



ADVERTISING AND USER EXPERIENCE

ANNUAL FINANCIAL STATEMENTS 2018

Joint-stock company with capital of € 5 433 055,50
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Consolidated Financial Statements for Financial Years 2018 and 2017

<i>Thousand of €</i>	Notes	Dec. 31, 2018	Dec. 31, 2017
Revenue from ordinary activities		8 679	15 700
Other		3 841	5 778
Net turnover	Note 20	12 520	21 478
Self-constructed assets		139	212
Adjustments to depreciation and provisions		461	446
Other income		131	4
Operating revenue		13 251	22 140
Operating expenses from ordinary activities	Note 21	- 7 969	- 14 324
Other purchases and external charges		- 2 603	- 2 459
Taxes, levies and similar payments		- 164	- 183
Wages and salaries		- 2 147	- 1 977
Social security charges		- 828	- 828
Depreciation on fixed assets		- 999	- 1 535
Provisions and impairment		- 1 447	- 971
Other expenses		- 781	- 513
Operating expenses		- 16 937	- 22 790
Operating income		- 3 686	- 650
Financial revenue		5 223	32 891
Interest and similar expenses		- 239	- 198
Book value of transferred assets		- 5 404	- 23 367
Provisions and impairment		- 7 834	- 4 138
Other		- 1 912	- 4 207
Financial expenses		- 15 389	- 31 911
Financial net income	Note 22	- 10 166	980
Proceeds from sales of assets			1
On management operations			
Reversal of provisions		13	672
Extraordinary revenue		13	673
Book value of transferred assets		- 4	- 562
On management operations		60	- 7
Provisions and impairment		- 111	- 2
Extraordinary expenses		- 55	- 571
Extraordinary net result	Note 23	- 42	101
Net income before taxes		- 13 894	431
Taxes	Note 24	227	- 481
Net income		- 13 667	- 49

Balance sheets at December 31st, 2018 and December 31st, 2017

ASSETS - in thousands of euros	Notes	Dec. 31, 2018			Dec. 31, 2017		
		Gross	Amort. and deprec.	Net	Gross	Amort. and deprec.	Net
Concessions, patents and software		9 863	9 468	395	9 686	8 548	1 138
Corporate goodwill							
Intangible assets in progress		21		21	49	0	49
Intangible fixed assets	Note 4	9 884	9 468	416	9 735	8 548	1 187
					0	0	0
Property, plant and equipment		186	24	162	415	232	183
Other property, plant and equipment		2 023	1 994	30	2 018	1 971	47
PPE	Note 5	2 209	2 018	192	2 432	2 202	230
					0	0	0
Affiliates		127 808	115 159	12 649	131 829	109 258	22 571
Receivables related to affiliates		6 994	5 294	1 700	6 994	5 294	1 700
Deposits and sureties		117		117	85		85
Treasury shares		54		20	444	156	288
Other financial assets		35		35	35		35
Long-term investments	Note 6	135 008	120 453	14 521	139 387	114 708	24 679
					0	0	0
Total fixed assets		147 102	131 939	15 129	151 554	125 458	26 096
					0	0	0
Trade notes and accounts receivable.	Note 7	18 209	1 273	16 936	19 105	1 054	18 051
Other receivables	Note 8	33 499	5 967	27 532	31 284	6 549	24 735
Receivables		51 708	7 240	44 468	50 389	7 603	42 786
					0	0	0
Short-term investment securities		136		136	250	59	192
Liquid assets		562		562	1 981	0	1 981
Cash and cash equivalents	Note 9	698		698	2 231	59	2 172
					0	0	0
Prepaid charges	Note 10	32		32	190	0	190
Deferred charges		23		23	52	0	52
Unrealized foreign exchange losses	Note 11	543		543	300	0	300
					0	0	0
Total current assets		53 005	7 240	45 765	53 162	7 662	45 500
					0	0	0
Total assets		200 107	139 180	60 893	204 716	133 120	71 596

Balance sheets at December 31st, 2018 and December 31st, 2017

LIABILITIES - in thousands of euros	Notes	Dec. 31, 2018	Dec. 31, 2017
Share capital and proprietorship accounts		5 433	4 329
Bond, merger and share premiums		12 723	11 355
Retained earnings		912	
Reserves		507	507
Profit or loss for the financial year		-13 667	912
Tax-regulated provisions		3 238	3 251
Shareholders' equity	Note 12	9 147	20 355
Provisions for risks and expenses	Note 13	1 410	400
Borrowings from credit institutions	Note 12	1 738	3 388
Trade receivables and payables	Note 15	27 368	27 017
Taxation and social liabilities		3 079	3 039
Debts on fixed assets	Note 16	242	21
Other liabilities	Note 17	15 035	15 128
Operating liabilities		45 724	45 204
Unrealized foreign exchange gains	Note 18	2 874	2 203
Deferred income		0	46
Total liabilities		60 893	71 596

Note on the AdUX SA's financial statements

The individual financial statements for the year ended 31 December 2018 have been prepared in accordance with legal and regulatory requirements as currently applicable in France.

They were closed off by the Board of Directors on April 15th, 2019 and will be submitted for approval at the forthcoming Annual General Meeting which will rule on the closed accounts on December 31st, 2018.

