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

Condensed Interim Financial Statements
for the six-month period ended
30 June 2014

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

CONDENSED SEPARATE BALANCE SHEET AT 30 JUNE 2014 AND 31 DECEMBER 2013

(Stated in euros)

ASSETS	30/06/2014	31/12/2013
A) CURRENT ASSETS	36,323,293.91	21.817.386,63
I. Cash and cash equivalents	35,389,631.08	21,648,808.28
II. Prepayments and accrued income	20,611.90	20.611.90
III. Current financial assets	-	-
1. Equity instruments	-	-
2. Loans to companies	-	-
3. Debt securities	-	-
4. Derivatives	-	-
5. Other financial assets	-	-
IV. Current investments in group companies and associates	-	-
V. Receivables	913,050.93	147,966.45
VI. Other current assets	-	-
B) NON-CURRENT ASSETS	124,696,950.90	110,643,252.18
I. Deferred tax assets	-	2,563.30
II. Non-current financial assets	12,320,359.84	11,673,169.25
1. Equity instruments	11,716,566.44	11,114,361.28
1.1 Private equity investees	-	-
1.2 Other entities	11,716,566.44	11,114,361.28
2. Loans to companies	603,793.40	558,807.97
3. Debt securities	-	-
4. Derivatives	-	-
5. Other financial assets	-	-
III. Non-current investments in group companies and associates	111,126,591.06	98,967,519.62
1. Equity instruments	46,485,511.32	43,971,834.30
1.1 Private equity investees	46,485,511.32	43,971,834.30
1.2 Other entities	-	-
2. Loans to companies	64,641,079.74	54,995,685.32
3. Debt securities	-	-
4. Derivatives	-	-
5. Other financial assets	-	-
IV. Property, plant and equipment	-	-
V. Intangible assets	-	-
VI. Other non-current assets	1,250,000.00	-
TOTAL ASSETS (A + B)	161,020.244.81	132,460,638.81

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

CONDENSED SEPARATE BALANCE SHEET AT 30 JUNE 2014 AND 31 DECEMBER 2013

(Stated in euros)

LIABILITIES AND EQUITY	30/06/2014	31/12/2013
A) CURRENT LIABILITIES	12,370,739.77	1,480,023.76
I. Accruals and deferred income	-	-
II. Trade and other payables	440,954.16	1,351,055.85
III. Current payables. group companies and associates	-	-
IV. Current payables	11,358,412.10	-
V. Current provisions	500,000.00	-
VI. Other current liabilities	71,373.51	128,967.91
B) NON-CURRENT LIABILITIES	13,192,731.92	13,814,490.44
I. Accruals and deferred income	-	-
II. Deferred tax liabilities	3,024.26	-
III. Non-current payables. group companies and associates	-	-
IV. Non-current payables	12,814,707.86	12,670,545.34
V. Non-current provisions	375,000.00	1,143,945.10
VI. Other non-current liabilities	-	-
TOTAL LIABILITIES (A+B)	25,563,471.69	15,294,514.20
C) EQUITY	135,456,773.12	117,166,124.61
C-1 OWN FUNDS	134,447,161.27	118,013,379.01
I. Capital	48,837,600.00	48,837,600.00
II. Unitholdings	-	-
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. Retained earnings (prior-year losses) (+/-)	(22,691,223.86)	(29,708,411.04)
VII. Other owner contributions	-	-
VIII. Profit (loss) for the year (+/-)	27,792,194.36	7,017,187.18
IX. Interim dividends (-)	-	-
X. Other equity instruments	-	-
C-2 MEASUREMENT ADJUSTMENTS IN EQUITY	1,009,611.85	(847,254.40)
I. Available-for-sale financial assets	1,009,611.85	(847,254.40)
II. Hedging transactions	-	-
III. Other	-	-
C-3 Grants, donations and bequests received	-	-
TOTAL EQUITY AND LIABILITIES	161,020,244.81	132,460,638.81

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

**CONDENSED SEPARATE BALANCE SHEET AT 30 JUNE 2014 AND 31 DECEMBER
2013**

(Stated in euros)

MEMORANDUM ACCOUNTS	30/06/2014	31/12/2013
1. CONTINGENCY AND COMMITMENT ACCOUNTS	243,471.73	234,068.12
1. Collateral and guarantees conferred	-	-
2. Collateral and guarantees received	-	-
3. Securities purchase commitments	243,471.73	234,068.12
3.1 Private equity firms	-	-
3.2. Other entities	243,471.73	234,068.12
4. Securities sale commitments	-	-
4.1 Private equity firms	-	-
4.2. Other entities	-	-
5. Other derivatives	-	-
6. Commitments with shareholders or unitholders	-	-
7. Other contingencies and commitments	-	-
2. OTHER MEMORANDUM ACCOUNTS	93,442,923.47	95,617,317.64
1. Total committed equity	-	-
2. Uncalled equity commitments	-	-
3. Assets written-off	-	-
4. Unused tax losses	79,179,005.47	77,891,913.70
5. Unrealised gains (losses) (net of tax effect)	14,263,918.00	17,725,403.94
6. Impairment of start-up capital	-	-
7. Other memorandum accounts	-	-
TOTAL MEMORANDUM ACCOUNTS (1+2)	93,686,395.20	95,851,385.76

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

CONDENSED SEPARATE INCOME STATEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2014 AND 30 JUNE 2013

(Stated in euros)

