

ANNEX I

GENERAL

2nd

HALF-YEARLY FINANCIAL REPORT FOR FINANCIAL YEAR

2017

REPORTING DATE

31/12/2017

I. IDENTIFICATION DATA

Registered Company Name: ALANTRA PARTNERS, S.A.

Registered Address: Calle de Padilla, 17 - 28006

Tax Identification Number

A81862724

II. SUPPLEMENTARY INFORMATION TO PREVIOUSLY RELEASED PERIODIC INFORMATION

Explanation of key changes with respect to the information published for the previous period (only to be completed in the circumstances established in section B) of the instructions.

III. STATEMENT(S) BY THE PERSON(S) RESPONSIBLE FOR THE INFORMATION

To the best of our knowledge, the accompanying condensed annual financial statements, which have been prepared in accordance with applicable accounting principles, give a true and fair view of the assets, liabilities, financial position and profit or loss of the issuer, or of the undertakings included in the consolidated financial statements taken as a whole, and the interim management report includes a fair review of the information required.

Comments on the above statement(s): This six month financial report has been approved unanimously by the Board of Directors meeting of 26 February 2018, where all the directors attended, in person or dully represented. The directors Mr. Alfred M. Vinton and Mr, Ricardo Portabella Peralta, dully represented, have approved the financial report but, being abroad, have not signed it.

Person(s) responsible for this information: *In accordance with the power delegated by the board of directors, the board secretary certifies that the half -yearly financial report has been signed by the directors.*

Name/Company name	Position
D. Santiago Eguidazu Mayor	Chairman
D. Santiago Bergareche Busquet	Vice Chairman
D. José Javier Carretero Manzano	Director
D. Luis Carlos Croissier Batista	Director
D. Jorge Mataix Entero	Director
D. José Antonio Abad Zorrilla	Director
D ^a . María Garaña Corces	Director

Signing date of this six month financial report by the corresponding board of directors: | 02/26/2018

IV. SELECTED FINANCIAL INFORMATION

1. INDIVIDUAL BALANCE SHEET (PREPARED USING PREVAILING NATIONAL ACCOUNTING STANDARDS)

Units: Thousand euros

ASSETS		CURRENT P.	PREVIOUS P.
		31/12/2017	31/12/2016
A) NON-CURRENT ASSETS	0040	130,992	117,416
1. Intangible assets:	0030	167	29
a) Googwill	0031		
b) Other intangible assets	0032	167	29
2. Property, plant and equipment	0033	782	790
3. Investment property	0034		
4. Long-term investments in group companies and associates	0035	102,785	79,867
5. Long-term financial investments	0036	26,280	36,118
6. Deferred tax assets	0037	978	613
7. Other non-current assets	0038		
A) CURRENT ASSETS	0085	58,879	64,765
1. Non-current assets held for sale	0050		
2. Inventories	0055		
3. Trade and other receivables:	0060	32,805	27,436
a) Trade receivables	0061	27,984	14,347
b) Other receivables	0062	2,209	3,864
c) Current tax assets	0063	2,612	9,224
4. Short-term investments in group companies and associates	0064		
5. Short-term financial investments	0070	8,115	8,683
6. Prepayments for current assets	0071		
7. Cash and cash equivalents	0072	17,959	28,647
TOTAL ASSETS (A+B)	0100	189,871	182,181

EQUITY AND LIABILITIES		CURRENT P. 31/12/2017	PREVIOUS P. 31/12/2016
A) EQUITY (A.1+A.2+A.3)	0195	171,695	157,100
A.1) CAPITAL AND RESERVES	0180	172,603	157,944
1. Capital:	0171	111,518	106,611
a) Registered capital	0161	111,518	106,611
a) <i>Less: Uncalled capital</i>	0162		
2. Share premium	0172	94,138	92,062
3. Reserves	0173	(38,701)	(41,870)
4. <i>Less: Own shares and equity holdings</i>	0174	(1,138)	(1,138)
5. Prior periods' profit and loss	0178		
6. Other shareholders contributions	0179		
7. Profit (loss) for the period	0175	23,335	2,278
8. <i>Less: Interim dividend</i>	0176	(16,548)	
9. Other equity instruments	0177		
A.2) VALUATION ADJUSTMENTS	0188	(908)	-844
1. Available-for-sale financial assets	0181	(908)	-844
2. Hedging transactions	0182		
3. Other	0183		
A.3) GRANTS, DONATIONS AND BEQUESTS RECEIVED	0194		
B) NON-CURRENT LIABILITIES	0120	3,227	4,597
1. Long-term provisions	0115	535	1,587
2. Long-term debts:	0116	2,351	2,615
a) Debt with financial institutions and bonds and other marketable securities	0131	2,351	2,615
b) Other financial liabilities	0132		
3. Long-term payables to group companies and associates	0117		
4. Deferred tax liabilities	0118	341	395
5. Other non-current liabilities	0135		
6. Long-term accrual accounts	0119		
C) CURRENT LIABILITIES	0130	14,949	20,485
1. Liabilities associated with non-current assets held for sale	0121		
2. Short-term provisions	0122		
3. Short-term debts:	0123	3,652	
a) Bank borrowings and bonds and other negotiable securities	0133		
b) Other financial liabilities	0134	3,652	
4. Short-term payables to group companies and associates	0129	618	5,525
5. Trade and other payables:	0124	10,679	14,960
a) Suppliers	0125	3,060	3,175
b) Other payables	0126	6,337	11,786
c) Current tax liabilities	0127	1,283	
6. Other current liabilities	0136		
7. Current accrual accounts	0128		
TOTAL EQUITY AND LIABILITIES (A+B+C)	0200	189,871	182,181

IV. SELECTED FINANCIAL INFORMATION
3. INDIVIDUAL STATEMENT OF CHANGES IN EQUITY
INDIVIDUAL STATEMENT OF RECOGNISED INCOME AND EXPENSE (PREPARED USING PREVAILING NATIONAL ACCOUNTING STANDARDS)

Units.: Thousands euros

		CURRENT PERIOD 31/12/2017	PREVIOUS PERIOD 31/12/2016
A) PROFIT (LOSS) FOR THE PERIOD (from the profit and loss account)	0305	23,335	2,278
B) INCOME AND EXPENSE RECOGNISED DIRECTLY IN EQUITY	0310	(65)	(880)
1. From measurement of financial instruments:	0320	(86)	(1,173)
a) Available-for-sale financial assets	0321	(86)	(1,173)
b) Other income/(expenses)	0323		
2. From cash flow hedges	0330		
3. Grants, donations and bequests received	0340		
4. From actuarial gains and losses and other adjustments	0344		
5. Other income and expense recognised directly in equity	0343		
6. Tax effect	0345	22	293
C) TRANSFERS TO PROFIT OR LOSS	0350		
1. From measurements of financial instruments:	0355		
a) Available-for-sale financial assets	0356		
b) Other income/(expenses)	0358		
2. From cash flow hedges	0360		
3. Grants, donations and bequests received	0366		
4. Other income and expense recognised directly in equity	0365		
5. Tax effect	0370		
TOTAL RECOGNISED INCOME/(EXPENSE) (A+B+C)	0400	23,271	1,398

IV. SELECTED FINANCIAL INFORMATION
4. INDIVIDUAL STATEMENT OF CHANGES IN EQUITY (1/2)
INDIVIDUAL STATEMENT OF TOTAL CHANGES IN EQUITY (PREPARED USING PREVAILING NATIONAL ACCOUNTING STANDARDS)

Units.: Thousand euros

CURRENT PERIOD		Capital and reserves					Valuation adjustments	Grants, donations and bequests received	Total Equity
		Capital	Share premium and Reserves (1)	Treasury stock	Profit (loss) for the period	Other equity instruments			
Closing balance at 01/01/2017	3010	106,611	50,192	(1,138)	2,278		(844)	157,100	
Adjustments for changes in accounting policy	3011								
Adjustments for errors	3012								
Adjusted opening balance	3015	106,611	50,192	(1,138)	2,278		(844)	157,100	
I. Total recognised income/(expense)	3020				23,335		(65)	23,271	
II. Transactions with shareholders or owners	3025	4,907	(13,582)					(8,675)	
1. Capital increases/(reductions)	3026	4,907	15,267					20,174	
2. Conversion of financial liabilities into equity	3027								
3. Distribution of dividends	3028		(28,849)					(28,849)	
4. Net trading with treasury stock	3029								
5. Increases/(reductions) for business combinations	3030								
6. Other transactions with shareholders or owners	3032								
III. Other changes in equity	3035		2,278		(2,278)				
1. Equity-settled share-based payments	3036								
2. Transfers between equity accounts	3037								
3. Other changes	3038		2,278		(2,278)				
Closing balance at 31/12/2017	3040	111,518	38,888	(1,138)	23,335		(908)	171,695	

(1) The column of **Share Premium and Reserves**, for the purposes of completing this statement, includes the following balance sheet equity headings: 2. Share premium, 3. Reserves, 5. Profit or loss brought forward, 6. Other shareholder contributions and 8. Less Interim dividend

IV. SELECTED FINANCIAL INFORMATION

4. INDIVIDUAL STATEMENT OF CHANGES IN EQUITY (2/2)

INDIVIDUAL STATEMENT OF TOTAL CHANGES IN EQUITY (PREPARED USING PREVAILING NATIONAL ACCOUNTING STANDARDS)

Units.: Thousand euros

PERIODO ANTERIOR	Capital and reserves					Valuation adjustments	Grants, donations and bequests received	Total Equity
	Capital	Share premium and Reserves (1)	Treasury stock	Profit (loss) for the period	Other equity instruments			
Closing balance at 01/01/2016	3050	101,011	4,744	(460)	61,756	36	-	167,086
Adjustments for changes in accounting policy	3051						-	
Adjustments for errors	3052						-	
Adjusted opening balance	3055	101,011	4,744	(460)	61,756	36	-	167,086
I. Total recognised income/(expense)	3060				2,278	(880)	-	1,398
II. Transactions with shareholders or owners	3065	5,600	(16,307)	(678)			-	(11,384)
1. Capital increases/(reductions)	3066	5,600	9,125				-	14,725
2. Conversion of financial liabilities into equity	3067						-	
3. Distribution of dividends	3068		(25,432)				-	(25,432)
4. Net trading with treasury stock	3069			(678)			-	(678)
5. Increases/(reductions) for business combinations	3070						-	
6. Other transactions with shareholders or owners	3072						-	
III. Other changes in equity	3075		61,756		(61,756)		-	
1. Equity-settled share-based payments	3076						-	
2. Transfers between equity accounts	3077						-	
3. Other changes	3078		61,756		(61,756)		-	
Closing balance at 31/12/2016	3080	106,611	50,192	(1,138)	2,278	(844)	-	157,100

(1) The column of **Share Premium and Reserves**, for the purposes of completing this statement, includes the following balance sheet equity headings: 2. Share premium, 3. Reserves, 5. Profit or loss brought forward, 6. Other shareholder contributions and 8. Less Interim dividend

IV. SELECTED FINANCIAL INFORMATION

5. INDIVIDUAL STATEMENT OF CASH FLOW (PREPARED USING PREVAILING NATIONAL ACCOUNTING STANDARDS)

Units.: Thousand euros

		CURRENT PERIOD 31/12/2017	PREVIOUS PERIOD 31/12/2016
A) CASH FLOW FROM OPERATING ACTIVITIES (1+2+3+4)	0435	14,925	6,193
1. Profit (loss) before tax	0405	22,658	1,828
2. Adjustments to profit (loss):	0410	(1,424)	608
(+) Depreciation and amortisation charge	0411	206	171
(+/-) Other net adjustments to profit (loss)	0412	(1,630)	438
3. Changes in working capital	0415	(31,008)	(8,991)
4. Other cash flows from operating activities:	0420	24,699	12,748
(+) Interest paid	0421		
(+) Dividens received	0422	21,031	3,483
(+) Interest received	0423		
(+/-) Income tax recovered /(paid)	0430	3,732	(4,580)
(+/-) Other sums received/(paid) from operating activities	0425	(64)	13,845
B) CASH FLOWS FROM INVESTING ACTIVITIES (1+2)	0460	3,236	(35,261)
1. Payment for investments:	0440	(25,030)	(48,670)
(-) Group companies, associates and business units	0441	(16,831)	(7,510)
(-) Property, plant and equipment, intangible assets and investment property	0442	(335)	(34)
(-) Other financial assets	0443	(7,864)	(20,494)
(-) Other assets	0444		(20,632)
2. Proceeds from sale of investment:	0450	28,266	13,409
(+) Group companies, associates and business units	0451	7,529	14
(+) Property, plant and equipment, intangible assets and investment property	0452		
(+) Other financial assets	0453	8,180	3,128
(+) Other assets	0454	12,557	10,268
C) CASH FLOW FROM FINANCING ACTIVITIES (1+2+3)	0490	(28,849)	(14,707)
1. Sums received / (paid) in respect of equity instruments	0470		(678)
(+) Issuance	0471		
(-) Redemptions	0472		
(-) Acquisitions	0473		(678)
(+) Disposal	0474		
(+) Grants, donations and bequests received	0475		
2. Sums received/ (paid) in respect of financial liability instruments:	0480		2,616
(+) Issuance	0481		2,616
(-) Repayment and redemption	0482		
3. Payment of dividends and remuneration on other equity instruments	0485	(28,849)	(16,645)
D) EFFECT OF FOREIGN EXCHANGE RATE CHANGES	0492		
E) NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C+D)	0495	(10,688)	(43,775)
F) CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	0499	28,647	72,422
G) CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (E+F)	0500	17,959	28,647

COMPONENTS OF CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD

		CURRENT PERIOD 31/12/2017	PREVIOUS PERIOD 31/12/2016
(+) Cash on hand and at banks	0550	17,959	28,647
(+) Other financial assets	0552		
(-) Less: Bank overdrafts repayable on demand	0553		
TOTAL CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	0600	17,959	28,647

IV. SELECTED FINANCIAL INFORMATION

6. CONSOLIDATED BALANCE SHEET (ADOPTED IFRS) (1/2)

Units.: Thousand euros

ASSETS		CURRENT P.	PREVIOUS P.
		31/12/2017	31/12/2016
A) NON-CURRENT ASSETS	1040	126,378	103,839
1. Intangible assets:	1030	70,036	35,260
a) Goodwill	1031	68,765	34,034
b) Other intangible assets	1032	1,271	1,226
2. Property, plant and equipment	1033	3,127	2,356
3. Investment property	1034		
4. Investments accounted for using the equity method	1035	16,625	16,117
5. Non-current financial assets	1036	33,507	47,237
6. Deferred tax assets	1037	3,083	2,869
7. Other non-current assets	1038		
A) CURRENT ASSETS	1085	157,995	150,960
1. Non-current assets held for sale	1050		
2. Inventories	1055		
3. Trade and other receivables:	1060	44,155	40,005
a) Trade receivables	1061	41,727	26,538
b) Other receivables	1062	589	4,154
c) Current tax assets	1063	1,839	9,312
4. Other current financial assets	1070	8,473	8,683
5. Other current assets	1075	1,006	660
6. Cash and cash equivalents	1072	104,362	101,612
TOTAL ASSETS (A+B)	1100	284,373	254,799

IV. SELECTED FINANCIAL INFORMATION
6. CONSOLIDATED BALANCE SHEET (ADOPTED IFRS) (2/2)

Units.: Thousand euros

EQUITY AND LIABILITIES		CURRENT P. 31/12/2017	PREVIOUS P. 31/12/2016
A) EQUITY (A.1+A.2+A.3)	1195	207,701	189,862
A.1) CAPITAL AND RESERVES	1180	201,412	182,743
1. Capital:	1171	111,518	106,611
a) Registered capital	1161	111,518	106,611
a) <i>Less: Uncalled capital</i>	1162		
2. Share premium	1172	94,138	92,062
3. Reserves	1173	(16,787)	(39,850)
4. <i>Less: Own shares and equity holdings</i>	1174	(1,138)	(1,138)
5. Prior periods' profit and loss	1178		
6. Other shareholder contributions	1179		
7. Profit (loss) for the period attributable to the parent company	1175	30,230	25,057
8. <i>Less: Interim dividend</i>	1176	(16,548)	
9. Other equity instruments	1177		
A.2) ACCUMULATED OTHER COMPREHENSIVE INCOME	1188	194	3,616
1. Items that are not reclassified to profit or loss	1181	1,597	2,806
2. Hedging transactions	1182		
3. Translation differences	1184	(1,403)	810
4. Others	1183		
EQUITY ATTRIBUTABLE TO THE PARENT COMPANY (A.1+A.2)	1189	201,606	186,359
A.3) NON-CONTROLLING INTERESTS	1193	6,095	3,503
B) NON-CURRENT LIABILITIES	1120	14,943	15,732
1. Grants	1117		
2. Long-term provisions	1115	352	1,843
3. Long-term financial liabilities:	1116	12,141	11,970
a) Debt with financial institutions and bonds and other marketable securities	1131	2,343	2,616
b) Other financial liabilities	1132	9,798	9,354
4. Deferred tax liabilities	1118	2,030	1,917
5. Other non-current liabilities	1135	421	2
C) CURRENT LIABILITIES	1130	61,728	49,206
1. Liabilities associated with non-current assets held to sale	1121		
2. Short-term provisions	1122		
3. Short-term liabilities:	1123	4,736	1,257
a) Debt with financial institutions and bonds and other marketable securities	1133		
b) Other financial liabilities	1134	4,736	1,257
4. Trade and other payables:	1124	56,702	47,725
a) Suppliers	1125	7,451	5,667
b) Other payables	1126	45,838	40,149
c) Current tax liabilities	1127	3,413	1,909
5. Other current liabilities	1136	290	223
TOTAL EQUITY AND LIABILITIES (A+B+C)	1200	284,373	254,799

IV. SELECTED FINANCIAL INFORMATION
7. CONSOLIDATED PROFIT AND LOSS ACCOUNT (ADOPTED IFRS)

Units.: Thousand euros

		PRESENT CURR. PERIOD (2nd HALF YEAR)		PREVIOUS CURR. PERIOD (2nd HALF YEAR)		CURRENT CUMULATIVE 31/12/2017		PREVIOUS CUMULATIVE 31/12/2016	
		Amount	%	Amount	%	Amount	%	Amount	%
		(+) Revenue	1205	77,408	100.00	59,359	100.00	136,127	100.00
(+/-) Change in inventories of finished products and work in progress	1206								
(+) Own work capitalised	1207								
(-) Suppliers	1208								
(+) Other operating revenue	1209	11	0.01	43	0.07	14	0.01	43	0.05
(+) Personnel expenses	1217	(41,002)	(52.97)	(32,710)	(55.11)	(71,250)	(52.34)	(47,881)	(53.07)
(+) Other operating expenses	1210	(15,893)	(20.53)	(14,671)	(24.72)	(27,114)	(19.92)	(23,006)	(25.50)
(+) Depreciation and amortisation charge	1211	(474)	(.61)	(300)	(.51)	(825)	(0.61)	(490)	(0.54)
(+) Allocation of grants for non-financial assets and other grants	1212								
(+) Impairment and gain (loss) on disposal of fixed	1214		0.00	(26)	(0.04)			(26)	(.03)
(+/-) Other profit (loss)	1215		0.00				0.00		0.00
= OPERATING PROFIT	1245	20,050	25.90	11,694	19.70	36,952	27.15	18,859	20.90
(+) Finance income	1250	239	0.31	186	0.31	435	0.32	226	0.25
(-) Finance costs	1251	(37)	(.05)	(26)	(0.04)	(71)	(0.05)	(30)	(0.03)
(+/-) Changes in fair value of financial instruments	1252	260	0.34	2,493	4.20	260	0.19	2,493	2.76
(+/-) Exchange differences	1254	237	0.31	771	1.30	(498)	(0.37)	177	0.20
(+/-) Impairment and gain (loss) on disposal of financial instruments	1255	(669)	(0.86)	8,363	14.09	4,286	3.15	8,340	9.24
= NET FINANCE INCOME (COSTS)	1256	30	0.04	11,788	19.86	4,413	3.24	11,207	12.42
(+/-) Profit (loss) of equity-accounted investees	1253	1,699	2.20	1,694	2.85	3,347	2.46	2,520	2.79
= PROFIT (LOSS) BEFORE TAX	1265	21,779	28.14	25,176	42.41	44,712	32.85	32,586	36.12
(+/-) Income tax expenses	1270	(5,622)	(7.26)	(3,486)	(5.87)	(10,454)	(7.68)	(5,289)	(5.86)
= PROFIT (LOSS) FOR THE PERIOD FROM CONTINUING ACTIVITIES	1280	16,157	20.87	21,690	36.54	34,257	25.17	27,297	30.26
(+/-) Profit (loss) from discontinued operations, net of tax	1285								
= CONSOLIDATED PROFIT (LOSS) FOR THE PERIOD	1288	16,157	20.87	21,690	36.54	34,257	25.17	27,297	30.26
a) Profit (loss) for the period attributable to the parent company	1300	13,682	17.68	20,421	34.40	30,230	22.21	25,057	27.77
b) Profit (loss) for the period attributable to non-controlling interests	1289	2,475	3.20	1,268	2.14	4,027	2.96	2,240	2.48
EARNINGS PER SHARE		Amount (X,XX euros)		Amount (X,XX euros)		Amount (X,XX euros)		Amount (X,XX euros)	
Basic	1290					0,85		0,74	
Diluted	1295					0,85		0,72	

IV. SELECTED FINANCIAL INFORMATION

8. CONSOLIDATED STATEMENT OF RECOGNISED INCOME AND EXPENSE (ADOPTED IFRS)

Units.: Thousand euros

		CURRENT PERIOD 31/12/2017	PREVIOUS PERIOD 31/12/2016
A) CONSOLIDATED PROFIT (LOSS) FOR THE PERIOD (from the profit and loss account)	1305	34,257	27,297
B) OTHER COMPREHENSIVE INCOME - ITEMS THAT ARE NOT RECLASSIFIED TO PROFIT OR LOSS:	1310		
1. From revaluation/(reserval of revaluation) of property, plant and equipment and intangible assets	1311		
2. From actuarial gains and losses	1344		
3. Share in other comprehensive income of investments in joint ventures and associates	1342		
4. Other income and expenses that are not reclassified to profit or loss	1343		
5. Tax effect	1345		
C) OTHER COMPREHENSIVE INCOME - ITEMS THAT MAY SUBSEQUENTLY BE RECLASSIFIED TO PROFIT OR LOSS:	1350	(3,379)	128
1. Available-for-sale financial assets:	1355	(1,598)	299
a) Valuation gains/(losses) taken to equity	1356	(1,598)	299
b) Amounts transferred to profit or loss	1357		
c) Other reclassifications	1358		
2. Cash flow hedges:	1360		
a) Valuation gains/(losses) taken to equity	1361		
b) Amounts transferred to profit or loss	1362		
c) Amounts transferred at initial carrying amount of hedged items	1363		
d) Other reclassifications	1364		
3. Foreign currency translation:	1365	(2,212)	(52)
a) Valuation gains/(losses)	1366	(2,212)	(52)
b) Amounts transferred to profit or loss	1367		
c) Other reclassifications	1368		
4. Share in other comprehensive income of investments in joint ventures and associates:	1370		
a) Valuation gains/(losses) taken to equity	1371		
b) Amounts transferred to profit or loss	1372		
c) Other reclassifications	1373		
5. Other income and expenses that may subsequently be reclassified to profit or loss	1375	42	(59)
a) Valuation gains/(losses) taken to equity	1376	42	(59)
b) Amounts transferred to profit or loss	1377		
c) Other reclassifications	1378		
6. Tax effect	1380	389	(60)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD (A+B+C)	1400	30,878	27,425
a) Attributable to the parent company	1398	26,808	25,243
a) Attributable to non-controlling interests	1399	4,070	2,181