AdUX S.A. ("AdUX" or "the Company") is a company domiciled in France. The registered office of the Company is located at 101-109, Rue Jean Jaurès, 92300 Levallois-Perret. The company is the holding of the AdUX Group, whose subsidiaries have a media sales activity.

Note 1. Highlights Of FY 2018

At the end of August 2018, the Drive to Store entity in Sweden saw the end of the contract, which represented more than 75% of its revenue in 2017. This entity has also signed new partnerships in 2018. The company had to write down all of the equity investments link to the Sweden entity for an amount of € 6.1 million corresponding to the total goodwill .

Following the offer accepted by AdUX SA on December 26, 2017, a business transfer agreement was concluded between Hi-Media Italia SRL and Italiaonline SPA on February 14, 2018 for the sale of the historical advertising network business in Italy. The final sale price amounts to 583 thousand euros.

AdUX has signed with the Azerion Group a sale agreement for its Belgian and Portuguese legacy businesses and for its residual interest in Spanish legacy business (49%). The two subsidiaries and the equity interest were sold for €1.5 million and could be the subject of a price supplement currently valued to date at €0.5 million, based on the 2019 performances of these newly sold activities. Regarding the cession of the Portuguese and Spanish activities, the conditions of the agreement were lifted in 2019. As at December 31st 2018, the equity investments linked to these 2 companies are still included in AdUX balance sheet.

In parallel, AdUX S.A. strengthened the capital of Quantum S.A.S by taking 100% control of its capital via the following concomitant operations:

- Purchase of 3.13% of the capital of Quantum S.A.S., remunerated in cash (i.e. €200,000),
- Contribution of 15.87% of the Quantum S.A.S. capital (assessed at €1,014,300), remunerated by 210,000 AdUX shares estimated that the price of €4.83 and issued as part of a capital increase with elimination of the pre-emptive subscription right decided by the Board of directors on 9 August 2018 in connection with the authorisation provided to it by the Extraordinary General Meeting held on 4 May 2017.

AdUX and Italiaonline signed on November 5, 2018 an exclusive sales agreement for Quantum Advertising on the Italian market. Through this agreement, Quantum entrusts Italiaonline, through its media sales division IOL Advertising, with its inventory. IOL advertising becomes therefore the exclusive sales channel of Quantum in Italy while Quantum teams will focus on relationship with publishers and its SSP value proposal.

AdUX has raised € 1.46 million during its capital increase with preferential subscription rights (PSR) launched on 6 November 2018, at a price of €2.90 per share.

Other significant events

AdUX SA signed on July 20, 2018, a new lease located at 101-109 rue Jean Jaurès in Levallois-Perret for a period of 6 years minimum.

Note 2. Subsequent event to December 31st, 2018

On 11 March 2019, the Paris Commercial court ordered the Quantum company, of which AdUX is the 100% shareholder, to pay €1.07 million as the result of a commercial dispute.



Quantum appealed this decision on 14 March 2019.

The Paris Commercial court initiated a safeguard procedure in favour of Quantum SAS on 1 April 2019 with an observation period of 6 months, at the end of which a safeguard plan will be presented to the Commercial Court for approval.

As the dispute traces back to previous financial years, a provision for this entire amount was recognised in the consolidated financial statements on 31 December 2018.

Azerion, that holds approximately 26% of the capital and 24% of the voting rights, is now represented on the AdUX board of directors since 3 April with 3 co-opted members (providing it with a majority representation within the AdUX board of directors).

Other post-closing events

The executory conditions of the agreement between AdUX and Azerion concerning the sale of the Portuguese activities were lifted in 2019.

On beginning April 2019, AdUX acquired 100% of the shares of Spanish native advertising company L'AGORA Premium Audience Network for a price of €0.2 million paid in cash along with a price supplement based on the EBITDA generated in 2019, but limited to €0.4 million.

Note 3. Accounting principles and methods

The financial statements are presented in accordance with French generally accepted accounting principles and reflect the ANC 2015-05 of December 28th, 2015 concerning the standard accounting practices. This regulation aims to clarify the terms and conditions for the recognition of forward financial instruments and hedging transactions.

The following accounting policies have been adopted by the Company:

3.1. Continuity of exploitation

On 11 March 2019, the Paris Commercial court ordered the Quantum SAS company, of which AdUX SA is the 100% shareholder, to pay €1.07 million as the result of a commercial dispute. Quantum appealed this decision on 14 March 2019 (cf. note "Events after the closing").

In view of the amount and executory character of this sentence, a significant degree of uncertainty is weighing on the continuity of operations. As such, a safeguard procedure for the benefit of Quantum SAS has been requested in order to continue its operations under the best possible conditions. The Paris Commercial court initiated this procedure in favour of Quantum SAS on 1 April 2019 with an observation period of no more than 6 months, at the end of which a safeguard plan will be presented to the Commercial Court for approval. This safeguard plan should make it possible to spread the payment of Quantum's debts, including the compensation of 1.07 million. As a reminder, the safeguard procedure results in the immediate freezing of Quantum's liabilities, including the amount of the fine of 1.07 million euros.