	Six months ended 30/06/2014	Six months ended 30/06/2013
1. Finance income (+)	4,815,664.76	4,339,636.07
1.1 Interest, dividend and similar income	4,815,664.76	4,339,636.07
1.2 Other finance income	-	-
2. Finance costs (-)	-	-
2.1 Interest and similar charges	-	-
2.2 Other finance costs	-	-
3. Net gain/loss on and changes in fair value of financial investment portfolio (+/-)	24,903,873.99	(1,722,607.77)
3.1 Net gain/(loss) on disposals (+/-)	12,382,837.58	(214,879.59)
3.1.1 Equity instruments	12,382,837.58	(214,879.59)
3.1.2 Debt securities	-	-
3.1.3 Other financial assets	-	-
3.2 Change in fair value of financial assets (+/-)	-	-
3.3 Impairment and losses on financial assets (-/+)	12,521,036.41	(1,507,728.18)
3.4 Net exchange differences (+/-)	-	-
4. Other operating income/(expense)	(1,197,140.21)	(1,258,311.76)
4.1 Fees and other income received (+)	-	-
4.1.1 From advising private equity investees	-	-
4.1.2 Other fees, commissions and income	-	-
4.2 Fee and commission expense (-)	(1,197,140.21)	(1,258,311.76)
4.2.1 Management fee	(1,197,140.21)	(1,258,311.76)
4.2.2 Other fees and expenses	-	-
GROSS MARGIN	28,522,398.54	1,358,716.54
5. Personnel expenses (-)	-	-
6. Other operating expenses (-)	(730,204.18)	(658,753.28)
7. Depreciation and amortisation (-)	-	-
8. Overprovisions (+)	-	198,799.59
OPERATING PROFIT	27,792,194.36	898,762.85
9. Impairment of and gains (losses) on fixed asset disposals (+/-)	-	-
10. Impairment losses on other assets (net) (+/-)	-	-
11. Other (+/-)	-	-
PROFIT BEFORE TAX	27,792,194.36	898,762.85
12. Income tax (-)	-	-
PROFIT FOR THE YEAR	27,792,194.36	898,762.85

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

**STATEMENT OF CHANGES IN EQUITY FOR THE SIX MONTHS ENDED 30 JUNE
2014 AND 2013**

(Stated in euros)

**A) STATEMENT OF RECOGNISED INCOME AND EXPENSE FOR THE SIX-MONTH
PERIODS ENDED 30 JUNE 2014 AND 30 JUNE 2013**

(Stated in euros)

	Six months ended 30/06/2014	Six months ended 30/06/2013
A) Profit for the year	27,792,194.36	898,762.85
B) Income and expense recognised directly in equity	1,856,866.26	(649,599.76)
I. Measurement of financial instruments	1,862,453.63	(651,554.43)
1. Available-for-sale financial assets	1,862,453.63	(651,554.43)
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	(5,587.37)	1,954.67
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	29,649,060.62	249,163.09

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

STATEMENT OF CHANGES IN EQUITY FOR THE SIX MONTHS ENDED 30 JUNE 2014 AND 2013

(Stated in euros)

B) STATEMENT OF CHANGES IN EQUITY FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2014

(Stated in euros)

	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 for changes 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	-	-	-	27,792,194.36	-	1,856,866.26	29,649,060.62
II. Transactions with shareholders and owners	-	(11,358,412.10)	-	-	-	-	(11,358,412.10)
1. Equity issues	-	-	-	-	-	-	-
2. Shares cancelled	-	-	-	-	-	-	-
3. Conversion of financial liabilities	-	-	-	-	-	-	-
4. Dividend distribution	-	(11,358,412.10)	-	-	-	-	(11,358,412.10)
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	-	-	-	-	-	-	-
3. Other changes	-	7,017,187.18	-	(7,017,187.18)	-	-	-
CLOSING BALANCE AT 30 JUNE 2014	48,837,600.00	58,040,697.34	(223,330.43)	27,792,194.36	-	1,009,611.85	135,456,733.13

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

STATEMENT OF CHANGES IN EQUITY FOR THE SIX MONTHS ENDED 30 JUNE 2014 AND 2013

(Stated in euros)

B) STATEMENT OF CHANGES IN EQUITY FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2013

(Stated in euros)

	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	(214,135.78)	26,172,944.61		(1,822,911.28)	120,540,942.60
Restatement for changes in accounting criteria	-	-	-	-	-	-	-
Restatement for prior-year errors	-	-	-	-	-	-	-
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	-	-	-	898,762.85	-	(649,599.76)	249,163.09
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	-	-	-	-	-	-	-
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 owners	-	(11,358,467.40)	-	-	-	-	(11,358,467.40)
III. Other changes in equity	-	26,172,944.61	-	(26,172,944.61)	-	-	-
1. Share-based payments	-	-	-	-	-	-	-
2. Transfers between equity headings	-	-	-	-	-	-	-
3. Other changes	-	26,172,944.61	-	(26,172,944.61)	-	-	-
CLOSING BALANCE AT 30 JUNE 2013	48,837,600.00	62,381,922.26	(223,330.43)	898,762.85	-	(2,472,511.04)	109,422,443.64

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

**STATEMENTS OF CASH FLOWS FOR THE SIX MONTHS ENDED 30 JUNE 2014 AND
30 JUNE 2013**

(Stated in euros)

