to the year ended on December 31, 2016

A) STATEMENT OF RECOGNISED INCOME AND EXPENSES

	31.12.2016	31.12.2015
PROFIT / (LOSS) FOR THE PERIOD	(11,009)	929,898
TOTAL RECOGNIZED INCOME AND EXPENSE	(11,009)	929,898

B) STATEMENT OF TOTAL CHANGES IN EQUITY

	Issued capital	Share Premium	Reserves	(Treasury shares and equity holdings)	Other equity instruments	Pofit/(loss) for the year	Total
A) CLOSING BALANCE FOR 2014	231,412	8,189,787	1,767,646	(21,704)		964,182	11,131,323
I. Adjustments for changes in criteria 2014	-	-	-	-	-	-	-
II. Adjustments for errors	-	-	-	-	-	-	-
B) CLOSING BALANCE 2014, OPENING BALANCE 2015	231,412	8,189,787	1,767,646	(21,704)	-	964,182	11,131,322
I. Total recognized income and expense	-	-	-	-	-	929,898	929,898
II. Transactions with equity holders and owners	-	-	-	(492,100)	-	-	(492,100)
Transactions in own shares	-	-	-	(492,100)	-	-	(492,100)
III. Other changes in equity	-	-	964,182	-	69,540	(964,182)	69,540
Distribution of prior period profit/(loss)	-	-	964,182	-	-	(964,182)	-
Other equity instruments	-	-	-	-	69,540	-	-
C) BALANCE, END OF YEAR 2015	231,412	8,189,787	2,731,828	(513,805)	69,540	929,898	11,638,661
I. Adjustments for changes in criteria 2014	-	-	-	-	-	-	-
II. Adjustments for errors	-	-	-	-	-	-	-
D) BALANCE AT YEAR-END 2015, 01 JANUARY 2016	231,412	8,189,787	2,731,828	(513,805)	69,540	929,898	11,638,661
I. Total recognized income and expense	-	-	-	-	-	(11,009)	(11,009)
II. Transactions with equity holders and owners	-	-	-	-	-	-	-
Transactions in own shares	-	-	-	-	-	-	-
III. Other changes in equity	-	-	929,898	-	953,160	(929,898)	953,160
Distribution of prior period profit/(loss)	-	-	929,898	-	-	(929,898)	-
Other equity instruments	-	-	-	-	953,160	-	-
E) BALANCE, DECEMBER 31 OF 2016	231,412	8,189,787	3,661,727	(513,805)	1,022,700	(11,009)	12,580,812

ANTEVENIO, S.A.
Statement of cash flows for the year ended 31 December 2016 (in euro)

CASH FLOWS	Note	31.12.2016	31.12.2015
A) CASH FLOWS FROM OPERATING ACTIVITIES		(1,149,993)	1,001,883
Profit/(loss) for the year before tax		(1,694)	925,549
Adjustments for		8,776	(1,029,405)
a) Amortization and depreciation	5 & 6	52,055	53,688
b) Recognized impairment losses		-	(19,000)
c) Changes in provisions		-	-
f) Proceeds from disposal and derecognition of financial instruments		-	-
d) Finance income	14. c	(63,703)	(1,068,957)
e) Financial expenses	14. c	13,011	7,468
f) Exchange gains/(losses)	12	6,521	(13,085)
g) Change in fair value of financial instruments		893	-
h) Other income and expenses	14. c	-	10,481
Changes in operating assets and liabilities		(815,792)	100,153
a) Trade and other receivables		(780,083)	(141,106)
b) Other current assets		-	-
c) Trade and other payables		(35,709)	241,259
d) Other non-current assets and liabilities		-	-
Other cash flows from operating activities		(341,283)	1,005,586
a) Interest paid		(13,011)	(7,468)
b) Interest received		63,703	13,054
c) Income tax received (paid)		(391,975)	-
d) Dividends received		-	1,000,000
B) CASH FLOW FROM INVESTING ACTIVITIES		317,090	(619,488)
Payment for investments		(294,317)	(707,382)
a) Group companies and associates		-	-
b) Intangible assets	6	(2,900)	-
c) Property, plant and equipment	5	(41,417)	(97,730)
d) Other financial assets		-	-
e) Group companies and associates		(250,000)	(609,651)
Proceeds from sale of investments		611,407	87,894
e) Other financial assets		611,407	1,894
c) Group companies and associates		-	86,000
C) CASH FLOW FROM FINANCING ACTIVITIES		891,660	(378,470)
Proceeds from and payments for equity instruments		953,160	(422,560)
c) Acquisition of own equity instruments	11.2. d	-	(492,100)
b) Issuance of equity instruments	19	953,160	69,540
Proceeds from and payments for financial liability instruments		(61,500)	44,090
a) Issue		1,203,636	44,090
1. Debts with financial institutions		5,474	4,002
2. Other		1,198,162	40,088
b) Redemption and repayment of		(1,265,136)	-
1. Debts with financial institutions		-	-
2. Other		(1,265,136)	-
11. Dividends and interest on other equity instruments paid		-	-
D) EFFECT OF EXCHANGE RATE FLUCTUATIONS		(6,521)	13,085
E) NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS		52,236	17,010
Cash or cash equivalents at beginning of period		752,826	735,816
Cash or cash equivalents at end of period		805,062	752,826

ANTEVENIO, S.A.

**EXPLANATORY NOTES TO THE ANNUAL ACCOUNTS FOR FINANCIAL YEAR
ENDED ON DECEMBER 31 OF 2016**

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 April 7, 2005, the Annual General Meeting approved the change of the Company's name to its current one.

b) Activity and Registered Address

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

The Company's registered address is in Madrid, at calle Marqués de Riscal 11; the Company is part of the Group Antevenio S.A. and subsidiaries, whose activities involve the performance of activities relating to advertisement in Internet; the Company is the parent of the Group and files its individual financial statements with the Mercantile Register of Madrid. The Consolidated Annual Accounts of Group Antevenio for financial year 2015 were approved by the General Meeting of Shareholders of the Parent Company on June 22 of 2016 and were deposited in the Commercial Registry of Madrid.

Antevenio financial statements for 2015 were approved by the Annual General Meeting of the Company, held on 22 June 2016, and filed before the Business Register of Madrid.

The Company is listed on the French alternative market, Alternext Paris, since 2007.