Such recourse should enable Quantum to continue its development in the field of native advertising within the AdUX Group.

There is currently no way to definitively assess the outcome of the Quantum safeguard procedure. As a result of this situation, significant uncertainty is weighing on the continuity of operations.

On 31 December 2018, AdUX SA has a net claim of €4.1 million on Quantum SAS, consisting of 1,7m€ of operating receivables and 2.8m€ of current account advances, corresponding with the financing of Quantum's activities since its creation in 2014. The value of the equity securities in the AdUX balance sheet is equal to 2.9m€ and they have been maintained at this value in view of the prospects for the future.

There is currently no way to definitively assess the outcome of the Quantum SAS safeguard procedure, and notably the effects of this procedure on the Quantum assets held by AdUX. As a result of this situation, significant uncertainty is weighing on the continuity of operations of Quantum SAS.

3.2. Intangible assets

Software and licenses acquired by the Company are recorded on the balance sheet at their acquisition value and depreciated over their estimated useful lives, between 3 and 5 years.

Brands acquired by the Company are recorded on the balance sheet at their acquisition value. They are not subject of amortization. They are depreciated if the operating conditions require so.

According to the CNC (French accounting authority) (avis 2004-15) on assets development costs must meet the six following criteria to be capitalized:

- Technical feasibility of the project
- Intention to complete the project
- Commercial success
- Future economic benefits
- Financial feasibility – resources to complete, and use and sell the product
- Reliable cost evaluations

Business assets are recorded at their acquisition cost and may be depreciated if their market value is less than their book value at year end.

3.3. Property, plant and equipment

Fixed assets are stated at its acquisition cost and are depreciated over the useful lives as follows:

Fixtures and fittings	6 to 8 years	Straight-line
Furniture	4 to 8 years	Straight-line
Office and computer equipment	3 years	Straight-line

3.4. Permanent financial investments and current accounts of subsidiaries

The gross value of subsidiaries is either acquisition cost or the amount of capital used on their constitution.

The cost of acquisition of equity interests incurred were capitalized and amortized over a period of five years through an accelerated depreciation.

A provision for impairment of securities and current accounts can be made when the going concern value, determined at the close of each fiscal year falls below their book value.

The value in use is calculated on the basis of the method of discounted cash flows on the basis of the Group's forecasts for 4 years, and of a terminal value discounted to infinity. The main assumptions in order to determine the value of the cash generating units are as follows:

- discount rate for Europe: 11.2% (11.2% in 2017),
- long-term growth rate: 2.5% (2.5% in 2017),
- growth rate of sales: between +5% and +51.8% per year during the period 2019-2022, among countries and activities and new products launch.

A sensitivity analysis calculating the variation in key parameters (discount rate, long-term growth, EBITDA rate and revenue growth rate) did not point to any likely scenario in which the recoverable value of a CGU will become less than its book value.

3.5. Receivables and related accounts

Receivables are measured at their nominal value and a provision for impairment is established when a specific loss appears likely.

3.6. Short-term investment securities

Short-term investment securities are stated in the balance sheet at their acquisition value. When their inventory value is less than their acquisition cost, A provision for impairment is made for to cover the difference. Unrealized gains at the close are not recorded in the income statement.

3.7. Treasury shares

A provision for impairment of treasury shares is recognized when the book value exceeds the net asset value equal to the average share price over the last month before the end of the year.

3.8. Provisions for risks and expenses

A provision is recorded when a legal or constructive obligation to a third party arising from a past event will certainly or probably result in an outflow of resources without corresponding inflow for the Group that can be measured reliably. Provisions are reviewed at the end of each reporting period, and adjusted where necessary to reflect the best estimate of the obligation as of that date.

3.9. Recognition of revenue billed to advertisers

The company's revenue breaks down mainly as follows:

Revenue from ordinary activities

- ✓ Billing of products from the marketing of advertising space on behalf of its subsidiaries;

AdUX S.A. may have cause to invoice revenue from contracts for the sale of advertising space on behalf of its subsidiaries. Its subsidiaries provide for the placing online and the circulation of advertising objects on one or more available media, over a period of time. The value of the contracts depends on the number of page views requested by the advertiser or the number of clicks/actions.

Advertising space can be sold over the counter, signified by the signing of purchase orders, or on automated platforms where bidding is carried out in real time (RTB).

For contracts completed by the closing date, the revenue recognized in the income statement is the value of the contract or the value of the number of viewed pages (clicks or actions) if it is less than that specified in the contract.

For contracts outstanding at the reporting date, the revenue recognized to date is:

- either the value of the number of pages (clicks or actions) actually seen in the closing date if the number of viewed pages (clicks or actions) is less than or equal to that provided under the contract;
- or the value of the number of viewed pages (clicks or actions) in the contract if the number of pages (clicks or actions) actually seen is higher than that under the contract.

- ✓ Recharge of websites expenses or the costs generated on automated platforms invoiced to AdUX on behalf of its subsidiaries;

Other revenue

- ✓ Recharge to its subsidiaries of Management fees, Brand fees and operating expenses incurred on behalf of its subsidiaries ;

3.10. Presentation of expenses to purchase spaces in the income statement

Space-buying fees billed by editors to Hi-Media are presented as operating expenses. The difference between the revenues billed by Hi-Media for advertisers and the space-buying fees billed by publishers to Hi-Media represent the commission fee perceived by Hi-Media.

