



himediagroup[®]
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2016 ANNUAL FINANCIAL STATEMENTS

Joint-stock company with capital of € 4 329 132
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Consolidated Financial Statements for Financial Years 2016 and 2015

<i>Thousand of €</i>	Notes	Dec. 31, 2016	Dec. 31, 2015
Services billed to customers		21 407	25 272
Other		5 717	8 624
Net turnover	Note 15	27 124	33 896
Self-constructed assets		316	892
Adjustments to depreciation and provisions		480	443
Other income		330	3
Operating revenue		28 250	35 234
Expenses invoiced by the media		18 784	27 646
Other purchases and external charges		5 170	7 472
Taxes, levies and similar payments		192	291
Wages and salaries		2 698	6 227
Social security charges		1 109	2 663
Depreciation on fixed assets		1 636	2 311
Provisions and impairment		191	4 465
Other expenses		540	550
Operating expenses		30 319	51 625
Operating income		-2 069	-16 390
Financial revenue		19 505	18 438
Interest and similar expenses		826	894
Book value of transferred assets		12 222	
Provisions and impairment		3 955	40 874
Other		133	3 455
Financial expenses		17 136	45 224
Financial net income	Note 16	2 368	-26 785
Proceeds from sales of assets		20	128 265
On management operations		76	17
Reversal of provisions		744	586
Extraordinary revenue		841	128 868
Book value of transferred assets		24	147 107
On management operations		438	397
Provisions and impairment		3	28
Extraordinary expenses		465	147 532
Extraordinary net result	Note 17	376	-18 664
Net income before taxes		675	-61 839
Taxes	Note 18	162	-92
Net income		836	-61 931

Balance sheets at December 31st, 2016 and December 31st, 2015

ASSETS - in thousands of euros	Notes	Dec. 31, 2016			Dec. 31, 2015
		Gross	Amort. and deprec.	Net	Net
Concessions, patents and software		9 381	7 421	1 959	1 506
Corporate goodwill					587
Intangible assets in progress		86		86	1 509
Intangible fixed assets	Note 3	9 467	7 421	2 045	3 602
Property, plant and equipment		1 442	376	1 066	1 148
Other property, plant and equipment		1 996	1 923	72	155
PPE	Note 4	3 438	2 299	1 139	1 303
Affiliates		148 365	119 485	28 879	33 728
Receivables related to affiliates		8 007	7 880	127	1 845
Deposits and sureties		188		188	222
Treasury shares		1 489		1 489	176
Other financial assets		35		35	35
Long-term investments	Note 5	158 083	127 365	30 718	36 006
Total fixed assets		170 988	137 085	33 903	40 912
Trade notes and accounts receivable.	Note 6	27 870	804	27 066	16 851
Other receivables	Note 7	26 059	5 592	20 467	22 948
Receivables		53 929	6 396	47 533	39 799
Short-term investment securities		221		221	50
Liquid assets		2 414		2 414	2 506
Cash and cash equivalents	Note 8	2 635		2 635	2 556
Prepaid charges		400		400	319
Deferred charges		80		80	108
Unrealized foreign exchange losses		109		109	49
Total current assets		57 153	6 396	50 757	42 831
Total assets		228 141	143 481	84 660	83 742

Balance sheets at December 31st, 2016 and December 31st, 2015

LIABILITIES - in thousands of euros	Notes	Dec. 31, 2016	Dec. 31, 2015
Share capital and proprietorship accounts		4 329	4 439
Bond, merger and share premiums		72 450	72 854
Retained earnings		-61 931	0
Reserves		507	507
Profit or loss for the financial year		836	-61 931
Tax-regulated provisions		3 921	4 662
Shareholders' equity	Note 9	20 112	20 532
Provisions for risks and expenses	Note 10	149	183
Borrowings from credit institutions	Note 11	3 980	2 449
Trade receivables and payables	Note 12	34 290	29 920
Taxation and social liabilities		3 106	3 043
Debts on fixed assets	Note 13	116	543
Other liabilities	Note 14	20 106	24 059
Operating liabilities		57 618	57 565
Unrealized foreign exchange gains		2 726	2 225
Deferred income		76	787
Total liabilities		84 660	83 742

Note on the Hi-Media SA's financial statements

Hi-Media S.A. ("Hi-Media" or the "Company") is an advertising sales agency marketing advertising spaces for websites under contract with Hi-media ('Media') to advertisers. It provides for media the prospecting and marketing to advertisers, the retrieval, distribution and targeting of advertising inserted on the sites and as such receives an agency fee.

