MITULA CLASSIFIED, S.L.

Audit report on the 2014, 2013 and 2012 financial statements

INDEPENDENT AUDITOR'S REPORT

To the shareholders of Mitula Classified, S.L.

We have audited the accompanying financial statements of Mitula Classified, S.L., which comprise the balance sheets as at December 31, 2014, 2013 and 2012, and the income statements, statements of comprehensive income, statements of changes in equity and cash flow statements for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Mitula Classified, S.L. as at December 31, 2014, 2013 and 2012, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

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Emphasis of Matter

We draw attention to Note 2.1. in which it is mentioned that these financial statements for the years ended December 31, 2014, 2013 and 2012 have been prepared with the objective of exploring potential divestiture alternatives by means of a capital markets transaction. These are the first financial statements prepared in conformity with International Financial Reporting Standards, applicable as at December 31, 2014, and differ from the statutory annual accounts for those years prepared in conformity with Spanish Mercantile Legislation. In this respect, Note 3.4 includes reconciliations of net equity as at January 1, 2012 and December 31, 2014, 2013 and 2012 and of the income statement for the year ended 31 December 31, 2014. This matter does not modify our opinion.

Other Matter

The comparative information as atJanuary 1, 2012 prepared in conformity with International Financial Reporting Standards has not been audited. The statutory annual accounts for the years 2014, 2013 and 2012, prepared in conformity with Spanish Mercantile Legislation, from which financial information has been extracted and included in Note 3.4, have not been audited.

PricewaterhouseCoopers Auditores, S.L.

Fernando Torres

6 May 2015

Mitula Classified, S.L

Financial Statements for the years ended 31 December 2014, 2013 and 2012

Contents

MITULA CLASSIFIED S.L.

Balance sheets as of 31 December 2014, 2013, 2012 and 1 January 2012
(In Euros)

		31 December			1st January (*)
	Note	2014	2013	2012	2012
ASSETS					
NON-CURRENT ASSETS		171,949	164,361	143,644	91,368
Property, plant and equipment	6	169,562	163,035	142,318	89,343
Investments	7	2,387	1,326	1,326	2,025
CURRENT ASSETS		4,757,632	2,070,154	1,394,724	798,451
Trade and other receivables	9	1,686,232	852,588	837,745	561,460
Financial assets at fair value through profit or loss	10	255,005	250,234	-	-
Cash and cash equivalents	8	2,816,395	967,332	556,979	236,991
TOTAL ASSETS		4,929,581	2,234,515	1,538,368	889,819
EQUITY AND LIABILITIES					
EQUITY		3,700,535	1,783,208	1,149,103	656,196
Share capital	11	3,436	3,436	3,436	3,436
Share premium	11	299,570	299,570	299,570	299,570
Retained earnings	11	3,397,529	1,480,202	846,097	353,190
NON-CURRENT LIABILITIES		46,947	43,035	36,605	23,214
Deferred tax liabilities	13	46,947	43,035	36,605	23,214
CURRENT LIABILITIES		1,182,099	408,272	352,660	210,409
Trade and other payables	14	277,242	218,651	244,399	194,915
Current income tax liabilities	20	904,857	189,621	108,261	15,494
TOTAL LIABILITIES		1,229,046	451,307	389,265	233,623
TOTAL EQUITY AND LIABILITIES		4,929,581	2,234,515	1,538,368	889,819

(*) Unaudited

The notes on pages 10 to 44 are an integral part of these financial statements.

MITULA CLASSIFIED S.L.

Income statements for the years ended 31 December 2014, 2013 and 2012
(In Euros)

	Note	31 December 2014	2013	2012
Revenue	**15**	7,268,858	3,845,561	3,003,501
Other operating expenses	**16**	(2,396,616)	(1,719,592)	(1,556,652)
Staff Costs	**17**	(1,242,340)	(1,005,360)	(778,869)
Other income		-	-	900
Depreciation	**6**	(100,081)	(86,194)	(42,563)
Operating profit		**3,529,321**	**1,034,415**	**626,317**
Finance income		97,913	11,862	4,916
Finance costs		(26,789)	(38,869)	(6,563)
Net financial results	**19**	**71,124**	**(27,007)**	**(1,647)**
Profit before income tax		**3,600,945**	**1,007,408**	**624,670**
Corporate income tax	**20**	(1,020,588)	(248,507)	(140,764)
Profit for the year		**2,580,357**	**758,901**	**483,906**
Basic and Diluted Earnings per share	**11**	**7.51**	**2.21**	**1.41**

The notes on pages 10 to 44 are an integral part of these financial statements.

MITULA CLASSIFIED S.L.

Statements of comprehensive income for the years ended 31 December 2014, 2013 and 2012
(In Euros)

	Note	31 December 2014	2013	2012
Profit for the year	20	2,580,357	758,901	483,906
Other comprehensive income:		-	-	-
Items that will not be reclassified to profit and loss		-	-	-
Items that may be subsequently reclassified to profit or loss		-	-	-
Other comprehensive income for the year, net of tax		-	-	-
Total comprehensive income for the year		2,580,357	758,901	483,906

The notes on pages 10 to 44 are an integral part of these financial statements.

MITULA CLASSIFIED S.L.

Statement of changes in equity for the years ended 31 December 2014, 2013 and 2012
(In Euros)

	Note	Share capital	Share premium	Retained Earnings	Total equity
Balance at 1 January 2012 (*)	**11**	**3,436**	**299,570**	**353,190**	**656,196**
Profit for the year		-	-	483,906	483,906
Value of employee services (Note 12)		-	-	9,001	9,001
Balance at 31 December 2012	**11**	**3,436**	**299,570**	**846,097**	**1,149,103**
Profit for the year		-	-	758,901	758,901
Value of employee services (Note 12)		-	-	11,260	11,260
Dividends paid		-	-	(136,056)	(136,056)
Balance at 31 December 2013	**11**	**3,436**	**299,570**	**1,480,202**	**1,783,208**
Profit for the year		-	-	2,580,357	2,580,357
Value of employee services (Note 12)		-	-	54,323	54,323
Dividends paid		-	-	(717,353)	(717,353)
Balance at 31 December 2014	**11**	**3,436**	**299,570**	**3,397,529**	**3,700,535**

(*) Unaudited

The notes on pages 10 to 44 are an integral part of these financial statements.

MITULA CLASSIFIED S.L.

Cash flow statements for the years ended 31 December 2014, 2013 and 2012
(In Euros)

	Note	Period ended December 2014	2013	2012
Cash flows from operating activities				
Profit before income tax		**3,600,445**	**1,007,408**	**624,671**
Adjustments for:				
Depreciation	6	100,081	86,194	42,563
Finance income	19	(93,142)	(11,862)	(4,916)
Finance costs	19	26,789	38,869	6,563
Fair value (gains) / losses on financial instruments	19	(4,771)	-	-
Share based payments		54,323	11,260	9,001
Changes in working capital				
Trade and other receivables	9	(833,645)	(14,844)	(276,284)
Trade and other payables	14	59,090	(25,747)	49,483
Other non-current assets and liabilities		-	-	699
Other cash flows from operating activities				
Interest paid	19	(26,789)	(38,869)	(6,563)
Interest received	19	93,141	11,862	4,916
Corporate income tax paid	20	(301,440)	(160,716)	(34,607)
Net cash from operating activities		**2,674,083**	**903,555**	**415,526**
Cash flows from investing activities				
Payments				
Acquisition of subsidiaries net of cash acquired		(1,060)	-	-
Purchase of available-for-sale financial assets	10	-	(250,234)	-
Purchases of property, plant and equipment	6	(106,607)	(106,912)	(95,538)
Net cash used in investing activities		**(107,667)**	**(357,146)**	**(95,538)**
Cash flows from financing activities				
Dividends paid		(717,353)	(136,056)	-
Net cash used in financing activities		**(717,353)**	**(136,056)**	**-**
Net increase in cash and cash equivalents		**1,849,063**	**410,353**	**319,988**
Cash and cash equivalents at the beginning of the period		**967,332**	**556,979**	**236,991**
Cash and cash equivalents at the end of period		**2,816,395**	**967,332**	**556,979**

The notes on pages 10 to 44 are an integral part of these financial statements.