IV. SELECTED FINANCIAL INFORMATION

9. CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (ADOPTED IFRS) (1/2)

Units.: Thousand euros

CURRENT PERIOD	Equity attributable to the parent company					Valuation adjustments	Non-controlling interests	Total equity
	Capital	Share premium and Reserves (1)	Treasury stock	Profit (loss) for the period attributable to the parent company	Other equity instruments			
Closing balance at 01/01/2017	3110	106,611	52,213	(1,138)	25,057	3,616	3,503	189,862
Adjustments for changes in accounting policy	3111							
Adjustments for errors	3112							
Adjusted opening balance	3115	106,611	52,213	(1,138)	25,057	3,616	3,503	189,862
I. Total comprehensive income / (expense) for the period	3120				30,230	(3,422)	4,070	30,878
II. Transactions with shareholders or owners	3125	4,907	(15,082)				(1,478)	(11,654)
1. Capital increases/(reductions)	3126	4,907	15,267					20,174
2. Conversion of financial liabilities into equity	3127							
3. Distribution of dividends	3128		(28,849)					(28,849)
4. Purchase /sale of treasury stock	3129							
5. Equity increase / (decrease) resulting from business combinations	3130							
6. Other transactions with shareholders or owners	3132		(1,500)				(1,478)	(2,978)
III. Other changes in equity	3135		23,672		(25,057)			(1,385)
1. Equity-settled share-based payment	3136							
2. Transfers among components of equity	3137							
3. Other changes	3138		23,672		(25,057)			(1,385)
Closing balance at 31/12/2017	3140	111,518	60,802	(1,138)	30,230	194	6,095	207,701

(1) The column of **Share Premium and Reserves**, for the purposes of completing this statement, includes the following balance sheet equity headings: 2. Share premium, 3. Reserves, 5. Profit or loss brought forward, 6. Other shareholder contributions and 8. Less: *Interim dividend*

IV. SELECTED FINANCIAL INFORMATION

9. CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (ADOPTED IFRS) (2/2)

Units.: Thousand euros

PREVIOUS PERIOD	Equity attributable to the parent company					Valuation adjustments	Non-controlling interests	Total equity
	Capital	Share premium and Reserves (1)	Treasury stock	Profit (loss) for the period attributable to the parent company	Other equity instruments			
Closing balance at 01/01/2016	3150	101,011	9,431	(460)	65,684	3,429	4,817	183,912
Adjustments for changes in accounting policy	3151							
Adjustments for errors	3152							
Adjusted opening balance	3155	101,011	9,431	(460)	65,684	3,429	4,817	183,912
I. Total comprehensive income / (expense) for the period	3160				25,057	186	2,181	27,425
II. Transactions with shareholders or owners	3165	5,600	(23,559)	(678)			(3,495)	(22,132)
1. Capital increases/(reductions)	3166	5,600	9,124					14,725
2. Conversion of financial liabilities into equity	3167							
3. Distribution of dividends	3168		(25,432)					(25,432)
4. Purchase /sale of treasury stock	3169			(678)				(678)
5. Equity increase / (decrease) resulting from business combinations	3170							
6. Other transactions with shareholders or owners	3172		(7,252)				(3,495)	(10,747)
III. Other changes in equity	3175		66,341		(65,684)			657
1. Equity-settled share-based payment	3176							
2. Transfers among components of equity	3177							
3. Other changes	3178		66,341		(65,684)			657
Closing balance at 31/12/2016	3180	106,611	52,213	(1,138)	25,057	3,616	3,503	189,862

(1) The column of **Share Premium and Reserves**, for the purposes of completing this statement, includes the following balance sheet equity headings: 2. Share premium, 3. Reserves, 5. Profit or loss brought forward, 6. Other shareholder contributions and 8. Less: *Interim dividend*

IV. SELECTED FINANCIAL INFORMATION

10.A. CONSOLIDATED STATEMENT OF CASH FLOWS (INDIRECT METHOD) (ADOPTED IFRS)

Units: Thousand euros

		CURRENT PERIOD 31/12/2017	PREVIOUS PERIOD 31/12/2016
A) CASH FLOWS FROM OPERATING ACTIVITIES (1+2+3+4)	1435	52,718	20,016
1. Profit (loss) before tax	1405	44,712	32,586
2. Adjustments to profit (loss):	1410	825	(7,851)
(+) Depreciation and amortisation charge	1411	825	490
(+/-) Other net adjustments to profit (loss)	1412		(8,340)
3. Changes in working capital	1415	(552)	(5,521)
4. Other cash flows from operating activities:	1420	7,733	802
(+) Interest paid	1421		
(+) Dividends received	1422		
(+) Interest received	1423		
(+/-) Income tax recovered/(paid)	1424	8,979	(4,580)
(+/-) Other sums received/(paid) from operating activities	1425	(1,246)	5,382
B) CASH FLOWS FROM INVESTING ACTIVITIES (1+2+3)	1460	(12,333)	(17,042)
1. Payments for investments:	1440	(24,876)	(48,180)
(-) Group companies, associates and business units	1441	(18,192)	(26,480)
(-) Property, plant and equipment, intangible assets and investment property	1442	(1,194)	(269)
(-) Other financial assets	1443	(5,490)	(21,431)
(-) Other assets	1444		
2. Proceeds from sale of investments:	1450	12,543	31,138
(+) Group companies, associates and business units	1451	94	
(-) Property, plant and equipment, intangible assets and investment property	1452		
(-) Other financial assets	1453	12,450	31,138
(-) Other assets	1454		
C) CASH FLOWS FROM FINANCIAL ACTIVITIES (1+2+3+4)	1490	(37,636)	(14,707)
1. Sum received/(paid) in respect of equity instruments	1470		(678)
(+) Issuance	1471		
(-) Redemption	1472		
(-) Acquisition	1473		(678)
(+) Disposal	1474		
2. Sums received/(paid) in respect of financial liabilities instruments:	1480		2,616
(+) Issuance	1481		2,616
(-) Repayment and redemption	1482		
3. Payment of dividends and remuneration on other equity instruments	1485	(37,636)	(16,645)
4. Other cash flow from financing activities	1486		
(+) Interest paid	1487		
(-) Other sums received/(paid) from financing activities	1488		
D) EFFECT OF FOREIGN EXCHANGE RATE FLUCTUATIONS ON CASH AND CASH EQUIVALENTS HELD	1492		
E) NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C+D)	1495	2,749	(11,732)
F) CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	1499	101,612	113,345
G) CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (E+F)	1500	104,362	101,612

COMPONENTS OF CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD

		CURRENT PERIOD 31/12/2017	PREVIOUS PERIOD 31/12/2016
(+) Cash and banks	1550	104,362	101,612
(+) Other financial assets	1552		
(-) Less: banks overdrafts repayable on demand	1553		
TOTAL CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	1600	104,362	101,612

This template of the consolidated statement of cash flow (indirect method) allows the alternatives for classifying interest and dividends, both received and paid, provided for in the adopted IFRS. Each of the above items shall be classified in a single consistent manner in each period, as operating, investing or financing activities.

IV. SELECTED FINANCIAL INFORMATION

10.B. CONSOLIDATED STATEMENT OF CASH FLOWS (DIRECT METHOD) (ADOPTED IFRS)

Units: Thousand euros

		CURRENT PERIOD 31/12/2017	PREVIOUS PERIOD 31/12/2016
A) CASH FLOW FROM OPERATING ACTIVITIES (1+2+3+4)	8435		
(+) Proceeds from operating activities	8410		
(-) Payments to suppliers and to personnel for operating expenses	8411		
(-) Interest paid	8421		
(-) Payment of dividends and remuneration on other equity instruments	8422		
(+) Dividends received	8430		
(+) Interest received	8423		
(+/-) Income tax recovered / (paid)	8424		
(+/-) Other sums received / (paid) from operating activities	8425		
B) CASH FLOW FROM INVESTING ACTIVITIES (1+2+3)	8460		
1. Payments for investments:	8440		
(-) Group companies, associates and business units	8441		
(-) Property, plant and equipment, intangible assets and investment property	8442		
(-) Other financial assets	8443		
(-) Other assets	8444		
2. Proceeds from sale of investments:	8450		
(-) Group companies, associates and business units	8451		
(-) Property, plant and equipment, intangible assets and investment property	8452		
(-) Other financial assets	8453		
(-) Other assets	8454		
3. Other cash flows from investing activities	8455		
(+) Dividends received	8456		
(+) Interest received	8457		
(+/-) Other sums received/(paid) from investing activities	8458		
C) CASH FLOW FROM FINANCING ACTIVITIES (1+2+3+4)	8490		
1. Sums received/(paid) in respect of equity instruments:	8470		
(+) Issuance	8471		
(-) Redemption	8472		
(-) Acquisition	8473		
(+) Disposal	8474		
2. Sums received/(paid) in respect of financial liabilities instruments:	8480		
(+) Issuance	8481		
(-) Repayment and redemption	8482		
3. Payment of dividends and remuneration on other equity instruments	8485		
4. Other cash flow from financing activities	8486		
(+) Interest paid	8487		
(-) Other sums received/(paid) from financing activities	8488		
D) EFFECT OF FOREIGN EXCHANGE RATE FLUCTUATIONS ON CASH AND CASH EQUIVALENTS HELD	8492		
E) NET INCREASE/(DECREASE)IN CASH AND CASH EQUIVALENTS (A+B+C+D)	8495		
F) CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	8499		
G) CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (E+F)	8500		

COMPONENTS OF CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD

		CURRENT PERIOD 31/12/2017	PREVIOUS PERIOD 31/12/2016
(+) Cash and banks	8550		
(+) Other financial assets	8552		
(-) Less: banks overdrafts repayable on demand	8553		
TOTAL CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	8600		

This template of the consolidated statement of cash flow (indirect method) allows the alternatives for classifying interest and dividends, both received and paid, provided for in the adopted IFRS. Each of the above items shall be classified in a single consistent manner in each period, as operating, investing or financing activities.

IV. SELECTED FINANCIAL INFORMATION
11. CHANGES IN THE COMPOSITION OF THE GROUP

Table 1:

BUSINESS COMBINATIONS AND OTHERS ACQUISITIONS OR INCREASE IN HOLDINGS IN SUBSIDIARIES, JOINT VENTURES AND/OR INVESTMENTS IN ASSOCIATES (CURRENT PERIOD)						
Name of company (or business line) acquired or merged	Category	Effective date of transaction (dd-mm-yyyy)	(Net) cost of the combination (a) + (b) (thousand euros)		% of voting rights acquired	% of total voting rights in the company after acquisition
			(Net) amount paid in the acquisition + other cost directly attributable to the combination (a)	Fair value of equity instruments issued for the acquisition of the company (b)		
Catalyst Corporate Finance, LLP	Controlled	21/11/2017	40,666		100.00	100.00
Alantra International Corporate Advisory, S.L.	Controlled	08/11/2017	6		4.70	100.00
Alteralia II Management S.a.r.l.	Controlled	28/12/2017	12		100.00	100.00
Alantra Austria & CEE GmbH	Controlled	21/07/2017	1,219		70.00	70.00

Table 2:

REDUCTION IN HOLDINGS IN SUBSIDIARIES, JOINT VENTURES AND/OR INVESTMENTS IN ASSOCIATES OR OTHER TRANSACTIONS OF A SIMILAR NATURE (CURRENT PERIOD)					
Name of company (or business line) sold, spin off or retired	Category	Effective date of transaction (dd/mm/yyyy)	% of voting rights sold or retired	% of voting rights in the company after disposal	Profit/(Loss) generated (thousand euros)
Alantra S.r.l.	Controlled	12/12/2017	25.00	60.00	64.00

IV. SELECTED FINANCIAL INFORMATION

12. DIVIDENDS PAID

		CURRENT PERIOD			PREVIOUS PERIOD		
		% of nominal value	Euros per share (XXX)	Amount (thousand euros)	% of nominal value	Euros per share (XXX)	Amount (thousand euros)
Ordinary shares	2158	27.36	0.82	28,849	25.00	0.75	25,432
Other shares (non-voting shares, redeemable shares, etc)	2159						
Total dividends paid	2160	27.36	0.82	28,849	25.00	0.75	25,432
a) Dividends charged to profit and loss	2155	15.69	0.47	16,548			
b) Dividends charged to reserves or share premium	2156	11.67	0.35	12,301	25.00	0.75	25,432
c) Dividends in kind	2157						

IV. SELECTED FINANCIAL INFORMATION

13. BREAKDOWN OF FINANCIAL INSTRUMENTS BY NATURE AND CATEGORY (1/2)

Units: thousand euros

FINANCIAL ASSETS: NATURE/CATEGORY		CURRENT PERIOD				
		Financial assets held for trading	Other financial assets at FVTPL	Available-for-sale financial assets	Loans and receivables	Held-to-maturity investments
Equity instruments	2061			23,122		
Debt securities	2062					
Derivatives	2063					
Other financial assets	2064				3,005	
Long-term/non-current	2065			23,122	3,005	
Equity instruments	2066					
Debt securities	2067					
Derivatives	2068					
Other financial assets	3069				187	
Short-term/current	2070				187	
INDIVIDUAL TOTAL	2075			23,122	3,193	
Equity instruments	2161		1,085	27,459		
Debt securities	2162					
Derivatives	2163					
Other financial assets	2164				4,961	
Long-term/non-current	2165		1,085	27,459	4,961	
Equity instruments	2166					
Debt securities	2167					
Derivatives	2168					
Other financial assets	2169				8,473	
Short-term/current	2170				8,473	
CONSOLIDATED TOTAL	2175		1,085	27,459	13,434	

FINANCIAL LIABILITIES: NATURE/CATEGORY		CURRENT PERIOD			
		Financial liabilities held for trading	Other financial liabilities at FVTPL	Debts and payables	Hedging derivatives
Bank borrowings	2076			2,351	
Bonds and other negotiable securities	2077				
Derivatives	2078				
Other financial liabilities	2079				
Long-term debts/Non-current financial liabilities	2080			2,351	
Bank borrowings	2081				
Bonds and other negotiable securities	2082				
Derivatives	2083				
Other financial liabilities	2084			3652	
Short-term debts/Current financial liabilities	2085			3652	
TOTAL INDIVIDUAL	2090			6,003	
Bank borrowings	2176			2,343	
Bonds and other negotiable securities	2177				
Derivatives	2178				
Other financial liabilities	2179			9,798	
Long-term debts/Non-current financial liabilities	2180			12,141	
Bank borrowings	2181				
Bonds and other negotiable securities	2182				
Derivatives	2183				
Other financial liabilities	2184			4,736	
Short-term debts/Current financial liabilities	2185			4,736	
CONSOLIDATED TOTAL	2190			16,877	

IV. SELECTED FINANCIAL INFORMATION

13. BREAKDOWN OF FINANCIAL INSTRUMENTS BY NATURE AND CATEGORY (2/2)

Units: thousand euros

FINANCIAL ASSETS: NATURE/CATEGORY		PREVIOUS PERIOD				
		Financial assets held for trading	Other financial assets at FVTPL	Available-for-sale financial assets	Loans and receivables	Held-to-maturity investments
Equity instruments	5061			24,037		
Debt securities	5062					
Derivatives	5063					
Other financial assets	5064				12,082	
Long-term/non-current	5065			24,037	12,082	
Equity instruments	5066					
Debt securities	5267					
Derivatives	5068					
Other financial assets	5069				8,683	
Short-term/current	5070				8,683	
INDIVIDUAL TOTAL	5075			24,037	20,765	
Equity instruments	5161			32,096		
Debt securities	5162					
Derivatives	5163					
Other financial assets	5164		1,483		13,657	
Long-term/non-current	5165		1,483	32,096	13,657	
Equity instruments	5166					
Debt securities	5167					
Derivatives	5168					
Other financial assets	5169				8,683	
Short-term/current	5170				8,683	
CONSOLIDATED TOTAL	5175		1,483	32,096	22,341	

FINANCIAL LIABILITIES: NATURE/CATEGORY		PREVIOUS PERIOD			
		Financial liabilities held for trading	Other financial liabilities at FVTPL	Debts and payables	Hedging derivatives
Bank borrowings	5076			2,616	
Bonds and other negotiable securities	5077				
Derivatives	5078				
Other financial liabilities	5079				
Long-term debts/Non-current financial liabilities	5080			2,616	
Bank borrowings	5081				
Bonds and other negotiable securities	5082				
Derivatives	5083				
Other financial liabilities	5084				
Short-term debts/Current financial liabilities	5085				
TOTAL INDIVIDUAL	5090			2,616	
Bank borrowings	5176			2,616	
Bonds and other negotiable securities	5177				
Derivatives	5178				
Other financial liabilities	5179			9,354	
Long-term debts/Non-current financial liabilities	5180			11,970	
Bank borrowings	5181				
Bonds and other negotiable securities	5182				
Derivatives	5183				
Other financial liabilities	5184			1,257	
Short-term debts/Current financial liabilities	5185			1,257	
CONSOLIDATED TOTAL	5190			13,227	

IV. SELECTED FINANCIAL INFORMATION
14. Segment information

Units: thousand euros

Table 1:

GEOGRAPHIC AREA		Distribution of revenue by geographic area			
		INDIVIDUAL		CONSOLIDATED	
		CURRENT PERIOD	PREVIOUS PERIOD	CURRENT PERIOD	PREVIOUS PERIOD
Domestic market	2210	28,605	11,950	80,338	61,950
Exports:	2215			55,789	28,267
a) European Union	2216			41,161	20,869
b) O.E.C.D. countries	2217			1,746	1,505
c) Other countries	2218			12,882	5,893
TOTAL	2220	28,605	11,950	136,127	90,217

Table 2:

SEGMENTOS		Ordinary revenue					
		CONSOLIDATED					
		Ordinary revenue from foreign customers		Ordinary revenue between segments		Total ordinary revenue	
CURRENT PERIOD	PREVIOUS PERIOD	CURRENT PERIOD	PREVIOUS PERIOD	CURRENT PERIOD	PREVIOUS PERIOD		
Investment Banking	2221	91,699	60,990	1,512	1,318	93,211	62,308
Asset Management	2222	43,152	28,064	4,622	5,210	47,774	33,274
Structure	2223	1,276	1,163	6,242	5,048	7,518	6,211
Portfolio	2224						
	2225						
	2226						
	2227						
	2228						
	2229						
	2230						
(-) Adjustments and elimination of ordinary revenue between segments	2231			(12,376)	(11,576)	(12,376)	(11,576)
TOTAL	2235	136,127	90,217			136,127	90,217

Table 3:

SEGMENTS		Resultado	
		CONSOLIDATED	
CURRENT PERIOD	PREVIOUS PERIOD	CURRENT PERIOD	PREVIOUS PERIOD
Investment Banking	2250	30,703	19,004
Asset Management	2251	13,698	9,497
Structure	2252	(4,305)	(4,468)
Portfolio	2253	4,778	8,342
	2254		
	2255		
	2256		
	2257		
	2258		
	2259		
Total profit (loss) of segments reported	2260	44,875	32,375
(+/-) Unallocated profit (loss)	2261	(163)	211
(+/-) Elimination of internal profit (loss) (between segments)	2262		
(+/-) Other profit (loss)	2263		
(+/-) Income tax and/or profit (loss) from discontinued activities	2264		
PROFIT (LOSS) BEFORE TAX	2270	44,712	32,586

IV. SELECTED FINANCIAL INFORMATION

15. AVERAGE WORKFORCE

		INDIVIDUAL		CONSOLIDATED	
		CURRENT PERIOD	PREVIOUS PERIOD	CURRENT PERIOD	PREVIOUS PERIOD
AVERAGE WORKFORCE	2295	40	39	360	270
Men	2296	17	17	250	196
Women	2297	23	22	110	74

IV. SELECTED FINANCIAL INFORMATION

16. REMUNERATION RECEIVED BY DIRECTORS AND MANAGING DIRECTORS

DIRECTORS:

		Amount (thousand euros)	
Type of remuneration:		CURRENT PERIOD	PREVIOUS PERIOD
Fixed remuneration	2310	369	369
Variable remuneration	2311	130	230
Attendance fees	2312	132	164
Directors' fees	2313		
Options on shares and/or other financial instruments	2314		
Others	2315		
TOTAL	2320	631	763

Other benefits:

Advances	2326		
Loans granted	2327		
Pension funds and plans: Contributions	2328		
Pension funds and plans: Contracted obligations	2329		
Life insurance premiums	2330		
Guarantees granted to directors	2331		

MANAGING DIRECTORS:

		Amount (thousand euros)	
Type of remuneration:		CURRENT PERIOD	PREVIOUS PERIOD
Total remuneration paid to managing directors	2325	7,031	6,026

IV. SELECTED FINANCIAL INFORMATION
17. RELATED-PARTY TRANSACTIONS (1/2)

RELATED-PARTY TRANSACTIONS EXPENSES AND REVENUES		CURRENT PERIOD				
		Significant shareholders	Directors and managing directors	Group employees, companies and entities	Other related parties	Total
1) Finance costs	2340					
2) Management and cooperation contracts	2341					
3) R&D transfers and licence agreements	2342					
4) Leases	2343					
5) Receipt of services	2344			194		194
6) Purchase of goods (finished or in progress)	2345					
7) Allowance for bad and doubtful debts	2346					
8) Losses on retirement or disposal of assets	2347					
9) Other expenses	2348					
EXPENSES (1+2+3+4+5+6+7+8+9)	2350			194		194
10) Finance income	2351			36		36
11) Management and cooperation contracts	2352					
12) R&D transfers and licence agreements	2353			4		4
13) Dividends received	2354					
14) Leases	2355			13		13
15) Provisions of services	2356			1,619		1,619
16) Sale of goods (finished or in progress)	2357					
17) Gains on retirement or disposal of assets	2358					
18) Other revenues	2359					
REVENUE (10+11+12+13+14+15+16+17+18)	2360			1,671		1,671

OTHER TRANSACTIONS		CURRENT PERIOD				
		Significant shareholders	Directors and managing directors	Group employees, companies and entities	Other related parties	Total
Purchase of property, plant and equipment, intangible assets and other assets	2371					
Financing agreements: loans and capital contributions (lender)	2372			2,357	178	2,535
Finance lease arrangements (lessor)	2373					
Repayment or cancellation of loans and less arrangements (lessor)	2377					
Sale of property, plant and equipment, intangible assets and other assets	2374					
Financing agreements: loans and capital contributions (borrower)	2375					
Finance lease arrangements (lessee)	2376					
Repayment or cancellation of loans and lease agreements (lessee)	2378					
Collateral and guarantees given	2381					
Collateral and guarantees received	2382					
Commitments assumed	2383					
Commitment/Guarantees cancelled	2384					
Dividends and other earnings distributed	2386					
Other transactions	2385			8,364		8,364

IV. SELECTED FINANCIAL INFORMATION
17. RELATED-PARTY TRANSACTIONS (2/2)

Units: Thousand euros

RELATED-PARTY TRANSACTIONS		PREVIOUS PERIOD				
		Significant shareholders	Directors and managing directors	Group employees, companies and entities	Other related parties	Total
EXPENSES AND REVENUES						
1) Finance costs	6340					
2) Management and cooperation contracts	6341					
3) R&D transfers and licence agreements	6342					
4) Leases	6343					
5) Receipt of services	6344			366		366
6) Purchase of goods (finished or in progress)	6345					
7) Allowance for bad and doubtful debts	6346					
8) Losses on retirement or disposal of assets	6347					
9) Other expenses	6348					
EXPENSES (1+2+3+4+5+6+7+8+9)	6350			366		366
10) Finance income	6351	27				27
11) Management and cooperation contracts	6352					
12) R&D transfers and licence agreements	6353			6		6
13) Dividends received	6354					
14) Leases	6355			130		130
15) Provisions of services	6356			1,297		1,297
16) Sale of goods (finished or in progress)	6357					
17) Gains on retirement or disposal of assets	6358					
18) Other revenues	6359					
REVENUE (10+11+12+13+14+15+16+17+18)	6360	27		1,433		1,459

OTHER TRANSACTIONS		PREVIOUS PERIOD				
		Significant shareholders	Directors and managing directors	Group employees, companies and entities	Other related parties	Total
Purchase of property, plant and equipment, intangible assets and other assets	6371					
Financing agreements: loans and capital contributions (lender)	6372	3,025				3,025
Finance lease arrangements (lessor)	6373					
Repayment or cancellation of loans and less arrangements (lessor)	6377					
Sale of property, plant and equipment, intangible assets and other assets	6374					
Financing agreements: loans and capital contributions (borrower)	6375					
Finance lease arrangements (lessee)	6376					
Repayment or cancellation of loans and lease agreements (lessee)	6378					
Collateral and guarantees given	6381					
Collateral and guarantees received	6382					
Commitments assumed	6383					
Commitment/Guarantees cancelled	6384					
Dividends and other earnings distributed	6386					
Other transactions	6385					

Alantra Partners, S.A. and companies comprising the Alantra Group

Notes to the Condensed Interim Consolidated
Financial Statements for the year ended 31
December 2017

Translation of a report originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Group in Spain. The English version is only a translation of the original in Spanish for information purposes. In case of discrepancy, the Spanish version shall prevail.

