

**ANTEVENIO S.A.
AND SUBSIDIARIES**

Consolidated Annual Accounts
and Directors' Report for the
financial year 2016, along with
the Auditors' Report on the
Consolidated Annual Accounts

ANTEVENIO S.A. AND SUBSIDIARIES

Consolidated Annual Accounts and Directors' Report for the financial year 2016, along with the Auditors' Report on the Consolidated Annual Accounts

AUDIT REPORT ON THE CONSOLIDATED ANNUAL ACCOUNTS

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR 2016:

Consolidated Statement of Financial position as of December 31, 2016

Consolidated Statement of Income as of December 31, 2016

Consolidated Statement of Comprehensive Income for the year 2016

Consolidated Statement of Changes in Equity for the year 2016

Consolidated Statement of Chas Flows for the year 2016

Notes to the Consolidated Financial Statements for the year 2016

Independent auditor's report on the consolidated annual accounts

To the shareholders of Antevenio, S.A.

Report on the consolidated annual accounts

We have audited the accompanying consolidated annual accounts of Antevenio, S.A. (hereafter, the controlling company) and its subsidiaries (hereafter, the Group) which comprise the consolidated statement of financial position as at 31 December 2016, the consolidated income statement, the consolidated statement of changes in equity, the consolidated statement of comprehensive income and the consolidated statement of cash flows and the notes to the consolidated accounts for the year ended on that date.

Responsibility of the directors concerning the consolidated annual accounts

The directors of the controlling company are responsible for drawing up the attached consolidated annual accounts, so that they show a true and fair view of the consolidated net equity, the consolidated financial situation and the consolidated results of Antevenio, S.A. and its subsidiaries, in accordance with International Financial Reporting Standards, as adopted by the European Union, and the other regulations contained in the framework of financial reporting standards applicable to the Group in Spain, which is explained in note 2 to the accompanying consolidated annual accounts, and for such internal control that they consider necessary to enable the preparation of consolidated 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 consolidated 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 consolidated 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 consolidated annual accounts. The procedures selected depend upon the judgement of the auditor, including the assessment of the risks of material misstatement in the consolidated 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 consolidated annual accounts by the directors of the controlling company, 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 consolidated 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. and its subsidiaries have registered an expense for the stock option plan as shown in note 15 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. and its subsidiaries.

Qualified Opinion

In our opinion, except for the effects of the matter described in the paragraph "Basis for Qualified Opinion" the accompanying consolidated annual accounts present, in all material aspects, a true and fair view of the consolidated net equity and the consolidated financial situation of Antevenio, S.A. and its subsidiaries at 31 December 2016, and of the consolidated results of their operations and their consolidated cash flows for the year ended on that date, in accordance with International Financial Reporting Standards, as adopted by the European Union, and the other regulations contained in the framework of financial reporting standards applicable in Spain.

Report on Other Legal and Regulatory Requirements

The attached consolidated report of the directors for 2016 contains the explanations that the directors of the controlling company consider necessary concerning the situation of Antevenio, S.A. and its subsidiaries, the development of their business and other matters. It does not form an integral part of the consolidated annual accounts. We have verified that the accounting information contained in the aforementioned report of the directors agrees with the 2016 consolidated annual accounts. Our work as auditors is limited to verifying the consolidated 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 Antevenio, S.A. and its subsidiaries.

Grant Thornton



Alfredo González

18 April 2017

ANTEVENIO S.A. AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR 2016

ANTEVENIO S.A. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT DECEMBER
31, 2016
(in Euros)

ASSETS	Notes	31/12/2016	31/12/2015
Property, plant and equipment	7	251,861	265,032
Goodwill	5	6,313,920	6,313,920
Other intangible assets	8	693,191	767,457
Non-current financial assets	10	75,407	75,546
Holdings consolidated using the equity method		-	425
Deferred tax assets		1,255,124	618,860
NON-CURRENT ASSETS		8,589,503	8,041,240
Trade and other receivables	10	7,992,909	7,401,183
Other current financial assets	10	53,881	119,638
Other current assets	17	619,606	708,162
Cash and cash equivalents	10	6,852,272	6,153,966
CURRENT ASSETS		15,518,668	14,382,949
TOTAL ASSETS		24,108,171	22,424,189

ANTEVENIO S.A. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT DECEMBER
31, 2016
(in Euros)

EQUITY AND LIABILITIES	Notes	31/12/2016	31/12/2015
Share capital	13.1	231,412	231,412
Share Premium	13.2	8,189,787	8,189,787
Reserves	13	3,665,587	2,429,005
Profit attributable to the parent company	3 and 13	2,097,203	1,276,018
Other equity instruments	15	1,022,700	69,540
Treasury shares	13	(513,805)	(513,805)
Translation differences	14	(166,780)	(98,296)
Equity attributable to the parent company		14,526,105	11,583,660
Equity attributable to minority interests		-	-
Equity		14,526,105	11,583,660
Deferred income	16	44,373	52,675
Other non-current liabilities	12	687,119	2,016,630
Deferred tax liabilities	17	193,643	-
Provisions	20	149,259	156,675
Non-current liabilities		1,074,394	2,225,981
Other current payables	11	411,223	64,879
Trade and other payables	11	6,620,476	7,054,639
Other current liabilities	17	1,475,973	1,495,030
Current liabilities		8,507,672	8,614,548
TOTAL EQUITY AND LIABILITIES		24,108,171	22,424,189

ANTEVENIO S.A. AND SUBSIDIARIES

CONSOLIDATED INCOME STATEMENT FOR THE YEAR 2016

(Expressed in Euros)

PROFIT AND LOSS	Notes	2016	2015
Revenue	18	25,378,584	23,041,008
Turnover		26,622,271	24,168,970
Volume discount on sales		(1,243,687)	(1,127,962)
Work carried out by the company for assets		107,450	20,900
Other income		115,792	130,883
TOTAL OPERATING INCOME		25,601,825,35	23,192,791,62
Supplies	18	(11,115,946)	(10,130,565)
Personnel expenses	18	(9,763,936)	(8,257,229)
Wages and salaries		(7,037,097)	(6,455,361)
Employee benefit expense		(1,773,679)	(1,732,328)
Costs associated with other equity instruments.		(953,160)	(69,540)
Amortization and depreciation		(345,840)	(328,479)
Depreciation of property, plant and equipment	7	(96,534)	(112,274)
Amortization of intangible assets	8	(249,306)	(216,205)
Other operating expenses		(3,233,242)	(3,021,503)
External services	18	(2,701,749)	(2,638,746)
Impairment losses on current assets	10.2	(531,493)	(340,508)
Taxes and other		-	(42,249)
Impairment losses on other assets		-	(42,249)
Provision surpluses		-	-
Other income / (loss)		1,121,844	(19,834)
TOTAL OPERATING EXPENSES		-23,337,120,12	-21,757,609,51
OPERATING PROFIT / (LOSS)		2,264,705,231	1,435,182,105
Other finance and similar income	18	21,092	38,598
Translation differences	12	18,277	573,211
Profit on treasury shares		-	-
TOTAL FINANCE INCOME		39,368	611,810
Other finance and similar expenses	18	(70,869)	(54,069)
Translation differences	12	(134,379)	(588,614)
Por actualización de provisiones de deuda		-	(10,481)
TOTAL FINANCE EXPENSES		(205,247)	(653,165)
Impairment and gains / (losses) on disposal of financial instruments		1,272	-
Share of profit (loss) of consolidated companies		-	-
Deterioro y resultado por pérdida de influencia significativa de participaciones puestas en equivalencia o del control conjunto sobre una sociedad multigrupo.		-	-
NET FINANCE INCOME/(EXPENSE)		(164,607)	(41,355)
INCOME FROM CONTINUING OPERATIONS		2,100,098	1,393,827
CONSOLIDATED PROFIT / (LOSS) BEFORE TAX		2,100,098	1,393,827
Income tax expense	17	119,135	(67,860)
Other taxes		(122,030)	(49,950)
CONSOLIDATED PROFIT / (LOSS) FOR THE YEAR	19	2,097,203	1,276,018
Profit attributable to minority interests		-	-
CONSOLIDATED PROFIT / (LOSS) ATTRIBUTABLE TO THE PARENT COMPANY		2,097,203	1,276,018
Earnings per share:			
Basic		0,52	0,32
Diluted		0,52	0,32

ANTEVENIO S.A. Y SOCIEDADES DEPENDIENTES
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
CORRESPONDING TO THE YEAR ENDED ON DECEMBER 31, 2016 (Expressed in Euros)

	Registered Capital	Share Premium	Reserves and Profit/(Loss) for the year	(Parent Company Shares)	Minorities Interests	Other equity instruments	Translation differences	Total
Balance at 31/12/2013	231,412	8,189,787	2,951,474	(43,870)	-	-	(8,310)	11,320,493
Balance at 01/01/2014	231,412	8,189,787	2,951,474	(43,870)	-	-	(8,310)	11,320,493
Recognized income and expense			(394,426)	-		-	22,551	(371,875)
Other transactions	-	-	22,685	-	-		-	22,685
Acquisition higher percentage of share	-	-	-	-		-	-	-
Changes in the percentage interest in capital			-					-
Transactions with Parent Company shares	-	-	-	22,165	-	-	-	22,165
Dividend	-	-	-	-		-	-	-
Balance at 31/12/2014	231,412	8,189,787	2,579,733	(21,705)	-	-	14,241	10,993,468
Adjustments for errors 2014 (note 2.g)	-	-	-	-	-	-	-	-
Balance at 01/01/2015	231,412	8,189,787	2,579,733	(21,705)	-	-	14,241	10,993,468
Recognized income and expense	-	-	1,276,018	-	-	-	(112,537)	1,163,481
Other transactions	-	-	(150,729)	-	-	69,540	-	(81,189)
Acquisition higher percentage of share	-	-	-	-	-	-	-	-
Changes in the percentage interest in capital	-	-	-	-	-	-	-	-
Transactions with Parent Company shares	-	-	-	(492,100)	-	-	-	(492,100)
Dividend	-	-	-	-	-	-	-	-
Balance at 31/12/2015	231,412	8,189,787	3,705,022	(513,805)	-	69,540	(98,296)	11,583,660
Adjustments for errors 2015 (note 2.g)	-	-	-	-	-	-	-	-
Balance at 01/01/2016	231,412	8,189,787	3,705,022	(513,805)	-	69,540	(98,296)	11,583,660
Recognized income and expense	-	-	2,097,203	-	-	-	(68,484)	2,028,720
Other transactions	-	-	(39,435)	-	-	953,160	-	914,352
Acquisition higher percentage of share	-	-	-	-	-	-	-	-
Changes in the percentage interest in capital	-	-	-	-	-	-	-	-
Transactions with Parent Company shares	-	-	-	-	-	-	-	-
Dividend	-	-	-	-	-	-	-	-
Balance at 31/12/2016	231,412	8,189,787	5,762,790	(513,805)	-	1,022,700	(166,780)	14,526,732