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

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

c) **Legal Regime**

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

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

a) **Fair presentation**

The information in the Annual Accounts for financial year ended on December 31 of 2016 has been obtained from the accounting records of the Company and they have been prepared in accordance with the current commercial legislation and the standards set forth in the General Accounting Plan approved by Royal Decree 1514/2007 of November 16 of 2007, and its amendments approved by Royal Decree 1159/2010 of September 17, and Royal Decree 602/2016 of December 2, in order to show the fair image of the company's equity, its financial position, its results, its changes in net equity and the cash flows for the financial year.

b) **Accounting Principles applied**

The attached Annual Accounts have been prepared by applying the accounting principles established in the Code of Commerce and the General Accounting Plan.

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 accordance with the current legislation in accounting matters, the Annual Accounts are presented in euros, which is the Company's functional currency.

d) **Comparative information**

Each one of the items of the Balance Sheet, the Profit and Loss Accounts, the Statement of Changes in Net Equity and the Cash Flow Statement, are presented alongside the figures for financial year ended on December 31 of 2016, as well as the figures for financial year ended on December 31 of 2015, which were part of the annual accounts for financial year 2015 approved by the General Meeting of Shareholders on June 22 of 2016. The items for the different periods are comparative and consistent.

e) **Aggregation of items**

In order to facilitate the understanding of the Balance Sheet, the Profit and Loss Accounts, the Statement of Changes in Net Equity and the Cash Flow Statement, said statements are presented in groups, showing the required analyses in the notes to the report.

f) **Responsibility for information and estimates**

The preparation of the attached Annual Accounts requires value judgements, estimates and assumptions that affect the application of accounting principles and 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.

Estimates have been performed in the preparation of the Annual Accounts for financial year ended December 31 of 2016 in order to value some of the assets, liabilities, income, expenses and commitments that are registered therein. 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 have been performed based on the best available estimate as of December 31 of 2016, the provision of additional information or external facts and events, may require the modification of the hypotheses used in order to carry out these accounting estimates in future financial years. This would be performed prospectively, recognizing the effects of the estimate change in the corresponding future profit and loss account.

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

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

The distribution proposal of the profit/(loss) of financial year 2016, which the Directors will subject to the approval of the General Meeting of Shareholders, is as follows:

<u>Basis of distribution</u>	
Profit and loss (loss)	11,009
Total	11,009
<u>Application</u>	
To negative results from previous financial years	11,009
Total	11,009

On June 22 of 2016, the General Meeting of Shareholders approved the transfer of the profits of financial year 2015 to the voluntary reserves, for a total amount of 929,898 euros.

4. **RECOGNITION AND MEASUREMENT STANDARDS**

The main measurements standards used by the Company to prepare its Annual Accounts as of December 31 of 2016, pursuant to the ones set forth in the General Accounting Plan, have been the following:

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.

They are measure at production cost or purchase price, less the accumulated amortization and less the accumulated amount from 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:

	31/12/2016		31/12/2015	
	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.

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

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 recognised 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) Debits 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 recognise 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 recognised for equity instruments when the carrying amount thereof becomes non recoverable.

f) Foreign currency balances, transactions and cash flows

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

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

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

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

g) Income Tax

From 2013, Group companies with registered address in Spain pay taxes under the Special Consolidated Tax Regime within the Group led by the Parent Company.

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

Recognised 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 recognised and previously unrecognised deferred tax assets. The company then derecognises previously recorded deferred tax assets when recovery is no longer probable, or recognises 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 recognised as a finance expense when accrued. Provisions expiring within one year are not discounted where the financial effect is not material.

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

j) **Assets of environmental nature**

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

k) **Business combinations**

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

l) **Related party transactions**

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

m) **Equity instruments-based payments**

The Company operates a remuneration plan for its Management consisting in the delivery of share options in Antevenio.

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 recognised 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 the options granted in 2016 that have been fully recorded, in accordance with prudence criteria, as personnel expenses at the initial date, and are also recognised directly in equity without reassessing the initial measurement thereof. As the counterpart of this expense is an increase in shareholders' equity ("Other equity instruments"), there is no effect on the equity of Antevenio SA and its subsidiaries. However, at each Balance Sheet date the Company reassess its initial estimates on the number of options expected to become exercisable and, where appropriate, recognises the impact of this reassessment in the Profit and Loss Account and makes the relevant adjustment in equity.

n) Statement of Cash Flows

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

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

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

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

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

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

5. PROPERTY, PLANT AND EQUIPMENT

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

COST:	31.12.2015	ADDITIONS	DERECOGNITIONS	TRANSFERS	31.12.2016
Technical installations, machinery, tools, furniture and other PP&E.	417,535	41,417	(9,752)	-	449,200
TOTAL COST	417,535	41,417	(9,752)	-	449,200
ACCUMULATED AMORTIZATION:	31.12.2015	ADDITIONS	DERECOGNITIONS	TRANSFERS	31.12.2016
Technical installations, machinery, tools, furniture and other PP&E.	(302,943)	(31,973)	9,752	(4,144)	(329,308)
TOTAL ACCUMULATED AMORTIZATION	(302,943)	(31,973)	9,752	(4,144)	(329,308)
PROVISIONS FOR IMPAIRMENT	31.12.2015	ADDITIONS	DERECOGNITIONS	TRANSFERS	31.12.2016
Technical installations, machinery, tools, furniture and other PP&E.	(4,144)	-		4,144	-
TOTAL PROVISIONS	(4,144)	-	-	4,144	-
NET	31.12.2015	ADDITIONS	DERECOGNITIONS	TRANSFERS	31.12.2016
Technical installations, machinery, tools, furniture and other PP&E.	110,448	9,444	-	-	119,892
TOTAL NET CARRYING AMOUNT	110,448	9,444	-	-	119,892

COST:	31.12.2014	ADDITIONS	DERECOGNITIONS	31.12.2015
Technical installations, machinery, tools, furniture and other PP&E.	319,804	97,731	-	417,535
TOTAL COST	319,804	97,731	-	417,535
ACCUMULATED AMORTIZATION:	31.12.2014	ADDITIONS	DERECOGNITIONS	31.12.2015
Technical installations, machinery, tools, furniture and other PP&E.	(270,078)	(32,865)	-	(302,943)
TOTAL ACCUMULATED AMORTIZATION	(270,078)	(32,865)	-	(302,943)
PROVISIONS FOR IMPAIRMENT	31.12.2014	ADDITIONS	DERECOGNITIONS	31.12.2015
Technical installations, machinery, tools, furniture and other PP&E.	(4,144)			(4,144)
TOTAL PROVISIONS	(4,144)	-	-	(4,144)
NET	31.12.2014	ADDITIONS	DERECOGNITIONS	31.12.2015
Technical installations, machinery, tools, furniture and other PP&E.	45,582	64,866	-	110,448
TOTAL NET CARRYING AMOUNT	45,582	64,866	-	110,448

Fully amortized intangible assets in use

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

ACCOUNT	31.12.2015	31.12.2016
Technical installations, machinery, tools, furniture and other PP&E.	264,317	272,282
TOTAL COST	264,317	272,282

Additional disclosures

At 31 December 2016 and 2015, the Company had no tangible fixed assets acquired from group companies or any tangible assets outside Spanish territory.