MITULA CLASSIFIED S.L.

Notes to the financial statements
(In Euros)

1. General information

Mitula Classified S.L. (hereinafter the "Company" or "Mitula"), was incorporated in Madrid on 15 July 2009 as limited liability company for an indefinite period of time. Its registered office is 5, Federico Oriol Madrid.

The main activity of the Company is the operation of aggregators in Internet portals (vertical search engine for classifieds) and the advice and consultancy of Internet services, as well as designing, building and running web pages.

The Company may be engaged without reservation or limitation whatsoever to all kinds of lawful businesses that contribute directly or indirectly to carrying out the activities that constitutes its corporate purpose.

The activities listed above are exercised with subjection to the laws of application in the field and obtaining, where appropriate, administrative authorizations or licenses or other nature that may be necessary. If the laws demand it to exercise any of the activities included in the corporate purpose, some professional degree, such activities should be performed by persons holding the required titulation.

The Company's activities are performed both in Spain and abroad. In addition, such activities may be developed, indirectly, wholly or partly through ownership of shares or interests in companies with identical or analogous corporate purpose.

Mitula operates directly in over 37 countries in Europe, Americas, Africa, Asia & Middle East and Oceania.

According to the content of Article 43 of the Spanish Commercial Code, Mitula Classified, S.L. is not required to prepare statutory consolidated financial statements due to the size of the Group.

For IFRS financial statements purposes, the Company does not prepare consolidated financial statement since it only owns one subsidiary in China, which have been incorporated during 2014 and remains dormant at the end of 2014 financial year (Note 7).

The financial year runs from January 1 to 31 December.

2. Summary of significant accounting policies

The main accounting policies and measurement criteria applied in the preparation of these financial statements are described below.

2.1 Basis of preparation

The accompanying financial statements, which were obtained from the accounting records of the Company at 31 December 2014, 2013 and 2012, respectively, are prepared in accordance with the International Financial Reporting Standards (IFRS) and the International

Financial Reporting Interpretation Committee (IFRIC) (all together, IFRS), being these financial statements the first financial statements prepared in accordance with IFRS.

For the financial years ended 31 December 2014, 2013 and 2012 the Company has prepared standalone statutory annual accounts, in accordance with the Spanish current mercantile legislation contained in the Code of Commerce Royal Decree 1514/2007 of 20 November and the amendments made to it by Royal Decree 1159/2010 which approved the Spanish Chart of Accounts, in order to present fairly the Company's financial position and results of its operations.

As per Spanish mercantile regulation the preparation of standalone financial statements under IFRS is not permitted. Nevertheless, these financial statements have been prepared in accordance with IFRS with the objective of exploring potential divestiture alternatives through a transaction in the capital markets.

The figures shown in the balance sheet, income statement, statement of comprehensive income, statement of changes in equity, cash flow statement and notes that compose these financial statements are expressed in Euros, unless otherwise stated.

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets at fair value.

The preparation of these financial statements under IFRS requires the Company to use certain estimates and judgments in relation to the future that are continuously assessed and are based on historical experience and other factors, including expectations of future events deemed reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined in note 5.

These financial statements have been approved for issue by the Board of Directors on 30 April 2015.

2.2 New IFRS standards, amendments and IFRIC interpretations issued

The standards, interpretations and amendments that have been published by the IASB and will be effective in later periods after 31 December 2014 (and have not been early adopted by the Company), are the following:

(In Euros)

Standard	Title	Effective date
IFRS 1	Modification September 2014 - Sale or transfer of assets between an investor and its associates or joint ventures	01/01/2016
IFRS 5	Improvements to IFRSs - Cycle 2012-2014 (September 2014)	01/07/2016
IFRS 7	Improvements to IFRSs - Cycle 2012-2014 (September 2014)	01/07/2016
IFRS 9	Financial instruments (Full Version) (July 2014)	01/01/2018
IFRS 10	Modification December 2014 - Investment Entities: Applying the exception to consolidation	01/01/2016
IFRS 11	Modification May 2014 - Accounting for acquisitions of interests in joint ventures	01/01/2016
IFRS 12	Modification December 2014 - Investment Entities: Applying the exception to consolidation	01/01/2016
IFRS 14	Regulatory deferral accounts	01/01/2016
IFRS 15	Revenue from contracts with customers	01/01/2017
IAS 1	Modification December 2014 - Disclosure Initiative	01/01/2016
IAS 16	Modification May 2014 - Clarification of acceptable methods of depreciation and amortization	01/01/2016
	Modification June 2014 - Agriculture: Plants that need to produce fruit	01/01/2016
IAS 19	Improvements Project - Cycle 2012-2014 (September 2014)	01/07/2016
IAS 27	Modification August 2014 - Equity method in separate financial statements	01/01/2016
IAS 28	Modification September 2014 - Sale or transfer of assets between an investor and its associates or joint ventures	01/01/2016
	Modification December 2014 - Investment Entities: Applying the exception to consolidation	01/01/2016
IAS 34	Improvements to IFRSs - Cycle 2012-2014 (September 2014)	01/07/2016
IAS 38	Modification May 2014 - Clarification of acceptable methods of depreciation and amortization	01/01/2016
IAS 41	Modification June 2014 - Agriculture: Plants that need to produce fruit	01/01/2016

The Company is currently evaluating the potential impacts in the financial statements derived from the application of the above mentioned standards.

2.3. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the operating decision-maker. The Operating decision maker responsible for allocation of resources and assessing performance of the operating segments has been identified as the related party Tadium Invest,S.L. as subcontracted management (note 23). The business is being monitored in an operating income basis distinguishing by client typology and geography. Given the nature of the services rendered by the Company, consisting of rendering vertical search engine for classifieds in internet services, it is not possible neither separate assets and liabilities by client nor allocate operating or financial results and taxes, following this criteria.

The Company has classified the revenues in three main categories: (i) Retail ((ii) Motor, and (iii) Jobs (see note 15).

2.4 Foreign currency translation

a) Functional and presentation currency

The Company operates in different countries inside and outside of the European Union such as Mexico, Brazil and Australia. However, the Euro has been determined as the functional and presentation currency of the Company for the years 2012, 2013 and 2014 due to the significance of the transactions held in Euro in those periods.

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates (the euro). Therefore, transactions in currencies other than the euro are deemed to be foreign currency transactions.

b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currency are recognised in the income statement.

All Foreign exchange gains and losses are presented in the income statement within “finance income or cost”.

Translation differences on non-monetary financial assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss.

2.5. Property, plant and equipment

Property, plant and equipment are recognised at acquisition cost less depreciation and cumulative impairment losses.

Historical cost includes expenditure directly attributable to the acquisition of the asset. Subsequent costs are included in the carrying amount of the asset or recognised as a separate asset, as appropriate, only when it is probable that the future economic benefits associated with the asset will flow to the Company and its cost may be reliably determined.