Alantra Partners, S.A. and companies comprising the Alantra Group

CONSOLIDATED BALANCE SHEETS AT 31 DECEMBER 2017 AND 31 DECEMBER 2016

(Thousand euros)

ASSETS	31/12/2017 (Unaudited)	31/12/2016 (*)	PASIVO	31/12/2017 (Unaudited)	31/12/2016 (*)
NON-CURRENT ASSETS	126,378	103,837	EQUITY	207,702	189,860
Intangible Assets -	70,036	35,260	<i>OWN FUNDS-</i>	201,413	182,742
Goodwill	68,765	34,034	Capital -	111,518	106,611
Other intangible assets	1,271	1,226	Registered capital	111,518	106,611
Property, plant and equipment	3,127	2,356	<i>Less: Uncalled capital</i>	-	-
Investments accounted for using the equity method	16,625	16,117	Share Premium	94,138	92,062
Non-current financial assets	33,507	47,235	Reserves	(16,787)	(39,848)
Deferred tax assets	3,083	2,869	<i>Less: Treasury stock and own equity holdings</i>	(1,138)	(1,138)
			Profit (loss) for the period attributable to the parent company	30,230	25,055
			<i>Less: Interim dividend</i>	(16,548)	-
			Other equity instruments	-	-
			ACCUMULATED OTHER COMPREHENSIVE INCOME	194	3,615
			Items that are not classified to profit or loss	-	-
			Items that may subsequently be reclassified to profit or loss -	194	3,615
			Available-for-sale financial assets	1,597	2,806
			Translation differences	(1,403)	809
			EQUITY ATTRIBUTABLE TO THE PARENT COMPANY	201,607	186,357
			NON-CONTROLLING INTEREST	6,095	3,503
			NON-CURRENT LIABILITIES	14,944	15,733
			Long-term provisions	352	1,844
			Long-term financial liabilities -	12,141	11,970
CURRENT ASSETS	157,996	150,961	Debt with financial institutions and bonds and other marketable securities	2,343	2,616
Trade and other receivables -	44,155	40,006	Other financial liabilities	9,798	9,354
Trade receivables	41,727	26,539	Deferred tax liabilities	2,030	1,917
Other receivables	589	4,154	Other non-current liabilities	421	2
Current tax assets	1,839	9,313	CURRENT LIABILITIES	61,728	49,205
Other current financial assets	8,473	8,683	Short-term financial liabilities	4,736	1,258
Other current assets	1,006	660	Trade and other payables -	56,702	47,724
Cash and cash equivalents	104,362	101,612	Suppliers	7,451	5,668
			Other payables	45,838	40,147
			Current tax liabilities	3,413	1,909
			Other current liabilities	290	223
TOTAL ACTIVO	284,374	254,798	TOTAL EQUITY AND LIABILITIES	284,374	254,798

(*) Presented solely and exclusively for comparison purposes

Alantra Partners, S.A.
and companies comprising the Alantra Group

CONSOLIDATED PROFIT AND LOSS ACCOUNTS
FOR THE YEARS ENDED 31 DECEMBER 2017 AND 2016

(Thousand euros)

	2017 (Unaudited)	2016 (*)
Revenue	136,127	90,217
Other operating revenue	14	43
Other current revenues	14	43
Personnel expenses	(71,250)	(47,881)
Other operating expenses	(27,114)	(23,006)
Depreciation and amortisation charge	(825)	(490)
Impairment and gain (loss) on disposal of fixed assets	-	(26)
OPERATING PROFIT (LOSS)	36,952	18,857
Finance income	435	225
Finance cost	(71)	(29)
Changes un fair value of financial instruments	260	2,493
Exchange differences	(498)	177
Impairment and gain (loss) on disposal of financial instruments	4,286	8,340
NET FINANCE INCOME (COSTS)	4,412	11,206
Profit (loss) of equity-accounted investees	3,347	2,520
PROFIT (LOSS) BEFORE TAX	44,711	32,583
Income tax expense	(10,454)	(5,289)
PROFIT (LOSS) FOR THE PERIOD FROM CONTINUING ACTIVITIES	34,257	27,294
DISCONTINUED OPERATIONS		
Profit (loss) from discontinued operations, net of tax	-	-
CONSOLIDATED PROFIT (LOSS) FOR THE PERIOD	34,257	27,294
Profit (loss) for the period attributable to the parent company	30,230	25,055
Profit (loss) for the period attributable to non-controlling interests	4,027	2,239
EARNINGS PER SHARE		
Basic	0.85	0.74
Diluted	0.85	0.72

(*) Presented solely and exclusively for comparison purposes

Alantra Partners, S.A.
and companies comprising the Alantra Group

CONSOLIDATED STATEMENTS OF RECOGNISED INCOME AND EXPENSE
FOR THE YEARS ENDED 31 DECEMBER 2017 AND 2016

(Thousand euros)

	2017 (Unaudited)	2016 (*)
CONSOLIDATED PROFIT (LOSS) FOR THE PERIOD (from the profit and loss account)	34,257	27,294
OTHER COMPREHENSIVE INCOME - ITEMS THAT ARE NOT RECLASSIFIED TO PROFIT OR LOSS:	-	-
From revaluation / (reversal of revaluation) of property, plant and equipment and intangible assets	-	-
From actuarial gains and losses	-	-
Share in other comprehensive income of investments in joint ventures and associates	-	-
Other income and expenses that are not reclassified to profit or loss	-	-
Tax effect	-	-
OTHER COMPREHENSIVE INCOME - ITEMS THAT MAY SUBSEQUENTLY BE RECLASSIFIED TO PROFIT OR LOSS:	(3,379)	128
Available-for-sale financial assets:	(1,598)	299
Valuation gains/ (losses) taken to equity	(1,598)	299
Amounts transferred to profit or loss		
Other reclassifications		
Cash Flow Hedges:	-	-
Valuations gains/ (losses) taken to equity		
Amounts transferred to profit or loss		
Amounts transferred at initial carrying amount of hedged items		
Other reclassifications		
Foreign currency translation:	(2,212)	(52)
Valuation gains/ (losses) taken to equity	(2,212)	(52)
Amounts transferred to profit or loss		
Other reclassifications		
Share in other comprehensive income of investments in joint ventures and associates:	-	-
Valuation gains/ (losses) taken to equity		
Amounts transferred to profit or loss		
Other reclassifications		
Other income and expenses that may subsequently be reclassified to profit or loss:	42	(59)
Valuation gains/ (losses) taken to equity	42	(59)
Amounts transferred to profit or loss		
Other reclassifications		
Tax effect	389	(60)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	30,878	27,422
Attributable to the parent	26,809	25,242
Attributable to non-controlling interests	4,069	2,180

(*) Presented solely and exclusively for comparison purposes

Alantra Partners, S.A.
and companies comprising the Alantra Group

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE YEARS ENDED 31 DECEMBER 2017 AND 2016

(Thousand euros)

	Capital	Share premium	Reserves	Less: Treasury shares and own equity instruments	Profit (loss) for the period	Less: Interim dividends	Other equity instruments	Cumulative other comprehensive income	Non- controlling interest	Total Equity
CLOSING BALANCE AT 31 DECEMBER 2015 (*)	101,011	105,492	(93,207)	(460)	65,686	(2,855)	-	3,428	4,817	183,912
Adjustments for changes in accounting policy	-	-	-	-	-	-	-	-	-	-
Adjustments for errors	-	-	-	-	-	-	-	-	-	-
ADJUSTED OPENING BALANCE AT 1 JANUARY 2016 (*)	101,011	105,492	(93,207)	(460)	65,686	(2,855)	-	3,428	4,817	183,912
Total comprehensive income/(expense) for the period	-	-	-	-	25,055	-	-	187	2,180	27,422
Operaciones con socios o propietarios	-	-	-	-	-	-	-	-	-	-
- Capital increases	5,600	12,002	(2,877)	-	-	-	-	-	-	14,725
- Capital reductions	-	-	-	-	-	-	-	-	-	-
- Conversion of financial liabilities into equity	-	-	-	-	-	-	-	-	-	-
- Distribution of dividends	-	(25,432)	-	-	-	-	-	-	-	(25,432)
- Purchase / sale of treasury stock	-	-	-	(678)	-	-	-	-	-	(678)
- Equity increase / (decrease) resulting from business combinations	-	-	-	-	-	-	-	-	-	-
- Other transactions with shareholders or owners	-	-	(7,252)	-	-	-	-	-	(3,494)	(10,746)
Other changes in equity	-	-	63,488	-	(65,686)	2,855	-	-	-	657
CLOSING BALANCE AT 31 DECEMBER 2016 (*)	106,611	92,062	(39,848)	(1,138)	25,055	-	-	3,615	3,503	189,860
Adjustments for changes in accounting policy	-	-	-	-	-	-	-	-	-	-
Adjustments for errors	-	-	-	-	-	-	-	-	-	-
ADJUSTED OPENING BALANCE AT 1 JANUARY 2017 (*)	106,611	92,062	(39,848)	(1,138)	25,055	-	-	3,615	3,503	189,860
Total comprehensive income/(expense) for the period	-	-	-	-	30,230	-	-	(3,421)	4,069	30,878
Transactions with shareholders or owners	-	-	-	-	-	-	-	-	-	-
- Capital increases	4,907	14,377	890	-	-	-	-	-	-	20,174
- Capital reductions	-	-	-	-	-	-	-	-	-	-
- Conversion of financial liabilities into equity	-	-	-	-	-	-	-	-	-	-
- Distribution of dividends	-	(12,301)	-	-	-	(16,548)	-	-	-	(28,849)
- Purchase / sale of treasury stock	-	-	-	-	-	-	-	-	-	-
- Equity increase / (decrease) resulting from business combinations	-	-	-	-	-	-	-	-	-	-
- Other transactions with shareholders or owners	-	-	(1,500)	-	-	-	-	-	(1,477)	(2,977)
Other changes in equity	-	-	23,671	-	(25,055)	-	-	-	-	(1,384)
CLOSING BALANCE AT 31 DECEMBER 2017 (*) (**)	111,518	94,138	(16,787)	(1,138)	30,230	(16,548)	-	194	6,095	207,702

(*) Presented solely and exclusively for comparison purposes

(**) Unaudited

Alantra Partners, S.A.
and companies comprising the Alantra Group

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED 31 DECEMBER 2017 AND 2016

(Thousand euros)

	2017 (Unaudited)	2016 (*)
A) CASH FLOWS FROM OPERATING ACTIVITIES:	52,717	20,016
Profit (loss) before tax	44,711	32,583
Adjustments to profit (loss):	825	(7,850)
- Depreciation and amortisation charge	825	490
- Other net adjustments to profit (loss)	-	(8,340)
Changes in working capital	(552)	(5,519)
Other cash flows from operating activities:	7,733	802
- Interest paid	-	-
- Payment of dividends and remuneration on other equity instruments	-	-
- Dividends received	-	-
- Interest received	-	-
- Income tax recovered/(paid)	8,979	(4,580)
- Other sums received/(paid) from operating activities	(1,246)	5,382
B) CASH FLOWS FROM INVESTING ACTIVITIES:	(12,331)	(17,042)
Payments for investments:	(24,875)	(48,180)
- Group companies, associates and business units	(18,192)	(26,480)
- Property, plant and equipment, intangible assets and investment property	(1,194)	(269)
- Other financial assets	(5,489)	(21,431)
- Other assets	-	-
Proceeds from sale of investments:	12,544	31,138
- Group companies, associates and business units	94	-
- Property, plant and equipment, intangible assets and investment property	-	-
- Other financial assets	12,450	31,138
- Other assets	-	-
Other cash flows from investing activities:	-	-
- Dividends received	-	-
- Interest received	-	-
- Other sums received/(paid) from investing activities	-	-
C) CASH FLOWS FROM FINANCIAL ACTIVITIES	(37,636)	(14,707)
Sum received/(paid) in respect of equity instruments	-	(678)
- Issuance	-	-
- Redemption	-	-
- Acquisition	-	(678)
- Disposal	-	-
Sums received/(paid) in respect of financial liabilities instruments:	-	2,616
- Issuance	-	2,616
- Repayment and redemption	-	-
Dividends paid and payments on other equity instruments	(37,636)	(16,645)
D) EFFECT OF FOREIGN EXCHANGE RATE FLUCTUATIONS ON CASH AND CASH EQUIVALENTS HELD	-	-
E) NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C+D)	2,750	(11,733)
Cash and equivalents, opening balances	101,612	113,345
Cash and equivalents, closing balances	104,362	101,612

(*) Presented solely and exclusively for comparison purposes

Alantra Partners, S.A. and companies comprising the Alantra Group

Notes to the Condensed Interim Consolidated Financial Statements for the year ended 31 December 2017

1. Description of the Alantra Group

Alantra Partners, S.A. (hereinafter, the Company) was incorporated on 11 November 1997 as Dinamia Capital Privado, Sociedad de Capital Riesgo, S.A. The deed for the takeover of N Más Uno IBG, S.A. (hereinafter, N+1 IBG) by the Company was entered in the Madrid Companies Registry on 20 July 2015. This transaction resulted in N Más Uno IBG, S.A. ceasing to exist and the Company changing its name to Nmás1 Dinamia, S.A., also losing its status as a private equity firm. As a result of the Group changing its name, the Company adopted its current name on 4 January 2017 (further information provided hereon).

The Company's corporate purpose therefore encompasses the following activities:

1. Provision of financial advisory services.
2. Management of any property or assets, in accordance with any prevailing legal requirements.
3. Acquisition and holding of shares and equity stakes in other companies whose corporate purpose is, pursuant to any prevailing legal requirements, financial brokerage, management of any type of asset including investment funds or portfolios of any type, and provision of all types of investment services.
4. Acquisition, holding and disposal of shares or equity stakes in any type of company; granting participating loans or other forms of finance to any type of company; investment in any securities or financial instruments, assets, movable property or real estate, or rights, in accordance with any prevailing legal requirements, in order to generate a return on said shares or equity stakes in companies and investments.

The activities comprising the corporate purpose may be performed by the Company in whole or in part, or indirectly through ownership of shares or equity stakes in companies with an identical or similar corporate purpose.

The Company carries out its business in Spain from its offices at calle Padilla, 17 in Madrid.

The Bylaws and other public information may be consulted at the Company's registered office and on its website (www.alantra.com).

The Company is the parent of a group (hereinafter, the Group or the N+1 Group) comprising various companies carrying out financial advisory and consultancy services to businesses and institutions in Spain and abroad. They also provide investment and associated services; advice on asset management; advice, administration and management for private equity firms, collective investment schemes (hereinafter, CISs) and companies involved in acquiring direct stakes in companies (see Note 2.5). Also, at 31 December 2017, the Group had a branch office in China and two in United Kingdom.

On 26 September 2016 the Company issued a material disclosure (*hecho relevante*) to the Spanish securities exchange authority, the Comisión Nacional del Mercado de Valores (CNMV), regarding the change in the trademark of the Group it heads. Since that date, the subsidiaries in the Alantra Group have approved the respective changes to their corporate names in order to replace "N+1", "Nmás1" or "Nplusone" with "Alantra". With

respect to the Company, on 4 January 2017 there was entered in the Companies Registry the change of name from Nmás1 Dinamia, S.A. to Alantra Partners, S.A., previously approved by the General Meeting of 13 December 2016. With this new trademark (and registered corporate name), the Alantra Group (formerly known as the N+1 Group) has set the goal of creating a single distinctive mark that identifies a new stage in its development as a company with a strong international focus.

On 29 July 2015, the Company's 17,390,984 new shares were admitted to trading on the Madrid and Barcelona stock exchanges through the Spanish electronic trading platform (Sistema de Interconexión Bursátil). These shares were issued for exchange in the Takeover and added to the shares that the Company already had in circulation. Since that date, the Alantra Group's (formerly N+1 Group) activity described in the paragraph above is therefore performed within a group whose parent is a listed company.

Alantra Equities, Sociedad de Valores, S.A., was incorporated on 10 January 2011. It was solely owned by Nmás1 Research, S.L. (both companies were subsequently merged to create Alantra Equities, Sociedad de Valores, S.A. (see Note 2.5). Since then, N+1 IBG regained its previous status as parent of a consolidable group of investment services companies. After the Merger, the Alantra Group continued to be a consolidable group of investment services companies and the Company became the parent thereof.

Details of subsidiaries at 31 December 2017, and relevant information thereon, are provided below:

Present name	Registered office	Activity	%	
			Investee	Investee
Controlling Company: Alantra Partners, S.A.	Madrid	Financial advisory and consultancy services	n/a	n/a
Subsidiaries:				
Alantra International Corporate Advisory, S.L. (5) (15)	Madrid	Holding, usufruct and disposal of shares and stakes in non-listed companies	100,00	-
Alantra Corporate Finance, S.A.U. (5)	Madrid	Financial advisory and consultancy services	-	100,00
Alantra Corporate Portfolio Advisors, S.L. (9)	Madrid	Financial advisory and consultancy services	-	70,00
Alantra s.r.l. (5) (14)	Milan	Financial advisory and consultancy services	-	60,00
Alantra Deutschland GmbH (5)	Frankfurt	Financial advisory services	-	100,00
Alantra France Corporate Finance SAS (5)	Paris	Financial advisory services	-	60,00
Alantra U.S. Corporation LLC (5)	Wilmington	Financial advisory services	-	100,00
Alantra, LLC (10) (17)	Boston	Financial advisory services	-	100,00
Downer & Company, S.A.S. (11) (17)	Paris	Financial advisory services	-	100,00
C.W. Downer & Co. India Advisors LLP (11) (17)	Mumbai	Financial advisory services	-	99,00
Partnersalantra Portugal LDA (anteriormente denominada Másuno Portugal Corporate Finance, Unipessoal LDA) (5) (16) (17)	Lisboa	Financial advisory services	-	85,00
Alantra Nordics AB (5) (16) (17)	Estocolmo	Financial advisory services	-	80,00
Alantra Corporate Finance, B.V. (5)	Amsterdam	Financial advisory services	-	100,00
Alantra Greece Corporate Advisors, S.A. (5) (16)	Atenas	Financial advisory services	-	87,50
Alantra Chile SPA (anteriormente denominada Nmás1 Chile SPA) (5) (13) (16)	Santiago de Chile	Financial advisory services	-	100,00
Alantra Belgium, NV (1) (5)	Amberes	Financial advisory and consultancy services	-	58,11
Alantra Ireland Corporate Finance Limited (1) (2) (5)	Dublin	Financial advisory and consultancy services	-	100,00
Alantra Austria & CEE GmbH (anteriormente denominada VK Advisory GmbH) (1) (2) (5)	Viena	Financial advisory services	-	70,00
Alantra Investment Managers, S.L.U. (7)	Madrid	Financial advisory services	100,00	-
Alantra Private Equity Advisor, S.A.U. (7)	Madrid	Financial advisory and consultancy services	-	100,00
Nmás1 Private Equity International S.à.r.l (7) (12)	Luxemburgo	General Partner of private equity investment firms	-	100,00
Alantra Capital Privado, S.G.E.I.C., S.A.U. (7)	Madrid	Administration and management of venture capital firms	-	100,00
Alantra Private Equity Servicios, S.L.U. (3)	Madrid	Financial advisory and consultancy services	-	100,00
Mercapital Private Equity, S.G.E.I.C., S.A.U. (7)	Madrid	Administration and management of venture capital firms	-	100,00
Paulonia Servicios de Gestión, S.L.U. (8)	Madrid	Financial advisory services	-	100,00
Partilonia Administración, S.L.U. (8)	Madrid	Financial advisory services	-	100,00
Mideslonia Administración, S.L.U. (8)	Madrid	Financial advisory services	-	100,00
Flenox, S.L.U. (8)	Madrid	Financial advisory services	-	100,00
EQMC GP LLC (7)	Wilmington	General Partner of investment vehicles	-	100,00
Alteralia Management S.à.r.l. (7)	Luxemburgo	General Partner of investment vehicles	-	100,00
Alteralia II Management S.à.r.l. (1) (7)	Luxemburgo	General Partner of investment vehicles	-	100,00
Brooklin Buy-Out Limited (2) (7)	Dublin	General Partner of investment vehicles	-	100,00
Alantra Asset Management, S.G.I.I.C., S.A.U.	Madrid	Administration and management of CISs	100,00	-
QMC Directorship, S.L.U. (6)	Madrid	Acquisition, holding, usufruct and disposal of shares and stakes of all kinds	-	100,00
Baruch Inversiones, S.L.	Madrid	Holding, usufruct and disposal of shares and stakes in non-listed companies	46,56	-
Alantra Equity and Credit Management, S.A.U.	Madrid	Financial advisory services	100,00	-
Alantra Debt Solutions, S.L.	Madrid	Financial advisory services	75,00	-
Alantra Infrastructure, S.L.U.	Madrid	Holding, usufruct and disposal of shares and stakes in non-listed companies	100,00	-
Alantra Equities, Sociedad de Valores, S.A.	Madrid	Investment and associated services	50,01	-
Alantra REIM, S.L.U.	Madrid	Acquisition, holding, lease, operation and disposal of real estate	100,00	-
Alantra Dinamia Portfolio II, S.L.	Madrid	Holding, usufruct and disposal of shares and stakes in non-listed companies	100,00	-
Alantra Capital Markets, Sociedad de Valores, S.A.U. (16)	Madrid	Investment and associated services	100,00	-
Alantra Wealth Management, Agencia de Valores, S.A. (4)	Madrid	Investment and associated services	50,01	-
Alantra Wealth Management Gestión, S.G.I.I.C., S.A. (4)	Madrid	Administration and management of CISs	50,01	-
Catalyst Corporate Finance, LLP (2)	Birmingham	Financial advisory services	100,00	-

(1) Companies incorporated in 2017.

(2) Companies incorporated in 2017.

(3) Alantra Capital Privado, S.G.E.I.C., S.A.U. is sole shareholder of Alantra Private Equity Servicios, S.L.U.

(4) Additional 27% acquired in 2016.

(5) (Alantra International Corporate Advisory, S.L. holds stakes in: Alantra Corporate Finance, S.A.U. (100%); Alantra Deutschland GmbH (100%); Alantra, s.r.l (60%); Alantra France Corporate Finance SAS (60%); Alantra Corporate Finance B.V. (100%); Alantra U.S. Corporation, LLC (100%), Partnersalantra Portugal LDA (formerly Másuno Portugal Corporate Finance, Unipessoal LDA) (85%); Alantra Nordics AB (80%); Alantra Greece Corporate Advisors, S.A. (87.5%); Alantra Chile SPA (formerly Nmás1 Chile SPA) (100%); Alantra Belgium, NV (58.11%); Alantra Ireland Corporate Finance Limited (100%); Alantra Austria & CEE GmbH (formerly VK Advisory GmbH) (70%); Nplus1 Signer Ltd (27.24%); Nplus1 Daruma Finansal Danışmanlık Hizmetleri A.Ş and Nplus1 Daruma Gayrimenkul Kurumsal Finansman Danışmanlık Hizmetleri A.Ş (35%); and Alantra AG (25%).