Expenses relating to purchases of advertising space correspond mainly to the cost of purchasing space invoiced by the media to AdUX. In certain cases, AdUX can centralize the billing of expenses for purchases of advertising space invoiced by the media for several AdUX S.A. subsidiaries (see "Revenue").

In such cases, when AdUX receives the revenue derived from advertising sales contracts on behalf of its subsidiaries, the subsidiaries subsequently bill AdUX for their share of the revenue. As a result, these rebilling expenses appear in this category in the income statement.

3.11. Corporate tax

The corporate tax is recognized using the method of tax payable. It is not reflected in the income statement of future effects of the temporary tax differences.

3.12. Retirement benefits

Pension obligations on December 31st, 2018, calculated on the basis of the collective agreement in force in the Company and of information about the personnel in the Company at the close, are presented in off-balance sheet commitments.

3.13. Tax credit to aid competitiveness and promote employment (CICE)

The CICE, which took effect on January 1st, 2013 resulted in the recognition by Hi-Media of an income, recorded in operating income under the line item "social security contributions".

The base consists of gross compensation paid, subject to social security contributions and not exceeding 2.5 times the minimum wage.

The tax credit rate for 2018 was 6%.

The CICE enabled in 2018 an improvement of AdUX competitiveness through investments, innovation and working capital efforts.

Note 4. Intangible assets

Changes in gross values are as follows:

<i>In thousands of euros</i>	Dec. 31, 2017	Increase	Decrease	Dec. 31, 2018
Software and licenses	9 612	193	16	9 790
AdUX Trademarks	74	-	-	74
Customer relations	-	-	-	-
Fixed assets in progress	49	139	167	21
Total	9 735	332	182	9 884



Software includes the commissioning of the IT developments of the previous year and the current year.
Constructions in progress refer to internal IT developments.

Changes in depreciation and provisions for impairment are as follows:

<i>In thousands of euros</i>	Dec. 31, 2017	Increase	Decrease	Dec. 31, 2018
Software and licenses	8 548	936	16	9 468
AdUX Trademarks			-	
Customer relations	-	-	-	-
Fixed assets in progress			-	
Total	8 548	936	16	9 468

Changes in net values are as follows:

<i>In thousands of euros</i>	Dec. 31, 2017	Dec. 31, 2018
Software and licenses	1 064	321
AdUX Trademarks	74	74
Customer relations	-	-
Fixed assets in progress	49	21
Total	1 187	416

Note 5. Property, plant and equipment

Changes in gross values are as follows:

<i>In thousands of euros</i>	Dec. 31, 2017	Increase	Decrease	Dec. 31, 2018
Fixtures and fittings	415	128	357	186
Office and computer equipment	1 759	9	5	1 763
Furniture	259	2	-	261
Total	2 432	139	362	2 209

Changes in depreciation are as follows:

<i>In thousands of euros</i>	Dec. 31, 2017	Increase	Decrease	Dec. 31, 2018
Fixtures and fittings	232	149	357	24
Office and computer equipment	1 731	18	2	1 747
Furniture	239	7	-	246
Total	2 202	174	359	2 018

Changes in net values are as follows:

<i>In thousands of euros</i>	Dec. 31, 2017	Dec. 31, 2018
Fixtures and fittings	183	162
Office and computer equipment	28	15
Furniture	19	14
Total	230	192

Note 6. Long-term investments

Changes in gross values are as follows:

<i>In thousands of euros</i>	Dec. 31, 2017	Increase	Decrease	Dec. 31, 2018
Equity investments	131 829	1 224	5 245	127 808
Receivables related to affiliates	6 994	0		6 994
Deposits and sureties	85	99	67	117
Treasury shares	444		390	54
Other	35			35
Total	139 387	1 324	5 702	135 008

The main variations are related to:

- the sales of AdUX Belgium shares (see Note 1)
- the sales of HiPay Group shares
- the shares increase Quantum
- liquidations of ND interactive, HPMP and Mobvious Italie.

On December 31st, 2018, AdUX held 7,708 of its own shares (excl. liquidity contract)

Deposits and sureties detailed above have a maturity of more than 5 years for € 99k linked to the new head office deposit.

Changes in depreciation are as follows:

<i>In thousands of euros</i>	Dec. 31, 2017	Increase	Decrease	Dec. 31, 2018
Equity investments	109 258	7 240	1 339	115 159
Receivables related to affiliates	5 294	0		5 294
Deposits and sureties				
Treasury shares	156		122	34
Other				
Total	114 708	7 240	1 461	120 487

Changes in net values are as follows (see Note 29):

<i>In thousands of euros</i>	Dec. 31, 2017	Dec. 31, 2018
Equity investments	22 571	12 649
Receivables related to affiliates	1 700	1 700
Deposits and sureties	85	117
Treasury shares	288	20
Other	35	35
Total	24 679	14 521

Note 7. Receivables and related accounts

Trade receivables and payables are as follows:

<i>In thousands of Euros</i>	Dec. 31, 2018	Dec. 31, 2017
Customers	15 266	18 977
Invoices to be established	2 943	128
Receivables	18 209	19 105
Provision for impairment of receivables	-1 273	-1 054
Net receivables	16 936	18 051

Invoices to be established correspond to the services rendered to advertisers that were not yet billed on December 31st, 2018.