Depreciation is calculated on a straight-line basis in order to allocate the difference between cost and residual value over the asset's estimated useful life as follows:

	Depreciation rate
Furniture, fittings and equipment	10% - 33%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

When an asset's carrying amount exceeds its estimated recoverable amount, the carrying amount is written down immediately to the recoverable amount (see note 2.6).

Gains and losses on disposals of property, plant and equipment are calculated by comparing the proceeds with the carrying amount and are recognised in the income statement within “other income”.

2.6. Impairment of non-financial on assets

Assets that are subject to depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units). Prior impairments of non-financial assets are reviewed for possible reversal at each reporting date.

2.7. Financial Assets

Classification

The Company classifies its financial assets in the following categories: loans and receivables and financial assets at fair value through profit or loss. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

a) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets. The Company's loans and receivables comprise 'trade and other receivables' in the balance sheet.

b) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading.
A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Derivatives are also categorized as held for trading unless they are designated as hedges. Assets in this category are classified as current assets if expected to be settled within 12 months, otherwise they are classified as non-current.

Recognition and measurement

Regular purchases and sales of financial assets are recognised on the trade-date – the date on which the group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in the income statement. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the group has transferred substantially all risks and rewards of ownership. Loans and receivables are subsequently carried at amortised cost using the effective interest method.

Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are presented in the income statement within 'Finance income/ costs' in the period in which they arise. Dividend income from financial assets at fair value through profit or loss is recognised in the income statement as part of other income when the Company's right to receive payments is established.

Offsetting financial assets and financial liabilities

The Company has not assets or financial liabilities subject to offsetting.

2.8. Impairment of financial on assets

a) Assets carried at amortised cost

The Company assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired. A financial asset is impaired and impairment losses are recognised only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset that can be reliably estimated.

Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that the customer will enter in bankruptcy, and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in the income statement.

2.9. Trade receivables

Trade receivables are amounts due from customers for services rendered in the ordinary course of business. If collection is expected in one year or less (the normal operating cycle of the business), they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

2.10. Cash and cash equivalents

Cash and cash equivalents includes cash in hand, overnight deposits with credit institutions, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are classified as borrowings within current liabilities in the balance sheet.

2.11. Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new shares are shown in equity as a deduction, net of tax, from the proceeds.

Where the Company purchases its own shares (treasury shares), the consideration paid, including any directly attributable incremental costs (net of income taxes), is deducted from equity attributable to shareholders of the Company until the shares are cancelled, reissued or disposed of. Where such shares are subsequently disposed of or reissued, all consideration received, net of any directly attributable incremental transaction costs and the related tax effects are included in equity attributable to owners of the company.

<u>Dividend distribution</u>

Dividend distribution to the Company's shareholders is recognised as a liability in the company's financial statements in the year in which the dividends are approved by the company's shareholders.

2.12. Trade payables

Trade payables are obligations to pay for the operations and services that have been acquired/received in the ordinary course of business from suppliers. Account payables are classified as current liabilities if the payment is due within one year or less. Otherwise they are presented as non-current liabilities.

Trade payables are initially recognised at fair value and are subsequently measured at amortised cost using the effective interest rate method.

2.13. Current and deferred income tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the laws enacted or substantively enacted in Spain at the balance sheet date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised on temporary differences arising between tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill, or an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither the accounting nor the taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to be applicable when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are only recognised to the extent that it is probable that there will be future tax profits against which the temporary differences can be utilized.

Deferred income tax liabilities are provided on taxable temporary differences arising from investments in subsidiaries and associates only to the extent that it is probable that the temporary difference will reverse in the future and there is sufficient taxable profit available against which the temporary difference can be utilized.

Deferred income tax assets and liabilities are offset if and only if the Company has a legally enforceable right to set off the recognised amounts and when they relate to income taxes levied by the same taxation authority on a single tax subject/entity, or in the event of different tax subjects/entities, when the Company intends to realise the asset and settle the liability on a net basis.

2.14. Share-based payments

The shareholders of Mitula have signed agreements with certain employees, under which Mitula receives services from the employees as consideration for options on existing shares of the Company belonging to the shareholders. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense against an equity reserve. These agreements have been considered share-based payments settled in equity instruments. The total amount to be expensed is determined by reference to the fair value of the options granted by the shareholders:

– Including any market performance conditions (for example, an entity's share price);

– Excluding the impact of any service and non-market performance vesting conditions (for example, profitability, sales growth targets and remaining an employee of the entity over a specified time period); and

– Including the impact of any non-vesting conditions (for example, the requirement for employees to save or holding shares for a specific period of time).

At the end of each reporting period, the Company revises its estimates of the number of options that are expected to vest based on the non-market vesting conditions and service conditions. It recognises the impact of the revision to original estimates, if any, in the income statement, with a corresponding adjustment to equity.

In addition, in some circumstances employees may provide services in advance of the grant date and therefore the grant date fair value is estimated for the purposes of recognising the expense during the period between service commencement period and grant date. Options are conditional on the employees completing between one and three years of services (the vesting period)

When the options are exercised the Company does not issues new shares, since the shareholders transfer the existing shares to the employees.

2.15. Revenue recognition and expenses

Revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivable for the services provided, net of value added taxes. The Company recognizes revenue when the services have been provided, the fees charged are fixed or determinable, the Company and its advertisers or other customers understand the specific nature and terms of the agreed upon transactions, and collectability is reasonably assured.

The main sources of the Company's revenue are:

a) CPC (cost-per-click): Most of the customers pay on a cost-per-click basis, which means that an advertiser (customer) pays to the Company only when a user clicks on one of its ads. The Company recognizes as revenue the fees charged to advertisers each time a user clicks on one of the ads that appears next to the search results or content on the Company's website. These agreements by the customer include a CPC cap and rate.

b) Revenue derived from the traffic operations in the Google AdSense program, a web advertising platform, in which Mitula is a SearchPartner. The AdSense programs enable websites that are part of the Google network (such as Mitula) to deliver adwords that are relevant to the search results or content on their websites. Google pays to Mitula on a cost-per-click basis. Mitula has been working with this program since 2009, having consolidated a Premium agreement.

Interest income is recognised using the effective interest rate method. When a loan or an account receivable is impaired the Company reduces the carrying value to its recoverable amount, which is calculated on the basis of estimated future cash flows discounted at the original effective interest rate of the instrument and continues unwinding the discount as interest income. Interest income on impaired loans is recognised using the original effective interest rate.

Other operating expenses includes the expenses associated with the operation of the data center, including, labor, energy and other transaction fees related to processing customer transactions.

2.16. Leases

For operating leases in which the Company is the lessee, operating lease payments (net of any incentive received from the lessor and increased by the amount of directly allocable contract costs) are charged to the income statement on a straight-line basis over the lease term and classified under Other operating expenses.

2.17. Transactions with related parties

Related-party transactions are generally recognized at fair value at inception. Subsequent measurement is carried out in accordance with the pertinent rules.

3. TRANSITION TO INTERNATIONAL FINANCIAL REPORTING STANDARDS

3.1. Basis of transition to IFRS

The standalone financial statements at 31 December 2014 are the Company's first financial statements prepared in accordance with IFRS being the date of first time adoption of IFRS 1 January 2012. For the year ended 31 December 2014, 2013 and 2012, the Company is required to prepare statutory standalone annual accounts in accordance with current Spanish mercantile legislation contained in the Code of Commerce, as amended under Law 16/2007 on the reform and adaptation of accounting legislation, to bring it into line with international regulations and EU legislation; Royal Decree 1514/2007 of 20 November which approved the Spanish Chart of Accounts, in order to present fairly the Company's financial situation and results, which have been considered as "Previous GAAP".