	Six months ended 30/06/2014	Six months ended 30/06/2013
CASH FLOWS USED IN OPERATING ACTIVITIES	<u>(1,806,344.22)</u>	<u>(30,577.27)</u>
Profit before tax	27,792,194.36	898,762.85
Adjustments for non-cash income and expenses:	<u>(28,847,611.64)</u>	<u>(2,815,827.89)</u>
Other adjustments	(28,847,611.64)	(2,815,827.89)
Working capital adjustments	<u>(788,268.72)</u>	<u>1,818,331.48</u>
Other cash flows from operating activities	<u>37,341.80</u>	<u>68,156.29</u>
Interest paid	(6,559.97)	-
Dividends received	-	-
Interest received	43,901.77	68,156.29
Income tax receipts (payments)	-	-
Other cash received from (paid on) operating activities	-	-
CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES	<u>15,547,167.00</u>	<u>(8,793,571.29)</u>
Purchase for investments	<u>(2,340,895.35)</u>	<u>(14,216,015.83)</u>
Group companies, associates and business units	(2,340,895.35)	(14,216,015.83)
Property and equipment, intangible assets and investment property	-	-
Other financial assets	-	-
Other assets	-	-
Proceeds from disposals	<u>17,888,062.35</u>	<u>5,422,444.54</u>
Group companies, associates and business units	17,888,062.35	5,422,444.54
Property and equipment, intangible assets and investment property	-	-
Other financial assets	-	-
Other assets	-	-
CASH USED IN FINANCING ACTIVITIES	<u>-</u>	<u>(9,194.65)</u>
Proceeds from and payments for equity instruments	<u>-</u>	<u>(9,194.65)</u>
Issuance	-	-
Cancellation	-	-
Acquisition	-	(9,194.65)
Disposal	-	-
Grants, donations and bequests received	-	-
Proceeds from and repayment of financial liabilities	<u>-</u>	<u>-</u>
Issuance	-	-
Repayment and amortisation	-	-
Dividends and payments on other equity instruments	<u>-</u>	<u>-</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>13,740,822.80</u>	<u>(8,833,343.21)</u>
Cash and cash equivalents, opening balance	21,648,808.28	49,072,210.21
Cash and cash equivalents, closing balance	35,389,631.08	40,238,867.00

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

EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 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 25/2005 (24 November 2005), regulating private equity entities and their management firms, 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 N más1 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 N+1 Mercapital, which in turn belongs to the N más1 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.

On 6 August 2002, the Management Company entered into a co-investment agreement with N más1 Private Equity International Limited (formerly called N más1 Private Equity Jersey Limited), as General Partner of N más1 Private Equity Fund, L.P. (hereinafter, the Fund), which advises N Más Uno Advisor, S.A. (an N más1 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.

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

EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2014

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 pledged that:

- The investments made jointly would be arranged so that both parties were subject to the same rights, obligations, interests and restrictions, in keeping with the above percentages, and the investments would be made simultaneously. The agreement specifically stipulated that Dinamia's and the N+1 II Fund's investments need not be identically structured.
- All of the costs deriving from such joint investments would be allocated in proportion to each party's respective investment interest.
- The sale of any investments made jointly would also be undertaken jointly and on the same terms and conditions for both parties, unless both Dinamia and the N+1 II Fund expressly waived compliance with this stipulation, insofar as the exit were advisable for one of the parties and did not significantly harm the other.

Elsewhere, article 18 of Spanish Law 25/2005 (24 November 2005) 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.

The Company complies with these requirements at the reporting date as it had assigned a portion of its profit-participating loans to its eligible percentage of discretionary investments, as permitted under

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

EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2014

article 21 of Law 25/2005.

Article 22 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 complies with these requirements at the reporting date as it had not exceeded the investment thresholds stipulated in article 22 of Law 25/2005.

These condensed interim financial statements have been subjected to a limited review but have not been audited.

2. Basis of preparation

a) Fair presentation

The accompanying condensed interim separate financial statements for the six-month period ended 30 June 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). There were authorised for issue by the Company's Board of Directors at its meeting of 15 July 2014.

The condensed separate interim 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. As a result, it has not been 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.

c) Key sources of estimation uncertainty

Preparation of this condensed interim 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 5) 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 2013 annual financial statements.

d) Changes in accounting policies

The Company did not change any of its accounting policies during the six-month period ended 30 June 2014.

e) Changes in accounting estimates

Although the accounting estimates used were made on the basis of the best information available at 30

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

EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2014

June 2013, 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) Comparative information

In 2006, the Bodybell Group completed an organisational and financial restructuring process which entailed the cancellation of the financing available to this investee up until then and the execution of a new financing agreement. As a result of this transaction, Dinamia recovered €17,220,429.90 (after-tax) of its upfront investment through an intragroup transaction.

Since then, the Company had been presenting the amount received under this transaction within liabilities, specifically 'Other non-current liabilities', as deferred income pending recognition when this transaction is realised with third parties.

Note in this respect the following trend in this investment, which has been valued at close to zero since 2008:

Carrying amount at 28/12/2006 (equity investment and PP loans)	<u>24,402,755.09</u>
Amounts collected as part of the 2006 refinancing	(22,575,000.00)
Additions to profit-participating loans (*)	5,074,352.00
Additions to accrued interest on profit-participating loans	15,195,634.12
Impairment charges recognised	(22,074,168.54)
Balance at 31 December 2013	<u>23,572.67</u>
(*) Net of capitalised amounts	

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

EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2014

a) Fair value of financial instruments

The Company invests in unlisted equity instruments so that there are not market prices for the financial assets recognised on its balance sheet. Management of risk in relation to unlisted investees is achieved primarily through portfolio diversification and ongoing monitoring of the main business and financial drivers affecting the unlisted companies in the investment portfolio. However, a series of checks are performed prior to investing in unlisted companies, including the commissioning of independent expert reports and opinions on the companies under analysis and their business environments.

As a general rule, the fair value of the Company's financial instruments (investments in companies and profit-participating loans) is determined using the criteria recommended by the European Venture Capital Association (EVCA) for valuing the companies comprising a private equity portfolio.