Note 1. Highlights Of FY 2016

a) Business suspension and shares transfer :

As of April 15th, 2016, Bonne Nouvelle Editions opened a winding-up proceedings at the registry of the Commercial Court of Paris. The recovery proceedings initiated by judgment on April 26th 2016 are near completion.

Following an agreement concluded with BJ Invest on May 2nd, 2016, Hi-Media transferred 10% of HiPay Group SA capital (i.e. 495,497 shares) to BJ Invest SAS. This operation was composed by both a payment by cash (300,723 HiPay Group SA shares for 3,118,497.51 euros) and a dation-in-payment of 288,545 HiMedia's shares, previously detained by BJ Invest SAS, for 194,774 HiPay Group SA shares.

Subsequently, Hi-Media transferred 190,137 shares over the remainder of the financial year, bringing its stake in HiPay Group SA to 6% as of December 31st, 2016.

On July 29th, 2016, HiMedia sold its 14% shares in the capital of HiMiedia Brazil.

On August 5th, 2016, HiMedia sold its 12,4% shares in the capital of Videoagency.

On September 2nd, 2016, HiMedia sold its 2,31% shares in the capital of Youmiam.

b) Stake acquisition

As of May 9th, 2016, HiMedia S.A acquired 20% of Mobvious Italia share capital from its founder and now holds 100% of its capital.

Within the frame an agreement signed on August 11th, 2016 with Pentagram Media, HiMedia acquired 30% of Quantum shares, increasing its interest from 51% to 81%.

c) Other variation of perimeter of the period

As of June 30th, 2016, HiMedia brought a corporate goodwill to its subsidiary a HiMedia Advertising SAS. This goodwill is tied to the advertising.

Corporate goodwill has been reversed as of December 31st, 2016 following the asset transfer realized towards HiMedia Advertising.

It should be noted that the contribution of operational activities actually occurred to July 01st, 2016.

d) New trade name

HiMedia has adopted on November 9th, 2016 a new trade name: AdUX, a contraction of Advertising and User Experience, to embody its new offering around three solutions:

- unintrusive native advertising
- geolocalised advertising, which offers an immediately noticeable consumer benefit
- user engagement solutions, such as brand content, special operations and opt-in email marketing

A proposal to align the Company's corporate name with this new trade name will be submitted for approval at the next Shareholders' Meeting.

Note 2. Accounting principles and methods

The financial statements are presented in accordance with French generally accepted accounting principles and reflect the ANC 2015-03 of June 5th, 2015 concerning the standard accounting practices.

The following accounting policies have been adopted by the Company:

2.1. 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, applicable since 1 January 2005, 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.

2.2. 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
Office and computer equipment	3 years	straight-line
Furniture	8 years	straight-line

2.3. 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.

According to law 2006-1666 dated 21 December 2006, the cost of acquisition of equity interests incurred during the fiscal years ending on or after December 31, 2006 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 discounted cash flows was performed using a discount rate from 8.91 % to 11.11% among countries (7.3% to 8.9% in 2015), a growth rate to infinity from 1 to 2.5% (from 0% to 2.5% in 2015). A sensitivity analysis of the calculation of going concern values to changes in key parameters (discount rate, long-term growth rate, EBITDA gross margin and increase in revenue) was performed.

2.4. Receivables and related accounts

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

2.5. 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.

2.6. 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.

2.7. 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.

2.8. Recognition of revenue billed to advertisers

The activity breaks down into three marketing methods:

- sale of advertising space at the cost per thousand;
- sale of marketing operations at performance
- sponsorship contracts;

The Company conducts its sales through contracts of sale of advertising spaces, and to a lesser extent, signed sponsorship deals with advertisers who are Hi-Media customers.

2.8.1. Advertising network activity

The sale of advertising space includes putting on line and disseminating of premium offer goods in different sizes on one or more media (websites) by Hi-Media for a specified period. The value of contracts depends on the number of pages requested by the advertiser or on the number of clicks/actions.

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.

2.8.2. Sponsorship contracts

Sponsorship contracts provide for fixed compensation packages for the insertion of the logo or other distinguishing mark of advertisers on the medium concerned, governed by Hi-Media. The package is recognized over the term of service.

2.9. 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.

2.10. 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.

2.11. Retirement benefits

Pension obligations on December 31st, 2016, 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.

2.12. Individual training entitlement

Law No. 2015-288, dated March 5th, 2015, relating to training, employment and social democracy repeals the statutory training entitlement system (DIF) and replaces it with the personal training account regime (CPF) as from January 1st, 2016.