IFRS 1 has been applied in preparing these standalone financial statements. The opening balance sheet as of 1 January 2012, and the financial information for the years ended 31 December 2014, 2013 and 2012 have been prepared applying all IFRS and IFRIC in force at 31 December 2014, as required by IFRS 1. In addition, in the preparation of these standalone financial statements the Company has applied all the applicable exemptions and exceptions contained in IFRS 1, as noted in the following notes.

3.2. IFRS exemption options

The following voluntary exemptions set out in IFRS 1 do not apply to the Company:

- IFRS 1 provides the option to apply IFRS 3, 'Business combinations', prospectively from the transition date or from a specific date prior to the transition date. This provides relief from full retrospective application that would require restatement of all business combinations prior to the transition date. This exemption is not applicable to the Company.

- Leases (IAS 17), exemption for fair value as deemed cost for property plan and equipment and intangibles was not applied by the Company, and recognition of actuarial gains and losses (IAS19), as Previous GAAP and IFRS were already aligned as regards to these items;

- Insurance contracts (IFRS 4), cumulative currency translation differences in accordance (IAS 21), severe hyperinflation, borrowing costs (IAS 23), transfer of assets from customers (IFRIC 18), extinguishing financial liabilities with equity instruments (IFRIC 19), as these are not applicable to the Company's operations;

- Share-based payment (IFRS 2), designation of previously recognized financial instruments, fair value measurement of financial assets or financial liabilities at initial recognition, as these are not applicable to the Company's operations at the transition date;

- Assets and liabilities of subsidiaries, associates and joint ventures and investments in subsidiaries, jointly controlled entities and associates, as these are not applicable to the Company's operations.

- Compound financial instruments, because the Company does not have these types of financial instrument as at the date of transition to IFRS.

- Decommissioning liabilities included in the cost of land, buildings and equipment, as the Company does not have liabilities of this type; and

- Financial assets or intangible assets accounted for under IFRIC 12, as the Company has not entered into agreements within the scope of IFRIC 12.

3.3. IFRS mandatory exceptions

Set out below are the applicable mandatory exceptions in IFRS 1 applied in the conversion from Previous GAAP to IFRS

Hedge accounting exception

Hedge accounting can only be applied prospectively from the transition date to transactions that satisfy the hedge accounting criteria in IAS 39, 'Financial instruments: Recognition and measurement', at that date. Hedging relationships cannot be designated retrospectively, and the supporting documentation cannot be created retrospectively. These are not applicable to the Company's operations;

(In Euros)

Exception for estimates

IFRS estimates as at 1 January 2012 are consistent with the estimates as at the same date made in conformity with the Previous GAAP.

The other compulsory exceptions of IFRS 1 have not been applied as these are not relevant to the Company:

- Derecognition of financial assets and financial liabilities; and
- Non- controlling interest

3.4. Reconciliation from Previous GAAP to IFRS

The following reconciliations break down in detail the effect of the transition related to equity at 1 January 2012, 31 December 2014, 2013 and 2012, as well as the comprehensive income for the year ended 31 December 2014, 2013 and 2012.

Summary of equity reconciliation

	At 31 December			At 1 January (*)
	2014	**2013**	**2012**	**2012**
Equity under Previous GAAP (*)	3,577,919	1,663,409	1,043,591	590,067
Depreciation (a)	169,563	162,834	142,117	89,343
Tax effect (a)	(46,947)	(43,035)	(36,605)	(23,214)
Share options (b)	74,584	20,261	9,001	-
Share options (b)	(74,584)	(20,261)	(9,001)	-
Equity under IFRS	**3,700,535**	**1,783,208**	**1,149,103**	**656,196**

(*) Unaudited

(a) According to the Spanish law 27/2014, the Company is beneficiary of tax incentives for small size entities that generates employment. In this context, property, plant and equipment has been has been fully depreciated at the moment of the acquisition for tax and accounting purpose, under Previous GAAP. In the IFRS conversion process the Company have adjusted the depreciation of the items of property, plant and equipment to their expected useful life, and have recognized the corresponding Deferred tax liabilities.

(b) As indicate in Notes 2.14 and 12, the shareholders of the Company have signed agreements with certain employees, under which Mitula receives services from the employees as consideration for options on existing shares of the Company belonging to the shareholders. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense against an equity reserve. These agreements have been considered share-based payments settled in equity instruments. In the IFRS conversion process the Company have recognized the accounting effect of these shared-based compensation plans that was not recognized under Previous GAAP.

(In Euros)

3.5. Reconciliation of the income statement from Previous GAAP to IFRS

The following table breakdown in detail the reconciliation of the income statement for the year ended 31 December 2014

Description	Ref	Previous GAAP (*)	NIIF Adjustments	IFRSs
Continuing operations				
Revenue		7,268,858	-	7,268,858
Gross profit		**7,268,858**	**-**	**7,268,858**
Other operating expenses		(2,396,616)	-	(2,396,616)
Staff costs	b	(1,188,016)	(54,323)	(1,242,339)
Depreciation	a	(106,809)	6,727	(100,082)
Operating profit		**3,577,417**	**(47,596)**	**3,529,821**
Financial result-net		71,124		71,124
Profit before income tax		**3,648,541**	**(47,596)**	**3,600,945**
Income tax expense	a	(1,016,676)	(3,912)	(1,020,588)
Profit for the year from continuing operations		**2,631,865**	**(51,508)**	**2,580,357**

(*) Unaudited

3.6. Reconciliation of the cash flow statement from Previous GAAP to IFRS

This reconciliation is not shown since the Company was not required to present cash flow statement under Previous GAAP.

4. Financial risk management

4.1 Financial risk factors

The Company's activities expose it to a variety of financial risks: credit risk, foreign exchange rates and liquidity risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance.

Risk management is controlled by the Finance Department in accordance with the operational areas and Board of Directors guidance.

a) Foreign exchange risk

The Company operates globally in multiple currencies and is exposed to foreign exchange risk, primarily with respect to the US dollar, Australian dollar, GBP and Brazil real. The Company does not use derivatives to hedged this risk. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities.

b) Liquidity risk

The Company carries out a prudent management of liquidity risk based on maintaining sufficient cash and negotiable securities and available credit facilities. The main risk variables are the limitations on access to financing markets and the fall in cash flows from operations.

The Company manages these risks by diversifying the banks with which it works, negotiating the renewal or increase in existing credit facilities and exercising strict control over the generation and consumption of cash through treasury projections.

b) Credit risk

Credit risk is managed by the management. Credit risk derives mainly from cash and cash equivalents, bank and financial institution deposits and trade receivables.

Company management assesses the credit quality of customers taking into account their past experience and knowledge of the market. Individual credit limits are set based on internal ratings. The Company constantly monitors the credit limited of its customers.

In relation to banks and financial institutions, the Company operates with prestigious institutions, taking into consideration the ratings assigned independently when they are available.

Financial assets credit rating of years 2014, 2013 and 2012 are detailed in note 8.2.

4.2 Capital management

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern and thus provide a return to the owners and maintain the optimum equity structure to reduce the cost of capital.

In order to maintain or adjust the equity structure, the Company could adjust the amount of dividends paid to the owners, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Company monitors capital on the basis of the earning before tax (EBT).

4.3 Fair value estimate

At 31 December 2014, 2013 and 2012 the Company's financial assets and liabilities are carried at amortised cost, except for financial assets at fair value through profit or loss, which are carried at fair value (note 10).

The carrying value of receivables and trade payables approximates their fair value. The fair value of other financial instruments for the purposes of financial reporting is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Company for similar financial instruments.

(In Euros)

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly (level 2).
- Inputs for the asset or liability that are not based on observable market data (Level 3).