(6) Alantra Asset Management, S.G.I.I.C., S.A.U. is sole equityholder of QMC Directorship, S.L.U.

(7) Alantra Investment Managers, S.L.U. is sole equityholder of Alantra Capital Privado S.G.E.I.C., S.A.U., Mercapital Private Equity S.G.E.I.C., S.A.U., Nmás1 Private Equity International S.à.r.l., Alantra Private Equity Advisor, S.A.U., EQMC GP LLC, Alteralia Management, S.à.r.l., Brooklin Buy-Out Limited and Alteralia II Management S.à.r.l.

(8) Mercapital Private Equity S.G.E.I.C., S.A.U. is sole equityholder of Paulonia Servicios de Gestión, S.L.U., Partilonia Administración, S.L.U., Mideslonia Administración, S.L.U. and Flenox, S.L.U.

(9) Alantra Corporate Finance, S.A.U. has a 70% stake in Alantra Corporate Portfolio Advisors, S.L.

(10) Alantra U.S. Corporation LLC is sole equityholder of Alantra, LLC.

(11) Alantra, LLC is sole equityholder of Downer & Company, S.A.S. and has a 99% stake in C.W. Downer & Co. India Advisors LLP.

(12) On 28 December 2016, it was agreed to relocate the Company's registered offices from Jersey to Luxembourg.

(13) Alantra Chile SPA (formerly Nmás1 Chile SPA) holds a 30.95% stake in Landmark Capital, S.A.

(14) On 12 December 2017, Alantra International Corporate Advisory, S.L. sold 25% of Alantra, s.r.l.

(15) On 8 and 9 December 2017, Alantra Partners, S.A. acquired from the other minority equityholders of Alantra International Corporate Advisory, S.L. all of their stakes in said company

(16) Companies incorporated in 2016.

(17) Companies acquired in 2016.

Details of jointly-controlled and associates entities at 31 December 2017, and relevant information thereon, are provided below:

	Registered office	Activity	%	
			Investee	Investee
Holdings in jointly controlled enterprises				
Alpina Real Estate GP I, S.A.	Luxemburgo	Silent Partner of a limited joint-stock partnership	50,00	-
Alpina Real Estate GP II, S.A.	Luxemburgo	Silent Partner of a limited joint-stock partnership	50,00	-
Alpina Real Estate GP, S.A.	Luxemburgo	Silent Partner of a limited joint-stock partnership	50,00	-
Phoenix Recovery Management, S.L.	Madrid	Acquisition, administration and management of movable assets and securities and investment portfolios	50,00	-
Holdings in associates				
Nplus1 Singer Ltd (2)	Londres	Holding, usufruct and disposal of shares and stakes in non-listed companies	-	27,24
Nplus1 Singer Advisory LLP (3)	Londres	Financial advisory and consultancy services	-	27,24
Nplus1 Singer Capital Markets Ltd (3)	Londres	Investment and associated services	-	27,24
Alantra AG (2)	Zurich	Financial advisory and consultancy services	-	25,00
Landmark Capital, S.A. (1) (4)	Santiago de Chile	Financial advisory services	-	30,95
Landmark Capital Asesoría Empresarial Ltda. (1) (5)	Sao Paulo	Financial advisory services	-	30,95
Landmark Capital Argentina SRL (1) (5)	Buenos Aires	Financial advisory services	-	30,94
Landmark Capital Colombia SAS (1) (5)	Bogotá	Financial advisory services	-	30,95
Nplus1 Daruma Finansal Danışmanlık Hizmetleri A.Ş. (2)	Estambul	Financial advisory and consultancy services	-	35,00
Nplus1 Daruma Gayrimenkul Kurumsal Finansman Danışmanlık Hizmetleri A.Ş. (2)	Estambul	Financial advisory and consultancy services	-	35,00
Nplus 1 Daruma Turizm Yatırım Finansal Dan.Hiz.A.Ş (6)	Estambul	Financial advisory and consultancy services	-	28,00

(1) Companies acquired in 2016.

(2) Alantra International Corporate Advisory, S.L. holds stakes in: Alantra Corporate Finance, S.A.U. (100%); Alantra Deutschland GmbH (100%); Alantra, s.r.l (60%); Alantra France Corporate Finance SAS (60%); Alantra Corporate Finance B.V. (100%); Alantra U.S. Corporation, LLC (100%), Partnersalantra Portugal LDA (formerly M&Suno Portugal Corporate Finance, Unipessoal LDA) (85%); Alantra Nordics AB (80%); Alantra Greece Corporate Advisors, S.A. (87.5%); Alantra Chile SPA (formerly Nmás1 Chile SPA) (100%); Alantra Belgium, NV (58.11%); Alantra Ireland Corporate Finance Limited (100%); Alantra Austria & CEE GmbH (formerly VK Advisory GmbH) (78.5%); Nplus1 Signer Ltd (27.24%); Nplus1 Daruma Finansal Danışmanlık Hizmetleri A.Ş. and Nplus1 Daruma Gayrimenkul Kurumsal Finansman Danışmanlık Hizmetleri A.Ş. (35%); and Alantra AG (25%).

(3) Nplus1 Singer Ltd is sole equityholder of Nplus1 Singer Advisory LLP and of Nplus1 Singer Capital Markets Ltd.

(4) Alantra Chile SPA (formerly Nmás1 Chile SPA) holds a 30.95% stake in Landmark Capital, S.A.

(5) Landmark Capital, S.A. solely owns Landmark Capital Asesoría Empresarial Ltda., and has a 99.96% stake in Landmark Capital Argentina SRL and 100% stake in Landmark Capital Colombia SAS.

(6) Nplus1 Daruma Gayrimenkul Kurumsal Finansman Danışmanlık Hizmetleri A.Ş. has an 80% stake in Nplus 1 Daruma Turizm Yatırım Finansal Dan.Hiz.A.Ş.

2. Basis of presentation of the summarized consolidated interim financial statements and other information

2.1 Basis of presentation of the condensed consolidated interim financial statements

In accordance with Regulation (EC) No. 1606/2012 of the European Parliament and of the Council of 19 July 2002, all companies governed by the laws of a Member State of the European Union and whose securities are traded on a regulated market in any European Union country must file consolidated financial statements in accordance with the International Financial Reporting Standards (“IFRS”) as adopted by the European Union (“IFRS-EU”).

The takeover of N+1 IBG (legal acquiree) by the Company (legal acquirer) described in Note 1 resulted in the formation of a listed group of investment firms, which was therefore required in 2015 to prepare for the first-time consolidated financial statements pursuant to IFRS-EU.

The accompanying condensed interim consolidated financial statements were prepared in accordance with the regulatory framework applicable to the Group, which is established in the Spanish Commercial Code and corporate law, and therefore, pursuant to the International Financial Reporting Standards as adopted by the European Union (“IFRS-EU”).

The accompanying condensed interim consolidated financial statements as at and for the year ended 31 December 2017 were prepared based on IAS 34 “Interim financial reporting” for the preparation of condensed interim financial statements. In accordance with IAS 34, the financial reporting is solely intended to provide an update on the latest complete set of annual consolidated financial statements, focusing on new activities, events and circumstances

that took place during the first half of the year and not duplicating information previously reported in the latest annual consolidated financial statements. These consolidated interim financial statements do not therefore include all the information required in complete consolidated financial statements prepared in accordance with International Financial Reporting Standards. Consequently, for an appropriate understanding of them, they should be read in conjunction with the Alantra Group's consolidated financial statements for the year ended 31 December 2016.

The consolidated annual financial statements of the Alantra Group for the year ended 31 December 2016 were approved by shareholders at the General Meeting held on 25 April 2017 and filed in the Madrid Companies Register.

The directors of the Group's parent company are responsible for the information contained in these condensed interim consolidated financial statements.

These condensed interim consolidated financial statements were prepared from the Company's accounting records and the individual records of the companies that comprise the Group and are presented in accordance with the financial reporting framework applicable to the Group.

2.2 Comparison of information

As required by corporate law, the information relating to 2016 (audited) contained in these notes to the summarized consolidated interim financial statements is presented for comparison purposes only with the information relating to 2017.

2.3 Non-mandatory accounting policies applied

No non-mandatory accounting principles have been applied. Furthermore, these condensed interim consolidated financial statements were prepared from the Company's accounting records and the individual records of the companies that comprise the Group taking into account all the mandatory accounting principles and standards with a significant effect thereon. No mandatory accounting principle has been omitted.

2.4 Main regulatory changes during the period from 1 January to 31 December 2017

Principle standards, amendments to the existing standards and interpretations of standards entering into force in 2017:

The following amendments to the IFRS and interpretations thereof entered into force in 2017; not having any material impact on the Alantra Group's consolidated financial statements.

The standards, amendments to existing standards and interpretations approved for use in the EU are described hereon:

- Amendments to IAS 7 "Disclosure initiative". These amendments, which form part of the IASB's Disclosure Initiative, introduce new disclosure requirements to improve the information provided to users of financial statements about financing activities. In particular, the amendment requires entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities. Although no specific form is required, it is suggested that a reconciliation of the opening and closing balances of liabilities with the cash flows from financing activities is one way of doing this.

The amendment will be applied prospectively for annual periods beginning on or after 1 January 2017, and does not require entities to present comparative information for previous periods.

- Amendment to IAS 12 "Recognition of deferred tax assets for unrealised losses". Clarification of the

principles established for the recognition of deferred tax assets for unrealised losses, based on the following points:

- Unrealised losses on debt instruments measured at fair value but whose tax base is cost can give rise to deductible temporary differences regardless of whether the holder expects to recover the carrying amount by holding the debt instrument to maturity or selling it.
- When estimating taxable profit of future periods, an entity can assume that an asset will be recovered for more than its carrying amount if that recovery is probable and the asset is not impaired. All relevant facts and circumstances should be assessed when making this assessment, and entities must have sufficient evidence to support it.
- For the purposes of assessing if these temporary differences are recoverable and comparing them with future taxable profits, the latter excludes tax deductions resulting from the reversal of those deductible temporary differences.

These amendments will be applied retrospectively for annual reporting periods beginning on or after 1 January 2017, with early application permitted.

- Annual Improvements to IFRS 2014-2016 Cycle. Clarifications of IFRS 12 "Disclosure of interests in other entities". Introduces minor amendments. The amendments are effective for periods beginning on or after 1 January 2017, and earlier application is permitted.

Principle standards, amendments to the existing standards and interpretations of standards not in force at 31 December 2017:

At the date of authorisation for issue of the accompanying condensed interim consolidated financial statements, certain IFRS and amendments to and interpretations of such standards had been published, compliance with which was not obligatory at 31 December 2017. Although these standards, amendments and interpretations can be applied in some cases, the Group has still not applied them as it is analysing what effects they could have.

Standards, amendments and interpretations approved for use in the European Union:

- IFRS 9 "Financial instruments": on 24 July 2014, the IASB issued IFRS 9 which will replace IAS 39 in the future and includes requirements for the classification and measurement of financial assets and liabilities, impairment of financial assets and hedge accounting.

Classification and measurement of financial assets and liabilities

The classification of financial assets will depend on the entity's business model for management of those assets and on the characteristics of the contractual cash flows, and will result in the financial assets being measured at amortised cost, at fair value through equity or at fair value through profit or loss. The combined effect of the business model test and contractual cash flow characteristics test could give rise to differences in the population of financial assets measured at amortised cost or at fair value in comparison with IAS 39.

Debt instruments held within a business model, the objective of which is to hold financial assets in order to collect contractual cash flows that are solely payments of principal and interest are in general measured at amortised cost. When these debt instruments are held within a business model, the objective of which is achieved by both collecting contractual cash flows (payments of principal and interest) and selling financial assets, they are in general measured at fair value through other comprehensive income. All other investments in debt and equity are measured at fair value through profit and loss. However, entities may irrevocably elect to present subsequent changes in the fair value of certain investments in equity instruments

in “Other comprehensive income”. In general, in this case only dividends shall be subsequently recognised in profit or loss.

The categories for classifying financial liabilities proposed by IFRS 9 are similar to the ones already existing in IAS 39, so any differences should not be very significant except, perhaps, for the requirement to record changes in the fair value associated with the related credit risk as a component of equity, in the case of financial liabilities measured at fair value.

Impairment of financial assets

The impairment requirements will apply for financial assets measured at amortised cost and at fair value through equity, and for leases and certain loan commitments and collateral contracts.

Regarding impairment of financial assets, IFRS 9 determines that a model based on expected loss must be used, rather than the incurred loss model of IAS 39. Under the new model entities shall recognise expected losses and changes in expected losses at each reporting date to reflect changes in credit risk since the date of initial recognition. In other words, it is no longer necessary for an impairment event to have arisen before recognising a loan loss.

At initial recognition, a provision is required for the expected losses from the impairment events that may possibly occur in the next 12 months (“expected loss at 12 months”).

In the event of significant increase in credit risk, a provision is required for all possible impairment events expected over the life of the financial instrument (“expected loss over the entire life of the operation”).

The assessment as to whether the credit risk has increased significantly since initial recognition must be done, for each reporting period, considering the risk of default over the remaining life of the financial instrument. The measurement of credit risk and estimation of expected losses must be performed so as to provide an unbiased and probability-weighted estimate, and should draw on all available information of relevance for the measurement, including information on past events, current conditions and reasonable and supportable forecasts of future events and economic conditions at the reporting date.

The end goal is for recognition and measurement of impairment to be done more prospectively than under the current IAS 39 loss model.

Hedge accounting

Hedge accounting will also undergo changes, as the new standard takes a different approach than the current IAS 39, by trying to align the accounting treatment with the economic management of the risk. IFRS 9 will also allow hedge accounting for a greater variety of risks and hedging instruments. The standard does not address accounting for so-called macro hedge strategies. In order to avoid conflict between current macro hedge accounting and the new general hedge accounting scheme, IFRS 9 includes an accounting policy option of continuing to apply the IAS 39 hedge accounting approach.

The IASB has set 1 January 2018 as date of mandatory application of IFRS 9, while allowing earlier implementation.

The Group intends to apply IFRS 9 retrospectively, without restating the comparative information. Having analysed the Group’s financial assets and liabilities at 31 December 2017, considering the events and circumstances prevailing at that date, the Group’s management has carried out a preliminary evaluation of the effect of IFRS 9 on the financial statements, drawing the following conclusions:

- Classification and measurement: the Group does not envisage applying the new classification and measurement criteria of IFRS 9 will have a material impact on the balance sheet. In particular:
 - Loans to third parties not generating interest linked to the borrower's gross profit or loss and receivables at amortised cost (mainly deriving from services provided by the Group) are maintained in a business model, the objective of which is to collect the contractual cash flows that are solely payments of principal and interest on the principal amount outstanding. These financial assets will therefore continue to be measured at amortised cost, as per IFRS 9.
 - Loans to third parties generating interest linked to the borrower's gross profit or loss currently recognised at amortised cost, will be measured at fair value through profit and loss. The Group does not anticipate the impact of this will be material.
 - Turning to investments in close-end investment vehicles (basically funds and private equity firms) currently classified as available-for-sale investments at fair value through equity and taken to profit and loss when sold, the intention is to irrevocably elect to present them in the new category, which will mean any consideration received when the investments are sold cannot be taken to profit and loss and only dividends received are recognised in profit or loss.
 - Furthermore, investments in collective investment institutions and listed equities currently classified as available for sale, will continue to be recognised at fair value, but through profit or loss, thereby increasing the volatility thereof. The corresponding retained earnings which are therefore immaterial (2 thousand euros) – will be reclassified to reserves.
 - All other financial assets and liabilities, especially those measured at fair value through profit and loss will continue to be measured as per IAS 39.
- Impairment: financial assets measured at amortised cost, finance lease receivables, and balances receivable from customers will be subject to IFRS 9 impairment rules. The Group envisages adopting the simplified approach to recognise loan losses expected to be incurred over the life of its trade receivables and finance lease receivables.

The Group is finalising the full model for calculating expected losses. The preliminary estimate of the additional allowance required on applying the new model for financial assets held at 1 January 2018 will be between 190 thousand euros and 375 thousand euros. This allowance will decrease reserves at 1 January 2018.

- Hedge accounting: not applicable because the Group does not have any accounting hedges.
- IFRS 15 "Revenue from contracts with customers". IFRS 15 sets out the principles to be applied by an entity when recognising revenues and cash flows arising from contracts to sell goods or services to its customers.

As per this new standard, entities will recognise revenue from contracts with customers when it satisfies a performance obligation to transfer a good or service (i.e. an asset) to its customers as promised in a contract. An asset is considered to have been transferred when the customer obtains control of that asset. Revenue will be recognised for an amount reflecting the consideration to which an entity expects to be entitled in exchange for transferring promised goods or services.

IFRS 15 replaces IAS 18 "Revenue", IAS 11 "Construction contracts", IFRIC 13 "Customer loyalty programmes", IFRIC 15 "Agreements for the construction of real estate", IFRIC 18 "Transfers of assets from customers", and SIC-31 "Revenue - Barter transactions involving advertising services".

This standard will be applicable for periods commencing on or after 1 January 2018, although early adoption is permitted.

Given the nature of the Group's activities, management does not anticipate that applying IFRS 15 will have any material impacts on the Group's financial position and results.

- IFRS 15 "Clarifications to IFRS 15 Revenue from contracts with customers". The amendments made to IFRS 15 clarify how some of the principles of the new standard should be applied. They specifically clarify:
 - How to identify a performance obligation (promise to transfer a good or service to a customer) in a contract;
 - How to determine if an entity is acting as principal (provider of a good or service) or agent (representative of the organisation for which the good or service is transferred); and
 - How to determine if revenue from grant of a licence should be recognised at a point in time or over a period of time.

Two other amendments are also included to reduce the cost and complexity of first-time application of the new standard. The amendments will apply at the same time as IFRS 15, that is, for the periods beginning on or after 1 January 2018, although they may be applied earlier.

- IFRS 16 "Leases". IFRS 16 will come into force in 2019, replacing IAS 17 and the current associated interpretations. The main change introduced through IFRS 16 is the single lessee accounting model, requiring entities to recognise in the balance sheet all leases (with a limited number of exceptions) with a similar impact as current finance leases (depreciation will be recognised for the right-of-use of the asset and a finance cost for the amortised cost of the liability).

Management is estimating the total impact of applying IFRS 16 on the Group's financial statements. IAS 17 does not require an asset or liability to be recognised for the right-of-use for future lease payments; in contrast, certain information must be disclosed, such as operating lease commitments. A preliminary assessment suggests that these agreements will meet the definition of a lease as per IFRS 16. The Group will therefore recognise an asset for the right-of-use and the corresponding liability, unless the leases are classified as low value and short term under IFRS 16. Management is assessing the potential effect thereof and it is not currently possible to provide a reasonable estimate of the financial impact until this analysis is complete. Management has no intention of applying this standard early, and no decision has yet been made as to which option will be taken on the transition date.

- IFRS 4 "Insurance contracts". This amendment temporarily resolves the accounting asymmetries deriving from simultaneously applying IFRS 9 and IFRS 4 until the new insurance standards come into force. This amendment will be applicable for periods commencing on or after 1 January 2018.
- IFRS Annual improvements cycle for 2014-2016. Amendment to IFRS 1 "First-time adoption of international financial reporting standards" and clarifications to IFRS 12 "Disclosure of interests in other entities" and IAS 28 "Investments in associates and joint ventures".

The standards, amendments to existing standards and interpretations pending approval for use in the EU are described hereon:

- Amendments to IFRS 10 and IAS 28 "Sale or contribution of assets between an investor and its associate or joint venture". These amendments provide clarification regarding the gain or loss from such transactions, in view of an inconsistency currently existing between the two standards. If the transaction subject matter constitutes a business, there will be full gain or loss recognition; if the subject matter of the transaction consists of assets, full recognition will not apply. The effective date is yet to be determined.

- IFRS 2 “Classification and measurement of share based payment transactions”. The amendments to IFRS 2 specify the requirements to be applied in three aspects:
 - In measuring the fair value of a cash-settled share-based payment, non-market vesting conditions will only be taken into account to adjust the number of shares to be included in the transaction amount.
 - When, in a transaction that would be classified as an equity-settled share-based payment, an entity retains a number of equity instruments equal to the monetary value of the legal tax withholding obligation, the transaction as a whole will be classified as an equity-settled share-based payment.
 - When a cash-settled share-based payment is classified as an equity-settled share-based payment, the modification will be accounted for by derecognising the original liability and recognising in equity the fair value of the equity instruments awarded as consideration for goods or services at the date of the modification; the differences will be immediately recognised in the income statement.

The amendments will apply to years beginning on or after 1 January 2018, although they may be applied earlier

- IFRIC 22 - Foreign currency transactions and advance consideration. This interpretation refers to how to determine the transaction date and hence the exchange rate to be used to convert an asset, expense or income on initial recognition, in circumstances where a non-monetary prepayment asset or non-monetary deferred income liability arising from payment or receipt of advance consideration, and provides that the transaction date will be the date on which the entity initially recognises the non-monetary asset or the non-monetary liability. If there are several payments or receipts of advance consideration, the entity will determine a transaction date for each payment or receipt of advance consideration.

The interpretation will apply to years beginning on or after 1 January 2018, although they it be applied earlier.

- Amendment to IAS 40 “Transfers of investment property”: the amendments establish that an entity shall transfer a property to, or from, investment property when, and only when, there is a change in use for which evidence is available. A change of use occurs if property meets, or ceases to meet, the definition of investment property.

These amendments will be applicable for periods commencing on or after 1 January 2018, although early adoption is permitted.

- IFRS 17 “Insurance contracts”. Replaces IFRS 4. Addresses the recognition, measurement, presentation and disclosure requirements for insurance contracts to ensure the entity discloses relevant and reliable information that allows users to determine the effect that these insurance contracts have on the financial statements.

This standard will be effective for periods beginning on or after 1 January 2021 (date of initial application), and it will be mandatory to disclose information for the purposes of comparison (transition date 1 January 2020). Early application is allowed provided IFRS 15 and IFRS 9 are also applied at the date of initial application. IFRS 17 must be applied retrospectively, unless this is impracticable.

- IFRIC 23 “Uncertainty over Income Tax Treatments”. Clarifies how to apply IAS 12 recognition and measurement criteria when there is uncertainty over whether the tax authority will accept a tax treatment used by the entity. An entity is required to determine whether each tax treatment should be considered independently or whether some tax treatments should be considered together. The decision should be based on which approach provides better predictions of the resolution of the uncertainty and an examination of the effect of the uncertainty on the financial statements.

An entity has to consider whether it is probable that the relevant authority will accept each tax treatment, assuming that the authority will examine those amounts and will have full knowledge of all relevant information when doing so.

The judgements and estimates applied to deferred tax liabilities and deferred tax assets must be consistent and reassessed if facts and circumstances change. The effect of such changes must be recorded as a change in accounting estimates.

This interpretation will be effective for periods beginning on or after 1 January 2019, and early application is allowed.

- Amendment to IFRS 9 “Prepayment features with negative compensation”. This amendment introduces change in the SPPI test (solely payments of principal and interest) so that in certain circumstances, assets that are prepayable by the borrower and involve the payment of compensation reflecting changes in interest rates, may be measured at amortised cost subject to the other IFRS 9 criteria.

This amendment will be applied retrospectively for periods beginning on or after 1 January 2019, while earlier application is permitted.

