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**DINAMIA CAPITAL PRIVADO
SOCIEDAD DE CAPITAL RIESGO, S.A.**

Condensed Separate Financial Statements
for the year ended
31 December 2014

DINAMIA CAPITAL PRIVADO, SOCIEDAD DE CAPITAL RIESGO, S.A.

**CONDENSED SEPARATE BALANCE SHEET AT 31 DECEMBER 2014 AND 2013
(stated in euros)**

ASSETS	€ 31/12/2014	€ 31/12/2013
A) CURRENT ASSETS	56,026,535.87	21,817,386.63
I. Cash and cash equivalents	54,097,191.61	21,648,808.28
II. Prepayments and accrued income	20,611.90	20,611.90
III. Short-term financial assets	-	-
1. Equity instruments	-	-
2. Loans granted to and receivables from companies	-	-
3. Debt securities	-	-
4. Derivative financial instruments	-	-
5. Other financial assets	-	-
IV. Short-term investments in Group companies and associa	-	-
V. Receivables	158,732.36	147,966.45
VI. Other current assets	1,750,000.00	-
B) NON-CURRENT ASSETS	94,827,433.80	110,643,252.18
I. Deferred tax assets	-	2,563.30
II. Long-term financial assets	12,177,632.78	11,673,169.25
1. Equity instruments	11,562,941.67	11,114,361.28
1.1 Of venture capital investees	-	-
1.2 Of other entities	11,562,941.67	11,114,361.28
2. Loans granted to and receivables from companies	614,691.11	558,807.97
3. Debt securities	-	-
4. Derivative financial instruments	-	-
5. Other financial assets	-	-
III. Long-term investments in Group companies and associa	82,649,801.02	98,967,519.62
1. Equity instruments	39,076,808.48	43,971,834.30
1.1 Of venture capital investees	39,076,808.48	43,971,834.30
1.2 Of other entities	-	-
2. Loans granted to and receivables from companies	43,572,992.54	54,995,685.32
3. Debt securities	-	-
4. Derivative financial instruments	-	-
5. Other financial assets	-	-
IV. Property, plant and equipment	-	-
V. Intangible assets	-	-
VI. Other non-current assets	0.00	-
TOTAL ASSETS (A + B)	150,853,969.67	132,460,638.81

DINAMIA CAPITAL PRIVADO, SOCIEDAD DE CAPITAL RIESGO, S.A.

**CONDENSED SEPARATE BALANCE SHEET AT 31 DECEMBER 2014 AND 2013
(stated in euros)**

LIABILITIES AND EQUITY	€ 31/12/2014	€ 31/12/2013
A) CURRENT LIABILITIES	1,789,971.97	1,480,023.76
I. Accruals and deferred income	-	-
II. Creditors and payables	821,857.42	1,351,055.85
III. Short-term payables to Group companies and associates	-	-
IV. Short-term payables	-	-
V. Short-term provisions	875,000.00	-
VI. Other current liabilities	93,114.55	128,967.91
B) NON-CURRENT LIABILITIES	11,529,602.91	13,814,490.44
I. Accruals and deferred income	-	-
II. Deferred tax liabilities	7,792.17	-
III. Long-term payables to Group companies and associates	-	-
IV. Long-term payables	10,844,137.74	12,670,545.34
V. Long-term provisions	677,673.00	1,143,945.10
VI. Other non-current liabilities	-	-
TOTAL LIABILITIES (A+B)	13,319,574.88	15,294,514.20
C) EQUITY	137,534,394.79	117,166,124.61
C-1 SHAREHOLDER'S FUNDS	134,940,179.62	118,013,379.01
I. Share capital	48,837,600.00	48,837,600.00
II. Venturers	-	-
III. Share premium	44,931,494.50	56,289,906.60
IV. Reserves	35,800,426.70	35,800,426.70
V. Own equity instruments (-)	(223,330.43)	(223,330.43)
VI. Prior-year results (+/-)	(22,691,223.86)	(29,708,411.04)
VII. Other shareholder contributions	-	-
VIII. Profit/(loss) for the year (+/-)	28,285,212.71	7,017,187.18
IX. Interim dividends (-)	-	-
X. Other equity instruments	-	-
C-2 MEASUREMENT ADJUSTMENTS IN EQUITY	2,594,215.17	(847,254.40)
I. Available-for-sale financial assets	2,594,215.17	(847,254.40)
II. Hedging transactions	-	-
III. Other	-	-
C-3 Grants, donations and bequests received	-	-
TOTAL LIABILITIES AND EQUITY	150,853,969.67	132,460,638.81

DINAMIA CAPITAL PRIVADO, SOCIEDAD DE CAPITAL RIESGO, S.A.

**CONDENSED SEPARATE INCOME STATEMENT FOR THE YEARS ENDED 31
DECEMBER 2014 AND 2013**

(stated in euros)

INCOME STATEMENT	€	€
	<u>31/12/2014</u>	<u>31/12/2013</u>
1. Financial income (+)	9,040,458.52	8,464,070.98
1.1 Interest, dividends and similar income	9,040,458.52	8,464,070.98
1.2 Other financial income	-	-
2. Financial expense (-)	(918.13)	-
2.1 Interest and similar charges	(918.13)	-
2.2 Other financial expenses	-	-
3. Results and fair value changes on financial asset portfolio (net) (+/-)	24,649,192.76	2,058,753.54
3.1 Profit/(loss) on disposals (net) (+/-)	13,935,510.58	(3,101,005.03)
3.1.1 Equity instruments	13,935,510.58	(3,101,005.03)
3.1.2 Debt securities	-	-
3.1.3 Other financial assets	-	-
3.2 Change in fair value of financial instruments (+/-)	-	-
3.3 Impairment and losses on financial assets (-/+)	10,713,682.18	5,159,758.57
3.4 Exchange differences (net) (+/-)	-	-
4. Other operating profit/(loss)	(2,578,351.84)	(2,350,563.86)
4.1 Fees and other income received (+)	-	-
4.1.1 From advisory services provided to venture capital investees	-	-
4.1.2 Other fees and income	-	-
4.2 Fees paid (-)	(2,578,351.84)	(2,350,563.86)
4.2.1 Management fee	(2,578,351.84)	(2,350,563.86)
4.2.2 Other fees and expenses	-	-
GROSS MARGIN	31,110,381.31	8,172,260.66
5. Staff costs (-)	-	-
6. Other operating expenses (-)	(1,272,495.60)	(1,353,873.07)
7. Fixed asset depreciation (-)	-	-
8. Surplus provisions (+)	-	198,799.59
OPERATING PROFIT/(LOSS)	29,837,885.71	7,017,187.18
9. Impairment and profit/(loss) on fixed asset disposals (+/-)	-	-
10. Other asset impairment (net) (+/-)	(1,552,673.00)	-
11. Other (+/-)	-	-
PROFIT/(LOSS) BEFORE INCOME TAX	28,285,212.71	7,017,187.18
12. Corporate income tax (-)	-	-
PROFIT/(LOSS) FOR THE YEAR	28,285,212.71	7,017,187.18

DINAMIA CAPITAL PRIVADO, SOCIEDAD DE CAPITAL RIESGO, S.A.

**STATEMENT OF CHANGES IN EQUITY FOR THE YEARS ENDED 31 DECEMBER
2014 AND 2013**

**A) STATEMENT OF RECOGNISED INCOME AND EXPENSE FOR THE YEARS ENDED 31
DECEMBER 2014 AND 2013**

(Stated in euros)

	<u>31/12/2014</u>	<u>31/12/2013</u>
A) Profit of the year	<u>28,285,212.71</u>	<u>7,017,187.18</u>
B) Income and expense recognised directly in equity	<u>3,441,469.57</u>	<u>975,656.88</u>
I. Measurement of financial instruments	3,451,825.05	978,592.65
1. Available-for-sale financial assets	3,451,825.05	978,592.65
2. Other income/expense	-	-
II. Cash flow hedges	-	-
III. Grants, donations and bequests received	-	-
IV. Actuarial gains and losses and other adjustments	-	-
V. Tax effect	(10,355.47)	(2,935.78)
C) Amounts reclassified into profit or loss	-	-
VI. Measurement of financial instruments	-	-
1. Available-for-sale financial assets	-	-
2. Other income/expense	-	-
VII. Cash Flow hedges	-	-
VIII. Grants, donations and bequests received	-	-
IX. Tax effect	-	-
TOTAL RECOGNISED INCOME AND EXPENSE	<u>31,726,682.28</u>	<u>7,992,844.06</u>

DINAMIA CAPITAL PRIVADO, SOCIEDAD DE CAPITAL RIESGO, S.A.

