

Auriga
Global
Investors,
Sociedad
de
Valores,
S.V., S.A.U.

Annual Accounts
31 December 2018

Directors' Report
Year 2018

(Along With Auditor's Report Thereon)



KPMG Auditores, S.L.
Paseo de la Castellana, 259C
28046 Madrid

Auditor's Report on the Annual Accounts issued by an Independent Auditor

To the shareholders of Auriga Global Investors, Sociedad de Valores, S.A.:

Opinion

We have audited the annual accounts of Auriga Global Investors, Sociedad de Valores, S.A.U. (the "Company"), which include the balance sheet at 31 December 2018, the profit and loss account, statement of changes in equity, statement of cash flows and the notes for the year then ended.

In our opinion, the accompanying Annual Accounts give a true and fair view, in all material respects, of the equity and financial position of the Company at 31 December 2018 and its financial performance for the year then ended in accordance with the applicable financial reporting framework (identified in note 2 of the report) and, in particular, with the accounting principles and criteria set forth therein.

Grounds for our opinion

We conducted our audit in accordance with prevailing legislation regulating the audit of accounts in Spain. Our responsibilities according to those regulations are described below in the section *Responsibility of the Auditor with regard to the auditing of the Annual Accounts* in our report.

We are independent from the Company as required by standards of ethics, including those for independence, which apply to our auditing of annual accounts in Spain, as required by the regulations governing the auditing of accounts. In this regard, we have not provided any services other than those of auditing accounts, nor have any situations or circumstances arisen which, under the provisions of those rules, could affect the required independence in such a way as to have been compromised.

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

Most relevant aspects of the audit

The most relevant aspects of the audit are those which, based on our professional opinion, were considered as the most significant risks of material misstatement in our audit of the Annual Accounts for the current period. Those risks were treated in the context of our audit of the annual accounts taken as a whole and in the forming of our opinion on the accounts, and we do not express any separate opinion on those risks.

Recognition of income from fees (see note 21 of the Report on the Annual Accounts)

The recognition of income from fees is a significant section of the Company's profit and loss statement. It mainly comprises the fees arising from the processing and implementation of customers instructions for buying and selling securities and marketing commissions. This income is calculated on the basis of the transactions completed and the assets marketed. As part of our procedures, in the context of our audit, we have assessed the design and implementation of the Company's monitoring methods in respect of the entirety, existence and valuation of the securities transactions and the assets marketed.

Furthermore, the main tests of detail carried out on the recognition of income from fees were as follows:

- We have recalculated the income from commissions for a sample of customers, and for that sample we checked that the rates used are consistent with those set out in the contracts concluded with the customers.
- For a sample, we verified the proper recording of income from commissions in the relevant period.
- For a sample of the income from marketing commissions, we verified that they were recorded according to the assets sold and to the conditions set out in the contracts.
- We asked all the financial institutions with which the Company operates to confirm the assets that the Company held with them at the end of the year on behalf of its customers as at 31 December 2018.
- We checked the reconciliations made by the Company between the customers' balances held according to its accounting records and those confirmed by the banks.
- We assessed whether the information in the annual accounts relating to income from commissions meets the requirements under the regulatory framework that applies to financial reporting.

Other information: Director's report

Other information comprises exclusively the director's report for 2018, the preparation of which is the responsibility of the directors of the Company and is not forming part of the annual accounts.

Our opinion for the audit of the Annual Accounts does not extend to the director's report. In accordance with the regulations governing the auditing of accounts, our responsibility with regard to the director's report consists of evaluating and informing on whether the director's report is consistent with the Annual Accounts, based on the knowledge obtained on the company from performing the audit of the mentioned Annual Accounts, and excluding any information other than that obtained as evidence during the audit. Our responsibility also consists of evaluating and informing on whether the content and presentation of the director's report meet the requirements of the applicable regulations. If, on the basis of our work, we determine that there is material misstatement, we are bound to inform on this.

On the basis of the work carried out, as described in the preceding paragraph, the information contained in the director's report is consistent with that in the Annual Accounts for the financial year 2018 and its content and presentation comply with applicable regulations.

Directors' Responsibility for the Annual Accounts

The directors of the Company are responsible for drawing up the attached annual accounts in such a way as to express a true and fair image of the equity, the financial position and the profit or loss of the Company in accordance with the financial reporting framework applicable to the Company in Spain, and for such internal control as they deem necessary to permit the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In the preparation of the annual accounts, the directors of the Company are responsible for assessing the Company's ability to continue operating as a going concern, reporting, as appropriate, the issues related to a going concern, and using the accounting principle of "going concern", except if the directors intend to wind up the Company or to cease operations, or if there is no realistic alternative.

Responsibilities of the auditor in relation to the auditing of the Annual Accounts _

Our objectives are to obtain reasonable assurance about whether the annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report expressing our opinion. Reasonable assurance is a high degree of assurance but does not guarantee that an audit carried out in accordance with the regulations on the auditing of accounts in force in Spain will always identify a material misstatement, if it exists. Misstatements can be caused by fraud or error and are considered to be material if, individually or in aggregate, they can be reasonably expected to influence economic decisions that are taken by users on the basis of the annual accounts.

As part of an audit performed in accordance with the regulations on the auditing of accounts in force in Spain, we use our professional judgement and maintain an attitude of professional scepticism throughout the audit. In addition:

- We identify and assess the risks of material misstatement in the Annual Accounts, whether due to fraud or error, design and use auditing procedures to respond to those risks and obtain sufficient appropriate audit evidence to provide a reasonable basis for our opinion. The risk of not identifying a material misstatement due to fraud is higher than in the case of material misstatement due to error, as the fraud can involve collusion, falsification, deliberate omissions, intentionally inaccurate statements or the avoidance of internal control.
- We obtain knowledge from the relevant internal control for our audit, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the information disclosed by the directors of the Company.
- We determine whether it is appropriate for the Company directors to use the principle of going concern and, based on the audit evidence gathered, we determine whether or not there is any material uncertainty related to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern. If we determine that material uncertainty does exist, we are required to draw attention in our report to the relevant information disclosed in the Annual Accounts or, if those disclosures are not appropriate, to express a modified opinion. Our conclusions are based on the audit evidence gathered up until the date of our auditor's report. However, any future events or conditions could be the reason for the Company ceasing to operate as to going concern.
- We evaluate the overall presentation, the structure and content of the annual accounts, including the information disclosed, and whether the annual accounts represent the underlying transactions and facts so as to reflect a true and fair view.

We are in communication with the Company directors in relation to, amongst other issues, planning the scope and the moment for carrying out the audit and the significant findings of the audit, as well as any significant shortcoming in the internal control that we may identify during the course of the audit.

Amongst the significant risks which we have reported to the Directors of Auriga Global Investors, Sociedad de Valores, S.A., we indicated those which had most significance on the audit of the annual accounts for the current year and which are therefore the risks considered to be most significant.

We describe those risks in our report, unless legal or regulatory provisions prohibit public disclosure of the issue.

KPMG Auditores, S.L.

Registered in the R.O.A.C. under number S0702

[Signature]

Fernando Renedo Avilés

Registered in the R.O.A.C. under number 22,478

27 March 2019

[Stamp:

AUDITORS

SPANISH INSTITUTE OF CHARTERED ACCOUNTANTS [INSTITUTO DE CENSORES JURADOS DE CUENTAS DE ESPAÑA]

KPMG AUDITORES, S.L.

2019

No. 01/19/04347

CORPORATE SEAL 96 EUR

Auditor's report subject to Spanish or international auditing regulations]

AURIGA GLOBAL INVESTORS,
SOCIEDAD DE VALORES, S.A.U.

Balance sheets

31 December 2018 and 2017

(Expressed in euro to two decimal places)

Assets	Note	31/12/18	31/12/17
Cash		1,603.61	1,304.88
Trading portfolio	5		
Debt securities		376,265.31	1,157,929.57
Equity instruments		<u>2,515,463.88</u>	<u>667,946.00</u>
		2,891,729.19	1,825,875.57
Available-for-sale financial assets	6		
Equity instruments		2,038,659.45	1,608,572.96
<i>Memorandum item: Loaned or pledged</i>		<u>-</u>	<u>-</u>
		2,038,659.45	1,608,572.96
Loans and receivables	7		
Loans and advances to financial intermediaries		15,027,581.38	17,149,914.32
Loans and advances to individuals		<u>7,984,806.28</u>	<u>15,358,649.80</u>
		23,012,387.66	32,508,564.12
Equity investments	8		
Group companies		83,239.10	4,061,499.10
Associates		<u>609,660.00</u>	<u>251,000.00</u>
		692,899.10	4,312,499.10
Tangible assets	9		
For own use		93,030.67	110,501.11
Intangible Assets	10		
Other intangible assets		46,016.79	30,842.61
Tax assets			
Deferred	12	143,226.93	143,226.93
Other assets	13	<u>5,612,014.01</u>	<u>9,066,153.25</u>
Total assets		<u><u>34,531,567.41</u></u>	<u><u>49,607,540.53</u></u>

The accompanying notes form an integral part of the annual accounts for 2018.

AURIGA GLOBAL INVESTORS,
SOCIEDAD DE VALORES, S.A.U.

Balance sheets

31 December 2018 and 2017

(Expressed in euro to two decimal places)

<u>Liabilities and Equity</u>	Note	<u>31/12/18</u>	<u>31/12/17</u>
Financial liabilities at amortised cost	14		
Payable to financial intermediaries		4,521,715.79	2,268,008.17
Payable to individuals		<u>13,844,749.50</u>	<u>12,054,931.98</u>
		18,366,465.29	14,322,940.15
Tax liabilities	12		
Deferred		<u>22,352.87</u>	<u>22,352.87</u>
Other liabilities	13	<u>2,291,503.98</u>	<u>8,030,479.95</u>
Total liabilities		<u><u>20,680,322.14</u></u>	<u><u>22,375,772.97</u></u>
Equity	15		
Capital			
Registered capital		3,000,000.00	3,000,000.00
Reserves		5,677,565.86	21,356,761.13
Profit/(loss) for the year		<u>5,134,311.78</u>	<u>2,835,638.80</u>
		13,811,877.64	27,192,399.93
Valuation Adjustments			
Available-for-sale financial assets	16	<u>39,367.63</u>	<u>39,367.63</u>
Total equity		<u>13,851,245.27</u>	<u>27,231,767.56</u>
Total liabilities and equity		<u><u>34,531,567.41</u></u>	<u><u>49,607,540.53</u></u>
Memorandum items			
Risk and commitment accounts	17		
Guarantees granted		1,010,351.81	1,010,351.81
Forward securities purchase/sale commitments		1,631,842.77	635,777.15
Financial derivatives		<u>-</u>	<u>792,204.00</u>
		2,642,194.58	2,438,332.96
Other off-balance sheet items	17		
Managed portfolios		41,164.89	48,448,455.75
Other off-balance sheet items		<u>245,661,497.91</u>	<u>357,556,422.34</u>
		<u><u>245,702,662.80</u></u>	<u><u>406,004,878.09</u></u>

The accompanying notes form an integral part of the annual accounts for 2018.

AURIGA GLOBAL INVESTORS,
SOCIEDAD DE VALORES, S.A.U.

Profit and loss accounts
for the financial years ended
31 December 2018 and 2017

(Expressed in euro to two decimal places)

	Note	2018	2017
Interest receivable and similar income	19	795,358.92	719,042.29
Interest expense and similar charges	20	<u>(658,902.06)</u>	<u>(1,093,502.43)</u>
Interest margin		136,456.86	(374,460.14)
Income from equity instruments	5 and 19	2,598,402.57	4,663,885.75
Fee and commission income	21	3,094,931.83	6,544,626.51
Fee and commission expense	21	(2,059,694.84)	(2,852,486.75)
Gains/(losses) on financial assets and liabilities			
Trading portfolio	5	4,429,955.13	3,150,913.87
Other	6	-	245,376.21
Exchange gains		519,356.06	689,638.07
Other operating income		475,315.23	579,711.62
Other operating expenses	22	<u>(7,624,829.09)</u>	<u>(446,125.87)</u>
Gross margin		1,569,893.75	12,201,079.27
Personnel expenses	23	(4,992,568.91)	(6,361,835.28)
Overheads	24	(3,023,445.85)	(3,228,406.55)
Depreciation and amortisation	9 and 10	(83,772.08)	(168,679.81)
Impairment losses on financial assets (net)			
Loans and receivables	25	<u>(319,015.00)</u>	-
Profit/(loss) from operating activities		<u>(6,848,908.09)</u>	<u>2,442,157.63</u>
Loss on the derecognition of assets not classified as non-current and held for sale	8	<u>11,983,219.87</u>	<u>(2,349.23)</u>
Profit before income tax		5,134,311.78	2,439,808.40
Income tax	26	<u>-</u>	<u>395,830.40</u>
Profit/(loss) from continuing operations		<u>5,134,311.78</u>	<u>2,835,638.80</u>
Profit/(loss) for the year		<u>5,134,311.78</u>	<u>2,835,638.80</u>
Gains per share (Euros)			
Basic		1.71	9.45

The accompanying notes form an integral part of the annual accounts for 2018.

AURIGA GLOBAL INVESTORS,
SOCIEDAD DE VALORES, S.A.U.

Statements of Changes in Equity for the financial years
ended 31 December 2018 and 2017

A) Statements of recognised income and expense
for the financial years ended
31 December 2018 and 2017

(Expressed in euro to two decimal places)

	<u>2018</u>	<u>2017</u>
Profit/(loss) for the year	5,134,311.78	2,835,638.80
Other recognised income/(expenses)		
Available-for-sale financial assets		
Valuation gains/(losses)	-	(596,846.57)
Amounts transferred to the profit and loss account	-	245,376.21
Income tax	-	87,867.59
	-	(263,602.77)
Total Recognised income and expense	<u>5,134,311.78</u>	<u>2,572,036.03</u>

The accompanying notes form an integral part of the annual accounts for 2018.

AURIGA GLOBAL INVESTORS,
SOCIEDAD DE VALORES, S.A.U.

Statements of Changes in Equity for the financial years ended
31 December 2018 and 2017

B) Statements of Changes in Equity for the financial year ended
31 December 2018

(Expressed in euro to two decimal places)

	Registered capital	Reserves	Profit/(loss) for the year	Total capital and reserves	Valuation adjustments	Total equity
Balance at 31 December 2017	3,000,000.00	21,356,761.13	2,835,638.80	27,192,399.93	39,367.63	27,231,767.56
Other movements	-	-	-	-	-	-
Adjusted balance at 01 January 2018	3,000,000.00	21,356,761.13	2,835,638.80	27,192,399.93	39,367.63	27,231,767.56
Total recognised income and expenses	-	-	5,134,311.78	5,134,311.78	-	5,134,311.78
Other changes in equity						
Distribution of dividends	-	(18,514,834.07)	-	(18,514,834.07)	-	(18,514,834.07)
Transfers between equity line items	-	2,835,638.80	(2,835,638.80)	-	-	-
Balance at 31 December 2018	<u>3,000,000.00</u>	<u>5,677,565.86</u>	<u>5,134,311.78</u>	<u>13,811,877.64</u>	<u>39,367.63</u>	<u>13,851,245.27</u>

The accompanying notes form an integral part of the annual accounts for 2018.

AURIGA GLOBAL INVESTORS,
SOCIEDAD DE VALORES, S.A.U.

