Audit Report on Financial Statements
issued by an Independent Auditor

ID FINANCE SPAIN S.L. (Sociedad Unipersonal)
Financial Statements and Management Report
for the year ended
December 31, 2018

AUDIT REPORT ON FINANCIAL STATEMENTS ISSUED BY AN INDEPENDENT AUDITOR

Translation of a report and financial statements originally issued in Spanish. In the event of discrepancy, the Spanish-language version prevails (See Note 19)

To the Sole Owner of ID Finance Spain S.L. (Sociedad Unipersonal):

Opinion

We have audited the financial statements of ID Finance Spain, S.L. (Sociedad Unipersonal) (the Company), which comprise the balance sheet as at December 31, 2018, the income statement, the statement of changes in equity, the cash flow statement, and the notes thereto for the year then ended.

In our opinion, the accompanying financial statements give a true and fair view, in all material respects, of the equity and financial position of the Company as at December 31, 2018 and of its financial performance and its cash flows for the year then ended in accordance with the applicable regulatory framework for financial information in Spain (identified in Note 2 to the accompanying financial statements) and, specifically, the accounting principles and criteria contained therein.

Basis for opinion

We conducted our audit in accordance with prevailing audit regulations in Spain. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the Company in accordance with the ethical requirements, including those related to independence, that are relevant to our audit of the financial statements in Spain as required by prevailing audit regulations. In this regard, we have not provided non-audit services nor have any situations or circumstances arisen that might have compromised our mandatory independence in a manner prohibited by the aforementioned requirements.

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

Most relevant audit issues

Most relevant audit issues are those matters that, in our professional judgment, were the most significant assessed risks of material misstatements in our audit of the financial statements of the current period. These risks were addressed in the context of our audit of the financial statements as a whole, and in forming our audit opinion thereon, and we do not provide a separate opinion on these risks.

Estimate of impairment losses on trade and other receivables

Description	The estimate of impairment losses for credit risk is one of the most significant and complex areas in the Company's reporting process. Notes 4.4 and 7 to the accompanying financial statements describe the relevant principles and criteria used by the Company for estimating the abovementioned impairment losses and the amounts corresponding to said estimate, which is made collectively. Impairment losses are estimated based on the percentage of historical default and the amount that is not expected to be recovered once the transaction becomes defaulted. Consequently, the estimate of impairment losses for credit risk arising from trade and other receivables has been considered a most relevant audit issue.
Our response	Our audit procedures consisted, among others, in assessing the internal control environment and obtaining an understanding of the processes applied by Management for determining the impairment losses collectively. Additionally, we have performed substantive procedures mainly consisting in: ► Assessing the appropriateness of the collective calculation methodology used to estimate impairment losses. ► Performing selective verification of (i) the correct classification of transactions into the corresponding categories and (ii) integrity and correctness of the information used for estimated impairment. ► Re-performing the calculation of impairment losses estimated collectively. Lastly, we have assessed whether the accompanying financial statements include the disclosures required by the regulatory framework for financial information applicable to the Company.

Other matters

In compliance with Spanish mercantile law, for comparative purposes the Company's Sole Director has included alongside the financial information for 2018, that corresponding to 2017, which as noted in the accompanying financial statements, was not audited. Our opinion refers only to the financial statements for the year 2018.

Other information: Management report

Other information refers exclusively to the 2018 management report, the preparation of which is the responsibility of the Company's Sole Director and is not an integral part of the financial statements.

Our audit opinion on the financial statements does not cover the management report. In conformity with prevailing audit regulations in Spain, our responsibility in terms of the management report is to assess and report on the consistency of the management report with the financial statements based on the knowledge of the entity we obtained while auditing the financial statements, and not including any information not obtained as evidence during the course of the audit. In addition, our responsibility is to assess and report on whether the content and presentation of the management report are in conformity with applicable regulations. If, based on the work carried out, we conclude that there are material misstatements, we are required to disclose them.

Based on the work performed, as described in the above paragraph, the information contained in the management report is consistent with that provided in the 2018 financial statements and their content and presentation are in conformity with applicable regulations.

Responsibilities of the Sole Director for the financial statements

The Sole Director is responsible for the preparation of the accompanying financial statements so that they give a true and fair view of the equity, financial position and results of the Company, in accordance with the regulatory framework for financial information applicable to the Company in Spain, identified in Note 2 to the accompanying financial statements, and for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Sole Director is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Sole Director either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with prevailing audit regulations in Spain will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with prevailing audit regulations in Spain, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Sole Director.
- Conclude on the appropriateness of the Sole Director's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Company's Sole Director regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

From the significant risks communicated to the Company's Sole Director, we determine those that were of most significance in the audit of the financial statements of the current period and are therefore considered the most significant assessed risks.

We describe those risks in our auditor's report unless law or regulation precludes public disclosure about the matter.

ERNST & YOUNG, S.L.

(Signature on the original in Spanish)

Roberto Diez Cerrato

May 10, 2019

ID FINANCE SPAIN, S.L. (Sociedad Unipersonal)

Financial Statements
for the year ended
December 31, 2018

(Translation of financial statements originally issued in Spanish
In the event of discrepancy, the Spanish-language version prevails)

CONTENTS

FINANCIAL STATEMENTS

- Balance sheet at December 31, 2018
- Income statement for the year ended December 31, 2018
- Statement of changes in equity for the year ended December 31, 2018
- Cash flow statement for the year ended December 31, 2018
- Notes to the financial statements for the year ended December 31, 2018

MANAGEMENT REPORT

ID FINANCE

ID FINANCE SPAIN, S.L. (Sociedad Unipersonal)
Balance sheet at December 31, 2018
(Thousands of euros)

ASSETS	Notes	12/31/2018	12/31/2017*
A) NON-CURRENT ASSETS		**1,864**	**821**
I. Intangible assets	**5**	**78**	**-**
5. Software		78	-
II. Property, plant and equipment	**6**	**11**	**16**
2. Technical installations and other PP&E		11	16
V. Financial investments	**7**	**41**	**7**
5. Other financial assets		41	7
VI. Deferred tax assets	**12**	**1,734**	**798**
B) CURRENT ASSETS		**12,935**	**6,654**
III. Trade and other receivables		**11,599**	**5,252**
1. Trade receivables	7	11,401	5,252
3. Other receivables	7	198	-
6. Other receivables from Public Administrations		-	-
V. Financial investments		**57**	**68**
5. Other financial assets	7	57	68
VI. Accruals		**33**	**4**
VII. Cash and cash equivalents	**8**	**1,246**	**1,330**
1. Cash		1,246	1,330
TOTAL ASSETS (A + B)		**14,799**	**7,475**

* Presented solely and exclusively for comparative purposes (Note 2). Unaudited and restated comparative figures (Note 2.4).
The notes 1 to 19 to the financial statements are an integral part of the balance sheet at December 31, 2018.

ID FINANCE

ID FINANCE SPAIN, S.L. (Sociedad Unipersonal)
Balance sheet at December 31, 2018
(Thousands of euros)

EQUITY AND LIABILITIES	Notes	12/31/2018	12/31/2017*
A) EQUITY		**(863)**	**(910)**
A-1) CAPITAL AND RESERVES		**(863)**	**(910)**
I. Capital	**9.1**	**60**	**60**
1. Issued capital		60	60
III. Reserves	**9.2**	**12**	**1**
1. Legal and statutory reserves		12	1
2. Other reserves		-	-
V. Retained earnings	**9.2**	**(1,008)**	**(573)**
2. (Retained earnings from previous years)		(1,008)	(573)
VII. Profit/(loss) for the year	**3**	**73**	**(398)**
B) NON-CURRENT LIABILITIES		**7,431**	**5,451**
II. Payables	**11**	**386**	**-**
5. Other financial liabilities		386	-
III. Payables to group companies and associates	**11**	**7,045**	**5,451**
C) CURRENT LIABILITIES		**8.231**	**2,934**
II. Provisions	**10**	**33**	**-**
III. Payables	**11**	**5,681**	**2,150**
5. Other financial liabilities		5,681	2,150
IV. Payables to group companies and associates	**11**	**972**	**-**
V. Trade and other payables		**1,545**	**784**
3. Other payables	11	1,380	340
4. Employee benefits payable	11	44	7
5. Current tax liabilities	12	-	291
6. Other payables to Public Administrations	12	121	146
TOTAL EQUITY AND LIABILITIES (A + B + C)		**14,799**	**7,475**

* Presented solely and exclusively for comparative purposes (Note 2). Unaudited and restated comparative figures (Note 2.4).
The notes 1 to 19 to the financial statements are an integral part of the balance sheet at December 31, 2018.