STATEMENT OF CHANGES IN EQUITY FOR THE YEARS ENDED 31 DECEMBER 2014 AND 2013
(stated in euros)

B) STATEMENT OF CHANGES IN EQUITY FOR THE YEARS ENDED 31 DECEMBER 2014 AND 2013 (Stated in euros)

At 31 December 2014

	Capital	Share premium and reserves	Own shares and own equity investments	Profit (loss) for the year	Other equity instruments	Valuation adjustments	Equity
BALANCE AT YEAR-END 2013	48,837,600.00	62,381,922.26	(223,330.43)	7,017,187.18	-	(847,254.40)	117,166,124.61
Restatement in accounting criteria	-	-	-	-	-	-	-
Restatement for prior-year errors	-	-	-	-	-	-	-
RESTATED OPENING BALANCE, 2014	48,837,600.00	62,381,922.26	(223,330.43)	7,017,187.18	-	(847,254.40)	117,166,124.61
I. Total recognised income and expense	-	-	-	28,285,212.71	-	3,441,469.57	31,726,682.28
II. Transactions with shareholders and owners	-	(11,358,412.11)	-	-	-	-	(11,358,412.11)
1. Equity issues	-	-	-	-	-	-	-
2. Shares cancelled	-	-	-	-	-	-	-
3. Conversion of financial liabilities	-	-	-	-	-	-	-
4. Dividend distribution	-	(11,358,412.11)	-	-	-	-	(11,358,412.11)
5. Transactions with own shares and equity holdings (net)	-	-	-	-	-	-	-
6. Increase (reduction) in equity resulting from a business combination	-	-	-	-	-	-	-
7. Other transactions with shareholders and owners	-	-	-	-	-	-	-
III. Other changes in equity	-	7,017,187.18	-	(7,017,187.18)	-	-	-
1. Share-based payments	-	-	-	-	-	-	-
2. Transfers between equity headings	-	7,017,187.18	-	(7,017,187.18)	-	-	-
3. Other changes	-	-	-	-	-	-	-
CLOSING BALANCE AT 31 DECEMBER 2014	48,837,600.00	58,040,697.33	(223,330.43)	28,285,212.71	-	2,594,215.17	137,534,394.79

DINAMIA CAPITAL PRIVADO, SOCIEDAD DE CAPITAL RIESGO, S.A.

**STATEMENT OF CHANGES IN EQUITY FOR THE YEARS ENDED 31 DECEMBER 2014 AND 2013
(stated in euros)**

At 31 December 2013

	Capital	Share premium and reserves	Own shares and own equity investments	Profit (loss) for the year	Other equity instruments	Valuation adjustments	Equity
BALANCE AT YEAR-END 2012	48,837,600.00	47,567,445.05	-	26,172,944.61	(214,135.78)	(1,822,911.28)	120,540,942.60
Restatement in accounting criteria	-	-	-	-	-	-	-
Restatement for prior-year errors	-	-	(214,135.78)	-	214,135.78	-	-
RESTATED OPENING BALANCE, 2013	48,837,600.00	47,567,445.05	(214,135.78)	26,172,944.61	-	(1,822,911.28)	120,540,942.60
I. Total recognised income and expense	-	-	-	7,017,187.18	-	975,656.88	7,992,844.06
II. Transactions with shareholders and owners	-	(11,358,467.40)	(9,194.65)	-	-	-	(11,367,662.05)
1. Equity issues	-	-	-	-	-	-	-
2. Shares cancelled	-	-	-	-	-	-	-
3. Conversion of financial liabilities	-	-	-	-	-	-	-
4. Dividend distribution	-	(11,358,467.40)	-	-	-	-	(11,358,467.40)
5. Transactions with own shares and equity holdings (net)	-	-	(9,194.65)	-	-	-	(9,194.65)
6. Increase (reduction) in equity resulting from a business combination	-	-	-	-	-	-	-
7. Other transactions with shareholders and owners	-	-	-	-	-	-	-
III. Other changes in equity	-	26,172,944.61	-	(26,172,944.61)	-	-	-
1. Share-based payments	-	-	-	-	-	-	-
2. Transfers between equity headings	-	26,172,944.61	-	(26,172,944.61)	-	-	-
3. Other changes	-	-	-	-	-	-	-
CLOSING BALANCE AT 31 DECEMBER 2013	48,837,600.00	62,381,922.26	(223,330.43)	7,017,187.18	-	(847,254.40)	117,166,124.61

DINAMIA CAPITAL PRIVADO, SOCIEDAD DE CAPITAL RIESGO, S.A.

**CONDENSED STATEMENT OF CHANGES IN CASH FLOWS FOR THE YEARS
ENDED 31 DECEMBER 2014 AND 2013
(stated in euros)**

	<u>31/12/2014</u>	<u>31/12/2013</u>
CASH FLOWS USED IN OPERATING ACTIVITIES	<u>(5,403,599.71)</u>	<u>(2,063,449.88)</u>
Profit before tax	28,285,212.71	7,017,187.18
Adjustments for non-cash income and expenses:	<u>(21,066,649.73)</u>	<u>(10,991,333.56)</u>
Other adjustments	(21,066,649.73)	(10,991,333.56)
Working capital adjustments	<u>(12,978,809.06)</u>	<u>2,197,678.98</u>
Other cash flows from operating activities	<u>356,646.37</u>	<u>(286,982.48)</u>
Interest paid	-	-
Dividends received	258,960.62	-
Interests received	97,685.75	116,818.74
Income tax receipts (payments)	-	-
Other cash received from (paid on) operating activities	-	(403,801.22)
CASH FLOW FROM (USED IN) INVESTING ACTIVITIES	<u>49,210,395.15</u>	<u>(14,001,484.65)</u>
Purchase for investments	<u>(1,934,444.35)</u>	<u>(22,810,159.30)</u>
Group companies, associates and business units	(1,934,444.35)	(20,919,387.60)
Property and equipment, intangible assets and investment property	-	-
Other financial assets	-	-
Other assets	-	(1,890,771.70)
Proceeds from disposals	<u>51,144,839.50</u>	<u>8,808,674.65</u>
Group companies, associates and business units	48,141,594.84	8,808,674.65
Property and equipment, intangible assets and investment property	-	-
Other financial assets	3,003,244.66	-
Other assets	-	-
CASH USED IN FINANCING ACTIVITIES	<u>(11,358,412.11)</u>	<u>(11,358,467.40)</u>
Proceeds from and payments for equity instruments	-	-
Issuance	-	-
Cancellation	-	-
Acquisition	-	-
Disposal	-	-
Grants, donations and bequests received	-	-
Proceeds from and repayment of ifnancial liabilities	-	-
Issuance	-	-
Repayment and amortisation	-	-
Dividends and payments on other equity instruments	<u>(11,358,412.11)</u>	<u>(11,358,467.40)</u>
EFFECT OF CHANGES IN EXCHANGE RATES ON CASH AND CASH EQUIVALENTS	<u>-</u>	<u>-</u>
NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS	<u>32,448,383.33</u>	<u>(27,423,401.93)</u>
Cash and cash equivalents, opening balance	21,648,808.28	49,072,210.21
Cash and cash equivalents, closing balance	54,097,191.61	21,648,808.28

DINAMIA CAPITAL PRIVADO, SOCIEDAD DE CAPITAL RIESGO, S.A.

EXPLANATORY NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

1. General information

Dinamia Capital Privado, Sociedad de Capital Riesgo, S.A. (hereinafter, the Company or Dinamia) was incorporated as an open-ended public limited company (*sociedad anónima*) on 11 November 1997. Its registered offices are located in Madrid.

The Company is governed by the provisions of Spanish Law 22/2014 (12 November 2014), regulating private equity entities, and CNMV Circular 11/2008 (30 December 2008) regarding accounting rules, annual financial statements and confidential reporting requirements for private equity firms.

The Company is registered in the Administrative Register of Private Equity Firms kept by Spain's securities market regulator, the CNMV for its acronym in Spanish, under entry no. 21.