Statements of Changes in Equity for the financial years ended
31 December 2018 and 2017

B) Statements of Changes in Equity for the financial year ended
31 December 2017

(Expressed in euro to two decimal places)

	Registered capital	Reserves	Profit/(loss) for the year	Total Equity	Valuation adjustments	Total equity
Balance at 31 December 2016	3,000,000.00	23,598,563.76	758,197.37	27,356,761.13	302,970.40	27,659,731.53
Other movements	-	-	-	-	-	-
Adjusted balance at 01 January 2017	3,000,000.00	23,598,563.76	758,197.37	27,356,761.13	302,970.40	27,659,731.53
Total recognised income and expenses	-	-	2,835,638.80	2,835,638.80	(263,602.77)	2,572,036.03
Other changes in equity						
Distribution of dividends	-	(3,000,000.00)	-	(3,000,000.00)	-	(3,000,000.00)
Transfers between equity line items	-	758,197.37	(758,197.37)	-	-	-
Balance at 31 December 2017	<u>3,000,000.00</u>	<u>21,356,761.13</u>	<u>2,835,638.80</u>	<u>27,192,399.93</u>	<u>39,367.63</u>	<u>27,231,767.56</u>

The accompanying notes form an integral part of the annual accounts for 2018.

AURIGA GLOBAL INVESTORS,
SOCIEDAD DE VALORES, S.A.U.

Statements of cash flows for the years ended
31 December 2018 and 2017

(Expressed in euro to two decimal places)

	31/12/18	31/12/17
1. Cash flows from operating activities	<u>(2,553,418.63)</u>	<u>(6,506,218.96)</u>
Profit/(loss) for the year	5,134,311.78	2,439,808.40
Adjustments to obtain cash flows from operating activities		
Depreciation and amortisation (+)	83,772.08	114,084.10
Impairment losses on assets (net)	319,015.00	-
Profit/(loss) on the sale of equity investments	(11,983,219.87)	-
Other items (+/-)	<u>(5,462,852.84)</u>	<u>(9,866,972.14)</u>
	<u>(17,043,285.63)</u>	<u>(9,752,888.04)</u>
Adjusted profit/loss (+/-)	<u>(11,908,973.85)</u>	<u>(7,313,079.64)</u>
Net increase/(decrease) in operating assets		
Loans and receivables (+/-)	9,496,176.46	14,846,966.52
Trading portfolio (+/-)	(1,065,853.62)	1,089,332.08
Available-for-sale financial assets (+/-)	(430,086.49)	1,059,678.84
Other operating assets (+/-)	<u>3,050,769.70</u>	<u>(3,612,035.60)</u>
	11,051,006.05	13,383,941.84
Net increase/(decrease) in operating liabilities		
Financial liabilities at amortised cost (+/-)	4,043,525.14	(16,914,508.35)
Other operating liabilities	<u>(5,738,975.97)</u>	<u>3,708,758.26</u>
	(1,695,450.83)	(13,205,750.09)
Income tax payments (+/-)	-	628,668.93
2. Cash flows used in investing activities	<u>18,601,743.23</u>	<u>925,881.59</u>
Payments (-)		
Tangible assets	(39,301.47)	(622.25)
Intangible Assets	<u>(42,174.35)</u>	<u>(76,240.51)</u>
	(81,475.82)	(76,862.76)
Receipts (+)		
Equity investments	18,514,834.07	1,002,744.35
Tangible assets	137,798.55	-
Intangible Assets	<u>30,586.43</u>	<u>-</u>
	18,683,219.05	1,002,744.35
3. Cash flows used in financing activities	<u>(18,514,834.07)</u>	<u>-</u>
Payments (-)		
Depreciation and amortisation of equity instruments	(18,514,834.07)	-
4. Effect of exchange rate fluctuations on cash and cash equivalents	<u>-</u>	<u>-</u>
5. Net increase/(decrease) in cash and cash equivalents (1+2+3+4)	<u>(2,466,509.47)</u>	<u>(5,580,337.37)</u>
Cash and cash equivalents at beginning of the financial year	14,657,064.84	20,237,402.21
Cash and cash equivalents at year-end	12,190,555.37	14,657,064.84

The accompanying notes form an integral part of the annual accounts for 2018.

AURIGA GLOBAL INVESTORS,
SOCIEDAD DE VALORES, S.A.U.

Notes to the annual accounts

31 December 2018

(1) Nature and main activities

Auriga Global Investors, Sociedad de Valores, S.A. Sociedad Unipersonal (hereinafter, the Company) was established on 23 March 2007, under the denomination of Auriga Securities, Sociedad de Valores, S.A. through a public deed before the Madrid notary Mr Fernando de Roda Lamsfus. The Company's registered office is at Cuesta del Sagrado Corazón, 6-8 in Madrid. The Company changed its original name to its current business name on 27 February 2012.

The Company engages only in the activities that broker-dealer companies, such as investment firms, are permitted to carry out under articles 140 and 141 of the restated text of the Securities Market Law. Therefore, the Company can provide the following investment services:

- Receipt and transmission of orders on behalf of third parties.
- Execution of such orders on behalf of third parties.
- Proprietary trading.
- Personalised and discretionary management of investment portfolios, based on the instructions provided by investors. This portfolio management also entails the authorised management of securities and financial assets comprising hedge fund portfolios.
- Placement of financial instruments without a firm commitment basis.
- Underwriting of financial instruments or placement of financial instruments on a firm commitment basis.
- Investment advisory services.

The Company can also provide the following ancillary services:

- Custody and administration, on behalf of customers, of the instruments set forth in article 2 of Royal Legislative Decree 4/2015, of 23 October, approving the restated text of the Securities Market Law.
- Granting of credit facilities or loans to investors to carry out transactions involving one or more of the instruments set forth in the aforementioned article 2, provided that the company granting these credit facilities or loans takes part in such transactions.
- Services relating to underwriting of issues or placement of financial instruments.

AURIGA GLOBAL INVESTORS,
SOCIEDAD DE VALORES, S.A.U.

Notes to the annual accounts

Broker-dealers are regulated by Royal Decree 4/2015 of 23 October 2015, which approves the restated text of the Securities Market Law, Law 44/2002 of 22 November 2002 and Royal Decree 217/2008 of 15 February 2008, governing the legal framework for investment firms, amended by Royal Decree 1820/2009 of 27 November 2009 and Royal Decree 358/2015 of 8 May 2015, as well as by the Spanish Securities Market Commission (CNMV) Circulars. These regulations set out the following minimum requirements for obtaining and maintaining the authorisation to operate as a broker-dealer, including the following:

- (a) The Company should have a minimum share capital of EUR 730,000.
- (b) The Company should comply with the solvency ratio in accordance with the arrangements set out in CNMV Circulars.
- (c) The Company should meet a specific liquidity ratio, which involves that it should maintain a certain volume of investments in low-risk, high-liquidity assets amounting to 10% of the liabilities that could require settlement within one year, excluding instrumental or transitory creditor accounts opened for the clients.
- (d) Financing can only be obtained from financial institutions entred into the relevant registers of the CNMV, Banco de España (Bank of Spain) or the Dirección general de Seguros (Spanish General Directorate of Insurance), or equivalent European Union registers. However, public funds may also be received for the following:
 - Share issues.
 - Subordinated debt financing.
 - Issues of securities admitted to trading on official secondary markets.

The Company is part of the Auriga Capital Investments, S.L. Group and its direct parent company is Auriga Capital Investments, S.L., the holding company of the consolidated group in Spain. The registered office of Auriga Capital Investments, S.L. is located at Cuesta del Sagrado Corazón, 6, in Madrid.

During financial year 2018, Auriga Capital Investments, S.L., acting as the parent company of Auriga Group started a restructuring process with the aim of spinning-off the companies supervised by the CNMV (including the Company) from Auriga Group. This partial spin-off of Auriga Capital Investments, S.L. will result in the creation of a new company named Auriga Capital Markets, S.L., whose shareholders will be the same as those of current shareholders of Auriga Capital Investments, S.L. The public deed of this partial spin-off was filed at the Commercial Registry of Madrid on 28 December 2018, while it has not been entered into the register at the date of drafting these annual accounts. The public deed will be registered once the relevant regulatory approvals are obtained.

AURIGA GLOBAL INVESTORS,
SOCIEDAD DE VALORES, S.A.U.

Notes to the annual accounts

(2) Basis of presentation of the annual accounts

(a) True and fair view

The annual accounts for the financial year 2018 have been prepared on the basis of the accounting records of Auriga Global Investors, Sociedad de Valores, S.A. Sociedad Unipersonal, in accordance with the business legislation in force and CNMV Circular 7/2008 of 26 November 2008, partially amended by Circular 5/2011 of 12 December 2015, to give a true and fair view of the equity and financial position at 31 December 2018 and results of operations, changes in equity and cash flows for the year ended on that date.

The annual accounts were authorised for issue by the directors of the Company on 27 March 2019.

The Board of Directors considers that the annual accounts for 2018 will be approved with no significant changes.

(b) Comparative information

For comparison purposes, the balance sheet, profit and loss account, statement of changes in equity, statement of cash flows and the notes to annual accounts for the year 2018 include comparative figures for 2017, which formed part of the annual accounts approved at the annual general meeting held on 30 April 2018.

Some reclassifications have been made to the balances for the financial year 2017, in order to make them comparable with the balances for the year 2018.

(c) Functional and presentation currency

The figures shown in these annual accounts are expressed in euro (to two decimal places), the Company's functional and presentation currency.

(d) Critical issues regarding the valuation and estimation of relevant uncertainties and judgements used when applying accounting principles

There have been no changes in the judgements and accounting estimates used by the Company in 2018 compared to the previous year.

Relevant accounting estimates and judgements, and other estimates and assumptions have to be made when applying the Company's accounting principles to prepare the annual accounts. In this regard, a summary of the items involving a greater degree of judgement or which are more complex, or where the assumptions and estimates made are significant to the preparation of the annual accounts, is provided below.

AURIGA GLOBAL INVESTORS,
SOCIEDAD DE VALORES, S.A.U.

Notes to the annual accounts

The most significant estimates used in the preparation of these annual accounts are as follows:

- Estimates to calculate the fair value of the financial instruments held by the Company (see notes 5, 6, 8).
- Estimates to calculate the bonus payable to Company employees (see note 13).
- Estimates for calculating Corporate Income Tax (see note 26).

Although estimates are calculated by the Company's directors based on the best information available at 31 December 2018, future events may require changes to these estimates in subsequent years. Any impact on the annual accounts of adjustments to be made in subsequent years will be recognised prospectively.

(3) Distribution of profit/loss

The directors proposed to the Sole Shareholder to approve the transfer of the profit/loss for the year ended 31 December 2018 to voluntary Reserves.

On 30 April 2018, the sole shareholder resolved to transfer the profit/loss for the year ended 31 December 2017 to voluntary Reserves.

Details of non-distributable reserves at 31 December 2018 and 2017 are as follows:

	Thousands of euro	
	31/12/18	31/12/17
Non-distributable reserves:		
Statutory reserve	600,000.00	600,000.00
Capitalisation reserve	50,107.39	50,107.39
	650,107.39	650,107.39

Distributable reserves and profit for the year are not subject to allocation restrictions.

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(4) Accounting and measurement principles

(a) Foreign currency transactions, balances and cash flows

Foreign currency transactions are converted into euro using the exchange rates prevailing at the transaction date.

Monetary assets and liabilities denominated in foreign currencies have been converted into euro at year-end exchange rates, while non-monetary assets and liabilities measured at historical cost have been converted at the exchange rate prevailing at the transaction date. Non-monetary assets measured at fair value have been converted into euro at the exchange rate prevailing at the date that the fair value was determined.

In the statement of cash flows, cash flows from foreign currency transactions have been translated into euro at the exchange rates prevailing at the dates the cash flows occurred. The impact of exchange rate fluctuations on cash and cash equivalents denominated in foreign currencies is shown separately in the statement of cash flows as “Effect of exchange rate fluctuations on cash and cash equivalents”.

Exchange gains and losses arising on the settlement of foreign currency transactions and the conversion into euro of monetary assets and liabilities denominated in foreign currencies are recognised in profit/loss. However, exchange gains or losses arising from monetary items which are part of a net investment in a foreign transaction are recognised as conversion differences in equity.

The Company uses the exchange rates published by the European Central Bank to translate foreign currency balances into euro.

Exchange gains or losses arising on monetary financial assets or liabilities denominated in foreign currencies are also recognised in profit/loss.

Foreign exchange gains or losses relating to non-monetary assets and liabilities are recognised in conjunction with the change in fair value. However, the exchange rate fluctuation component of non-monetary financial assets denominated in foreign currencies classified as available-for-sale and as hedged items in fair value hedges of such component is recognised in the income statement.

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(b) Recognition, classification and measurement of financial instruments

Financial assets and liabilities are recognised when the Company becomes party to a contract, in accordance with the provisions of such contract.

Debt instruments are recognised from the date on which a legal right to receive or a legal obligation to pay cash becomes effective, while derivative financial instruments are recognised from the trade date. In general, the Company derecognises financial instruments on the date from which the rewards, risks, rights and obligations or the control thereof are transferred to the purchaser.

The Company classifies financial instruments into different categories based on the characteristics of the instruments and Management's intentions on initial recognition.

Financial instruments are recognised and measured, based on their classification, using the following criteria:

- Financial assets at fair value involving changes in profit/loss:
 - Trading portfolio: financial assets held for trading in the market in the near term and derivatives not classified as hedging instruments. These are measured at fair value and net differences with the acquisition price are recognised in the profit and loss account.

Financial assets which are not derivatives can be reclassified out of the trading portfolio when they are no longer held for sale or repurchase in the near term in the circumstances described below:

- * In the event of exceptional circumstances arising from a particular, isolated event not associated with the Company, in which case the assets will be reclassified to available-for-sale financial assets.
 - * The Company has financial capacity and intends to hold the assets until maturity and such assets met the definition of loans and receivables on initial recognition, in which case they are classified as loans and receivables.
 - Other financial assets at fair value involving changes in profit and loss: hybrid financial assets, jointly-managed assets and hedging derivatives. These are measured at fair value and net differences with the acquisition price are recognised in the profit and loss account.
- Held-to-maturity investment portfolio: it is made up of debt securities with fixed maturity and fixed or determinable cash flows that the Company has decided to hold until maturity. Government debt, bonds and other fixed income securities in the held-to-maturity portfolio are initially recognised at the fair value of the consideration given and are subsequently carried at amortised cost using the effective interest rate method.

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- Loans and receivables portfolio: financial assets that are not derivatives, with fixed or determinable cash flows, on which the Company will recover all disbursement made. These assets are initially recorded at the fair value of the consideration given and are subsequently carried at amortised cost using the effective interest rate method. Assets purchased at a discount are recognised at the cash amount paid. The difference between the maturity amount and the cash paid is recognised as finance income in the profit and loss account over the remaining period until maturity.
- “Available-for-sale financial assets” portfolio: it contains those securities not classified in any of the preceding portfolios. These assets are recorded at fair value and net differences with the acquisition price are recognised in equity until the asset is derecognised, whereupon the gain or loss on disposal is transferred to the profit and loss account.
- Financial liabilities at fair value involving changes in profit and loss:
 - Trading portfolio: it is made up of securities issued with an intention to repurchase them in the near term, short positions, or which are part of a portfolio of identified financial instruments that are jointly managed, for which there is evidence of a recent pattern of short-term profit-taking, and derivatives other than hedging instruments. These are measured at fair value and net differences with the acquisition price are recognised in the profit and loss account.
 - Other financial liabilities at fair value involving changes in profit and loss: it contains hybrid financial instruments that do not form part of the trading portfolio and must therefore be measured at fair value, where the associated financial assets are also measured at fair value through profit and loss account. This category also includes jointly managed liabilities and those liabilities that may be cancelled by the holder at fair value. These are measured at fair value and net differences with the acquisition price are recognised in the profit and loss account.
- Financial liabilities at fair value involving changes in equity: it includes all financial liabilities associated with available-for-sale financial assets that have been transferred but do not meet the conditions for derecognition. These liabilities are measured in the same way as assets at fair value through equity.
- Financial liabilities at amortised cost: it contains those securities not classified in any of the preceding portfolios. These assets are initially recognised at the fair value of the consideration received. Subsequently, these are measured at fair value and net differences with the acquisition price are recognised in the profit and loss account.