ID FINANCE

ID FINANCE SPAIN, S.L. (Sociedad Unipersonal)
Income statement for the year ended
December 31, 2018
(Thousands of euros)

	Notes	2018	2017*
A) CONTINUING OPERATIONS			
1. Revenue	**13.1**	**24,174**	**9,798**
b) Rendering of services		24,174	9,798
4. Cost of sales		**(504)**	**(35)**
c) Work performed by other companies		(504)	(35)
5. Other operating income		**19**	**-**
a) Ancillary and other current management income		19	-
6. Employee benefits expense	**13.2**	**(1,640)**	**(946)**
a) Wages and salaries		(1,277)	(742)
b) Social security costs et al.		(363)	(204)
7. Other operating expenses		**(20,863)**	**(8,963)**
a) External services	13.3	(5,380)	(2,913)
b) Taxes		(3)	-
c) Losses, impairment of and change in trade provisions	7.1	(15,436)	(5,992)
d) Other current management expenses		(44)	(58)
8. Depreciation and amortization	**13.4**	**(8)**	**(5)**
A.1) OPERATING PROFIT/(LOSS) (1+4+5+6+7+8+12)		**1,178**	**(151)**
13. Finance cost	**13.5**	**(1,035)**	**(439)**
b) Third-party borrowings		(1,035)	(439)
15. Exchange gains (losses)	**14.1**	**(33)**	**62**
A.2) FINANCE COST (13+15)		**(1,068)**	**(377)**
A.3) PROFIT/(LOSS) BEFORE TAX (A.1+A.2)		**110**	**(528)**
17. Income tax	**12.1**	**(37)**	**130**
A.4) PROFIT/(LOSS) FROM CONTINUING OPERATIONS (A.3+17)		**73**	**(398)**
PROFIT/(LOSS) FOR THE YEAR (A.4)	**3**	**73**	**(398)**

* Presented solely and exclusively for comparative purposes (Note 2). Unaudited and restated comparative figures (Note 2.4).
The notes 1 to 19 to the financial statements are an integral part of the income statement for the year ended December 31, 2018.

ID FINANCE

ID FINANCE SPAIN, S.L. (Sociedad Unipersonal)
Statement of changes in equity for the year ended December 31, 2018
(Euros)

A) Statement of recognized income and expenses for the year ended December 31, 2018

	Notes	2018	2017*
PROFIT/(LOSS) FOR THE YEAR	3	73	(398)
TOTAL INCOME AND EXPENSES RECOGNIZED DIRECTLY IN EQUITY		-	-
TOTAL AMOUNTS TRANSFERRED TO INCOME STATEMENT		-	-
TOTAL RECOGNIZED INCOME AND EXPENSES	3	73	(398)

B) Statement of all changes in equity for the year ended December 31, 2018

	Issued capital (Note 9.1)	Retained earnings	Profit/(loss) for the year	Reserves	Total
Balance at December 31, 2016	**3**	**25**	**19**	**54**	**101**
Changes in accounting policies and correction of errors (Note 2.4)	-	-	(617)	(53)	(670)
Adjusted balance at January 1, 2017*	**3**	**25**	**(598)**	**1**	**(569)**
Total recognized income and expenses	-	-	**(398)**	-	**(398)**
Transactions with shareholders and owners	**57**	**-**	**-**	**-**	**57**
Capital increases	57	-	**-**	-	57
Other changes in equity	-	(598)	**598**	**-**	**-**
Balance at December 31, 2017*	**60**	**(573)**	**(398)**	**1**	**(910)**
Adjusted balance at December 31, 2018	**60**	**(573)**	**(398)**	**1**	**(910)**
Total recognized income and expenses	-	-	**73**	-	**73**
Transactions with shareholders and owners	-	**-**	**-**	**-**	**-**
Capital increases	-	-	**-**	-	-
Other changes in equity	-	**(435)**	**398**	11	(26)
Balance at December 31, 2018	**60**	**(1,008)**	**73**	**12**	**(863)**

* Presented solely and exclusively for comparative purposes (Note 2). Unaudited and restated comparative figures (Note 2.4).
The notes 1 to 19 to the financial statements are an integral part of the statement of changes in equity for the year ended December 31, 2018.

ID FINANCE

ID FINANCE SPAIN, S.L. (Sociedad Unipersonal)
Cash flow statement for the year ended December 31, 2018
(Thousands of euros)

	Note	2018	2017*
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit/(loss) for the year before tax		**110**	**(528)**
Adjustments to profit		**16,512**	**6,436**
Depreciation and amortization		8	5
Impairment losses		15,436	5,992
Change in provisions		33	-
Grants released to income		-	-
Finance income		-	-
Finance cost		1,035	439
Exchange gains (losses)		-	-
Change in fair value of financial instruments		-	-
Other income and expenses		-	-
Changes in working capital		**(22,547)**	**(9,573)**
Inventory		-	-
Trade and other receivables		(21,783)	(9,247)
Other current assets		(747)	(239)
Trade and other payables		17	(87)
Other current liabilities		-	-
Other non-current assets and liabilities		(34)	-
Other cash flows from/ (used in) operating activities		**(559)**	**-**
Interest paid		(439)	-
Dividends received		-	-
Interest received		-	-
Income tax receipts (payments)		(120)	-
Other receipts (payments)		-	-
CASH FLOWS FROM OPERATING ACTIVITIES		**(6,484)**	**(3,665)**
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments on investments		**(83)**	**(4)**
Group companies and associates		-	-
Intangible assets		(82)	-
Property, plant and equipment		(1)	(4)
Investment property		-	-
Other financial assets		-	-
Non-current assets held for sale		-	-
Business unit		-	-
Other assets		-	-
Proceeds from disposals		**-**	**-**
Group companies and associates		-	-
Intangible assets		-	-
Property, plant and equipment		-	-
Investment property		-	-
Other financial assets		-	-
Non-current assets held for sale		-	-
Other assets		-	-
CASH FLOWS USED IN INVESTING ACTIVITIES		**(83)**	**(69)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from and payments on equity instruments		**-**	**57**
Issuance of equity instruments		-	57
Repayment of equity instruments		-	-
Proceeds from and payments of financial liability instruments		**6,483**	**4,368**
Issues		6,483	4,368
Bonds and other marketable debt securities		-	-
Bank borrowings		-	-
Payables to group companies and associates		2,566	2,218
Other payables		3,917	2,105
Redemption and repayment of		-	-
Bonds and other marketable debt securities		-	-
Bank borrowings		-	-
Payables to group companies and associates		-	-
Other payables		-	-
Dividends and payments on other equity instruments		**-**	**-**
Dividends		-	-
Payments on other equity instruments		-	-
CASH FLOWS FROM/ (USED IN) FINANCING ACTIVITIES		**6,483**	**4,425**
NET FOREIGN EXCHANGE DIFFERENCE		**-**	**-**
NET INCREASE / DECREASE IN CASH AND CASH EQUIVALENTS		**84**	**56**
Cash and cash equivalents at January 1	9	**1,330**	**574**
Cash and cash equivalents at December 31	9	**1,246**	**1,330**

* Presented solely and exclusively for comparative purposes (Note 2). Unaudited and restated comparative figures (Note 2.4).
The notes 1 to 19 to the financial statements are an integral part of the cash flow statement for the year ended December 31, 2018.

1. COMPANY ACTIVITY

ID FINANCE SPAIN S.L. (Sociedad Unipersonal) (hereinafter the Company) is a single-member limited liability company (with Tax ID No B66487190), domiciled in Barcelona at Carrera Moià 1, 1ª planta, 08006. It was registered on February 26, 2015 in Barcelona in presence of a public notary and was registered on March 23, 2015 on volume 44,735, sheet 28, page B-464,824, inscription 1.

The Company's corporate purpose consists of the following activities:

- Granting of non-mortgage loans or credits to any person, excluding the activities reserved to financial institutions pursuant to applicable regulations.