			At 31 December	At 1 January (*)
Assets	**2014**	**2013**	**2012**	**2012**
Financial assets at fair value through profit or loss				
- Level 1	255,005	250,234	-	-
- Level 2	-	-	-	-
- Level 3	-	-	-	-
TOTAL	255,005	250,234	-	-

(*) Unaudited

5. Critical accounting estimates and judgements

The preparation of financial statements under IFRS requires significant judgement, assumptions and estimates in the application of the Company's accounting policies that have an impact on the recognised amount of assets, liabilities, income, expenses and the related disclosures. The estimates and assumptions made are based, inter alia, on historical experience, forecasts and other circumstances and expectations at the end of the reporting period.

The estimates and assumptions that have a greater risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are explained below.

Provision for impairment of trade receivables

The Company makes estimates of the recoverability of trade receivables and other debtors as described in note 2.8, which requires exercising judgement by management when determining whether there is objective evidence of impairment, and to estimate future cash flows to be used in calculating provisions. The provision at each year end, and movements in the year, are set out in Note 9.

Income tax and deferred tax assets

The calculation of the income tax expense requires interpretations of tax legislation in force. The Company evaluates the recoverability of the deferred income tax assets based on estimates of future taxable income. The recoverability of the deferred tax assets depends ultimately on the capacity of the Company to generate sufficient tax profits during the periods in which these deferred taxes are deductible. Changes in future tax rates or in the expectation of generation of taxable profits to recover the carrying amount of the deferred tax assets may lead to changes to the amount of deferred tax assets recorded.

Revenue recognition

Most of the customers pay on a cost-per-click basis, which means that an advertiser (customer) pays to the Company only when a user clicks on one of its ads. Revenue recognition requires exercising judgement by management when determining whether there is objective evidence each time a user clicks on one of the ads. The Company estimates the revenues based on the number of CPC (cost-per-click) internal data. However, these internal data might differ from the numbers of clicks generated by the customers information systems, in this situation the Google analytics tools is used to reconciliate the number of clicks to be billed.

6. Property, plant and equipment

The detail as at 31 December 2014, 2013, 2012 and 1 January 2012 and the movements for the year are as follows:

(In Euros)

	Furniture, fittings and equipment
Balance at 01-01-2012 (*)	**89,343**
Additions	95,538
Depreciation charge	(42,563)
Balance a 31-12-2012	
Cost	209,348
Accumulated depreciation	(67,030)
Balance at 31-12-2012	**142,318**
Additions	106,911
Depreciation charge	(86,194)
Balance at 31-12-2013	
Cost	316,259
Accumulated depreciation	(153,224)
Balance at 31-12-2013	**163,035**
Additions	106,608
Depreciation charge	(100,081)
Balance at 31-12-2014	
Cost	422,867
Accumulated depreciation	(253,305)
Carrying value at 31-12-2014	**169,562**

(*) Unaudited

The main significant additions to property, plant and equipment in 2014, 2013 and 2012 were furniture, fittings and equipment acquired for the offices in Madrid.

The Company has no significant commitments for the purchase of fixed assets at 31 December 2014, 2013 and 2012.

As of 31 December 2014, 2013 and 2012 there is not assets fully depreciated.

7. Investments

As of 31 December 2014, this item included the investments in a wholly-owned subsidiary amounting to Euro 1,060, which have been incorporated during 2014 and remains dormant at 31 December 2014. The remaining amount corresponds to a guarantee.

Name	Address	% Share	Main activity
Mitula Classified China	China	100%	Operation of aggregators in Internet portals

(In Euros)

8. Analysis of Financial instruments

8.1 Financial instruments by category

	Euros 31 December 2014		
Assets	Loans and receivables	Assets at fair value through profit or loss	Total
Trade receivables and other receivables	1,678,074	-	**1,678,074**
Financial assets at fair value through profit or loss	-	255,005	**255,005**
Cash and cash equivalents	2,816,395	-	**2,816,395**
Total	**4,494,469**	**255,005**	**4,749,474**

	Euros 31 December 2013		
Assets	Loans and receivables	Assets at fair value through profit or loss	Total
Trade receivables and other receivables	852,252	-	**852,252**
Financial assets at fair value through profit or loss	-	250,234	**250,234**
Cash and cash equivalents	967,332	-	**967,332**
Total	**1,819,584**	**250,234**	**2,069,818**

	Euros 31 December 2012		
Assets	Loans and receivables	Assets at fair value through profit or loss	Total
Trade receivables and other receivables	829,645	-	**829,645**
Cash and cash equivalents	556,979	-	**556,979**
Total	**1,386,624**	**-**	**1,386,624**

	Euros 1 January 2012 (*)		
Assets	Loans and receivables	Assets at fair value through profit or loss	Total
Trade receivables and other receivables	558,715	-	**558,715**
Cash and cash equivalents	236,991	-	**236,991**
Total	**795,706**	**-**	**795,706**

(*) Unaudited

(In Euros)

	Euros 31 December 2014	
	Other financial liabilities at amortized cost	Total
Liabilities		
Trade payables and other payables	277,742	**277,742**
Current income tax liabilities	904,857	**904,857**
Total	**1,182,599**	**1,182,599**

	Euros 31 December 2013	
	Other financial liabilities at amortized cost	Total
Liabilities		
Trade payables and other payables	218,651	**218,651**
Current income tax liabilities	189,621	189,621
Total	**408,272**	**408,272**

	Euros 31 December 2012	
	Other financial liabilities at amortized cost	Total
Liabilities		
Trade payables and other payables	244,399	**244,399**
Current income tax liabilities	108,261	108,261
Total	**352,660**	**352,660**

	Euros 1 January 2012 (*)	
	Other financial liabilities at amortized cost	Total
Liabilities		
Trade payables and other payables	194,915	194,915
Current income tax liabilities	15,494	15,494
Total	**210,409**	**210,409**

(*) Unaudited

8.2 Credit quality of financial assets

The credit quality of trade receivables and other liquid assets equivalent can be evaluated based on the credit rating ("rating") granted by external agencies (Standard & Poor's):

			December	1 January (*)
	2014	2013	2012	2012
Trade receivables				
A	1,189	4,743	-	-
AA	290,721	208,553	227,845	3,313
BBB+	2,475	4,870	-	3,254
No rating identified	850,521	497,221	459,545	459,790
Total Trade and other receivables (note 9)	**1,144,906**	**715,387**	**687,390**	**466,357**

(In Euros)

Cash and cash equivalents				
A	874	874	149,909	-
BB	26,036	17,297	45,317	25,498
BBB+	2,090,993	344,615	-	-
No rating identified	698,492	604,546	361,753	211,493
Total	**2,816,395**	**967,332**	**556,979**	**236,991**

(*) Unaudited

9. Trade and other receivables

			31 December	1 January (*)
	2014	**2013**	**2012**	**2012**
Trade receivables	1,188,832	726,243	697,858	473,161
Provisions for bad debts	(43,926)	(10,856)	(10,468)	(6,804)
Net trade receivables	**1,144,906**	**715,387**	**687,390**	**466,357**
Loans and receivables to related parties (note 23)	352,918	24,596	-	-
Other receivables	4,000	4,027	10,122	-
Short-term prepayments	8,157	336	8,099	2,745
Other receivables with Public Administrations (note 20)	176,251	108,243	132,134	92,358
Total trade and other receivables current	**541,326**	**137,202**	**150,355**	**95,103**
Less non-current portion	-	-	-	-
Total	**1,686,232**	**852,588**	**837,745**	**561,460**

(*) Unaudited

The fair value of trade and other receivables approximate their carrying amount.