Dinamia's primary corporate object is to take temporary equity interests in companies other than financial institutions or real estate companies that, at the time of investment, are not listed on any of the primary equity markets run by Bolsas de Valores, or on an equivalent regulated market of the European Union or other member nations of the Organisation for Economic Cooperation and Development (OECD). In addition, the Company may invest in the securities of companies over 50% of whose assets are accounted for by properties, so long as at least 85% of the total carrying amount of the investee's properties is held for the purpose of carrying out an economic activity.

Notwithstanding the above, Dinamia may extend its primary corporate object to the holding of temporary equity interests in non-financial companies that are listed on a primary equity market in Spain, or on an equivalent regulated market of the European Union or another member nation of the OECD, so long as those companies are delisted during the twelve-month period following the investment. Similarly, the Company may invest in other private equity firms in accordance with the provisions laid down in prevailing legislation governing this form of entity.

In order to pursue its corporate purpose, Dinamia may grant profit-participating loans and other forms of financing, in the latter instance solely to investees that form part of the compulsory investment ratio. Lastly, the Company may perform advisory services in keeping with prevailing legislation governing private equity firms.

The Company's management and administration is tasked, under contract, to Nmás1 Capital Privado, Sociedad Gestora de Entidades de Capital Riesgo, S.A.U. (formerly N Más Uno Electra Capital Privado, Sociedad Gestora de Entidades de Capital Riesgo, S.A.), hereinafter, the Management Company. The Management Company is part of the Nmás1 Group, whose parent company is N Más Uno IBG, S.A.

The Company and the Management Company agreed to partially amend their existing management agreement on 19 December 2006 and 20 May 2008, limiting the investments that the Management Company can make on a discretionary basis to €30,000,000 or 15% of the Company's net asset value. Beyond those limits, the Management Company is obliged to ask the Company's Board of Directors to authorise the investment.

DINAMIA CAPITAL PRIVADO, SOCIEDAD DE CAPITAL RIESGO, S.A.

EXPLANATORY NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

On 6 August 2002, the Management Company entered into a co-investment agreement with Nmás1 Private Equity International Limited (formerly called Nmás1 Private Equity Jersey Limited), as General Partner of Nmás1 Private Equity Fund, L.P. (hereinafter, the Fund), which advises N Más Uno Advisor, S.A. (an Nmás1 Group entity), regulating the joint investment regime between the Company and the Fund. This co-investment agreement stipulated the intention of the Company and the Fund to invest in the equity of target investees in equal percentages. The Company and the Fund reserved the right to modify these investment percentages such that they did not invest in identical amounts and the agreement even allowed for the possibility that the Company or Fund could decline to participate in a specific investment.

On 30 May 2008, a new co-investment agreement was entered into by the Company and the various vehicles comprising the investment complex known as N+1 Private Equity Fund II (hereinafter, the N+1 II Fund), comprising the following private equity firms: (i) Nmas1 Private Equity Fund II, Erisa F.C.R de Régimen Simplificado; (ii) Nmas1 Equity Fund II, Non Erisa F.C.R de Régimen Simplificado; and (iii) Nmas1 Equity Fund II, Families S.C.R de Régimen Simplificado, S.A.

The co-investment agreement provides that Dinamia and the N+1 II Fund will take equal shareholdings when investing. The Management Company reserves the right to modify both parties' investment percentages such that they do not invest in identical amounts. The agreement even allows for the possibility that either of the two parties may decline to participate in a specific investment in any of the following circumstances:

- The existence of any applicable rule, law or regulation that prevents the investment by either of the parties or implies a material adverse consequence for Dinamia or the N+1 II Fund;
- The existence of clauses in the investment agreement that prevent Dinamia or the N+1 II Fund from making the investment;
- The lack of sufficient liquidity on the part of Dinamia or the N+1 II Fund to fund the investment; and
- Any other circumstances making the investment unadvisable for Dinamia or the N+1 II Fund.

Under the scope of this agreement, Dinamia and the N+1 II Fund undertook to submit all future investments to its regulation, except for add-on investments in companies invested in by Dinamia prior to execution of the agreement and investments that Dinamia could undertake in the future that do not fall within the scope of the corporate object of the N+1 II Fund.

In 2010, Dinamia and the N+1 II Fund agreed to change the above co-investment arrangement so that Dinamia would put in 25% of total investments going forward with N+1 Private Equity Fund II investing the remaining 75%. As stipulated in the co-investment agreement, both parties undertake that:

- The investments made jointly will be arranged so that both are subject to the same rights, obligations, interests and restrictions and the investments are made simultaneously. The agreement specifically stipulates that Dinamia's and the N+1 II Fund's investments need not be identically structured.

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EXPLANATORY NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

- All of the costs deriving from such joint investments will be allocated in proportion to each party's respective investment interest.
- The sale of any investments made jointly shall also be undertaken jointly and on the same terms and conditions for both parties, unless both Dinamia and the N+1 II Fund sign an agreement waiving compliance with this stipulation, insofar as the exit is advisable for one of the parties and does not significantly harm the other.

Elsewhere, article 18 of Spanish Law 22/2014 (12 November 2014) stipulates that private equity firms and funds must invest at least 60% of their eligible assets in shares of entities which form part of their corporate object. In order to reach the above threshold, these entities may devote up to 30 percentage points of their total eligible assets to profit-participating loans and up to 20 percentage points of total eligible assets to the acquisition of shares in private equity firms. Article 16 of this same law stipulates that a private equity firm may not invest more than 25% of its assets in a given company or more than 35% in companies belonging to the same group of companies.

The Company was in compliance with these requirements at both year-ends as it had assigned a portion of its profit-participating loans to its eligible percentage of discretionary investments, as permitted legally.

2. Basis of preparation

a) Fair presentation

The accompanying condensed separate financial statements for the year ended 31 December 2014 were prepared from the Company's accounting records and are presented in accordance with prevailing company law and the accounting rules laid down in CNMV Circular 11/2008 (30 December 2008).

The condensed separate financial information authorised for issue by the Company's directors should be read in connection with the separate annual financial statements for the year ended 31 December 2013, which were authorised for issue on 20 March 2014 and ratified at the Annual General Meeting of 11 June 2014. This combined reading means it is not necessary to reproduce or update certain notes or estimates included in the aforementioned separate annual financial statements. Instead, the selected accompanying explanatory notes include an explanation of the events or movements deemed material in explaining the changes in the Company's financial situation.

The figures included in this document are expressed in euros, unless otherwise stated.

b) Non-mandatory accounting policies applied

The Company has not applied any non-mandatory accounting policies in either reporting period.

c) Key sources of estimation uncertainty

Preparation of this condensed financial information requires the Company to make certain estimates and judgements concerning the future. These are continually evaluated and are based on historical experience and other factors, including expectations concerning future events that are believed to be reasonable under the circumstances.

The resulting accounting estimates will, by definition, seldom equal the related actual results. Virtually all of the investees included within investments in group companies and associates (note

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EXPLANATORY NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

6) correspond to equity investments in unlisted companies. The criteria used by the Company to value these investments are consistent with those used to present the separate 2013 annual financial statements.

d) Changes in accounting criteria

The Company did not change any of its accounting policies during the year ended 31 December 2014.

e) Changes in accounting estimates

Although the accounting estimates used were made on the basis of the best information available at 31 December 2014, future events could make it necessary to revise these estimates (upwards or downwards) in coming years. Changes in accounting estimates, if any, would be applied prospectively.

f) Consolidation

The Company is not obliged to issue consolidated financial information at 31 December 2014.

3. Accounting policies and measurement criteria applied

The accounting principles and measurement criteria used to prepare this condensed separate financial information are the same as those used to prepare the Company's separate annual financial statements for the year ended 31 December 2014.

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EXPLANATORY NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

4. Merger by absorption between N+1 Group and Dinamia

On 18 December 2014, the Boards of Directors of Dinamia and N Más Uno IBG, S.A. (hereinafter, "N+1") approved and executed an agreement for the merger of the two companies (N+1 will be absorbed by Dinamia). The exchange ratio agreed by the two companies attributes 43% of the merged entity to Dinamia's shareholders and the remaining 57% to the shareholders of N+1.