Given the uncertainty intrinsic to estimating fair value for private equity investments, the EVCA urges in its valuation principles that valuers exercise due caution.

b) Credit risk

Credit risk is a possible loss as a result of the total or partial breach by the Company's debtors or counterparties of their financial obligations to it. Given the nature of the Company's core business, credit risk is primarily accounted for by the credit claims recognised on the asset side of its balance sheet in respect of profit-participating loans extended to investees, whose fair value is estimated using the above criteria. Individual credit limits are set by the Company's Board of Directors.

c) Liquidity risk

In order to ensure ongoing liquidity and the ability to service all the payment commitments arising from its business operations, the Company holds the balances of cash and cash equivalents shown on the balance sheet.

d) Interest rate risk

Interest rate risk derives mainly from the profit-participating loans extended by the Company to its equity investees.

e) Operational risk

Given its business activity and internal organisational structure, the Company is not exposed to material risks as a result of unexpected events or errors related to its internal operations.

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

EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2014

5. Non-current financial assets

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

	<u>30/06/2014</u>	<u>30/06/2013</u>
Equity instruments	11,716,566.44	10,565,175.77
Private equity investees	-	1,065,295.46
Other entities	11,716,566.44	9,499,880.31
Loans to companies	603,793.40	558,807.97
Other financial assets	-	-
	<u>12,320,359.84</u>	<u>11,123,983.74</u>

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

Additional disclosures at 30 June 2014:

	30 June 2014			
	Opening balance (*)	Valuation adjustments	Impairment provisions	Total
Unlisted shares	-	-	-	-
Private equity investees	-	-	-	-
Other	-	-	-	-
Listed shares	-	-	-	-
Private equity investees	-	-	-	-
Other	-	-	-	-
Loans to companies	603,793.40	-	-	603,793.40
Collective investment undertakings	-	-	-	-
Private equity firms	9,854,112.81	1,862,453.62	-	11,716,566.43
Spanish	-	-	-	-
International	9,854,112.81	1,862,453.62	-	11,716,566.43
	<u>10,457,906.21</u>	<u>1,862,453.62</u>	<u>-</u>	<u>12,320,359.83</u>

The opening balance corresponds to the carrying amount at 31 December 2013.

The difference between the amount presented under 'Measurement adjustments in equity – Available-for-sale financial assets' (€1,859,429.36) and that shown in the table above as 'Valuation adjustments' corresponds to the tax effect of the capital loss implied by the valuation dated 30 June 2014, in the amount of €3,024.26, which has been recognised as a deferred tax asset.

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

EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2014

The investment in 'Private equity firms – International' corresponds to the contributions made to Electra Partners Club 2007, Lp. The Company has committed to invest GBP10 million in this entity. At 30 June 2014, 98% of this commitment had been met. This is the Company's only investment denominated in foreign currency.

On 14 February 2014, Dinamia received its first distribution from Electra Partners Club 2007 LP (the Fund) as a result of the repayment of a loan in the wake of the refinancing of this Fund's investee, Nuaire. Nuaire was acquired in December 2007 and is a leading maker and distributor of ventilation systems for offices and residences in the UK. The fund received £7.5 million, thereby recovering 63% of the cost of its investment in Nuaire. For Dinamia this event means the repayment of £1,035 thousand (€1,260 thousand) of capital contributions, which is equivalent to 10% of the amount contributed to the Fund to date.

The equivalent breakdown at 30 June 2013:

	30 June 2013			
	Opening balance (*)	Valuation adjustments	Impairment provisions	Total
Unlisted shares	-	-	-	-
Private equity investees	-	-	-	-
Other	-	-	-	-
Listed shares	1,096,627.68	(31,332.22)	-	1,065,295.46
Private equity investees	1,096,627.68	(31,332.22)	-	1,065,295.46
Other	-	-	-	-
Loans to companies	558,807.97	-	-	558,807.97
Collective investment undertakings	-	-	-	-
Private equity firms	11,964,178.99	(2,464,298.68)	-	9,499,880.31
Spanish	-	-	-	-
International	11,964,178.99	(2,464,298.68)	-	9,499,880.31
	<u>13,619,614.64</u>	<u>(2,495,630.90)</u>	-	<u>11,123,983.74</u>

(*) The opening balance corresponds to the carrying amount at 31 December 2012.

The difference between the amount presented under 'Measurement adjustments in equity – Available-for-sale financial assets' (a negative entry of €2,472,511.04) and that shown in the table above as 'Valuation adjustments' corresponds to the tax effect of the capital loss implied by the valuation dated 30 June 2013, in the amount of €7,453.75, which has been recognised as a deferred tax asset.

The investment in 'Private equity firms – International' corresponds to the contributions made to Electra Partners Club 2007, Lp. The Company has committed to invest GBP10 million in this entity. At 30 June 2013, 98% of this commitment had been met. This is the Company's only investment denominated in foreign currency.

The reconciliation of the opening and closing balances of 'Non-current financial investments – Equity instruments' at 30 June 2014 is shown below:

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

EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2014

	<u>31/12/2013</u>	<u>Additions</u>	<u>Derecognitions</u>	<u>Change in fair value</u>	<u>Impairment charges</u>	<u>30/06/2014</u>
Unlisted shares - Arco Bodegas Unidas	-	-	-	-	-	-
Listed shares - Nicolás Correa, S.A.	1,096,627.68	-	(4,914,829.33)	(15,666.11)	3,833,867.76	-
Loans to companies - Seguribérica	603,793.40	-	-	-	-	603,793.40
Private equity firms - Electra Partners Club 2007, LP (*)	<u>11,114,361.28</u>	<u>-</u>	<u>(1,260,248.47)</u>	<u>1,862,453.62</u>	<u>-</u>	<u>11,716,566.43</u>
	<u>12,814,782.36</u>	<u>-</u>	<u>(6,175,077.80)</u>	<u>1,846,787.51</u>	<u>3,833,867.76</u>	<u>12,320,359.83</u>

(*) Most recent data available dated 31 March 2014

The reconciliation of the opening and closing balances of 'Non-current financial investments – Equity instruments' at 30 June 2013 is shown below:

	<u>31/12/2012</u>	<u>Additions</u>	<u>Derecognitions</u>	<u>Change in fair value</u>	<u>30/06/2013</u>
Unlisted shares - Arco Bodegas Unidas	-	-	-	-	-
Listed shares - Nicolás Correa, S.A.	1,096,627.68	-	-	(31,332.22)	1,065,295.46
Loans to companies - Seguribérica	558,807.97	-	-	-	558,807.97
Private equity firms - Electra Partners Club 2007, LP	<u>8,230,330.84</u>	<u>1,889,771.68</u>	<u>-</u>	<u>(620,222.21)</u>	<u>9,499,880.31</u>
	<u>9,885,766.49</u>	<u>1,889,771.68</u>	<u>-</u>	<u>(651,554.43)</u>	<u>11,123,983.74</u>

On 27 March 2013, Dinamia contributed €1,889,771.68 to Electra Partners Club 2007, LP to finance the acquisition of an interest in UBM Data Services and cover its share of the fund's expenses to 30 September 2013.

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

EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2014

6. Non-current investments in group companies and associates

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

	<u>30/06/2014</u>	<u>30/06/2013</u>
Equity instruments	46,485,511.32	36,025,146.68
Private equity investees	46,485,511.32	36,025,146.68
Other entities	-	-
Loans to companies	64,641,079.74	65,352,478.12
	<u>111,126,591.06</u>	<u>101,377,624.80</u>

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

The loans extended to associates mature between 2013 and 2025.

a) Equity instruments

The reconciliation of the year-end 2013 and 30 June 2014 balances comprising this heading is as follows:

	<u>31/12/2013</u>	<u>Additions</u>	<u>Derecognitions</u>	<u>30/06/2014</u>
Unlisted securities	107,655,209.68	4,787,542.74	(6,939,591.06)	105,503,161.36
Provision for impairment	(63,683,375.38)	-	4,665,725.34	(59,017,650.04)
	<u>43,971,834.30</u>	<u>4,787,542.74</u>	<u>(2,273,865.72)</u>	<u>46,485,511.32</u>
	<u>31/12/2012</u>	<u>Additions</u>	<u>Derecognitions</u>	<u>30/06/2013</u>
Unlisted securities	88,229,016.19	11,501,687.56	-	99,730,703.75
Provision for impairment	(63,705,557.07)	-	-	(63,705,557.07)
	<u>24,523,459.12</u>	<u>11,501,687.56</u>	<u>-</u>	<u>36,025,146.68</u>

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

EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2014

The same reconciliation is provided below at the individual company level for the six months ended 30 June 2014:

Unlisted securities	<u>31/12/2013</u>	<u>Additions</u>	<u>Derecognitions</u>	<u>30/06/2014</u>
Alcad, S.L.	9,847,496.00	-	-	9,847,496.00
Colegios Laude, S.L.	4,015,960.00	-	(4,015,960.00)	-
Colegios Laude II, S.L.	369,471.00	-	-	369,471.00
The Beauty Bell Chain, S.L.	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 Holding 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.A.	4,310,826.18	-	(2,846,538.42)	1,464,287.76
Tamsi Spain, S.L.	7,718,392.50	-	-	7,718,392.50
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	-	-	742.50
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	4,787,542.74	(6,939,591.06)	105,503,161.36
Alcad, S.L.	(9,847,496.00)	-	-	(9,847,496.00)
Colegios Laude, S.L.	(4,015,960.00)	-	4,015,960.00	-
Colegios Laude II, S.L.	(369,471.00)	-	-	(369,471.00)
High Tech Hotels & Resorts, S.L.	(10,446,831.96)	-	-	(10,446,831.96)
The Beauty Bell Chain, S.L.	(13,523,177.05)	-	-	(13,523,177.05)
Xanit Health Care Management, S.L.	(8,153,688.18)	-	649,765.34	(7,503,922.84)
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 losses	(63,683,375.38)	-	4,665,725.34	(59,017,650.04)
	43,971,834.30	4,787,542.74	(2,273,865.72)	46,485,511.32

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

EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2014

Rymsa S.A. was subject to a split-off in 2013. The receiving company was Rymsa, S.L. As a result, the Company's investment in Rymsa S.A. decreased and its investment in Rymsa RF, S.L. increased by the same amount.

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.

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.

The same reconciliation is provided below at the individual company level for the six months ended 30 June 2013:

Unlisted securities	31/12/2012	Additions	Derecognitions	30/06/2013
Alcad, S.L.	9,847,496.00	-	-	9,847,496.00
Colegios Laude, S.L.	4,015,960.00	-	-	4,015,960.00
Colegios Laude II, S.L.	369,471.00	-	-	369,471.00
The Beauty Bell Chain, S.L.	13,409,789.70	-	-	13,409,789.70
Xanit Health Care Management, S.L.	8,153,688.18	-	-	8,153,688.18
High Tech Hotels & Resorts, S.L.	11,331,349.08	-	-	11,331,349.08
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 Holding 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
	<u>88,229,016.19</u>	<u>11,501,687.56</u>	-	<u>99,730,703.75</u>

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

EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2014

Impairment charges	31/12/2012	Additions	Derecognitions	30/06/2013
Alcad, S.L	(9,847,496.00)	-	-	(9,847,496.00)
Colegios Laude, S.L.	(4,015,960.00)	-	-	(4,015,960.00)
Colegios Laude II, S.L.	(369,471.00)	-	-	(369,471.00)
High Tech Hotels & Resorts, S.L.	(11,331,349.08)	-	-	(11,331,349.08)
The Beauty Bell Chain, S.L.	(13,409,789.70)	-	-	(13,409,789.70)
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)	-	-	(12,369,053.11)
	(63,705,557.07)	-	-	(63,705,557.07)