The maximum credit risk exposure at the balance sheet date is the carrying value of each class of receivable mentioned above (see note 8.2).

The movement in the provision is as follows:

	Euro 2014
At 31 December 2013	**(10,856)**
Provision for impairment of receivables	(33,070)
At 31 December 2014	**(43,926)**

	Euro 2013
At 31 December 2012	**(10,468)**
Provision for impairment of receivables	(8,953)
Reversal of amounts not utilized	8,565
At 31 December 2013	**(10,856)**

	Euro 2012
At 1 January 2012 (*)	**(6,804)**
Provision for impairment of receivables	(9,216)
Reversal of amounts not utilized	5,552
At 31 December 2012	**(10,468)**

(*) Unaudited

Provision for impaired receivables has been included under the caption "Losses, impairment charges and variations in trade provisions" in the income statement under Other operating expenses. The amounts charged to the provision are written off when no more cash is expected to be recovered. Balances for which full provision has been made are also entirely for mature debt of more than six months standing.

At 31 December 2014, receivables totalling Euro 2,440 (2013: Euro 7,520, 2012: Nil, January 2012: Euro 11,972) were past due and not impaired. These relate to a number of independent customers and debtors for whom there is no recent history of default. The ageing analysis of these trade receivables accounts is as follows:

	31 December			1 January (*)
	2014	**2013**	**2012**	**2012**
Up to 3 months	1,112,700	694,544	660,818	433,244
Between 3 and 6 months	29,766	13,593	26,572	21,141
More than 6 months	46,366	18,106	10,468	18,776
	1,188,832	**726,243**	**697,858**	**473,161**

(*) Unaudited

At 31 December 2014, 2013 and 2012, or 1 January 2012, the ageing analysis of the provision for trade receivables is as follows:

	31 December			1 January (*)
	2014	**2013**	**2012**	**2012**
Between 6 and 12 months	25,582	1,457	3,422	6,804
More than 12 months	18,344	9,129	7,046	-
	43,926	**10,586**	**10,468**	**6,804**

(*) Unaudited

The carrying amounts of Trade receivables by currency are as follows (in Euros):

	31 December			1 January (*)
	2014	**2013**	**2012**	**2012**
Euro	722,540	528,809	569,652	406,223
US Dollar	336,960	120,497	94,200	20,973
Australian Dollar	58,704	36,767	17,434	25,442
GBP	33,953	21,225	15,900	20,523
Brazil Real	36,675	18,945	673	-
Total	**1,188,831**	**726,243**	**697,858**	**473,161**

(*) Unaudited

10. Financial assets at fair value through profit or loss

	At 31 December			At 1 January (*)
	2014	**2013**	**2012**	**2012**
Equity securities - Europe	255,005	250,234	-	-
TOTAL	**255,005**	**250,234**	-	-

(*) Unaudited

The item includes an investment in an UCIT. An UCIT aims to allow collective investment schemes to operate freely throughout the Europe Union on the basis of a single authorisation from one member state.

Changes in fair values of financial assets at fair value through profit or loss are recorded in "Finance cost net" (Note 19).

(In Euros)

The fair value of all equity securities is based on their current bid prices in an active market.

Financial assets at fair value through profit or loss are presented within 'operating activities' as part of changes in working capital in the statement of cash flows.

11. Share capital and reserves

11.1 Share capital

At 31 December 2014, 2013 and 2012 the subscribed capital, amounting to Euro 3,436 is represented by 3,436 shares with a nominal value of Euro 1 each, fully paid up.

The subscribed capital is composed by the following relevant shareholders:

	Share Capital %
Gonzalo Del Pozo Sánchez	23,14%
Gonzalo Ortiz Sanz	23,14%
Marcelo Badimón	23,14%
Bruno Consultores, S.L.	6,98%
CAV Investment Holding HK	6,26%
Atherley Investment PTY LTD	6,26%
Inception Capital	4,50%
Fernando Pinillos	2,20%
Javier Heras	2,20%
Ricardo Gómez de Olea	2,20%

11.2 Share premium

At 31 December 2014, 2013 and 2012 the share premium amounts to Euro 299,570. This reserve is freely available for distribution.

11.3 Legal reserve

In accordance with Spanish law, the company is required to transfer a minimum of 10% of its net profit for each financial year to a legal reserve. This requirement ceases to be necessary once the balance on the legal reserve reaches 20% of the issued share capital. The legal reserve amounts to Euro 687.20.

The legal reserve may be used to increase capital in an amount equal to the portion of the balance that exceeds 10% of capital after the increase. Otherwise, until it exceeds 20% of share capital and provided there are no sufficient available reserves, the legal reserve may only be used to offset losses.

11.4 Dividends

Dividend distribution to the Company's shareholders is recognised as a liability in the Company's financial statements in the year in which the dividends are approved by the Company's shareholders.

The distribution of an extraordinary dividend against 2013 results amounting to Euro 717,353 was approved in a Shareholders meeting dated 24 March 2014. As at 31 December 2014 the total amount of dividends has been paid.

The distribution of an extraordinary dividend against 2012 results amounting to Euro 136,056 was approved in a Shareholders meeting dated 22 March 2013. As at 31 December 2013 the total amount of dividends declared has been paid.

11.5 Basic and diluted earnings per share

Basic earnings per share is calculated by dividing the profit attributable to owners of the company by the weighted average number of ordinary shares in issue during the year. Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. As at 31 December 2014, 2013 and 2012 the Company did not have any categories of dilutive potential ordinary shares.

	At 31 December		
	2014	**2013**	**2012**
Basic and Diluted Earning per share			
Profit (loss) attributable to owners of the company (in Euros)	2,580,357	758,901	483,906
Weighted average number of ordinary shares in issue (*)	343,600	343,600	343,600
Total (eur/share)	**7.51**	**2.21**	**1.41**

(*) At 24 March 2015, the Company has performed a split of shares from nominal value of Euro 1 to a nominal value of Euro 0.01 (see note 24). Therefore basic and diluted earnings per share for previous years have been calculated using the number of shares deriving from the split.

12. Share-based payment

The shareholders of Mitula have signed agreements with certain employees, under which Mitula receives services from the employees as consideration for options on existing shares of the Company belonging to the shareholders. These agreements have been considered share-based payments settled in equity instruments. These agreements also includes the transfer of economic rights (dividends and capital gains associated to a potential selling of the shares) of the shares subject to the options to the employees, during the period from the grant date to the exercised date.

(In Euros)

The fair value of the employee services received in exchange for the grant of the options is recognised as an expense against an equity reserve. The total amount to be expensed is determined by reference to the fair value of the options granted by the shareholders:

The exercise price of the granted options is equal to the fair value of the shares on the date of the grant. Options are conditional on the employees completing between one and three years of services (the vesting period) with the Company. The options are exercisable starting between 31 March 2015 and 30 Abril 2015, subject to the permanency of the employee at that date.

Movements in the number of share options outstanding and their related weighted average exercise prices are as follows:

	2014		2013		2012	
	Average exercise price in € per share option	Options	Average exercise price in € per share option	Options	Average exercise price in € per share option	Options
At 1 January	519	30.31	334	20.69	0	-
Granted	1,077	15.75	519	9.62	334	20.69
At 31 December	**1,077**	**46.06**	**519**	**30.31**	**334**	**20.69**

Share options outstanding at the end of the year have the following expiry date and exercise prices:

			Share options		
Grant-vest	Expire date	Exercise price in € per share options	2014	2013	2012
2012-03	30-04-2015	1,642	-	-	20.69
2013-12	30-04-2015	2,184	-	9.62	
2014-04	30-04-2015	4,412	7.56		-
2014-12	30-04-2015	4,412	8.19	-	-

These options were exercise on 24 March 2015 (See note 24).