- Advising on and rendering and advertising of Internet-related services, as well as placing ads on any other traditional or new media.

- Rendering of online comparison services for financial products and instruments.

These activities are conducted exclusively in Spain.

The Company belongs to a group, as defined in article 42 of Commercial Code, the parent of which is ID Finance Investments, S.L., a company domiciled in Barcelona at Carrer Moià 1, 1ª planta, 08006. ID Finance Investments, S.L. is also the sole owner of the Company.

The Company’s functional currency is the euro.

2. BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS

The financial statements have been prepared in accordance with the Spanish General Accounting Plan approved by Royal Decree 1514/2007, of November 16, modified in 2016 through Royal Decree 602/2016, of December 2, and prevailing commercial law.

The financial statements have been prepared by the Sole Director of the Company and will be submitted for approval by the Sole Owner. It is expected that they will be approved without modification.

The figures shown in the financial statements are presented in thousands of euros unless otherwise indicated.

2.1 True and fair view

The financial statements have been prepared from the auxiliary accounting records of the Company in accordance with prevailing accounting legislation to present fairly the Company’s equity, financial position and results.

The cash flow statement has been prepared to present fairly the origin and usage of monetary assets such as cash and cash equivalents.

2.2 Comparison of information

In accordance with commercial law, for comparative purposes the Company has included the 2017 figures in addition to those of 2018 for each item of the balance sheet, the income statement, the statement of changes in equity and the cash flow statement. The notes to the financial statements also include quantitative information from the prior year, except where it is not required by an accounting standard.

As indicated in Note 2.4, in 2018 the Company has restated the prior-year figures considering the accounting principle of the impairment of financial assets explained in Note 4.4 from the first period in which it is possible to record it.

2.3 Critical issues concerning the assessment of uncertainty

The Sole Director has prepared the financial statements using estimates to determine the carrying amounts for certain assets, liabilities, income, and expenses, as well as for the breakdown of contingent liabilities. These estimates were made based on the best information available at year end. However, given the uncertainty inherent in them, events could occur in the future which may require prospective adjustments in subsequent years. These estimates basically refer to:

- Impairment of financial assets. See note 4.4.
- Deferred tax assets. See note 4.8.

2.4 Changes in accounting policies and correction of presentation errors

In 2018 the Company has adjusted the calculation of impairment losses on financial assets in accordance with the accounting principles disclosed in Note 4.4, which is aligned to the credit impairment policy defined by the Group (which presents the consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union [IFRS-EU]). This policy consists in increasing the impairment on financial assets as a result of a calculation in addition to the estimate based on the amounts past due more than 180 days. The Company has corrected retrospectively the accounting estimate from the first year in which it became applicable, that is, the year beginning on January 1, 2017, and has restated the comparative figures presented in the accompanying financial statements.

In addition to that, some presentation errors of prior-year financial statements have been corrected.

The table below shows the effect of the correction of accounting policies and the presentation errors on the balance sheet at January 1, 2017, which is the date when the accounting principle is applied for the first time, and at December 31, 2017, which corresponds to the last financial statements presented:

ASSETS	Notes	12/31/2017			01/01/2017		
		Balance prior to the adjustments	Adjustments	Restated balance	Balance prior to the adjustments	Adjustments	Restated balance
A) NON-CURRENT ASSETS		**23**	**798**	**821**	**23**	**224**	**247**
II. Property, plant and equipment		**16**	**-**	**16**	**16**	**-**	**16**
V. Financial investments		**7**	**-**	**7**	**7**	**-**	**7**
VI. Deferred tax assets	(a)	**-**	**798**	**798**	**-**	**224**	**224**
B) CURRENT ASSETS		**9,602**	**(2,948)**	**6,654**	**3,378**	**(803)**	**2,575**
III. Trade and other receivables	(a)	**8,442**	**(3,190)**	**5,252**	**2,891**	**(894)**	**1,997**
V. Financial investments		**68**	**-**	**68**	**3**	**-**	**3**
VI. Accruals		**4**	**-**	**4**	**1**	**-**	**1**
VII. Cash and cash equivalents	(b)	**1,088**	**242**	**1,330**	**483**	**91**	**574**
TOTAL ASSETS (A + B)		**9,625**	**(2,150)**	**7,475**	**3,401**	**(579)**	**2,822**

EQUITY AND LIABILITIES	Notes	12/31/2017 Balance prior to the adjustments	12/31/2017 Adjustments	12/31/2017 Restated balance	01/01/2017 Balance prior to the adjustments	01/01/2017 Adjustments	01/01/2017 Restated balance
A) EQUITY	(a)	1,484	(2,394)	(910)	101	(670)	(569)
A-1) CAPITAL AND RESERVES		1,484	(2,394)	(910)	101	(670)	(569)
I. Capital		60	-	60	3	-	3
III. Reserves		1	-	1	54	(53)	1
V. Retained earnings		97	(670)	(573)	25	-	25
VII. Profit/(loss) for the year		1,326	(1,724)	(398)	19	(617)	(598)
B) NON-CURRENT LIABILITIES		5,451	-	5,451	3,233	-	3,233
III. Payables to group companies and associates		5,451	-	5,451	3,233	-	3,233
C) CURRENT LIABILITIES		2,690	244	2,934	67	91	158
III. Payables	(b)	1,906	244	2,150	-	-	-
V. Trade and other payables		784	-	784	67	91	158
TOTAL EQUITY AND LIABILITIES (A + B + C)		9,625	(2,150)	7,475	3,401	(579)	2,822

The table below shows the effect of the adjustments on the company's equity at January 1, 2017, which is the date when the accounting principle change was applied, and at December 31, 2017, which corresponds to the last financial statements presented:

	Notes	12/31/2017 Issued capital	12/31/2017 Profit/(loss) for the year	12/31/2017 Reserves and retained earnings	01/01/2017 Issued capital	01/01/2017 Profit/(loss) for the year	01/01/2017 Reserves and retained earnings
Balance prior to the adjustments		60	1,326	98	3	19	79
Adjustments	(a)	-	(1,724)	(670)	-	(617)	(53)
Restated balance		60	(398)	(572)	3	(598)	26

Lastly, the table below shows the effect of that adjustment on the income statement for the year ended December 31, 2017:

	Notes	Balance prior to the adjustment	Adjustment	Restated balance
A) CONTINUING OPERATIONS				
1. Revenue		**9,798**	**-**	**9,798**
a) Income from sales		(70)	70	-
b) Rendering of services		9,868	(70)	9,798
4. Cost of sales		**-**	**(35)**	**(35)**
c) Work performed by other companies		-	(35)	(35)
6. Employee benefits expense		**(946)**	**-**	**(946)**
a) Wages, salaries, et al.		(742)	-	(742)
b) Social security costs et al.		(204)	-	(204)
7. Other operating expenses		**(6,700)**	**(2,263)**	**(8,963)**
a) External services		(2,948)	35	(2,913)
b) Taxes		-	-	-
c) Losses, impairment of and change in trade provisions	(a)	(3,694)	(2,298)	(5,992)
d) Other current management expenses		(58)	-	(58)
8. Depreciation and amortization		**(5)**		**(5)**
A.1) OPERATING PROFIT/(LOSS) (1+4+5+6+7+8+12)		**2,147**	**(2,298)**	**(151)**
13. Finance cost		**(439)**	**-**	**(439)**
b) Third-party borrowings		(439)	-	(439)
15. Exchange gains (losses)		**62**	**-**	**62**
A.2) FINANCE COST (13+15)		**(377)**	**-**	**(377)**
A.3) PROFIT/(LOSS) BEFORE TAX (A.1+A.2)		**1,770**	**(2,298)**	**(528)**
17. Income tax	**(a)**	**(444)**	**574**	**130**
A.4) PROFIT/(LOSS) FROM CONTINUING OPERATIONS (A.3+17)		**1,326**	**(1,724)**	**(398)**
PROFIT/(LOSS) FOR THE YEAR (A.4)		**1,326**	**(1,724)**	**(398)**

Explanatory notes

(a) Adjustment due to the application of the aforementioned accounting policy, detailed in note 4.4 of these financial statements, which resulted in an increase in impairment of 'Trade and other receivables - Trade receivables' for an amount of 894 thousand euros and 3,190 thousand euros at January 1 and December 31, 2017, respectively, of which 2,298 thousand euros correspond to charges made during 2017. Since all these charges are considered not deductible until the related receivables are more than 180 days past due, the additional impairment losses have entailed the recognition of deferred tax assets amounting to 224 thousand euros and 798 thousand euros at January 1 and December 31, 2017, respectively.