DIF training hours not consumed are available for 5 years under the CPF regime. Under the new regime, an employee may accumulate up to 150 hours of training.

2.13. 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 2016 was 6%.

Note 3. Intangible assets

Changes in gross values are as follows:

<i>In thousands of euros</i>	Dec. 31, 2015	Increase	Decrease	Dec. 31, 2016
Software and licenses	7 555	1 822	70	9 307
Hi-media Trademarks	74	-	-	74
Customer relations	4 621	-	4 621	-
Fixed assets in progress	1 509	373	1 796	86
Total	13 759	2 195	6 487	9 467

Corporate goodwill, which initially came from the merger with Adlink France, has been transferred to HiMedia Advertising on July 1st, 2016.

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, 2015	Increase	Decrease	Dec. 31, 2016
Software and licenses	6 123	1 344	46	7 421
Hi-media Trademarks	-	-	-	-
Customer relations	4 034	-	4 034	-
Fixed assets in progress	-	-	-	-
Total	10 157	1 344	4 080	7 421

Corporate goodwill has been reversed as of December 31st, 2016 following the asset transfer realized towards HiMedia Advertising.

Changes in net values are as follows:

<i>In thousands of euros</i>	Dec. 31, 2015	Dec. 31, 2016
Software and licenses	1 432	1 886
Trademarks	74	74
Customer relations	587	-
Fixed assets in progress	1 509	86
Total	3 602	2 045

Note 4. Property, plant and equipment

Changes in gross values are as follows:

<i>In thousands of euros</i>	Dec. 31, 2015	Increase	Decrease	Dec. 31, 2016
Fixtures and fittings	1 369	90		1 442
Office and computer equipment	1 728	22		1 737
Furniture	253	19		259
Total	3 350	131		3 438

Changes in depreciation are as follows:

<i>In thousands of euros</i>	Dec. 31, 2015	Increase	Decrease	Dec. 31, 2016
Fixtures and fittings	221	171		376
Office and computer equipment	1 620	85		1 694
Furniture	206	36		229
Total	2 046	291		2 299

Changes in net values are as follows:

<i>In thousands of euros</i>	Dec. 31, 2015	Dec. 31, 2016
Fixtures and fittings	1 148	1 066
Office and computer equipment	108	43
Furniture	47	29
Total	1 303	1 139

Note 5. Long-term investments

Changes in gross values are as follows:

<i>In thousands of euros</i>	Dec. 31, 2015	Increase	Decrease	Dec. 31, 2016
Equity investments	156 579	2 409	10 623	148 365
Receivables related to affiliates	8 007	0		8 007
Deposits and sureties	222	3	37	188
Treasury shares	1 522		32	1 489
Other	35			35
Total	166 364	2 412	10 693	158 083

The main variations are related to the 30% stake acquisition in Quantum, the asset transfer operation towards HiMedia Advertising and HiPay Group share transfer 30% (see Note 1).

On December 31st, 2016, Hi-Media held 212,769 of its own shares (excl. liquidity contract)

Changes in depreciation are as follows:

<i>In thousands of euros</i>	Dec. 31, 2015	Increase	Decrease	Dec. 31, 2016
Equity investments	122 850	2 322	4 652	119 545
Receivables related to affiliates	6 162	684		7 820
Deposits and sureties				
Treasury shares	1 346		1 346	0
Other				
Total	130 358	3 005	5 998	127 365

Changes in net values are as follows (see Note 24):

<i>In thousands of euros</i>	Dec. 31, 2015	Dec. 31, 2016
Equity investments	33 729	28 819
Receivables related to affiliates	1 845	187
Deposits and sureties	222	188
Treasury shares	176	1 489
Other	35	35
Total	36 006	30 718

Note 6. Receivables and related accounts

Trade receivables and payables are as follows:

<i>In thousands of Euros</i>	Dec. 31, 2016	Dec. 31, 2015
Customers	24 282	17 450
Invoices to be established	3 588	400
Receivables	27 870	17 850
Provision for impairment of receivables	-804	-999
Net receivables	27 066	16 851

Invoices to be established correspond to the services rendered to advertisers that were not yet billed on December 31st, 2016.

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, 2016.

Under a factoring agreement signed in 2013, Hi-Media presented unpaid receivables amounting to €2,155k at December 31st, 2016 for which the Company transfers the risk of non-recovery in the case customers do not pay.