The book values of financial instruments are adjusted with a charge to the profit and loss account when there is objective evidence that an impairment loss has occurred.

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(c) Criteria for the calculation of the fair value of financial instruments

Fair value is the amount for which an asset can be exchanged, or a liability can be settled, between knowledgeable, willing parties in an arm's length transaction. Generally, the Company applies the following systematic criteria to determine the fair value of financial assets and financial liabilities:

- The Company first uses the quoted market price in the most advantageous active market, to which it has immediate access, adjusted to reflect any difference in the credit risk between the instruments which are usually traded in that market and the one being valued. To this end, the bid price is used for assets purchased or liabilities to be issued, while the asking price is used for assets to be purchased or liabilities issued. If the Company has assets and liabilities with offsetting market risks, it uses mid-market prices for the offsetting risk positions, and applies the bid or asking price to the net position, as appropriate.
- Where market prices are not available, the Company uses recent transaction prices adjusted to market conditions.
- Otherwise, for most derivatives the Company uses generally accepted valuation techniques, using to the maximum extent possible market data, and relying as little as possible on entity-specific data.

(d) Impairment of financial assets

A financial asset or a group of financial assets is impaired and impairment losses are incurred if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset and the event or events have an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

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- Impairment of financial assets measured at amortised cost or cost

Impairment losses on assets measured at cost reflect the difference between the carrying amount of the financial asset and the present value of estimated future cash flows discounted at the present market yield for similar financial assets. These losses are not reversible and are therefore recognised directly against the value of the asset rather than as a valuation allowance.

- Impairment of available-for-sale financial assets

For available-for-sale financial assets, if a decline in their fair value has been accounted for directly in recognised income and expense, the cumulative loss is reclassified to profit and loss, if there is objective evidence that the asset is impaired, even though the financial asset has not been derecognised. The impairment loss recognised in profit or loss is calculated as the difference between the acquisition cost, net amounts of any reimbursements or repayment of the principal, and the current fair value, less any impairment loss previously recognised in profit or loss for the year.

Impairment losses on investments in equity instruments cannot be reversed and are therefore recognised directly against the value of the asset and not as an allowance account.

If the fair value of debt instruments increases and the increase can be objectively related to an event occurring after the impairment loss was recognised, such increase is recognised in profit and loss up to the amount of the previously recognised impairment loss and any excess is accounted for in recognised income and expense.

(e) Transfer of financial assets

Financial asset transfers are measured as follows:

- If the risks and rewards associated with a transferred financial asset are substantially transferred, such financial asset is derecognised and any right or obligation retained or created in the transfer is recognised.
- If the risks and rewards associated with a transferred financial asset are substantially retained, such financial asset is not derecognised and a financial liability is recognised for an amount equal to the consideration received, which is subsequently measured at amortised cost.
- If the risks and rewards associated with a transferred financial asset are neither transferred nor retained and the Company does not retain control, the financial asset is derecognised and any right or obligation retained or created through the transfer is recognised. If the Company retains control, the financial asset is not derecognised but remains on the balance sheet.

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(f) Equity investments

This item contains equity instruments in subsidiaries, which are recognised at cost of acquisition, adjusted to reflect any impairment losses where there is objective evidence that the carrying amount of an investment is not recoverable.

The adjusted cost reflects the difference between the carrying amount and the recoverable amount, which is the higher of the fair value less costs to sell and the present value of the future cash flows arising from the investment. Unless better evidence of the recoverable amount of an investment is available, when estimating the impairment of these types of assets, the investee's equity is taken into consideration, corrected for any unrealised gains existing at the measurement date.

Impairment and reversals of impairment are recognised as an expense or income, respectively, in the profit and loss account. Impairment losses can only be reversed up to the limit of the carrying amount of the investment that would have been disclosed at the reversal date had the impairment not been recognised.

Subsidiaries are investees which form a decision-making unit with the Parent Company. A decision-making unit is presumed to exist when an entity is a shareholder of another entity and is related to the latter in one of the following situations:

- a) It holds the majority of voting rights.
- b) It has the power to appoint or remove a majority of the members of the management body.
- c) It holds the majority of voting rights by virtue of agreements with other shareholders.
- d) It has appointed, exclusively through its votes, most of the members of the management body in office at the date the consolidated annual accounts must be prepared and during the two immediately preceding years.

Likewise, it is assumed that a decision-making unit exists when, by any other means, one or several companies are grouped under the same management. This is particularly the case when most members of the management body of the controlled company are also members of the management body or senior management of the Parent or another company controlled by the latter.

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(g) Fees and commissions, interest and income from equity instruments

• Fees and commissions

Fees and commissions from activities and services provided during a specific period of time are recognised in the profit and loss account over the duration of the activities or services.

Fees and commissions arising from activities and services provided over a period of time that is not specific are recognised in the profit and loss account based on the stage of completion.

Fees and commissions arising from a service provided in a single act are recognised in the profit and loss account at the time the service is performed.

Variable management fees and commissions are recognised based on the best estimate at any given time. The Company adjusts these fees and commissions, retrospectively where appropriate, when it has access to information on trends in the calculation bases.

• Interest and income from equity instruments

Interest is recognised using the effective interest rate method.

Dividend income arising from investments in equity instruments are recognised when the Company is entitled to receive them. If the dividends paid out are clearly derived from profits obtained prior to the acquisition date because amounts higher than the profits generated by the investment since acquisition have been distributed, the carrying amount of the investment is reduced.

(h) Credit risk hedging

Valuation adjustments for credit risk are calculated individually for overdue or doubtful debt instruments not measured at fair value through profit and loss, based on ageing, the guarantees granted and recovery expectations for these balances.

(i) Financial futures and forward transactions

Financial futures and forward transactions are recorded in the relevant commitment account on the trade date and until the closing date of the position or until the contract expires, at the transaction value or the nominal amount committed, distinguishing between hedging and non-hedging transactions. Funds deposited for the initial margin and additional guarantees are accounted for under assets in "Loans and advances to financial intermediaries".

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(j) Options and warrants

Options and warrants are recorded on the trade date and until the closing date of the position or until the contract expires in commitment accounts, at the committed nominal amount of the underlying securities in the sale and purchase transactions, distinguishing between hedging and non-hedging transactions. Funds deposited for the initial margin and additional guarantees are accounted for under assets in “Due from financial intermediaries”. Premiums for options and warrants purchased, and premiums arising from options issued or warrants sold, are recognised in “Derivatives” under assets or liabilities, respectively, at the date the transaction is executed.

(k) Swaps

Swaps are recognised on the trade date and until the closing date of the position or until the contract expires in the relevant commitment account, at the nominal amount committed, distinguishing between hedging and non-hedging transactions.

(l) Hedging transactions to reduce risks: Hedge accounting

The Company recognises and measures individual hedges (distinguishing between hedged instruments and hedging instruments) based on their classification, using the following criteria:

- Fair value hedges: hedges of the exposure to changes in fair value. The gains or losses attributable to the measurement of both hedging instruments and the hedged risk are recognised immediately in the profit and loss account.
- Cash flow hedges: hedges of the exposure to variations in cash flows that are attributable to a particular risk associated with an asset or liability or a forecast transaction. The gain or loss attributable to the measurement of the hedging instruments that qualify as effective hedges is recognised temporarily under “valuation adjustments” in equity at the lower of the cumulative gain or loss on the hedging instrument from the inception of the hedge and the cumulative change in the present value of expected future cash flows of the hedged item from the inception of the hedge.
- Hedges of a net investment in a foreign transaction: hedges of currency risk of a subsidiary, associate or branch that operates in a different country or currency to that of the Company. The gain or loss attributable to the measurement of hedging instruments that qualify as effective hedges is recognised temporarily in equity, until the disposal or derecognition of the instruments, whereupon it is recognised in the profit and loss account. The remaining gain or loss is immediately recognised in the profit and loss account.

The cumulative gains or losses from each hedge are transferred to the profit and loss account in the periods in which the designated hedged items affect such profit and loss account, unless the hedge relates to a forecast transaction that results in the recognition of a non-financial asset or liability, in which case the gains or losses are included in the cost of that asset or liability.

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(m) Tangible assets

Tangible fixed assets for own use are stated at acquisition cost, less any accumulated depreciation and impairment.

Depreciation of tangible fixed assets is Depreciation is calculated by the straight-line method and charged over their estimated useful lives, as follows:

	Years of useful life
Facilities	5
Computer hardware	3
Furniture	5
Motor vehicles	3
Other tangible assets	5

Depreciation methods and useful lives of tangible asset are reviewed by the Company at least at each year-end.

Upkeep and maintenance expenses that do not improve the use or extend the useful lives of tangible fixed assets are recognised in profit and loss account when incurred. Only those costs likely to generate future profits are capitalised, provided that the amount of such costs can be reliably estimated.

(n) Intangible assets

Intangible assets are recognised at acquisition cost less any accumulated amortisation and impairment.

Upkeep and maintenance costs that do not improve the use or extend the useful lives of intangible assets are recognised in profit and loss when incurred.

The Company assesses whether the useful life of each intangible asset acquired is finite or indefinite. An intangible asset is regarded as having an indefinite useful life where there is no foreseeable limit to the period over which the asset will generate net cash inflows.

Intangible assets with indefinite useful lives are not amortised, but are instead tested for impairment on an annual basis or earlier if there is any indication of potential impairment.

Intangible assets with finite useful lives are amortised by allocating the depreciable amount of an asset on a systematic basis over its useful life, using the following criteria:

	Amortisation method	Estimated years of useful life
Computer software	Straight-line	3
Other intangible assets	Straight-line	3

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The depreciable amount of intangible assets is measured at the acquisition cost of the asset, less any residual value.

The Company reviews the residual value, useful life and amortisation method for intangible assets at each financial year end. Changes to initially established criteria are recognised as a change in accounting estimates.

(o) Leases

The Company has rights to use certain assets through lease contracts.

Lease contracts which transfer to the Company substantially all the risks and rewards incidental to ownership are classified as finance leases, otherwise they are classified as operating leases.

- Finance leases

At the commencement of the lease term, the Company recognises finance leases as assets and liabilities at the lower of the fair value of the leased asset and the current value of the minimum lease payments. Any initial direct costs are added to the amount recognised as an asset. Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability. Financial charges are recognised in the profit and loss account using the effective interest method. Contingent rents are recorded as expense when they are likely to be incurred.

The accounting principles which apply to the assets used by the Company under finance lease contracts are the same as those set out in section l) of this note. However, if there is no reasonable certainty that the Company will obtain ownership at the end of the lease, the assets are fully amortised over the shorter of the lease term and their useful lives.

- Operating leases

Lease payments under an operating lease, net of incentives received, are recognised as an expense on a straight-line basis over the lease term, unless another systematic basis is more representative of the time pattern of the lease's benefit.

(p) Security deposits

Security deposits paid in relation to lease contracts are measured using the same criteria as for financial assets. The difference between the amount paid and the fair value is classified as a prepayment and allocated to profit and loss over the lease term.

(q) Termination benefits

Termination benefits are recognised as a liability when the Company has a detailed formal plan for the termination and there is a valid expectation among the affected employees that termination will arise either because the plan has already started to be implemented or because its main features have been announced.

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When termination benefits fall due more than 12 months after the reporting date, they are discounted based on the market yield on high quality corporate bonds.

Termination benefits for voluntary redundancy are recognised when the Company has made an offer, without realistic possibility of withdrawal, and are measured based on the number of employees expected to accept the offer.

(r) Provisions

Provisions are recognised when the Company has a present obligation (legal or implicit) as a result of a past event; it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and a reliable estimate can be made of the amount of the obligation.

The amounts recognised as provisions are the best estimates of the expenditure required to settle the present obligation at the end of the reporting period, taking into account all risks and uncertainties relating to the amounts to be recognised as provisions and, where the time value of money is material, the financial effect of discounting provided that the expenditure to be made each period can be reliably estimated. The discount rate is a pre-tax rate that reflects the time value of money and the specific risks for which future cash flows associated with the provision have not been adjusted.

At 31 December 2018, there was a lawsuit filed against the company for EUR 4 million. On the basis of the analysis carried out by the Company's directors, and after receiving the relevant legal advice, it is understood that the aforementioned legal proceeding will not lead to significant contingent liabilities for the Company.

(s) Income tax

The income tax expense or tax income for the year comprises current tax and deferred tax.

Current tax is the amount of income taxes payable or recoverable in respect of the taxable profit or tax loss for a period.

Deferred tax liabilities are the amounts of income taxes payable in future periods in respect of taxable temporary differences, while deferred tax assets are the amounts of income taxes recoverable in future periods in respect of deductible temporary differences, tax loss carryforwards and unused tax credits. Temporary differences are differences between the carrying amount of an asset or liability and its tax base.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the financial years in which the assets are realised or liabilities are settled, based on tax rates and tax laws that have been enacted or substantively enacted. The tax consequences that would follow from the manner in which the Company expects to recover or settle the carrying amount of its assets or liabilities are also reflected in the measurement of deferred tax assets and liabilities.

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On 20 December 2011 the Auriga Capital Investments Group submitted an application to the Spanish Ministry of Economy and Finance, notifying the taxation authorities of its decision to pay taxes under the special consolidated tax regime. On 17 February 2012 the taxation authorities notified the Group that it had been assigned tax group number 298/12. The Company is part of this consolidated tax group created in 2012.

The amount of the debt (credit) to the Parent is recognised with a credit (debit) to Payables (Receivables) to/from Group companies and associates.

(t) Contributions to the Investment Guarantee Fund

The Company forms part of the Investment Guarantee Fund and makes annual contributions to this fund in compliance with Royal Decree 948/2001, of 3 August, on investor compensation schemes, amended by Law 53/2002, of 30 December, relating to tax, administrative and social measures.

In 2018 and 2017, the Company accrued contributions to the fund of EUR 75,346.45 and EUR 71,080,92 respectively, recognised as “Other operating expenses” in the profit and loss account (see note 22).

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(u) Off-balance sheet customer funds

The Company recognises off-balance sheet customer funds in off-balance sheet items, the main ones being the following:

- Securities and other financial instruments held on deposit: it contains proprietary or third-party securities and other financial instruments, measured at market value at the reporting date or relevant statement date, for which the Company bears the custody risk, except for the amount of assets entrusted to other entities for the purposes of custody, management or administration.
- Proprietary or third-party securities and other instruments held by other entities: securities and financial instruments held by the Company or received on deposit from third parties, measured at market value at the reporting date or relevant statement date, for which the Company retains responsibility as custodian and which are entrusted to other entities for the purposes of custody, management or administration.
- Managed portfolios: third-party securities and financial instruments managed by the Company under the terms of the management contract concluded with each customer, measured at market value at the reporting date or relevant statement date.

(v) Related party transactions

Transactions with Group companies and related parties are recognised at the fair value of the consideration given or received. The difference between this value and the amount agreed is recognised based on the underlying economic substance of the transaction.

(w) Statement of cash flows

The Company reports its cash flows using the indirect method, which includes the following expressions and classification criteria:

- Cash flows: inflows and outflows of cash and cash equivalents, the latter being short-term, highly liquid investments subject to a low risk of changes in value.
- Operating activities: the principal revenue-producing activities of investment investment service companies and other activities that are not investing or financing activities.
- Investing activities: the acquisition, sale or disposal by other means of long-term assets and other investments not included in cash and cash equivalents.
- Financing activities: activities that result in changes in the size and composition of equity and liabilities that are not operating activities.

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Cash and cash equivalents include cash on hand and demand deposits with financial institutions. This item also includes other short-term, highly liquid investments, provided they are easily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Investments which mature in less than three months from the acquisition date are also included.

