allfunds

Shaping our connected future

2021 Annual Report

Allfunds is one of the world's leading WealthTech companies with a service offering which includes data & analytics, portfolio & reporting tools, research and regulatory services. Created in 2000, today Allfunds offers the largest fund distribution network globally and access to the world's largest universe of mutual fund and ETFs.

Strategic Report

Corporate Governance

Financial Statements

Additional Information

This symbol indicates more information is available within other sections of this report

This symbol indicates more information is available on our website at www.allfunds.com

Visit allfunds.com for more information

Shaping our connected future

Allfunds is one of the world's leading B2B WealthTech companies. We connect Fund Houses and Distributors, enabling the efficient matching of supply and demand for asset management products.

Our open architecture platform provides a digital marketplace that unlocks new knowledge and creates true value. In today's increasingly connected world, we create advantage, accelerate growth and power progress.

Our scale, experience and digital mindset combine to connect opportunity to new wealth. We have been providing this added-value service to clients for more than two decades. As we enter the next phase of growth, our reach, platform and people intersect to shape a connected future.

"By growing in scale, introducing efficiencies and always innovating, we are transforming the wealth management industry worldwide. Our ambition is to continue providing world-class services and products to our clients, while also delivering progress to society."

Juan Alcaraz
CEO – Executive Director

Allfunds is one of the largest B2B WealthTech platforms globally

Allfunds operates an open architecture platform which provides a marketplace connecting financial institutions wanting to buy and/or distribute funds – either for their own account, for products they manage (including funds of funds or pension funds) or on behalf of their clients – (all these entities referred to together as Distributors) with asset managers that launch, manage or distribute such funds (referred to as Fund Houses).

Allfunds has built and continues to evolve this ecosystem ('Allfunds Platform') that covers the entire fund distribution value chain and investment cycle making it one of the most compelling fully integrated one-stop shop in the industry.

The Allfunds Platform provides distribution, dealing, custody and administration services, enabling automated access to a wide range of funds. It maximises transactional efficiency, minimises the risk of operational errors and reduces costs.

In addition, it provides Fund Houses and Distributors with access to data, analytic tools and other digital wealth solutions, which can increase their sales efficiency and expand their wealth advisory capabilities.

Underpinning the value proposition of the Allfunds Platform is Allfunds Connect, a subscription-based SaaS-enabled offering of data-centric services to Distributors and Fund Houses.

This integrated, one-stop shop ecosystem provides a competitive advantage over other market participants, who typically provide only a sub-set of services available on the Allfunds Platform.

We have built proprietary technology designed to provide seamless integration of our solutions into the Allfunds Platform to offer the best possible client experience.

The Allfunds Platform allows the monetisation of our long-standing relationships with Distributors and Fund Houses.

We hold leading market share positions in Europe, the Middle East, Latin America and Singapore.

Our purpose is to transform the WealthTech industry

Allfunds has achieved this through a deep commitment to quality and outstanding human capital that strives to provide only the best service for our clients and create value for all our stakeholders.

For our **clients.** We want to thrive as the fund industry's first and most trusted partner in the WealthTech space. We will continue to enrich our service offering by developing leading digital tools within a seamless, secure user experience throughout the Allfunds ecosystem.

Read more about our clients on page 10

For our **shareholders.** We are committed to quality growth and delivery of sustainable returns always by means of responsible business practice. We want to have an active role in fostering an ethical, accountable and competitive environment for the financial services industry.

Read more about our shareholders on pages 44 and 163

For our **employees.** We believe that people's talent is key in delivering our world-class service. We encourage our workforce to grow at a professional and personal level stretching their capabilities to achieve the right career progression based on meritocracy. Allfunds employees live our core values, are high performers engaged in teamwork, gain the advantage of a stimulating culture, and attain superior goals.

Read more about our employees on page 36

We stand for supporting **Environmental, Social, and Governance principles** which we apply to our day-to-day operations and business development. In order to effectively progress and champion these policies, we seek to integrate the maximum external standards level applicable to our business and take into account our stakeholders demands.

Read more about our ESG on pages 34 to 41

Our values

We have a clear set of values that we expect all our employees to work and live by

ALL for Excellence

All of our experience and expertise together with the passion we put into everything we do, are brought to our clients, employees and partners which can count on us for the best services, technology and professionals at their reach.

ALL for Accountability

We seek to achieve a balance between the interests of our clients, our employees and our shareholders, while always looking to make a difference through our transparent and responsible attitude towards people and society.

ALL for Empowerment

We work to continuously enhance our tools and services and make them accessible to our clients. So they have the freedom to make decisions and choose what they want to do, whenever and however they need.