Note 7. Other receivables

Other receivables were as follows:

<i>In thousands of Euros</i>	Dec. 31, 2016	Dec. 31, 2015
Supplier down payments and credit notes receivable	1 292	1 893
Other receivables	20 611	24 455
Value-added tax	3 831	3 627
Receivables on the factor including guarantee funds	324	499
Total other receivables	26 059	30 473
Provision for doubtful accounts	-5 592	-7 525
Total other receivables, net	20 467	22 948

The item "Other receivables" corresponds to €17,153k to current account of subsidiaries which are detailed in the table of subsidiaries and shareholdings. These current accounts are depreciated up to €5,592k in which €4,480k corresponds to the depreciation of the current account with Group Hi-media USA.

Current accounts from the cash pooling between subsidiaries amount to €5,323k in December 2016.

Receivables on the factor correspond mainly to the guarantee fund to €150k and to the company's vendor current account for €164k.

Note 8. Marketable securities and cash

<i>In thousands of Euros</i>	Dec. 31, 2016	Dec. 31, 2015
Short-term investment securities		
Treasury shares	221	50
Other shares		
Liquid assets	2 414	2 506
Total	2 635	2 556

Within the framework of the liquidity contract, Hi-Media holds 33,501 of its own shares.

Note 9. Shareholders' equity**9.1. 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, 2015	4 439	72 854	507	0	-61 931	4 662	20 532
Dividends							
Allocation of income				-61 931	61 931		0
Capital increase							
Capital decrease	-110						-110
Income for the period					836		836
Other changes		-404				-741	-1 145
Dec. 31, 2016	4 329	72 450	507	-61 931	836	3 921	20 112

As a result of the decision of the Board of directors of May 3rd 2016, the share capital of the company was decreased in the 110,205.00€ by cancellation of 73,470 own shares.

9.2. Share capital

On December 31st 2016, the share capital consists of 2,886,088 actions with a nominal value of €1.50 for each.

9.3. Stock option plan and allocations of bonus shares

9.3.1. 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 (1)	385 000	105 000	490 000
Total number of shares available for subscription	165 058	64 600	229 658
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) (2)	2,13	1,93	
Number of options subscribed to on Dec. 31st, 2016	-	-	-
Options cancelled during the period	1 367	0	1 367
Remaining options non subscribed	25 947	10 155	36 102
Data after share consolidation and after adjustment resulting from the distribution of HiPay securities (3)			
Total number of shares available for subscription	25 947	10 155	36 102
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⁾ Options allocated to the employees present to this day in the Company, the employees having left the Company being unable to retain the benefit of such options'

⁽²⁾ 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).

⁽³⁾ 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:

	2016		2015	
	Options	Weighted average exercise price	Options	Weighted average exercise price
Options in circulation at the opening	37 470	13,21	20 624	29,10
Options allocated during the period	-	-	-	-
Consequential adjustments to the distribution of securities HiPay Group	-	-	21 579	9,71
Options exercised during the period	-	-	3 167	17,10
Options cancelled during the period	1 367	13,55	1 567	31,95
Options in circulation at the close	36 102	13,19	37 470	13,21
Options that could be exercise at the close	36 102	13,19	37 470	13,21

9.3.2. Allocations of free shares

	Plan n°27	Plan n°28	Total
Meeting date	03 May 11	06 May 14	
Date of the Board of Directors' meeting	11 Oct. 2013	07 Sep. 2015	
Total number of shares allocated	667	66 000	66 667
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	-	51 000	51 000
Number of cancelled shares	-	9 000	9 000
Number of shares definitively allocated as at Dec. 31, 2015	667	-	667
Number of shares that can be definitively allocated	-	57 000	57 000
End of acquisition period	11 Oct. 2015	07 Sep. 2018	
End of retention period	11 Oct. 2017	07 Sep. 2019	
Share price on the date of the executive board meeting	27,00	7,65	
Non-transferability discount	yes	yes	
Fair value of the free share	16,95	6,51	

Note 10. Provisions

<i>In thousands of Euros</i>	Dec. 31, 2015	Allocation	Reversal	Dec. 31, 2016
Provisions for disputes	134		134	0
Provision for unrealized foreign exchange losses	49	109	49	109
Other risk provisions		40		40
Total Other risk provisions	183	149	183	149
Provision for expenses				0
Total	183	149	183	149

Note 11. Borrowings from credit institutions

<i>In thousands of Euros</i>	Dec. 31, 2016	Dec. 31, 2015	Issue currency	Expiration	Effective rate
Zero rate loan for innovation	2 400	2 400	EUR	2021	0%
Tax Credit Funding	1 576		EUR	2019	Variable
Accrued interest	0		EUR		Variable
Credit bank accounts	4	49	EUR	2016	Variable
Total	3 980	2 449			

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 €1,576m.