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 Global Abbasi, S.L., the special-purpose vehicle used to structure its investment in Probos – Plásticos, S.A. (the “Probos Group”), on 31 January 2013. Dinamia acquired a 24.29% shareholding for an investment of €10,650,430.00. 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 an additional €849,772.56 of equity into Probos – Plásticos, S.A., again through Global Abbasi, S.L., on 3 April 2013. This additional investment lifted Dinamia’s indirect equity interest in Probos – Plásticos, S.A. to 24.34%.

b) Loans to companies

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

	30/06/2014	30/06/2013
Profit-participating loans		
To private equity investees		
Face value	51,199,873.64	66,177,851.52
Accrued interest	37,875,421.81	44,569,611.38
Impairment charges	(24,434,215.72)	(62,615,413.88)
Other loans extended to private equity investees	-	-
	64,641,079.73	48,132,049.02

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

EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2014

The reconciliation of the year-end 2013 and 30 June 2014 balances of 'Non-current investments in group companies and associates - Loans to companies' is shown below:

Opening balance at 31 December 2013	<u>54,995,685.31</u>
Additions to face value of profit-participating loans	406,451.00
Decreases in face value of profit-participating loans	(17,676,371.42)
Additions to accrued interest on profit-participating loans	4,462,152.42
Decreases in accrued interest on profit-participating loans	(9,000,986.64)
Impairment charges recognised	(1,821,731.62)
Impairment charges derecognised	<u>33,276,776.12</u>
Balance at 30 June 2014	<u>64,641,079.73</u>

The reconciliation of the year-end 2012 and 30 June 2013 balances of 'Non-current investments in group companies and associates - Loans to companies' is shown below:

Opening balance at 31 December 2012	<u>50,181,064.16</u>
Additions to face value of profit-participating loans	609,677.00
Decreases in face value of profit-participating loans	(3,682,168.00)
Additions to accrued interest on profit-participating loans	4,271,480.58
Decreases in accrued interest on profit-participating loans	(1,740,276.54)
Impairment charges recognised	(1,507,728.18)
Impairment charges derecognised	<u>-</u>
Balance at 30 June 2013	<u>48,132,049.02</u>

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

EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2014

The breakdown of the loans extended to investees by the Company and the movements therein between year-end 2013 and 30 June 2014 are shown in the table below:

	<u>31/12/2013</u>	<u>Additions</u>	<u>Derecognitions</u>	<u>Accrued interest receivable</u>	<u>30/06/2014</u>
The Beauty Bell Chain, S.L.	8,574,564.16	-	-	1,821,731.62	10,396,295.78
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	(895.44)	-	23,427,405.00
MBA Incorporado, S.L.	29,607,965.38	-	-	2,029,718.44	31,637,683.82
Colegios Laude II, S.L.	1,588,626.81	-	-	-	1,588,626.81
Lata Lux Holding 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	-	-	457,744.46	8,038,587.26
Total investment	110,884,945.53	406,451.00	(26,678,253.50)	4,462,152.42	89,075,295.45
The Beauty Bell Chain, S.L.	(8,574,564.16)	-	-	(1,821,731.62)	(10,396,295.78)
Colegios Laude, SL	(18,046,369.78)	-	18,046,369.78	-	-
Colegios Laude II, SL	(1,588,626.81)	-	1,537,403.65	-	(51,223.16)
Grupo Gestión Integral Novolux Internacional, S.L.	(13,986,696.78)	-	-	-	(13,986,696.78)
Xanit Health Care Management, S.L.	(13,693,002.69)	-	13,693,002.69	-	-
Total impairment losses	(55,889,260.22)	-	33,276,776.12	(1,821,731.62)	(24,434,215.72)
	54,995,685.31	406,451.00	6,598,522.62	2,640,420.80	64,641,079.73

On 17 January 2014, Dinamia, along with the other shareholders in Xanit, made an additional equity injection into the latter 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.

Dinamia agreed and 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.

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 €2,889 thousand. Collection of €875 thousand of the acquisition price has been deferred. The deal terms also envisage an additional bonus payment of up to €875 thousand conditional upon certain events, receipt of which would increase the price fetched by Dinamia on this sale.

The company sold owned the schools based in Spain. Accordingly, the school operated in the UK (Bredon School) falls outside the scope of the transaction. Dinamia is staying on as this school's shareholder through its investment in Colegios Laude II, S.L.

The breakdown of the loans extended to investees by the Company and the movements therein between year-end 2012 and 30 June 2013 are shown in the table below:

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

EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2014

	<u>31/12/2012</u>	<u>Additions</u>	<u>Derecognitions</u>	<u>Accrued interest receivable</u>	<u>30/06/2013</u>
The Beauty Bell Chain, S.L.	5,557,690.49	-	-	1,507,728.18	7,065,418.67
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	-	-	1,580,406.02	27,712,174.79
Colegios Laude II, S.L.	1,588,626.81	-	-	-	1,588,626.81
Lata Lux Holding Holding S.a.r.l.	9,711,101.93	-	(5,422,444.54)	450,378.84	4,739,036.23
Tamsi Spain, S.L.	6,433,054.26	-	-	732,967.54	7,166,021.80
Total investment	107,374,033.50	609,677.00	(5,422,444.54)	4,271,480.58	106,832,746.54
The Beauty Bell Chain, S.L.	(5,534,117.82)	(1,507,728.18)	-	-	(7,041,846.00)
Colegios Laude, S.L.	(16,819,862.78)	-	-	-	(16,819,862.78)
Colegios Laude II, S.L.	(1,588,626.81)	-	-	-	(1,588,626.81)
Grupo Gestión Integral Novolux Internacional, S.L.	(13,986,696.78)	-	-	-	(13,986,696.78)
Xanit Health Care Management, S.L.	(19,263,665.15)	-	-	-	(19,263,665.15)
Total impairment losses	(57,192,969.34)	(1,507,728.18)	-	-	(58,700,697.52)
	50,181,064.16	(898,051.18)	(5,422,444.54)	4,271,480.58	48,132,049.02

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. As a result of this transaction, Dinamia received total proceeds of €5,422 thousand, thereby recouping 65% of the amount earmarked for investment in the Mivisa Group just two years on from the initial outlay.