At 31 December 2016 and 2015, there were no firm purchase commitments for the acquisition of items of property, plant and equipment.

At 31 December 2016 and 2015, the assets of the Company were secured by an insurance policy. The Company's directors consider that this insurance policy sufficiently covers any risks associated to its property, plant and equipment.

6. INTANGIBLE ASSETS

The detail and movements of the intangible assets are the following:

COST	31.12.2015	ADDITIONS	DERECOGNITIONS	31.12.2016
Computer software	107,286	2,900	-	110,186
TOTAL COST	107,286	2,900	-	110,186
ACCUMULATED AMORTIZATION:	31.12.2015	ADDITIONS	DERECOGNITIONS	31.12.2016
Computer software	(54,121)	(20,082)	-	(74,203)
TOTAL ACCUMULATED AMORTIZATION	(54,121)	(20,082)	-	(74,203)
PROVISION FOR IMPAIRMENT	31.12.2015	ADDITIONS	DERECOGNITIONS	31.12.2016
Computer software	(9,316)	-	-	(9,316)
TOTAL IMPAIRMENT	(9,316)	-	-	(9,316)
NET	31.12.2015	ADDITIONS	DERECOGNITIONS	31.12.2016
Computer software	43,850	(17,182)	-	26,668
TOTAL NET CARRYING AMOUNT	43,850	(17,182)	-	26,668

COST	31.12.2014	ADDITIONS	DERECOGNITIONS	31.12.2015
Computer software	107,286	-	-	107,286
TOTAL COST	107,286	-	-	107,286
ACCUMULATED AMORTIZATION:	31.12.2014	ADDITIONS	DERECOGNITIONS	31.12.2015
Computer software	(31,647)	(22,474)	-	(54,121)
TOTAL ACCUMULATED AMORTIZATION	(31,647)	(22,474)	-	(54,121)
PROVISION FOR IMPAIRMENT	31.12.2014	ADDITIONS	DERECOGNITIONS	31.12.2015
Computer software	(10,965)	-	1,650	(9,316)
TOTAL IMPAIRMENT	(10,965)	-	1,650	(9,316)
NET	31.12.2014	ADDITIONS	DERECOGNITIONS	31.12.2015
Computer software	64,674	(22,474)	1,650	43,850
TOTAL NET CARRYING AMOUNT	64,674	(22,474)	1,650	43,850

Fully amortized intangible assets in use

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

ACCOUNT	31.12.2015	31.12.2016
Computer software	25,090	42,695
TOTAL COST	25,090	42,695

Additional disclosures

At 31 December 2016 and 2015, the Company had no intangible assets acquired from Group companies or any fixed assets outside Spanish territory.

On 31 December 2016 and 2015, there were no firm purchase commitments for the acquisition of intangible assets.

7. LEASES AND OTHER TRANSACTIONS OF SIMILAR NATURE

7.1) Operating leases (Company as lessee)

The charge to the income of the years 2016 and 2015 in respect of operating leases amounted to 257,883 Euros and 233,274 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 lease payments under non-cancellable lease agreements at the end of each period included in these Annual Accounts.

7.2) Finance lease

The company has financial leasing contracts for information equipment used to perform its activity. The main financial leasing contract of the company is contracted with the bank entity BBVA. As of December 31 of 2016, there is an outstanding amount of 33,806 euros which are recorded in the item "Finance lease payables" in the current and non-current liabilities, with maturity date July 28 of 2020. (See point 8.2.2)

8. FINANCIAL INSTRUMENTS

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

8.1) Financial Assets

The breakdown of long-term financial assets as of December 31 of 2016 and 2015, except for investments in equity of group companies, multigroup or associates, shown in Note 9, is as follows:

	Credits, derivatives, other		Total	
	31/12/2016	31/12/2015	31/12/2016	31/12/2015
Loans and receivables (Note 8.1.1)	1,815,194	1,569,499	1,815,194	1,569,499
Total	1,815,194	1,569,499	1,815,194	1,569,499

The breakdown of current financial assets at December 31, 2016 and 2015 is as follows:

	Credits, derivatives, other		Total	
	31/12/2016	31/12/2015	31/12/2016	31/12/2015
Cash and cash equivalents (Note 8.1.a)	805,062	752,826	805,062	752,826
Loans and receivables (Note 8.1.1)	2,536,902	2,363,598	2,536,902	2,363,598
Total	3,341,964	3,116,424	3,341,964	3,116,424

a) Cash and cash equivalents

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

	Balance at 31/12/16	Balance at 31/12/15
Highly liquid investments (a)	300,000	626,000
Current accounts and treasury	505,062	126,826
Total	805,062	752,826

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

8.1.1) Loans and receivables

The breakdown of this heading is as follows:

	Balance at 31/12/2016		Balance at 31/12/2015	
	Non-current	Current	Non-current	Current
Trade receivables				
Trade receivables, Group companies (Note 19)	-	2,470,795	-	1,679,719
Third-party receivables	-	3,760	-	12,995
Advances to personnel	-	94	-	1,528
Total trade receivables	-	2,474,649	-	1,694,242
Non-trade receivables				
Loans and interest receivable, Group companies (Note 19)	1,762,000	-	1,512,000	-
Current account balances with Group companies (Nota 19)	-	-	-	613,102
Dividend receivable from group company (note 19)	-	-	-	-
Debt securities	-	60,753	-	55,903
Loans to third parties	29,991	-	29,991	-
Guarantees and deposits	23,202	1,500	27,508	351
Total non-trade receivables	1,815,194	62,253	1,569,499	669,356
Total	1,815,194	2,536,902	1,569,499	2,363,598