- Amendment to IAS 28 “Long-term interests in associates and joint ventures”. This amendment clarifies that IFRS 9, including its impairment requirements, must be applied to long-term loans to associates and joint ventures that form part of the net investment in said investees. Since IAS 28 does not establish any requirements for recognition or measurement of these long-term loans, they will be subject to IFRS 9.

This amendment will be applied retrospectively for periods beginning on or after 1 January 2019, while earlier application is permitted.

- Improvements to the IFRS 2015-2017 Cycle. Minor amendments to IFRS 3 “Business combinations”, IFRS 11 “Joint arrangements”, IAS 12 “Income taxes”, and IAS 23 “Borrowing costs”.

The amendments are effective for periods beginning on or after 1 January 2019, while earlier application is permitted.

- Amendment to IAS 9: Plan amendments, curtailments and settlements. According to the proposed amendments, if a defined benefit plan changes (due to an amendment, curtailment or settlement), an entity shall use updated assumptions to calculate the service cost and net interest for the period after the change to the plan. The changes are effective for periods beginning on or after 1 January 2019.

2.5 Basis of consolidation

2.5.1. Subsidiaries

Subsidiaries are defined as entities over which the Group has the capacity to exercise control; control is, in general but not exclusively, presumed to exist when the Company owns directly or indirectly 50% or more of the voting rights of the investee or, even if this percentage is lower or zero, when, for example, there are other circumstances or agreements that give the Company control. A company has control over another investee when it is exposed, or has rights to variable returns from its involvement with the investee, and when it has the ability to use its power to affect its returns, even if the aforesaid percentage stake is not held.

The financial statements of the Group's subsidiaries are fully consolidated as per prevailing accounting standards. The following criteria, inter alia, were therefore adopted during consolidation:

1. All material balances and results of transactions carried out between consolidated companies, along with the material results of internal transactions that did not involve third parties were eliminated on consolidation.
2. Minority shareholders' shares in the equity and results of consolidated subsidiaries are shown under "Noncontrolling interests" in the consolidated balance sheet and under "Profit (loss) attributable to noncontrolling interests" in the consolidated income statement, respectively.
3. On acquisition, the assets, liabilities and contingent liabilities of a subsidiary are recognised at their fair value at the date of acquisition. Any excess of the cost of acquisition over the fair value of the identifiable net assets acquired is recognised as goodwill. Any negative differences are taken to income on the acquisition date.
4. When control over an associate is acquired, the investment prior to the date of acquisition is measured at fair value. Any positive or negative differences compared to the carrying amount are recognised under the line item "Impairment losses and gains/(losses) on disposal of financial instruments" in the consolidated income statement.
5. Any changes in the equity of consolidated subsidiaries as from the date of acquisition that are not due to changes in the percentages of capital held or percentage share of results, or to changes in their valuation adjustments are recognised under "Reserves" in the consolidated balance sheet.

Loss of control over a subsidiary

When control over a subsidiary is lost, for consolidation purposes only, the profit or loss recognised in the separate financial statements of the company reducing its equity interest must be adjusted as per the following criteria:

- a. The amount relating to the reserves in consolidated companies generated since acquisition is taken to reserves in the company, reducing its equity interest.
- b. The amount relating to income and expenses generated by the subsidiary during the year until the date control is lost is presented based on its substance.
- c. The amounts relating to income and expenses recognised directly in the subsidiary's equity since the acquisition date that have not been taken to consolidated profit or loss are reclassified based on their substance. Associated translation differences are recognised under "Exchange differences" in the consolidated income statement.
- d. Any profit or loss existing after such adjustments have been made is recognised in the consolidated income statement.

If control is lost without divestment of the equity interest in the subsidiary, the result of the transaction is also presented in the consolidated income statement.

On the other hand, if the subsidiary in question becomes a jointly-controlled entity or associate, it is consolidated using the equity method on initial recognition at the fair value of the shareholding retained at said date. The balancing entry of the adjustment needed to measure the new equity interest at fair value is recognised as per the criteria described in the previous points.

Lastly, and for consolidation purposes only, an adjustment must be recognised in the consolidated income statement to recognise minority shareholders' share of income and expenses generated by the subsidiary during the year until the date control is lost, and in the income and expenses recognised directly in Equity transferred to profit and loss.

2.5.2. Jointly-controlled entities

A jointly-controlled entity is an entity which, not being a subsidiary, is jointly controlled by the Group and one or more companies not related to the Group. This heading includes joint ventures. Joint ventures are contractual arrangements whereby two or more entities (“venturers”) undertake an economic activity or hold assets so that any strategic financial or operating decisions affecting them requires the unanimous consent of all venturers, and those operations and assets are not part of any financial structure other than those of the venturers. Jointly-controlled entities are measured using the equity method, as defined in prevailing accounting standards and below.

2.5.3. Associates

Associates are defined as companies over which the Company is in a position to exercise significant influence, but not control or joint control. This influence is usually evidenced by a direct or indirect holding of 20% or more of the investee’s voting rights, unless it can be clearly demonstrated that such influence does not exist. Associates are measured using the equity method, as defined in prevailing accounting standards.

On acquisition, associates are recognised at fair value under “Investments accounted for using the Equity method” in the consolidated balance sheet. Fair value is equal to the share of the investee’s equity held, excluding any treasury shares. Goodwill generated due to any excess of the cost of acquisition over the fair value of the identifiable net assets acquired is recognised as part of the value of the equity interest held under “Investments accounted for using the equity method” and not separately under “Intangible assets – Goodwill”.

Associates were consolidated using the equity method. Investments in associates were therefore measured for an amount equivalent to the Group’s share of the associates’ capital, after taking into account the dividends received and other equity eliminations. The profit or loss of associates is recognised for an amount equal to the percentage of equity held under “Share of profit (loss) of companies accounted for using the equity method” in the consolidated income statement. If, as a result of losses incurred by an associate, its equity were negative, the investment would be presented in the Group’s consolidated balance sheet with a zero value, unless the Group is obliged to give it financial support.

Pursuant to prevailing accounting rules, when there is evidence of impairment of investments in associates, the amount of the impairment is estimated as the negative difference between the recoverable amount (calculated as the higher of fair value of the investment less costs to sell and value in use; value in use is defined as the present value of the cash flows expected to be received on the investment in the form of dividends and those from its sale or other disposal) and the carrying amount. Unless there is better evidence of the recoverable amount of the investment, the estimate of impairment of this asset class is based on the equity of the investee (consolidated where applicable) adjusted for unrealised gains at the date of measurement. Losses due to impairment of these investments are recognised under “Impairment losses and gains (losses) on disposal of financial instruments” in the consolidated income statement. The reversal of any impairment loss is limited to the carrying amount of the investment that would have been recognised at the reversal date had no impairment loss been recognised.

In accordance with IAS 28, any investments in associates held indirectly through private equity firms, investment funds, unit trusts or similar entities are not accounted for using the equity method. Since Alantra Dinamia Portfolio II, S.L. is considered to be an “investment firm” for the purposes defined in IFRS 10, this entity is classified in this group and therefore the investees over which the Group has significant influence through the subsidiary Alantra Dinamia Portfolio II, S.L. are excluded from the requirement to be accounted for using the equity method. These investees are measured at fair value through profit and loss (see note 8) and recognised under “Non-current financial assets” in the consolidated balance sheet.

2.5.4 CISs and private equity firms

Where the Group incorporates entities or holds stakes in them in order to provide its customers with access to certain investments, consideration is given pursuant to internal criteria and procedures and considering IFRS 10 as to whether the Group controls them and therefore, whether or not they should be consolidated. These methods and procedures take into consideration, inter alia, the risks and rewards retained by the Group, including all material items such as guarantees given or losses associated with the collection of receivables retained by the Group. These entities include CISs and private equity firms managed by the Group, which are not consolidated as the stipulations on the Group's control over them are not met. Specifically, the Group acts as an agent not a principal because it does so in the name of and to the benefit of investors or parties concerned (the principal or principals) and therefore, does not control said undertakings or vehicles when it exercises its decision-making powers.

In the case of both subsidiaries and jointly-controlled entities and associates, the results of companies acquired during the year are included in the consolidated income statement from the date of acquisition to year-end. Similarly, the results of subsidiaries disposed of during the year are included in the consolidated income statement from the beginning of the year to the date of disposal.

In the case of Group companies whose accounting and measurement methods differ from those of the parent, adjustments based on the Group's criteria were made upon consolidation in order to present the consolidated financial statements on a like-for-like basis.

Details of consolidated companies and the most relevant information thereon at 31 December 2017, including the most relevant disclosures on acquisitions and disposals in the period are provided below:

Investments in Group companies at 31 December 2017:

	% shareholding		Thousands of Euros							
			Figures for each Company as at 31 December 2017 (1)						Profit (Loss) (5)	
	Direct	Indirect	Share Capital	Reserves and Share Premium	Valuation adjustments	Interim Dividends	Total Assets	Total Liabilities	Operating	Net
Alantra Equity and Credit Management, S.A.U. (2)	100%	-	60	405	-	-	691	177	65	49
Alantra Investment Managers, S.L.U. (2)	100%	-	343	751	-	(2,000)	1,899	-	2,801	2,805
Alantra Capital Privado, S.G.E.I.C., S.A.U. (3)	-	100%	311	562	-	-	8,924	4,285	5,095	3,766
Alantra Private Equity Servicios, S.L.U. (2)	-	100%	3	238	-	-	191	-	(67)	(50)
Nmás1 Private Equity International Limited S.á.r.l. (2)	-	100%	41	-	-	-	59	41	(21)	(23)
Alantra Private Equity Advisor, S.A.U.(2)	-	100%	60	(38)	-	-	45	26	(3)	(3)
Mercapital Private Equity S.G.E.I.C., S.A.U. (3)	-	100%	301	60	-	-	2,076	649	1,421	1,066
Paulonia Servicios de Gestión, S.L.U. (2)	-	100%	5	(3)	-	-	5	3	-	-
Partilonia Administración, S.L.U. (2)	-	100%	4	(1)	-	-	4	1	-	-
Mideslonia Administración, S.L.U. (2)	-	100%	5	(2)	-	-	5	2	-	-
Flenox, S.L.U. (2)	-	100%	6	(3)	-	-	4	3	-	(2)
EQMC GP LLC (2)	-	100%	-	(30)	5	-	-	74	(49)	(49)
Alteralia Management, S.á.r.l. (2)	-	100%	13	(41)	-	-	130	137	22	21
Brooklin Buy-Out Limited (3)	-	100%	3	-	-	-	95	92	-	-
Alteralia II Management, S.á.r.l. (2)	-	100%	12	-	-	-	12	12	-	(2)
Alantra Infraestructura, S.L.U. (2)	100%	-	6	534	-	-	599	55	(40)	(2)
Alantra International Corporate Advisory, S.L. (3)	100%	-	118	33,192	-	-	59,174	10,075	8,814	15,789
Alantra Corporate Finance, S.A.U. (3)	-	100%	60	63	-	-	13,667	8,171	6,667	5,373
Alantra Corporate Portfolio Advisors, S.L. (3)	-	70%	10	107	-	(604)	11,774	5,834	8,573	6,427
Alantra Deutschland GmbH (3)	-	100%	25	1,700	-	(2,000)	11,419	9,016	3,967	2,678
Alantra s.r.l. (2)	-	60%	100	45	-	-	2,165	1,479	750	541
Alantra France Corporate Finance SAS (3)	-	60%	936	69	-	-	9,398	5,744	3,722	2,649
Alantra Corporate Finance, B.V. (2)	-	100%	15	(187)	-	-	3,029	2,171	1,271	1,032
Partnersalantra Portugal LDA (anteriormente denominada Másuno Portugal Corporate Finance Unipessoal LDA) (2)	-	85%	33	380	-	-	462	216	(165)	(167)
Alantra Nordics AB (2)	-	80%	26	484	(12)	-	336	282	(440)	(444)
Alantra Greece Corporate Advisors, S.A. (2)	-	87.50%	50	(222)	-	-	387	671	(104)	(112)
Alantra Chile SPA (anteriormente denominada Nmás1 Chile SPA) (2)	-	100%	4,439	(1,283)	14	-	3,194	28	247	(4)
Alantra U.S. Corporation LLC (2)	-	100%	22,192	791	(723)	-	24,190	2,869	(47)	(939)
Alantra, LLC (4)	-	100%	1,556	3,292	-	-	28,367	21,149	1,962	2,370
Alantra Belgium, NV (3)	-	58.11%	186	-	-	-	1,848	1,492	258	170
Alantra Ireland Corporate Finance Limited (2)	-	100%	-	-	-	-	85	155	(70)	(70)
Alantra Austria & CEE GmbH (anteriormente denominada VK Advisory GmbH) (2)	-	70%	117	1,243	-	-	968	172	(564)	(564)
Alantra Equities, Sociedad de Valores, S.A. (3)	50.01%	-	2,000	828	-	(1,700)	6,658	3,802	2,327	1,728
Alantra Asset Management, S.G.I.I.C., S.A.U. (3)	100%	-	300	750	-	-	15,817	11,780	4,179	2,987
QMC Directorship, S.L.U. (2)	-	100%	3	3	-	-	199	191	4	2
Baruch Inversiones, S.L.(2)	46.56%	-	276	(39)	1,511	(307)	1,840	45	-	354
Alantra Debt Solutions, S.L. (2)	-	75%	4	1	-	-	1,011	701	406	305
Alantra REIM, S.L.U. (2)	-	100%	10	(602)	-	-	719	1,209	137	102
Alantra Dinamia Portfolio II, S.L. (2)	-	100%	100	634	1,801	(614)	5,047	1,464	(1)	1,662
Alantra Wealth Management Gestión, S.G.I.I.C., S.A. (3)	50.01%	-	544	115	-	-	3,324	2,348	317	317
Alantra Wealth Management, A.V., S.A. (3)	50.01%	-	380	1,547	-	-	5,553	3,531	90	95
Alantra Capital Markets, S.V., S.A.U. (3)	100%	-	730	1,386	-	-	3,906	1,144	929	646
Catalyst Corporate Finance, LLP (3)	100%	-	1,268	(672)	-	-	8,533	4,718	3,219	3,219

- (1) Figures from the separate financial statements, except in the case of Alantra LLC.
(2) Companies whose financial statements are not audited but are subject to a limited review for the purposes of auditing the consolidated financial statements.
(3) Companies whose financial statements are subject to statutory audit by Deloitte.
(4) Company whose consolidated financial statements are audited by Deloitte.
(5) The profit or loss of each entity for the whole of 2017 is included, irrespective of the date on which it was included in the Group.

Investments in Group companies at 31 December 2016:

	% shareholding		Thousands of Euros							
	Direct	Indirect	Share capital	Reserves and share premium	Valuation adjustments	Interim dividends	Total assets	Total liabilities	Profit (loss) (17)	
									Operating	Net
Alantra Equity and Credit Management, S.A.U. (2)	100%	-	60	37	-	-	941	466	504	378
Alantra Investment Managers, S.L.U. (2)	100%	-	343	751	-	-	3,676	-	2,579	2,582
Alantra Capital Privado, S.G.E.I.C., S.A.U. (3)	-	100%	311	438	-	-	7,434	5,133	2,236	1,552
Alantra Capital Privado Servicios, S.L.U. (2)	-	100%	3	302	-	-	241	-	(85)	(64)
Nmás1 Private Equity International Limited S.à.r.l. (2)	-	100%	41	(4)	-	-	99	62	-	-
Alantra Private Equity Advisor, S.A.U.(2)	-	100%	60	(86)	-	-	53	31	(63)	48
Mercapital Private Equity S.G.E.I.C., S.A.U. (3)	-	100%	301	252	-	-	2,706	953	1,607	1,200
Paulonia Servicios de Gestión, S.L.U. (2)	-	100%	5	(2)	-	-	5	3	(1)	(1)
Partilonia Administración, S.L.U. (2)	-	100%	3	-	-	-	3	-	-	-
Mideslonia Administración, S.L.U. (2)	-	100%	5	(2)	-	-	5	2	-	-
Flenox, S.L.U. (2)	-	100%	6	(3)	-	-	5	2	-	-
EQMC GP LLC (2)	-	100%	-	-	(1)	-	-	32	(31)	(31)
Alteralia Management, S.à.r.l. (2)	-	100%	12	(33)	-	-	101	128	(5)	(6)
Alantra Infrastructure, S.L.U. (2)	100%	-	6	1,151	-	-	640	101	(785)	(618)
Alantra International Corporate Advisory, S.L. (3)	95.30%	-	118	33,188	-	-	43,938	8,728	2,137	1,904
Alantra Corporate Finance, S.A.U. (3)	-	95.30%	61	62	(3)	-	15,730	8,645	8,604	6,965
Alantra Corporate Portfolio Advisors, S.L. (3)	-	66.71%	10	107	-	(1,660)	7,410	5,978	3,967	2,975
Alantra Deutschland GmbH (3)	-	95.30%	25	1,738	-	(1,250)	9,221	6,707	2,920	2,001
Alantra s.r.l. (2)	-	81.01%	100	19	-	-	4,306	3,283	1,512	904
N+1 France Corporate Finance SAS (3)	-	57.18%	936	134	-	-	2,653	1,650	(9)	(67)
Alantra Corporate Finance, B.V. (2)	-	95.30%	15	(19)	-	-	1,283	1,455	(168)	(168)
Másuno Portugal Corporate Finance, Unipessoal LDA (2)	-	76.24%	33	567	-	-	447	35	(188)	(188)
Alantra Nordics AB (2)	-	76.02%	26	724	(6)	-	562	58	(240)	(240)
Alantra Greece Corporate Advisors, S.A. (2)	-	83.39%	50	-	-	-	422	594	(215)	(222)
Nmás1 Chile SPA (2)	-	95.30%	1,162	-	-	-	4,646	3,627	(37)	(25)
N+1 U.S. Corporation LLC (2)	-	95.30%	14,768	-	-	-	30,068	13,648	(1,133)	(791)
Alantra, LLC (4)	-	95.30%	(784)	3,427	-	(1,187)	4,237	1,912	1,206	1,191
Alantra Equities, Sociedad de Valores, S.A. (3)	50.01%	-	2,000	796	-	(1,800)	6,537	3,710	2,441	1,831
Alantra Asset Management, S.G.I.I.C., S.A.U. (3)	100%	-	300	500	-	-	8,984	6,405	2,341	1,779
QMC Directorship, S.L.U. (2)	-	100%	3	1	-	-	127	121	2	2
Baruch Inversiones, S.L.(2)	46.56%	-	276	102	1,441	-	2,579	759	1	1
Alantra Debt Solutions, S.L. (2)	75%	-	4	(261)	-	-	1,143	1,110	387	290
Alantra REIM, S.L.U. (2)	100%	-	10	(970)	-	-	785	1,377	429	368
Alantra Dinamia Portfolio II, S.L. (2)	100%	-	100	7,439	3,445	-	23,449	1,015	(1,541)	11,449
Alantra Wealth Management Gestión, S.G.I.I.C., S.A. (3)	50.01%	-	544	403	-	-	2,743	2,085	(289)	(289)
Alantra Wealth Management, A.V., S.A. (3)	50.01%	-	380	1,226	-	-	4,506	2,579	321	321
Alantra Capital Martkets, S.V., S.A.U. (3)	100%	-	730	1,270	-	-	2,742	626	155	116

- (1) Figures from the separate financial statements, except in the case of Alantra LLC.
(2) Companies whose financial statements are not audited but are subject to a limited review for the purposes of auditing the consolidated financial statements.
(3) Companies whose financial statements are subject to statutory audit by Deloitte.
(4) Company whose consolidated financial statements are audited by Deloitte.
(5) The profit or loss of each entity for the whole of 2017 is included, irrespective of the date on which it was included in the Group.

Interests in associates and jointly-controlled entities at 31 December 2017:

	% shareholding		Carrying Amount (*)	Accumulated Impairment (*)	Thousands of Euros Figures for each Company as at 31 December 2017 (1)							
					Share Capital	Reserves and Share Premium	Valuation adjustments Share	Interim Dividends	Total Assets	Total Liabilities	Profit (Loss) (4)	
	Direct	Indirect	Operating	Net								
Participaciones en empresas multigrupo:												
Alpina Real Estate GP I, S.A. (2)	50%	-	65	(16)	31	17	-	-	78	33	(3)	(3)
Alpina Real Estate GP II, S.A. (2)	50%	-	16	-	31	113	-	-	210	60	9	6
Alpina Real Estate GP, S.A. (2)	50%	-	16	-	31	220	-	-	472	223	(2)	(2)
Phoenix Recovery Management, S.L. (3)	50%	-	102	-	4	224	-	-	818	523	90	67
Participaciones en empresas asociadas:												
Nplus1 Singer Ltd (3)	-	27.24%	6,057	-	127	25,352	(2,188)	-	42,275	11,236	9,808	7,748
Alantra AG (2)	-	25%	2,565	-	164	637	(173)	-	7,360	2,529	5,296	4,203
Landmark Capital, S.A. (3)	-	30.95%	4,692	(1,706)	1,158	33	-	-	2,070	2,070	768	477
Nplus1 Daruma Finansal Danışmanlık Hizmetleri A.Ş. (2)	-	35%	470	(470)	-	-	-	-	-	-	-	-
Nplus1 Daruma Gayrimenkul Kurumsal Finansman Danışmanlık Hizmetleri A.Ş. (2)	-	35%	35	(35)	-	-	-	-	-	-	-	-
Nplus1 Daruma Turizm Yatırım Finansal Dan.Hiz.A.Ş (2)	-	28%	13	-	-	-	-	-	-	-	-	-

(1) In the separate financial statements of the company holding the equity interest.

(1) Figures from separate financial statements, except in the case of Nplus1 Singer Ltd and Landmark Capital, S.A., which are at consolidated level.

(2) Companies whose financial statements are not audited but are subject to a limited review for the purposes of auditing the consolidated financial statements.

(3) Companies whose financial statements are audited by Deloitte, and at consolidated level in the case of Nplus1 Singer Ltd and Landmark Capital, S.A..

(4) The profit or loss of each entity for the whole of 2017 is included, irrespective of the date on which it was included in the Group.

Interests in associates and jointly-controlled entities at 31 December 2016:

	% shareholding		Carrying amount (*)	Accumulated impairment (*)	Thousands of Euros								
	Direct	Indirect			Figures for each Company as at 31 December 2016 (1)							Profit (loss) (10)	
					Share capital	Reserves and share premium	Valuation adjustments	Interim dividends	Total assets	Total Liabilities	Operating	Net	
Holdings in jointly controlled enterprises:													
Alpina Real Estate GP I, S.A. (2)	50%	-	15	(15)	31	41	-	-	146	99	(25)	(25)	
Alpina Real Estate GP II, S.A. (2)	50%	-	15	-	31	126	-	-	217	72	(4)	(12)	
Alpina Real Estate GP, S.A. (2)	50%	-	16	-	31	215	-	-	455	204	7	5	
Phoenix Recovery Management, S.L. (3) (6) (7)	50%	-	102	-	4	224	-	-	482	202	70	52	
Holdings in associates:													
Nplus1 Singer Ltd (3) (4)		25.96%	6,032	-	127	23,983	(1,693)	-	39,390	10,089	8,605	6,884	
Alantra AG (2) (4)		23.83%	2,587	-	164	517	127	-	4,206	1,237	2,739	2,161	
Landmark Capital, S.A. (3) (5) (9)		28.59%	4,844	(1,111)	1,162	1,684	-	(1,739)	2,821	593	1,590	1,121	
Nplus1 Daruma Finansal Danışmanlık Hizmetleri A.Ş. (3) (4) (8)		33.36%	470	(470)	-	-	-	-	-	-	-	-	
Nplus1 Daruma Gayrimenkul Kurumsal Finansman Danışmanlık Hizmetleri A.Ş. (3) (4) (8)		33.36%	35	(35)	-	-	-	-	-	-	-	-	
Nplus1 Daruma Turizm Yatırım Finansal Dan.Hiz.A.Ş (3) (8)		26.68%	13	-	-	-	-	-	-	-	-	-	

(*) In the separate financial statements of the company holding the equity interest.