(b) Cash balance that was presented net in the 'Other financial liabilities' heading corresponding to items pending application.

2.5 Going concern principle

These financial statements have been prepared under the going concern principle, which assumes that assets are realized, and liabilities are settled in the normal course of business.

At December 31, 2018, although the financial statements show negative equity as a result of losses accumulated in prior years and incurred in the current year, the Company's net cash position in the next 12 months is favourable, which gives stability to the Company. Additionally, its three-year business plan shows expected profit for the coming years, due to higher business profitability. This business plan also shows that by the end of the first half of 2019, the accumulated losses from previous years will be compensated by the profit of the first six months of the year and therefore the Company will have positive equity.

3. DISTRIBUTION OF PROFIT/(LOSS)

The distribution of 2018 profit/(loss) proposed by the Sole Director, which is expected to be approved by the Sole Owner, is as follows:

	2018
Proposed distribution	
Profit/(loss) for the year	73
	73
Distribution to:	
Retained earnings from previous years	73
	73

4. SIGNIFICANT ACCOUNTING POLICIES

The main recognition and measurement accounting policies applied in the preparation of these financial statements are the following:

4.1 Intangible assets

Intangible assets are initially measured at either acquisition or production cost.

Following initial measurement, they are stated at cost less accumulated amortization and any impairment loss.

Intangible assets are amortized on a straight-line basis over their estimated useful lives and residual value. Amortization methods and periods are reviewed at year end and adjusted prospectively where applicable. Intangible assets are tested for impairment at least at year end and are written-off where applicable.

Software

This heading includes the costs incurred by the Company to develop its own software, which meets the development expenses capitalization criteria defined above, in addition to the cost of acquiring software from third parties. The costs are amortized on a straight-line basis over the estimated useful life (3 years).

4.2 Property, plant and equipment

Property, plant, and equipment are initially measured at either acquisition or production cost.

Following initial measurement, they are stated at cost less accumulated depreciation and any recognized impairment loss.

Expenses for repairs which do not prolong the useful life of the assets, as well as maintenance expenses, are recognised in the income statement in the year incurred. Expenses incurred for renovation, expansion or improvements which increase the productivity or prolong the useful life of the asset are capitalized as an increase in the value of the item. The carrying amount of any replaced item is derecognized.

When available for use, property, plant and equipment are depreciated on a straight-line basis over their estimated useful life of the assets.

The estimated useful lives of property, plant and equipment are as follows:

	Years of useful life
Plant and machinery	10 years
Furniture	10 years
Data processing equipment	4 years

The Company reviews the assets' residual values, useful lives, and depreciation methods at each year end, and adjusts them prospectively where applicable.

4.3 Financial assets

Investments in group companies, joint ventures and associates

Recognition and measurement

This category includes investments in companies in which the entity exercises control (group companies).

Upon initial recognition in the balance sheet, they are recognized at fair value, which, unless there is evidence of the contrary, is the transaction price, which is equivalent to the fair value of the consideration paid plus directly attributable transaction costs.

Investments in group companies are recognized, where applicable, based on the accounting principles for transactions with group companies.

When an investment is newly classified as an investment in a group company, joint venture, or associate, the cost is deemed to be the investment's recognized carrying amount immediately prior to the company being classified as such. Where applicable, prior valuation adjustments related to the investment recognized directly in equity remain in equity until the investment is either sold or impaired.

Initial measurement includes any pre-emptive and similar rights acquired.

Following initial measurement, these financial assets are stated at cost, less any accumulated impairment loss.

Cancellation

Financial assets are derecognized when the contractual rights to related cash flows have expired or when the assets are transferred, provided that related risks and rewards incidental to ownership are substantially transferred.

If the Company has not substantially transferred or retained the risks and rewards of ownership of the financial asset, it is derecognized if control over the asset is not retained. If control over the asset is retained, the Company continues to recognize it to the extent to which it is exposed to changes in the value of the transferred asset, i.e. due to its continuing involvement, recognizing the associated liability as well.

The difference between the consideration received, net of attributable transaction costs, including any new financial asset obtained less any liability assumed, and the carrying amount of the financial asset transferred, plus any cumulative gain or loss recognized directly in equity, determines the gain or loss generated upon derecognition, and is included in the income statement in the year in which it is generated.

The Company does not derecognize financial assets in the sale of financial assets in which it has retained substantially the risks and rewards incidental to ownership, such as discounted bills, factoring, disposals of financial assets under repurchase agreements at fixed prices or at the sale price plus interest, and securitizations of financial assets in which the seller retains subordinate financing or other types of guarantees which substantially absorb estimated losses. In these cases, it recognizes a financial liability equal to the consideration received.

Loans and receivables

The Company recognizes in this category those financial assets with fixed or determinable payments not quoted on active markets that are not equity instruments or derivatives.

Initial measurement

Financial assets included in this category are initially measured at fair value. Fair value is the transaction price, which is equivalent to the fair value of the consideration paid plus directly attributable transaction costs.

Notwithstanding the foregoing, short term receivables, are recognised at nominal value when the effect of not discounting cash flows is not significant.

Subsequent measurement

The financial assets included in this category are measured at amortized cost, less any accumulated impairment loss. Interest will be recognized in the income statement using the effective interest rate method.

However, financial assets maturing within a year which according to the description in the preceding paragraph are initially recognised at nominal value will continue to be measured at nominal value.

Cancellation

Financial assets are derecognized when the contractual rights to related cash flows have expired or when the assets are transferred, provided that related risks and rewards of ownership are substantially transferred.

If the Company has not substantially transferred or retained the risks and rewards of ownership of the financial asset, it is derecognized if control over the asset is not retained. If the Company has retained control, it continues to recognize the financial asset at the amount of its exposure to variability in the value of the transferred asset; that is, to the extent of its continuing involvement in the financial asset. The associated liability is also recognized.

The difference between the consideration received, net of attributable transaction costs, including any new financial asset obtained less any liability assumed, and the carrying amount of the financial asset transferred, plus any cumulative gain or loss recognized directly in equity, determines the gain or loss generated upon derecognition, and is included in the income statement in the year in which it is generated.

The Company does not derecognize financial assets in the sale of financial assets in which it retains substantially the risks and rewards incidental to ownership, such as discounted bills, factoring, disposals of financial assets under repurchase agreements at fixed prices or at the sale price plus interest, and securitizations of financial assets in which the seller retains subordinate financing or other types of guarantees which substantially absorb estimated losses. In these cases, it recognizes a financial liability at an amount equal to the consideration received.

Interest and dividends received from financial assets

Interest and dividends from financial assets accrued subsequent to acquisition are recognized as income. Interest is recognized using the effective interest rate method and dividends are recognized when the right to receive them is established.

Financial assets are recognized separately on initial measurement based on maturity, accrued explicit interest receivable at that date, and the dividends approved by the competent governing body up to the date the assets are acquired. Explicit interest is the interest obtained by applying the financial instrument's contractual interest rate.

In addition, when distributed dividends are derived unmistakably from profit generated prior to the date of acquisition given that the amounts of distributed dividends exceeded the profit generated by the associate since acquisition, the dividends are not recognized as income and decrease the cost of the investment.

4.4 Impairment of financial assets

The carrying amount of financial assets is adjusted against the income statement when there is objective evidence of actual impairment. The reversal of an impairment loss is recognized in the income statement. Such reversal is limited to the carrying amount of the financial asset that would have been recognized on the reversal date had no impairment loss been recognized.

In order to determine impairment loss; the Company assesses the potential loss of individual as well as groups of assets with similar risk characteristics.

Equity instruments

There is objective evidence that equity instruments are impaired when one or more events have occurred after initial recognition that indicate that the cost of the investment in equity instruments may not be recovered due to a prolonged or significant decline in fair value.

In the case of equity instruments measured at fair value and included in the available-for-sale financial assets category, impairment losses are measured as the difference between acquisition cost and fair value, less any impairment loss previously recognized. Unrealized losses recognized in equity under 'Valuation adjustments' are recognized immediately in the income statement when it is determined that the decrease in the fair value is due to impairment. If, in a subsequent period, all or part of the impairment loss reverses, the amount is recognized in equity under 'Valuation adjustments'.