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

EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2014

On 27 June 2013, Dinamia, along with the other shareholders in Xanit, made an additional equity injection into the latter in the form of a profit participating 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. Dinamia invested €610 thousand. This transaction positions Xanit as an oncology benchmark at the national level and the leading provider of radiation therapy services in the province of Malaga, while expanding the pool of potential patients for its other specialties to the city of Malaga.

All the loans extended to investees have been arranged in euros.

At 30 June 2013 the Company recognised an impairment loss (€1,507,728.18) on all of the interest accrued during the first half on the profit participating loans extended by the it to The Beauty Bell Chain, S.L. This loss was recognised within 'Impairment and losses on financial assets' in the income statement.

7. Cash and cash equivalents

The breakdown of this heading in the accompanying balance sheet at 30 June 2014 and 30 June 2013 is as follows:

	<u>30/06/2014</u>	<u>30/06/2013</u>
Demand deposits in current accounts at banks	7,380,845.10	13,238,101.85
Acquisition of assets under repurchase agreements	28,008,785.98	27,000,765.15
	<u>35,389,631.08</u>	<u>40,238,867.00</u>

The changes underpinning the movement in the Company's liquidity position between year-end 2013 and 30 June 2014 are detailed in the statement of cash flows.

At 30 June 2014, the finance income accrued on the repo instruments and current accounts held by the Company amounted to €4,346.96 and €598.67, respectively (note 11).

At 30 June 2013, the finance income accrued on the repo instruments and current accounts held by the Company amounted to €52,538.54 and €15,617.75, respectively (note 11).

8. Capital and reserves

The movements in the Company's equity during the six-month period ended 30 June 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 11 June 2014. This dividend had yet to be paid at 30 June 2014 and was recognized under 'Current payables'.

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

EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2014

9. Non-current payables

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

The change in this heading during the six months ended 30 June 2014 was as follows:

	<u>31/12/2013</u>	<u>Additions</u>	<u>Derecognitions</u>	<u>Euros</u> <u>30/06/2014</u>
Performance fee	12,670,545.34	4,130,463.82	(3,986,301.30)	12,814,707.86
	12,670,545.34	4,130,463.82	(3,986,301.30)	12,814,707.86

The change in this heading during the six months ended 30 June 2013 was as follows:

	<u>31/12/2012</u>	<u>Additions</u>	<u>Derecognitions</u>	<u>Euros</u> <u>30/06/2013</u>
Performance fee	13,184,400.32	-	-	13,184,400.32
	13,184,400.32	-	-	13,184,400.32

The addition recognised in the six-month period ended 30 June 2014 corresponds to the investment portfolios articulated in 2007 and 2011 (Lata Lux Holding Parent S.à r.l. (Mivisa) and Xanit Health Care Management, S.L., respectively).

The amounts derecognised in the six-month period ended 30 June 2014 correspond to the investment portfolios articulated in 2003, 2004 and 2005 in the wake of the terms of the refinancing agreement arranged in 2014 for High Tech Hotels & Resorts, S.L.

10. Other operating income / (expense)

The breakdown of the operating expenses shown in the income statements for the six-month periods ended 30 June 2014 and 30 June 2013 is as follows:

	<u>30/06/2014</u>	<u>30/06/2013</u>
Fees and commissions paid	1,197,140.21	1,258,311.76
Fixed management fee	1,052,977.69	1,258,311.76
Performance fee	144,162.52	-
	-	-
Other fees and expenses	-	-
Other operating expenses	730,204.18	658,753.28
Total operating expenses	1,927,344.39	1,917,065.04

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

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

EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2014

- 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 1H14 this respect was €1,052,977.69).
- 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.

'Other operating expenses' in the six-months ended 30 June 2014 and 30 June 2013 correspond mainly to external services and remuneration paid to the members of the Company's Board of Directors and Audit Committee.

11. Finance income and net gain/(loss) on disposals

The breakdown of these income statement headings for the six-month periods ended 30 June 2014 and 30 June 2013 is as follows:

	<u>30/06/2014</u>	<u>30/06/2013</u>
Finance income	4,815,664.76	4,339,636.07
Repurchase agreements	43,303.10	52,538.54
Current accounts	598.67	15,617.75
Investee loans	4,506,242.41	4,271,479.78
Dividends received	265,520.58	-
Net gain/(loss) on disposal of financial assets	<u>12,382,837.58</u>	<u>(214,879.59)</u>

The main components of the net gain on the sale of financial assets in the first half of 2014: (i) €2,050,700.95 received upon release of the escrow account and the derecognition of provisions recognised in connection with the sale of ZIV; (ii) a €9,150,829.45 gain on the sale of the investment in Lata Lux Company S.a.r.l.; and (iii) a €1,181,307.18 gain generated by the sale of Colegios Laude, S.L. as a result of the reversal of impairment provisions recognised in prior years.

The amount recognised in the first half of 2013 corresponded to the release of a €198,799.59 escrow account to the buyer of Única. This payment had been provisioned when the escrow account was first set up and the loss was therefore offset by credit to 'Overprovisions'. The remaining €16,080.00 loss related to losses associated with prior-year disposals.

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 Director during the six-month period ended 30 June 2014 totalled €172,805.14.