N+1 is the parent of the group to which N más 1 Capital Privado SGEIC, S.A., Dinamia's management company, belongs. The audited financial statements of N+1 for the last two years are available on its corporate website (www.nplusone.com). The merger will give rise to a listed company which will combine: (i) the asset management business, the financial advisory business and certain investment services currently provided by the N+1 Group; (ii) Dinamia's existing private equity business; and (iii) a new line of asset and product investments related to the management services of the combined group. The merger of the two entities will give the combined group greater investment firepower with which to continue to pursue the international expansion of its financial services and specialist asset management activities targeted at mid-market companies and professional investors.

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EXPLANATORY NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

5. Non-current financial assets

The breakdown of non-current financial assets is as follows:

	<u>31/12/2014</u>	<u>31/12/2013</u>
Equity Instruments	11,562,941.67	11,114,361.28
Private Equity Investees	-	-
Other entities	11,562,941.67	11,114,361.28
Loans to companies	614,691.11	558,807.97
	<u>12,177,632.78</u>	<u>11,673,169.25</u>

31 December 2014							
	Opening Balance	Additions	Derecognitions	Impairment provisions	Change in fair value	Accrued interest	Total
Loans to companies	558,807.97	-	-	-	-	55,883.14	614,691.11
Private equity firms	11,114,361.28	-	(3,003,244.66)	-	3,451,825.05	-	11,562,941.67
Spanish	-	-	-	-	-	-	-
International	11,114,361.28	-	(3,003,244.66)	-	3,451,825.05	-	11,562,941.67
	<u>11,673,169.25</u>	-	-	-	<u>3,451,825.05</u>	<u>55,883.14</u>	<u>12,177,632.78</u>
31 December 2013							
	Opening Balance	Additions	Derecognitions	Impairment provisions	Change in fair value	Accrued interest	Total
Loans to companies	558,807.97	-	-	-	-	-	558,807.97
Private equity firms	10,120,102.52	-	-	-	994,258.76	-	11,114,361.28
Spanish	-	-	-	-	-	-	-
International	10,120,102.52	-	-	-	994,258.76	-	11,114,361.28
	<u>10,678,910.49</u>	-	-	-	<u>994,258.76</u>	-	<u>11,673,169.25</u>

All of the financial assets included in this heading are classified as available-for-sale financial assets. They are measured at fair value.

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The reconciliation of the year-end 2014 and 2013 balances comprising this heading is provided below:

	31/12/2013	Additions	Derecognitions	Impairment changes	Change in fair value	Accrued interests	31/12/2014
Unlisted shares-United Wineries Holdings, S.A.	-	-	-	-	-	-	-
Loans to companies- Seguribérica, S.L.	558,807.97	-	-	-	-	55,883.14	614,691.11
Private equity firms- Electra Partners Club 2007, LP	11,114,361.28	-	(3,003,244.66)	-	3,451,825.05	-	11,562,941.67
	11,673,169.25	-	(3,003,244.66)	-	3,451,825.05	55,883.14	12,177,632.78

	31/12/2012	Additions	Derecognitions	Impairment changes	Change in fair value	Accrued interests	31/12/2013
Unlisted shares-United Wineries Holdings, S.A.	-	-	-	-	-	-	-
Listed shares - Nicolás Correa, S.A.	1,096,627.68	-	(4,914,829.33)	3,833,867.76	(15,666.11)	-	-
Loans to companies- Seguribérica, S.L.	558,807.97	-	-	-	-	-	558,807.97
Private equity firms- Electra Partners Club 2007, LP	8,230,330.84	1,889,771.68	-	-	994,258.76	-	11,114,361.28
	9,885,766.49	1,889,771.68	(4,914,829.33)	3,833,867.76	978,592.65	3,833,867.76	11,673,169.25

United Wineries Holdings, S.A.

The Company holds a minority investment in United Wineries Holdings, S.A. (8% of share capital). This, coupled with differences with this investee's management, the existence of dividend payment resolutions that have been challenged by Dinamia and other shareholders and the lack of updated information on the business performance of United Wineries Holdings, S.A. deemed sufficiently reliable, has prompted the Company's directors to conclude that there is a high degree of uncertainty regarding its ability to recover the amount invested to date, to which end it continues to carry this investment at zero. This situation has not changed at the time of preparing this financial report.

Nicolás Correa, S.A.

The Company sold the 1,566,583 shares it continued to hold in Nicolás Correa on the secondary market between the months of September and October 2013. The proceeds, net of fees and commissions, totalled €2,231,520.65. As a result of the outright sale of this investment, the Company recognised a realised loss of €2,683,308.68 in its income statement and income in respect of the surplus impairment provision of €3,833,867.76.

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EXPLANATORY NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

Segur Ibérica S.A.

As a result of the agreements under which the Company sold its investments in Segur Ibérica S.A. and Hortus Mundi S.L., dated 7 September 2011, Dinamia has been a lender to Grupo Segur since that date. The loan amounts to €559 thousand.

Electra Partners Club 2007, LP

In 2014, Dinamia received its first three distributions from the Fund in an aggregate amount of GBP2,423,046.27 (€3,003,244.66), which is equivalent to 25% of the amount contributed to the Fund to date.

In the wake of these distributions, Dinamia's net investment in the Fund stands at GBP7,381,811.14 (equivalent to €8,960,934.33). The investment period for new investments has ended.

In 2013, Dinamia made a contribution to Electra Partners Club 2007, LP totalling GBP1,589,104.41. The euro equivalent of this contribution was €1,889,771.68. This contribution was drawn down on 27 March 2013 to finance the acquisition of an interest in UBM Data Services and cover Fund expenditure.

The Company has committed to invest GBP10 million in Electra Partners Club 2007, LP. At 31 December 2014, 98% of this commitment had been met (year-end 2013: 98%). However, in the wake of the distributions made, the amount that Electra Partners Club 2007, LP can call stands at GBP1,130 thousand (€1,451 thousand) given that distributions in excess of the amount contributed can be called again for add-on investments in portfolio companies and to cover Fund expenditure for the remainder of its existence. The fund ends on its 10th anniversary, i.e., 7 May 2018, but may be extended for an additional two years.

Electra Partners Club 2007, LP is the Company's only investment denominated in foreign currency.

Electra Partners Club 2007 LP is a private equity fund managed by Electra Partners LLP. One of Dinamia's significant shareholders is Electra Private Equity Partners 1995, the private equity firm managed, in turn, by Electra Partners LLP, the same company which manages Electra Partners Club 2007, LP.

6. Non-current investments in group companies and associates

The breakdown of non-current investments in group companies and associates is provided below:

	<u>31/12/2014</u>	<u>31/12/2013</u>
Equity investments	39,076,808.48	43,971,834.30
Private equity investees	39,076,808.48	43,971,834.30
Other entities	-	-
Loans to companies	43,572,992.54	54,995,685.32
	<u>82,649,801.02</u>	<u>98,967,519.62</u>

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All of the financial assets included in this heading are denominated in euros.

The loans extended to associates mature between 2016 and 2020.

a) Equity instruments

The reconciliation of the year-end 2014 and 2013 balances comprising this heading is as follows:

	<u>31/12/2013</u>	<u>Additions</u>	<u>Derecognitions</u>	<u>31/12/2014</u>
Unlisted securities	107,655,209.68	4,787,542.74	(21,852,216.74)	90,590,535.68
Provision for impairment	(63,683,375.38)	-	12,169,648.18	(51,513,727.20)
	<u>43,971,834.30</u>	<u>4,787,542.74</u>	<u>(9,682,568.56)</u>	<u>39,076,808.48</u>

	<u>31/12/2012</u>	<u>Additions</u>	<u>Derecognitions</u>	<u>31/12/2013</u>
Unlisted securities	88,229,016.19	20,310,710.61	(884,517.12)	107,655,209.68
Provision for impairment	(63,705,557.07)	(862,335.43)	884,517.12	(63,683,375.38)
	<u>24,523,459.12</u>	<u>19,448,375.18</u>	<u>-</u>	<u>43,971,834.30</u>

DINAMIA CAPITAL PRIVADO, SOCIEDAD DE CAPITAL RIESGO, S.A.