In the case of equity instruments included in 'Available-for-sale financial assets' and 'Investments in group companies and associates,' impairment loss is measured as the difference between the carrying amount of the financial asset and the recoverable amount, which is the greater of the asset's fair value, less costs to sell, and the present value of future cash flows derived from the investment. Unless better evidence is available, impairment of this type of asset is estimated taking into account the equity of the subsidiary, adjusted by any unrealized capital gain existing on the measurement date. For investments in group companies, joint ventures, and associates, the reversal of an impairment loss is recognized in the income statement and is limited to the carrying amount of the investment that would have been recognized on the reversal date had the original impairment not occurred, whereas an impairment loss recognized in previous years on available-for-sale financial assets measured at cost cannot be reversed.

Debt instruments

In order to determine impairment losses; the Company assesses the potential loss of individual as well as groups of assets with similar risk characteristics.

There is objective evidence that debt instruments (trade receivables, loans and debt securities) are impaired when an event has occurred after the initial recognition of the instrument that has a negative impact on related estimated future cash flows.

The Company classifies as impaired assets (doubtful assets) debt instruments for which there is objective evidence of impairment, which refers basically to the existence of unpaid balances, non-compliance issues, refinancing and data which evidences the possible irrecoverability of total agreed-upon future cash flows or collection delays. For trade and other receivables, the Company considers balances including items more than six months past due for which collection is uncertain, as well as balances of companies having declared in bankruptcy, to be doubtful assets.

In addition to the impairment of doubtful assets, which are those with more than 180 days past due, the Company assesses collectively the impairment of the loans to customers following the policy designed by the Group (that prepares consolidated financial statements in accordance with the International Financial Reporting Standards as adopted by the European Union [IFRS-EU]). In order to estimate the credit impairment allowance, management considers factors such as probability of default ("PD"), loss given default ("LGD"), portfolio size, delay concentration and other economic factors.

4.5 Financial liabilities

Recognition and measurement

Trade and other payables

This category includes financial liabilities generated by the purchase of goods and services arising from trade transactions, and non-trade payables that are not derivative instruments.

Upon initial recognition in the balance sheet, they are recognized at fair value, which, unless there is evidence of the contrary, is the transaction price, which is equivalent to the fair value of the consideration received, adjusted by directly attributable transaction costs.

Following initial recognition, these financial liabilities are measured at amortized cost. Interest is recognized in the income statement using the effective interest rate method.

Nevertheless, trade payables which mature within less than one year with no contractual interest rate, as well as called-up payments on shares, the amount of which is expected in the short term, are carried at the nominal value when the effect of not discounting cash flows is not significant.

Cancellation

The Company derecognizes a financial liability when the obligation under the liability is extinguished.

When debt instruments are exchanged with a lender, provided that their contractual terms are substantially different, the original financial liability is derecognized, and the new financial liability is recognized. Financial liabilities whose contractual terms are substantially modified are treated in the same manner.

The difference between the carrying amount of the derecognized financial liability (or part of it) and the compensation paid, including any attributable transaction costs, which also includes any new asset transferred other than cash or liability assumed, is recognized in the income statement in the year to which it relates.

When debt instruments are exchanged whose contractual terms are not substantially different, the original financial liability is not derecognized, and the commissions paid are recognized as an adjustment to the carrying amount. The new amortized cost of a financial liability is determined by applying the effective interest rate, which equates the carrying amount of the financial liability on the modification date to the cash flows to be paid as per the new terms.

Accordingly, the contractual terms are considered to be substantially different when the same lender granted the original loan and the present value of the cash flows from the new financial liability, including net commissions, differs by at least 10% of the present value of the cash flows yet to be paid on the original financial liability, when the effective interest rate of the original liability has been applied to both.

4.6 Cash and cash equivalents

Cash and cash equivalents include cash, current accounts, short-term deposits and purchases of assets under resale agreements which meet the following criteria:

- They are readily convertible to cash.
- They mature less than three months from the acquisition date.
- The risk of change in value is insignificant.
- They are part of the Company's standard cash management strategy.

4.7 Provisions and contingencies

Liabilities for which the amount and settlement date are uncertain are recognized as provisions in the balance sheet when the Company has a present obligation (derived from a contract through its explicit or implicit terms, legislation or other operation of law) as a result of past events and it is probable that a quantifiable outflow of resources will be required to settle the obligation.

Provisions are measured at the present value of the best estimate of the amount that an entity would rationally pay to settle the obligation at the balance sheet date or to transfer it to a third party at that time, recognizing provision discount adjustments as a finance cost as they accrue. Provisions expiring within one year are not discounted where the financial effect is not material. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate of the corresponding liability.

Compensation receivable from a third party when provisions are settled is recognized as an asset without reducing the amount of the provision, and provided that there is no doubt that this compensation will actually be received, and that it does not exceed the amount of the liability recognized. When a contractual or legal relationship exists by virtue of which risk is externalized and the Company is not liable for the related obligation, the amount of said compensation is deducted from the provision.

In addition, all possible obligations arising from past events which will only materialize if future events occur which are not wholly within the Company's control, and all present obligations arising from past events for which it is unlikely that there will be an outflow of resources to settle them or which cannot be reliably measured, are considered contingent liabilities. These liabilities are not accounted for, but detailed in the notes to the financial statements, unless the outflow is remote.

4.8 Income tax

The Company files a consolidated income tax return with the tax group of which ID Finance Investments, S.L. is the parent.

Income tax expense for the year is calculated as the sum of current tax resulting from applying the corresponding tax rate to taxable profit for the year, less any applicable rebates and tax credits, considering changes during the year in recognized deferred tax assets and liabilities.

Deferred income tax is recognized for all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts. The tax base of an asset or liability is the amount attributed to it for tax purposes.

The tax effect of temporary differences is included in 'Deferred tax assets' or 'Deferred tax liabilities' on the balance sheet, as applicable.

Deferred tax liabilities are recognized for all taxable temporary differences, except where disallowed by prevailing tax legislation.

The Company recognizes deferred tax assets for all deductible temporary differences, unused tax credits and unused tax loss carryforwards, to the extent that it is probable that future taxable profit will be available against which these assets may be utilized, except where disallowed by prevailing tax legislation.

At each financial year end, the Company assesses the deferred tax assets recognized and those that have not yet been recognized. Based on this analysis, the Company derecognizes the asset recognized previously if it is no longer probable that it will be recovered, or it recognizes any deferred tax asset that had not been recognized previously, provided that it is probable that these assets may be utilized.

Deferred tax assets and liabilities are measured at the tax rate expected to apply in the period in which they reverse, as required by enacted tax laws, and in the manner in which it reasonably expects to recover or settle the deferred tax asset or liability, respectively.

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

4.9 Classification of current and non-current assets and liabilities

Assets and liabilities are classified in the balance sheet as current and non-current. Accordingly, assets and liabilities are classified as current when they are associated with the Company's operating cycle and it is expected that they will be sold, consumed, realized or settled within the normal course of that cycle, and are expected to mature, to be sold or settled within one year; if they are held for trading or are cash and cash equivalents the use of which is not restricted to more than one year. All other assets and liabilities are classified as non-current assets and non-current liabilities.

4.10 Income and expenses

In accordance with the accrual's principle, income and expenses are recognized when the goods or services represented by them take place, regardless of when actual payment or collection occurs.

Trade receivables

Income is recognized when it is probable that the profit or economic benefits from the transaction will flow to the entity and the amount of income and costs incurred or to be incurred can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable, less any discounts, rebates, and other similar items given by the Company, and any interest included in the nominal amount of loans. Applicable indirect taxes on transactions which are reimbursed by third parties are not included.

The Company recognizes income from interest using the effective interest rate method.

4.11 Transactions in foreign currency

The Company's functional and presentation currency is the euro.

Transactions in foreign currency are initially translated at the spot rate prevailing at the date of the transaction.

Monetary assets and liabilities denominated in foreign currency are translated at the spot rate prevailing at the balance sheet date. All exchange gains or losses arising from translation as well as those resulting on settlement of balance sheet items are recognized in the income statement.