The weighted average fair value of options granted during 2012, 2013 and 2014 determined using valuation model was €4,412 per option (2013: €2,184 (2012: €1,642)

The fair value of options granted during 2012, 2013 and 2014 were determined using generally accepted valuation method.

The significant inputs into the valuation are stated below:

(In Euros)

- The valuation takes into consideration the transfer of the economic rights of the shares between the grant date and the exercised date.
- The exercise price of the granted options is equal to the equity value at the date as of 31 December 2014.
- A ratio per share price (at fair value) based on a multiplier of revenues that remains constant.
- The multiplier that relates the evolution of revenues with the equity is fixed.
- The price of the equity value and the market value follows the same evolution path (a fixed multiplier)

See Note 17 for the total expense recognised in the income statement for share options granted to employees.

13. Deferred income tax

A breakdown of deferred income tax assets and liabilities is as follows:

			31 December	1 January (*)
	2014	2013	2012	2012
Deferred tax assets:				
- Deferred tax assets to be recovered in more than 12 months	-	-	-	-
	-	-	-	-
Deferred tax liabilities:				
- Deferred tax liabilities to be recovered in more than 12 months	(46,947)	(43,035)	(36,605)	(23,214)
Deferred tax liabilities (net)	**(46,947)**	**(43,035)**	**(36,605)**	**(23,214)**

(*) Unaudited

The movements during the year in the deferred income tax accounts are as follows:

	Property, Plant and Equipment
At 1 January 2012 (*)	**(23,214)**
Tax charged / (credit) to the income statement	(13,391)
At 31 December 2012	**(36,605)**
Tax charged / (credit) to the income statement	(6,430)
At 31 December 2012	**(43,035)**
Tax charged / (credit) to the income statement	(3,912)
At 31 December 2012	**(46,947)**

(*) Unaudited

Temporary differences relating to property, plant and equipment arises from the differences between useful lives for accounting and tax purposes.

(In Euros)

14. Trade and other payables

The detail of this caption as at 31 December 2014, 2013 and 2012, or 1 January 2012 is as follows:

			31 December	1 January (*)
	2014	**2013**	**2012**	**2012**
Trade payables	175,419	119,415	117,663	39,653
Amounts due to related parties (Note 23)	17,278	-	24,874	109,642
Sundry payables	3,471	39,662	41,605	17,145
Personnel	3,146	1,000	12,050	0
Other payables to the Public Administrations	77,928	58,574	48,207	28,475
Total	**277,742**	**218,651**	**244,399**	**194,915**
Non-current	-	-	-	-
Current	**277,742**	**218,651**	**244,399**	**194,915**

(*) Unaudited

The carrying amounts of trade and other payables are denominated in the following currencies:

			31 December	1 January
	2014	**2013**	**2012**	**2012**
Euro	125,423	15,866	241,609	194,915
US Dollar	151,819	202,785		
Australian Dollar			2,790	
Total	**277,742**	**218,651**	**244,399**	**194,915**

(*) Unaudited

15. Revenue

The distribution of sales by segment is as follows:

			Euro
Lines of business	**2014**	**2013**	**2012**
Real estate	4,844,589	2,418,954	1,883,803
Motor	1,447,887	929,552	798,201
Jobs	976,382	497,055	321,497
Total	**7,268,858**	**3,845,561**	**3,003,501**

The distribution of sales by country is as follows:

(In Euros)

Market	2014	2013	Euro 2012
ITALY	767,448	525,838	471,884
BRAZIL	546,540	155,572	105,953
FRANCE	482,746	308,065	156,910
MEXICO	488,683	306,579	178,482
SPAIN	305,521	341,971	418,130
UNITED KINGDOM	147,723	109,290	81,830
AUSTRALIA	195,774	102,836	74,306
Other	882,758	352,098	354,525
Total CPC	**3,817,193**	**2,202,249**	**1,842,020**
Total Google	**3,451,665**	**1,643,312**	**1,161,481**
TOTAL	**7,268,858**	**3,845,561**	**3,003,501**

The distribution of sales by currency is as follows:

	2014	2013	Euro 2012
Euro	5,378,320	3,129,765	2,324,816
US Dollar	1,433,255	468,786	499,219
Australian Dollar	207,989	105,182	101,458
GBP	128,583	93,477	60,488
Brazil real	120,711	48,351	17,520
Total	**7,268,858**	**3,845,561**	**3,003,501**

16. Other operating expenses

Other operating expenses for the period ended 31 December 2014, 2013 and 2012 are detailed as follows:

	2014	2013	Euro 2012
Rentals and royalties	(13,779)	(13,779)	(17,006)
Independent professional services	(1,075,434)	(787,739)	(703,499)
Insurance	(1,003)	(1,983)	(900)
Banking and similar services	(24,609)	(12,974)	(6,035)
Advertising and publicity	(791,865)	(573,073)	(560,249)
Utilities and hosting	(296,666)	(208,682)	(163,268)
Other services	(138,157)	(103,646)	(87,801)
Other taxes	(26,208)	(7,846)	(4,069)
Losses, impairment charges and variation in trade provisions	(28,895)	(9,870)	(13,824)
Total	**(2,397,616)**	**(1,719,592)**	**(1,556,652)**

Independent professional services included the charges received from the related party Tadium Invest, SL (Note 23) corresponding to strategic advisory, services fees, international presence, administration services, system management services, consulting and administration fees for the purchase of equipment.

(In Euros)

17. Staff Costs

The detail of this caption as at 31 December 2014, 2013 and 2012 is as follows:

			Euro
	2014	**2013**	**2012**
Wages and salaries	(925,460)	(764,768)	(593,564)
Share options and profit sharing granted to employees	(54,323)	(11,260)	(9,001)
Severance indemnities	-	-	(7,007)
Social security expense	(262,557)	(229,332)	(169,297)
Total	**(1,242,340)**	**(1,005,360)**	**(778,869)**

a) Number of employees

As of 31 December 2014, 2013 and 2012, the number of employees in respect of full time equivalents (by category) was:

			Number of employees
	2014	**2013**	**2012**
Management	5	4	1
Staff	29	23	20
Total	**34**	**27**	**21**

18. Other commitments

Future payments for assets under irrevocable operating leases at 31 December 2014, 2013 and 2012, taking into account the lease term, are as follows:

			Euros
	2014	**2013**	**2012**
Less than 1 year	13,779	13,779	17,006
Between 1 and 5 years	16,075	29,854	41,337
More than 5 years	-	-	2,296
Total	**29,854**	**43,633**	**60,639**

19. Finance income and costs

At 31 December 2014, 2013 and 2012 this caption is detailed as follows:

(In Euros)

	2014	2013	Euro 2012
Foreign exchange income	80,674	8,861	4,511
Foreign exchange expense	(26,789)	(38,869)	(6,563)
Net foreign exchange gains on financing activities	53,885	(30,008)	(2,052)
Finance income:			
Interest income on short-term bank deposits	3,553	-	-
Interest income on deposits with related companies - short-term (note 23)	8,915	3,001	405
Finance income	12,468	3,001	405
Change in fair value of financial instruments (note 10)	4,771	-	-
Net finance result	**71,124**	**(27,007)**	**(1,647)**

20. Tax situation

The tax on the Company's profit before tax differs from the theoretical amount that would arise using the weighted average tax rate applicable to the Company's profits as follows:

In Euros	2014	2013	2012
Profit (loss) before tax	**3,600,945**	**1,007,408**	**624,670**
Tax calculated at Spanish tax rates	1,065,520	298,092	184,840
Tax effects of:			
- Expenses not deductible for tax purposes	24,008	7,390	-
- Deductions	(71,263)	(44,526)	
- Adjustments to prior year tax	-	-	-
- Recognised tax-loss carry forwards	-	-	-
- Other	2,323	(12,449)	(44,076)
Tax expense	**1,022,588**	**248,507**	**140,764**
Effective tax rate	**28.34%**	**24.67%**	**22.53%**

The average tax rate varies between 28% and 22% (Spanish autonomous regime).