The Company recognises cash payments and receipts for financial assets and liabilities in which turnover is quick on a net basis in the statement of cash flows. Turnover is considered to be quick when the period between the date of acquisition and maturity does not exceed six months.

With regard to the statement of cash flows, bank overdrafts that are repayable on demand and do not form an integral part of the Company's cash management are not included as a component of cash and cash equivalents. Bank overdrafts are recognised as financial liabilities arising from loans and borrowings in the balance sheet.

(x) Statement of changes in total equity

This statement therefore shows a reconciliation of the opening and closing carrying amounts of all items that make up equity, grouping movements, based on their nature, as follows:

- Reclassifications, reflecting changes in equity arising from the adjustment of balances in the financial statements as a result of changes in accounting principles or corrections of errors.
- Income and expenses recognised during the year, which contains the aggregate amount of the items recognised in the statement of recognised income and expense.
- Other changes in equity, which comprises the remaining items recognised in equity, such as distribution of profit/loss, transactions with proprietary equity instruments, equity-settled payments, transfers between equity line items and any other increases or decreases in equity.

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(5) Trading portfolio

Details of the trading portfolio at 31 December 2018 and 2017 are as follows:

	Euro	
	31/12/18	31/12/17
Debt securities		
Domestic portfolio		
Deposit institutions	-	292,494.10
Non-financial companies	294,501.53	654,217.49
Other financial intermediaries	-	73,808.59
Foreign portfolio	81,762.72	128,069.31
Valuation Adjustments		
Accrued interest receivable/payable	1.06	9,340.08
	376,265.31	1,157,929.57
Shares and equity investments		
Domestic portfolio		
Deposit institutions	-	57,993.65
Non-financial companies	2,170,420.42	77,438.07
Foreign portfolio	345,043.46	532,514.28
	2,515,463.88	667,946.00
	2,891,729.19	1,825,875.57
In euro	2,485,844.22	1,234,607.10
In foreign currencies	405,884.97	591,268.47
	2,891,729.19	1,825,875.57

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At 31 December 2018 and 2017 details of debt securities (excluding valuation adjustments) and equity instruments included in the Company's trading portfolio, classified as listed and unlisted financial instruments, are as follows:

	Euro	
	31/12/18	31/12/17
Debt securities		
Domestic portfolio		
Listed	294,501.53	1,020,520.18
Foreign portfolio		
Listed	81,762.72	128,069.31
	376,264.25	1,148,589.49
Shares and equity investments		
Domestic portfolio		
Unlisted	-	43,656.60
Listed	2,170,420.42	91,775.12
Foreign portfolio		
Listed	345,043.46	532,514.28
	2,515,463.88	667,946.00

The Company did not transfer any financial instruments between portfolios in 2018 and 2017.

Details of the impact on the 2018 and 2017 profit and loss account of changes in the fair value of financial assets held for trading, depending on the valuation method used, are as follows:

Valuation method	Euro	
	31/12/18	31/12/17
Listed prices in active markets	678,639.68	354,251.92

Effective interest rates by each type instrument in the trading portfolio at 31 December 2018 and 2017 are as follows:

	Percentage	
	2018	2017
Debt securities	1,25%	2,30%

Details of interest, yield and (net) gains or losses on financial transactions by type of instrument held for trading recognised in the income statements for 2018 and 2017 are as follows:

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	Euro					
	2018			2017		
	Interest	Yield	Gains or losses on financial transactions (net)	Interest	Yield	Gains or losses on financial transactions (net)
Debt securities	(56,695.50)	-	785,839.21	59,313.10	-	4,791,032.76
Shares and equity investments	-	8,894.03	3,688,049.43	-	40,294.49	(2,019,998.31)
Trading derivatives	-	-	(77,159.62)	-	-	209,814.00
Other assets at fair value	-	-	33,226.11	-	-	170,065.42
	<u>(56,695.50)</u>	<u>8,894.03</u>	<u>4,429,955.13</u>	<u>59,313.10</u>	<u>40,294.49</u>	<u>3,150,913.87</u>
	(note 20)	(note 19)		(note 19)	(note 19)	

(6) Available-for-sale financial assets

Details as of 31 December 2018 and 2017 are as follows:

	Euro	
	31/12/18	31/12/17
Shares and equity investments		
Domestic portfolio		
Unlisted	2,666.00	16,498.00
Foreign portfolio		
Unlisted	<u>2,035,993.45</u>	<u>1,592,074.96</u>
	<u>2,038,659.45</u>	<u>1,608,572.96</u>
In euro	1,455,166.00	1,051,498.00
In foreign currencies	<u>583,493.45</u>	<u>557,074.96</u>
	<u>2,038,659.45</u>	<u>1,608,572.96</u>

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Details of shares and equity investments and movements in financial years ended 31 December 2018 and 2017 are as follows:

- At 31 December 2018:

		Euro				
		31/12/17	Additions	Disposals	Valuation Adjustments	31/12/18
Collective undertakings	investment	1,392,074.96	443,918.49	-	-	1,835,993.45
Equity instruments		214,098.00	-	(13,832.00)	-	200,266.00
Gestora del Fondo General de Garantía de Inversiones, S.A.		2,400.00	-	-	-	2,400.00
		1,608,572.96	443,918.49	(13,832.00)	-	2,038,659.45

- At 31 December 2017:

		Euro				
		31/12/16	Additions	Disposals	Valuation Adjustments	31/12/17
Collective undertakings	investment	2,426,046.07	317,500.00	(754,624.54)	(596,846.57)	1,392,074.96
Equity instruments		237,805.73	-	(23,707.73)	-	214,098.00
Gestora del Fondo General de Garantía de Inversiones, S.A.		4,400.00	-	(2,000.00)	-	2,400.00
		2,668,251.80	317,500.00	(780,332.27)	(596,846.57)	1,608,572.96

Collective investment undertakings and equity instruments are measured and recognised at fair value. For investment funds, the fair value is calculated based on the net asset value of the fund provided by the management company at each month-end. Equity instruments are measured at acquisition cost. Equity instruments are measured at acquisition cost. The investment in Gestora del Fondo General de Garantía de Inversiones, S.A. is recognised at cost.

At 31 December 2018 and 2017, as a broker-dealer, the Company holds 12 shares in Gestora del Fondo General de Garantía de Inversiones, S.A.

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There was no variation in the fair value of the collective investment undertakings during the year ended 31 December 2018. The net change over the course of 2017 in the fair value of collective investment undertakings held by the Company at 31 December 2017 was a negative EUR 447,634.93 (net of tax effect).

At 31 December 2018 and 2017 the Company recognised accumulated net changes in this fair value since designation of the financial assets at fair value through equity of EUR 39,367.63 (net of tax effect) (see note 16). This amount is recognised under “Equity-Valuation adjustments” at 31 December 2018 and 2017. The relevant tax effect is recognised under the heading “Deferred tax liabilities” (see note 12).

During 2018 and 2017, there was no net variation in the fair value of the equity instruments held by the Company at 31 December 2018 and 2017. At 31 December 2018 and 2017 the Company has not recognised accumulated net changes in this fair value since designation of the financial assets at fair value through equity.

During 2018, no amount was transferred to the profit and loss account as a result of the sale of these assets. In 2017, the amount transferred to the profit and loss account on the sale of these assets was a loss of EUR 245,376.21, entailing a transfer from equity of EUR 184,032.16 (net of the tax effect) (see note 16).

All sale transactions of financial assets classified under this category made during 2018 and 2017 were settled before the financial year ended.

At 31 December 2018 and 2017, the Company has not recognised impairment for any of the assets recorded under this balance sheet heading.

At 31 December 2018 and 2017, the Company had no pledged assets classified under this item to secure a credit facility.

At 31 December 2018 and 2017 the Company has no lent or borrowed assets in this heading.

During 2018 and 2017, the Company received dividends amounting to EUR 2,494,126.73 and EUR 361,029.75, respectively, from available-for-sale financial assets (see note 19).

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(7) Loans and receivables

Details of this heading at 31 December 2018 and 2017 are as follows:

	Euro	
	31/12/18	31/12/17
Loans and advances to financial intermediaries		
Demand deposits	12,190,555.37	14,541,248.67
Receivables from proprietary trading transactions pending settlement		
With Sociedad de Sistemas	430,284.00	114,511.29
With other financial intermediaries	-	11,463.36
Other receivables	2,406,742.01	2,482,691.00
	<u>15,027,581.38</u>	<u>17,149,914.32</u>
Loans and advances to individuals		
Loans and advances for securities transactions	108,981.07	815,772.41
Other loans and advances	7,875,825.21	14,079,546.91
Valuation Adjustments		
Accrued interest	-	463,330.48
	<u>7,984,806.28</u>	<u>15,358,649.80</u>
	<u>23,012,387.66</u>	<u>32,508,564.12</u>
In euro	20,650,046.07	20,684,856.07
In foreign currencies	2,362,341.59	11,823,708.05
	<u>23,012,387.66</u>	<u>32,508,564.12</u>

(a) Demand deposits

At 31 December 2018 and 2017, this heading contains current account balances held with credit institutions at year-end, which yield interest at rates of 0.00%.

At 31 December 2018 and 2017, this heading includes balances that the Company has deposited with financial intermediaries on behalf of customers amounting EUR 11.643.785,30 and EUR 12,617,099.54, respectively.

Income obtained on demand deposits during 2018 amounts to EUR 3,747.27 (EUR 65,483.76 at 31 December 2017) (see note 19).

Customer deposits with the Company for this trading are recognised in “Financial liabilities at amortised cost – Payable to individuals” (see note 14).

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(b) Receivables from unsettled proprietary trading transactions

Balances in respect of unsettled proprietary trading transactions were settled in early January of the subsequent year.

(c) Other receivables

At 31 December 2018 and 2017, this heading includes EUR 2,077,428.16 and EUR 2,311,885.56, respectively, reflecting balances receivable from Group companies for financial intermediation (see note 27 (a)).

(d) Loans and advances for securities transactions

In 2018, a loan granted to a third-party amounting to EUR 685,015.00, which resulted in a loss of EUR 319,015,00, recognised under “Impairment losses on financial assets” in the profit and loss account of that financial year, was derecognised (see note 25).

(e) Other loans and advances

Details at 31 December 2018 and 2017 are as follows:

	Euro	
	31/12/18	31/12/17
Other receivables		
Receivables from Group companies	1,531,398.20	10,343,348.97
Other	1,587,448.75	2,527,466.99
Advances		
Advances to Group companies	4,756,978.26	1,208,730.95
	7,875,825.21	14,079,546.91

Details of loans to Group companies at 31 December 2018 and 2017 are as follows:

At 31 December 2018:

Company	Currency	Interest rate	Maturity	Euro		
				Loans	Interest	Total
Auriga Capital Investments, S.L	Euro	-	Less than 1 year	1,531,398.20	-	1,531,398.20 (note 27(a))

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At 31 December 2017:

Company	Currency	Interest rate	Maturity	Euro		
				Loans	Interest	Total
Auriga Holdings, LLC (*)	US dollar	7% (**)	Unspecified	8,334,946.81	463,330.48	8,798,277.29
Auriga Capital Investments, S.L	US dollar	-	Less than 1 year	1,545,071.68	-	1,545,071.68
				<u>9,880,018.49</u>	<u>463,330.48</u>	<u>10,343,348.97</u> (note 27(a))

(*) *This loan takes priority over any dividend payment by Auriga Holdings, LLC.*

(**) *Annual interest payable on 1 March and 1 September each year. In the event of non-payment of any interest by the due date, such unpaid interest is added to the principal.*

Income obtained on loans and advances to Group companies in 2018 amounts to EUR 260,393.97 (see notes 19 and 27 (a)). In 2017, no revenues were obtained on loans and credits with Group companies.

In 2018 and 2017, the Company did not make any further contributions to the loan extended to Auriga Holdings, LLC; the change in value is the result of fluctuations in the euro-US dollar exchange rate. Likewise, in 2018, in the context of the process of the restructuring of the Group to which the Company belongs (see note 1), the Company sold all the preferred shares it held in Auriga Holdings, LLC to its sole shareholder. The sale of these assets was at their book value, as it was determined that it was their fair value.

At 31 December 2018 and 2017, “Other” includes EUR 1,505,000.00 reflecting the acquisition of a loan to third parties in 2015.

“Advances to Group companies” at 31 December 2018 reflect cash remittances advanced by the Company to third parties on behalf of Auriga Capital Investments, S.L., amounting to EUR 4,756,978.26 (EUR 1,208,730.95 at 31 December 2017) (note 27 (a)).

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(8) Equity investments

Details of this heading at 31 December 2018 and 2017 are as follows:

	Euro	
	31/12/18	31/12/17
Group companies		
Xzerta Mesa Spain, LLC	47,402.80	47,402.80
Auriga Sherpa I, S.L	-	609,660.00
General Universal Business, S.L	-	600,000.00
Auriga Grapheno S.L	-	2,768,600.00
Xzerta Solar I Spain, LLC	3,836.30	3,836.30
CA Metropolitan ATM 10, S.A.	32,000.00	32,000.00
Associates		
Auriga Sherpa I, S.L	609,660.00	-
Meet With Success, S.L	-	251,000.00
	<u>692,899.10</u>	<u>4,312,499.10</u>
	(note 27(a))	(note 27(a))

Details of investments in Group companies at 31 December 2018 and 2017, as well as of the Company's percentage ownership and the registered office and activities of these Group companies are provided in Annex I, which is part of this note.

Details of the cost of investments as of 31 December 2018 and 2017, as well as of their recoverable amount, the Company's percentage ownership at that date, and equity are provided in Annex II, which forms an integral part of this note.

At 31 December 2018 and 2017, no impairment was recognised on the assets listed under this heading.

In 2018, the investee company Xzerta Mesa Spain, LLC paid dividends amounting to EUR 95,381.81 (see note 19).

In 2018, the Company reassessed its ability to exercise control over Auriga Sherpa I, S.L. As a result of this review, Auriga Sherpa I, S.L. was reclassified as an associated company, as it was determined that the Company did not exercise control over it, although it had a significant influence.

During financial year 2018, the investee company General Universal Business, S.L. was liquidated. On 29 December 2017, General Universal Business, S.L. approved the payment of an interim dividend for 2017 amounting to EUR 4,262,561.51, which the Company booked under "Income from equity instruments" in the income statement for 2017 (see note 19). On 22 January 2018, the Company received payment of the aforementioned interim dividend (see note 19).

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Likewise, in 2018, in the context of the process of the restructuring of the Group to which the Company belongs (see note 1), the Company sold its shareholding in Auriga Grapheno, S.L to its sole shareholder for EUR 14,751,819.87. This sale resulted in a gain of EUR 11,983,219.87, which was recognised under the heading “Gains or losses arising from the derecognition of assets not classified as non-current and held for sale” in the profit and loss account of the Company. In order to determine the price of this transaction, the Company’s directors sought assistance from an independent expert, who carried out a valuation of the main assets of this investee company.

In addition, on 21 December 2018, the Company sold its shareholding in n Meet With Success, S.L. To the Parent Company, S.L., at its book value.

On 10 February and 29 December 2017, a repayment of the capital of Group company Xzerta Solar I Spain, LLC amounting to EUR 596,686.44 was made. At year-end this company was in liquidation.

On 31 August 2017, a repayment of the capital of Group company Xzerta Mesa Spain, LLC amounting to EUR 384,712.75 was made.