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

Impairment	Balance at 31/12/2014	Impairment loss	Impairment reversal	Application of the provision	Balance at 31/12/2015	Balance at 31/12/2016
Trade receivables	(152,144)	(15,000)	47,958	(7,304)	(126,490)	(126,490)
Total	(126,490)				(126,490)	(126,490)

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

Long-term financial liabilities as of December 31 of 2015 correspond with payments derived from financial leasing contracts with a long-term maturity date (see Note 7)

The breakdown of current financial liabilities is as follows:

	Debts with financial institutions		Other		Total	
	31/12/2016	31/12/2015	31/12/2016	31/12/2015	31/12/2016	31/12/2015
Debts and payables (Note 8.2.1)	13,376	7,902	2,420,040	1,838,682	2,433,416	1,846,584
Total	13,376	7,902	2,420,040	1,838,682	2,420,040	1,846,584

The amount of “Other financial liabilities” in the short term as of December 31 of 2016, for a total amount of 192,678 euros (1,252,709 euros in “Other financial liabilities” in the long term and 234,754 euros in “Other financial liabilities” in the short term as of December 31 of 2015) corresponds with the debt derived from the agreement signed in previous financial years with the Management Team of the investee Company Antevenio Publicité.

As a result of the acquisition of the Antevenio Publicite S.A.S.U. shares held in previous years, the management team of that company got certain rights whose execution was forced Antevenio SA, subject to the permanence of the Management Team, whose value would be calculated with reference to the net result of Antevenio Publicite S.A.S.U. In the years 2015 and 2016, with a maximum payable limit of 1,500,000 euros.

In previous years, the Company, according to the best estimate, recorded the total liability to be paid for this concept.

During financial year 2016, the conditions agreed in the contract, for which provisions of estimated payment obligations were made, have not been met. For this reason, the estimate made for the amounts payable has been updated with financial criteria, generated a reversal of the amounts provided for an amount of 1,132,404 euros included in item “Other income / (loss)” of the 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	31/12/2015
Suppliers	459,586	625,323
Trade payables, Group companies and associates (Note 19)	311,759	397,660
Other payables	367,302	256,187
Total trade payables	1,138,648	1,279,170
Debts with financial institutions	13,376	7,902
Finance lease payables	20,225	35,530
Other financial liabilities	200,846	234,754
Loans and other payables	234,446	278,186
Personnel (outstanding remunerations)	244,059	192,655
Advances from customers	9,317	96,573
Total non-trade payables	253,376	289,228
Short-term debt with group companies and associates (Note 19)	1,198,162	-
Total debt with the group	1,198,162	-
Total Debts and payables	2,824,632	1,846,584

8.2.2) Additional disclosures related to financial liabilities

a) Classification by maturity

As of December 31 of 2016, the company only has future payables for financial leasing of computer equipment to perform its activity recorded as long-term financial liabilities (see Note 7.2).

The breakdown of maturity per years for the different long-term financial liabilities, with a specific or determinable maturity date, as of December 31 of 2016 and 2015, 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

	2017	2018	2019	2020	2021 onwards	Total
Non-current payables						
Other financial liabilities	1252709	-	-	-	-	1252709
Finance lease payables	4843	-	-	-	-	4843
Total	1257552	-	-	-	-	1257552

9. GROUP COMPANIES, JOINTLY CONTROLLED ENTITIES AND ASSOCIATES

Holdings in Group Companies, Multigroup and Associates, as of December 31 of 2016 are described below:

Group Companies	Direct Interest %	Direct Voting right %	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

Interests in Group Companies, Multigroup and Associates, as of December 31 of 2015 are described below:

Group Companies	Direct Interest %	Direct Voting right %	Investment value	Amount of impairment charge	Net carrying amount of interest
Europemission, S.L.	49.68	49.68	1,520	(627)	893
Antevenio S.R.L.	100	100	5,027,487	-	5,027,487
Mamvo Performance, S.L.	100	100	1,577,382	-	1,577,382
Marketing Manager Servicios de Marketing, S.L.	100	100	199,932	-	199,932
Antevenio Mexico SA de CV	100	100	1,908	-	1,908
Antevenio ESP, S.L.U.	100	100	27,437	-	27,437
Antevenio Francia, S.R.L.	100	100	2,000	-	2,000
Antevenio Publicité S.A.S.U.	100	100	3,191,312	-	3,191,312
Antevenio Rich & Reach, S.L.	100	100	3,000	-	3,000
			10,031,977	(627)	10,031,350

On October 14 of 2016, the dissolution, liquidation and extinction of the company Europemission S.L. was performed, prior approval under agreement of the Extraordinary Universal General Meeting of Shareholders held on July 26 of 2016.

None of these companies is listed.

At 31 December 2016, 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%.

At the closure of financial year ended December 31 of 2016 there have been no events that change the hypotheses and conclusions reached by the Company at the closure of financial year 2015.

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

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



On October 14 of 2016, the dissolution, liquidation and extinction of the company Europermission S.L. was performed, prior approval under agreement of the Extraordinary Universal General Meeting of Shareholders held on July 26 of 2016.

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

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

Antevenio S.R.L. (Single-member), its purpose is to provide online marketing and internet advertising services. Its registered address is at Viale Abruzzi 13/A20131. Milan (Italy).

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

Antevenio France, S.R.L. (Single-member) Its corporate purpose consists in the provision of advertising and promotional services on the Internet; the study, dissemination and provision of services in the field of advertising and marketing on the Internet. Its registered address is at 120, Av. Du General Leclerc, Paris, France.

Antevenio México, S.A. de CV. Its corporate purpose is to provide other Advertising services. The company has its registered offices in Mexico. Its registered address is at Mariano Escobedo, No. 373 Int. 101, Chapultepec Morales, Miguel Hidalgo, 11570 México D.F.

Antevenio Publicite SARL, formerly Clash Media SARL. Its corporate purpose consists in the provision of advertising and promotional services on the Internet; the study, dissemination and provision of services in the field of advertising and marketing on the Internet. Its registered office is at 32 Rue de Londres, 75009 Paris.