Third-party receivables and related accounts are mainly for a term of less than one year.

The provision for depreciation corresponds mainly to debt dues for which recoverability represents a risk at December 31st, 2018. Group receivables have no risk of non-recovery and are therefore not provisioned.

All receivables detailed above have a maturity of less than one year.

Under a factoring agreement signed in 2013, AdUX presented unpaid receivables amounting to €1,922k at December 31st, 2018 for which the Company transfers the risk of non-recovery in the case customers do not pay.

Note 8. Other receivables

Other receivables were as follows:

<i>In thousands of Euros</i>	Dec. 31, 2018	Dec. 31, 2017
Supplier down payments and credit notes receivable	1 327	1 401
Other receivables	28 250	25 637
Value-added tax	3 669	3 662
Receivables on the factor including guarantee funds	254	584
Total other receivables	33 499	31 284
Provision for doubtful accounts	-5 967	-6 549
Total other receivables, net	27 532	24 735

The item "Other receivables" corresponds to €24,170k to current account of subsidiaries which are detailed in the table of subsidiaries and shareholdings. These current accounts are depreciated up to €5,967k in which €4,592k corresponds to the depreciation of the current account with Group Hi-media USA and €534k corresponds to the depreciation of the current account with HiMedia LLC.

Current accounts from the cash pooling between subsidiaries amount to €5,697k on December 31st, 2018.

All the other receivables detailed above have a maturity of less than one year.

Receivables on the factor correspond mainly to:

- Accounts receivable unavailable for 133 k €
- The guarantee fund for 89 k€

Note 9. Cash and cash equivalents

<i>In thousands of Euros</i>	Dec. 31, 2018	Dec. 31, 2017
Short-term investment securities		
Treasury shares	136	250
Other shares		
Liquid assets	562	1 981
Cash and cash equivalents	698	2 231
Provision for impairment of treasury shares	0	-59
Net cash and cash equivalents	698	2 172

Within the framework of the liquidity contract, AdUX holds 51,322 of its own shares.

In 2018, the company acquired 174,506 shares at an average price of 4.28 € and sold 165,339 shares at an average price of 4.24 €.

Note 10. Deferred charges

This section only contains operating expenses related to the standard business execution.

Note 11. Unrealized foreign exchange losses

Invoices received and issued in foreign currencies are translated into euros at the rate prevailing on the date of initial recognition.

Foreign-currency payable / receivables and cash are translated using the exchange rate prevailing as of 31 December.

Unrealized foreign currency losses are fully covered by a provision, accordingly with French regulatory requirements.

2018 unrealized foreign exchange loss for €543 k corresponds to the cash-pooling current-account with Admoove Sweden AB in currency for € 511 k.

Note 12. Shareholders' equity**12.1. Changes in equity**

The following changes were recorded in equity during the year:

<i>In thousands of Euros</i>	Share capital	Issue premium	Reserves	Retained earnings	Profit or loss for the financial year	Tax-regulated provisions	Total
Dec. 31, 2017	4 329	11 355	507	-	912	3 251	20 355
Dividends							
Allocation of income				912	- 912		-
Capital increase	1 104						1 808
Capital decrease	-						
Income for the period					- 13 667		- 13 667
Other changes		664				- 13	652
Dec. 31, 2018	5 433	12 723	507	912	- 13 667	3 238	9 147

12.2. Share capital

On December 31st 2018, the share capital consists of 3,622,037 actions with a nominal value of €1.50 for each.

12.3. Stock option plan and allocations of bonus shares

12.3.1. Stock options

	Plan n°11	Plan n°12	Total
Meeting date	03 May 11	03 May 11	
Date of Board of Directors meeting	31 jan. 12	27 Aug. 2012	
Total number of shares allocated (before distribution of the HiPay and consolidation shares)	385 000	105 000	490 000
Total number of shares available for subscription	159 620	64 600	224 220
Including number of shares that could be acquired by executive officers	0	49 600	49 600
Including number of shares that could be acquired by the ten leading employee	159 620	0	159 620
Beginning of exercise of the options	31 jan. 14	27 Aug. 2014	
Date of expiration	31 jan. 22	27 Aug. 2022	
Subscription price (in euros) (1)	2,13	1,93	
Number of options subscribed to on Dec. 31st, 2018	-	-	

Data after share consolidation and after adjustment resulting from the distribution of HiPay securities : (2)	Plan n°11	Plan n°12	Total
Options cancelled during the period	0	0	0
Total number of shares available for subscription after the closing	25 092	10 155	35 247
Including number of shares that could be acquired by executive officers	0	7 797	7 797
Including number of shares that could be acquired by the ten leading employee	25 092	0	25 092
Subscription price (in euros)	13,55	12,28	

⁽¹⁾ Subscription price of the calculated options on the day of allocation of the options and corresponding to the weighted average of the market prices for the last twenty trading sessions (for certain plans, a 5% reduction has been applied).