EXPLANATORY NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

The same reconciliation is provided below at the individual company level for the year ended 31 December 2014:

Unlisted securities	31/12/2013	Additions	Derecognitions	31/12/2014
Alcad, S.L	9,847,496.00	-	-	9,847,496.00
Colegios Laude, SL	4,015,960.00	-	(4,015,960.00)	-
Colegios Laude II, SL	369,471.00	-	-	369,471.00
The Beauty Bell Chain, SL	13,523,177.05	-	-	13,523,177.05
Xanit Health Care Management, S.L.	8,153,688.18	-	(8,153,688.18)	-
High Tech Hotels & Resorts, S.L.	10,446,831.96	-	-	10,446,831.96
Grupo Gestión Integral Novolux Internacional, S.L.	4,208,750.00	-	-	4,208,750.00
MBA Incorporado, S.L.	15,533,124.22	-	-	15,533,124.22
Lata Lux Parent Holding S.a.r.l.	77,092.64	-	(77,092.64)	-
Tryo Communication Technologies, S.L.	5,648,740.00	742,644.10	-	6,391,384.10
Ryma, S.L.	4,310,826.18	-	(4,310,826.18)	-
Tamsi Spain, S.L.	7,718,392.50	-	(6,758,937.50)	959,455.00
Cardomana Servicios y Gestiones, S.L.	3,604,336.69	1,191,800.25	-	4,796,136.94
Global Abbasi, S.L.	11,500,202.56	-	-	11,500,202.56
Tryo Aerospace, S.L.	742.50	1,464,287.76	-	1,465,030.26
Ryma RF, S.L.	742.50	2,846,538.42	-	2,847,280.92
Salto Systems, S.A.	8,695,635.70	6,559.97	-	8,702,195.67
Total Investment	107,655,209.68	6,251,830.50	(23,316,504.50)	90,590,535.68
				Euros
Impairment changes	31/12/2013	Additions	Derecognitions	31/12/2014
Alcad, S.L	(9,847,496.00)	-	-	(9,847,496.00)
Colegios Laude, SL	(4,015,960.00)	-	4,015,960.00	-
Colegios Laude II, SL	(369,471.00)	-	-	(369,471.00)
High Tech Hotels & Resorts, S.L.	(10,446,831.96)	-	-	(10,446,831.96)
The Beauty Bell Chain, SL	(13,523,177.05)	-	-	(13,523,177.05)
Xanit Health Care Management, S.L.	(8,153,688.18)	-	8,153,688.18	-
Grupo Gestión Integral Novolux Internacional, S.L.	(4,208,750.00)	-	-	(4,208,750.00)
MBA Incorporado, S.L.	(13,118,001.19)	-	-	(13,118,001.19)
Total impairment changes	(63,683,375.38)	-	12,169,648.18	(51,513,727.20)
Total Equity instruments of venture capital investees	43,971,834.30	6,251,830.50	(11,146,856.32)	39,076,808.48

The movements in investments in group companies and associates in 2014 were the following:

- During the first quarter of 2014, upon delivery of the terms and conditions stipulated in the ZIV Aplicaciones y Tecnología, S.L. purchase agreement, the buyer released an amount of €907 thousand, out of the total €972 thousand held in an escrow account to cover potential contingencies arising after the transaction's close, to Dinamia. This had the effect of increasing the return on the lucrative exit from ZIV Aplicaciones y Tecnología, which had already generated a gain for Dinamia of €27,889 thousand.

DINAMIA CAPITAL PRIVADO, SOCIEDAD DE CAPITAL RIESGO, S.A.

EXPLANATORY NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

- On 14 March 2014, the European Commission announced its approval of the sale of Dinamia investee Mivisa Envases, S.A.U., held through Lata Lux Holding Parent S.à r.l., to strategic buyer Crown Holdings, Inc. The Commission's approval is subject to certain terms and conditions, including the execution of agreements to sell certain Crown factories in Spain and certain Mivisa facilities in Horst (Netherlands) to one or more buyers. The sale ultimately closed on 23 April 2014. Dinamia's share of the transaction price was €14,352,358.13. In total, the transaction yielded income for Dinamia of €19,774 thousand, implying an internal rate of return (IRR) of 37.8% and an exit multiple of 2.4x the sum invested.
- On 27 March 2014, Dinamia injected equity into Cardomana Servicios y Gestiones, S.L. as part of a rights issue to fund the company with a view to: (i) paying the contingent acquisition price, in keeping with the terms and conditions of the Secuoya purchase agreement; and (ii) funding the Secuoya Group's acquisition-led growth strategy. Dinamia injected €1,191,800.25 (€8,517 share capital and €1,183,283.25 share premium).
- On 16 May 2014, Dinamia, along with the other shareholders in TRYO, made an additional equity injection into the latter as part of a rights issue in order to finance the acquisition of 100% of Mier Comunicaciones. Mier is a Barcelona-based company which rounds out TRYO's product offering in the Space and Broadcasting divisions. Dinamia contributed €742,644.10.
- Dinamia agreed and closed the outright sale of its investment in Colegios Laude, S.L. (hereinafter, "Laude") to Schools Partnership (ISP), an international investment fund which specialises in the education sector, on 30 May 2014.

Dinamia sold all of the shares it owned in Laude, representing 49.3% of this investee's share capital, along with the profit-participating loans it had extended to this company, for €3,150,455.77. Collection of €875,000.00 of the acquisition price is structured as a deferred payment. The deal terms also envisage an additional bonus payment of up to €875,000.00 conditional upon certain events, receipt of which would increase the price fetched by Dinamia on this sale.

- Dinamia closed the sale of its investment in Xanit Health Care Management S.L. (hereinafter, "Xanit Group") to Spanish healthcare group Vithas on 9 July 2014. Dinamia sold its entire 33.7% shareholding in Xanit Group along with the profit-participating loans it had extended to the company. Dinamia received a total of €24,077,170.44 from the sale of its investment in Xanit Group. This price could rise by as much as €677,673.00 depending on delivery of certain milestones laid down in the purchase agreement.
- Tamsi Spain, S.L., the company that owns 100% of the shares of Estacionamientos y Servicios, S.A.U. (hereinafter, "EYSA"), in which Dinamia Capital Privado, S.C.R., S.A. in turn holds a 25% equity interest, paid out a dividend against its share premium account on 28 July 2014. As a result of this transaction, Dinamia received a total of €6,758,937.50, thereby recouping 50% of its initial investment in EYSA. This distribution was made possible by EYSA's recently closed €75 million bond issue, the biggest placement on MARF, Spain's alternative bond market, to date.

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EXPLANATORY NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

- Dinamia investee Colegios Laude II S.L. agreed and closed the outright sale of 100% of Colegios Laude UK Ltd. (hereinafter, "Laude UK"), the company which in turn owns Bredon School, based in Gloucestershire, Tewkesbury (England), on 3 December 2014. Colegios Laude II, S.L. has sold all its shares in Laude UK, representing 100% of the latter's share capital, and cancelled the profit-participating loans it had extended to it, totalling approximately £3.4 million (around €4.2 million). Colegios Laude II, S.L. will distribute the proceeds from the sale of Laude UK, net of transaction costs, to its shareholders in the near future. Dinamia owns 49.3% of Colegios Laude II, S.L. This transaction, coupled with the sale of 100% of the Spanish assets (Colegios Laude, S.L.) on 30 May 2014, implies Dinamia's full exit from Colegios Laude.