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

The summary of net equities of the investee companies as of December 31 of 2016 is as follows, in euros:

-	Share capital	Reserves	Prior period's losses	Subsidies	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)

The summary of net equities of the investee companies as of December 31 of 2015 is as follows, in euros:

-	Share capital	Reserves	Prior period's losses	Subsidies	Profit/(loss) for the year	Equity
Europermission, S.L.	3,060	-	(2,205)	-	-	855
Antevenio, S.R.L.	10,000	2,974,745	-	-	(32,091)	2,952,654
Mamvo Performance, S.L.	33,967	3,118,867	(1,464,183)	52,675	14,669	1,755,996
Marketing Manager Servicios de Marketing, S.L.	99,800	24,169	(197,007)	-	(367,360)	(440,398)
Antevenio Mexico	4,537	-	(283,758)	-	270,996	(8,225)
Antevenio ESP, S.L.U. (formerly Diálogo Media S.L.U.)	3,010	343,070	(640,671)	-	1,044,775	750,183
Codigo Barras Network S.L.U.	4,639	730,055	(921,592)	-	(430,562)	(617,460)
Antevenio Francia, S.R.L.	2,000	-	(751,936)	-	(5,596)	(755,532)
Antevenio Publicité S.A.S.U.	101,913	1,387	(240,290)	-	659,462	522,473
Antevenio Rich & Reach S.L.	3,000	-	(193,443)	-	318,906	128,462

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. Amounts are shown in the Balance Sheet, net from provisions for insolvencies, estimated by the Management of the Company depending on the experience from previous financial years and its valuation of the current economic context.

10.1.2) Exposure to liquidity risk

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

10.1.3) Exchange rate risk

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

11. EQUITY

11.1) Equity Capital

At 31 December 2016 and 2015, 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 as of December 31 of 2015 of 18.68% of the share capital of Antevenio, S.A., represented by 785,905 shares with a face value of 0.055 euros each, proceeded to buy on August 3 of 2016 the shares of the founder and managing director of the Company Joshua David Novick, at the time holder of 11.89% of the Company's share capital, represented by 500,271 shares with a face value of 0.055 euros each, at a price of 6 euros per share.

After said change in the shareholding structure, the company ISP launched a Takeover Bid on the remaining shareholders of the Company. This bid was closed with the acceptance of 1,360,806 shares, at a purchase price of 6 euros each, representing 32.34% of the share capital of Antevenio S.A. The company Aliada Investment B.V. has subsequently transferred its shares to the company ISP. Therefore, ISP would now have 83.09% of the share capital of Antevenio S.A.

Shareholders with a direct or indirect holding in the share capital as of December 31 of 2016 are:

	31/12/2016	
	No. of Shares	Holding %
Inversiones y Servicios Publicitarios, S.A.	3,496,008	83.09%
Free-float	404,340	9.61%
Nextstage	307,147	7.30%
Total	4,207,495	100.00%

Shareholders with a direct or indirect holding in the share capital as of December 31 of 2015 are:

	31/12/2015	
	No. of Shares	Holding %
Aliada Investment BV	848,976	20.18%
Joshua David Novick	500,271	11.89%
Inversiones y Servicios Publicitarios, S.A.	785,905	18.68%
Nextstage	648,375	15.41%
Other	1,423,968	33.84%
Total	4,207,495	100.00%

11.2) Reserves

Breakdown of reserves as of December 31 of 2016 and 2015 is the following:

Reserves	31/12/2016	31/12/2015
Legal reserve	46,282	46,282
Voluntary reserves	3,615,444	2,685,546
Share premium	8,189,787	8,189,787
Total	11,851,514	10,921,615

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 2016, the legal reserve was fully allocated.

b) Dividends

As of December 31 of 2016 and 2015, the Extraordinary Universal General Meeting of Shareholders has not approved the distribution of dividends.

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.

By virtue of said resolution, the Company acquired during financial year 2014 a total of 8,348 shares, for a total amount of 21,705 euros.

Additionally, on January 29 of 2015, the Company acquired 190,000 own shares at a price of 2.59 euros per share.

As of December 31 of 2016 and 2015, the Company has 198,348 own shares, which represent 4.7% of the share capital. These treasury shares amount to 513,805 euro.

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

12. FOREIGN CURRENCY

The amount for exchange differences recognized in the results as of December 31 of 2016 and 2015 is the following.

Translation differences	31/12/2016	31/12/2015
Translation gains:		
Realized during the period	1,875	31,378
Translation losses:		
Realized during the period	(8,396)	(18,293)
Total	(6,521)	13,085

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

Transactions in foreign currency during financial year ended on December 31 of 2016 and 2015 are not significant in regards to the Annual Accounts.

13. **TAXATION**

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

	31/12/2016		31/12/2015	
	Receivable	Payable	Receivable	Payable
Value Added Tax	-	(356,221)	-	(228,784)
Deferred tax assets (*)	273,382	-	6,392	-
Withholdings and payments on account of Income Tax	-	-	324	-
Taxation Authorities, recoverable taxes	297,617	-	181,946	-
Taxation Authorities, taxes payable	-	(5,973)	-	(5,973)
Withholdings for Personal Income Tax	-	(53,526)	-	(41,020)
Income tax expense	-	(28,404)	-	(28,404)
Social Security	-	(13,979)	-	(13,256)
	570,999	(458,102)	188,662	(317,437)

(*) Recorded in the Balance Sheet within the non-current assets.

Pursuant to Article 39 of Law 27/2014 of November 27, on Corporate Income Tax, during financial year 2016 the Company, through the fiscal group, has monetized from R&D&I tax credits a total amount of 161,610 euros recorded in “Taxation Authorities, recoverable taxes” (101,446 euros in financial year 2015).

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 recognised by the Company. Nevertheless, the Company’s directors believe that these tax liabilities, should they materialise, 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:

	Profit and Loss Account			Profit and Loss Account		
Profit/(loss) for the year (after taxes)	(11,009)			929,898		
	<i>Increases</i>	<i>Decreases</i>	<i>Net effect</i>	<i>Increases</i>	<i>Decreases</i>	<i>Net effect</i>
Income Tax (2)	6,376	-	6,376	-	(7,288)	(7,288)
Permanent differences	-	(1.109.624)	(1.109.624)	-	(50,637)	(50,637)
Temporary differences	1,070,700	-	1,070,700	-	(87,950)	(87,950)
Exemption for double international taxation	-	-	-	-	(1,000,000)	(1,000,000)
Other	-	-	-	-	-	-
Tax base (Taxable income)	-	-	(43,557)	-	-	(215,977)
Tax credits for R&D&I	-	-	-	-	-	-
Net tax payable	-	-	-	-	-	-
Withholdings and payments on account	-	-	(62,328)	-	-	(324)
Tax payable / (recoverable) (1)	-	-	(62,328)	-	-	(324)

(1) The Company files consolidated income tax returns.