ANTEVENIO S.A. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
CORRESPONDING TO THE YEAR ENDED ON DECEMBER 31, 2016

(Expressed in Euros)

Notes	31/12/2016	31/12/2015	31/12/2014
PROFIT / (LOSS) FOR THE PERIOD	2,097,203	1,276,018	(394,426)
Income and expense directly recognized in equity:	-	-	-
Translation differences	(68,484)	(112,537)	22,551
TOTAL INCOME AND EXPENSES DIRECTLY RECOGNIZED IN EQUITY	(68,484)	(112,537)	22,551
Transfers to the profit and loss account:	-	-	-
Adjustments for changes in value	-	-	-
TOTAL TRANSFERS TO PROFIT AND LOSS	-	-	-
TOTAL RECOGNIZED INCOME AND EXPENSE	2,028,720	1,163,481	(371,875)
Attributable to the Parent Company	2,028,720	1,163,481	(371,875)
Attributable to minority interests	-	-	-

ANTEVENIO S.A. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CASH FLOWS CORRESPONDING
TO THE YEAR ENDED ON DECEMBER 31, 2016 (in Euros)

	Note	31/12/2016	31/12/2015
CASH FLOW FROM OPERATING ACTIVITIES (A)		1,036,349	1,835,014
Profit / (Loss) before taxes	18	2,100,098	1,393,827
Adjustments for:			
+ Depreciation and amortization		345,840	328,479
+ / - Impairment losses		530,221	340,508
+ / - Provisions		-	-
+ / - Grants recognized in income		(110,449)	-
+/- Share of profit (loss) of consolidated companies		-	-
- Finance income		(21,092)	(38,598)
+ Finance expense		70,869	64,550
+/- Exchange differences		116,102	15,403
Income tax expense		-	-
+/- Other income and expenses		(276,134)	41,183
Changes in operating assets and liabilities:		-	-
Changes in receivables		(1,182,379)	(567,576)
Changes in payables	11,1	(434,162)	311,175
Changes in other current assets		92,784	(109,697)
Changes in other current financial assets		65,757	(60,395)
Changes in other current liabilities	11,1	(45,983)	271,572
Other non-current assets		139	(39,929)
+ Collection of monetization R&D		78,243	-
- Income tax paid		(253,450)	(92,046)
External Partners		-	-
Interest paid (-)	18,f	(57,097)	(54,069)
Interest received (+)	18,e	16,864	30,629
CASH FLOWS FROM INVESTING ACTIVITIES (B)		(241,281)	(563,994)
Investments in intangible assets		(165,606)	(286,992)
Investments in property, plant and equipment		(86,974)	(129,406)
Investments in non-current financial assets		-	-
Goodwill increase		-	-
Deferred assets		-	-
Other non-current assets		(39,435)	(150,729)
Withdrawal of property, plant and equipment		50,734	3,132
CASH FLOWS FROM FINANCING ACTIVITIES (C)		87,824	(364,851)
Changes in other non-current liabilities	8	(197,108)	(33,868)
Changes in debts with financial institutions	7	293,234	38,902
Transactions in own shares		-	(492,100)
Transactions in equity instruments	13	-	69,540
Grants awarded		(8,302)	52,675
EFFECT OF FOREIGN EXCHANGE RATES FLUCTUATIONS (D)		(184,586)	(127,940)
Net increase/decrease in cash and cash equivalents (E=A+B+C+D)		698,306	778,229
Cash and cash equivalents at beginning of period (F)	10	6,153,966	5,375,737
Cash and cash equivalents at end of period (G=E+F)		6,852,272	6,153,966

The Group's Consolidated Annual Accounts, which form a single unit, include the Consolidated Cash Flow Statements, the Consolidated Statements of Financial Situation, the Consolidated Statements of Income, the Consolidated Statements of Changes in Net Equity, and 29 Notes.

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ANTEVENIO S.A. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR 2016

NOTE 1. GROUP COMPANIES, JOINTLY CONTROLLED ENTITIES AND ASSOCIATED COMPANIES

1.1) Parent Company; particulars and activity

a) Incorporation and registered address

Antevenio, S.A. (hereinafter the Parent Company) was incorporated as a private company on November 20, 1997, with the name "Interactive Network, SL"; subsequently, on January 22, 2001, the Company converted into public and changed its name to "I Network Advertising, S.A." on January 22, 2001. On April 7, 2005, the General Meeting of Shareholders approved the change of the Company's name to its current one.

Its registered address is at C/ Marqués de Riscal, 11, planta 2ª, Madrid.

b) General information

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.

The presentation currency used in these Consolidated Financial Statements is euro. Unless otherwise stated, all figures are presented in Euros.

c) Activity

Its activity consists in those 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 accomplishment of the aforementioned corporate purpose. The activities forming of its corporate purpose may be performed, entirely or partly, by the parent Company, either directly or indirectly through its interests in other companies with an identical or similar purpose.

Antevenio, S.A. shares are listed on the French alternative stock market Alternext.

d) Financial Year

The Parent Company's financial year covers the period from January 1 to December 31 of each calendar year.

1.2) Subsidiaries

The details of the subsidiaries included within the consolidation perimeter are as follows:

Company	Holding Percentage 31/12/2016	Holding percentage 31/12/2015	Gross carrying amount of the interest
Mamvo Performance, S.L.U.	100%	100%	1,577,382
Marketing Manager Servicios de Marketing, S.L.U.	100%	100%	199,932
Antevenio S.R.L.	100%	100%	5,027,487
Antevenio ESP, S.L.U.	100%	100%	27,437
Antevenio France S.R.L.	100%	100%	2,000
Código Barras Networks S.L.U. (**)	100%	100%	145,385
Antevenio Argentina S.R.L. (*)	100%	100%	341.447
Antevenio México S.A de C.V	100%	100%	1,908
Antevenio Publicité, S.A.S.U.	100%	100%	3,191,312
Antevenio Rich & Reach, S.L.U.	100%	100%	3,000

Holdings in the capital of these subsidiaries are held by the Parent Company, except:

(*) Holding held by Mamvo Performance, S.L.U. and Antevenio ESP, S.L.U. (75% and 25% respectively).

(**) Holding held by Antevenio, Rich & Reach, S.L.U.

Subsidiaries where the Company holds a majority of voting rights have been fully consolidated. These companies have also fiscal years ending on December 31 each year.

There are no Subsidiaries excluded from consolidation.

No significant changes have been recorded in the consolidation perimeter during 2016.

The main features of the subsidiaries are as follows:

Company	Incorporation Year	Registered Address	Corporate Purpose
Mamvo Performance, S.L.U.	1996	C/ Marqués de Riscal, 11	Online advertising and direct marketing for the generation of useful contacts.
Marketing Manager Servicios de Marketing, S.L.U.	2005	C/ Marqués de Riscal, 11	Advising related to commercial communication companies.
Antevenio S.R.L.	2004	Viale Abruzzi 13/A 20131 Milano	Advertising and Marketing on the Internet.
Antevenio ESP, S.L.U. (formerly Diálogo Media S.L.U.)	2009	C/ Marqués de Riscal, 11	Advertising, online advertising and e-commerce operation services through electronic means.
Antevenio France, S.R.L.	2009	120, Av. du General LECLERC, 75014, Paris, France.	Advertising and promotional services on the Internet, research, distribution and provision of services in the field of advertising and marketing on the Internet.
Código Barras Networks S.L.	2010	C) Valencia 264, 08007 Barcelona	Its corporate purpose is the marketing of advertising space in products' search engines, price comparators and contextual windows that the Company implements, manages and maintains on the Internet.
Antevenio Argentina S.R.L.	2010	Av. Presidente Figueroa Alcorta 3351, oficina 220, Buenos Aires, Argentina.	Commercial brokerage, marketing and advertising services.
Antevenio México, S.A. de CV.	2007	Calle Galileo 20 403 Polanco Chapultepec Distrito Federal 11560	Other advertising services.
Antevenio Publicité, S.A.S.U.	2008	32 Rue de Londres, 75009 Paris.	Advertising and promotional services on the Internet; research, distribution and provision of services in the field of advertising and marketing on the Internet.
Antevenio, Rich & Reach, S.L.U.	2013	C/ Marqués de Riscal, 11	Internet services, especially in the field of online advertising.

1.3) Associates

The breakdown of Associates included in these Consolidated Financial Statements is as follows:

Company	Holding percentage 31/12/2016	Holding percentage 31/12/2015	Cost of the investment
Europemission, S.L.	-	49.68	1,520

This company has not been consolidated in 2016 as the company was wound up during the reported year.

The interest in the share capital of this associate is held by the Parent Company

This Associate was consolidated in 2015 using the equity method, as the criterion of joint control or significant influence was met. The closing date for the annual accounts of this Associate is also 31 December.

The main features of this Associate are as follows:

Company	Incorporation Year	Registered Address	Corporate Purpose
Europemission, S.L.	2003	C/ Marqués de Riscal, 11	Wound up on October 14, 2016.

NOTE 2. BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

a) Application of International Financial Reporting Standards (IFRS)

These Consolidated Financial Statements have been prepared according to the provisions of the International Financial Reporting Standards (IFRS) as approved by the European Union in accordance with Regulation (EC) No. 1606/2002, of the European Parliament and the Council, effective as of 31 December 2016, taking into account any and all mandatory accounting principles and standards and measurement criteria that a significant effect.

The most significant accounting principles and measurement criteria applied by the Directors in the preparation of these Consolidated Financial Statements are summarised in Note 4 below. The Directors of the Parent Company are responsible for the presentation of the Group's consolidated financial statements.

Under the provisions of IFRS, the Consolidated Financial Statements include the following Consolidated Statements for the financial year ended 31 December 2016:

- Consolidated Statement of Financial Position.
- Consolidated Income Statement
- Consolidated Statement of Comprehensive Income
- CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
- Consolidated Statement of Cash Flows.
- Notes to the Consolidated Financial Statements

During 2015 and 2016 new and/or amended accounting standards have come into force; accordingly, the following new and/or amended standards have been considered in the preparation of these Consolidated Financial Statements:

- a) Standards and interpretations approved by the European Union, applied for the first time in the Consolidated Financial Statements for 2016.

The accounting principles applied in the preparation of these Consolidated Financial Statements are the same that were applied in the preparation of the Consolidated Financial Statements for 2015, with the following exceptions that were first applied in the Financial Statements started on 1 January 2016:

		Effective Date (financial years beginning on):
Improvements to IFRSs Cycle 2012-2014	Annual Improvements to several standards Cycle 2012-2014 (IFRS 5, IFRS 7, IAS 19, IAS 34)	January 1, 2016
Amendments to IAS 1	Presentation of Financial Statements: Disclosures	January 1, 2016
Amendments to IFRS 11	Joint Arrangements: Accounting for Acquisition of Interests in Joint Operations	January 1, 2016
Amendments to IAS 16 and IAS 38	Clarification on the Depreciation and Amortisation Methods Accepted	January 1, 2016
Amendments to IAS 16 and IAS 41	Biological Assets	January 1, 2016
Amendments to IFRS 10, IFRS 12 and IAS 28	Investment entities: Applying the consolidation exception	January 1, 2016
Amendments to IAS 27	Equity Method in Separate Financial Statements	January 1, 2016

Application of the above mentioned improvements and amendments has not had any significant impact on the Consolidated Financial Statements for the year 2016.