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EXPLANATORY NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

The same reconciliation is provided below at the individual company level for 2013:

	Euros			
	31/12/2012	Additions	Derecognitions	31/12/2013
Unlisted securities				
Alcad, S.L	9,847,496.00	-	-	9,847,496.00
Colegios Laude, SL	4,015,960.00	-	-	4,015,960.00
Colegios Laude II, SL	369,471.00	-	-	369,471.00
The Beauty Bell Chain, SL	13,409,789.70	113,387.35	-	13,523,177.05
Xanit Health Care Management, S.L.	8,153,688.18	-	-	8,153,688.18
High Tech Hotels & Resorts, S.L.	11,331,349.08	-	(884,517.12)	10,446,831.96
Grupo Gestión Integral Novolux Internacional, S.L.	4,208,750.00	-	-	4,208,750.00
MBA Incorporado, S.L.	15,533,124.22	-	-	15,533,124.22
Lata Lux Parent Holding S.a.r.l.	77,092.64	-	-	77,092.64
Tryo Communication Technologies, S.L.	5,648,740.00	-	-	5,648,740.00
Rymsa, S.L.	4,310,826.18	-	-	4,310,826.18
Tamsi Spain, S.L.	7,718,392.50	-	-	7,718,392.50
Cardomana Servicios y Gestiones, S.L.	3,604,336.69	-	-	3,604,336.69
Global Abbasi, S.L.	-	11,500,202.56	-	11,500,202.56
Tryo Aerospace, S.L.	-	742.50	-	742.50
Rymsa RF, S.L.	-	742.50	-	742.50
Salto Systems, S.A.	-	8,695,635.70	-	8,695,635.70
Total Investment	88,229,016.19	20,310,710.61	(884,517.12)	107,655,209.68

	Euros			
	31/12/2012	Additions	Derecognitions	31/12/2013
Impairment changes				
Alcad, S.L	(9,847,496.00)	-	-	(9,847,496.00)
Colegios Laude, SL	(4,015,960.00)	-	-	(4,015,960.00)
Colegios Laude II, SL	(369,471.00)	-	-	(369,471.00)
High Tech Hotels & Resorts, S.L.	(11,331,349.08)	-	884,517.12	(10,446,831.96)
The Beauty Bell Chain, SL	(13,409,789.70)	(113,387.35)	-	(13,523,177.05)
Xanit Health Care Management, S.L.	(8,153,688.18)	-	-	(8,153,688.18)
Grupo Gestión Integral Novolux Internacional, S.L.	(4,208,750.00)	-	-	(4,208,750.00)
MBA Incorporado, S.L.	(12,369,053.11)	(748,948.08)	-	(13,118,001.19)
Total impairment changes	(63,705,557.07)	(862,335.43)	884,517.12	(63,683,375.38)
Total Equity instruments of venture capital investees	24,523,459.12	19,448,375.18	-	43,971,834.30

In 2013, the Company recognised an impairment charge on its investment in MBA in order to restate the carrying amount of this investment to the net asset value estimated at each reporting date.

On 30 September 2013, Dinamia recognised an impairment loss on its investment in The Beauty Bell Chain, S.L. of €113,387.35 in order to restate the carrying amount to the valuation estimated by the Company as of that date.

During the fourth quarter of 2013, the Company partially derecognised the impairment charges recognised on its investment in High Tech (in the amount of €884,517.20), as a result of the sale of its interests in Hoteles Tecnológicos 2010 and Mysibek Investments.

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EXPLANATORY NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

The movements in investments in group companies and associates in 2013 were the following:

- On 31 January 2013, Dinamia Capital Privado S.C.R., S.A., together with other private equity firms managed by Nmás1 Capital Privado S.G.E.C.R., S.A., closed the acquisition of 100% of Probos – Plásticos, S.A. (the “Probos Group”). Dinamia acquired a 24.29% shareholding for an investment of €10,650,202.56. The Probos Group, headquartered in Mindelo (Portugal), is the world’s third-largest maker of plastic band edges for the furniture industry, selling its products in over 50 countries. It has two manufacturing facilities in Portugal and Brazil as well as a direct sales presence in Mexico, the UK and Germany.
- Dinamia injected another €850,000.00 thousand of equity into Probos – Plásticos, S.A. on 3 April 2013, lifting its ownership interest to 24.34%.
- On 30 September 2013, Dinamia made a payment of €113,387.35 as part of the settlement of contingency payments warranted to the investors who bought shares in The Beauty Bell Chain, S.L. in 2008.
- During the last quarter of 2013, Dinamia sold its investments in Hoteles Tecnológicos 2010 and Mysibek Investments, which formed part of its overall investment in High Tech, for €868,693.02. The investment in Hoteles Tecnológicos 2010 amounted to €884,517.12.
- On 30 December 2013, Dinamia Capital Privado S.C.R., S.A. acquired 5.50% of Salto Systems, S.L. for an investment of €8,695 thousand (excluding transaction costs). This transaction was structured as the purchase of Salto treasury shares, with the management team (and founders of Salto) staying on as controlling shareholders. Salto, headquartered in Oiartzun (Basque region), is the world’s fifth-largest manufacturer of access control systems, specialising in electronic locks. Over 90% of its revenue is accounted for by exports to more than 90 different countries.

DINAMIA CAPITAL PRIVADO, SOCIEDAD DE CAPITAL RIESGO, S.A.

EXPLANATORY NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

b) Loans to companies

This heading includes the profit-participating loans extended to the associates included in the previous heading:

	<u>31/12/2014</u>	<u>31/12/2013</u>
Profit-participating loans		
To private equity investees	43,572,992.54	54,995,685.31
Face value	32,983,906.68	68,469,794.06
Accrued interest	36,830,655.80	42,415,151.47
Impairment charges	(26,241,569.94)	(55,889,260.22)
Other loans extended to private equity investees	-	-
	<u>43,572,992.54</u>	<u>54,995,685.31</u>

The reconciliation of the year-end 2014 and 2013 balances of 'Non-current investments in group companies and associates - Loans to companies' is shown below:

	<u>2014</u>	<u>2013</u>
Opening balance	54,995,685.32	50,181,064.16
Additions to face value of profit-participating loans	406,451.00	609,677.00
Decrease in face value to profit-participating	(35,821,841.83)	(3,705,740.66)
Additions to accrued interest on profit-participating loans	8,628,824.45	8,616,961.70
Impairment charges recognised	(14,283,816.67)	(2,009,986.00)
Impairment charges derecognised	(3,558,589.30)	(4,266,953.34)
Bajas Deterioro	33,206,279.57	5,570,662.46
Closing balance	43,572,992.54	54,995,685.32

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The breakdown of the loans extended to investees by company and the movements therein during 2014 are shown in the tables below:

	Euros				
Profit-participating loans	<u>31/12/2013</u>	<u>Additions</u>	<u>Derecognitions</u>	<u>Accrued interest receivable</u>	<u>31/12/2014</u>
The Beauty Bell Chain, S.L.	8,574,564.17	-	-	3,558,589.30	12,133,153.47
Grupo Gestión Integral Novolux Internacional, S.L.	13,986,696.78	-	-	-	13,986,696.78
Colegios Laude, S.L.	21,552,922.02	-	(21,552,922.02)	-	-
Xanit Health Care Management, S.L.	23,021,849.44	406,451.00	(23,428,300.44)	-	-
MBA Incorporado, S.L.	29,607,965.38	-	-	3,923,704.86	33,531,670.24
Colegios Laude II, S.L.	1,588,626.81	-	-	70,496.55	1,659,123.36
Lata Lux Parent Holding S.a.r.l.	4,971,478.14	-	(5,124,436.04)	152,957.90	0.00
Tamsi Spain, S.L.	7,580,842.80	-	-	923,075.84	8,503,918.64
Total Investment	<u>110,884,945.54</u>	<u>406,451.00</u>	<u>(50,105,658.50)</u>	<u>8,628,824.45</u>	<u>69,814,562.49</u>
Impairment changes	<u>31/12/2013</u>	<u>Additions</u>	<u>Derecognitions</u>	<u>Accrued interest receivable</u>	<u>31/12/2014</u>
The Beauty Bell Chain, S.L.	(8,574,564.16)	-	-	(3,558,589.30)	(12,133,153.46)
Colegios Laude. SL	(18,046,369.78)	-	18,046,369.78	-	-
Colegios Laude II. SL	(1,588,626.81)	-	1,466,907.10	-	(121,719.71)
Grupo Gestión Integral Novolux Internacional,	(13,986,696.78)	-	-	-	(13,986,696.78)
Xanit Health Care Management, S.L.	(13,693,002.69)	-	13,693,002.69	-	-
Total impairment changes	<u>(55,889,260.22)</u>	<u>-</u>	<u>33,206,279.57</u>	<u>(3,558,589.30)</u>	<u>(26,241,569.95)</u>
Total profit- participating-loans	<u>54,995,685.32</u>	<u>406,451.00</u>	<u>(16,899,378.93)</u>	<u>5,070,235.15</u>	<u>43,572,992.54</u>

On 17 January 2014, Dinamia, along with the other shareholders in Xanit Healthcare Management, S.L., made an additional injection into the latter in the form of an equity loan in order to finance the second stage of the acquisition of 100% of Croasa. The amount paid in by Dinamia amounted to €406 thousand and took the form of a profit-participating loan.

In the wake of the sales of the Company's investments in Colegios Laude, S.L., Xanit Health Care Management, S.L. and Lata Lux Parent Holding, the loans extended to these companies have been derecognised.