(9) Tangible fixed assets

Details of this heading at 31 December 2018 and 2017 and movement in the years then ended are as follows:

Year 2018	Euro			
	31/12/17	Additions	Disposals	31/12/18
Facilities	101,687.43	11,127.91	(13,262.51)	99,552.83
Computer hardware	218,484.50	27,840.66	(124,536.04)	121,789.12
Furniture	3,454.23	332.90	-	3,787.13
Other tangible assets	7,774.25	-	-	7,774.25
Total tangible fixed assets	331,400.41	39,301.47	(137,798.55)	232,903.33
Facilities	(74,913.53)	(15,666.04)	13,262.51	(77,317.06)
Computer hardware	(140,534.90)	(39,218.69)	124,536.04	(55,217.55)
Furniture	(1,443.19)	(333.91)	-	(1,777.10)
Other tangible assets	(4,007.68)	(1,553.27)	-	(5,560.95)
Total accumulated depreciation	(220,899.30)	(56,771.91)	137,798.55	(139,872.66)
Net tangible fixed assets	110,501.11	(17,470.44)	-	93,030.67

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Year 2017	Euro			
	31/12/2016	Additions	Disposals	31/12/17
Facilities	238,619.35	-	(136,931.92)	101,687.43
Computer hardware	202,438.13	76,240.51	(60,194.14)	218,484.50
Furniture	3,454.23	-	-	3,454.23
Motor vehicles	84,586.00	-	(84,586.00)	-
Other tangible assets	10,396.63	-	(2,622.38)	7,774.25
Total tangible fixed assets	539,494.34	76,240.51	(284,334.44)	331,400.41
Facilities	(189,523.23)	(22,322.22)	136,931.92	(74,913.53)
Computer hardware	(129,281.34)	(71,447.70)	60,194.14	(140,534.90)
Furniture	(1,139.84)	(303.35)	-	(1,443.19)
Motor vehicles	(57,217.49)	(27,368.51)	84,586.00	-
Other tangible assets	(4,725.23)	(1,904.83)	2,622.38	(4,007.68)
Total accumulated depreciation	(381,887.13)	(123,346.61)	284,334.44	(220,899.30)
Net tangible fixed assets	157,607.21	(47,106.10)	-	110,501.11

All of the Company's tangible assets for own use are denominated in euro at 31 December 2018 and 2017.

At 31 December 2018 and 2017, derecognitions of tangible assets mainly include fully depreciated items derecognised during the year.

The Company did not recognise any gains or losses on disposals of tangible fixed assets in 2018 and 2017.

The Company has no fully depreciated items at 31 December 2018 and 2017.

At 31 December 2018 and 2017, the Company has no tangible assets with ownership restrictions or which have been pledged as collateral.

At 31 December 2018 and 2017, the Company has no commitments to purchase tangible assets from third parties.

In 2018 and 2017, no compensation or indemnities were received or are expected to be received from third parties for the impairment or decline in value of tangible assets for own use.

The Company has taken out several insurance policies covering the risk of damage to tangible assets. The coverage provided by these policies is considered sufficient.

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(10) Intangible assets

Details of this heading at 31 December 2018 and 2017 and movement in the years then ended are as follows:

Year 2018	Euro			
	31/12/17	Additions	Disposals	31/12/18
Computer software	181,491.99	42,174.35	(30,586.43)	193,079.91
Total intangible assets	<u>181,491.99</u>	<u>42,174.35</u>	<u>(30,586.43)</u>	<u>193,079.91</u>
Computer software	(150,649.38)	(27,000.17)	30,586.43	(147,063.12)
Total accumulated depreciation	<u>(150,649.38)</u>	<u>(27,000.17)</u>	<u>30,586.43</u>	<u>(147,063.12)</u>
Net intangible assets	<u>30,842.61</u>	<u>15,174.18</u>	<u>-</u>	<u>46,016.79</u>

Year 2017	Euro			
	31/12/2016	Additions	Disposals	31/12/17
Computer software	257,320.98	622.25	(76,451.24)	181,491.99
Total intangible assets	<u>257,320.98</u>	<u>622.25</u>	<u>(76,451.24)</u>	<u>181,491.99</u>
Computer software	(181,767.42)	(45,333.20)	76,451.24	(150,649.38)
Total accumulated depreciation	<u>(181,767.42)</u>	<u>(45,333.20)</u>	<u>76,451.24</u>	<u>(150,649.38)</u>
Net intangible assets	<u>75,553.56</u>	<u>(44,710.95)</u>	<u>-</u>	<u>30,842.61</u>

All of the Company's intangible assets for own use are stated in euro at 31 December 2018 and 2017.

In 2018 and 2017, the Company incurred no computer software or application development costs that did not qualify for recognition and therefore could not be capitalised.

At 31 December 2018 and 2017, disposals of intangible assets mainly include fully depreciated items derecognised during the year.

The Company has no fully depreciated items at 31 December 2018 and 2017.

At 31 December 2018 and 2017, the Company has no intangible assets with ownership restrictions or which have been pledged as collateral.

At 31 December 2018 and 2017, the Company has no commitments to purchase intangible assets from third parties.

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(11) Operating leases - Lessee

At 31 December 2018 and 2017, the Company had leased (under an operating lease agreement) the two properties which it uses to conduct its business, an apartment and garage space.

Details of the most relevant lease contracts at 31 December 2018 and 2017 are as follows:

Lease	Expiration/ renewal	Penalties
C/ Cuesta del Sagrado Corazón, 6-8 Madrid	31/12/2022	Payment of full amount due under the contract until the expiration date (*)
C/ Gobelas, 19, La Florida, Madrid	01/11/2019	No penalty with prior notice of one month

() In the event of early termination of the contract after 1 December 2015, no penalties will be charged if 6 months' prior notice is given and all the contract terms are met.*

Operating lease instalments recognised as expenses amount to EUR 299,508.51 and EUR 302,851.57 in 2018 and 2017, respectively (see note 24).

Future minimum payments under non-cancellable operating leases are as follows:

	Euro	
	2018	2017
Minimum lease payments	<u>93,222.89</u>	<u>126,503.25</u>

At 31 December 2018 and 2017, the Company has recognised EUR 46,000.00 and EUR 50,590.37, reflecting lease security deposits, under the heading "Other assets" (see note 13).

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Tax assets and liabilities

The breakdown of these headings in the balance sheet at 31 December 2018 and 2017 is as follows:

	Euro			
	31/12/18		31/12/17	
	Current	Deferred	Current	Deferred
Tax assets				
Public authorities				
Temporary differences (note 26)	-	143,226.93	-	143,226.93
Tax liabilities				
Public authorities				
Corporate income tax				
Revaluation of financial instruments (note 6)	-	22,352.87	-	22,352.87

These assets and liabilities are denominated in euro at 31 December 2018 and 2017.

Movement in deferred tax assets and liabilities arising from the revaluation of financial instruments in 2018 and 2017 is as follows:

	Euro	
	Assets	Liabilities
Balance at 31/12/16	-	110,220.56
Additions	-	-
Disposals	-	(87,867.69)
Balance at 31/12/17	-	22,352.87
Additions	-	-
Disposals	-	-
Balance at 31/12/18	-	22,352.87

Deferred tax assets and liabilities arising from the revaluation of financial instruments reflect the effect on the Company's equity of the measurement of available-for-sale financial assets.

At 31 December 2018 and 2017, the Company belongs to the consolidated tax group described in note 4 (s). Consequently, at 31 December 2018 and 2017, current corporate income tax assets are recognised with the Group's parent company (see note 26).

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(13) Other assets and liabilities

Details of these headings at 31 December 2018 and 2017 are as follows:

<u>Other assets</u>	Euro	
	<u>31/12/18</u>	<u>31/12/17</u>
Fees and commissions and prepaid expenses	38,171.85	33,957.46
Public authorities		
VAT receivables	20,521.61	-
Other items		
instruments (note 11)	50,658.35	50,590.37
Shareholders and senior management personnel (notes 27(a) y 27(b))	325,012.25	325,371.19
Other	5,177,649.95	8,656,234.23
	<u>5,612,014.01</u>	<u>9,066,153.25</u>
In euro	<u>5,612,014.01</u>	<u>9,066,153.25</u>
<u>Other liabilities</u>	Euro	
	<u>31/12/18</u>	<u>31/12/17</u>
Accrued expenses	243,810.58	1,299,339.14
Public authorities		
Taxation authorities, tax withholdings on salaries	106,871.15	24,274.01
Social Security contributions payable	51,510.96	57,881.75
Balances payable on subscribed securities (note 27 (a))	6,000.00	6,000.00
Other payables unrelated to securities transactions	1,883,311.29	6,642,985.05
	<u>2,291,503.98</u>	<u>8,030,479.95</u>
In euro	994,414.08	6,789,821.50
In foreign currencies	<u>1,297,089.90</u>	<u>1,240,658.45</u>
	<u>2,291,503.98</u>	<u>8,030,479.95</u>

These assets and liabilities are on demand at 31 December 2018 and 2017.

(a) Shareholders and senior management personnel

At 31 December 2018 and 2017, this heading mainly reflects balances receivable from two shareholders of Auriga Capital Investments, S.L. (see note 27 (b)).

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(b) Other assets

At 31 December 2018 and 2017, this heading comprises a balance of EUR 907,577.38 and EUR 5,497,847.73, respectively, receivable from Group companies (see note 27 (a)). At 31 December 2017, this amount included EUR 4,262,561.51 in dividends receivable from investees, which were paid in January 2018 (note 8). At 31 December 2018 and 2017, this item also includes a balance of EUR 1,347,332.97 and EUR 611,282.97, respectively, receivable from other related parties (see note 27 (a)).

At 31 December 2018 and 2017, this heading also comprises salary advances to employees amounting to EUR 45,689.46 and EUR 71,551.73, respectively.

(c) Other payables unrelated to securities transactions

Details of these balances at 31 December 2018 and 2017 are as follows:

	Euro	
	31/12/18	31/12/17
Payables to group companies (note 27 (a))		
Fees for portfolio management and advisory services	1,143,633.50	1,091,853.88
Other liabilities	301,426.40	5,132,640.52
	<u>1,445,059.90</u>	<u>6,224,494.40</u>
Other	<u>438,251.39</u>	<u>418,490.65</u>
Total other payables unrelated to securities transactions	<u><u>1,883,311.29</u></u>	<u><u>6,642,985.05</u></u>

At 31 December 2017, other liabilities mainly included the balance of a dividend payable to the Parent company, totaling EUR 3,000,000.00 (see notes 15 (b) and 27(a)), which was paid on 23 January 2018.

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(14) Financial liabilities at amortised cost

Details of this heading at 31 December 2018 and 2017 are as follows:

	Euro	
	31/12/18	31/12/17
Payable to financial intermediaries		
Loans and credits	4,090,206.77	2,125,509.12
Other financial liabilities payable to financial intermediaries	428,539.68	131,276.81
Other intermediaries	2,969.34	11,222.24
	4,521,715.79	2,268,008.17
Payable to individuals		
Temporary balances arising from securities transactions	11,382,790.47	11,867,431.98
Other financial liabilities payable to group companies (note 27 (a))	2,461,959.03	187,500.00
	13,844,749.50	12,054,931.98
	18,366,465.29	14,322,940.15

All balances in this item are denominated in euro.

(a) Loans and credits

Loans and credits mainly reflect drawdowns on credit facilities arranged in 2018 and 2017, as well as loans from credit institutions obtained in 2018 and 2017 with the following terms:

- Credit facilities

At 31 December 2018:

Company	Maturity date	Interest rate	Euro	
			Limit	Amount drawn down
Banca March	20/01/2020	12-month Euribor + 1.90%	1,500,000.00	1,470,126.18
Banco Popular	20/07/2019	3,25%	650,000.00	651,375.44
Cecabank (*)	Indefinite	Eonia + 2,5%	7,000,000.00	1,745,157.98
				3,866,659.60

(*) *This policy is not freely available.*

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At 31 December 2017:

Company	Maturity date	Interest rate	Euro	
			Limit	Amount drawn down
Banca March	16/12/2018	12-month Euribor + 1.90%	1,500,000.00	-
Banco Popular	20/07/2018	2,25%	1,000,000.00	949,234.78
Cecabank (*)	Indefinite	Eonia + 2,5%	7,000,000.00	867,807.38
				1,817,042.16

(*) This policy is not freely available.

- Loans

At 31 December 2018:

Company	Maturity	Interest rate	Balance at 31/12/18	Maturity		
				2019	2020	2021
Banco Popular	10/05/2021	2,95%	223,547.17	87,452.78	90,061.32	46,033.07

At 31 December 2017:

Company	Maturity	Interest rate	Balance at 31/12/2017	Maturity			
				2018	2019	2020	2021
Banco Popular	10/05/2021	2,95%	308,466.96	84,919.79	87,452.78	90,061.32	46,033.07

At 31 December 2018 and 2017, the interest expense and similar charges recorded in the income statement amount to EUR 116,937.79 and EUR 575,610.53, respectively (note 20).

(b) Temporary balances arising from securities transactions

The majority of temporary balances arising from securities transactions at 31 December 2018 and 2017 were settled in the following year.

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(15) Equity

Details and movement during the year are shown in the statement of changes in equity.

(a) Registered capital

At 31 December 2018 and 2017 the capital of the Company is represented by 300,000 registered shares of EUR 10 par value each, numbered consecutively from 1 to 300,000 inclusive, fully subscribed and paid. These shares have the same voting and profit-sharing rights.

The shareholding structure at 31 December 2018 and 2017 is as follows:

Sole shareholder	Number of shares	Percentage of ownership
Auriga Capital Investments, S.L	300,000	100,00%

As indicated in note 1, during financial year 2018, a process of the restructuring of the Group to which the Company belongs was initiated. Once the restructuring process is completed, the sole shareholder of the Company will change.

At 31 December 2018 and 2017, neither the Company nor any third party operating on its behalf holds any own shares.

The Company's shares are not listed on a stock exchange.

(b) Reserves

(i) Statutory reserve

Under article 274 of the Spanish Companies Act, companies are required to allocate 10% of the profits for each year to a statutory reserve, until this reserve reaches an amount equal to 20% of the share capital. This reserve is not distributable to shareholders and may only be used to offset losses if no other reserves are available.

At 31 December 2018 and 2017, the Company has appropriated to the legal reserve the minimum amount required by law.

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(ii) Capitalisation reserve

The capitalisation reserve has been appropriated in accordance with articles 25 and 62 of the Spanish Corporate Income Tax Law, which requires that an amount equal to the reduction in the tax group's taxable income for the year be allocated to the reserve. The right to reduce the group's tax base amounts to 10% of the increase of the capital and reserves without valuation adjustments of the tax group, as defined in said article, without in any case exceeding the amount of 10% of the positive tax base of the fiscal group of the tax period prior to the reduction and integration referred to in section 12 of article 11 of the Law and the compensation of negative tax bases.

However, in case of insufficient tax base of the tax group to apply the reduction, the pending amounts may be applied in the tax periods ending in the two years immediately following the closing of the tax period in which the right was generated to the reduction, together with the reduction that may correspond in that year and with the indicated limit. The reserve is restricted and the increase in the tax group's equity must be maintained for a five-year period from the end of the tax period in which the group became entitled to the reduction, unless accounting losses are incurred.

(iii) Voluntary reserves

These reserves are freely distributable.

(iv) Dividends

On 28 December 2018, the Company's sole shareholder approved the distribution of a dividend of EUR 18,514,834.07 with a charge to reserves. The purpose of this distribution is to pay off the rights to the Company's receivables arising from the sales of assets made to the Parent Company during the year (see notes 7 (e), 8 y 27(a)). This dividend also includes the amount payable under the agreement reached with the sole shareholder, as described in note 22.

On 28 December 2017, the Company's sole shareholder approved the distribution of a dividend of EUR 3,000,000.00 with a charge to voluntary reserves. This dividend, which was unpaid at 31 December 2017, was paid on 23 January 2018.