(1) Figures from separate financial statements, except in the case of Nplus1 Singer Ltd and Landmark Capital, S.A., which are at consolidated level.

(2) Companies whose financial statements are not audited but are subject to a limited review for the purposes of auditing the consolidated financial statements.

(3) Companies whose financial statements are audited by Deloitte, and at consolidated level in the case of Nplus1 Singer Ltd and Landmark Capital, S.A..

(4) The profit or loss of each entity for the whole of 2017 is included, irrespective of the date on which it was included in the Group.

Separate financial statements

The separate financial statements of the Group's parent (Alantra Partner, S.A.) were prepared in accordance with the Spanish general Chart of Accounts (*Plan General de Contabilidad*) approved by Royal Decree 1.514/2007 of 16 November, and the sector-specific versions thereof. The Group recognises its investments in subsidiaries, associates and jointly-controlled entities at cost in the separate financial statements, as stipulated in the Spanish General Chart of Accounts and permitted by IAS 27 "Consolidated and separate financial statements".

The financial statements of Alantra Partners, S.A. at 31 December 2017 and 2016 are as follows:

ALANTRA PARTNERS, S.A.

BALANCE SHEET AT 31 DECEMBER 2017 AND 2016

(Thousand of euros)

ASSET	31/12/2017 (Unaudited)	31/12/2016 (*)	LIABILITIES AND EQUITY	31/12/2017 (Unaudited)	31/12/2016 (*)
NON-CURRENT ASSETS:	130,991	117,416	EQUITY:	171,697	157,098
Intangible assets	166	29	<i>OWN FUNDS-</i>	172,605	157,942
Inmovilizado material	782	790	Capital	111,518	106,611
Property, plant and equipment -	102,785	79,867	Share premium	94,138	92,062
Equity instruments	92,432	58,508	Reserves-	(38,701)	(41,870)
Loans to companies	10,353	21,359	Legal and statutory reserves	21,335	20,215
Long-term financial investments-	26,280	36,118	Other reserves	(60,036)	(62,085)
Equity instruments	23,123	24,038	Treasury shares and own equity instruments	(1,138)	(1,138)
Loans to third parties	3,004	11,938	Profit (loss) for the period	23,336	2,277
Other financial assets	153	142	Interim dividend	(16,548)	-
Deferred tax assets	978	612	Other equity instruments	-	-
			VALUATION ADJUSTMENTS-	(908)	(844)
			Available-for-sale-financial assets	(908)	(844)
			NON-CURRENT LIABILITIES:	3,227	4,598
CURRENT ASSETS	58,881	64,765	Non-current provisions	535	1,587
Trade and other receivables:-	32,806	27,435	Non-current payables	2,351	2,616
Trade receivables	42	4	Deferred tax liabilities	341	395
Receivable from Group companies and associates	27,943	14,343	CURRENT LIABILITIES:	14,948	20,485
Sundry accounts receivable	2,074	3,793	Current payables	3,652	-
Employee receivable	63	71	Current payables, group companies and associates	618	5,525
Other receivables from the tax authorities	72.00	-	Acreeedores comerciales y otras cuentas a pagar-	10,678	14,960
Current tax assets	2,612	9,224	Other payables	5,396	11,961
Current financial investments	8,116	8,683	Employee payables	2,293	2,075
Cash and cash equivalents-	17,959	28,647	Other payables to the tax authorities	1,706	924
Cash	17,959	28,647	Current tax liabilities	1,283.00	-
Cash equivalents	-	-			
TOTAL ASSETS	189,872	182,181	TOTAL EQUITY AND LIABILITIES	189,872	182,181

(*) Presented solely and exclusively for comparison purposes

ALANTRA PARTNERS, S.A.

INCOME STATEMENTS FOR THE YEARS ENDED
31 DECEMBER 2017 AND 2016

(Thousand of euros)

	2017 (Unaudited)	2016 (*)
CONTINUING OPERATIONS:		
Revenue	28,606	11,950
Other operating income-	8,904	4,645
Non-core and other current operating income	8,904	4,645
Personnel expenses-	(4,992)	(4,021)
Wages, salaries and similar expenses	(4,136)	(3,352)
Employee benefits expense	(856)	(669)
Other operating cost-	(12,556)	(10,808)
Outside services	(12,485)	(10,706)
Taxes	(71)	(102)
Losses, impairment and changes in trade provisions		
Depreciation and amortisation	(206)	(171)
Impairment losses and gains (losses) on disposal of non-current assets-		
Impairment and losses	-	-
Negative goodwill in business combinations	-	-
OPERATING PROFIT (LOSS)	19,756	1,595
Finance income-	1,147	1,018
Form marketable securities and other financial instruments		
Group companies and associates	767	732
Third parties	380	286
Finance cost	(106)	(29)
Exchange differences	(131)	704
Impairment losses and gains (losses) on disposal of financial instruments-	1,993	(1,462)
Impairment and losses	1,812	(1,807)
Gains (losses) on disposals and others	181	345
NET FINANCE INCOME (EXPENSE)	2,903	231
PROFIT (LOSS) BEFORE TAX	22,659	1,826
Income tax	677	451
PROFIT (LOSS) FOR THE PERIOD FROM CONTINUING OPERATIONS	23,336	2,277
DISCONTINUED OPERATIONS	-	-
	-	-
PROFIT (LOSS) FOR THE PERIOD	23,336	2,277

(*) Presented solely and exclusively for comparison purposes

ALANTRA PARTNERS, S.A.

STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED 31 DECEMBER 2017 AND 2016
A) STATEMENTS OF RECOGNISED INCOME AN EXPENSE
(Thousands of euros)

	2017 (Unaudited)	2016 (*)
PROFIT (LOSS) FOR THE PERIOD	23,336	2,277
Income and expense recognised directly in equity		
Measurement of financial instruments	(85)	(1,173)
Available-for-sale financial assets	(85)	(1,173)
Other income (expense)	-	-
Cash flow hedges	-	-
Grants, donations and bequests received	-	-
Actuarial gains and losses and other adjustments	-	-
Tax effect	21	293
TOTAL INCOME AND EXPENSE RECOGNISED DIRECTLY IN EQUITY	(64)	(880)
Amounts transferred to the income statements		
Measurement of financial instruments	-	-
Available-for-sale financial assets	-	-
Other income (expenses)	-	-
Cash flow hedges	-	-
Grants, donations and bequests received	-	-
Tax effect	-	-
TOTAL AMOUNTS TRANSFERRED TO THE INCOME STATEMENT	-	-
TOTAL RECOGNISED INCOME AND EXPENSE	23,272	1,397

(*) Presented solely and exclusively for comparison purposes

ALANTRA PARTNERS, S.A.

STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED AT 31 DECEMBER 2017 AND 2016

B) STATEMENTS OF TOTAL CHANGES IN EQUITY

(Thousands of euros)

	Capital	Share Premium	Reserves	Treasury Shares	Profit (loss) for the period	Interim dividend	Other Equity Instruments	Valuation Adjustments	Grants, donations and bequests received	Total
BALANCE AT YEAR ENDED 2015 (*)	101,011	105,492	(97,894)	(460)	61,756	(2,855)		36		167,086
Adjustments for changes in accounting criteria	-	-	-	-	-	-	-	-	-	-
Restatements to correct errors	-	-	-	-	-	-	-	-	-	-
RESTATED OPENING BALANCE, 2016 (*)	101,011	105,492	(97,894)	(460)	61,756	(2,855)		36		167,086
Total recognised income and expense	-	-	-	-	2,277	-	-	(880)	-	1,397
Transactions with shareholders:										
Equity issues	5,600	12,002	(2,877)	-	-	-	-	-	-	14,725
Shares canceled	-	-	-	-	-	-	-	-	-	-
Conversion of financial liabilities into equity	-	-	-	-	-	-	-	-	-	-
Dividend distribution	-	(25,432)	-	-	-	-	-	-	-	(25,432)
Transactions with treasury shares (net)	-	-	-	(678)	-	-	-	-	-	(678)
Business combinations	-	-	-	-	-	-	-	-	-	-
Other transactions	-	-	-	-	-	-	-	-	-	-
Other changes in equity	-	-	58,901	-	(61,756)	2,855	-	-	-	-
CLOSING BALANCE, 2016 (*)	106,611	92,062	(41,870)	(1,138)	2,277	-	-	(844)	-	157,098
Adjustments for changes in accounting criteria	-	-	-	-	-	-	-	-	-	-
Restatements to correct errors	-	-	-	-	-	-	-	-	-	-
RESTATED OPENING BALANCE, 2017	106,611	92,062	(41,870)	(1,138)	2,277	-	-	(844)	-	157,098
Total recognised income and expense	-	-	-	-	23,336	-	-	(64)	-	23,272
Transactions with shareholders:										
Equity issues	4,907	14,377	892	-	-	-	-	-	-	20,176
Shares canceled	-	-	-	-	-	-	-	-	-	-
Conversion of financial liabilities into equity	-	-	-	-	-	-	-	-	-	-
Dividend distribution	-	(12,301)	-	-	-	(16,548)	-	-	-	(28,849)
Transactions with treasury shares (net)	-	-	-	-	-	-	-	-	-	-
Business combinations	-	-	-	-	-	-	-	-	-	-
Other transactions	-	-	-	-	-	-	-	-	-	-
Other changes in equity	-	-	2,277	-	(2,277)	-	-	-	-	-
CLOSING BALANCE, 2017 (**)	111,518	94,138	(38,701)	(1,138)	23,336	(16,548)	-	(908)	-	171,697

(*) Presented solely and exclusively for comparison purposes

(**) Unaudited

ALANTRA PARTNERS, S.A.

STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED 31 DECEMBER 2017 AND 2016

(Thousands of euros)

	2017 (Unaudited)	2016 (*)
CASH FLOW FROM (USED IN) OPERATING ACTIVITIES:	14,926	6,192
Profit (loss) before tax	22,659	1,826
Adjustments to profit and loss		
Depreciation and amortisation	206	171
Other net adjustments to profit (loss)	(1,630)	438
Changes in working capital	(31,008)	(8,991)
Other cash flows from operating activities		
Interest paid	-	-
Dividends received	21,031	3,483
Interest received	-	-
Income tax recovered / (paid)	3,732	(4,580)
Other sums received / (paid) from operating activities	(64)	13,845
CASH FLOW FROM INVESTING ACTIVITIES	3,235	(35,260)
Payment for investments-		
Group companies, associates and business units	(16,831)	(7,510)
Property, plant and equipment, intangible assets and investment property	(335)	(34)
Other financial assets	(7,864)	(20,494)
Other assets	-	(20,632)
Proceeds from sale of investment-		
Group companies, associates and business units	7,529	14
Property, plant and equipment, intangible assets and investment property	-	-
Other financial assets	8,180	3,128
Other assets	12,556	10,268
CASH FLOW FROM FINANCING ACTIVITIES	(28,849)	(14,707)
Sums received / (paid) in respect of equity instruments		
Issuance	-	-
Redemptions	-	-
Acquisitions	-	(678)
Disposal	-	-
Grants, donations and bequests received	-	-
Sums received / (paid) in respect of financial liability instruments		
Issuance	-	-
Repayment and redemptions	-	2,616
Dividends paid and payments on other equity instruments	(28,849)	(16,645)
EFFECT OF CHANGES IN EXCHANGE RATES	-	-
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(10,688)	(43,775)
Cash and cash equivalents, opening balance	28,647	72,422
Cash and cash equivalents, closing balance	17,959	28,647

(*) Presented solely and exclusively for comparison purposes

2.6 Foreign currency transactions

The Group's functional currency and presentation currency in its consolidated financial statements is the euro. Therefore, transactions in currencies other than the euro are deemed to be foreign currency transactions and are recognised by applying the exchange rates prevailing at the date of the transaction.

Balances in foreign currencies are translated to euros in two consecutive phases:

- Translation of foreign currency to the functional currency (currency of the primary economic environment in which the entity operates) and
- Translation to euros of the aforesaid balances in the functional currencies of the entities with a non-euro functional currency.

Exchange differences arising on translating foreign currency balances into the functional currency are generally recognised at their net value in the consolidated income statement under "Exchange differences". As an exception to this rule, exchange differences affecting the value of financial instruments measured at fair value through profit or loss are recognised in the consolidated income statement together with all other changes that may affect the fair value of the instrument, and exchange differences affecting exchange differences arising on non-monetary items measured at fair value through equity under "Items that can be subsequently reclassified to profit and loss for the period – Translation differences" in the consolidated balance sheet. Also, the exchange differences arising in financial instruments classified as available for sale are recorded under "Items that can be subsequently reclassified to profit and loss for the period – Available-for-sale financial assets" in the consolidated balance sheet, without differentiating them from the rest of the changes that may be recorded in their fair value.

At the reporting date, monetary assets and liabilities denominated in foreign currencies are translated to euros at the rates then prevailing. Any resulting gains or losses, where applicable, are recognised directly in the consolidated income statement in the year in which they arise.

The gain from acquiring a foreign operation is expressed in the functional currency of the foreign operation and converted at the year-end exchange rate.

Exchange gains or losses deriving from intragroup monetary items payable or receivable in a currency other than the functional currency of one of the parties are not eliminated on consolidation. Unless the monetary item forms part of the net investment in a foreign company, these differences are therefore recognised in the consolidated income statement.

The exchange rates used by the Company in translating the foreign currency balances to euros for the purpose of preparing the financial statements, taking into account the criteria mentioned above, were the official rates published by the European Central Bank.

In 2017 and 2016, the Group held cash in foreign currencies (i.e. in currencies other than the individual functional currency of each company). The Group also granted loans to the former shareholders of Downer & Company, LLC in foreign currencies, and has other assets and liabilities in foreign currencies. For part of the year, the Company also had loans in a foreign currency with a Group company. These concepts basically generated a net gain during the year. This amount is recognised under "Exchange differences" in the 2017 consolidated income statement.

Translation of financial statements denominated in foreign currencies

The financial statements of subsidiaries with a functional currency other than the presentation currency (the euro) were translated to euros as follows:

- The assets and liabilities in their balance sheets were translated at the exchange rates prevailing at the end of the reporting period.
- Equity items were translated at historical exchange rates.
- Income statement items and the corresponding reserves were translated at the cumulative average exchange rates for the period in which they arose. Pursuant to that policy, the Group considers that during the year there were significant variations in exchange rates which, due to their relevance for the accounts as a whole, required application of the exchange rate prevailing at the transaction date instead of the aforesaid average exchange rates.
- Any resulting exchange differences were recognised as a separate component of equity under “Items that can be subsequently reclassified to profit and loss for the period – Translation differences” or “Non-controlling interests”.

When control, joint control or a significant influence over a company with a functional currency other than the euro is lost, the translation differences recognised as a component of equity relating to that company are recognised in profit or loss at the same time as the gain or loss on the disposal is recognised. If the investee with a functional currency other than the euro is a jointly-controlled entity or associate and it is partially disposed of, without giving rise to a change in its classification as an investee or the jointly-controlled entity becomes an associate, only the proportional part of the translation differences is recognised in profit or loss. If an ownership interest in a subsidiary with these characteristics is disposed of without losing control over said company, this proportional part of the cumulative translation difference is attributed to the share of non-controlling interests.

The functional currency of the equity-accounted companies Nplus1 Singer Ltd, Alantra AG and Landmark Capital, S.A. is the Pound sterling, Chilean peso and Swiss franc, respectively. Also the functional currency of the fully-consolidated companies Alantra, LLC, Alantra US Corporation, LLC and EQMC GP, LLC is the US Dollar. Finally the functional currency of the fully-consolidated companies Catalyst Corporate Finance, LLP is the Pound sterling, Alantra Chile SPA and Alantra Nordics, AB is the Chilean peso and Swedish Krona, respectively.

The effect of translating values in the functional currencies of the foreign companies to the Company’s functional currency is recognised under “Items that can subsequently be reclassified to profit and loss for the period – Translation differences”. The breakdown of this line item by company at 31 December 2017 and 2016 is as follows:

	Currency	Thousands of euros	
		31-12-2017	31-12-2016
Nplus1 Singer Ltd (1) (6)	Pound sterling	(655)	(382)
Alantra AG (1)	Swiss franc	57	32
Alantra US Corporation, LLC (2) (3)	US dollar	(863)	1.116
Alantra Chile SPA (previously Nmás1 Chile SPA) (2) (4)	Chilean peso	43	49
EQMC GP, LLC (2)	Us dollar	5	(1)
Alantra Nordics, AB (2)	Swedish korona	(13)	(5)
Catalyst Corporate Finance, LLP (2) (5)	Pound sterling	23	-
		(1,403)	809

- (1) Equity-accounted companies (see Note 2.5)
- (2) Fully-consolidated companies (see Note 2.5)
- (3) Includes the effect of unifying the consolidation of Alantra, LLC, which is fully consolidated and has the US dollar as its functional currency.
- (4) Includes the effect of unifying the consolidation of Landmark Capital, S.A., which is consolidated using the equity method and has the Chilean peso as its functional currency.
- (5) Company acquired during 2017.
- (6) Includes the effect of unifying the consolidation of Nplus1 Singer Ltd., which is consolidated using the equity method and has the Pound sterling as its functional currency.

3. Main changes in the Alantra Group's scope of consolidation

Acquisition of 100% of Catalyst Corporate Finance, LLP:

As disclosed in the material disclosure to the Spanish securities exchange authority (Comisión Nacional del Mercado de Valores) on 1 October 2017, Alantra Partners, S.A. reached an agreement to acquire all of the capital of Catalyst Corporate Finance LLP – a British company that provides financial advisory services. in connection with mergers and acquisitions and corporate finance. Catalyst Corporate Finance, LLP has offices in London, Birmingham and Nottingham. Catalyst Corporate Finance, LLP was purchased as part of the process to expand internationally that the Group embarked on some time ago in its investment banking division. This involves Alantra gaining a stronger foothold in the UK: deemed to be the top financial centre in Europe.

Catalyst Corporate Finance, LLP operates under UK law as a limited liability partnership pursuant to the British legislation governing such entities (Limited Liability Partnership Act 2000). Under this legislation, partners or members of LLPs become so on signing a limited liability partnership agreement. As members, they are entitled to a share in the LLP's assets and liabilities according to their membership interest.

The deal was subject to several closing conditions, one being to obtain approval of the change in Catalyst Corporate Finance, LLP's control from the Financial Conduct Authority (FCA) – the British regulator which oversees Catalyst Corporate Finance, LLP's operations. The FCA issued a ruling on 5 October 2017 in which it did not object to the change in control.

The main terms of the deal regarding agreed compensation were:

- A cash payment of 15 million pounds sterling of 15 million pounds sterling comprising the cash price, 13.9 million pounds sterling will be paid as the price for acquiring 45.15% of Catalyst Corporate Finance, LLP, while Catalyst Corporate Finance, LLP will receive 1.1 million pounds sterling as a capital contribution.
- Delivery of 1,635,592 new Alantra Partners, S.A. shares (following the equity issue approved by the General Meeting), which will be subscribed and paid up by the partners of Catalyst Corporate Finance, LLP as compensation for the non-monetary contribution of 54.85% of the membership interest of Catalyst Corporate Finance, LLP. This along with Catalyst Corporate Finance, LLP's membership interest that the Company will acquire for the aforementioned cash payment, comprise 100% of the membership interests in Catalyst Corporate Finance, LLP.

Pursuant to article 67 of the Corporate Enterprises Act, the Company's Board of Directors called on the Madrid Companies Registry to appoint an independent expert to issue the report stipulated in said article. The report was issued on 5 November 2017 by Grant Thornton, S.L.P. (the independent expert appointed by the Madrid Companies Registry). It describes the contributions made by Catalyst Corporate Finance, LLP's partners and the valuation thereof, setting out the criteria used and concluding that it is equal to at least the par value and share premium of the shares issued should the Extraordinary General Meeting approve the equity issue described in this report.

On 21 November 2017, the Company's Extraordinary General Meeting voted to increase capital by issuing 1,635,592 new ordinary shares with a par value of 3 euros each and a share premium of 8.79 per share, to be subscribed and paid up by the partners of Catalyst Corporate Finance, LLP through a non-monetary contribution of 54.85% of Catalyst Corporate Finance, LLP's capital. The Company shares received by the transferors as part of the deal will be subject to a lock-up period of up to six years.

- A contingent consideration of 4 million pounds (net of tax effect) provided that during the 12-month period between July 1, 2017 and June 30, 2018, Catalyst Corporate Finance, LLP reaches certain results under the conditions established in the contract.

The Company has issued a material disclosure stating that it had formalised and completed the Company's acquisition of all Catalyst Corporate Finance, LLP's capital after receiving the go-ahead from the FCA and the General Meeting's approval of the equity issue on 21 November 2017.

The deal was agreed with effect from 30 June 2017, whereby the Group's consolidated profit generated up to that date was distributed to the Company's shareholders immediately prior to the transaction, as approved by the Company's Extraordinary General Meeting on 21 November 2017.

The acquisition of the stake in Catalyst Corporate Finance, LLP was recognised in the accounts in November 2017. Goodwill of 37,593 thousand pounds sterling was generated as a result of the difference between the purchase price and fair value of Catalyst Corporate Finance, LLP's assets and liabilities at said date. This was finally recognised under "Intangible assets – Goodwill" on the assets side of the consolidated balance sheet at 31 December 2017 (see Note 5). The consideration paid for this amount is in euros, after applying the European Central Bank reference rate (see Notes 2.6 and 5).

Catalyst Corporate Finance, LLP's tax year ends on 31 March. It was agreed in the partners' agreement signed during the transaction that this would be brought into line with the Alantra Group's tax year-end before 31 December 2019.

Other transactions in 2017

In 2017, certain companies joined the Alantra Group and certain ownership interests changed; all with no material impact on the 2017 financial statements. These changes were as follows:

On 15 May 2017 the Group acquired Alantra Ireland Corporate Finance Limited for €1. An Irish company whose corporate purpose is the provision of financial advisory services, its sole shareholder is Alantra International Corporate Advisory, S.L.

On 17 May 2017 the Belgian company Alantra Belgium NV was incorporated. Its corporate purpose is the provision of financial advisory services and its majority shareholder is Alantra International Corporate Advisory, S.L., which holds 99.99% of the share capital by means of a capital contribution of €61 thousand. Moreover, on 6 December 2017 Alantra Belgium NV resolved to increase its capital by creating and issuing 124,999 shares. Alantra International Corporate Advisory, S.L. subscribed 46.875 shares and as a result of the capital increase, saw its stake in Alantra Belgium, NV fall from 99.99% to 58.11%.

On 9 June 2017 Alantra Chile SPA acquired 10 additional shares in Landmark Capital, S.A. for 12,564 thousand Chilean pesos, increasing its holding in said company to 30.95%.

On 22 June 2017 Alantra Investment Managers, S.L.U. acquired 100% of the share capital of Brooklin Buy-Out Ltd for €3 thousand.

On 8 and 9 November 2017, Alantra Partners, S.A. acquired from the minority equityholders of Alantra International Corporate Advisory, S.L. all the stakes they held in this company for 6 thousand euros. As a result of the equity issue, the Company's ownership interest in Alantra International Corporate Advisory, S.L. rose from 95.30% to 100%.

On 12 December 2017 an agreement was entered into under which Alantra International Corporate Advisory, S.L. sold and transferred 25% of its stake in Alantra, s.r.l., for 94 thousand euros to certain Alantra, s.r.l. directors.