As of December, 31st 2016, these receivables remain in the assets of the financial statements.

Note 12. Trade payables and related accounts

Trade receivables and payables are as follows:

<i>In thousands of Euros</i>	Dec. 31, 2016	Dec. 31, 2015
Suppliers	26 349	17 343
Invoices to be received	7 941	12 578
Total	34 290	29 920

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

Note 13. Debts on fixed assets

The debts on fixed assets correspond mainly of IT services.

Note 14. Other liabilities

Other liabilities mainly relate to current account payables vis-à-vis the subsidiaries for €18,589k of which €6,560k of current account payables relate to cash pooling.

It also includes payables to customers and accrued credit notes for €1,482k.

Note 15. Turnover**15.1. By activity**

<i>in thousands of Euros</i>	31-déc.-16	31-déc.-15
Advertising	21 407	25 272
Other	5 717	8 624
Total	27 124	33 896

"Other" refers to various services, mainly intra-group related to the role of Hi-Media Holding.

15.2. By geographical area

<i>in thousands of Euros</i>	Dec. 31, 2016	Dec. 31, 2015
France	15 433	18 763
Export	11 691	15 133
Total	27 124	33 896

Note 16. Financial net income**16.1. Financial expenses**

<i>In thousands of Euros</i>	Dec. 31, 2016	Dec. 31, 2015
Interest charges	826	894
Depreciation and impairment of equity investments in subsidiaries and receivables related	3 005	39 528
Other depreciation and impairment of financial assets	949	1 346
Abandoned or unclaimed accounts	0	3 322
Other financial charges	12 355	133
Financial expenses	17 136	45 224

The following equity securities were depreciated:

- New Movil Media SL :	€1 536 k
- Hi-media Network Internet España SL	€677 k
- Hi-media Italy Srl :	€608 k
- ND Interactive :	€75 k
- Bonne Nouvelle Editions :	€38 k

16.2. Financial revenue

<i>In thousands of Euros</i>	Dec. 31, 2016	Dec. 31, 2015
Interest on current accounts	820	573
Reversal of provisions of the securities	5 998	17 376
Revenues from equity investments	1 079	359
Other	11 607	131
Financial revenue	19 505	18 438

Reversal of provisions mainly concerns HiPay.

Note 17. Extraordinary result

In 2016, extraordinary income is mainly composed:

- Tax amortization write-off for €744 k
- Non-recurring profit related to Hi-Media UK liquidation for €76 k
- Donations to the Hi-Media Foundation for € -184k
- Non-recurring expenses related to the HiMedia Brazil shares transfer for € - 65 k

Note 18. Corporate tax

Hi-Media is head of a tax consolidation group consisting of its French subsidiaries owned at more than 95%: HiMedia Advertising SAS, ADMoove SAS, Adysseum SARL and Bonne Nouvelle Editions SARL. 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 Hi-Media France SA, is considered an immediate gain for the year at Hi-Media SA.

The tax profit of €162 k consists in particular of € -109k tax deduction related to HiMedia Brazil shares transfer, income and costs of the tax consolidation group for € 170 kand a French tax credit (Credit d'Impôts Recherche) for € 101 k

Information on the deferred or latent tax situation:

<i>In thousands of Euros</i>	Dec. 31, 2016	Dec. 31, 2015
Offsets		
Investment subsidies		
Unrealized foreign exchange gains	2 726	2 225
Extraordinary depreciation		
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	55 203	55 067

Rates of Tax applicable in 2016 : 33,33 %

Note 19. Off balance sheet commitments**19.1. Commitments received**

None

19.2. Off-balance sheet liabilities

The lease signed on May 2nd, 2015 concerning the premises housing of the French operations of the Group represents a commitment of €1.05 million per year (non-indexed) until June 30th, 2020.

In addition, HiMedia has a long-term lease for a portion of its computer population. This contract represents an annual rent (undiscounted) of k€ 204.

19.3. Staff benefits

Pension liabilities: On December 31st, 2016, the amount of the liability was estimated at €135k and accounted for actuarial elements.

Note 20. 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 21. Staff

The number of staff stood at 23 employees on December 31st, 2016 against 55 employees on December 31st, 2015.