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(c) Capital adequacy: Capital management

Regulation (EU) No. 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms, and Spanish National Securities Market Commission (CNMV) Circular 2/2014 of 23 June 2014, on the solvency of investment firms and their consolidated groups, regulate the capital requirements of these companies and their consolidated groups, how capital should be determined, the different capital self-assessment processes to be implemented by these companies and the public information such companies should submit to the market.

The strategic objectives set by the Company management in relation to its capital management are described below:

- Consistently comply, both at individual and at consolidated level, with the applicable regulations on minimum capital requirements.
- Seek maximum capital management efficiency in order for capital consumption to be considered, together with other profitability and risk variables, as a key variable in analyses relating to the Company's decision-making.
- Reinforce the proportion of Tier I capital with respect to the Company's capital as a whole.

The Company has implemented a number of capital management policies and processes to meet these objectives. The main guidelines of these policies are as follows:

- The Company constantly monitors and controls the level of compliance with capital regulations, using alerts to guarantee, at any given time, compliance with applicable legislation and the consistency of decisions made by the different areas and units of the Company with the objectives set, to ensure that minimum capital requirements are met. In this regard, contingency plans are also in place to ensure that limits set out in applicable regulations are respected. Details of these contingency plans are provided in the Capital Consumption Procedures Manual.
- The impact of the Company' decisions on its capital base and the consumption-return-risk ratio are considered to be key decision-making factors in strategic and commercial planning and in the analysis and monitoring of Company transactions. In this regard, the Company has parameters in place to serve as guidelines for its decision-making concerning minimum capital requirements or decisions affecting such requirements.

Therefore, the Company considers capital and the capital requirements set out in the aforementioned legislation as a key management aspect.

Regulation (EU) No 575/2013 of the European Parliament and of the Council, of 26 June 2013, on prudential requirements for credit institutions and investment firms and CNMV Circular 2/2014, of 23 June, set out which items should be considered as own funds and the requirements that must be met at any time with respect to own funds. The Company must meet the following requirements with respect to its own funds:

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- a) a Common Equity Tier 1 capital ratio of 4.5%.
- b) a Tier 1 capital ratio of 6%.
- c) a total capital ratio of 8%.

The Company will calculate its capital ratios as follows:

- a) the Common Equity Tier 1 capital ratio is equal to the Company's Common Equity Tier 1 capital expressed as a percentage of the total risk exposure amount;
- b) the Tier 1 capital ratio is equal to the Tier 1 capital of the Company expressed as a percentage of the total risk exposure amount;
- c) the total capital ratio is equal to the own funds of the Company expressed as a percentage of the total risk exposure amount.

The Company's capital management follows the conceptual definitions provided in Regulation (EU) No.575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and CNMV Circular 2/2014 of 23 June 2014. The minimum own funds requirements set out in Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and CNMV Circular 2/2014 of 23 June 2014 are calculated based on the Company's exposure to credit, counterparty and dilution risks, free deliveries, settlement and delivery risks, position, currency, commodities and operational risks, and risks associated with large exposures in the trading portfolio. The Company is also required to comply with the risk concentration limits set out in the aforementioned Regulation and the capital self-assessment and interest rate risk measurement obligations, as well as requirements concerning disclosure information to the market, also specified in this Regulation. In order to ensure the compliance with the aforesaid objectives, the Company has implemented an integrated risk management process based on the above-mentioned policies.

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Details of the Company's capital at 31 December 2018 and 2017 classified as Tier I capital and Tier II capital, calculated in accordance with Regulation (EU) No. 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and Circular 2/2014 of 23 June 2014, which, as stated above, reflects consolidated “capital for management purposes”, are as follows:

	Thousands of euro	
	31/12/18	31/12/17
Common equity tier I capital		
Registered capital	3,000	3,000
Reserves	5,678	21,357
Other cumulative comprehensive income	39	39
Deductions	(189)	(174)
Total common equity tier 1 capital	<u>8,528</u>	<u>24,222</u>
Total equity tier 1 capital	<u>8,528</u>	<u>24,222</u>
Total capital	<u><u>8,528</u></u>	<u><u>24,222</u></u>
Total exposure to risk		
Credit, counterparty, dilution and delivery risk	17,978	31,587
Position, foreign exchange and commodities risk	10,199	17,326
Operating risk	<u>20,613</u>	<u>28,475</u>
Total exposure to risk	48,790	77,388
Common equity tier 1 capital ratio	17,48%	31,30%
Common equity tier 1 capital surplus	6,332	20,739
Tier 1 capital ratio	17,48%	31,30%
Tier 1 capital surplus	5,601	19,579
Total capital ratio	17,48%	31,30%
Total capital surplus	4,625	18,031

At 31 December 2018 and 2017, the Company's eligible capital exceeded the requirements of the aforementioned legislation.

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(16) Valuation Adjustments

This heading reflects the net amount of changes in the fair value of assets classified as available-for-sale, which should be recognised under the Company's equity, in accordance with note 4 (b). These changes are recognised in the profit and loss accounts when the related assets are sold.

The movement in this heading in 2018 and 2017 is as follows:

	Euro	
	<u>31/12/18</u>	<u>31/12/17</u>
Opening balance	39,367.63	302,970.40
Changes in the fair value of collective investment undertakings (note 6)	-	(447,634.93)
Transfers to the profit and loss account due to disposals (note 6)	<u>-</u>	<u>184,032.16</u>
Closing balance	<u><u>39,367.63</u></u>	<u><u>39,367.63</u></u>

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(17) Risk and commitment accounts and other off-balance sheet items

At 31 December 2018 and 2017, these headings contain the following items and amounts:

	Euro	
	31/12/18	31/12/2017
Risk and commitment accounts		
Guarantees granted	1,010,351.81	1,010,351.81
Forward securities purchase commitments	600,385.38	260,632.93
Forward securities sale commitments	1,031,457.39	375,144.22
Financial derivatives		
Interest rate and securities futures		
Purchased	-	300,624.00
Sold	-	491,580.00
Total risk and commitment accounts	2,642,194.58	2,438,332.96
Other off-balance sheet items		
Credit facilities available for drawdown (note 14 (a))	31,071.27	1,550,765.22
Customer purchase orders pending settlement	421,881.67	555,702.74
Customer sale orders pending settlement	172,419.37	506,531.56
Own and third-party financial instruments held by other entities		
Own	4,930,387.58	3,425,108.45
Third-parties	234,847,611.07	345,386,121.75
	239,777,998.65	348,811,230.20
Managed portfolios (note 18 (a))		
Investments in listed domestic shares and equity holdings	957.40	1,334,761.42
Investments in listed domestic fixed income securities	-	2,999,392.22
Investments in listed foreign securities	4,867.48	30,615,462.42
Cash with financial intermediaries	35,340.01	8,243,083.16
Investments in unlisted foreign securities	-	5,255,756.53
	41,164.89	48,448,455.75
Other off-balance sheet items	5,258,126.95	6,132,192.62
Total other off-balance sheet items	245,702,662.80	406,004,878.09
TOTAL	248,344,857.38	408,443,211.05

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No “Trading derivatives” were recognised at 31 December 2018. Details of the nominal amount of financial instruments included in “Trading derivatives” at 31 December 2017, by maturity, fair value and type of instrument, are as follows:

31 December 2017	Euro		
	1 year	Total	Fair value
<i>Equity/index derivatives</i>			
Organised markets			
Futures purchased	302,826.60	302,826.60	300,624.00
Futures sold	500,896.67	500,896.67	491,580.00
	803,723.27	803,723.27	792,204.00

Financial instruments held on deposit along with own and third-party financial instruments held by other entities reflect the Company’s own securities and customer securities deposited in the Company or with other custodians as of 31 December 2018 and 2017, which were recognised at market value at those dates.

The breakdown of own and third-party securities held by other entities is as follows:

	Euro	
	31/12/18	31/12/17
Equity securities	202,058,459.10	308,969,527.78
Fixed income securities	37,719,539.55	39,841,702.42
	239,777,998.65	348,811,230.20

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(18) Off-balance sheet customer funds

(a) Managed portfolios

At 31 December 2018 and 2017, details of managed portfolios, by tranche, are as follows:

Tranche in thousands of euro	Euro					
	31/12/18			31/12/17		
	Number of contracts	Equity	Fees and commissions December 18	Number of contracts	Equity	Fees and commissions December 17
60	52	41,164.89	-	86	47,742.02	-
61-300	-	-	-	-	-	-
301-600	-	-	-	-	-	-
601-1,500	-	-	-	-	-	-
1,501-6,000	-	-	-	-	-	-
More than 6,000	-	-	-	3	48,400,713.73	76,564.80
	<u>52</u>	<u>41,164.89</u>	<u>-</u>	<u>89</u>	<u>48,448,455.75</u>	<u>76,564.80</u>
		(note 17)			(note 17)	

At 31 December 2017, the Company performed discretionary portfolio management. The Company did not continue this business in 2018.

(19) Interest and similar income

The breakdown of this heading in the profit and loss account, based on the nature of the transactions, at 31 December 2018 and 2017 is as follows:

Interest receivable and similar income	Euro	
	2018	2017
Financial intermediaries		
Demand deposits (note 7 (a))	3,747.27	65,483.76
Resident individuals. Others	11,741.06	30,619.76
Non-resident individuals. Others (notes 7(e) and 27(a))	260,393.97	-
Monetary assets and government debt (note 27(a))	519,476.62	563,625.67
Other fixed income securities (note 5)	-	59,313.10
	<u>795,358.92</u>	<u>719,042.29</u>

Details of income from equity instruments, by type of portfolio, are as follows:

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	Euro	
	2018	2017
Income from equity instruments		
Trading portfolio (note 5)	8,894.03	40,294.49
Available-for-sale financial assets (note 6)	2,494,126.73	361,029.75
Equity investments (notes 8 and 27 (a))	95,381.81	4,262,561.51
	2,598,402.57	4,663,885.75

(20) Interest expense and similar charges

The breakdown of this heading in the profit and loss account, based on the nature of the transactions, at 31 December 2018 and 2017 is as follows:

<u>Interest expense and similar charges</u>	Euro	
	2018	2017
Financial intermediaries		
Interest on loans and credit facilities (note 14 (a))	116,937.79	575,610.53
Other	485,268.77	517,878.07
Other fixed income securities (note 5)	56,695.50	-
Other interest	-	13.83
	658,902.06	1,093,502.43

(21) Fee and commission income and expense

Details of fee and commission income and expense in 2018 and 2017, based on their nature, are as follows:

<u>Fee and commission income</u>	Euro	
	2018	2017
Transmission and execution of client orders for securities sales and purchases		
Equity transactions	1,240,193.74	2,131,083.54
Fixed income transactions	81,807.65	1,959,503.94
Marketing of collective investment undertakings	1,453,555.34	2,028,113.36
Securities held on deposit and book entries	41,702.72	49,542.28
Portfolio management	56,136.61	280,092.13
Other fees and commissions	221,535.77	96,291.26
	3,094,931.83	6,544,626.51

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Fee and commission expense	Euro	
	2018	2017
Securities transactions	48,874.19	190,688.26
Derivatives transactions	3,071.58	34,769.46
Fees and commissions paid to markets and clearing and settlement systems	348,414.34	532,090.30
Guarantees for collective market guarantee fund	144.92	3,399.73
Fees and commissions assigned to representatives and other entities	703,661.89	573,308.09
Other fees and commissions	<u>955,527.92</u>	<u>1,518,230.91</u>
	<u>2,059,694.84</u>	<u>2,852,486.75</u>

At 31 December 2018 and 2017, the heading “Fee and commission income - Marketing of collective investment undertakings” included EUR 1.279.734,47 and EUR 630.414,63, respectively, for the fees and commissions received from Group companies (see note 27 (a)).

(22) Other operating expenses

At 31 December 2018 and 2017, this heading of the income statement includes other expenses associated to the operation of the business, as well as the contributions to the Investment Guarantee Fund, amounting to EUR 75,346.45 and EUR 71,080.92, respectively.

During financial year 2017, the Management of Auriga Capital Investments, S.L., the Parent company of the Group to which the Company belongs, opened negotiations with the holders of the bonds of the fund Titulización de Activos IM Auriga Pymes Eur 1 (hereinafter, “the Bondholders” and “the Fund”, respectively), in order to reach an agreement to compensate the Bondholders’ losses arising from the identification of latent defects in a significant portion of the Fund’s assets, which led to a significant impairment of the Fund. These assets were assigned to the Fund by Finalter, S.L., a company which belongs to Auriga Group and is currently involved in bankruptcy proceedings. Since the last quarter of 2018, the Group has conducted a detailed analysis, receiving the relevant legal advice, in order to allocate a certain portion of the compensation payment to be made to the Bondholders to each Group’s company with responsibilities in the management and control of Finalter, S.L. This compensatory payment was made entirely by Auriga Capital Investments, S.L., the Parent Company of the Group and the sole shareholder of the Company, in January 2018.

In connection with the preceding paragraph, the Company and its sole shareholder agreed that the portion of the compensation payment to the Bondholders to be borne the Company amounts to EUR 6,973,017.58, which has been recognised under this heading in the profit and loss account.

Moreover, at 31 December 2018 and 2017, this heading of the income statement includes other expenses associated to the operation of the business, as well as the contributions to the Investment Guarantee Fund, amounting to EUR 75,346.45 and EUR 71,080.92, respectively.

(23) Personnel expenses

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Details of personnel expenses for 2018 and 2017 are as follows:

	Euro	
	2018	2017
Salaries and wages	4,258,197.80	5,354,019.41
Employee benefits expense		
Social Security payable by the Company	532,647.63	708,685.95
Termination benefits	48,824.18	106,182.84
Training expenses	12,577.65	26,608.74
Other personnel expenses	140,321.65	166,338.34
	4,992,568.91	6,361,835.28

The breakdown of the Company's employees, by category and gender, is as follows:

	Annual average	31/12/18			Annual average	31/12/2017		
	2018	Men	Women	Total	2017	Men	Women	Total
Management	2	1	1	2	1	-	1	1
Qualified	45	25	17	42	55	32	17	49
personnel								
	47	26	18	44	56	32	18	50

The average number of Group employees with a disability rating of 33% or higher (or equivalent

local rating) in 2018 and 2017, broken down by category, is as follows:

	Number	
	31/12/18	31/12/17
Management	-	-
Qualified personnel	2	2
	2	2

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(24) Overheads

Details at 31 December 2018 and 2017 are as follows:

	Euro	
	2018	2017
Rental of buildings and facilities (note 11)	299,508.51	302,851.57
Communications	952,551.23	1,152,700.42
IT Systems	63,146.70	67,923.05
Supplies	59,935.83	71,927.79
Maintenance and repairs	377,922.49	323,454.06
Advertising and publicity	42,191.14	78,952.23
Entertainment and travel expenses	112,362.51	99,846.80
Outsourced administrative services	124,768.55	59,924.84
Other services provided by independent professional	417,172.07	409,739.82
Contributions and taxes	532,856.56	576,132.77
Other expenses	41,030.26	84,953.20
	3,023,445.85	3,228,406.55

At 31 December 2018 and 2017, this heading does not include any amounts payable to Group companies.

(25) Impairment losses on financial assets

Details of this heading at 31 December 2018 are as follows:

	Euro
	2018
Loans and receivables	
Loans and advances to customers (note7(d))	319,015.00

The Company did not recognise any impairment losses on financial assets in 2017.

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(26) Taxation

Earnings are subject to corporate income tax at a rate of 25 percent of the taxable base. Certain deductions may apply to the resulting amount.