The agreement also includes a put option over all the Alantra, s.r.l. shares held by Alantra, s.r.l. directors at any time. This put option confers on Alantra, s.r.l. directors the right but not obligation to sell and transfer all their shares in Alantra, s.r.l. to Alantra International Corporate Advisory, S.L., which is obligated to acquire, accept and pay for them, in certain situations. The accounting criterion for recognising the liability deriving from these options and their subsequent change is described later in these notes in the section on the acquisition of additional stakes in Alantra Wealth Management and control thereof (transaction performed in 2016). Consequently, at 31 December 2017 an amount of 275 thousand euros is recognised under "Non-current financial liabilities" on the liabilities side of the consolidated balance sheet for the put option in favour of Alantra, s.r.l. directors.

Lastly, given that Alantra, s.r.l. was already part of the Group, the transaction generated a negative reserve of 18 thousand euros.

Alteralia II Management S.à.r.l. was incorporated on 28 December 2017 with Alantra Investment Managers, S.L.U. contributing 12 thousand euros and holding 100% of the capital thereof.

VK Advisory GmbH was incorporated on 17 July 2017 with capital of 35 thousand euros. On 21 July 2017, VK Advisory GmbH increased its capital by 82 thousand euros, which was fully subscribed by Alantra International Corporate Advisory, S.L. This company's ownership interest in VK Advisory GmbH stands at 70%. On the same date, Alantra International Corporate Advisory, S.L. made a partners' contribution of 1,137 thousand euros. On 28 November 2017, VK Advisory GmbH changed its name to Alantra Austria & CEE GmbH.

The Alantra Group's subsidiaries and associates at 31 December 2016 and the main changes to the scope of consolidation during 2016 are disclosed in the annual financial statements of the Company and its subsidiaries for the year ended 31 December 2016.

4. Segment reporting

In line with IFRS 8, which establishes the obligation to apply and disclose segment reporting for those companies whose equity or debt securities are quoted on public markets, or for companies which are in the process of issuing securities for quotation on public securities market, the Group presented this information in five segments in the accompanying consolidated financial statements.

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses and whose operating results are regularly reviewed by the Group's most senior operating decision-maker (Board of Directors) to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

The Group's segment reporting forms the basis for internal management and oversight of the performance of the different business areas. The Board of Directors is ultimately responsible for said information and for taking operating decisions concerning each of these business areas. The Group's management segments its activity pursuant to the nature of the services provided and they correspond with the business units for which accounting and management information is available:

a) Business segments

- *Financial Advisory ("Investment Banking")*

Alantra business segment that covers the provision of financial advisory services to companies or entities in corporate finance operations and the provision of stock market brokerage and analysis services to institutional investors.

- *Asset management*

Alantra business segment that according to the Prospectus, covers management and advising in respect of assets of different types for institutional investors, high net-asset families and other professional investors and provided through specialised investment funds or through customer investment portfolios.

- *Structural*

Alantra business segment that includes revenues and expenses related to the governance structure and development of the Alantra Group (corporate governance, strategic coordination, corporate and business development, and corporate services, such as accounting and reporting, risk control, IT systems, human resources management and legal services, amongst others) and which, because they refer to the parent company of the Group (as listed company) or to the overall management thereof, are not directly attributable to the Financial Advisory or Asset Management or Portfolio segments. The Structural segment also includes invoicing of services in respect of Alantra Group companies that are classified as associates, that is, that are not fully consolidated. In Alantra's current growth phase, both in corporate and business terms, the importance of services classified as Structural justifies its consideration as an independent segment.

These three segments are identified in aggregate as the ***Fee Business***. It consists of the grouping or aggregation of the Financial Advisory, Asset Management and Structural segments, and is defined as a whole as the service provision activity, be they advisory or management services, the revenue from which is in the form of remuneration or fees and the expenses of which are those needed for its pursuit, mainly

personnel expenses. Specifically excluded from the Fee Business are losses or gains originating from investments of the Group's parent company in the companies that carry on said activities (for example, from the sale of interests in companies or businesses, impairment of goodwill or net financial income from foreign currency), where such is the case, which are included in the Rest segment.

The reason for attributing 100% of the activity of the Structural segment to the Fee Business is that the greater part of time and/or funds invested in Structure are used to manage the growth and complexity from the activity classified in the Financial Advisory and Asset Management segments. This concept is especially significant because several alternative performance measures (APMs) are constructed on it.

- *Portfolio*

This Alantra business segment is defined as consisting in obtaining capital gains by investing and subsequently selling stakes in companies or in investment funds or vehicles managed by the Alantra Group management teams. The current investment portfolio has a dual origin: (i) in the companies invested in by the Company as venture capital firm before the Merger and which, at the date of the Merger, had not yet been disposed of or sold; and (ii) investments of the Alantra Group in vehicles managed or advised by the Group itself. This is the Group's own portfolio investment activity.

- *Rest.*

This is a residual category that includes all activities that do not belong in any of the four previous business segments (that is, neither Financial Advisory, nor Asset Management, nor Structural, nor Portfolio).

The segments and other alternative performance measures used by the Alantra Group are defined in attached **Glossary of Terms**.

The table below contains the Group's consolidated income statement by segment at 31 December 2017 (unaudited) and 31 December 2016:

	Investment Banking		Asset Management		Structure		Portfolio		Rest		Consolidation adjustments		Total for Group	Total for Group
	31/12/2017	31/12/2016	31/12/2017	31/12/2016	31/12/2017	31/12/2016	31/12/2017	31/12/2016	31/12/2017	31/12/2016	31/12/2017	31/12/2016	31/12/2017	31/12/2016
Revenue	91,699	60,990	43,152	28,064	1,276	1,163	-	-	-	-	-	-	136,127	90,217
Ordinary income among segments	1,512	1,318	4,622	5,210	6,242	5,048	-	-	-	-	(12,376)	(11,576)	-	-
Other operating income	14	-	-	43	-	-	-	-	-	-	-	-	14	43
Personnel expenses	(45,111)	(30,869)	(21,147)	(13,451)	(4,667)	(1,554)	(325)	(2,007)	-	-	-	-	(71,250)	(47,881)
Other operating expenses	(15,949)	(11,061)	(6,888)	(5,711)	(4,277)	(4,865)	-	(1,368)	-	-	-	-	(27,114)	(23,006)
Other operating expenses among segments	(4,127)	(2,985)	(5,577)	(4,503)	(2,673)	(4,088)	-	-	-	-	12,376	11,576	-	-
Depreciation and amortisation	(275)	(210)	(344)	(109)	(206)	(171)	-	-	-	-	-	-	(825)	(490)
Impairment losses and gains (losses) on disposal of non-current assets	-	-	-	(26)	-	-	-	-	-	-	-	-	-	(26)
Other income (expenses)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Operating profit (loss)	27,763	17,183	13,818	9,516	(4,305)	(4,466)	(325)	(3,375)	-	-	-	-	36,952	18,857
Finance income	-	24	-	-	-	-	352	129	83	72	-	-	435	225
Finance income among segments	-	-	-	-	-	-	-	-	798	753	(798)	(753)	-	-
Finance cost	-	-	-	-	-	-	-	-	(71)	(29)	-	-	(71)	(29)
Finance cost among segments	-	-	-	-	-	-	-	-	(798)	(753)	798	753	-	-
Changes in fair value of financial segments	-	-	-	-	-	-	-	2,493	260	-	-	-	260	2,493
Exchanges differences	-	-	(7)	8	-	-	-	-	(491)	169	-	-	(498)	177
Impairment losses and gains (losses) on disposal of financial instruments	(374)	(715)	(147)	(39)	-	-	4,751	9,094	56	(1)	-	-	4,286	8,340
Net finance income (expenses)	(374)	(691)	(154)	(31)	-	-	5,103	11,717	(163)	211	-	-	4,412	11,206
Share of profit (loss) of companies accounted for using the equity method	3,313	2,510	34	10	-	-	-	-	-	-	-	-	3,347	2,520
Profit (loss) before tax	30,703	19,002	13,698	9,495	(4,305)	(4,466)	4,778	8,342	(163)	211	-	-	44,711	32,583
Income tax	(6,945)	(4,398)	(4,172)	(2,637)	1,446	1,024	(825)	774	41	(53)	-	-	(10,454)	(5,289)
Consolidated profit (loss) for the period	23,757	14,605	9,527	6,858	(2,858)	(3,442)	3,954	9,116	(122)	158	-	-	34,257	27,294
Net profit (loss) attributable	20,095	12,478	9,351	6,746	(2,858)	(3,442)	3,765	9,116	(122)	158	-	-	30,230	25,055
Non-controlling interests	3,662	2,127	176	112	-	-	189	-	-	-	-	-	4,027	2,239

b) Geographical segment reporting

The following table provides a summary of ordinary income from each of the Group's assets, broken down by geographical area. Trading volume is considered to be equivalent to the net turnover reported in the Group's consolidated income statement in 2017 and 2016:

	Revenue		Share of profit (loss) of companies accounted for using the equity method		Total	
	2017	2016	2017	2016	2017	2016
Domestic market	80,337	61,950	34	25	80,371	61,976
European Union-						
UK	5,891	-	2,111	1,875	8,002	1,875
Italy	3,446	5,132	-	-	3,446	5,132
Germany	14,251	10,216	-	457	14,251	10,216
France	12,218	3,805	-	-	12,218	3,805
Greece	195	110	-	-	195	110
Netherlands	2,988	1,576	-	-	2,988	1,576
Portugal	393	30	-	-	393	30
Sweden	107	-	-	-	107	-
Belgium	1,646	-	-	-	1,646	-
Denmark	27	-	-	-	27	-
O.E.C.D. countries-						
Luxembourg	1,709	1,505	(1)	(15)	1,708	1,490
Switzerland	38	-	1,051	540	1,089	540
Other countries-						
United States	12,822	5,644	-	-	12,822	5,644
India	26	99	-	-	26	99
China	21	150	-	-	21	150
Chile	-	-	152	94	152	94
Canada	12	-	-	-	12	-
	136,127	90,217	3,347	2,520	139,474	92,737

The Group's headcount (for the Company and subsidiaries) in 2017 and 2016, and by professional category and gender at said reporting closes, was as follows:

Individual

	31 December 2017			Average headcount	31 December 2016			Average headcount
	Male	Female	Total		Male	Female	Total	
General Management	2	1	3	3	2	1	3	3
University graduates	13	11	24	24	15	10	25	23
Clerical staff	2	10	12	13	2	11	13	13
	17	22	39	40	19	21	41	39

Consolidated

	31 December 2017			Average headcount	31 December 2016			Average headcount
	Male	Female	Total		Male	Female	Total	
General Management	37	3	40	38	27	1	28	28
University graduates	227	70	297	277	190	57	247	209
Clerical staff	3	45	48	45	5	29	34	33
	267	118	385	360	222	87	309	270

5. Intangible assets

a. Goodwill

At 31 December 2017 and 2016, "Intangible assets – Goodwill" on the assets side of the consolidated balance sheet included goodwill generated from the acquisition of shares conferring control of the following companies:

	Thousands of Euros		Year control taken	Currency
	31/12/2017	31/12/2016		
Alantra Equities, Sociedad de Valores, S.A.	2,999	2,999	2010	Euro
Alantra Deutschland GmbH	416	416	2013	Euro
Alantra Investment Managers, S.L.U.	47	47	2013	Euro
Alantra Corporate Portfolio Advisor, S.L.	31	31	2014	Euro
Alantra France Corporate Finance S.A.S.	141	141	2015	Euro
Alantra Nordics AB	96	100	2016	Corona sueca
Partnersalantra Portugal, LDA	23	23	2016	Euro
Alantra, LLC	22,689	25,814	2016	Dólar americano
Alantra Wealth Management	4,463	4,463	2016	Euro
Alantra Austria VK	267	-	2017	Euro
Catalyst Corporate Finance, LLP	37,593	-	2017	Libra esterlina
Total	68,765	34,034		

b. Other intangible assets

The balance of this heading on the assets side of the consolidated balance sheet at 31 December 2017 and 2016 records software acquired by the Group for 308 and 153 thousand of euros, respectively, and the contractual rights arising from relations with customers from the acquired businesses for a net 963 and 1,073 thousand of euros, respectively.

	Software		List of customers		Total	
	2017	2016	2017	2016	2017	2016
Cost:						
Balance at January 1	1,326	617	1,100	-	2,426	617
Additions	280	27	-	-	280	27
Other changes	(11)	682	-	1,100	(11)	1,782
Balance at December 31	1,595	1,326	1,100	1,100	2,695	2,426
Accumulated amortisation						
Balance at January 1	(1,173)	(560)	(27)	-	(1,200)	(560)
Additions	(125)	(47)	(110)	(27)	(235)	(74)
Other changes	11	(566)	-	-	11	(566)
Balance at December 31	(1,287)	(1,173)	(137)	(27)	(1,424)	(1,200)
Intangible assets, net	308	153	963	1,073	1,271	1,226

At 31 December 2017 and 2016 there were no intangible assets acquired or transferred under a finance lease.

6. Property and equipment

The changes in "Property and equipment" on the assets side of the consolidated balance sheet in 2017 and 2016, entirely comprising property and equipment for own use, were as follows:

	Thousands of euros					
	Fixtures	Computer hardware	Furniture	Other items of property and equipment	Property and equipment in course	Total
Cost:						
Balances at 1 January 2016	1,868	898	298	147	-	3,211
Additions	6	148	38	50	-	242
Disposals	-	-	-	-	-	-
Other changes	1,048	215	342	51	-	1,656
Balances at 31 December 2016	2,922	1,261	678	248	-	5,109
Additions	124	416	127	12	235	914
Disposals	-	-	-	-	-	-
Other changes	781	511	30	-	-	1,322
Balances at 31 December 2017	3,827	2,188	835	260	235	7,345
Accumulated depreciation:						
Balances at 1 January 2017	(593)	(629)	(136)	(89)	-	(1,447)
Additions	(203)	(135)	(61)	(17)	-	(416)
Disposals	-	-	-	-	-	-
Other changes	(515)	(164)	(160)	(51)	-	(890)
Balances at 31 December 2016	(1,311)	(928)	(357)	(157)	-	(2,753)
Additions	(284)	(181)	(103)	(22)	-	(590)
Disposals	-	-	-	-	-	-
Other changes	(416)	(401)	(58)	-	-	(875)
Balances at 31 December 2017	(2,011)	(1,510)	(518)	(179)	-	(4,218)
Property and equipment, net:						
Balances at 31 December 2016	1,611	333	321	91	-	2,356
Balances at 31 December 2017	1,816	678	317	81	235	3,127

At 31 December 2017 and 2016 there was no property and equipment acquired or transferred under a finance lease.

7. Investments accounted for using the equity method

This line item comprises the equity/capital instruments issued by Alantra Group investees, which are associated and jointly-controlled entities accounted for using the equity method.

Details of this line item on the assets side of the consolidated balance sheet at 31 December 2017 and 2016, contractual currency and whether or not investees' securities are listed or non-listed (all of them non-listed) are as follows:

	Thousands of Euros		Currency
	31/12/2017	31/12/2016	
Nplus Singer Ltd	9,701	9,072	Pound sterling
Alpina Real Estate GP I, S.A.	125	126	Euro
Alpina Real Estate GP II, S.A.	22	24	Euro
Alpina Real Estate GP, S.A.	75	72	Euro
Alantra AG, Zürich	3,697	3,056	Swiss franc
Phoenix Recovery Management, S.L.	147	140	Euro
Landmark Capital, S.A.	2,858	3,627	Chilean pesos
Total	16,625	16,117	

8. Financial assets

At 31 December 2017 and 2016, details of “Non-current financial assets” and “Other current financial assets” in the consolidated balance sheet are as follows:

31 December 2017

	Thousands of Euros				
	Other financial assets at fair value through profit and loss	Available-for-sale financial assets	Loans	Other financial assets	Total
Long term/Non-current financial assets					
Equity instruments	-	27,460	-	-	27,460
Debt securities	-	-	-	-	-
Derivatives	-	-	-	-	-
Other financial assets	1,085	-	3,830	1,132	6,047
Short term/Current financial assets					
Equity instruments	-	-	-	-	-
Debt securities	-	-	-	-	-
Derivatives	-	-	-	-	-
Other financial assets	-	-	7,925	548	8,473
Total	1,085	27,460	11,755	1,680	41,980

31 December 2016

	Thousands of Euros				
	Other financial assets at fair value through profit and loss	Available-for-sale financial assets	Loans	Other financial assets	Total
Long term/Non-current financial assets					
Equity instruments	-	32,096	-	-	32,096
Debt securities	-	-	-	-	-
Derivatives	-	-	-	-	-
Other financial assets	1,483	-	4,104	9,552	15,139
Short term/Current financial assets					
Equity instruments	-	-	-	-	-
Debt securities	-	-	-	-	-
Derivatives	-	-	-	-	-
Other financial assets	-	-	7,933	750	8,683
Total	1,483	32,096	12,037	10,302	55,918

9. Financial liabilities

Non-current financial liabilities” and “Current financial liabilities” in the consolidated balance sheet at 31 December 2017 and 2016 are as follows:

31 December 2017

	Thousand of Euros				
	Financial liabilities held for trading	Other financial liabilities at fair value through profit or loss	Debt or receivables	Hedging derivatives	Total
Non-current financial liabilities					
Debt to financial institutions (*)	-	-	2,343	-	2,343
Debt certificates including bonds	-	-	-	-	-
Derivatives	-	-	-	-	-
Other financial liabilities	-	-	9,798	-	9,798
Current financial liabilities					
Debt to financial institutions	-	-	-	-	-
Debt certificates including bonds	-	-	-	-	-
Derivatives	-	-	-	-	-
Other financial liabilities	-	-	4,736	-	4,736
Total	-	-	16,877	-	16,877

31 December 2016

	Thousand of Euros				
	Financial liabilities held for trading	Other financial liabilities at fair value through profit or loss	Debt or receivables	Hedging derivatives	Total
Non-current financial liabilities					
Debt to financial institutions (*)	-	-	2,616	-	2,616
Debt certificates including bonds	-	-	-	-	-
Derivatives	-	-	-	-	-
Other financial liabilities	-	-	9,354	-	9,354
Current financial liabilities					
Debt to financial institutions	-	-	-	-	-
Debt certificates including bonds	-	-	-	-	-
Derivatives	-	-	-	-	-
Other financial liabilities	-	-	1,258	-	1,258
Total	-	-	13,228	-	13,228

(*) Debt to financial institutions comprise a loan granted to the Company, the balancing entry of which is under assets in the consolidated balance sheet and consists of a loan granted to the former shareholders of CWD for the same amount, secured by the Company's shares.

10. Cash and cash equivalents

The breakdown of this line item at 31 December 2017 and 2016 is as follows:

	Thousands of Euros	
	31/12/2017	31/12/2016
Current accounts (euros)	94,024	92,259
Current accounts (foreign currency)	10,225	9,267
Cash	113	86
	104,362	101,612

Income generated from current accounts in 2017 and 2016 was not material for the Group.

11. Equity

The changes in 2017 and 2016 in this line item in the consolidated balance sheet were as follows:

	Thousands of euros											
	Capital	Share premium	Reserves				Less: Treasury shares and own equity investments	Profit (loss) for the year attributable to the parent	Interim dividend	Other equity instruments	Total	Dividends
			Legal and statutory reserve	Other reserves	Reserves at consolidated companies	Reserves in companies accounted for using the equity method						
Balances at 31 December 2016	106,611	92,062	20,215	(58,151)	(2,684)	772	(1,138)	25,055	-	-	182,742	-
Capital increases	4,907	14,377	-	890	-	-	-	-	-	-	20,174	-
Distribution of profit for 2016	-	-	1,120	24,673	(1,075)	337	-	(25,055)	-	-	0	-
Purchase/ sale of treasury stock	-	-	-	-	-	-	-	-	-	-	-	-
Profit for period ended 31 December 2017	-	-	-	-	-	-	-	30,230	-	-	30,230	-
Dividends	-	(12,301)	-	-	-	-	-	-	(16,548)	-	(28,849)	-
Transactions with shareholders or owners	-	-	-	(1,500)	-	-	-	-	-	-	(1,500)	-
Other changes	-	-	-	(1,085)	(316)	17	-	-	-	-	(1,384)	-
Balances at 31 December 2017	111,518	94,138	21,335	(35,173)	(4,075)	1,126	(1,138)	30,230	(16,548)	-	201,413	-

	Thousands of euros											
	Capital	Share premium	Reserves				Less: Treasury shares and own equity investments	Profit (loss) for the year attributable to the parent	Interim dividend	Other equity instruments	Total	Dividends
			Legal and statutory reserve	Other reserves	Reserves at consolidated companies	Reserves in companies accounted for using the equity method						
Balances at 31 December 2015	101,011	105,492	70	(91,378)	(583)	(1,316)	(460)	65,686	(2,855)	-	175,667	-
Capital increases	5,600	12,002	-	(2,877)	-	-	-	-	-	-	14,725	-
Distribution of profit for 2015	-	-	20,145	42,437	(235)	484	-	(65,686)	2,855	-	-	-
Purchase/ sale of treasury stock	-	-	-	-	-	-	(678)	-	-	-	(678)	-
Profit for period ended 31 December 2016	-	-	-	-	-	-	-	25,055	-	-	25,055	-
Dividends	-	(25,432)	-	-	-	-	-	-	-	-	(25,432)	-
Transactions with shareholders or owners	-	-	-	(7,252)	-	-	-	-	-	-	(7,252)	-
Other changes	-	-	-	919	(1,866)	1,604	-	-	-	-	657	-
Balances at 31 December 2016	106,611	92,062	20,215	(58,151)	(2,684)	772	(1,138)	25,055	-	-	182,742	-

Capital

At 31 December 2016 the share capital stood at €106,610,880 euros, represented by 35,536,960 shares each with a nominal value of €3.

On 21 November 2017, the Company's General Meeting voted to increase capital by issuing 1,635,592 new ordinary shares with a par value of 3 euros each and a share premium of 8.79 per share, which were fully subscribed and paid up by the former partners of Catalyst Corporate Finance, LLP through a non-monetary contribution of 54.85% of Catalyst Corporate Finance, LLP's capital.

As a result, the Company's capital amounted to 111,517,656.00 euros at 31 December 2017, represented by 37,172,552 shares of 3 euros par value each.

All shares are of the same class and carry the same economic and political rights. These shares are listed on the electronic trading platforms of the Madrid and Barcelona stock exchanges.

At 31 December 2017 and 2016, the Company held 153,941 treasury shares.

Share premium

The Spanish Corporate Enterprises Act expressly permits the use of the share premium to increase capital and establishes no specific restrictions as to its use.

On 25 April 2017, the Company's General Meeting approved a payout to the shareholder with a charge to share premium of 12,301 thousand euros, equivalent to 0.35 euros (gross) per share.

The breakdown, by type, of this line item in the consolidated balance sheets at 31 December 2017 and 2016 is as follows:

	Thousands of Euros	
	31/12/2017	31/12/2016
Legal reserve	21,322	20,202
Statutory reserve	13	13
Other reserves	(35,173)	(58,151)
Reserves in consolidated companies	(4,075)	(2,684)
Reserves in companies accounted for using the equity method	1,126	772
	(16,787)	(39,848)

Legal and statutory reserve

Pursuant to the revised text of the Spanish Corporate Enterprises Act, companies posting a profit in a financial year must transfer 10% of profit to the legal reserve until the balance of this reserve reaches at least 20% of the share capital, except when losses from previous years reduced the Company's equity to less than its share capital. In the latter case, profit shall be allocated to offset such losses until equity equals share capital, and will transfer 10% of the remaining profit to the corresponding legal reserve.

The legal reserve may be used to increase capital, provided that the remaining reserve balance does not fall below 10% of the increased share capital. Otherwise, until the legal reserve exceeds 20% of share capital, it can only be used to offset losses, provided that sufficient other reserves are not available for this purpose.

Other reserves

“Other reserves” includes freely distributable reserves.