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EXPLANATORY NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

The breakdown of the loans extended to investees by company and the movements therein during 2013 are shown below:

Euros					
Profit-participating loans	31/12/2012	Additions	Derecognitions	Accrued interest receivable	31/12/2013
The Beauty Bell Chain, S.L.	5,557,690.49	-	(23,572.66)	3,040,446.34	8,574,564.17
Grupo Gestión Integral Novolux Internacional, S.L.	13,986,696.78	-	-	-	13,986,696.78
Colegios Laude, S.L.	21,552,922.02	-	-	-	21,552,922.02
Xanit Health Care Management, S.L.	22,412,172.44	609,677.00	-	-	23,021,849.44
MBA Incorporado, S.L.	26,131,768.77	-	-	3,476,196.61	29,607,965.38
Colegios Laude II, S.L.	1,588,626.81	-	-	-	1,588,626.81
Lata Lux Parent Holding S.a.r.l.	9,711,101.93	-	(5,422,444.54)	682,820.75	4,971,478.14
Tamsi Spain, S.L.	6,433,054.26	-	-	1,147,788.54	7,580,842.80
Total Investment	107,374,033.50	609,677.00	(5,446,017.20)	8,347,252.24	110,884,945.54
Impairment changes					
	31/12/2012	Additions	Derecognitions	Accrued interest receivable	31/12/2013
The Beauty Bell Chain, S.L.	(5,534,117.82)	-	-	(3,040,446.34)	(8,574,564.16)
Colegios Laude, S.L.	(16,819,862.78)	(1,226,507.00)	-	-	(18,046,369.78)
Colegios Laude II, S.L.	(1,588,626.81)	-	-	-	(1,588,626.81)
Grupo Gestión Integral Novolux Internacional,	(13,986,696.78)	-	-	-	(13,986,696.78)
Xanit Health Care Management, S.L.	(19,263,665.15)	-	5,570,662.46	-	(13,693,002.69)
Total impairment changes	(57,192,969.34)	(1,226,507.00)	5,570,662.46	(3,040,446.34)	(55,889,260.22)
Total profit- participating-loans	50,181,064.16	(616,830.00)	124,645.26	5,306,805.90	54,995,685.32

The investments made in investees in 2013 that were structured as profit-participating loans were as follows:

- On 9 April 2013, Lata Lux Parent Holding S.a.r.l., the company that owned 100% of the shares of Mivisa Group, partially repaid the loans extended by its shareholders (Dinamia, N+1 Private Equity Fund II, The Blackstone Group and the management team), as well as settling the interest accrued to date. Dinamia received a total of €5,692,154.00.
- On 27 June 2013, Dinamia, along with the other shareholders in Xanit, made an additional equity injection into the latter in the form of an equity loan in order to finance the acquisition of 100% of Croasa, a leading private oncology clinic that commands a privileged market position in the city of Malaga. The amount paid in by Dinamia was €609,667.00.

All the loans extended to investees were arranged in euros.

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EXPLANATORY NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

7. Cash and cash equivalents

The breakdown of this heading in the balance sheet at 31 December 2014 and 2013 is as follows:

	<u>31/12/2014</u>	<u>31/12/2013</u>
Demand deposits in current accounts at	49,097,191.61	16,640,022.30
Acquisition of assets under repurchase agreements	5,000,000.00	5,008,785.98
	<u>54,097,191.61</u>	<u>21,648,808.28</u>

8. Equity

The movements in the Company's equity during the year ended 31 December 2014 are shown in the statement of changes in equity.

The Company's shareholders approved the distribution of a €0.70 per share dividend with a charge against the share premium account at the Annual General Meeting of 9 June 2014. This dividend was paid on 15 July 2014 and implied a total outlay of €11,358,467.40.

The Company's shareholders approved the distribution of a €0.70 per share dividend with a charge against the share premium account at the Annual General Meeting of 13 June 2013. This dividend was paid on 15 July 2013 and implied a total outlay of €11,358,467.40.

9. Non-current borrowings

The breakdown of non-current borrowings is as follows:

Long term debt				Euros
	<u>2013</u>	<u>Additions</u>	<u>Derecognitions</u>	<u>2014</u>
Performance fee	12,670,545.34	4,130,463.82	(5,956,871.42)	10,844,137.74
	<u>12,670,545.34</u>	<u>4,130,463.82</u>	<u>(5,956,871.42)</u>	<u>10,844,137.74</u>

At both reporting dates this heading includes the provision for the estimated performance fee accruing to the Management Company to date.

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EXPLANATORY NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

10. Operating expenses

The breakdown of this income statement heading in 2014 and 2013 (amounts stated in euros):

	<u>31/12/2014</u>	<u>31/12/2013</u>
Fees and commissions paid	2,578,351.84	2,350,563.86
Fixed management fee	2,434,189.32	2,350,563.86
Performance fee	144,162.52	-
Other operating expenses	<u>1,272,495.60</u>	<u>1,353,873.07</u>
Total operating expenses	<u>3,850,847.44</u>	<u>3,704,436.93</u>

The remuneration regime agreed with the Management Company has two components:

- A fixed annual management fee of 1.75% of the amount of the Company's 'valued assets' (this metric is determined by the Management Company based on a quarterly valuation report using generally accepted international industry criteria; in turn this report is reviewed by an independent expert twice-yearly). The amount accrued in 2014 this respect was €2,434,189.32 (2013: €2,350,563.86).

- A success fee equivalent to 20% of the net gains realised by the Company on the disposal of all investments in companies that fall under the Company's corporate object in a given year and any returns on these investments, net of the annual management fee and so long as the implied return exceeds the average yield on 3-year Spanish government bonds during the month of December prior to the start of the calendar year. This fee accrues to the Management Company each time it sells an investment and is paid to it once the cost of all the investments made in the same fiscal year as the investment sold has been covered, so long as the aforementioned minimum return has been reached. A net amount of €144,162.52 was recognised in this respect in 2014 (no fee was accrued in 2013).

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EXPLANATORY NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

11. Finance income

The breakdown of this income statement heading in 2014 and 2013 (amounts stated in euros):

	<u>31/12/2014</u>	<u>31/12/2013</u>
Finance income	8,781,497.90	8,464,070.98
Repurchase agreements	97,685.75	60,819.13
Current accounts	-	55,999.61
Investee loans	8,683,812.15	8,347,252.24
Dividends received	<u>258,960.62</u>	<u>-</u>
Net gain/(loss) on disposal of financial assets	<u>9,040,458.52</u>	<u>8,464,070.98</u>

Salto Systems, S.L. paid out a dividend on 29 July 2014, generating income for Dinamia of €258,960.62.

12. Compensation and other benefits paid to directors and key management personnel

The remuneration received by the Company's directors in their capacity as members of the Board of Directors and Audit and Appointments Committee during the year ended 31 December 2014 totalled €418,076.96 (before withholdings) and corresponded entirely to meeting attendance fees.

Dinamia's directors did not receive any other benefits in 2014.

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I. Performance in 2014

Eurozone GDP growth was 0.2% in the fourth quarter of 2014, consolidating the momentum gathering during the previous three quarters. Eurozone unemployment stabilised in 2014 to end the year at 11.5%, the lowest reading since August 2012. Spain accounted for over 60% of the reduction in joblessness in the eurozone in 2014 and almost one-quarter (24.5%) of the reduction in the EU as a whole.

In the course of 2014, the Spanish economic recovery initiated during the second half of 2013 gained traction against the backdrop of the continued improvement in financing conditions, growing confidence and favourable job market trends. As in previous quarters, this growth was underpinned by robust private domestic demand, while net trade detracted from growth slightly. In all, GDP growth came to 1.4% last year.

Spain's stock market index Ibex-35 gained 3.7%, while the Ibex Small Caps, an index which includes Dinamia, corrected by 11.6%. Dinamia's share price gained 19.9% to €8.39; factoring in the dividend paid out in July (€0.70 per share), Dinamia's total return for shareholders was 29.9% in 2014, implying outperformance with respect to its benchmark indices. 2014 marked the first time since 2009 that the blue chip Ibex-35 index closed above 10,000 points.