Non-monetary items measured at fair value are translated at the exchange rate prevailing when the fair value is determined. Exchange gains or losses are taken to the income statement, except when the gain or loss on a non-monetary item is recognized in equity, in which case the exchange gain or loss is also recognized in equity.

4.12 Related-party transactions

Related-party transactions are recognized according to the measurement principles described above.

The prices of related-party transactions are duly documented; consequently, the Company's Sole Director considers that there are no risks that might result in significant tax liabilities.

5. INTANGIBLE ASSETS

The movements in the items composing 'Intangible assets' are as follows:

	Balance at January 1	Additions and charges	Transfers	Balance at December 31
2018				
Cost				
Software	-	82	-	82
	-	82	-	82
Accumulated amortization				
Software	-	(4)	-	(4)
	-	(4)	-	(4)
Net carrying amount	**-**	**78**		**78**

In 2018 the Company has acquired software amounting to 82 thousand euros, mainly corresponding to the PureCloud project.

At December 31, 2018, there were no firm commitments to purchase any software.

6. PROPERTY, PLANT AND EQUIPMENT

The movements in the items composing 'Property, plant, and equipment' are as follows:

	Balance at January 1	Additions and charges	Transfers	Balance at December 31
2018				
Cost				
Furniture	3	-	-	3
Technical installations and another PP&E	3	-	-	3
Data processing equipment	18	1	-	19
	24	1	-	25
Accumulated depreciation				
Furniture	-	(1)	-	(1)
Technical installations and another PP&E	(1)	(1)		(2)
Data processing equipment	(7)	(4)	-	(11)
	(8)	(6)	-	(14)
Net carrying amount	**16**	**(5)**		**11**

	Balance at January 1	Additions and charges	Transfers	Balance at December 31
2017				
Cost				
Furniture	1	2	-	3
Technical installations and another PP&E	3	-	-	3
Data processing equipment	16	2	-	18
	20	4	-	24
Accumulated depreciation				
Technical installations and another PP&E	-	(1)		(1)
Data processing equipment	(4)	(3)	-	(7)
	(4)	(4)	-	(8)
Net carrying amount	**16**	**-**		**16**

Additions in 2018 and 2017 are due primarily to the acquisition of furniture and data processing equipment to increase the production capacity of the Company's offices.

7. FINANCIAL ASSETS

The breakdown of 'Financial assets' at December 31, 2018 and 2017 is as follows:

	Loans, derivatives, and other financial assets	
	12/31/2018	**12/31/2017**
Non-current financial assets		
Financial investments – Other financial assets	41	7
	41	7
Current financial assets		
Loans and receivables – Trade receivables	11,401	5,252
Other receivables	198	-
Current financial investments – Other financial assets	57	68
	11,656	5,320
	11,697	**5,327**

7.1 Loans and receivables

The breakdown of this heading at December 31, 2018 and 2017 is as follows:

	12/31/2018	12/31/2017
Loans to third parties	18,314	8,448
Loans to third parties – doubtful receivables	5,189	4,900
Valuation adjustments	(6,913)	(3,196)
Valuation adjustments – doubtful receivables	(5,189)	(4,900)
	11,401	**5,252**

Loans to third parties correspond to numerous transactions maturing within less than one year, which have accrued interest amounting to 24,174 thousand euros during 2018 (2017: 9,798 thousand euros).

The fair value of these financial assets does not differ significantly from book value.

The balance of 'Trade receivables' is shown net of impairment loss allowances. The movements in impairment loss allowances are as follows:

(Euros)	2018	2017
Balance at January 1	(8,096)	(2,104)
Charges for the year	(15,436)	(5,992)
Write-downs	11,430	-
Balance at December 31	**(12,102)**	**(8,096)**

8. CASH AND CASH EQUIVALENTS

The breakdown of this heading at December 31, 2018 and 2017, is as follows:

	12/31/2018	12/31/2017
Cash	-	3
Current accounts	1,246	1,327
	1,246	**1,330**

Current accounts earn market interest rates.

Cash and cash equivalents are unrestricted.

9. EQUITY – CAPITAL AND RESERVES

9.1 Issued capital

At April 01, 2015, the Company's share capital consisted of 3,006 shares with a value of 1 euro each. The shares were fully subscribed and paid in by the Sole Owner.

At December 13, 2017, the Company resolved to increase capital by 56,994 shares with a value of 1 euro each. As a result of this increase, capital at December 31, 2017 and 2018, consists of 60,000 shares of 1 euro of nominal value each one, fully subscribed and paid in by the Sole Owner.

There are no other contracts with the Sole Owner than those detailed in the note 15.

9.2 Reserves and retained earnings

Legal reserve

In accordance with the consolidated text of the Spanish Corporate Enterprises Act, until the balance of the legal reserve is equivalent to at least 20% of share capital, it cannot be distributed to partners and can only be used to offset losses if no other reserves are available. This reserve can also be used to increase capital by the amount exceeding 10% of the new capital after the increase.

10. PROVISIONS AND CONTINGENCIES

10.1 Provisions

The breakdown of 'Provisions' at December 31, 2018 and 2017 is as follows:

	Non-current	Current	Total
2018			
Provisions for litigation	-	33	33
	-	**33**	**33**

At December 31, 2018 the Company has several legal proceedings underway as a result of several lawsuits derived from its ordinary activity. Based on all available documentation at year end, the Company has recorded a provision amounting to 33 thousand euros to meet these contingencies.

11. FINANCIAL LIABILITIES

The breakdown of 'Financial liabilities' at December 31, 2018 and 2017 is as follows:

	Derivatives and other financial liabilities	
	12/31/2018	12/31/2017
Non-current financial liabilities		
Payables – Trade and other payables (Note 11.1)	386	-
Payables to group companies and associates – Trade and other payables (Note 11.1)	7,045	5,451
	7,431	5,451
Current financial liabilities		
Payables – Trade and other payables (Note 11.1)	5,681	2,150
Payables to group companies and associates – Trade and other payables (Note 11.1)	972	-
Suppliers		
Group and associates (Note 15)	654	340
Others	726	-
Employee benefits payable	44	7
Other payables to public administrations (Note 12)	121	146
	8,198	2,643
	15,629	**8,094**

11.1 Trade and other payables

The breakdown of the financial liabilities included in this category at December 31, 2018 and 2017 is as follows:

	12/31/2018	12/31/2017
Non-current		
Third-party borrowings	386	-
Payables to group companies (Note 15)	7,045	5,451
	7,431	5,451
Current		
Third-party borrowings	5,681	2,150
Payables to group companies (Note 15)	972	-
	6,653	2,150
	14,084	**7,601**

The fair value of these financial liabilities, calculated based on discounted cash flow analysis, did not differ significantly to the carrying amount.

Third-party borrowings

Third-party borrowings correspond to the funding received through crowd-funding platforms, which have accrued interest costs amounting to 404 thousand euros during the year (2017: 70 thousand euros).

The breakdown of the annual maturities of third-party borrowings at December 31, 2018 and 2017 is as follows:

	12/31/2018	12/31/2017
2018	-	2,150
2019	5,681	-
2020	386	-
	6,067	**2,150**

Payables to group companies

Payables to group companies correspond entirely to loans granted by the Sole Owner. At December 31, 2018 these loans mature in 2 years and have accrued interest costs amounting to 631 thousand euros during the year (2017: 369 thousand euros).

12. TAXES

The breakdown of balances relating to tax assets and liabilities at December 31, 2018 and 2017 is as follows:

	12/31/2018	12/31/2017
Deferred tax assets	1,734	798
Other receivables from Public Administrations		
VAT	-	-
	1,734	**798**
Other payables to Public Administrations		
Personal income tax withholdings	(13)	(36)
Income tax	-	(291)
Social Security	(35)	(30)
VAT	(73)	(80)
	(121)	**(437)**

Under prevailing tax regulations, tax returns may not be considered final until they have either been inspected by the tax authorities or until the four-year inspection period has expired. The Company is open to inspection for all taxes to which it is liable for the last four years. The Company's Sole Director and tax advisors consider that, in the event of a tax inspection, no significant tax contingencies would arise as a result of varying interpretations of the tax legislation applicable to the Company's transactions.

12.1 Income tax

As indicated in Note 4.8, the Company files a consolidated income tax return with ID Finance Investments, S.L. and its consolidation group.