(2) Income from corporate income tax corresponds with the monetization from R&D&I credits of the Company itself.

The breakdown of recognised deferred tax assets is as follows:

	31/12/2016	31/12/2015
Tax loss carryforwards	273,382	6,392
Total deferred tax assets	273,382	6,392

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

14. REVENUE AND EXPENSES

a) Employee benefit expense

The composition of this item of the Profit and Loss Account is as follows:

	31/12/2016	31/12/2015
Social security payable by the company	(107,897)	(100,622)
Employee benefits expense	(36,096)	(25,278)
Employee benefit expense	(143,992)	(125,900)

b) Net Finance Income / (Expense)

The composition of this item of the Profit and Loss Account is as follows:

	31/12/2016	31/12/2015
<u>Income:</u>		
Dividends, group companies and associates	-	1,000,000
Income from loans to Group companies	52,919	55,107
Other finance income	10,784	13,849
Total finance income	63,703	1,068,957
<u>Expense:</u>		
Other Finance Expense	(13,011)	(7,468)
Debt adjustment	-	(10,480)
Total finance expense	(13,011)	(17,948)

c) Other income / (loss)

During financial year 2016, the conditions agreed in the contract signed in previous years with the Management Team of the investee Company Antevenio Publicité (see Note 16), for which provisions of estimated payment obligations were made, have not been met. For this reason, the estimate made for the amounts payable has been updated with financial criteria, generated a reversal of the amounts provided for an amount of 1,132,404 euros included in item “Other income / (loss)” of the profit and loss account (see Note 8.2 d).

d) Segment Reporting

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		31/12/2015	
	Euro	%	Euro	%
Marketing and online advertising	6,942	0%	27,888	1%
Provision of services (Fees)	2,143,170	100%	2,188,368	99%
Total	2,150,111	100%	2,216,256	100%

Geographic segmentation	31/12/2016		31/12/2015	
	Euro	%	Euro	%
Spain	1,536,122	71%	1,427,410	65%
Europe	432,163	20%	601,931	27%
International (excl. Europe)	181,826	9%	186,915	8%
Total	2,150,111	100%	2,216,256	100%

15. ENVIRONMENTAL INFORMATION

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

16. GUARANTEES AND SECURITIES

At 31 December 2016 and 2015, the Company provided guarantees to banks and government agencies, as follows:

Guarantees	31/12/2016	31/12/2015
Lessor of Head Office	53,812	52,377
Total	53,812	52,377

17. EVENTS SUBSEQUENT TO THE CLOSURE OF THE ANNUAL ACCOUNTS

No relevant events have taken place after the closure of the financial year and up until the date of the presentation of these annual accounts.

18. RELATED PARTY TRANSACTIONS

18.1) Balances with related parties

At 31 December 2016 the breakdown of balances with related parties 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 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	304,028	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)	(1,549,349)
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) Sundry creditors	(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) These recorded amounts correspond with participating loans granted to the investee companies and which are automatically renewed on an annual basis. These participating loans are granted to solve equity situations of the investee companies by virtue of article 363.1.e) of the Law on Corporations and article 20 of the Amendment of Law 43/1995 of December 27, which regulates Company Income Tax.

At 31 December 2015 the breakdown of balances with related parties is as follows:

BALANCES WITH RELATED PARTIES	Mamvo Performance, S.L.U.	Europerr mission	Marketing Manager S.L.U	Código Barras Networ k S.L.U.	Antevenio ESP S.L.U	Anteven io Francia S.R.L.U	Antev enio Méxic o	Antevenio Argentina SR.L	Anteven io Italia S.R.L.U.	Antevenio Publicité S.A.S.U.	Anteven io, Rich & Reach, S.L.U.	Total
A) NON-CURRENT ASSETS	100,000	-	-	250,000	600,000	262,000	-	-	-	-	300,000	1,512,000
1. Non-current investments in companies	100,000	-	-	250,000	600,000	262,000	-	-	-	-	300,000	1,512,000
a) Loans to companies (1)	100,000	-	-	250,000	600,000	262,000	-	-	-	-	300,000	1,512,000
Total Non Current	100,000	-	-	250,000	600,000	262,000	-	-	-	-	300,000	1,512,000
B) CURRENT ASSETS	95,698	31,464	167,760	26,173	292,287	210,102	274,784	294,908	214,886	23,403	716,715	2,348,180
1. Trade and other receivables	28,639	29,318	213,285	-	144,561	169,723	274,784	294,908	214,886	23,403	286,213	1,679,719
a) Current trade receivables	28,639	29,318	213,285	-	144,561	169,723	274,784	294,908	214,886	23,403	286,213	1,679,719
b) Trade receivables, Group companies												-
2. Current investments in group companies	67,059	2,147	(45,524)	26,173	147,725	40,379	-	-	-	-	430,502	668,461
a) Loans to companies	67,059	2,147	(45,524)	26,173	147,725	40,379	-	-	-	-	430,502	668,461
b) Current account	-	-	-	-	-	-	-	-	-	-	-	-
C) CURRENT LIABILITIES	(146,918)	(46,431)	-	-	(190,910)	-	-	(7,401)	(6,000)	-	-	(397,660)
1. Current payables to Group companies and associates	-	-	-	-	-	-	-	-	-	-	-	-
2. Trade and other payables	(146,918)	(46,431)	-	-	(190,910)	-	-	(7,401)	(6,000)	-	-	(397,660)
a) Suppliers, current	(146,918)	(46,431)	-	-	(190,910)	-	-	(7,401)	(6,000)	-	-	(397,660)
b) Sundry creditors												
Total Current	(51,219)	(14,967)	167,760	26,173	101,377	210,102	274,784	287,507	208,886	23,403	716,715	1,950,520

(1) These recorded amounts correspond with participating loans granted to the investee companies and which are automatically renewed on an annual basis. These participating loans are granted to solve equity situations of the investee companies by virtue of article 363.1.e) of the Law on Corporations and article 20 of the Amendment of Law 43/1995 of December 27, which regulates Company Income Tax.