- a) Other standards, amendments and interpretations issued by the IASB pending approval by the European Union:

		Effective Date (financial years beginning on):
Amendments to IAS 7	Statement of Cash Flows: Disclosure Initiative	January 1, 2017
Amendments to IAS 12	Recognition of Deferred Tax Assets related to Unrealised Losses.	January 1, 2017
IFRS 16	Leases	January 1, 2019
IFRS 15	Revenue from Contracts with Customers	January 1, 2018
IFRS 9	Financial instruments	January 1, 2018
Improvements to IFRSs Cycle 2014-2016		January 1, 2018
CNIIF 22	Foreign currency transactions and advance consideration	January 1, 2018

None of these Standards has been earlier applied by the Group. The directors have assessed the potential impact of the future application of these standards and consider their coming into force will not have a significant effect on the consolidated financial statements.

b) Fair presentation

The attached Consolidated Financial Statements for the financial year ended 31 December 2016 have been prepared based in the accounting records of the various companies that form the Group, and are presented in accordance with the provisions of the International Financial Reporting Standards and of the applicable Spanish accounting regulations in order to offer a true and fair view of the equity, financial position, results, changes in equity and cash flows of the Group during the reporting period.

The consolidated financial statements prepared by the Directors of the Parent Company will be subject to approval of the General Meeting of Shareholders of the Parent Company, and are expected to be approved without modification.

c) Critical issues regarding the measurement and estimation of uncertainties

In the preparation of the attached Consolidated Financial Statements according to IFRS, the Directors of the Parent Company have used accounting estimates and assumptions to measure certain of the assets, liabilities, income, expenses and commitments obligations therein disclosed. The accounting estimates and assumptions having a more significant impact on these Consolidated Financial Statements have been separately addressed in different sections of this document:

- The useful life of property, plant and equipment and intangible assets (Notes 4f and 4g).
- The assessment of eventual impairment losses on certain assets (note 4h).
- The fair value of certain financial instruments y their eventual impairment (note 4j).
- The calculation of provisions, as well as the likelihood of occurrence and the amount of indeterminate or contingent liabilities (note 4n).
- Forecasts of future taxable profits that make the recovery of deferred tax assets likely (note 4l).

These estimates are based on the best available information up to the date of preparation of these Consolidated Financial Statements, on past experience and on other various factors that were deemed relevant. However, the actual final results may differ from those estimates. Any future event not known at the date of preparation of these estimates could result in changes (upwards or downwards), which would, when appropriate, applied prospectively.

d) Classification of current and non-current items

For the classification of the current items, a maximum period of one year from the date of these Consolidated Financial Statements has been applied.

e) Comparative information

These Consolidated Financial Statements for the year ended 31 December 2016 include, for comparative purposes, the relevant figures for the year 2015 that were included in the consolidated financial statements for 2015 as approved by the Annual General Meeting of Shareholders of the Parent Company on 22 June 2016, which had been also prepared in accordance with the provisions of the International Financial reporting Standards as approved by the European Union. Accordingly, line items for the different periods are comparative and consistent.

NOTE 3. EARNINGS/LOSS PER SHARE**Basic earnings/loss per share**

Basic earnings/loss per share is calculated by dividing the consolidated profit/loss attributable to the Parent Company by the weighted average number of shares outstanding during the financial year, excluding the average number of treasury shares held during the period.

Diluted earnings/loss per share

Diluted earnings/loss per share is calculated similarly to the basic profit/loss per share, but the weighted average number of shares outstanding is increased with stock options, warrants and convertible bonds.

Calculation of earnings/loss per share is shown below:

	31/12/2016	31/12/2015
Net profit/(loss) for the year	2,097,203	1,276,018
Weighted average number of outstanding shares	4,009,147	4,009,147
Basic profit per weighted average number of shares	0.52	0.32

During the financial years herein presented the Group has not performed any transaction causing dilution; accordingly, basic earnings/losses per share coincide with diluted earnings/losses per share.

The proposed allocation of losses incurred by the Parent Company during 2016, submitted by the Board of Directors to the approval of the Annual General Meeting of Shareholders, is as follows:

Basis of distribution

Profit and loss (loss)	(11,009)
Total	(11,009)

Application

To negative results from previous financial years	(11,009)
Total	(11,009)

The Annual General Meeting held on 22 June 2016 approved the following distribution of 2015 profit of the Parent Company:

Basis of distribution

Profit and loss (profit)	929,898
Total	929,898

Application

Voluntary reserves	929,898
Total	929,898

NOTE 4. SIGNIFICANT ACCOUNTING POLICIES

The main accounting policies applied by the Group in the preparation of the Consolidated Financial Statements for 2016 were as follows:

a) Consolidation methods

These Consolidated Financial Statements include the Parent Company and all the subsidiaries over which the Group has control. Subsidiaries are those companies over which the Parent Company or any of its subsidiaries have control. Control is established by:

- Power over the investee;
- Exposure to, or existence of rights on variable returns resulting from its relationship with the investee.
- The ability to use its power over the investee to affect the amount of the investor's returns.

Subsidiaries are consolidated even if acquired for disposal.

Any balances, transactions, and gains and losses realized between Group companies included within the Group's continuing operations are subsequently eliminated in the consolidation process. Transactions between continuing and discontinuing operations expected to continue after disposal are not eliminated from continuing operations in order to present continuing operations consistently with the commercial operations they carry out.

Associates, which are those companies over which the Group has a significant influence but over which it has no control, and jointly-controlled entities (“joint ventures”), where companies are entitled to the joint arrangement’s net assets, have been consolidated using the equity method, except when these investments are eligible to be classified as held-for-sale. Any gains or losses resulting from transactions between Group companies and associates or jointly-controlled entities have been eliminated in proportion to the Group’s interests in those companies. When the Group’s share in the losses of a company consolidated using the equity method exceeds the amount of the Group investment, the Group recognizes a provision for its share of losses in excess of the investment. The value of the investment in any investee consolidated using the equity method is equal to the carrying amount of the equity investment and any other non-current interest that form an essential part of the net investment in the investee.

When control over a subsidiary is lost as a result of a transaction, event or any other circumstance, the Group derecognizes all the assets, liabilities and non-controlling interests at their carrying amount and recognizes the fair value of consideration received. Retained interests in the former subsidiary are recognized at fair value as at the date when control over it was lost. Any resulting difference is recognized as a gain or loss under “Other Income (Expense)” in the Statement of Comprehensive Income.

The financial statements of subsidiaries, associates and jointly-controlled entities are referred to the financial year ended on the same date of the Company’s separate financial statements, and have been prepared applying consistent accounting policies (EU-IFRS).

b) Uniformity of line items

The different items in the individual interim financial statements for each of the companies in the Group have been subject to the appropriate measurement harmonisation, by adapting the criteria therein applied to those used by the Parent Company (Antevenio, S.A.) in its own Consolidated Financial Statements, whenever this harmonisation implies a significant effect.

No timing harmonisation has been required as the closing date for the Consolidated Financial Statements of all the companies in the Group is 31 December 2016.

c) First consolidation difference

The first consolidation difference was calculated as the difference between the carrying amount of the investment in the subsidiaries and the value of the proportional share of the investees’ consolidated equity on the date of first consolidation.

In the case of a positive consolidation difference, corresponding to the excess of the cost of the investment and the attributable carrying amount of the investee at the date of joining the Group, the difference is allocated directly, to the extent possible, to assets of the subsidiary without exceeding the market value thereof. When the difference cannot be allocated to assets, it is considered as consolidation goodwill that shall be annually subject to the relevant impairment test (see Note 4 h).

Negative consolidation differences are recognized in the Consolidated Income Statement, and relate to the negative difference between the carrying amount of the parent Company's direct investment in the capital of the subsidiary and the value of the proportional share in the investee's equity attributable to the investment on the date of initial consolidation.

d) Translation differences

Line items in both the Consolidated Statement of Financial Position and the Consolidated Income Statement relating to consolidated companies whose functional currency is not the euro, have been translated to euro applying the following criteria:

- Assets, liabilities, income and expenses (excluding equity) at the exchange rate at the end of each year
- The headings of the Consolidated Income Statement at the average exchange rate of the financial year.
- Equity at the historical exchange rate.

Any differences resulting from the application of different exchange rates as per the above mentioned criteria, are presented under "Translation differences" in the Consolidated Statement of Financial Position.

e) Transactions between companies included in the consolidation perimeter

As prior step to preparation of the Consolidated Financial Statements, the Directors have proceeded to eliminate all balances and transactions between Group companies, as well as any gains or losses obtained or incurred in by such companies as a result of the aforementioned transactions.

f) Intangible assets

In general, intangible assets are always recognized when comply with the identifiability criterion and are initially measured at their acquisition or production cost, less accumulated depreciation and, where appropriate, impairment losses. In particular, the following criteria are applicable:

Industrial property

Industrial property relates to capitalized development costs for which the relevant patents, etc. have been obtained, and includes the costs of registration and formalization of industrial property and those of acquisition of the rights from third parties. Industrial property is amortized on a straight-line basis throughout its useful life, at an annual rate of 20%.

Computer software

The 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%.

Any maintenance costs relating to computer applications incurred into during the year are recognized in the Consolidated Income Statement.

g) Property, plant and equipment

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

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 costs of expansion, modernization or improvements leading to increased productivity, capacity or efficiency, or to an extension of the useful lives of the assets are recognized as an increased cost thereof. Upkeep and maintenance expenses are charged to the Consolidated Income Statement for the relevant year.

The Group amortized property, plant and equipment on a straight-line basis. The useful life and depreciation rates applied are as follows:

	Percentage	Estimated Years of Useful Life
Other installations	20	5
Furniture	10	10
Information technology equipment	18	5.71
Motor vehicles	25	4
Machinery	20	5
Other property, plant and equipment	20-10	5-10

Investments made by the Group 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.

h) Impairment of intangible assets; property, plant and equipment, and consolidation goodwill.

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. For the calculation of the recoverable value of property, plant and equipment and intangible assets, the value in use is the criterion used by the Group.

To these purposes, at least at year end, the Group 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. A cash-generating unit (CGU) is the smallest identifiable group of assets that generates cash flows that are largely independent of those derived from other assets or groups of assets.

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.

The procedure implemented by the Group management for determining the impairment is as follows:

For estimating value in use, the Group management annually prepares a business plan by markets and activities for each cash-generating unit, these business plans typically extend over a five-year period. The main components of this plan are the projections of income and cash flows.

Other variables that influence the calculation of the recoverable amount are:

- The discount rate to be applied, estimated at around 12%; the main variables that influence the calculation are the cost of the liabilities and the specific risks of the assets.
- The growth rate of the cash flows used were established based on each company and each geographic market.