Note 22. Officers and directors

This includes compensation of the chairman of the Board and the COO for a total amount of €308k at December 31st, 2016, against €374k at December 31st, 2015. It is not granted the attendance fees to authorized agents.

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

Note 23. Event subsequent to December 31st, 2016

None

Note 24. 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⁾
Hi-Media Belgium SPRL	Av. des Volontaires 19 1160 Bruxelles	EUR	3 467	-	1 474	100%	4 627	4 627
Hi-Media Portugal Lda	Avenida Duque d'Avila 26 Lisboa	EUR	125		144	54%	71	71
Adysseum SARL	6 place Colonel Bourgoin, 75012 Paris	EUR	1 141		1 391	100%	9 484	2 533
Local Media SAS	6 place Colonel Bourgoin, 75012 Paris	EUR	130	-	446	50%	122	122
Hi-Media Sales AB	Box 71 - Hantverkargatan, 14 827 22 Ljusdal.	SEK	100		1 158	100%	16 288	6 776
Groupe Hi-media USA	101 5th Avenue, New York, NY 10003	USD	1	-	5 989	100%	67 544	-
Bonne Nouvelle Editions SARL	6 place Colonel Bourgoin, 75012 Paris	EUR	447	-	355	100%	1 617	-
HPMP	Av. des Volontaires 19 1160 Bruxelles	EUR	100		92	100%	90	90
Hi-media Nederland BV	Postbus 381, 1200 AJ Hilversum	EUR	20		623	100%	962	900
Hi-media Network Internet España SL	Orense n°6, 28 020 Madrid	EUR	725	-	2 764	100%	10 363	677
Hi-media Italy Srl	Via Cosimo del Fante 4, 20122 Milano	EUR	10		817	100%	6 624	-
Allopass Scandinavia	Box 71 - Hantverkargatan, 14 827 22 Ljusdal.	SEK	100		- 61	100%	10	-
Allopass Mexico SRLCV	Protasio Tagle 104, Col. San Miguel Chapultepec. Mexico DF	MXN	2 819	-	2 847	100%	196	-
Mobvious Italia SRL	Via Cosimo del Fante 4, 20122 Milano	EUR	10		162	80%	94	8
New Movil Media S.L	Orense n°6, 28 020 Madrid	EUR	3	-	152	100%	1 547	1 535
HiMedia Advertising	6 place Colonel Bourgoin, 75012 Paris	EUR	646		-	100%	646	646
Quantum SAS	6 place Colonel Bourgoin, 75012 Paris	EUR	50	-	1 266	81%	1 769	95
Latam Digital Ventures	World Trade Center México Montecito 38. Piso 6 Oficina 24, Col. Nápoles. 03810 México D.F.	USD	1		- 1	60%	-	-
Hi-Media LLC	25 Taylor Street NO.202, San Francisco CA 94102	USD	1		- 219	100%	-	-
Admoove	6 place Colonel Bourgoin, 75012 Paris	EUR	281	-	297	100%	2 060	2 060
HiMedia Espana Publicidad Online S.L	Orense n°6, 28 020 Madrid	EUR	3		-	100%	3	3

⁽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
Hi-Media Belgium SPRL	5 880	-163			09.03.00
Hi-Media Portugal Lda	862	-284	0		31.10.00
Adysseum SARL	3 110	356			13.05.02
Local Media SAS	5 980	112			02.12.11
Hi-Media Sales AB	45 892	5 063	922	9,55	04.09.06
Groupe Hi-media USA	0	-191		1,054	27.11.07
Bonne Nouvelle Editions SARL	54	-26			06.06.08
HPMP		6			17.09.07
Hi-media Nederland BV	802	134			31.08.09
Hi-media Network Internet España SL	8 034	915			31.08.09
Hi-media Italy Srl	4 508	-664			31.08.09
Allopass Scandinavia	56	6		9,55	30.09.09
Allopass Mexico SRLCV		0		21,77	17.07.09
Mobvious Italia SRL	135	-160	0		17.05.13
New Movil Media S.L	1 549	522			13.12.12
HiMedia Advertising	2 765	-405	0	0	02.12.14
Quantum SAS	6 193	-127			23.04.14
Latam digital Ventures				1,054	02.02.15
Hi-Media LLC		-339		1,054	30.04.15
Admoove	3 898	-311	0	0	06.01.15
HiMedia Espana Publicidad Online S.L	1 175	-1 856	0	0	22.09.16

⁽¹⁾ in thousands of operating monetary units

⁽²⁾ in thousands of Euros