18.2) Transactions with related parties

The amounts from transactions with related parties during financial year 2016 included in the Profit and Loss Account, are detailed below, in euros:

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

The amounts from transactions with related parties during financial year 2015 included in the Profit and Loss Account, are detailed below, in euros:

Transactions Performed	Services received	Sales and services rendered	Dividend received	Interests Paid
Mamvo Performance, S.L.U.	(289,062)	98,063	-	4,841
Marketing Manager	-	186,200	-	-
Código barras Networks	-	16,926	-	10,405
Antevenio ESP, S.L.U.	(194,462)	603,320	-	24,973
Antevenio Argentina	(7,401)	21,279	-	-
Antevenio S.R.L. (Italy)	(24,000)	500,970	1,000,000	-
Antevenio México	-	152,262	-	-
Antevenio Publicité	-	100,962	-	2,402
Antevenio Rich & Reach	(559)	411,251	-	12,486
	(515,484)	2,091,230	1,000,000	55,107

In 2015 the Company received dividends amounting to 1,000,000 euros from Antevenio S.R.L. (Italy).

18.3) Core shareholders

During financial years 2016 and 2015 no relevant transactions with shareholders have taken place, except for what is stated in Note 11.

18.4) Balances and Transactions with Directors and Senior Management

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

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

	Senior Management		Other Directors	
	31/12/2016	31/12/2015	31/12/2016	31/12/2015
Wages and salaries	457,832	445,102	-	5,000
Total	457,832	445,102	-	5,000

As of December 31 of 2016 and 2015, there were no commitments for complementary pensions, guarantees or sureties granted in favor of the Board of Directors.

Other disclosures related to the Board of Directors

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

19. SHARE-BASED PAYMENT TRANSACTIONS

On June 25 of 2015, the General Meeting of Shareholders approved a remuneration plan (Plan 2015) consisting of a retribution system based on the value of shares of the Company, in favor of certain Executive Directors, as well as in favor of other Company Directors or Employees.

The following terms were approved:

- (i) the maximum number of shares that can be granted cannot exceed 190,000 shares;
- (ii) the exercise or delivery price or the calculation method for exercise or delivery shall be the market value of the share on the day of exercise or delivery;

- (iii) the value of the shares shall be 2.59 euro per share; and
- (iv) the plan will be in force for a maximum term of 2 years and 6 months.

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

The movements related to the above mentioned options are as follows:

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

On November 16 of 2016, the General Meeting of Shareholders approved a new remuneration plan (Plan 2016) consisting of a retribution system based on the value of shares of the Company, in favor of certain Executive Directors, as well as in favor of other Company Directors or Employees.

The following terms were approved:

- (v) the maximum number of shares that can be granted cannot exceed 125,000 shares;
- (vi) 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;
- (vii) the value of shares will be free of charge; and
- (viii) the plan will be in force for a maximum term until June 30, 2019.
- (ix) Continuity of the beneficiary employees during the period established in the previous point

Additionally, the AGM delegated to the Board of Directors the development, settlement, clarification and interpretation of the terms of the remuneration plan. The Plan was approved by the Board of Directors on November 16 of 2016.

The movements related to the above mentioned options are as follows:

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

As of December 31 of 2016 the recognition of share values of Plan 2015 in the profit and loss account as a staff expense (278,160 euros), has been carried out on an accruals basis during the period of time established as a requirement for the continuity of the employee for the options' financial year, recorded against net equity and without performing any re-estimations on its initial valuation. Carrying out a Takeover Bid on the shares of the Company (see Note 11.1) is contemplated within the agreement of Plan 2015 as one of the requirements for the financial year, as well as an early accrual of said share options. For this reason, the total recognition of the remaining amounts has been performed. As of December 31 of 2016, the effect on the company's equity amounts to 347,700 euros (69,540 euros as of December 31 of 2015), which is recorded in item "Other net equity instruments".

As of December 31, 2016, the allocation of the value of the shares to the income statement of Plan 2016, as a personnel expense, has been made, in accordance with prudence criteria, in full in the year in which the agreement occurred, Regardless of the requirement of permanence, for an amount of 675,000 euros. As the counterpart of this expense is an increase in shareholders' equity ("Other equity instruments"), there is no effect on the equity of Antevenio SA and its subsidiaries.

20. OTHER INFORMATION

The average number of persons employed is as follows:

	31/12/2016	31/12/2015
Management	3	3
Administrative	7	6
	10	9

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

Professional Category	31.12.16		31.12.15	
	Men	Women	Men	Women
High Management	3	-	3	-
Administrative	2	5	2	5
	5	5	5	5

The sum for professional fees accrued by the auditors of the Company, for the auditing of the annual accounts, amount to 13,000 euros in 2016 and 2015. Additionally, professional fees for the auditing of the consolidated annual accounts have also been accrued, amounting to 54,000 euros in financial year 2016 and 53,200 euros in financial year 2015.

Regarding Law 15/2010 of July 5, which amends Law 3/2004 of December 29, establishing measure to combat late payment in commercial transactions, the average period for payment to suppliers is included below:

	2016	2015
	Days	Days
Average period of time for payment to suppliers	59.92	34.90
Percentage of paid transactions	53.43	36.41
Percentage of transactions pending payment	87.58	26.96
	Amount (euro)	Amount (euro)
Total payments made	1,110,956	952,351
Total payments pending	260,598	180,535

ANTEVENIO S.A.
2016 DIRECTORS' REPORT

ANTEVENIO, S.A.

2016 DIRECTORS' REPORT

Dear Shareholders

Financial Year 2016

**SITUATION OF THE ACTIVITY AND RESULTS OF ANTEVENIO, S.A.
DURING THE YEAR ENDED 31 DECEMBER 2016**

1. Turnover and Results of Antevenio S.A. during the year 2016

During financial year 2016, turnover reached a total of 2.2 million euros, which is a similar figure to the turnover for 2015.

Since July 2013, practically all of the activity that was carried out in the division of Media Trading was transferred to Antevenio Rich & Reach, S.L.U, a company 100% owned by Antevenio S.A. Since 2014, Antevenio, S.A. is dedicated mainly to the provision of corporate services to its subsidiaries and different units of the Group.

The results for the financial year have been a break even against the 928 thousand euros benefits for 2015.

2. Turnover of Antevenio S.A. subsidiaries in 2016

In thousands of euro

Turnover

- (i) consolidated using the equity method

Mamvo Performance, S.L.U.	3,632
Antevenio, S.R.L.	7,126
Marketing Manager de Servicios de Marketing, S.L.U	1,715
Antevenio ESP, S.L.U	5,268
Código Barras Networks, S.L.U	229
Antevenio Argentina S.R.L.	176
Antevenio France, S.R.L.	
Antevenio Publicite S.R.L.	3,121
Antevenio Mexico, S.A de C.V	4,111
Antevenio SA	2,150
Antevenio Rich & Reach S.L.U	5,117

No subsidiaries have been sold.