The projections are prepared based on past experience as well as the best available estimates, which are consistent with the information from external sources.

The five-year strategic plan for Group companies is approved by the Board of Directors of the Parent Company.

Should the company need to recognize an impairment loss for a cash-generating unit to which all or part of goodwill has been allocated, it shall first reduce the carrying amount of the goodwill associated with that unit. If impairment exceeds the amount of goodwill, the company shall then reduce the remaining assets in the cash-generating unit on a pro rata basis based on their carrying amounts. The carrying amount of each asset may not be reduced below the higher of its fair value less costs to sell, its value in use or zero. Impairment losses shall be recognized in the income statement as an expense.

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 the Consolidated Income Statement.

i) Leases and other transactions of similar nature

Finance lease are classified by the Group as transactions by which the lessor transfers substantially the risks and rewards incidental to ownership of the leased asset to the lessee, registering the rest as operational leases.

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

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

Expenses arising from operating leases are recognized in the Consolidated Income Statement for the year when they accrue.

Similarly, the acquisition cost of the leased asset is presented in the balance sheet according to its nature, increased by the amount of the costs directly attributable to the contract, which are expensed in the period of the contract, applying the same criteria used for the recognition of lease income.

j) Financial Instruments

j.1 Financial Assets

Financial assets held by the Company are classified for measurement purposes in the following categories:

j.1.1) Loans and receivables

These correspond to loans for commercial or non-commercial transactions, arising from the sale of goods, deliveries of cash or the provision of services with fixed or determinable payments that are not traded in an active market.

Loans and receivables are initially recognized at the fair value of the consideration given plus any directly attributable transaction costs. Loans and receivables are subsequently measured at amortized cost, and the interests accrued are recognized in the Income Statement using the effective interest rate method.

Nevertheless, trade receivables with a maturity not exceeding one year and not having a contractual interest rate are initially measured at their nominal value, provided that the effect of not discounting the cash flows is not material, in which case they will be subsequently measured at that amount unless they have been impaired.

Impairment losses shall be measured as the difference between the carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate calculated upon initial recognition. Impairments are recognized in the Consolidated Income Statement.

Financial assets are 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. Conversely, financial assets are not derecognized and a financial liability is recognized for the amount of the consideration received, in transfers whereby the Company retains substantially all the risks and rewards of ownership such as discounted bills.

j.2 Financial Liabilities

A financial liability is recognized in the balance sheet when the Group becomes a party to the contract or any agreement pursuant to the provisions thereof.

Debts and payables arising from the purchase of goods and services in the ordinary course of the business or non-trade receivables are initially measured at fair value of the consideration received, adjusted for directly attributable transaction costs. Nonetheless, trade payables falling due within one year for which there is no contractual interest rate are measured at their nominal amount, provided that the effect of not discounting the cash flows is immaterial.

Debts and payables are subsequently measured at amortized cost, using the effective interest rate method. Payables initially measured at the nominal amount, in accordance with the preceding paragraph, shall continue to be measured at that amount.

Financial liabilities are derecognized when the obligations have been extinguished.

j.3 Guarantees extended and received

Cash flows from extended guarantees are not discounted as the effect thereof is immaterial. Current guarantees extended and received are measured at the amount disbursed.

j.4 Own equity instruments (treasury shares)

Treasury shares of the Parent Company acquired by the Group are recognized at the value of the consideration paid, as a reduction in the value of Equity. The proceeds arising from the purchase, sale, issue or redemption of own equity instruments are recognized directly in Equity, and under no circumstances can they be recognized in the Consolidated Income Statement.

k) Foreign Currency

Line items included in the financial statements of each Group company are measured in their respective functional currencies. The Consolidated Financial Statements are expressed in Euro, which is the functional and presentation currency of the Parent Company.

The companies included in the Group recognize in their individual financial statements:

- Transactions in currencies other than the functional currency executed during the year at the exchange rates prevailing at the dates of the transaction.
- The balance of monetary assets and liabilities in currencies other than the functional currency (cash and items not losing value on realization) are measured at the exchange rates at year-end.
- The balances of non-monetary assets and liabilities in currencies other than the functional currency are measured at the historical rates.

Any gains and losses from these line items are included in the Consolidated Income Statement.

1) Income Tax

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 for the year is calculated as the sum of current tax resulting from applying the corresponding tax rate to the taxable base for the year, net of any deductions and tax reliefs, and net of any changes registered during the year in deferred tax assets and liabilities. Income Tax is recognized in the Consolidated Income Statement, except when it relates to transactions directly recognized in Equity, in which case the related tax is also recognized in Equity.

Deferred taxes are recognised for any temporary differences, existing as of the date of the consolidated Statement of Financial Position, between the taxable base of assets and liabilities and their respective carrying values. The tax base of an asset, liability or equity instrument is the amount attributed to that item for tax purposes. Tax effect of temporary differences is presented under either “Deferred tax assets” or “Deferred tax liabilities” in the consolidated Statement of Financial Position.

The Group recognizes a deferred tax liability for all taxable temporary differences, except, where appropriate, for the exceptions provided in the existing regulations.

The Group recognizes deferred tax assets for all deductible temporary differences to the extent that it is probable that the Company will have future taxable profits that allow the recovery of these assets, except, where appropriate, for the exceptions provided in the existing regulations.

At each balance sheet date, the Group assesses any recognized deferred tax assets and any previously unrecognized deferred tax assets. On the basis of this assessment, the Company proceeds to derecognize previously recognized deferred tax asset when recovery is no longer probable, or proceeds to recognize a previously unrecognized deferred tax asset if it is probable that the Company will have future taxable profits to enable its application.

Assets and deferred tax liabilities are measured at the rates expected to prevail upon their reversal, based on tax legislation in force and in accordance with the manner in which the assets are reasonably expected to be recovered or and liabilities settled.

Deferred tax assets and liabilities are not discounted and classified as non-current assets and liabilities, regardless of the date of realization or settlement.

m) Revenue and expenses

Antevenio Group is specialized in performance and brand marketing. In order to adjust more rapidly to the permanent changes in the on-line marketing industry, Antevenio Group also develops its own technological solutions for commercialisation thereof.

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 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 Group will receive economic benefits or income derived from the transaction.
- 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.

The Group reviews and, if necessary, revises the estimates of revenue as the service is being performed.

When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue shall be recognized only to the extent of the expenses recognized that are recoverable.

n) Provisions and contingencies

In the preparation of the Consolidated Financial Statements, the Directors of the Parent Company distinguish between:

- n.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.
- n.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.

The Consolidated Financial Statements include all the provisions for which the probability of having to meet the obligation is estimated as greater than the opposite alternative, and they are measured at the present value of the best possible estimate of the amount required to settle or transfer the obligation to a third party. Contingent liabilities are not recognized in the financial statements but are disclosed in the notes.

Provisions are measured on the balance sheet date at the present value of the best estimate of the amount required to settle or transfer the obligation to a third party; any adjustments made to update these provisions shall be recognized as a financial expense as it accrues. Provisions expiring within one year shall not be 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.

o) Deferred Income

Non-refundable capital grants, as well as donations and bequests, are measured at the fair value of the amount awarded or the item received. Non-refundable capital grants, donations and bequest are initially accounted for as liabilities under "Deferred income" in the Consolidated Balance Sheet and recognized in the Consolidated Income Statement proportionally to the depreciation of the assets financed by these grants, except in the case of non-depreciable assets that shall be recognized as income the year when their disposal or derecognition occurs.

Refundable grants are accounted for as either current or non-current liabilities (considering the term of repayment) convertible into grants until they meet the criteria for classification as non-refundable.

Operating grants are accounted for as income on an accrual basis.

p) Assets of environmental nature

Because of its activity, the Group has no significant assets of property, plant and equipment, intended to minimize environmental impact and, protecting and improving the environment and, has not received grants nor incurred in expenses during the year whose purpose is to protect and improve the environment. Furthermore, the Group has not made provisions for risks and expenses related to environmental actions, considering that there are no contingencies related to the protection and improvement of the environment.

q) Transactions between related parties

Transactions between related parties, irrespective of the type of relationship, are accounted for in accordance with the general standards. Therefore, as a general rule, items involved in a transaction will be initially measured 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.

r) Equity instruments-based payments

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

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

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.

s) Statement of Cash Flows

The Consolidated Statement of Cash Flows has been prepared using the indirect method, and uses the following expressions with the meaning specified:

- Operating activities are the principal revenue-producing activities of the Group and other activities that are not investing or financing activities.
- Investing activities are the acquisition, sale or disposal of long-term 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 liabilities that are not part of the operating activities.

NOTE 5. CONSOLIDATION GOODWILL

The detail of this item, broken down by company according to the above mentioned criteria, is as follows:

	31/12/2016	31/12/2015
Marketing Manager Servicios de Marketing, S.L.	276,461	276,461
Antevenio S.R.L.	3,686,847	3,686,847
Antevenio ESP, S.L.U.	81,027	81,027
Antevenio Publicite S.A.R.L.	2,269,585	2,269,585
Total Cost	6,313,920	6,313,920

NOTE 6. INVESTMENTS IN COMPANIES CONSOLIDATED USING THE EQUITY METHOD

The detail of the investments in companies consolidated using the equity method is as follows:

	31/12/2016	31/12/2015
Europemission	-	425
Total	-	425

The summarised financial information of this investee at 31 December 2015 was as follows:

	Assets	Liabilities	Profit/(Loss)
Europemission	855	855	-
Total	855	855	-

On October 14 of 2016, Europemission S.L. was dissolved, liquidated and extinguished, prior approval thereto in a resolution of the Universal and Extraordinary General Meeting of Shareholders held on 26 July of 2016; accordingly, the investee has left the consolidation perimeter.