⁽²⁾ As part of the distribution of 80% of HiPay Group's shares in June 2015, the company adjusted the subscription price of the options to take into account the effect of this distribution on the share price Hi-Media.
The company also adjusted the number of allocated options to preserve the rights of allottees.
Finally, the number of options takes into account the grouping of shares made in July, 2015 with a parity of 1 new action for 15 old actions.

The number of options and the weighted average of the exercise prices are as follows:

	2018		2017	
	Options	Weighted average exercise price	Options	Weighted average exercise price
Options in circulation at the opening	35 247	13,18	36 102	13,19
Options allocated during the period	-	-	-	-
Options exercised during the period	-	-	-	-
Options cancelled during the period	-	-	855	13,55
Options in circulation at the close	35 247	13,18	35 247	13,18
Options that could be exercise at the close	35 247	13,18	35 247	13,18

12.3.2. Allocations of free shares

	Plan n°28	Plan n°29 a	Plan n°29 b	Plan n°30 b	Total
Meeting date	06 May 14	04 May 17	04 May 17	04 May 17	
Date of the Board of Directors' meeting	07 Sep. 2015	04 May 17	04 May 17	12 Dec 17	
Total number of shares allocated	66 000	29 300	17 500	39 000	151 800
Including the number of shares that can be subscribed to by the authorized agents	-	-	-	-	-
Including the number of shares that can be subscribed to by the leading ten employee allocated	39 600	29 300	17 500	39 000	125 400
Number of cancelled shares	26 400	-	-	-	26 400
Number of shares definitively allocated as at Dec. 31, 2015	39 600	29 300	-	-	68 900
Number of shares that can be definitively allocated	-	-	17 500	39 000	56 500
End of acquisition period	07 Sep. 2018	04 May 18	04 Feb 19	12 Dec 18	
End of retention period	07 Sep. 2019	04 May 19	04 May 19	12 Dec 19	
Share price on the date of the executive board meeting	7,65	9,77	9,77	4,53	
Non-transferability discount	yes	yes	yes	yes	
Fair value of the free share	6,51	9,02	8,49	4,18	

Note 13. Provisions

<i>In thousands of Euros</i>	Dec. 31, 2017	Allocation	Reversal	Dec. 31, 2018
Provisions for disputes	0			0
Provision for unrealized foreign exchange losses	300	543	300	543
Other risk provisions	100	767		867
Total Other risk provisions	400	1 310	300	1 410
Provision for expenses	0			0
Total	400	1 310	300	1 410

By act dated June 21, 2016, AdUX has assigned a publisher as well as advertising network having resumed the commercialization of advertising space of this publisher because of:

- the improper termination of the sales house agreement and partnership agreement with the publisher; and
- the transfer of the effects of this contract to other boards.

To this end, AdUX claims in particular to these different companies the sum of 2.4m €.

The oral hearing took place on April 12, 2019 and the date of judgment is the June 24, 2019.

The amount of the claims remaining due by this publisher for € 767k was depreciated in the accounts as of December 31, 2018.

Note 14. Borrowings from credit institutions

<i>In thousands of Euros</i>	Dec. 31, 2018	Dec. 31, 2017	<i>Issue currency</i>	<i>Expiration</i>	<i>Effective rate</i>
Zero rate loan for innovation	1 440	1 920	EUR	2021	0%
Tax Credit Funding	298	1 449	EUR	2019	Variable
Accrued interest	-	-	EUR		Variable
Credit bank accounts	-	19	EUR	2016	Variable
Total	1 738	3 388			

In 2016, French tax receivables (« *Crédit d'Impôt Recherche* » and « *Crédit d'Impôt pour la Compétitivité et l'Emploi* ») were funded by a bank for €1,576k. The CICE and 2014, which amounted to € 1,162k, was repaid on November 8, 2018.

The amount of € 298k at December 31, 2018 corresponds to the financing of the CIR and CICE 2015, will be repaid in 2019.

Note 15. Trade payables and related accounts

Trade receivables and payables are as follows:

<i>In thousands of Euros</i>	Dec. 31, 2018	Dec. 31, 2017
Suppliers	25 318	24 380
Invoices to be received	2 050	2 637
Total	27 368	27 017

Accounts payable primarily include publisher billings to AdUX that have not yet been paid at the closing.

All the supplier debts presented above have a maturity of less than one year.

Note 16. Debts on fixed assets

The debts on fixed assets correspond mainly to the portion of securities acquired in cash of the company Quantum not settled at closing, as well as to the AdUX SA new head office facilities.

All fixed asset debts have a maturity of less than one year.

Note 17. Other liabilities

Other liabilities mainly relate to current account payables vis-à-vis the subsidiaries for €14,591k of which €8,648k of current account payables relate to cash pooling.

It also includes payables to customers and accrued credit notes for €432k.

All other debts have a maturity of less than one year.

Note 18. Unrealized foreign exchange gains

Invoices received and issued in foreign currencies are translated into euros at the rate prevailing on the date of initial recognition.



Foreign-currency payable / receivables and cash are translated using the exchange rate prevailing as of 31 December.