The reconciliation of net income and expenses for the year with tax results is the following:

	Income statement		
	Increases	**Decreases**	**Total**
2018			
Income and expenses for the year			
Continuing operations	73	-	73
	73	-	**73**
Income tax			
Continuing operations	(37)	-	(37)
	(37)	-	**(37)**
Income and expenses for the year before tax	110		**110**
Permanent differences	38	-	**38**
Temporary differences			
Arising in the year	3,742	-	**3,742**
Arising in prior years	-	-	-
Compensation of tax bases (due to fiscal consolidation with ID Finance Investments, S.L.)	-	(2,508)	(2,508)
Tax result	**3,890**	**(2,508)**	**1,382**

	Income statement		
	Increases	**Decreases**	**Total**
2017			
Income and expenses for the year			
Continuing operations	(398)	-	(398)
	(398)	-	**(398)**
Income tax			
Continuing operations	130	-	130
	130	-	**130**
Income and expenses for the year before tax	(528)	-	**(528)**
Permanent differences	-	-	**-**
Temporary differences			
Arising in the year	2,296	-	**2,296**
Arising in prior years	-	-	-
Utilization of tax losses arisen in prior years	-	-	-
Tax result	**1,768**	**-**	**1,768**

The positive permanent differences arisen in 2018 mainly correspond to the limitation on the deductibility of financial expenses (art. 16 of the Income Tax Law).

The positive temporary differences arisen in 2018 correspond to non-deductible expenses in the current year (art. 14 of the Income Tax Law).

The reconciliation between income tax expense/(income) and the result of multiplying total recognized income and expenses by the applicable tax rates is as follows:

(Euros)	2018 Income statement	2018 Income and expenses recognized directly in equity	2017 Income statement	2017 Income and expenses recognized directly in equity
Income and expenses for the year before tax	110	-	(528)	-
Tax charge (25%)	(28)	-	(130)	-
Non-deductible expenses	10			
Temporary differences	936	-	-	-
Compensation of tax bases (due to fiscal consolidation with ID Finance Investments, S.L.)	(937)	-	-	-
Effective tax expense/(income)	**37**	**-**	**(130)**	**-**

12.2 Deferred tax assets and liabilities

The movements in the items composing 'Deferred tax assets' and 'Deferred tax liabilities' are as follows:

	Balance at January 1	Changes in Income statement	Changes in Equity	Balance at December 31
2018				
Deferred tax assets				
Temporary differences	798	936	-	1,734
	798	936	-	1,734
	798	**936**	**-**	**1,734**

	Balance at January 1	Changes in Income statement	Changes in Equity	Balance at December 31
2017				
Deferred tax assets				
Temporary differences	224	574	-	798
	224	574	-	798
	224	**574**	**-**	**798**

13. INCOME AND EXPENSES

13.1 Revenue

The distribution of the Company's revenue mainly corresponds to continuing operations for the rendering of services:

	2018	2017
Income from services rendered	24,174	9,798
	24,174	**9,798**

The Company's income from the rendering of services mainly consists of interest charged to customers on loans granted to them.

13.2 Employee benefits expense

The breakdown of this heading is as follows:

	2018	2017
Wages and salaries		
Wages and salaries	1,265	742
Severance	12	-
	1,277	742
Social security costs		
Social Security	363	204
	363	204
	1,640	**946**

13.3 External services

The breakdown of this heading is as follows:

	2018	2017
Research expenses	-	44
Leases	74	36
Repairs and maintenance	10	11
Independent professional services	1,056	830
Transportation services	1	2
Insurance premiums	26	9
Bank services	755	328
Publicity, advertising, and public relations	2,771	1,519
Utilities	89	45
Other services	598	90
Group companies (Note 15)	389	-
Third parties	209	90
	5,380	**2,913**

13.4 Depreciation and amortization

The breakdown for this heading is as follows:

	2018	2017
Intangible assets (Note 5)	4	-
Property, plant and equipment (Note 6)	4	5
	8	**5**

13.5 Finance cost

The breakdown of this heading at December 31 is as follows:

	2018	2017
Interest on payables to group companies (Note 15)	631	369
Interest on payables to third parties	404	70
	1,035	**439**

14. FOREIGN CURRENCY

14.1 Foreign currency balances and transactions

The breakdown of assets and liabilities denominated in foreign currencies at December 31 is as follows:

		US dollar
	2018	**2017**
Liabilities		
Payables		
Payables to group companies	989	765
	989	**765**

The breakdown of exchange gains and losses recognized in the income statement by type of financial instrument, except those from financial instruments measured at fair value through profit and loss, are as follows:

	Transactions settled during the financial year		**Transactions pending settlement at year end**	
(Euros)	**2018**	**2017**	**2018**	**2017**
Exchange gains or losses recognized in the income statement as income:				
Payables to group companies and associates	15	81	-	-
Trade and other payables	-	-	-	-
	15	**81**	**-**	**-**
Exchange gains or losses recognized in the income statement as expenses:				
Payables to group companies and associates	(48)	(19)	-	-
Trade payables to group companies and associates	-	-	-	-
	(48)	**(19)**	**-**	**-**
	(33)	**62**	**-**	**-**

15. RELATED-PARTY TRANSACTIONS

Company transactions in 2018 and 2017 with related parties, as well as the nature of the relationship, are as follows:

	Nature of the relationship
ID Finance Investments, S.L.	Direct Parent
IDF CAPITAL S.A.P.I. de C.V., S.O.F.O.M., E.N.R	Group company
IDF Technology	Group company

Management costs charged by the Group's parent are based on centralized expenses incurred, which are charged to each group company based on their usage.

The balances with related parties at December 31 are as follows:

	12/31/2018	**12/31/2017**	**01/01/2017**
Non-current payables (Note 11)	7,045	5,451	3,233
Current payables (Note 11)	972	-	-
Trade payables (Note 11)	654	340	76

Transactions with group companies and related parties are as follows:

	2018	2017
Rendering of services (Note 13.3)	(389)	-
Finance costs - Interest (Note 13.5)	(631)	(369)

The rest of the related-party transactions relate to normal Company trading activity and are carried out on an arm's length basis in a manner similar to transactions with unrelated parties.

15.1 Sole Director and senior management

The Company considers as senior management personnel people whose duties are related to the Company's general objectives, such as business planning, management and control, autonomously and with full responsibility, limited solely by the criteria and instructions of the Company's legal owners or the governing and management bodies that represent them. As strategic decisions and business transactions are supervised and controlled by the international group (or indicate other possible causes) and the Sole Director, the Company has no employees who can be considered senior management as described previously.

The Sole Director has earned no remuneration from the Company in 2018 or 2017.

In compliance with article 229 of the Spanish Corporate Enterprise Act, the Sole Director has notified the Company that there are no situations representing a conflict of interest for the Company.

16. NATURE AND EXTENT OF RISKS ARISING FROM FINANCIAL INSTRUMENTS

Risk management policies are established by management subject to prior approval by the sole director of the Company. Based on these policies, the Finance Department has established a series of procedures and controls which make it possible to identify, measure, and manage the risks arising from financial instrument activity.

Financial instrument activity exposes the Company to credit, market, interest rate and liquidity risk.

16.1 Credit risk

Credit risk exists when a potential loss may arise from the Company's counterparty not meeting its contractual obligations, i.e. the possibility that financial assets will not be recovered at their carrying amount within the established time frame.

The maximum exposure to credit risk at December 31 was as follows:

	2018	2017
Non-current financial investments	41	7
Trade and other receivables	11,599	5,252
Current financial investments	57	68
Cash and cash equivalents	1,246	1,330
	12,943	**6,637**

16.2 Interest rate risk

Interest rate risk arises when there is a possible loss due to fluctuations in the fair value or future cash flows of a financial instrument due to changes in market interest rates. The Company's exposure to the risk of changes in interest rates is mainly related to non-current loans and credit facilities received at floating interest rates.

The breakdown of non-current net financing including the corresponding hedges, by type of interest rate, is as follows:

	2018	2017
Non-current financing from group at fixed-interest rate	7,045	5,451
Non-current financing from third parties at fixed-interest rate	385	-

16.3 Foreign currency risk

Foreign currency risk is the risk of possible loss caused by changes in the fair value or future cash flows of a financial instrument because of fluctuations in exchange rates.