During financial year 2016, Antevenio S.A. has divested the Company Europermission, S.L, which was integrated in the perimeter using the equity method.

3. Significant events during 2016

In 2016, the Antevenio Group held the growing trend that had already begun in 2014, surpassing the net business turnover reached in 2015 with a growth of 19%.

In 2016, investments and new activities initiated in prior years have consolidated, strengthening the leading position of Antevenio in the markets where it operates.

La sociedad Inversiones y Servicios Publicitarios, S.A. (ISP), holder as of December 31 of 2015 of 18.68% of the share capital of Antevenio, S.A., represented by 785,905 shares with a face value of 0.055 euros each, proceeded to buy on August 3 of 2016 the shares of the founder and managing director of the Company Joshua David Novick, holder of 11.89% of the Company's share capital, represented by 500,271 shares with a face value of 0.055 euros each, at a price of 6 euros per share.

After said change in the shareholding structure, the company ISP launched a Takeover Bid on the remaining shareholders of the Company. This bid was closed with the acceptance of 1,360,806 shares, at a purchase price of 6 euros each, representing 32.34% of the share capital of Antevenio S.A. These 1,360,806 shares include those provided by director Pablo Pérez García-Villoslada. The company Aliada Investment B.V. has subsequently transferred its shares to the company ISP. Therefore, ISP would now have 83.09% of the share capital of Antevenio S.A.

PROSPECTS

Antevenio faces 2017 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 2017 where growth shall be coupled with profitability. Our financial strength, with a treasury position larger than the one we had at the beginning of 2016, 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 41 thousand Euros in 2016 and relate mainly to information technology equipment.

During 2016 there were 3 thousand euros for additions to intangible assets.

RISKS

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

Competition Risk

In a market that is in constant evolution and that has high growth rates, new market players have entered the Spanish and Italian markets, the most important ones where Antevenio operates. However, given our more than 10 years' experience in this market, the position and the notoriety of Antevenio and the quality of our services, we consider that we 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.

Customers include media agencies that work in turn with many advertisers, which further dilutes the customer dependency risk.

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.

Personal Data Processing Risk

The Antevenio Group processes personal data in order to provide its customers with direct marketing services, in addition to the data processing required from every company: employees, suppliers, customers, etc.

Therefore, it must be subject specifically to the following legislation:

- (1) Law 34/2002 on Information Society Services and Electronic Commerce
- (2) Organic Law 15/1999, of December 13, on Personal Data Protection.
- (3) Royal Decree 1720/2007, of December 21, which approves the Regulation implementing Organic Law 15/1999, of December 13, on personal data protection.
- (4) 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)
- (5) Law 7/1998, of April 13, on General Contracting Conditions.
- (6) Royal Legislative Decree 1/2007, of November 16, approving the consolidated text of the General Law for the Protection of Consumers and Users, and other ancillary laws.
- (7) Law 29/2009, of December 30, which modifies the legal framework for unfair competition and advertising in order to improve consumer and user protection.
- (8) General Advertising Law 34/1988, of November 11.

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.

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PERSONNEL

The Group's average headcount in 2016 was 187, 170 in 2015.

SHAREHOLDING STRUCTURE

Companies with a direct or indirect interest equal to or greater than 5% in the Company's share capital at 31 December 2016 were as follows:

Shareholders with a direct or indirect participation in the share capital as of December 31 of 2016 are:

	31/12/2016	
	Nº acciones	% Participación
Inversiones y servicios publicitarios,	3.496.008	83,09%
Free-float	404.340	9,61%
Nextstage	307.147	7,30%
Total	4.207.495	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 admitted to trading on the Alternex market, has complied with all the regulations for this market regarding transactions carried out in the market of such contract.

Information on the authorization to acquire treasury shares

The General Meeting, pursuant to the provisions of Articles 146 and sequitur of the Spanish law on Corporations, authorized and empowered the Board of Directors of the Company to acquire, 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 face value of own shares acquired directly or indirectly by the company, added to those already held by the acquiring company and its subsidiaries, the parent company and its subsidiaries, cannot exceed ten percent (10%) of its subscribed 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.

It was expressly stated that shares acquired as a consequence of this authorization may be destined to:

- (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 option 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 delivery plan for executive officers and directors. Delegation of powers.

The Shareholders unanimously approved a share delivery plan, consisting of the free delivery of shares of the Company in favour of certain Executive Officers and Directors.

They agreed to establish the following parameters:

- (i) The maximum number of shares that can be delivered within the Plan on its maturity date will be of one hundred and twenty-five thousand (125,000) shares, to be distributed between the Beneficiaries;
- (ii) The delivery will be free of charge for all shares delivered under the Plan;
- (iii) The value of each share will be the one on the market on the day of the delivery;
- (iv) The Plan's maturity date is August 31 of 2019.

Moreover, it was also agreed to delegate to the Company's Board of Directors, with express power to substitute, the powers related to the development, implementation, execution and interpretation, where appropriate, of the conditions of the remuneration plan.

RESEARCH AND DEVELOPMENT ACTIVITIES

During financial year 2016 several projects have been continued, among them: MDirector and its conversion into a cross-channel platform, as well as the development of the Landing Optimizer system, which optimizes the performance of recruitment campaigns.

MDirector is a multi-channel tool engineered for e-mail and SMS sending and for the creation of landing pages, social advertising and programmed publicity. Users are not required to have technical knowledge; MDirector offers real-time statistics: who is reading the message, who is clicking, device and time, among others.

The TrueTarget project, started in 2014, has also been completed. This is a new personalized digital advertising system which works through machine learning and advanced algorithms for data processing.

Finally, a new project has been started in order to develop a mobile application for the website *El viajero Fisgón*.

PREPARATION OF FINANCIAL STATEMENTS AND MANAGEMENT REPORT

In compliance with corporate regulation in force, the Management Board of **Antevenio, S.A.** formulates the Financial Statements and Management Report for the year ended on December 31, 2016 consisting in the attached sheet numbers 1- 57.

Madrid, 29 March 2017
The Board of Directors



Mr. Joshua David Novick
Chairman



Mr. David Rodés
Director



Mr. Vincent Bazi
Director



Mr. Pablo Pérez García-Villoslada
Director-Secretary