The corporate income tax expense breaks down as follows:

In euros	2014	2013	2012
Current income tax	(1,016,676)	(242,077)	(127,373)
Deferred income tax (note 13)	(3,912)	(6,430)	(13,391)
Corporate income tax	**(1,022,588)**	**(248,507)**	**(140,764)**

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Notes to the financial statements
(In Euros)

At 31 December 2014 the Company has paid an advance of income tax amounting to Euro 109.833 (2013: Euro 51.826 and 2012: Euro 19,029) which is shown as deduction from the current income tax liability in the balance sheet.

The Company is open to inspection by the tax authorities for the main taxes to which it is subject for the last 4 years. As a result, among other things, of the different interpretations in the Spanish tax legislation, additional tax assessments may raise in the event of a tax inspection. The Directors believe, however, that any additional assessments that might come out of such inspection, would not significantly affect these financial statements.

The amount included in Other payables and receivables to Public Administrations is broken down as follows:

	31 December			1 January
	2014	2013	2012	2013
Balances receivables				
VAT refundable	176,251	108,243	132,134	92,358
TOTAL	**176,251**	**108,243**	**132,134**	**92,358**
Balances payables				
Personal income tax	50,345	37,856	29,395	15,005
Accrued social security taxes payable	27,583	21,718	18,812	13,470
TOTAL	**77,928**	**58,574**	**48,207**	**28,475**

21. Contingencies

The Company has not identified significant contingent liabilities derived from pending or threatened governmental, legal or arbitration proceedings against or affecting the Company that have to be disclosed in these financial statements.

22. Remuneration of the Board of Director and Senior management

Remuneration to the Board of Directors

During 2014, 2013 and 2012 the member of the Board of Directors did not receive any compensation from the Company for performing their executive duties.

During 2014, as in 2013 and 2012, no contributions were made to pension plans or funds for former or current members of the Company's Board of Directors. No such obligations were incurred during the year. There are not life insurance policies covering death covered by the Company neither.

The members of the Company's Board of Directors have received no remuneration in respect of profit sharing or premiums. They received no shares or stock options during the year and nor have they exercised any options and nor do they have any options to be exercised.

(In Euros)

In addition, they have not been granted loans or advances, rights relating to pensions or life insurance or others of a similar nature at the Company's expense.

Conflict of interests of Administrators

As part of the duty to avoid conflicts with the Company's interests, during the years 2014, 2013 and 2012 the Directors which have held positions in the Board have fulfilled the obligations set forth in Article 228 of the Spanish Companies Act 2010 (SCA). Additionally, they and those related to them have avoid from engaging in conflict of interest situations mentioned under the article 229 of the SCA, except in cases where it has been obtained proper authorization.

Remuneration to the Senior management

The Company has not senior management personnel, these functions are performed by members of the Board of Director, and their fees are included in management fees received from the related party Tadium, S.L. (Note 23).

23. Transactions with related parties

The following transactions were carried out with related parties:

a) Services rendered

	31 December		
	2014	**2013**	**2012**
Services rendered to related parties:			
Ediciones Globaliza,S.L.	4,204	12,113	-
The singular Social Games, S.L.	-	1,700	-
Total	**4,204**	**13,813**	-

(In Euros)

b) Services received

	31 December		
	2014	2013	2012
Services received to related parties:			
Tadium Invest, S.L.	854,121	703,497	530,359
Tecmedia S.L.	18,000	12,000	-
DelPozo S.L.	18,000	12,000	-
Velingadu	18,000	-	-
Property Portal Watch	18,000	-	-
The Singular Studio, S.L.	62,153	46,601	-
Ediciones Globaliza, S.L.	551	1,773	-
Cloquo SL	245	780	-
Tadium Miami LLC	26,385	-	-
Total	**1,015,455**	**776,651**	**530,359**

c) Finance income

Interest income (Note 19)			
Tadium Invest, S.L.	5,998	3,001	405
Bruno Consultores, S.L.	2,917	-	-
Total	**8,915**	**3,001**	**405**

The amounts with Tadium Invest, SL corresponds to fees for strategic advisory services and international presence, administration services, system management services, consulting and expenses charged for the purchase of equipment.

The amounts with The Singular Studio, SL corresponds to fees for crawler services.

d) Year-end balances arising from transactions with related parties

This detail of this caption as at 31 December 2014, 2013 and 2012, or 1 January 2012 is as follows:

(In Euros)

	31 December 2014	31 December 2013	31 December 2012	1 January 2012
Receivables from related parties (Note 9):				
Tadium Invest, S.L.	-	24,596	-	-
Total	**-**	**24,596**	**-**	**-**
Payables to related parties (Note 14):				
Tadium Invest, S.L.	943	-	15,737	48,827
Tecmedia Servicios S.L.	5,445	-	5,507	2,950
Gonzalo Del Pozo Sánchez	5,445	-	3,630	2,950
Velingadu, S.L.	5,445	-	-	-
Trazada Marketing S.L.	-	-	-	54,915
Total	**17,278**	**-**	**24,874**	**109,642**

At 31 December 2013 the Company had balances of accounts receivables with Tadium Invest, S.L. amounted to Euro 24,596. At 31 December 2014 these balances were fully paid.

e) Loans to related parties

	31 December 2014	31 December 2013	31 December 2012
Loans to shareholders (Note 9):			
Gonzalo Del Pozo Sánchez	250,000	-	-
Bruno Consultores, S.L.	100,000		
Interest charged	2,918	-	-
Total	**352,918**	**-**	**-**

On 30 May 2014, the Company subscribed a loan up to Euro 100,000 with the related party Bruno Consultores S.L. It accrues an annual interest at 5% fixed rate. The loan matures on 30 May 2015. This loan have earned interest during 2014 amounted to Euro 2,918.

On 31 December 2014, the Company subscribed a loan up to Euro 250,000 with the related party Gonzalo Del Pozo Sánchez who is shareholder of the Company. It accrues an annual interest at 5% fixed rate. The loan matures on 31 January 2015. On 16 February 2015, the loan have been fully received and the earned interest during 2015 amounted to Euros 1,076.

24. Subsequent events

As of 24 March 2015, the company performed a split of shares from nominal value of Euro 1 to a nominal value of Euro 0.01. Thus, Share capital will be represented by 343,600 shares.

As of 24 March 2015, the share option plan granted by the Shareholders of Mitula to certain employees was exercised.

As of 25 March 2015, the General Meeting of Shareholders agreed to the proposal that all the shares were transferred to a special purpose vehicle (Vertical Search CO. LTD) that allows the Company to access funding sources to ensure its expansion.

As of 27 March 2015, the Company has signed a rental agreement for the new central office for a 5 year period.

On 30 April 2015, the Board of Directors of Mitula Classified, S.L. has prepared the financial statements for the years ended 31 December 2014, 2013 and 2012 consisting of the attached documents preceding this document.

D. Gonzalo Ortiz Sanz
Presidente del Consejo

D. Gonzalo Del Pozo Sánchez
Consejero

D. Marcelo Badimón Reverter
Consejero