There follows a reconciliation between the accounting profit/loss and the taxable income for the years 2018 and 2017 the Company expects to declare following approval of the annual accounts:

	Euro	
	2018	2017
Profit before income tax	5,134,311.78	2,439,808.40
Permanent differences	(11,892,475.63)	(4,020,513.17)
Taxable accounting income	(6,758,163.85)	(1,580,704.77)
Temporary differences		
Originating in the current year	-	-
Reversal of previous years	-	-
Taxable income	(6,758,163.85)	(1,580,704.77)
Tax at 25%	-	-
Deductions	-	-
Net tax payable	-	-
Withholdings and prepayments	-	-
Corporate income tax payable	-	-

The permanent differences recognised by the company in 2018 mainly represent the non-taxable income arising from the increase in value of the investee company Auriga Grapheno, S.L. in the context of its sale to the sole shareholder of the Company (see note 8).

The calculation of corporate income tax expense is as follows:

	Euro	
	2018	2017
Taxable accounting income at 25%	-	(395,176.19)
Deductions	-	(654.21)
Adjustments from previous years	-	-
	-	(395,830.40)

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Temporary differences reflect the difference between amortisation and depreciation for accounting purposes and tax-deductible amortisation and depreciation. Movement in deferred tax assets and liabilities arising from temporary differences in 2018 and 2017 is as follows:

	Euro						
	31/12/16	Additions	Disposals	31/12/2017	Additions	Disposals	31/12/18
<u>Assets</u>							
Monetisation of depreciation threshold	34,610.79	111,110.17	(2,494.03)	143,226.93 (note 12)	-	-	143,226.93 (note 12)
<u>Liabilities</u>							
Early amortisation/depreciation	2,542.73	-	(2,542.73)	-	-	-	-
			(note 12)			-	(note 12)

Under current legislation, tax settlements cannot be deemed to be definitive until they have been reviewed by the tax authorities or until the related statute-of-limitations period (currently four years) has expired. At 31 December 2018, the Company has open for review by the tax authorities for all the taxes to which their business activities are subject since 1 January 2015. The Company's Board of directors does not expect that any significant additional liabilities would arise in the event of an inspection.

(27) Related parties

(a) Balances and transactions with Group companies

At 31 December 2018 and 2017, in addition to the amounts indicated in note 15 on equity, the Company has the following amounts payable to and receivable from Group companies:

	Euro			
	31/12/18			
	Parent company	Group companies	Other related parties	Total
<u>Assets</u>				
Loans and receivables				
Loans and advances to financial intermediaries (note 7(c))	-	2,077,428.16	-	2,077,428.16
Loans and advances to individuals				
Other loans and receivables (note 7 (e))	1,531,398.20	-	-	1,531,398.20
Advances (note 7(e))	4,756,978.26	-	-	4,756,978.26
Equity investments (note 8)	-	692,899.10	-	692,899.10

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	Euro			
	31/12/18			
	Parent company	Group companies	Other related parties	Total
Others Assets (notes 13 and 13(b))	55.18	907,577.38	1,672,345.22	2,579,977.78
	<u>6,288,431.64</u>	<u>3,677,904.64</u>	<u>1,672,345.22</u>	<u>11,638,681.50</u>
Liabilities				
Other liabilities (note 13)	-	1,451,059.90	-	1,451,059.90
Payable to individuals - other payables (note 14)	2,274,459.03	187,500.00	-	2,461,959.03
	<u>2,274,459.03</u>	<u>1,638,559.90</u>	-	<u>3,913,018.93</u>
	Euro			
	31/12/2017			
	Parent company	Group companies	Other related parties	Total
Assets				
Loans and receivables				
Loans and advances to financial intermediaries (note 7(c))	-	2,108,617.67	-	2,108,617.67
Loans and receivables				
Other loans and receivables (note 7 (e))	1,545,071.68	10,806,679.45	-	12,351,751.13
Advances (note 7(e))	1,208,730.95	-	-	1,208,730.95
Equity investments (note 8)	-	4,312,499.10	-	4,312,499.10
Others Assets (notes 13 and 13(b))	403,369.54	5,497,847.73	936,654.16	6,837,871.43
	<u>3,157,172.17</u>	<u>22,725,643.95</u>	<u>936,654.16</u>	<u>26,819,470.28</u>
Liabilities				
Other liabilities (note 13)	3,000,000.00	3,230,494.40	-	6,230,494.40
Payable to individuals - other payables (note 14)	-	187,500.00	-	187,500.00
	<u>3,000,000.00</u>	<u>3,417,994.40</u>	-	<u>6,417,994.40</u>

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Income and expenses arising from the Company's transactions with related parties are as follows:

	Euro					
	2018			2017		
	Parent company	Group companies	Total	Parent company	Group companies	Total
Income						
Interest receivable and similar income (note 19)	-	779,870.59	755,432.77	-	563,575.12	563,575.12
Dividends (notes 8 and 19)	-	95,381.81	119,819.63	-	4,262,561.51	4,262,561.51
Fee and commission income (note 21)	-	1,279,734.47	1,279,734.47	-	630,414.63	630,414.63
Other operating expenses (note 22)	(6,973,017.58)	-	(6,973,017.58)	-	-	-
	<u>(6,973,017.58)</u>	<u>2,154,986.87</u>	<u>(4,818,030.71)</u>	<u>-</u>	<u>5,456,551.26</u>	<u>5,456,551.26</u>

(b) Information on the Company's directors and senior management personnel

In 2018 and 2017, no payment obligations were accrued in connection with remuneration to the Board of Directors.

In 2018, the Company's senior management personnel received remuneration totaling EUR 403,000.00 (EUR 150,000.00 in 2017).

At 31 December 2018 and 2017, there were no outstanding balances payable to members of the Board of Directors.

At 31 December 2018, EUR 325,012.25 are receivable from shareholders and members of senior management (EUR 325,371.19 at 31 December 2017) (see note 13 (a)). These debts accrue interest at market rates.

At 31 December 2018 and 2017, the Company has no pension obligations with former or current members of the Board of Directors.

In 2018 and 2017, the Company did not undertake any guarantee obligations on their behalf or pay any civil liability insurance premiums for damage or loss caused by actions or omissions in the performance of their duties.

In 2018 and 2017, the Company's directors did not perform any transactions other than ordinary business with the Parent company or Group companies or under terms that differed from market conditions.

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SOCIEDAD DE VALORES, S.A.U.

Notes to the annual accounts

At the date of drafting these annual accounts, the Board of Directors consists of 4 men (4 men and 1 woman in 2017).

(c) Conflicts of interest

The directors of the Company and their related parties have had no conflicts of interest requiring disclosure under article 229 of the Revised Spanish Companies Act.

(28) Environmental Information

The Company's Directors consider that the environmental risks deriving from the Company's business are minimal and adequately covered and that no additional liabilities will arise therefrom. The Company has not incurred any expense or received subsidies in connection with such risks during the years ended 31 December 2018 and 2017.

(29) Audit Fees

KPMG Auditores S.L., the auditor of the Company's annual accounts, invoiced the following net fees for professional services during the years ended 31 December 2018 and 2017:

	Euro	
	2018	2017
Audit services	59,000.00	53,500.00
Other services	24,750.00	22,500.00
	83,750.00	76,000.00

The above amounts include all fees relating to services provided in 2018 and 2017, irrespective of the invoice date.

(30) Customer Service

In 2007, the Company took the necessary actions to comply with the requirements and obligations set out in Ministry of Economy Order ECO/734/2004, of 11 March 2004, on the customer department and customer service and the consumer ombudsman of financial institutions

In 2018, four complaints were filed, but all of them have been dismissed. In 2017, three complaints were filed, of which two were rejected and one resolved in the customer's favour.

AURIGA GLOBAL INVESTORS,
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Notes to the annual accounts

(31) Representatives

At 31 December 2018 and 2017, Auriga Global Investors, Sociedad de Valores, S.A. operates with nine representatives authorised to deal directly with customers in the name and on behalf of the Company, to carry out transactions pertaining to broker-dealers. A list of these representatives has been filed with the CNMV.

Details at 31 December 2018 and 2017 are as follows:

2018	2017
Francisco Javier Bru Arce (*)	Arganzón, S.L.
Gestión Fondo Educativo, S.L.	Gestión Fondo Educativo, S.L.
Ana María Gonzalez-Elipe Rosales	Ana María Gonzalez-Elipe Rosales
Mega Cuadro, S.A.	Mega Cuadro, S.A.
Penta Valores Gestión, S.L. (*)	Breda Boys, S.L.
Pedro Urbina García-Caro	Pedro Urbina García-Caro
Valor Absoluto Family Office, S.L.	Bolaños 2004, S.L.
Esteban Gridilla Ferrer	Valor Absoluto Family Office, S.L.
	Esteban Gridilla Ferrer

(*) *Authorised representative since 2018.*

(32) Risk policy and management

In 2018, risk exposure of the Company's capital has performed as follows in comparison with the preceding year:

Fixed-income volume decreased slightly, with fewer transactions and similar risk exposure to that seen in 2017.

Decrease in equity proprietary trading, with the associated drop in exposure to credit and counterparty risk, and exposure to position risk with respect to variable income instruments.

The measures taken in 2015 to control the level of risks inherent in the fixed income brokerage business were maintained in 2018:

Avoid accumulation of transactions pending settlement with a single counterparty.

Avoid accumulation of transactions pending settlement based on the issuer.

Avoid transactions in which the issuer and purchaser are the same institution.

AURIGA GLOBAL INVESTORS,
SOCIEDAD DE VALORES, S.A.U.

Notes to the annual accounts

Most transactions are settled by Euroclear on the second day after the trade date, and the counterparties at which this business is aimed are institutional, mainly financial institutions such as Spanish and international credit institutions (primarily banks and savings banks), management companies of collective investment undertakings, pension funds, social welfare mutual companies and insurance firms.

The fixed income trading desk receives orders directly from counterparties and has a telephone recording system in place. This system is managed through a software application, which compiles and classifies calls received by or made from each trading desk workstation. Each trader can, at any time, listen again to calls received or made during the day through his/her workstation. In the event of doubt or discrepancy, these calls are made available to the counterparty. Otherwise, for Bloomberg trading, an electronic file of these calls is kept for a full trading year.

Identification of the counterparty placing the order is the responsibility of the fixed income desk trader who receives or makes the call. As there is an ongoing contact, and each desk trader has his/her own assigned customers, identification is usually carried out orally by telephone and with caller line identification. Transactions are confirmed by the Middle-Office department.

Each trader keeps a record of all sale and purchase transactions, including the following information:

- Trade date
- Time
- Issuer
- Nominal amount
- Cash
- Side
- Price
- Customer name (counterparty)

The transaction log book is filed in the Middle-Office.

The trade tickets completed by the trading desk have a pre-defined format. These tickets should also include the identification code of the customer requesting the transaction and the trader performing the transaction.

The Company lists indicative prices for the sale and purchase of different fixed income securities on the Bloomberg screen, providing market traders with a source of information in markets that, on occasions, lack liquidity.

The Company seeks out entities in the market which are interested in selling or purchasing the same type of fixed income security.

AURIGA GLOBAL INVESTORS,
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Notes to the annual accounts

The desk trader contacts the counterparty to negotiate the transaction over the telephone. If a price agreement is reached, the transaction is confirmed.

Once the transaction has been agreed, the desk trader enters the details of the transaction into the electronic transaction record book. There is only one record book for the entire trading desk, which constitutes a daily record of all the transactions made the fixed income trading desk.

In addition, the trader includes the following transaction details in the ticket:

- Counterparty
- Code and name of the security
- Trade date and value date
- Nominal, cash and rate
- Trade number(provided by the seller)
- Trade code

Specific settlement instructions

The trade ticket is sent to the Middle-Office for the transaction to be confirmed with the counterparty.

The Middle-Office department is located alongside the fixed income trading desk, thus enabling instantaneous transaction verification.

Whenever a transaction is carried out, a Middle-Office officer verifies the accuracy of the data included in the transaction record book and the trade ticket with the counterparty.

In the event of incomplete, confusing or incorrect data, the Middle-Office completes the tickets so that these reach the Back-Office with all data confirmed and complete.

Once the transaction has been confirmed the ticket is sent to the settlement entity.

The settlement entity continuously monitors the transaction matching and in the event of any differences whereby the order introduced by the counterparty does not reconcile with the order introduced by the settlement entity, the latter contacts the Middle-Office to clarify these differences with the counterparty.

The financial gain or loss on these transactions reflects the margin between the purchase and sale of the securities. There are no additional fees or commissions, except for those paid to the settlement company.

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Notes to the annual accounts

The technical means the Company has in place to carry out its operations primarily consist of telephones connected to the central recording device, Bloomberg and microcomputing systems with in-house calculation and valuation tools (using spreadsheets). Since the beginning of 2018, the Company uses the connection to Bloomberg's MTF for the matching of Request for Quote (RFQ) transactions, thus reducing the number of OTC transactions, in observance of the principle of Market Obligation required by MiFID II. In addition, since the beginning of 2018, for the OTC purchase transactions initiated on the fixed-income trading desk, the Company uses Bloomberg's APA to fulfil the new post-trade transparency obligations required by MiFID II.

(33) Information on late payments to suppliers. "Reporting Requirement" under Law 15/2010 of 5 July 2010

Pursuant to final provision two of Law 31/2014, of 3 December 2014, and in compliance with the Spanish Accounting and Auditing Institute (ICAC) Resolution of 29 January 2017, details of the average supplier payment period in 2018 and 2017 are as follows:

	Days	
	2018	2017
Average payment period to suppliers	29.53	34.70
Transactions paid ratio	29.53	34.69
Transactions payable ratio	0.00	37.86
	Amount (euro)	
	2018	2017
Total payments made	3,894,772.29	4,906,471.27
Total outstanding payments	0.00	5,303.09

(34) Events after the reporting period

Besides the matters mentioned in these notes to the annual accounts, no other significant events occurred between 31 December 2018 and 27 March 2019, the date on which the Board of Directors authorised the annual accounts for issue, that require disclosure in the accompanying annual accounts.

AURIGA GLOBAL INVESTORS, SOCIEDAD DE VALORES, S.A.U.

Details of Investments in Group companies and associates

31 December 2018

	Registered office	Percentage of ownership	Main business	Listed en Bolsa
Xzerta Mesa Spain, LLC	546 Fifth avenue, 9 th Floor, New York	24,95%	Holding of shares in a fund that has an indirect investment in a building in Arizona.	No
Auriga Sherpa I, SL	Cuesta del Sagrado Corazón, 6, Madrid	21,70%	The purchase, subscription, swap and sale of Spanish and foreign real estate and other securities, on its own behalf and without intermediation, with the aim of administering and managing these investments.	No
CA Metropolitan ATM1, S.A.	1-3 rue de la Sapinière, L-8832 Rombach-Martelange, Luxembourg	100,00%	Acquisition of the rights to receivables arising from lease agreements executed by the entity. In general, the entity is authorised to take any necessary steps to carry out this business purpose.	No
Xzerta Solar I Spain LLC, USD	546 5th Avenue, 9th Floor, New York	(*)	Investing in projects and transactions relating to the solar energy industry, including loans specifically for construction and equipment.	No

(*) *Company in liquidation*

This annex is an integral part of note 8 to the annual accounts for year 2018, with which it should be read in conjunction.

AURIGA GLOBAL INVESTORS, SOCIEDAD DE VALORES, S.A.U.