NOTE 7. PROPERTY, PLANT AND EQUIPMENT

In 2016 and 2015 the balances and movements in gross value, accumulated depreciation and impairment adjustments are as follows:

COST	31/12/2015	ADDITIONS	DERECOGNITIONS	31/12/2016
Technical installations, machinery, tools, furniture and other PP&E.	1,098,811	86,974	(35,271)	1,150,514
TOTAL COST	1,098,811	86,974	(35,271)	1,150,514
ACCUMULATED AMORTIZATION	31/12/2015	ADDITIONS	DERECOGNITIONS	31/12/2016
Technical installations, machinery, tools, furniture and other PP&E.	(823,054)	(101,536)	32,517	(892,073)
TOTAL ACCUMULATED AMORTIZATION	(823,054)	(101,536)	32,517	(892,073)
PROVISIONS FOR IMPAIRMENT	31/12/2015	ADDITIONS	DERECOGNITIONS	31/12/2016
Technical installations, machinery, tools, furniture and other PP&E.	(10,725)	-	4,145	(6,580)
TOTAL PROVISIONS	(10,725)	-	4,145	(6,580)
NET	31/12/2015	ADDITIONS	DERECOGNITIONS	31/12/2016
Technical installations, machinery, tools, furniture and other PP&E.	265,032	(14,562)	1,392	251,861
TOTAL NET CARRYING AMOUNT	265,032	(14,562)	1,392	251,861

COST	31/12/2014	ADDITIONS	DERECOGNITIONS	31/12/2015
Technical installations, machinery, tools, furniture and other PP&E.	989,033	129,406	(19,628)	1,098,811
TOTAL COST	989,033	129,406	(19,628)	1,098,811
ACCUMULATED AMORTIZATION	31/12/2014	ADDITIONS	DERECOGNITIONS	31/12/2015
Technical installations, machinery, tools, furniture and other PP&E.	(728,252)	(112,274)	17,472	(823,054)
TOTAL ACCUMULATED AMORTIZATION	(728,252)	(112,274)	17,472	(823,054)
PROVISIONS FOR IMPAIRMENT	31/12/2014	ADDITIONS	DERECOGNITIONS	31/12/2015
Technical installations, machinery, tools, furniture and other PP&E.	(10,725)	-	-	(10,725)
TOTAL PROVISIONS	(10,725)	-	-	(10,725)
NET	31/12/2014	ADDITIONS	DERECOGNITIONS	31/12/2015
Technical installations, machinery, tools, furniture and other PP&E.	250,056	17,132	(2,156)	265,032
TOTAL NET CARRYING AMOUNT	250,056	17,132	(2,156)	265,032

The gross value of fully amortized items in use is as follows:

	31/12/2016	31/12/2015
Technical installations, machinery, tools, furniture and other PP&E.	620,247	518,759
	620,247	518,759

The Group's entire property, plant and equipment is allocated to operations, appropriately insured and not subject to any encumbrance whatsoever.

The net carrying amount of items of property, plant and equipment located outside Spain amounts to 121,308 euro at December 31, 2016 (121,779 euro at December 31, 2015).

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

The policy of the Company consists in taking out insurance policies to cover the possible risks to which the various elements of its property, plant and equipment are subject. 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.

NOTE 8. OTHER INTANGIBLE ASSETS

In 2016 and 2015 the balances and movements in gross value, accumulated amortisation and impairment adjustments are as follows:

COST	31/12/2015	ADDITIONS	DERECOGNITIONS	31/12/2016
Patents, licenses, brands and similar	99,769	-	-	99,769
Computer software	3,717,225	165,606	(15,463)	3,867,369
TOTAL COST	3,816,994	165,606	(15,463)	3,967,138
ACCUMULATED AMORTIZATION	31/12/2015	ADDITIONS	DERECOGNITIONS	31/12/2016
Patents, licenses, brands and similar	(99,769)	-	-	(99,769)
Computer software	(2,545,122)	(392,226)	24,728	(2,912,621)
TOTAL ACCUMULATED AMORTIZATION	(2,644,891)	(392,226)	24,728	(3,012,390)
PROVISION FOR IMPAIRMENT	31/12/2015	ADDITIONS	DERECOGNITIONS	31/12/2016
Patents, licenses, brands and similar	-	-	-	-
Computer software	(404,646)	-	143,089	(261,557)
TOTAL PROVISIONS	(404,646)	-	143,089	(261,557)
NET	31/12/2015	ADDITIONS	DERECOGNITIONS	31/12/2016
Patents, licenses, brands and similar	-	-	-	-
Computer software	767,457	(226,620)	152,354	693,191
TOTAL NET CARRYING AMOUNT	767,457	(226,620)	152,354	693,191

COST	31/12/2014	ADDITIONS	DERECOGNITIONS	31/12/2015
Patents, licenses, brands and similar	99,769	-	-	99,769
Computer software	3,409,332	307,893	-	3,717,225
TOTAL COST	3,509,101	307,893	-	3,816,994
ACCUMULATED AMORTIZATION	31/12/2014	ADDITIONS	DERECOGNITIONS	31/12/2015
Patents, licenses, brands and similar	(98,094)	(1,675)	-	(99,769)
Computer software	(2,329,617)	(215,505)	-	(2,545,122)
TOTAL ACCUMULATED AMORTIZATION	(2,427,711)	(217,181)	-	(2,644,891)
PROVISION FOR IMPAIRMENT	31/12/2014	ADDITIONS	DERECOGNITIONS	31/12/2015
Patents, licenses, brands and similar				-
Computer software	(404,646)			(404,646)
TOTAL PROVISIONS	(404,646)	-	-	(404,646)
NET	31/12/2014	ADDITIONS	DERECOGNITIONS	31/12/2015
Patents, licenses, brands and similar	1,675	(1,675)	-	0.00
Computer software	675,069	92,388	-	767,457
TOTAL NET CARRYING AMOUNT	676,744	90,713	-	767,457

In 2015 the main addition in computer software related to the acquisition of the Coobis platform in October 2015.

At 31 December 2016 the net carrying amount of intangible fixed assets located outside Spain amounted to Euro 215,372 (Euro 94,969 at 31 December 2015).

The gross value of fully amortized items in use is as follows:

	31/12/2016	31/12/2015
Industrial property	99,769	99,769
Computer software	2,728,005	2,219,784
	2,827,774	2,319,553

NOTE 9. LEASES**OPERATING LEASES**

In 2016 and 2015 the expense for operating leases amounted to 490,685 euro and 427,018 euro, respectively (see Note 20 d).

There are no commitments for future minimum payments under non-cancellable operating leases.

Main leases relate to the offices located in Calle Marqués de Riscal 11, Madrid, and, to a lesser extent, to offices rented in Italy, France and Mexico.

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 a financial institution, the outstanding amount of which at 31 December 2016 was Euro 33,806 recognised under “Finance lease payables” of both current and non-current liabilities, with maturity date in 28 July of 2020.

NOTE 10. CURRENT AND NON-CURRENT FINANCIAL ASSETS

The break-down of non-current financial assets is as follows:

	Credits and others		Total	
	31/12/2016	31/12/2015	31/12/2016	31/12/2015
Loans and receivables (Note 10.2)	75,407	75,546	75,407	75,546
Total	75,407	75,546	75,407	75,546

The break-down of current financial assets is as follows:

	31/12/2016	31/12/2015	31/12/2016	31/12/2015
Cash and cash equivalents (Note 10.1)	6,852,272	6,153,966	6,852,272	6,153,966
Loans and receivables (Note 10.2)	8,046,790	7,520,821	8,046,790	7,520,821
Total	14,899,062	13,674,787	14,899,062	13,674,787

10.1) Cash and cash equivalents

This heading includes the fully liquid part of the Group's assets and consists in the balances of cash in Treasury and with banks, as well as short-term bank deposits with an original maturity shorter than or equal to three months. These balances are freely available and are not subject to risks of changes in value.

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

	31/12/2016	31/12/2015
Current accounts	4,220,661	3,326,563
Treasury	1,706	2,920
Highly liquid deposits (a)	2,629,905	2,824,483
Total	6,852,272	6,153,966

(a) They mainly relate to bank deposits with Bankinter, amounting to Euro 1,113,500 (Euro 1,600,924 at 31 December 2015); with Banco Popular amounting to Euro 1,216,405 (Euro 965,000 at 31 December 2015), and with Bankia amounting to Euro 300,000. These deposits are available and payable on a day margin from cancellation.

In 2016 interests accrued on bank deposits and bank accounts amounted to Euro 21,092 (Euro 38,598 at 31 December 2015) (see Note 18 e).

At December 31, 2016, treasury in foreign companies amounted to 1.847,018 euro (2.115,624 euro at December 31, 2015).

10.2) Loans and receivables

The breakdown of this heading is as follows:

	31/12/2016		31/12/2015	
	Non-current	Current	Non-current	Current
Trade receivables				
Third-party receivables	-	7,928,048	-	7,267,422
Trade receivables from associates	-	-	-	29,495
Balances with associates	-	-	-	2,147
Total trade receivables	-	7,928,048	-	7,299,064
Non-trade receivables				
Personnel	-	(33,999)	-	7,263
Guarantees and deposits	45,416	48,000	45,555	48,350
Other assets	29,991	104,741	29,991	166,145
Total non-trade receivables	75,407	118,742	75,546	221,758
Total	75,407	8,046,790	75,546	7,520,822

The breakdown of the item "Receivables" is as follows:

Description	31/12/2016	31/12/2015
Trade receivables		
Trade balances	9,308,867	8,171,425
Volume discounts granted and pending settlement	(2,109,896)	(1,608,849)
Trade balances pending issue	729,077	704,846
Total	7,928,048	7,267,422

Changes resulting from impairment losses arising from credit risk, broken down by financial assets, were as follows:

Trade receivables	
31/12/2014	(1,010,159)
Impairment loss	(617,687)
Impairment reversal	413,383
Other changes	894
31/12/2015	(1,213,569)
Impairment loss	(779,347)
Impairment reversal	247,854
Other changes	17,155
31/12/2016	(1,727,907)

The Group recognizes these changes in impairment losses under "Impairment losses on current assets" in the Consolidated Income Statement.

10.3) Classification by maturity

The maturity of all of the different non-current financial assets is more than five years.

NOTE 11. NON-CURRENT AND CURRENT LIABILITIES

The breakdown of non-current liabilities, classified by category, is the following:

	31/12/2016	31/12/2015	31/12/2016	31/12/2015
Debts and payables (Note 12.1)	880,762	2,016,630	880,762	2,016,630
Total	880,762	2,016,630	880,762	2,016,630

The breakdown of current financial liabilities, classified by category, is the following:

	Other current payables		Other		Total	
	31/12/2016	31/12/2015	31/12/2016	31/12/2015	31/12/2016	31/12/2015
Debts and payables (Note 12.1.1)	411,223	64,879	6,620,477	7,054,639	7,031,700	7,119,518
Total	411,223	64,879	6,620,477	7,054,639	7,031,700	7,119,518

11.1) Debts and payables

At December 31, 2016 and 2015 the breakdown of “Debts and payables” is as follows:

	Balance at 31/12/2016		Balance at 31/12/2015	
	Non-current	Current	Non-current	Current
<u>Trade payables</u>				
Suppliers	-	4,800,718	-	4,949,218
Suppliers, associates	-	-	-	61,571
Other trade payables	-	833,332	-	620,614
Total trade payables	-	5,634,049	-	5,631,403
<u>Non-trade payables</u>				
Debts with financial institutions (3)	41,629	82,772	4,842	64,879
Other debts (1)	645,490	126,602	741,521	331,684
Debts with third parties (2)	-	201,850	1,252,709	232,468
Deferred tax liabilities	193,643	-	17,558	-
Loans and other payables	880,762	411,223	2,016,630	629,031
Personnel (outstanding remunerations)	-	986,428	-	859,083
Total non-trade payables	-	986,428	-	859,083
Total Debts and payables	880,762	7,031,700	2,016,630	7,119,517

- (1) “Other debts” relates mainly to debts with Centro de Desarrollo Tecnológico Industrial (CDTI).
- (2) 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.

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.

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 18 h).