Unrealized foreign exchange gains, which amount to €2,874k as at December 31st 2018, are mainly composed of foreign exchange gains on Group current accounts, €1,833k of which are related to Group Hi-Media USA.

Note 19. Accrued income and expenses

ASSETS - in thousands of euros	31-déc.-18	31-déc.-17
Receivables related to affiliates		
Other long-term investments		
Receivables and related accounts	2 943	128
Fiscal and social receivables	0	
Other receivables	458	518
Cash	392	291
Total	3 793	937

LIABILITIES - in thousands of euros	31-déc.-18	31-déc.-17
Borrowings from credit institutions		
Other borrowings	464	429
Trade receivables and payables	2 050	2 637
Fiscal and social liabilities	192	257
Debts on fixed assets		
Other liabilities	188	211
Total	2 894	3 533

Note 20. Turnover

20.1. By activity

<i>in thousands of Euros</i>	Dec. 31, 2018	Dec. 31, 2017
Third-party revenue from activities	6 494	9 618
Intragroup revenue from activities	2 345	6 082
Other	3 681	5 778
Total	12 520	21 478

« Other » revenue mainly concerns recharge to Group subsidiary of management fees, brand fees and various operation expenses supported on their behalf.

20.2. By geographical area

<i>in thousands of Euros</i>	Dec. 31, 2018	Dec. 31, 2017
France	7 915	12 043
Export	4 605	9 436
Total	12 520	21 478

Note 21. Operating expenses from ordinary activities

Operating expenses from activities are as follows:

<i>in thousands of Euros</i>	Dec. 31, 2018	Dec. 31, 2017
External operating expenses from activities	912	4 897
Intragroup operating expenses from activities	7 057	9 427
Total	7 969	14 324

Note 22. Financial net income**22.1. Financial expenses**

<i>In thousands of Euros</i>	Dec. 31, 2018	Dec. 31, 2017
Interest charges	239	198
Depreciation and impairment of equity investments in subsidiaries and receivables related	7 240	2 552
Other depreciation and impairment of financial assets	593	1 586
Abandoned or unclaimed accounts	0	0
Other financial charges	7 316	27 574
Financial expenses	15 389	31 911

Other financial charges consist mainly of the disposal of the following subsidiaries equity:

- AdUX Belgium SPRL : €4,627k
- HiPay SAS : €360k
- HPMP : €90k

It should be noted that this item also consists of current account withdrawals for €1,843k, of which €1,500k related to Admoove.

Admoove's current account withdrawals was granted with a return to better fortune clause, namely the recognition of the excess of Admoove's carry forward amount of the canceled receivable (€ 1.5m), without duration limited.

Financial depreciation and amortization also consist of a depreciation of equity investments in subsidiaries with Admoove Sweden for €6,128k.

22.2. Financial revenue

<i>In thousands of Euros</i>	Dec. 31, 2018	Dec. 31, 2017
Interest on current accounts	382	372
Reversal of provisions of the securities	1 520	15 365
Revenues from equity investments	0	0
Other	3 320	17 153
Financial revenue	5 223	32 891

The item "Other" mainly consists of the profits associated with the disposal of securities sold during the year for the following amounts:

- AdUX Belgium SPRL :	480 k€
- HiPay SAS :	336 k€

It should be noted that this item also consists of a current account withdrawals concerning AdUX Belgium as well as HPMP, respectively for € 1,173k and € 164k and of € 198k related to a write-off in 2003 and 2008 with AdUX Belgium with a resolute clause to return to better fortune.

Depreciation and amortization expense mainly consists of an impairment of the shares of the Admoove Sweden subsidiary for 6,1m€.

The reversals of provision for securities mainly concern the disposal of the following subsidiaries:

- AdUX Belgium SPRL :	900 k€
- Hi-Media España Publicidad Online :	117 k€
- HiPay SAS :	83 k€

Note 23. Extraordinary result

In 2018, extraordinary income is mainly composed:

- Tax amortization write-off for € 13 k
- Extraordinary depreciation in connection with the early termination of the lease for (111) k € (see Note 25. Off balance sheet commitments)

Note 24. Corporate tax

AdUX is head of a tax consolidation group consisting of its French subsidiaries owned at more than 95%: Adpulse SAS, Adysseum SARL and Admoove SASU. The tax treaty provides that the tax burden is supported by the subsidiary, as in the absence of tax consolidation.

The tax benefit related to tax losses of subsidiaries retained at AdUX France SA, is considered an immediate gain for the year at AdUX SA.

The tax profit of €227 k consists in particular of the tax consolidation group for € 21 k and French tax credits (Credit d'Impôts Recherche and Credit d'Impôts Innovation) for € 130 k and € 80 k.

Information on the deferred or latent tax situation:

<i>In thousands of Euros</i>	Dec. 31, 2018	Dec. 31, 2017
Offsets		
Investment subsidies		
Unrealized foreign exchange gains	2 874	2 203
Extraordinary depreciation	111	230
Temporary non-deductible expenses		
Temporary non-taxable income		
Expenses deducted or taxable income for tax purposes and not yet recognized		
Items to be charged		
Tax loss carryovers	2 985	2 432

Tax rate applicable in 2018 for the calculation of deferred or latent taxes: 28,00 %



Note 25. Off balance sheet commitments**25.1. Commitments received**

On June 28th 2018, AdUX granted to Admoove a current account withdrawal of 1,500,000.00 €. This current account withdrawals was granted with a return to better fortune clause, namely the recognition of the excess of Admoove's carry forward amount of the canceled receivable, without duration limited.