Dinamia's directors did not receive any other benefits during first half of 2014.

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

EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2014

The remuneration received by the Company's Directors in their capacity as members of the Board of Director during the six-month period ended 30 June 2013 totalled €195,405.91.

Dinamia's directors did not receive any other benefits during first half of 2013.

13. Events after the balance sheet date

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 has sold its entire 33.7% shareholding in Xanit Group along with the profit participating loans it had extended to the company.

In all, Dinamia obtained €24.1 million from the sale of Xanit Group, which is €14.4 million (€0.90 per share) above the investment's last reported NAV (as of March 2014). Moreover, this sum could increase by up to €0.6 million subject to delivery of certain conditions agreed in the purchase agreement.

On 15 July 2014, executing the resolution ratified at the Annual General Meeting of 11 June 2014, the Company distributed a dividend of €0.70 per share, for a total payout of €11,358 thousand, which was charged against the share premium account.

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

INTERIM MANAGEMENT REPORT

I. Performance in 2013

According to ASCRI, the Spanish private equity association, in collaboration with Webcapitalriesgo.com, the sector recovery initiated during the second half of 2013 continued in the first half of 2014, when investment volumes totalled €1.2 billion, implying year-on-year growth of 132%.

Note that 90% of the transactions closed were equity investments of less than €5 million, showing that the companies receiving private equity investments were in their vast majority SMEs at the start-up and growth phases. There were 13 transactions totalling €253 million in the mid-market segment (transaction size: €10 - €100 million). There were just three investments of over €100 million, all of them made by international funds.

Of the total amount invested, 73.4% came from international funds (16 transactions), while the rest (26.6%) was put in by Spanish funds (448 transactions).

From a sector perspective, the categories receiving the most funds were: consumer products (41%), hospitality & leisure (18%) and energy and natural resources (13%). The sectors garnering the highest transaction numbers were IT, industrial products & services and consumer products.

After two years of low investment volumes, in 1H14, investment in growth companies rose 45% (€495.5m); seed and start-up investments accounted for 36% of total transactions but just 2.5% of funds invested. Note that there were seven LBOs which accounted for 36% of funds invested.

On the disposal front, volumes were high in 1Q14 at €1.44 billion, over twice the amount recorded in 2013 (€593 million). There were a total of 143 exits. 'Trade sales' were the most common exit mechanism used (48.9%), followed by 'IPOs' (32.3%) and 'Sales to other private equity firms' (8.4%), to coin ASCRI nomenclature.

Fund-raising was the best-performing sector metric in 1H14, surging 315% year-on-year. In all, the sector raised €2.13 billion, 54% of which was raised by private Spanish players, 41% consisted of international funds earmarking their funds to investments in Spain and the rest (5%) was accounted for by public sector players.

The public fund of funds, FOND-ICO Global, injected a total of €437 million, out of an overall investment budget of €1.2 billion, into 14 different private equity funds.

As for the Company's business performance during the first half of the year, on 17 January 2014, Dinamia, along with the other shareholders in Xanit, made an additional injection into the latter 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.

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

INTERIM MANAGEMENT REPORT

On 14 February 2014, Dinamia received its first distribution from Electra Partners Club 2007 LP (the Fund) as a result of the repayment of a loan in the wake of the refinancing of this Fund's investee, Nuairé. Nuairé was acquired in December 2007 and is a leading maker and distributor of ventilation systems for offices and residences in the UK. The fund received £7.5 million, thereby recovering 63% of the cost of its investment in Nuairé. For Dinamia this event means the repayment of £1,035 thousand (€1,260 thousand) of capital contributions, which is equivalent to 10% of the amount contributed to the Fund to date.

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 the Mivisa facility 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.

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's investment amounted to €1,192 thousand.

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.

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's investment amounted to €743 thousand.

Dinamia agreed and 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.

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 €2,889 thousand. Collection of €875 thousand of the acquisition price has been deferred. The deal terms also envisage an additional bonus payment of up to €875 thousand conditional upon certain events, receipt of which would increase the price fetched by Dinamia on this sale.

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

INTERIM MANAGEMENT REPORT

The company sold owned the schools based in Spain. Accordingly, the school operated in the UK (Bredon School) falls outside the scope of the transaction. Dinamia is staying on as this school's shareholder through its investment in Colegios Laude II, S.L.

II. Outlook

The ongoing recovery of the Spanish economy underpinned gradual and continued recovery in private equity volumes during the first half. This positive trend is expected to continue during the second half.

The same can be said of exit volumes. There is growing appetite on the part of financial and strategic investors in the companies held by private equity firms in Spain and we expect this interest to continue.

Momentum in investment volumes, coupled with the interest being shown by international investors in Spain and the impetus provided by the latest tender calls by Fond-ICO Global, foreshadow further growth in fund-raising by the non-public private equity players.

The Company has €24 million of cash (net of the dividend paid in July) for funding its investment activities.

III. Research and development expenditure

The Company did not earmark any money to research or development in the first half of 2014.

IV. Buyback of own shares

The Company did not buy or sell any own shares in the first half of 2014.

V. Events after the balance sheet date

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 has sold its entire 33.7% shareholding in Xanit Group along with the profit participating loans it had extended to the company.

In all, Dinamia obtained €24.1 million from the sale of Xanit Group, which is €14.4 million (€0.90 per share) above the investment's last reported NAV (as of March 2014). Moreover, this sum could increase by up to €0.6 million subject to delivery of certain conditions agreed in the purchase agreement.

On 15 July 2014, executing the resolution ratified at the Annual General Meeting of 11 June 2014, the Company distributed a dividend of €0.70 per share, for a total payout of €11,358 thousand, which was charged against the share premium account.

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

INTERIM MANAGEMENT REPORT

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.

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.