- (3) The amount under “Debts with financial institutions” relates to the outstanding balance from bank credit cards and finance leases.

11.2) Classification by maturity

At year-end 2016, the classification by maturity of the different non-current financial liabilities with fixed or determinable maturity is as follows:

	2018	2019	2020	2021	2022 onwards	Total
Non-current payables						
Other debts	81,608	112,300	118,396	54,727	513,731	880,762
Total	81,608	112,300	118,396	54,727	513,731	880,762

At year-end 2015, the classification by maturity of the different non-current financial liabilities with fixed or determinable maturity is as follows:

	2017	2018	2019	2020	2021 onwards	Total
Non-current payables						
Debts with financial institutions	4,842	-	-	-	-	4,842
Other debts	1,334,116	97,298	141,857	152,364	286,153	2,011,788
Total	1,338,958	97,298	141,857	152,364	286,153	2,016,630

NOTE 12. INFORMATION ON THE NATURE AND LEVEL OF RISK FROM FINANCIAL INSTRUMENTS

The Group's activities are exposed to various types of financial risks, particularly to credit, liquidity and market risks (exchange rate, interest rate and other price risks).

Interest Rate Risk

As indicated in Note 16 below, the subsidiary Código Barras Networks, S.L.U. has obtained from Centro de Desarrollo Tecnológico Industrial (CDTI), a zero-interest loan as contribution to the development of the Research and Development project called "Extractor and automatic data classifier for virtual stores on the Web."

As described in Note 16, the parent company Mamvo Performance, S.L. was granted a loan from Centro para el Desarrollo Tecnológico Industrial (CDTI) on a subsidised interest rate as collaboration in the development of the Research and Development project called "New System of Personalised Digital Advertising through Machine Learning Techniques and through Advanced Algorithms for Data Processing."

Exchange rate risk

The Group tries to finance foreign currency-denominated non-current assets in the same currency in which the asset is denominated. This is particularly true in the case of acquisitions of companies with assets denominated in currencies other than the euro.

At 31 December 2016 translation differences resulted in net losses of Euro 116,102 (Euro 15,403 in 2015).

Liquidity Risk

The general situation of financial markets, especially the banking market, during recent months, has been particularly unfavourable for credit applicants. The Group permanently pays attention to the evolution of the different factors that can help to resolve liquidity crisis and, in particular, to the funding sources and their characteristics.

In particular, we can summarize the points which are our main focus of attention:

- Liquidity of monetary assets: surplus is always invested on highly available and very short maturities. At 31 December 2016 cash and cash equivalents amounted to Euro 6,852,272 (Euro 6,153,966 at 31 December 2015).
- At 31 December 2016 positive working capital amounted to Euro 7,010,995 (Euro 5,768,401 at 31 December 2015).

Credit risk

The Group has no significant concentration of credit risk, exposure being spread over a large number of counterparties and customers.

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

The Group's credit risk is primarily attributable to its trade receivables. Amounts are recognised in the Consolidated Statement of Financial Position, net of provisions for insolvencies estimated by the Group's Management based on the experience from previous financial years and its valuation of the current economic context.

The Group has no significant concentration of credit risk, exposure being spread over a large number of counterparties and customers.

Competition Risk

In an industry constantly evolving and offering high growth rates, new players have entered the markets where Antevenio operates. However, given the experience of over fifteen years in this market, the position and visibility of the Antevenio Group and the quality of our services, Directors believe the Group will continue holding 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.

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

One of the Antevenio Group main assets is that the Group was able to gather a team of managers and key executives in strategic positions of the Group.

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.

Accordingly, the Company must comply with local regulations and, particularly in Europe, to regulations resulting from the enforcement of:

- (1) Directive 97/7/EC on the protection of customers in respect of distance contracts and on the adaptation of local regulations to several European Directives;
- (2) Directive 2000/31/EC of the European Parliament and of the Council of 8 June on certain legal aspects of the services of the information society, particularly electronic commerce, in the Internal Market (Directive on electronic commerce).
- (3) Directive 2002/58/EC of the European Parliament and of the Council of 12 July concerning the processing of personal data and the protection of privacy in the electronic communications sector (Directive on privacy and electronic communications)

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 the Antevenio Group.

NOTE 13. EQUITY

The breakdown of consolidated equity at 31 December 2016 and 2015 is as follows:

	31/12/2016	31/12/2015
Registered share capital of the Parent Company:	231,412	231,412
Reserves:	11,855,374	10,618,792
Of the Parent Company	9,351,514	9,422,243
From fully consolidated companies and from companies consolidated using the equity method	2,503,860	1,196,549
(Own shares)	(513,805)	(513,805)
Other equity instruments	1,022,700	69,540
Profit/(Loss) for the year attributable to the Parent Company	2,097,203	1,276,018
Translation differences	(166,780)	(98,296)
	14,526,105	11,583,661

13.1) Share capital

At December 31, 2016 and 2015, the capital of the Parent Company is represented by 4,207,495 shares of 0.055 euro each, entirely subscribed and paid in. 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, 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%

13.2) Parent Company Reserves

The breakdown of reserves is as follows:

	31/12/2016	31/12/2015
Legal reserve	46,282	46,282
Voluntary reserves	1,115,444	1,186,173
Share premium	8,189,787	8,189,787
Total	9,351,514	9,422,242

The legal reserve has restrictions of use, which is subject to several legal provisions. In accordance with the Corporations Law, commercial companies obtaining, under the said legal form, benefits are under the obligation of allocating 10% of benefits to the legal reserve, until the reserve reaches one fifth of the registered 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 December 31, 2016 and 2015, the legal reserve is fully allocated.

13.3) Reserves from Consolidated Companies

At 31 December 2016 the breakdown of these headings is as follows:

	31/12/2016	31/12/2015
<u>From fully consolidated companies</u>		
Mamvo Performance S.L.U.	349,504	334,835
Marketing Manager, S.L.	(363,869)	3,491
Antevenio SRL	4,078,346	4,144,105
Antevenio ESP, S.L.U.	806,357	(238,418)
Codigo Barras Networks, S.L.	(762,845)	(332,284)
Antevenio Argentina S.R.L.	(840,946)	(711,706)
Antevenio France, S.R.L.	(713,015)	(707,419)
Antevenio México	(14,986)	(281,129)
Antevenio Publicité S.A.S.U	(160,147)	(820,387)
Antevenio Rich & Reach, S.L.U.	125,462	(193,443)
Total reserves from fully consolidated companies	2,503,860	1,197,644
<u>From companies consolidated using the equity method</u>		
Europemission SL	-	(1,095)
Total reserves from companies consolidated using the equity method	-	(1,095)
Total	2,503,860	1,196,549

Share Premium

The Corporations Law expressly permits the use of the share premium balance for capital increases and does not establish any specific restriction as to the availability of that balance.

Voluntary Reserves

These are unrestricted reserves generated by the Parent Company as a result of prior years' income not distributed.

Own Shares

The Extraordinary General Meeting of Shareholders of the Parent Company authorized on June 25, 2014 the acquisition of up to 10% of the Company's share capital in 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.

At 31 December 2016 and 2015 the Parent Company held 198,348 shares representing 4.7% of share capital. At 31 December 2016 and 2015 the value of these shares amounted to Euro 513,805.

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

The breakdown of own shares at 31 December 2016 and 2015 is as follows:

Security	Balance 31.12.2016		Balance 31.12.2015	
	No. of Shares	Cost:	No. of Shares	Cost:
Antevenio S.A.	198,348	513,805	198,348	513,805
	198,348	513,805	198,348	513,805

Capital Management

The Group's objective regarding capital management is to maintain an optimal financial structure that reduces the capital cost while ensuring the ability to continue to manage its operations, always with the objective of growth and creation of value. This Group's objective is not officially defined nor have parameters thereto been set by the Board of Directors.

The main sources used by the Group to finance its growth are:

- The cash flows generated by the Group.
- The cash available at year-end.
- Existence of positive working capital.

The capital structure is controlled by the leverage ratio, calculated as net financial debt to equity. The Group mainly has debt with financial entities due to finance leases in 2016 in the amount of 61,853 euros (40,373 euros in 2015).

NOTE 14. TRANSLATION DIFFERENCES

The movements recorded in the balance of this heading between 31 December 2015 and 31 December 2016 are as follows:

	31/12/2016	31/12/2015
Opening balance	(98,296)	14,241
Net change during the reporting period	(68,484)	(112,537)
Closing balance	(166,780)	(98,296)

Translation differences are generated by companies with registered address abroad and functional currency other than the euro. Specifically, these currencies are the Argentinean peso and the Mexican peso.

NOTE 15. 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 favour of certain Executive Directors, as well as in favour 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 favour of certain Executive Directors, as well as in favour of other Company Directors or Employees.

The following terms were approved:

- (i) the maximum number of shares that can be granted cannot exceed 125,000 shares;
- (ii) the exercise or delivery price or the calculation method for exercise or delivery shall be the market value of the share on the day of exercise or delivery;
- (iii) the value of shares will be free of charge; and
- (iv) the plan will be in force for a maximum term of 2 years and 6 months.
- (v) 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 13.1) 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.

NOTE 16. DEFERRED INCOME

The subsidiary Código Barras Networks, S.L.U. has obtained from Centro de Desarrollo Tecnológico Industrial (CDTI), a zero-interest loan as contribution to the development of the Research and Development project called "Extractor and automatic data classifier for virtual stores on the Web." Of the amount received, 15% was non-refundable and was therefore recognized as capital grants.

Regarding the zero-interest loans, an interest-rate subsidy was recognized as the difference between the amount received and the fair value of the debt, determined by the actual value of payments due discounted at market rate.

In 2013, the Company recognized the impairment of intangible assets associated with this zero-interest loan due to technological obsolescence, and adjusted accordingly the amounts pending to be taken to income from both from the capital grant and the interest-rate subsidy by recognizing an income under "Other income" in the Consolidated Income Statement.

In 2015 Mamvo Perfomance, S.L. was awarded by Centro para el Desarrollo Tecnológico Industrial (CDTI) a grant as collaboration in the development of a Research & Development project called "New system for personalised digital publicity based on machine learning techniques and advanced algorithms for data processing"; the total amount of the grant was Euro 563,178, of which a tranche of Euro 99,379 were non-refundable, and a tranche of Euro 463,768 related to a refundable subsidised interest loan. On 18 October 2016 the company received the final instalment of the awarded grant.

With regards to the subsidised interest loan, an interest rate grant amounting to Euro 59,101 has been recognised in the Consolidated Statement of Financial Position for the difference between the amount effectively received and the fair value of the debt as determined by the current value of payments to be made discounted at market interest rate.

In 2016 Euro 99,379 have been charged to income and recognised under “Other income” in the Profit and Loss Account, relating to the non-refundable tranche of the grant awarded to Mamvo Performance, S.L., as all the required expenses for which the grant was awarded have been finally incurred into.