In the private equity sector, initial estimates for 2014 point to a very strong year, specifically investment volumes of €3.02 billion across 460 transactions, according to ASCRI, the Spanish private equity association, in collaboration with www.webcapitalriesgo.com. It is worth noting that although 90% of the investments were less than €5 million in size (evidencing the fact that SMEs were the biggest recipients of private equity funding), 2014 also marked the return of large transactions, all of which closed by international funds. On the nine large transactions (representing 62% of total funds invested), we would highlight the Desigual (acquired by Eurazeo), Gas Natural Fenosa (Cinven) and Port Aventura and Telepizza (KKR) deals.

In Dinamia's target market, the mid-market segment, which encompasses transactions ranging from €10 to €100 million, there were 31 deals (6.8% of total transactions), entailing aggregate investment of €723.4 million (24% of total investment). The most important transactions in this segment included the Nace (acquired Magnum), Petrocorner (JZ Capital & Avenue Capital) and Acciona, OHL Concesiones, South East UP Power and Tradebe Environmental (Cofides) deals.

The predominance of growth investments stands out (63.5% of total investment volumes, at close to €1 billion). The number of early-stage financing transactions (30% of total transactions) is also noteworthy (albeit only encompassing aggregate investment of €65 million).

The sectors attracting the most investment were: consumer products (24%); hospitality and leisure (15%); medicine and healthcare (13%); and communication and industrial products and services (9% apiece).

In terms of transaction volumes, the sectors attracting the most dealflow were: IT (37%); industrial products and services (14%); consumer products (9%); other services (6.5%) and biotechnology (5%).

2013 had foreshadowed a turnaround on the exit front: that year exit volumes (measured at cost) rose by 21% from 2012 to €1.56 billion. This trend not only continued in 2014 but disposals hit a record high of over €4.67 billion (277 transactions). Trade sales were the most common exit mechanism used (77% by volumes measured at cost), followed by sales to other private equity firms (12%). Some of the most noteworthy exits were the sales of Mivisa and Xanit by N+1 and Dinamia and of Cunext Copper by Corffin Capital.

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As for the Company's own investments and disposals, on 14 March 2014, the European Commission announced its approval of the sale of Dinamia investee Mivisa Envases, S.A.U., held through Lata Lux Holding Parent S.à r.l., to strategic buyer Crown Holdings, Inc. The Commission's approval was subject to certain terms and conditions, including the execution of agreements to sell certain Crown factories in Spain and certain Mivisa facilities in Horst (Netherlands) to one or more buyers. The sale ultimately closed on 23 April 2014. Dinamia's share of the transaction price was €14,352 thousand.

In total, the transaction yielded income for Dinamia of €19,774 thousand, implying an internal rate of return (IRR) of 37.8% and an exit multiple of 2.4x the sum invested.

Dinamia closed the outright sale of its investment in Colegios Laude, S.L. ("Laude") to International Schools Partnership (ISP), an investment fund specialised in the education sector, on 30 May 2014. Laude owns and operates seven benchmark schools in Spain. The company sold owned the schools based in Spain; the school operated in the UK (Bredon School) fell outside the scope of this transaction.

Dinamia closed the sale of its investment in Xanit Health Care Management S.L. ("Xanit Group") to Spanish healthcare group Vithas on 9 July 2014. Dinamia sold its entire 33.7% shareholding in Xanit Group along with the profit-participating loans it had extended to the company. Dinamia received a total of €24,077 thousand from the sale of its investment in Xanit Group.

Tamsi Spain, S.L., the company that owns 100% of the shares of Estacionamientos y Servicios, S.A.U. (EYSA), in which Dinamia Capital Privado, S.C.R., S.A. in turn holds a 25% equity interest, paid out a dividend against its share premium account on 28 July 2014. As a result of this transaction, Dinamia received a total of €6,759 million, thereby recouping 50% of its initial investment in EYSA. This distribution was made possible by EYSA's €75 million bond issue, the biggest placement on MARF, Spain's alternative bond market, to date and the first carried out by a private equity investee.

Salto Systems, S.L. paid out a dividend on 29 July 2014, thanks to which Dinamia collected €259 thousand.

Dinamia investee Colegios Laude II S.L. agreed and closed the outright sale of 100% of Colegios Laude UK Ltd. ("Laude UK"), the company which in turn owns Bredon School, based in Gloucestershire, Tewkesbury (England), on 3 December 2014.

Colegios Laude II, S.L. sold all its shares in Laude UK, representing 100% of the latter's share capital, and cancelled the profit-participating loans it had extended to it, totalling approximately £3.4 million (around €4.2 million). Colegios Laude II, S.L. will distribute the proceeds from the sale of Laude UK, net of transaction costs, to its shareholders in the near future. Dinamia owns 49.3% of Colegios Laude II, S.L. This transaction, coupled with the sale of 100% of the Spanish assets (Colegios Laude, S.L.) on 30 May 2014, implies Dinamia's full exit from Colegios Laude.

During the last quarter of 2014, Dinamia received two distributions from Electra Partners Club 2007 LP as a result of the repayment of shareholder contributions by two of this fund's investees: Peverel and Axio Data Group. For Dinamia these payouts entailed the collection of GBP1,388 thousand in total (€1,743 thousand). In the wake of these distributions, Dinamia has recovered 25% of the amount contributed to the fund.

II. Outlook

The economic recovery is expected to continue in 2015, with current estimates pointing to growth of 2%. In recent months the external environment has deteriorated, particularly in the European Monetary Union, prompting a raft of downward revisions to 2015 growth forecasts for several countries. The foreseeable downturn in Spain's export markets over the course of the

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year is, however, expected to be offset by the continued improvement in financial conditions, euro depreciation and significant oil price correction.

The drop in the inflation rate intensified in the last quarter, by more than had been anticipated, as a result of the accelerating oil price correction towards the tail end of the year and the commensurate impact on energy product prices. This phenomenon coincided with a widespread trend toward lower inflation - even negative inflation - in almost every component of the general index, as is evident in the rate of core inflation (proxy: IBSEBENE), which has been running at zero or in slightly negative territory since May 2014. Inflation has corrected by more in Spain in recent months than in the EMU as a whole, making the inflation differential more favourable to Spain (at 0.9 percentage points in November).

At the macro level, the main indicators paint the picture of an economy that has not only recovered substantially, shaking off recession, but is registering growth of 2.0-2.5%. The Spanish economy might even top this forecast thanks to the combined positive impact on GDP of the oil price correction, ultra-low interest rates and the reduction in the risk premium.

The outlook for the sector is upbeat. Fund-raising is expected to keep up with the strong pace of 2014, buoyed once again by Fond-ICO Global but also by renewed confidence on the part of international investors. Several fund managers are in the market with fund raises (N+1, Trea Capital, Magnum, Proa Capital, MCH Private Equity, Qualitas Equity Partners, Bullnet Capital, Swaanlaab, Invready Technology Investment Group, Nauta Capital, etc.). On the investment front, it looks likely that 2015 will be a busy year in term of both investment volume and transaction numbers, and across all segments: venture capital, growth capital in the mid-market and large transactions (with some major transactions such as the acquisition of Ruber by CVC or Pepe Jeans by PAI already in the pipeline).

III. Research and development expenditure

The Company did not earmark any money to research or development in 2014.

IV. Buyback of own shares

At year-end 2013 Dinamia held 52,818 own shares, which were acquired for a total of €223,330.43. Dinamia did not buy or sell any own shares in 2014.

In 2013, it acquired 200 own shares for a total of €1,019.20.

V. Events after the reporting date

On 12 January 2015, Dinamia received its fourth distribution from Electra Partners Club 2007 LP as a result of a further repayment of shareholder contributions by fund investee Axio Data Group. Dinamia received £150 thousand (€191 thousand), which puts the level of capital recouped to date at 27%.

VI. Financial risk management targets and policies

The Company's risk exposure is concentrated in its investment portfolio. To mitigate its risk factors, a series of checks are performed prior to investing. Dinamia diversifies its investments by sector and engages independent experts to prepare reports and opinions on the companies under analysis and their business environments. Once they are part of the Company's portfolio, risk control is achieved primarily through ongoing monitoring of the main business and financial drivers affecting the investees.

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Given the Company's business activity, the use of financial instruments with listed securities as underlyings has been limited to the use of public debt repurchase agreements, to which end price, credit, liquidity and cash flow risk management policies and targets are aligned with the limits and ratios laid down in prevailing legislation.