Details of Investments in Group companies and associates

31 December 2017

	Registered office	Percentage of ownership	Main business	Listed en Bolsa
Xzerta Mesa Spain, LLC	546 Fifth avenue, 9 th Floor, New York	24,95%	Holding of shares in a fund that has an indirect investment in a building in Arizona.	No
Meet With Success, S.L	Cuesta del Sagrado Corazón, 6, Madrid	33,33%	The subscription, derivative acquisition, holding, use, administration and disposal of securities and shares.	No
Auriga Sherpa I, SL	Cuesta del Sagrado Corazón, 6, Madrid	21,70%	The purchase, subscription, swap and sale of Spanish and foreign real estate and other securities, on its own behalf and without intermediation, with the aim of administering and managing these investments.	No
General Universal Business, S.L	Cuesta del Sagrado Corazón, 6, Madrid	33,28%	The purchase, subscription, swap and sale of Spanish and foreign real estate and other securities, on its own behalf and without intermediation, with the aim of administering and managing these investments.	No
CA Metropolitan ATM1, S.A.	1-3 rue de la Sapinière, L-8832 Rombach-Martelange, Luxembourg	100,00%	Acquisition of the rights to receivables arising from lease agreements executed by the entity. In general, the entity is authorised to take any necessary steps to carry out this business purpose.	No
Auriga Grapheno S.L	Cuesta del Sagrado Corazón, 6, Madrid	37,96%	The purchase, subscription, swap and sale of Spanish and foreign real estate and other securities, on its own behalf and without intermediation, with the aim of administering and managing these investments.	No
Xzerta Solar I Spain LLC, USD	546 5th Avenue, 9th Floor, New York	(*)	Investing in projects and transactions relating to the solar energy industry, including loans specifically for construction and equipment.	No

This annex is an integral part of note 8 to the annual accounts for year 2018, with which it should be read in conjunction.

AURIGA GLOBAL INVESTORS, SOCIEDAD DE VALORES, S.A.U.

Valuation of Investments in Group companies and associates

31 December 2018

	Percentage of ownership	Currency	Assets	Liabilities	Net profit/(loss) for the year	Equity
Xzerta Mesa Spain, LLC (*)	24,05%	US dollar	278,263.53	-	121,338.86	278,264.52
Auriga Sherpa I, S.L. (*)	28,90%	Euro	6,204,094.35	3,791,898.40	1,227,844.52	2,412,195.95
CA Metropolitan ATM 10, S.A.(*)	100,00%	Euro	4,856,859.43	5,278,378.04	148,959.40	(421,518.61)
Xzerta Solar I Spain LLC, USD(**)	(**)	US dollar	-	-	55,426.56	-

31 December 2017

	Percentage of ownership	Currency	Assets	Liabilities	Net profit/(loss) for the year	Equity
Xzerta Mesa Spain, LLC (*)	24,95%	US dollar	304,077.08	-	227,726.26	304,076.33
Meet With Success, S.L (*)	33,33%	Euro	1,713,283.63	1,232,491.17	(7,422.52)	484,451.86
Auriga Sherpa I, SL (*)	21,70%	Euro	6,865,084.77	3,572,648.01	147,943.07	3,292,436.76
General Universal Business, S.L (*)	33,28%	Euro	18,885,877.08	17,080,853.71	12,818,761.50	1,805,023.37
CA Metropolitan ATM 10, S.A.(*)	100,00%	Euro	8,749,722.62	9,320,200.63	(52,211.73)	(570,478.01)
Auriga Grapheno S.L(*)	37,96%	Euro	9,039,722.72	451,112.52	1,352,213.49	8,588,610.20
Xzerta Solar I Spain LLC, USD(**)	(**)	US dollar	17,058.29	69,428.00	41,076.14	(47,267.92)

(*) *Unaudited figures as at 31 December 2018 and 2017.*

(**) *Company in liquidation.*

This annex is an integral part of note 8 to the annual accounts for year 2018, with which it should be read in conjunction.

AURIGA GLOBAL INVESTORS,
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Directors' Report

After some years of substantial economic growth that made it possible to overcome the crisis, signs of a slowdown in global growth became apparent in the second half of 2018. These signs may rise in the coming years due to the uncertainty created by geopolitical and macroeconomic factors.

More specifically, the eurozone's GDP grew at a year-on-year rate of 1.8% in 2018, compared with 2.4% in 2017, which is the lowest growth rate in the last four years. The weakening of economic growth was particularly marked in the second half of 2018, when Italy entered a recession after two consecutive quarters of negative growth and Germany was on the brink of a recession, as its GDP fell by two tenths in the third quarter and remained flat in the fourth quarter. In contrast, peripheral countries showed a greater economic dynamism: Spain and Portugal grew at a rate of 2.5% and 2.1%, respectively, while Greece's GDP grew by 1.9% since the recovery started in 2017.

The economic slowdown has been more pronounced in the eurozone than, for example, in the United States, as it is a predominantly exporting region and therefore more sensitive to a fall in foreign demand, and as a result of the weakening of the industry, particularly the automobile industry due to the adaptation to WLTP emissions standards. Other factors such as the political uncertainty in Italy or Brexit played also a role in the weaker-than-expected growth. In light of these conditions, economic growth prospects for the upcoming years have been revised downwards, for example, by the European Commission, which expects the eurozone's GDP to grow by 1.3% in 2019 (compared with a growth of 1.9% projected in its November forecast).

In the United States, GDP growth accelerated to 2.9% in 2018, from 2.2% in 2017; its highest growth rate in a decade. In view of the strong economic growth, a labour market with full employment and a marked increase in average hourly wages, the U.S. Federal Reserve continue to tighten the monetary policies by raising interest rates four times to 2.25%-2.50%. This, combined with the aforementioned increase in interest rates, has begun to reduce the size of the assets in its balance by an amount of USD 30 billion per month.

On the other hand, the European Central Bank kept the key interest rates unchanged, with the refinancing rate standing at 0%, credit facilities standing at 0.25% and the deposit rate standing at -0.40%. The ECB also announced that it will leave these interest rates unchanged at least until summer 2019, adopting a step-by-step and patient approach. Therefore, interest rates may remain unchanged until 2020, if fears of a slowdown come true, as the shape of the interest rate curve currently indicates.

However, the European Central Bank concluded its asset purchase programme in December 2018, after reducing monthly purchases to EUR 15 billion and almost four years after its implementation. Nevertheless, although the above-mentioned programme ended, monetary policy will continue to be accommodative, as assets will be reinvested at maturity, even after the first interest rate rise.

With regard to fixed-income, the delayed rise of official interest rates and the ECB's continuous intervention via its government and corporate debt purchase programmes kept yields on European bonds very low, except for Italian bonds. In this context, the Italian risk premium exceeded 250 basis points, as a result of the populist coalition government's challenge to Brussels' budget rules, trading at 2.75% at the end of the year (vs. 2.01 in 2017). The German Bund yielded 0.24% at the end of the year (vs. 0.43% in 2017), while peripheral countries' bonds such as Spanish and Portuguese bonds declined by around 15 and 23 basis points, respectively, to stand at 1.42% (prior 1.57%) and 1.72% (1.95% in 2017).

With regard to the various types of debt, sovereign bonds denominated in euro performed well, as stated above, with an overall rise of around 0.57%. The reduced appetite for risk was reflected in High Yield securities, which dropped by more than 4%, and convertible bonds, which fell by over 6%, in 2018.

We are still seeing a strong consolidation of the Spanish alternative fixed income market (MARF) which small caps have tapped as an alternative and/or complementary source of financing. The volume of issuance in the MARF amounted to EUR 5.76 billion in promissory notes and EUR 598 million in bonds by the end of the year, compared with EUR 3.652 billion and EUR 318 million, respectively, in 2017.

With regard to equity, after the sharp gains of between 17.4% and 20.5% logged by world's major stock market indices in 2017, major markets experienced a sharp correction in 2018, recording annual falls of between 15% and 18% in European stock markets, following the publication of bad macroeconomic data in the second half of the year. Most of the falls occurred during the last quarter, particularly in October, which was the worst month for equities in over six years as a result of the tariff measures, geopolitical tensions and the rate hikes by the Federal Reserve. Specifically, European stock markets fell by around 6%-9%, the S&P 500 fell nearly 9%, and Nikkei fell about 12%.

The Ibex 35 closed the year 15% lower (11.5% lower including dividends), its worst performance in eight years. In Europe, the EuroSTOXX 50 index lost 14.3%, the French CAC fell by 10.9%, the German DAX lost 18.3%, while the Italian FTSE MIB dropped 16.5%. In the United States, falls were less pronounced, with declines of 5.6% for the Dow Jones, 6.3% for the Dow Jones and 1% for the Nasdaq 100. Emerging markets as a whole fell 15%, with the exception of Brazil, which rose by 15% after presidential election. It should also be noted the bad performance of the banking sector, which fell by 28% during the year as a result of the delayed interest rate hike by the Federal Reserve.

This year has been marked by an increased risk aversion triggered by the following events:

In Italy, the approval of the State budget warnings by the European Commission after several European Commission's warnings for non-compliance with the EU's budgetary stability rules, with a public debt-to-GDP ratio above 130%.

The date of the United Kingdom's withdrawal from the European Union is getting closer, and many issues have yet to be resolved. The Prime Minister reached an agreement on the withdrawal of the United Kingdom from the European Union, which was later rejected by the British Parliament, as it did not provide legal guarantees on the border with Ireland. Brexit negotiations still continue and all options are open. The Brexit date is scheduled for 29 March 2019.

With regard to trade relations, the United States announced the imposition of tariffs import tariffs on USD 200 billion worth of Chinese goods, which could be increased by USD 267 billion from March. China responded by imposing tariffs amounting to \$60 billion on U.S. goods. However, there have been discussions between the two countries to bring positions closer together, following China's gesture to reduce the trade deficit and implement structural reforms for foreign companies based in China. The deadline for the United States to increase tariff rates is 1 March, though it has become increasingly flexible to get a good trade deal.

Finally, China has continued to show further signs of deceleration, growing at a rate of 6.6% in 2018 (6.8% in 2017); its lowest level of growth in almost 30 years. Moreover, the Chinese government expects this downward trend to continue in 2019 and set the GDP growth target to the range of 6-6.5% for the year.

Our fixed-income trading desk's business on the secondary market largely focused on subordinated bank debt from peripheral countries like Spain, Portugal and Italy. In order to meet our customers' demands for higher yields, and taking into account banks' obligations to comply with capital requirements, we were very active in this secondary market. Illiquid bonds like those issued by Abanca, Cajamar or Ibercaja played a significant role in our trading, although we also made transactions in highly liquid debt securities such as Santander or BBVA bonds.

Argentinian, Greek and emerging markets also performed well in special situations of high volatility or lack of liquidity. Spanish building sector was also very active, with high trading volumes in securities such as Abengoa, OHL or Sacyr.

We are still seeing a strong consolidation of the Spanish alternative fixed income market (MARF) which small caps have tapped as an alternative and/or complementary source of financing. The volume of issuance in the MARF amounted to EUR 5.76 billion in promissory notes and EUR 598 million in bonds by the end of the year, compared with EUR 3.652 billion and EUR 318 million, respectively, in 2017.

As for equity trading, the Company increased investments in the collective investment undertakings marketed by itself, while trading on behalf of retail customers represented only a negligible portion of this business.

The Company liaised continuously with the CNMV throughout the year, and a review of the first quarter of 2018 was underway. During this year, the Parent Company of Auriga Global has undertaken the spin-off project, which is aimed at the spin-off of the regulated group, and subject therefore to prudential requirements, from the group engaged in purely industrial activities. Thus, Auriga Global transferred its shares in the companies engaged in non-financial activities to the group Auriga Capital through buy/sale transactions. In consideration for these transactions, Auriga Global paid a dividend to Auriga Capital out of reserves. This reduction of reserves resulted in a decline in the capital base, which, however, broadly meets the requirements set out in the applicable regulations

As for the business growth, the Company achieved a profit of EUR 5.1 million in 2018, an increase of 81% compared with 2017.

Operating income amounted to EUR 1.6 million, representing a decline of 3.8% compared to 2017. This fall was mainly due to the decline in equity trading and the increase in other operating expenses. The aforementioned decline in operating income was offset by gains on the sale of an investee company of EUR 12 million.

The Company did not carry out any research or development activities during the year, nor did it acquire any own shares.

Information on average payment periods to suppliers is also included in the notes to the annual accounts.

AURIGA GLOBAL INVESTORS,
SOCIEDAD DE VALORES, S.A.U.

Investment Firms Annual Report for 2018

In compliance with article 192 of Royal Legislative Decree 4/2015 of 23 October approving the restated text of the Securities Market Law, the following information at 31 December 2018 is published as an annex to the audited financial statements:

COMPANY DETAILS

Auriga Global Investors, Sociedad de Valores, S.A. Sociedad Unipersonal (the Company) was established by public deed under Spanish Law on 23 March 2007, as authorised by the Ministry of Economy and Finance Order dated 22 March 2007.

The Company has been entered into the Register of Stock Exchange Member Brokers of the Spanish National Securities Market Commission (CNMV) under number 224, and carries out its business activities in its office in Madrid. The Company is a member of the Madrid, Barcelona and Valencia Stock Exchanges.

The Company's registered office is located at Calle Cuesta del Sagrado Corazón, no. 6, in Madrid.

CORPORATE PURPOSE

Auriga Global Investors, Sociedad de Valores, S.A. engages only in the activities that broker-dealer companies, such as investment firms, are permitted to carry out under articles 140 and 141 of the restated text of the Securities Market Law. Therefore, the Company can provide the following investment services:

- Receipt and transmission of orders on behalf of third parties.
- Execution of such orders on behalf of third parties.
- Proprietary trading.
- Personalised and discretionary management of investment portfolios, based on the instructions provided by investors. This portfolio management also entails the authorised management of securities and financial assets comprising hedge fund portfolios.
- Placement of financial instruments without a firm commitment basis.
- Underwriting of financial instruments or placement of financial instruments on a firm commitment basis.
- Investment advisory services.

The Company can also provide the following ancillary services:

- Custody and administration, on behalf of customers, of the instruments set forth in article 2 of Royal Legislative Decree 4/2015 of 23 October 2015 approving the restated text of the Securities Market Law.

- Granting of credit facilities or loans to investors to carry out transactions involving one or more of the instruments set forth in the aforementioned article 2, provided that the company granting these credit facilities or loans takes part in such transactions.
- Services relating to underwriting of issues or placement of financial instruments.

OPERATIONAL SCOPE

The Company mainly carries out its activities in Spain.

TURNOVER

Turnover, measured in terms of fee and commission income, is EUR 3,094,931.83 at 31 December 2018.

NUMBER OF FULL-TIME EMPLOYEES

There are 44 full-time employees at 31 December 2018.

PROFIT/LOSS BEFORE TAX

Profit before tax amounts to EUR 5,134,311.78 at 31 December 2018.

TAX ON PROFIT/LOSS

The income tax expense amounts to EUR 0.0 at 31 December 2018.

RETURN ON ASSETS

The return on total assets is 14.86% (net profit as a percentage of total assets) at 31 December 2018.

SUBSIDIES OR PUBLIC GRANTS RECEIVED

Auriga Global Investors, Sociedad de Valores, S.A. has not received any public grants or subsidies.

AUTHORISATION FOR ISSUE

Authorised by the Secretary to the Board of Directors of Auriga Global Investors, Sociedad de Valores, S.A. Sociedad Unipersonal, Ms. Caridad Bono Landaluce, to hereby state:

That in the meeting of the Board of Directors held in Madrid on 27 March 2019, the Board resolved to present the attached annual accounts and directors' report of Auriga Global Investors, Sociedad de Valores, S.A. Sociedad Unipersonal, for the year ended on 31 December 2018, which are an integral part of this document and which will be delivered to the Auditor, and which comprise a balance sheet, profit and loss account, statement of changes to equity, statement of cash flows, notes to the annual accounts, two annexes and the directors' report.

All of the Directors, whose full names are included, sign this authorisation in witness of their approval of the foregoing, to which I attest.

27 March 2019

Signed by:

Signed by:

Mr. Iñigo Resusta Covarrubias
*Chairman of the Board of Directors and
Director*

Mr. Enrique Martinavarro Ferrer
*Deputy Chairman of the Board of Directors
and Director*

Signed by:

Signed by:

Mr. Rodrigo Hernando Ortega
Director

Mr. Alfredo Jiménez Fernández
Director

Signed by:

Ms. Caridad Bono Landaluce
Non-Board Member Secretary