NOTE 17. TAXATION

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

31/12/2016	Receivables	Payables
Current:		
Value Added Tax	8,095	(794,124)
Recoverable Taxes	611,511	-
Withholdings and payments on account of Income Tax	-	-
Assets arising from deductible temporary differences (*)	775,260	-
Deferred tax liabilities		(193,643)
Tax loss carryforwards (*)	479,864	-
Deductions arising from Personal Income Tax	-	(347,944)
Other payables to Public Entities	-	(5,973)
Income Tax	-	(84,990)
Social Security	-	(242,943)
	1,874,730	(1.669.616)

31/12/2015	Receivables	Payables
Current:		
Value Added Tax	98,609	(533,074)
Recoverable Taxes	609,553	-
Withholdings and payments on account of Income Tax	-	-
Assets arising from deductible temporary differences (*)	104,927	-
Tax loss carryforwards (*)	513,934	-
Deductions arising from Personal Income Tax	-	(492,291)
Other payables to Public Entities	-	(5,973)
Income Tax	-	(221,168)
Social Security	-	(242,525)
	1,327,023	(1,495,030)

(*) Amounts recognised under non-current assets in the Consolidated Statement of Financial Position.

Profit and Loss		
	Spain	Spain
	2016	2015
Profit before Tax	1,215,749	1,394,551
Permanent differences	(1,076,545)	(1,020,022)
Tax Burdens	34,801	104,868
Deductions	(17,042)	0
Expenditure Tax	17,758	104,868
Cash tax	(161,610)	(101,446)
Others	32,910	(47,533)
Positive Adjustments	(238,553)	(71,663)
National CIT	(349,494)	(115,774)
International CIT	230,359	183,634
CIT Income	(119,135)	67,860

From 2013, the Group's companies with registered address in Spain pay income tax under the Special Consolidated Tax Regime (Tax Group 212/13).

Income Tax expense for the Consolidated Group is calculated as the sum of the Income Tax expense from all Companies. The tax bases are calculated from the profit/(loss) for the year as adjusted for any temporary differences, any permanent differences and tax losses from prior years.

Income Tax is calculated by applying the tax rates in force in each of the countries where the group operates. The main types are:

	2016
Spain	25.00%
Italy (*)	31.40%
France	33.33%
Mexico	30.00%
Argentina	35.00%

	2015
Spain	28.00%
Italy (*)	31.40%
France	33.33%
Mexico	30.00%
Argentina	35.00%

(*) Average tax rate accrued in Italy

The breakdown by company of the amount recorded as Income Tax expense is as follows:

	Income / (Expense) 31/12/2016	Income / (Expense) 31/12/2015
Antevenio S.A.	(6,376)	7,288
Mamvo Performance, S.L.U.	231,994	68,761
Marketing Manager Servicios de Marketing, S.L.U.	19,935	50,151
Código Barras Networks S.L.	89,575	(15)
Antevenio S.R.L.	(86,982)	(87,817)
Antevenio ESP, S.L.U.	14,366	5,143
Antevenio Francia, S.R.L.	-	-
Antevenio Argentina	-	-
Antevenio Publicite	-	-
Antevenio México	(143,377)	(95,817)
Antevenio Rich & Reach, S.L.U.	-	(15,553)
	119,135	(67,860)

According to current legislation, tax losses may be offset against taxable profits obtained as per local regulations. At December 31, 2016 the Group has the following tax loss carry forwards to offset tax:

Year of origination	Limit year for offset	Euro
2008 (1)	(No limit)	72,977
2009 (1)	(No limit)	6,229
2011 (3)	(No limit)	177,850
2012 (3)	(No limit)	592,820
2013 (6)*	(No limit)	3,920
2014 (6)*	(No limit)	678,753
2015 (6)*	(No limit)	36,366
2011(9)	(No limit)	705,531
2012(9)	(No limit)	372,020
2013(9)	(No limit)	0
2014(9)	(No limit)	0
2010 (10)	(No limit)	204,964
2011 (10)	(No limit)	306,103
2012 (10)	(No limit)	133,564
2013 (10)	(No limit)	99,984
2014 (10)	(No limit)	7,321
2015 (10)	(No limit)	5,596
		3,403,998

(1) Tax loss carryforwards from Marketing Manager Servicios de Marketing S.L.U.

- (2) Tax loss carryforwards from Europermission, S.L.
- (3) Tax loss carryforwards from Mamvo Performance, S.L.
- (4) Tax loss carryforwards from Antevenio ESP SLU.
- (5) Tax loss carryforwards from Código Barras Networks S.L.U
- (6) Tax loss carryforwards from Antevenio Group
- (7) Tax loss carryforwards from Antevenio Group (*)
- (8) Tax loss carryforwards from Antevenio Mexico
- (9) Tax loss carryforwards from Antevenio Publicité
- (10) Tax loss carryforwards from Antevenio France
- (11) Tax loss carryforwards from Antevenio Argentina

(*)From January 1, 2013, the Group companies with registered address in Spain file consolidated income tax returns.

At 31 December 2016 the Group has activated tax loss carryforwards amounting to Euro 479,864 as tax credits to be offset in future financial years.

Deferred taxes

Between 31 December 2015 and 31 December 2016 the movements in deferred tax assets were as follows:

Balance at December 31, 2015	618,860
Increases	670,333
Decreases	(34,070)
Balance at December 31, 2016	1,255,123

From 31 December 2015 to 31 December 2016 the breakdown of deferred tax assets was as follows:

	31/12/2015	Charge / (credit) to income	31/12/2016
Tax credits	513,934	(34,070)	479,864
Temporary differences	104,927	670,333	775,260
Total deferred tax assets	618,861	636,263	1,255,124

The breakdown of tax credits is as follows:

	31/12/2016	31/12/2015
Companies included in the consolidated tax group	193,410	228,410
Companies with registered address abroad	286,453	285,524
Total tax credits	479,864	513,934

The above mentioned deferred tax assets have been recognised in the Consolidated Statement of Financial Position because Directors consider that, based on the best estimates of future results of the Companies in the Group including certain tax planning measures, these assets are likely to be recovered.

Additional disclosures

Under current legislation, taxes 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. Except as described in the paragraphs above regarding the inspection of deductions of the exporting activity, at the end of 2015 the Spanish Group companies have open to inspection their Income tax returns for 2011 and subsequent years, and their tax returns for 2012 and subsequent years for other applicable taxes. Companies with registered address abroad have open to inspection any tax returns currently non-statute-barred according to the respective local regulations. Directors consider the above mentioned tax returns to be appropriately filed and settled; accordingly, even in the case of discrepancies in the construction of the existing regulations for the tax treatment of the transactions, any resulting liabilities, were they to materialize, will not significantly affect the attached Consolidated Financial Statements

NOTE 18 REVENUE AND EXPENSES**a) Revenue**

The breakdown of revenue by activity is as follows:

Type of Activity	31/12/2016	31/12/2015
Online Advertising	24,239,974	22,200,564
Technology services	1,138,610	840,444
Total revenue	25,378,584	23,041,008

Net revenue, broken down by geographical markets, is as follows:

Geographical market	2016	2015
Spain	11,498,808	14,025,653
Europe and Latin America	13,879,776	9,015,355
Total	25,378,584	23,041,008

	31.12.2016			31.12.2015		
	Online Advertising	Technology services	Total	Online Advertising	Technology services	Total
Turnover	24,239,974	1,138,610	25,378,584	22,200,564	840,444	23,041,008
Others operating income	223,242	0	223,242	151,783	0	151,783
Supplies	(11,004,931)	(111,015)	(11,115,946)	(10,080,643)	(49,922)	(10,130,565)
Others operating expenses	(3,071,411)	(161,831)	(3,233,242)	(2,634,925)	(386,577)	(3,021,503)
Amortization	(206,119)	(139,721)	(345,840)	(185,164)	(143,315)	(328,479)
Personnel expenses	(9,170,641)	(593,295)	(9,763,936)	(7,799,129)	(458,100)	(8,257,229)
Other profit/loss	1,304,668	(182,824)	1,121,844	(10,834)	(9,000)	(19,834)
Operating profit/loss	2,314,782	(50,076)	2,264,706	1,641,652	(206,470)	1,435,181
Net finance income/expense	(163,488)	(1,119)	(164,607)	(40,149)	(1,206)	(41,355)
Profit/loss before tax	2,151,294	(51,196)	2,100,099	1,601,503	(207,676)	1,393,826
Income Tax	119,135	0	119,135	(67,860)	0	(67,860)
Other taxes	(138,2011)	16,171	(122,030)	(96,982)	47,032	(49,950)
Profit/loss for the year	2,132,229	(35,025)	2,097,204	1,436,661	(160,644)	1,276,017

b) Supplies

The entire balance of this item relates to “Operating Expenses.”

c) Personnel Expenses

The breakdown of this heading in the attached Consolidated Income Statement is as follows:

	31/12/2016	31/12/2015
Wages and salaries	(6,960,140)	(6,246,308)
Termination benefits	(76,956)	(209,053)
Costs associated with other equity instruments.	(953,160)	(69,540)
Social security payable by the company	(1,554,998)	(1,610,598)
Employee benefits expense	(218,681)	(121,730)
Total personnel expenses	(9,763,936)	(8,257,229)

d) External Services

The breakdown of this heading in the attached Consolidated Income Statement is as follows:

	31/12/2016	31/12/2015
Leases and royalties (Note 10)	(490,685)	(427,018)
Repairs and maintenance	(17,648)	(31,605)
Independent professional services and other services	(1,564,247)	(1,578,448)
Transport	(38,356)	(46,056)
Insurance premiums	(65,805)	(27,970)
Banking and similar services	(36,534)	(32,793)
Advertising, publicity and public relations	(255,441)	(301,032)
Utilities	(233,034)	(193,824)
	(2,701,749)	(2,638,746)

e) Other finance and similar income

The breakdown of this heading in the Consolidated Income Statement is as follows:

	31/12/2016	31/12/2015
Finance income from accounts and similar	21,092	38,598
	21,092	38,598

f) Finance Expenses

The breakdown of this heading in the Consolidated Income Statement is as follows:

	31/12/2016	31/12/2015
Debts and similar expenses	(70,869)	(54,069)
Trading book losses	-	(10,481)
	(70,869)	(64,550)

g) Changes in working capital provisions

This detail is included in Note 10.2

h) Other Results

During financial year 2016, the conditions agreed in the contract signed in previous years with the Management Team of the investee Company Antevenio Publicité, 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.