Trade payables are the only balance sheet heading that includes balances in currencies other than the functional currency.

Maximum exposure to foreign currency risk for accounts receivable at December 31 is as follows:

	2018	2017
In US dollars	989	765
	989	**765**

Other price risks

Given the scant investment in equity instruments, the Company is not exposed to other significant price risks.

16.4 Liquidity risk

Liquidity risk is the possibility that the Company will not have sufficient funds or lack access to sufficient funds at an acceptable cost to meet its payment obligations at all times.

The Company's cash needs are guaranteed at all times through loans from third parties and loans granted by the parent company ID Finance Investments, S.L.

17. OTHER INFORMATION

17.1 Headcount

The headcount by professional category is as follows:

	Headcount at year end			Average headcount during the year
	Men	Women	Total	
2018				
Executives	-	1	1	1
Heads of unit	3	4	7	6
Administrative personnel	19	20	39	30
	22	**25**	**47**	**37**
2017				
Executives	1	-	1	1
Heads of unit	3	4	7	4
Administrative personnel	14	23	37	19
	18	**27**	**45**	**24**

In 2017 and 2018 the Company has no employees with a disability equal to or greater than 33%.

17.2 Audit fees

In 2018, the fees paid for the audit services provided by the auditor Ernst & Young, S.L. are as follows:

	2018	2017
Audit services	13	-
	13	**-**

17.3 Information on the average payment period to suppliers Additional Provision Three. 'Disclosure requirements' of Law 15/2010 of July 5

The information on the average payment period to suppliers is as follows:

	2018	2017
(Days)		
Average payment period to suppliers	28	34
Ratio of transactions paid	92%	91%
Ratio of transactions pending payment	8%	9%
(Thousands of euros)		
Total payments made	5,924	3,307
Total payments outstanding	497	337

17.4 Information on environmental issues

Given the Company's activity (Note 1), it has no environmental liabilities, expenses, assets, provisions or contingencies that could have a significant effect on its equity, financial position, and results. Consequently, the notes to the financial statements do not include specific disclosures relating to environmental matters.

18. SUBSEQUENT EVENTS

From December 31, 2018 to the date these financial statements were authorized for issue, no additional significant events that may have a significant impact thereon have occurred.

19. NOTE ADDED TO THE FINANCIAL STATEMENTS TRANSLATED IN ENGLISH

These financial statements have been translated from financial statements originally prepared in Spanish. In case of discrepancy, the Spanish-version language will prevail.

ID FINANCE

ID FINANCE SPAIN, S.L. (Sociedad Unipersonal)

MANAGEMENT REPORT

Main activity of the company

ID Finance Spain was created in 2015 in Barcelona and is part to the ID Finance Group, an online provider of financial services, the parent of which is ID Finance Investments, S.L.

The main activity of ID Finance Spain is to grant non-mortgage loans or credits to any person, excluding the activities reserved to financial institutions pursuant to applicable regulations.

The company is benefiting from the growth of the Internet in mobile phones and data availability to provide access to competitive and transparent financial services and address the massive structural demand that traditional operators are not meeting.

The company currently applies machine learning and artificial intelligence to all business areas, from customer review to the optimization of online marketing campaigns and the provision of efficient services to customers. Given our wide experience and an innovative approach to data collection and processing, we offer fast cash loans which are totally automated and readily available. The main products of ID Finance Spain are MoneyMan (short-term consumer loans to meet one-off cash needs) and Plazo (medium-term loans).

Results for the year, business evolution and outlook

In 2018 a total of 121,000 loans were granted with a total value issued of 43 million euros, which means a 126% increase in comparison with the volume issued in 2017 (19 million euros).

Net revenue in 2018 increased by 147% from 9.8 million euros in 2017 to 24.1 million euros in 2018, reaching a 15% market share. This growth has been boosted by the diversification of products, with the launch of Plazo, constant technological development and the high level of customer retention reached.

In 2018, the Company adjusted the estimation of impairment allowance of loans to customers to the policy designed by the Group (that prepares the consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union [IFRS-EU]), which in addition to consider the amounts past due more than 180 days (which are tax deductible) considers the historic loss percentages of the Company's portfolios. The Company has re-stated the comparative figures in the attached financial statements.

Strong growth and cost containment have allowed ID Finance Spain to obtain a profit after tax of 73 thousand euros in 2018.

The main objective of the company is to become the number one online consumer loan platform in Spain, diversifying and extending the services offered by launching new consumer finance products.

Transactions with treasury shares

The Company has not carried out any transactions with treasury shares during the year.

Main financial instruments and risk management

The financial instruments key to the company are balances in bank accounts, trade receivables, loans to customers, trade payables, payable loans and other payables arisen from trade transactions.

The Company is exposed to the following risks related to the use of financial instruments and operating activities:

a) Credit risk
b) Liquidity risk
c) Market risk
    c1) Interest rate risk
    c2) Foreign currency risk
d) Operational risk

a) Credit risk is the risk of a financial loss for the company if a customer or counterparty of a financial instrument does not meet its contractual obligations. This is a substantial risk mainly in loans to customers. Credit risk is mitigated as follows:

- The procedures for granting loans are established to ensure the quality of our customer portfolio. These procedures are constantly improved and include judicial and behavioural indications through the analysis of statistical data and rating models.

- Sanctions and extensions of loan repayment terms are used to mitigate the risks related to bad debts. These options are applied when borrowers are struggling or unwilling to pay the debt. Sanctions and extension generate additional cash flows in the portfolio.

b) Liquidity risk refers to the availability of sufficient funds to cover funds received, and other financial commitments when they mature. The cash department monitors these risks by analysing maturity and determining the company's strategy for future financial transactions, as well as the optimization of cash flows.

c) Market risk

c1) Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to market interest rates mainly relates to non-current payment obligations arranged at floating interest rates.

The Company manages interest rate risk by holding a balanced portfolio of loans at fixed and floating interest rates.

c2) Foreign currency risk is the risk of loss or other negative effects caused by fluctuations in exchange rates. The Company has liabilities (loans granted by ID Finance group companies) in foreign currency (USD) and is therefore exposed to foreign currency risk.

In general, loans are denominated in the same currency as the cash flows generated by the underlying transactions of the company. Additionally, loan interest is denominated in the loan currency. This provides a natural hedge and no hedging derivatives need to be arranged.

d) Operational risk is the risk of direct or indirect loss as a result of a wide range of causes related to company processes, employee, technology and infrastructure, and external factors other than credit, market and liquidity risks, such as those derived from legal risks, regulatory requirements or generally accepted corporate behaviour standards. Operational risks arise as a result of all company transactions.

The Company's credit policy defines the guidelines for granting loans in accordance with its commercial strategy an efficient risk management, protecting assets and complying with local regulatory requirements. Potential or foreseeable changes in applicable laws are continually analysed and any necessary modification in the company's transactions is proactively implemented.

Senior executives in each business unit are responsible for developing and implementing controls to address operational risk.

Average payment period to suppliers

At December 31, 2018 and 2017 the company has no invoices pending payment to suppliers that exceed the legal deadline established.

The information on the average payment period to suppliers is as follows:

	2018	2017
(Days)		
Average payment period to suppliers	28	34
Ratio of transactions paid	92%	91%
Ratio of transactions pending payment	8%	9%
(Thousands of euros)		
Total payments made	5,924	3,307
Total payments outstanding	497	337

Human resources and environmental policy

The average headcount of the Company in 2018 is 37 employees (2017: 24 employees), of whom 53% are women and 47% are men, approximately.

The main values of the Company are as follows:

- Diversity: support to inclusive culture
- Transparency: profitability-oriented
- Flexibility: prioritize positive working environment

The Company's recruitment and selection policy has been designed to recruit and select the most qualified and talented people. This policy aims to ensuring fair hiring and equal employment opportunity practices, excluding all type of discriminatory practices.

It should be noted that commitment to environmental protection and respect or efficient consumption of energy resources are a common denominator in the Company's activities and are part of our organization's culture and values.

Research and development

The Company has wide experience in both IT systems and data analytics. The IT systems team constantly expand their experience in artificial intelligence and the data analytics team specialize in statistics, machine learning and related methods. The effective combination of both teams drives product innovation and positively transforms customer experience.