Reserves in consolidated Group companies and jointly-controlled entities

The breakdown of this line item in the consolidated balance sheets at 31 December 2017 and 2016 is as follows:

	Thousands of euros	
	31/12/2017	31/12/2016
Alantra International Corporate Advisory (*)	(2,515)	(667)
Alantra Equity and Credit Management , S.A.U.	123	(246)
Alantra Investment Managers, S.L.U. (*)	774	890
Alantra Infraestructure, S.L.U. (*)	571	1,189
Alantra Equities, Sociedad de Valores, S.A.	(1,574)	(1,590)
Alantra Asset Management, S.G.I.I.C., S.A.U. (*)	752	500
Baruch Inversiones, S.L.	43	43
Alantra Debt Solutions, S.L.	-	(196)
Alantra Reim, S.L.U.	(445)	(627)
Alantra Wealth Management Gestión, S.G.I.I.C., S.A.	(500)	(427)
Alantra Wealth Management A.V., S.A.	(1,440)	(1,553)
Alantra Dinamia Portfolio II, S.L.	20	-
Alantra Capital Markets, S.V., S.A.	116	-
	(4,075)	(2,684)

(*) Corresponds to the reserves contributed to the Alantra Group by each of the consolidated sub-groups therein.

Reserves in companies accounted for using the equity method

The breakdown, by company, of this line item in the consolidated balance sheets at 31 December 2017 and 2016 is as follows:

	Thousands of euros	
	31/12/2017	31/12/2016
Nplus1 Singer Ltd.	983	632
Alpina Real Estate GP, S.A.	110	106
Alpina Real Estate GP I, S.A.	30	42
Alpina Real Estate GP II, S.A.	56	62
Alantra AG	(37)	(54)
Phoenix Recovery Management, S.L.	12	12
Nplus1 Daruma Finansal Danışmanlık Hizmetleri A.Ş.	41	41
Nplus1 Daruma Gayrimenkul Kurumsal Finansman Danışmanlık Hizmetleri A.Ş.	(69)	(69)
Landmark Capital, S.A.	-	-
	1,126	772

Dividends pay-out

On 25 april 2017 a distribution of €12,301 thousand to shareholders against the share premium, the equivalent of a gross €0.35 per share, was paid out to shareholders on 8 May 2017.

Additionally, on November 21, 2017, the Company Extraordinary Shareholders' Meeting agreed to distribute a dividend against the result for the year 2017 in the amount of 0.47082428 euros gross per share. Said dividend was paid to the shareholders on November 30, 2017.

12. Non-controlling interests

The balance of this line item in the consolidated balance sheet comprises the value of the ownership interests of minority shareholders and partners in the subsidiaries. The balance under "Profit (loss) attributable to noncontrolling interests" in the consolidated income statement represents the share of subsidiaries' profit or loss to which these minority shareholders and partners are entitled.

"Non-controlling interests" in the consolidated balance sheet at 31 December 2017 related to the ownership interests in the following companies:

	Thousands of Euros						
	Capital	Reserves	Valuation Adjustments	Traslation differences	Profit (loss) for the year	Interim dividends	Total
Alantra Equities, Sociedad de Valores, S.A.	1,000	412	-	-	864	(850)	1,426
Alantra Corporate Portfolio Advisors, S.L.	3	32	-	-	1,928	(181)	1,782
Baruch Inversiones, S.L.	148	(22)	808	-	189	(164)	959
Alantra France Corporate Finance. S.A.S.	374	27	-	-	1,026	-	1,463
Alantra Debt Solutions, S.L.	1	-	-	-	76	-	77
Alantra Greece Corporate Advisors S.A.	6	(27)	-	-	(14)	-	(35)
Másuno Portugal Corporate Finance, LDA	5	57	-	-	(25)	-	37
Alantra Nordics AB	5	97	-	(2)	(89)	-	11
C.W.Downer & Co. India Advisors LLP	-	(12)	-	1	(2)	-	(13)
Alantra Belgium NV	78	-	-	-	71	-	149
Alantra Austria VK	35	373	-	-	(169)	-	239
	1,655	937	808	(1)	3,891	(1,195)	6,095

“Non-controlling interests” in the consolidated balance sheet at 31 December 2016 related to the ownership interests in the following companies:

	Thousands of Euros						
	Capital	Reserves	Valuation Adjustments	Traslation differences	Profit (loss) for the year	Interim dividends	Total
Alantra. S.r.l.	15	3	-	-	136	-	154
Alantra Equities, Sociedad de Valores, S.A.	1,000	398	-	-	915	(900)	1,413
Alantra Corporate Portfolio Advisors, S.L.	3	32	-	-	893	(498)	430
Baruch Inversiones, S.L.	148	54	767	-	-	-	969
Alantra France Corporate Finance. S.A.S.	374	53	-	-	(27)	-	400
Alantra Debt Solutions, S.L.	1	(65)	-	-	72	-	8
Alantra Greece Corporate Advisors S.A.	6	-	-	-	(27)	-	(21)
Másuno Portugal Corporate Finance, LDA	5	85	-	-	(28)	-	62
Alantra Nordics AB	5	145	-	-	(48)	-	100
C.W.Downer & Co. India Advisors LLP	-	(10)	-	(2)	(2)	-	(12)
	1,557	695	767	(2)	1,884	(1,398)	3,503

13. Tax matters

The Company files consolidated tax returns for the tax group of which it is the parent. The Spanish Corporate Tax Act 27/2014 of 27 November, introduces, *inter alia*, a corporate tax rate at 25% for the years 2017 and 2016.

Companies out of the tax group are taxed at the rates applicable to them.

14. Related parties

Details of transactions with related parties are as follows. All transactions with related parties have been performed under market conditions.

14.1. Transactions with Group companies and shareholders

At 31 December 2017, details of transactions with related parties (excluding investments accounted for using the equity method and investments in the vehicles managed by the Group) are as follows:

Profit and loss

	Thousands of Euros				
	Significant shareholders	Key management personnel	Related parties	Other related parties	Total
Services	-	-	194	-	194
Expenses	-	-	194	-	194
Finance Income	-	-	36	-	36
R&D transfers and licence agreements	-	-	4	-	4
Dividends received	-	-	-	-	-
Leases	-	-	13	-	13
Services rendered	-	-	1,618	-	1,618
Gains on retirement or disposal of assets	-	-	-	-	-
Income	-	-	1,671	-	1,671

Other transactions

	Thousands of Euros				
	Significant shareholders	Key management personnel	Related parties	Other related parties	Total
Financing agreements: loans and capital contributions (lender)	-	-	2,358	178	2,536
Collateral and guarantees given	-	-	-	-	-
Collateral and guarantees received	-	-	-	-	-
Dividends and other earnings distributed	-	-	-	-	-
Other operations	-	-	8,364	-	8,364
Total	-	-	10,722	178	10,900

At 31 December 2016, details of transactions with related parties (excluding investments accounted for using the equity method and investments in the vehicles managed by the Group) are as follows:

Profit and loss

	Thousands of Euros				
	Significant shareholders	Key management personnel	Related parties	Other related parties	Total
Services	-	-	366	-	366
Expenses	-	-	366	-	366
Finance Income	27	-	-	-	27
R&D transfers and licence agreements	-	-	6	-	6
Dividends received	-	-	-	-	-
Leases	-	-	130	-	130
Services rendered	-	-	1,297	-	1,297
Gains on retirement or disposal of assets	-	-	-	-	-
Income	27	-	1,433	-	1,460

Other transactions

	Thousands of Euros				
	Significant shareholders	Key management personnel	Related parties	Other related parties	Total
Financing agreements: loans and capital contributions (lender)	3,025	-	-	-	3,025
Collateral and guarantees given	-	-	-	-	-
Collateral and guarantees received	-	-	-	-	-
Dividends and other earnings distributed	-	-	-	-	-
Other operations	4,886	-	1,101	-	5,987
Total	7,911	-	1,101	-	9,012

14.2. Transactions with members of the Board of Directors and key management personnel

The remuneration accrued by the boards of directors of the Company in 2017 and 2016 is as follows:

	Thousands of Euros	
	31/12/2017	31/12/2016
Fixed remuneration	369	369
Variable remuneration	130	230
Attendance fees	132	164
Others	-	-
	631	763

The remuneration accrued by the key management personnel of the Company in 2017 and 2016 is as follow:

	Thousands of Euros	
	31/12/2017	31/12/2016
Remunerations	7,031	6,026
	7,031	6,026

At 31 December 2017 and 2016, no loans or advances had been granted to the Company's serving and former key management personnel, and no guarantee obligations or pension or life insurance commitments had been assumed on their behalf.

15. Events after the reporting period

On January 4, 2018, Alantra EQMC Asset Management, Sociedad Gestora de Instituciones de Inversión Colectiva, S.A., was set up. The Company paid 360 thousand euros and owns 100% of the company's share capital.

Additionally, since February 22, 2018, Alantra Capital Markets, Sociedad de Valores, S.A.U., has a new branch in Italy.

Subsequent to year-end 2017 there has been no other significant event than those described in the rest of these notes to the consolidated financial statements.

Translation of a report originally issued in Spanish. In the event of a discrepancy, the Spanish-language version prevails.

Alantra Partners, S.A. and companies comprising the Alantra Group

Consolidated Directors' Report at 31 December 2017

Interim Management Report as at 31 December 2017

Income and expenses

Revenue amounted to €136.1 million in 2017, up 50.9% from the €90.2 million reported in 2016.

The financial advisory business, which includes the M&A and corporate finance activities as well as the provision of research and brokerage services to institutional investors, generated €91.7 million of revenue, up 53.8% from the €61.0 million reported in 2016, which represented 67.4% of the Group total. Note that Catalyst Corporate Finance, LLP was consolidated into the Alantra Group at the end of 2017, so that the revenue contribution from this business combination was not significant in 2017.

Revenue from the asset management business, meanwhile, amounted to €43.2 million, up 53.8% from the €28.1 million reported in 2016. The following factors drove this growth:

- Recurring fee revenue in the asset management business increased by 35.6%, from €21.6 million in 2016 to €29.3 million in 2017. Part of this growth was due to the launch of a new private equity fund, N+1 Private Equity Fund III, during 2016; this fund only accrued management fees during the second half of that year. The recurring fee base has been increasing steadily in the asset management business during the past two years, evidencing this business's strength.
- In addition, the Group accrued success fees totalling €13.8 million in 2017, marking growth of 114.5% from the €6.5 million reported in 2016; these fees were generated primarily at EQMC Europe Development Capital Fund, plc (EQMC Fund).
- The entities through which the Group conducts its private banking activities (Alantra Wealth Management Gestión SGIIC, S.A. and Alantra Wealth Management Agencia de Valores, S.A.) were consolidated by the Alantra Group for the first time in the fourth quarter of 2016, so that 2017 was their first full year as part of the Group. This business contributed €7.2 million to Group revenue.

Operating expenses were 38.9% higher year-on-year at €99.2 million in 2017, driven by the Group's growth and investment in new teams, most notably as part of the international expansion of its investment banking arm. However, it is important to note that employee benefits expense increased by 48.8% from 2016, reflecting the Group's compensation policy of tying the pay earned by its professionals closely to the Group's profit performance.

Elsewhere, the Group's proprietary portfolio of assets generated net finance income of €3.8 million, down 58.7% from the €9.1 million reported in 2016.

Given that the Group's own investment vehicles are currently in the midst of their investment cycles, coupled with the fact that the portfolio deriving from the merger has largely been disposed of on a staggered basis, the earnings contribution by the Group's own portfolio is expected to decline in the years to come.

Net profit

The profit attributable to owners of the Parent totalled €30.2 million in 2017, up 20.7% from 2016 (€25.1 million). Below are the consolidated statements of profit and loss for 2017 and 2016:

€ Thousand	31/12/2017	31/12/2016	%
Net income			
Investment banking	91,699	60,990	50.4%
Asset Management	43,152	28,064	53.8%
<i>Management Fees</i>	29,304	21,608	35.6%
<i>Success Fees</i>	13,848	6,456	114.5%
Others	1,276	1,163	9.7%
TOTAL Net income	136,127	90,217	50.9%
Other income	14	43	(67.0%)
Personnel Expenses	(71,250)	(47,881)	48.8%
<i>Fixed cost</i>	(36,477)	(26,558)	37.3%
<i>Variable cost</i>	(34,773)	(21,323)	63.1%
Other operating expenses	(27,114)	(23,006)	17.9%
Amortisation	(825)	(490)	68.4%
Impairment	-	(26)	(100.0%)
TOTAL Operating Expenses	(99,189)	(71,403)	38.9%
Operating Profit (Loss)	36,952	18,857	96.0%
Finance income (expense) attributable to Portfolio	5,103	11,717	(56.4%)
Other finance income (expense)	(691)	(511)	35.4%
Net Finance Income (expense)	4,412	11,207	(60.6%)
Result of companies registered by the equity method	3,347	2,520	32.8%
Non-controlling Interests	(4,027)	(2,239)	79.8%
Income Tax	(10,454)	(5,289)	97.7%
NET PROFIT ATTRIBUTABLE TO THE PARENT	30,230	25,055	20.7%
NET PROFIT DERIVED FROM FEE BUSINESS	26,588	15,781	68.5%
NET PROFIT DERIVED FROM PORTFOLIO	3,765	9,116	(58.7%)
ORDINARY NET PROFIT	30,352	24,897	21.9%

Earnings per share (Euros)	31/12/2017	31/12/2016	%
Basic	0.85	0.74	15.0%
Diluted	0.85	0.72	17.7%

Consolidated balance sheet

Equity attributable to owners of the Parent stood at €201.6 million at year-end 2017, up €15.3 million year-on-year, driven mainly by the shares issued by the Parent in November 2017 as part of the consideration agreed upon for

the acquisition of Catalyst Corporate Finance, LLP (note 3). In addition, the profit generated in 2016 was earmarked to the legal and other reserves.

Elsewhere, in 2017, the Company made a payment against its share premium account in the amount of €12.3 million. In addition, the Company's shareholders ratified an interim dividend of €16.55 million from 2017 profits at the November EGM.

Consolidated non-current assets totalled €126.4 million at year-end, up €22.5 million from year-end 2016, driven principally by the following:

- A net increase in intangible assets as a result mainly of the acquisition of Catalyst Corporate Finance, LLP and the generation of GBP33.4 million of goodwill. Note that the most important components of the Alantra Group's goodwill are denominated in foreign currency, thereby exposing it to exchange rate fluctuations.
- The first-time consolidation of the net assets of Catalyst Corporate Finance, LLP, acquired during the fourth quarter of 2017.
- These increases were offset to a degree by the collection of certain receivables that were settled ahead of schedule.
- In addition, the Group's proprietary portfolio of financial instruments sustained a net decrease of €4.6 million.

Consolidated current assets, meanwhile, increased by €7 million, driven mostly by the increase in trade and other receivables as a result of the growth in the Group's business volumes.

Lastly, consolidated "Cash and cash equivalents" increased from €101.6 million at year-end 2016 to €104.4 million at year-end 2017. In addition to these cash balances, the Company has holds €7.9 million on deposit at banks (recognized under "Other current assets") and €10 million of other monetary investments under "Non-current assets", evidencing the Group's ability to generate cash in parallel with pursuit of its M&A growth strategy and dividend policy.

Corporate development and business performance

The Alantra Group continued to execute its international growth strategy in 2017. While 2016 had been marked by investments in the US and Latin America, 2017 was shaped by the €40.7 million acquisition of Catalyst Corporate Finance, LLP by the investment banking business.

Having added investment banking teams in Amsterdam, Athens, Stockholm, Lisbon and Peking in 2016, teams were brought on board in Brussels and Vienna in 2017. In addition, the Group reinforced its existing teams in other markets, hiring a new team specialised in the tech sector in the US, where it opened a new office in New York, and a team of fixed-income and real estate experts in France.

Financial advisory (Investment Banking)

The Investment Banking business advised on a total of 186 transactions in 2017 (2016: 126), marking another new record in the Alantra Group's history. Based on the Mergermarket league tables, Alantra ended 2017 as Europe's #11 independent advisor by deal count. In 2016, Alantra ended the year as Europe's #6 independent advisor by both deal value and deal count.

Highlighted transactions advised on by Alantra in 2017: (i) buy-side M&A advisor to pharmaceutical and healthcare group Laboratorios Cinfa on the acquisition of France's Natural Santé, a specialist in natural food supplements and of Italy's Sakura, an expert in innovative health products and food supplements, as part of the buyer's international expansion strategy; (ii) sell-side M&A advisor to IK Investment Partners on the sale of Grupo Evac to Bridgepoint; and (iii) the provision of advisory services to Grupo Bergé with respect to a €33 million syndicated loan to finance the acquisition of Grupo Delta.

As for the Alantra Group's track record in the Spanish financial system, it is worth singling out the advice provided to Liberbank on the sale of its real estate portfolio for €600 million and the advice provided to BMN in connection with its merger with Bankia.

Asset Management

The Asset Management division ended 2017 with €3,977 million of assets under management (up from €3,488 million at year-end 2016). Here it is worth highlighting:

- In the active management division, Group funds EQMC and QMC II posted returns of 23.2% and 18.1%, respectively. In addition, the newly launched QMC III (a fund specialised in mid-cap Spanish and Portuguese equities) achieved its first close, raising €44 million; committed capital in this fund is expected to rise to €150 million in the coming months. The exceptional returns achieved by the Group's active management vehicles meant that EQMC was rated the world's best-performing hedge by Penta de Barron's, underpinned by an average annual return during the last three years of 26%.
- In the private debt fund division, 71% of Alteralia I, the first fixed-income fund ever managed by the Alantra Group, had been invested by year-end 2017. Moreover, the Group's second debt fund, Alteralia II, is in the fund-raising process and expects to raise €150 million in total.
- In the private banking (or wealth management) division, assets under management increased by 20% in 2017. Note that this division opened two new offices, one in Seville and the other in La Coruña, thereby expanding its Spanish footprint.

GLOSSARY OF TERMS

Business segments identified

- **“Business Segment”** means each operating segment or identified component of Alantra classified as such because (a) it carries on business activities that can generate revenue and incur expenses (including revenues and expenses from transactions with other components of the same entity); (b) its operating results are examined at regular intervals at the highest level of operating decision making in the entity in order to decide the resources that should be allocated to the segment and assess its performance; and (c) differentiated financial information is available in relation to the segment.
- **“Financial Advisory” (Investment Banking)**. Identified business segment in Alantra which includes financial advisory services to companies and entities in corporate finance operations, as well as the provision of stock market brokerage and analytical services to institutional investors.
- **“Asset Management”**. Identified business segment in Alantra which consists in managing and advising assets of different types for institutional investors, wealthy families and other professional investors and which is provided through specialised investment funds or through customer investment portfolios.
- **“Structural”**. Identified business segment in Alantra that includes revenues and expenses related to the governance structure and development of the Alantra Group (corporate governance, strategic coordination, corporate and business development, and corporate services, such as accounting and reporting, risk control, IT systems, human resources management and legal services, amongst others) and which, because they refer to the parent company of the Group (as listed company) or to the overall management thereof, are not directly attributable to the Financial Advisory or Asset Management or Portfolio segments. The Structural segment also includes invoicing of services in relation to Alantra Group companies that are classified as associates, that is, that are not fully consolidated. In Alantra’s current growth phase, both in corporate and business terms, the importance of services classified as Structural justifies its consideration as an independent segment.
- **“Portfolio”**. Identified business segment in Alantra that is defined as the activity of obtaining capital gains by investing and subsequently selling stakes in companies or in investment funds or vehicles managed by the Alantra Group management teams. The current investment portfolio has a dual origin: (i) in the companies invested in by the Company as venture capital firm before the Merger and which, at the date of the Merger, had not yet been disposed of or sold; and (ii) investments of the Alantra Group in vehicles managed or advised by the Group itself.
- **“Rest”**. This is a residual category that includes all activities that do not belong in any of the four previous business segments (that is, neither Financial Advisory, nor Asset Management, nor Structural, nor Portfolio).
- **“Fee Business”**. This is the grouping or aggregation of the Financial Advisory, Asset Management and Structural segments, and is defined as a whole as the service provision activity, be it advisory or management services, the revenue from which is in the form of remuneration or fees and the expenses of which are those needed for its pursuit, mainly personnel expenses. Specifically excluded from the Fee Business are losses or gains originating from investments of the Group’s parent company in the companies that carry on said activities (for example, from the sale of interests in companies or businesses, impairment of goodwill or net financial income from foreign currency), which are included in the Rest segment.

The reason for attributing 100% of the activity of the Structural segment to the Fee Business is that the greater part of time and/or funds invested in Structure are used to manage the growth and complexity from the activity classified in the Financial Advisory and Asset Management segments. This concept is especially significant because several alternative performance measures (APMs) are constructed on it.

- **“Ordinary Business”**. Grouping or aggregation of segments comprised by the Fee Business (Financial Advisory, Asset Management and Structural) plus the Portfolio segment.

Alternative performance measures

- **“Alternative performance measure”** is a financial measure of past or future financial performance, financial position or cash flows of a company other than the financial measures defined or detailed in the applicable financial reporting framework.
- **“Fee Business Net Profit”** means the profit generated from the provision of advisory and management services of the Fee Business (that is, the Financial Advisory, Asset Management and Structural segments), the revenue from which is in the form of remuneration or fees and the expenses of which are those needed for its pursuit, mainly personnel expenses.

The Fee Business Net Profit is calculated as the sum of the Profit attributable to the parent company in respect of the said three segments.

The distinct nature of the two areas of Alantra's activity (Fee Business and Portfolio) justifies the relevance of specifically identifying the net profit from the Fee Business attributable to the parent company in the information released to the market.

- **“Portfolio Net Profit”** is the profit generated from investment and subsequent sale of holdings in companies, investment funds or investment vehicles managed by the Alantra Group. The Portfolio Net Profit is equal to the profit attributable to the parent company in respect of the Portfolio segment.

The distinct nature of the two areas of Alantra's activity (Fee Business and Portfolio) justifies the relevance of specifically identifying the Portfolio Net Profit attributable to the parent company in the information released to the market.

- **“Ordinary Net Profit”** is the profit generated by the Group's normal or ordinary activity, that is, the activity included in the Financial Advisory, Asset Management and Portfolio segments. Ordinary Net Profit is calculated as the sum of the Fee Business Net Profit and the Portfolio Net Profit.

Ordinary Net Profit is a significant indicator or net profit (or profit attributable to the parent company) and for determining what part of net profit comes from the company's ordinary activity and not from extraordinary items.

- **Financial Indebtedness** is the aggregate volume of the Group's debt to banks, credit institutions and similar entities for the purpose of funding its activity. This does not include debts to employees, suppliers or companies within the scope of consolidation or their shareholders. It likewise does not include liabilities to banks, credit institutions or similar entities if those liabilities have specific associated assets of the same amount.

Financial indebtedness is calculated as the sum of the balance sheet captions grouped under “Debts with financial institutions” that meet the criteria mentioned in the definition of this Measure, which means it does not include the €2,343 thousand recorded under liabilities in the consolidated balance sheet at 31 December 2017 (2,616 at 31 December 2016).

Financial Indebtedness is a significant indicator in evaluating the Group's consolidated balance sheet.

- **“Pay Out”** means the percentage of the Group's profits that the Company distributes to its shareholders.

It is calculated by dividing the aggregate amount per share distributed by the Company to its shareholders for a given period (whether as dividends or as distribution of reserves or share premium) by the diluted earnings per share generated during that period.

The Pay Out indicates the degree to which shareholder remuneration is paid out of profit for the year (or of the period of reference).

- **Dividends Yield** means the yield obtained by the Company's shareholders from the distribution of dividends.

The Dividend Yield is calculated by dividing the aggregate amount per share distributed by the Company to its shareholders for a given period (whether as dividends or as distribution of reserves or share premium) by the price of the share at a given date (the date that will be indicated when this Measure is mentioned).

Shareholders receive returns from two sources: from the appreciation of the share price and from the remuneration received in the form of distributions of dividends, reserves or share premium. Dividend Yield is the measure or indicator of reference for the latter source.