NOTE 19. CONSOLIDATED PROFIT/(LOSS)

The breakdown of the consolidated profit/(loss) is as follows:

31/12/2016	Individual Profit/(Loss)	Holding Percentage	Consolidated Profit/(Loss)	External Partners	Profit attributable to Parent Company
Antevenio S.A.	(11,009)	100%	(2,003,670)	-	(2,003,670)
Mamvo Performance, S.L.U.	643,942	100%	(321,459)	-	(321,459)
Marketing Manager Servicios de Marketing, S.L.U.	(455,350)	100%	(35,025)	-	(35,025)
Antevenio S.R.L.	(86,091)	100%	(161,811)	-	(161,811)
Antevenio ESP S.L.U	1,561,000	100%	2,118,262	-	2,118,262
Antevenio France, S.R.L.	(4,989)	100%	(4,989)	-	(4,989)
Código Barras Networks S.L.U.	144,663	100%	53,149	-	53,149
Antevenio Argentina S.R.L.	(131,735)	100%	(104,125)	-	(104,125)
Antevenio México	412,774	100%	1,052,661	-	1,052,661
Antevenio Publicite SASU	341,986	100%	770,955	-	770,955
Antevenio Rich & Reach, S.L.U.	(318,002)	100%	733,254	-	733,254
	2,097,189		2,097,203	-	2,097,203

31/12/2015	Individual Profit/(Loss)	Holding Percentage	Consolidated Profit/(Loss)	External Partners	Profit attributable to Parent Company
Antevenio S.A.	929,898	100%	(1,700,955)	-	(1,700,955)
Mamvo Performance, S.L.U.	14,669	100%	(1,011,681)	-	(1,011,681)
Marketing Manager Servicios de Marketing, S.L.U.	(367,360)	100%	(160,645)	-	(160,645)
Antevenio S.R.L.	(32,091)	100%	307,119	-	307,119
Antevenio ESP S.L.U	1,044,775	100%	1,391,698	-	1,391,698
Antevenio France, S.R.L.	(5,596)	100%	(5,596)	-	(5,596)
Código Barras Networks S.L.U.	(430,562)	100%	(487,145)	-	(487,145)
Antevenio Argentina S.R.L.	(127,081)	100%	(15,093)	-	(15,093)
Antevenio México	270,996	100%	713,635	-	713,635
Antevenio Publicite SASU (1)	659,462	100%	974,346	-	974,346
Antevenio Rich & Reach, S.L.U.	318,906	100%	1,270,335	-	1,270,335
	2,276,018		1,276,018	-	1,276,018

NOTE 20. PROVISIONS AND CONTINGENCIES

Changes in provisions were as follows:

	31/12/2015	Allowance	Application/Reversal	31/12/2016
Provisions for other liabilities	156,675	-	(7,416)	149,259
	156,675	-	(7,416)	149,259

	31/12/2014	Allowance	Application/Reversal	31/12/2015
Provisions for other liabilities	194,921	3,408	(41,654)	156,675
	194,921	3,408	(41,654)	156,675

This heading mainly relates to provisions for employee benefits, originated in Antevenio S.R.L. in compliance with the existing Italian labour regulations, amounting to Euro 149,259 (Euro 156,675 at 31 December 2015).

At 31 December 2016 the Parent Company has provided guarantees, in its capacity as lessee of central headquarters and offices in Argentina, amounting to Euro 53,812 (Euro 52,377 at 31 December 2015).

NOTE 21. ENVIRONMENTAL INFORMATION

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

NOTE 22. EVENTS AFTER THE BALANCE SHEET DATE

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

NOTE 23. COMPENSATION, INTERESTS AND BALANCES WITH PARENT COMPANY'S DIRECTORS

23.1) Balances and Transactions with Directors and Senior Management

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

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

	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

At December 31, 2016 and 2015, there are no commitments for pension supplements, guarantees or sureties extended to Directors, nor loans or advances granted to Directors.

Other disclosures related to the Board of Directors

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

NOTE 24. OTHER INFORMATION

The average number of persons employed by the Group, broken down by category, is as follows:

	31/12/2016			31/12/2015		
	Men	Women	Total	Men	Women	Total
Management	10.80	1.70	12.17	11.08	1.00	12.08
Administrative	6.50	14.90	16.72	6.76	14.15	20.91
Commercial	22.10	24.50	51.06	25.69	24.92	50.61
Production	26.90	42.70	46.73	19.18	31.03	50.21
Technical	16.20	5.30	25.02	19.50	4.08	23.58
	82.50	89.10	151.68	82.21	75.18	157.39

The number of persons employed by the Group at the end of the reporting period and at the end of prior periods, by category, is as follows:

	31/12/2016	31/12/2015
Management	12	14
Administrative	20	24
Commercial	57	54
Production	74	57
Technical	24	21
	187	170

Fees paid to the auditors of the Parent Company for auditing services relating to the Consolidated Financial Statements for 2016 amounted to Euro 54,000 (Euro 44,000 in 2015), and to Euro 13,000 for auditing services relating to the individual annual accounts of Group companies in 2016 (Euro 21,200 in 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	57.45	48.69
Percentage of paid transactions	57.61	344.48
Percentage of transactions pending payment	56.78	1,055.10
	Amount (euro)	Amount (euro)
Total payments made	5,955,268	5,615,663
Total payments pending	1,473,506	1,576,781

NOTE 25. SEGMENT REPORTING

The distribution of net turnover corresponding to the ordinary business activities of the Group, by activity categories, as well as by geographical markets is as follows:

By customer (31/12/2016)	Total
Online Advertising	24,239,974
Technology services	1,138,610
Total revenue	25,378,584

By customer (31/12/2015)	Total
Online Advertising	22,200,564
Technology services	840,444
Total revenue	23,041,008

Distribution / Sales	Consolidated Amount 31/12/2016	Consolidated Amount 31/12/2015
Spain	11,498,808	14,025,653
Europe and Latin America	13,879,776	9,015,355
Total Sales Distribution	25,378,584	23,041,008

Distribution of Costs to Sell	Consolidated Amount 31/12/2016	Consolidated Amount 31/12/2015
Spain	(4,461,349)	(4,578,535)
Europe and Latin America	(6,654,597)	(5,552,030)
Total Costs Distribution	(11,115,946)	(10,130,565)

NOTE 26. RELATED PARTY TRANSACTIONS

As a result of the changes in the shareholding structure in 2016 referred to in Note 16.1 above, the company Inversiones y Servicios Publicitarios, S.A. (ISP) has become the majority shareholder of Antevenio Group, accordingly the following subsidiaries of IS have become related parties:

Company/Group	Relation
Grupo Digilant	Related company
Grupo Acceso	Related company

At 31 December 2016 the breakdown of balances with related parties was as follows:

RELATED COMPANY	PAYABLE BALANCE	RECEIVABLE BALANCE
ACCESO COLOMBIA	10,392	-
ACCESO MÉXICO	-	(4,448)
ACCESO GROUP	-	(4,889)
DIGILANT INC	39	-
DIGILANT ITALY	2,440	-
DIGILANT SA DE CV	3,130	-
DIGILANT SPAIN	112,005	(104,556)
TOTAL RELATED COMPANIES	128,006	(113,892)

The breakdown of transactions with related parties conducted in 2016 is as follows:

	DIGILANT, INC	ACCESO COLOMBIA	DIGILANT ITALY	DIGILANT SA DE CV	ACCESO GROUP	ACCESO MÉXICO	DIGILANT SPAIN
Sales	-	10,392	6,000	2,722	-	-	92,124
Purchased	-	(6,557)	-	-	-	(6,268)	(129,991)
Services rendered	228	-	-	-	-	-	-
Services received	-	-	-	-	(5,250)	-	-
Total	228	(3,835)	6,000	2,722	(5,250)	(6,268)	(37,867)

At 31 December 2015 the breakdown of balances with related parties, expressed in Euro, was as follows:

Description	At December 31, 2015			
	Balances payable			Balances receivable
	Services	Credits	Interests	Services
Europerrmission (associate company)	29,495	2,147	-	(61,571)
	29,495	2,147	-	(61,571)

ANTEVENIO, S.A.

CONSOLIDATED DIRECTORS' REPORT FOR THE YEAR 2016

ANTEVENIO, S.A.

CONSOLIDATED DIRECTORS' REPORT FOR THE YEAR 2016

Dear Shareholders

2016

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

1. Revenue and Consolidated Results of the Group in 2016

The companies included in the Consolidation perimeter during financial year 2016 were:

- Mamvo Performance, S.L.U., consolidated using full consolidation method.

Marketing Manager Servicios de Marketing de Servicios, S.L.U., consolidated using full consolidation method.

- Antevenio S.R.L., consolidated using full consolidation method.
- Antevenio Esp S.L.U., consolidated using full consolidation method.
- Antevenio France S.R.L., consolidated using full consolidation method.
- Antevenio Publicite S.A.S.U., consolidated using full consolidation method.
- Código Barras Networks, S.L.U., consolidated using full consolidation method.
- Antevenio, Rich & Reach, S.L.U., consolidated using full consolidation method.
- Antevenio Argentina, S.R.L., consolidated using full consolidation method.
- Antevenio Mexico, S.A de C.V., consolidated using full consolidation method.

In 2016, the consolidated turnover reached a total of 25.4 million euros, which represents a 10% increase on the consolidated revenue of 2015 that amounted to 23 million euros.

Editing activities have represented almost 50% of the activity. Technology and related services have reached a sales amount of 4.6 million euros, whilst Media Trading has achieved sales for 10.8 million euros.

The net turnover for outside of Spain is of 55%, in comparison with 57% for 2015.

Operating expenses, including sales costs and excluding amortizations and allocations for provisions, have increased by 3% when compared to 2015.

The results attributable to Holders of Net Equity in the Parent Company for the financial year reached 2.1 million euros against 1.3 million euros in financial year 2015. EBITDA for financial year 2016 is of 3.1 million euros. EBITDA for 2015 was of 2.1 million euros.

The Consolidated Financial Statements of the Antevenio Group are presented according to IFRS international accounting standards.

2. Turnover of Group Subsidiaries during financial year 2016

In thousands of euros

Business Turnover

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

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.

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, 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 to property, plant and equipment and intangible assets of the Antevenio Group during 2016 relate to:

Additions to property, plant and equipment amount to 87 million euros in 2016.

Additions to other intangible assets amounted to 206 thousand euro in 2016 and relate mainly to computer software.

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

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, S.A	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 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 THE CONSOLIDATED ANNUAL ACCOUNTS AND THE
CONSOLIDATED MANAGEMENT REPORT**

In compliance with the current commercial legislation, the Board of Directors of **Antevenio, S.A. and its Subsidiaries** has prepared the Consolidated Annual Accounts and the Consolidated Management Report for financial year ended on December 31 of 2016, which are comprised of the attached pages 1 to 75.

Madrid, 29 March 2017
The Board of Directors



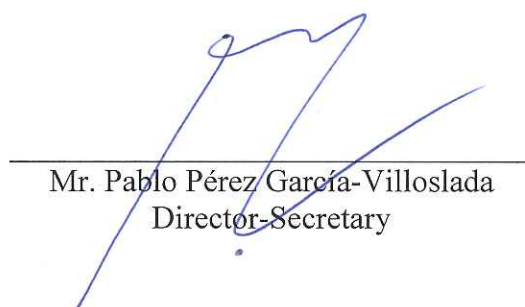
Mr. Joshua David Novick
Chairman



Mr. David Rodés
Director



Mr. Vincent Bazi
Director



Mr. Pablo Pérez García-Villoslada
Director-Secretary