25.2. Off-balance sheet liabilities

AdUX SA signed on July 20, 2018, a new lease located at 101-109 rue Jean Jaurès in Levallois-Perret for a period of 6 years maximum.

25.3. Staff benefits

Pension liabilities: On December 31st, 2018, the amount of the liability was estimated at €68k and accounted for actuarial elements.

The actuarial assumptions used are as follows :

- Discount rate	: 1,60%
- Wage growth rate	: between 3% and 1% depending on the staff age
- Retirement age of executive employees	: 67 years
- Retirement age of non-executive employees	: 62 years
- Staff turnover rate	: 22,65%
- Mortality rate table	: between 91,0% and 99,1% depending on the staff age

Note 26. Disputes

Some labor relations litigations have arisen with former employees disputing the legitimacy of their dismissals. The company has set aside the provisions which considered necessary in the light of its judgment of the justification for the plaintiffs' demands. Likewise, regarding business litigations, the company has set aside the provisions which considered necessary in the light of the risk associated to each of these litigations.

Note 27. Staff

The number of staff stood at 21 employees on December 31st, 2018 against 23 employees on December 31st, 2017.

Note 28. Officers and directors**28.1. Executive corporate officers**

This includes compensation of the chairman of the Board and the COO in respect of his fixed remuneration for 2018 and his variable remuneration for 2017 paid in 2018 for a total amount of €282 k at December 31st, 2018, against €234k at December 31st, 2017. It is not granted the attendance fees to authorized agents.

The company has no commitment regarding pensions or regarding assimilated compensations.

28.2. Non-executive corporate officers

The remuneration of non-executive officers is only composed of attendance fees for 62k€.



Note 29. Table of subsidiaries and affiliates

Corporate name	Address	Operating currency	Share capital ⁽¹⁾	Equity excluding net income and other than capital ⁽¹⁾		% direct holding	Securities	
							Gross value ⁽²⁾	Net value ⁽²⁾
AdUX Benelux SPRL	Av. Arnaud Fraiteur 15-23 1050 Ixelles	EUR	66	-	80	100%	0	0
AdUX Portugal LDA	Rua Joaquim Bonifacio, n°21, 3° 1150-195 Lisboa	EUR	125	-	136	74,9%	81	81
Adysseum SARL	101-109 rue Jean-Jaurès, 92300 Levallois-Perret	EUR	1 141		1 880	100%	9 484	3 069
Admoove SASU	101-109 rue Jean-Jaurès, 92300 Levallois-Perret	EUR	130	-	1 141	100%	2 172	2 172
Admoove Sweden AB	Box 71 - Hantverkargatan, 14 827 22 Ljusdal.	SEK	100		20 721	100%	16 243	44
Groupe Hi-media USA	101 5th Avenue, New York, NY 10003	USD	0	-	6 579	100%	64 879	- 0
Hi-media Nederland BV	Postbus 381, 1200 AJ Hilversum	EUR	20		1 140	100%	900	900
Hi-media Italy Srl	Via Cosimo del Fante 4, 20122 Milano	EUR	10	-	563	100%	6 200	-
Allopass Scandinavia	Box 71 - Hantverkargatan, 14 827 22 Ljusdal.	SEK	100		277	100%	10	-
AdPulse SAS	101-109 rue Jean-Jaurès, 92300 Levallois-Perret	EUR	646	-	1 184	100%	646	-
Quantum SAS	101-109 rue Jean-Jaurès, 92300 Levallois-Perret	EUR	50	-	2 148	100%	2 984	2 984
Hi-Media LLC	25 Taylor Street NO.202, San Francisco CA 94102	USD	0	-	585	100%	0	0

⁽¹⁾ in thousands of operating monetary units

⁽²⁾ in thousands of Euros

Corporate name	Sales excluding taxes last financial year ⁽¹⁾	Income (profit or loss for the last financial year) ⁽¹⁾	Dividends received by the company during the year ⁽²⁾	Average exchange rate	Date of creation or acquisition
AdUX Benelux SPRL	19	1			14.03.08
AdUX Portugal LDA	974	122			31.10.00
Adysseum SARL	2 386	-52			13.05.02
Admoove SASU	4 840	1 235			02.12.11
Admoove Sweden AB	31 119	-2 928		10,25	04.09.06
Groupe Hi-media USA	0	-786		1,15	27.11.07
Hi-media Nederland BV	42	55			31.08.09
Hi-media Italy Srl	270	-58			31.08.09
Allopass Scandinavia	0	-2		10,25	30.09.09
AdPulse SAS	4 606	-1 351			02.12.14
Quantum SAS	7 618	-2 897			23.04.14
Hi-Media LLC	0	-11		1,15	30.04.15
HiMedia Espana Publicidad Online S.L	0	0			22.09.16

⁽¹⁾ in thousands of operating monetary units

⁽²⁾ in thousands of Euros