ALL for Inspiration

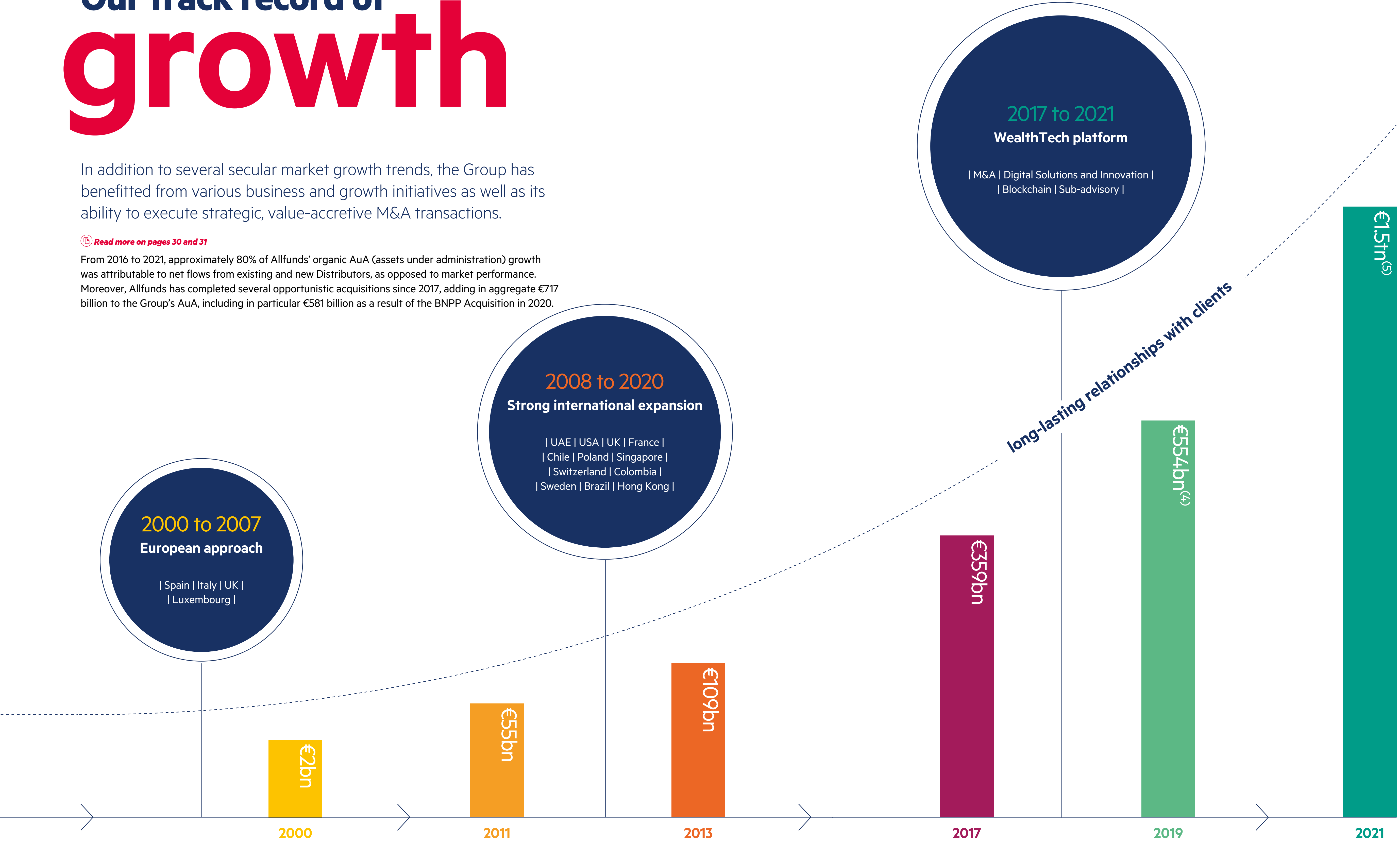
People are our driving force, and helping them reach their goals is our biggest motivator. That is why we aim to adapt to their needs and wants, to accompany them on their journey, and inspire them to achieve their dreams.

Our track record of growth

In addition to several secular market growth trends, the Group has benefitted from various business and growth initiatives as well as its ability to execute strategic, value-accretive M&A transactions.

Read more on pages 30 and 31

From 2016 to 2021, approximately 80% of Allfunds' organic AuA (assets under administration) growth was attributable to net flows from existing and new Distributors, as opposed to market performance. Moreover, Allfunds has completed several opportunistic acquisitions since 2017, adding in aggregate €717 billion to the Group's AuA, including in particular €581 billion as a result of the BNPP Acquisition in 2020.



CAGR[1][2]
Fund Houses

+26%

CAGR[3][1]
Distributors

+15%

Org. CAGR[1]
AuA

+27%

Total CAGR[1][5]
AuA

+41%

Note: 2012 to 2017 figures relate to Allfunds Bank Group, whereas figures starting 2018 relate to Allfunds (UK) Limited (previously LHC4 (UK) Limited). 2020 financial data unaudited.

1. Refers to 2012 to 2021 period.
2. Includes BNPP Acquisition as at 31 December, 2021.
3. Including 489+ new untapped Distributors pursuant to BNPP Acquisition, not yet converted but which do trade through Allfunds Platform (c. 831 agreements with Distributors on Allfunds standalone basis). As at 31 December, 2021.
4. AuA as at 31 December, 2019 includes c. €425billion of AuA on the Allfunds Platform, ETFs, acquired for the NFM transaction, with the remaining from non-intermediated AuA (including c. €110billion since September 2019 following the CSIL transaction).
5. AuA as at 31 December, 2021 includes c. €412billion of AuA acquired from BNPP for which only Dealing and Execution services are provided.

PROGRESS DEMANDS INDUSTRY EXPERTISE

We solve problems and uncover opportunities for clients.

From the simplest fund trading to cutting-edge blockchain solutions, we create innovative investment solutions for clients by unlocking data and generating action-oriented analytics. We help Distributors grow their portfolios, digitalise their wealth offering and reduce operational risk – making Allfunds their chosen one-stop shop.

We offer a wide variety of funds through the Allfunds Platform across active and passive strategies, including equity funds, fixed income funds, multi-asset funds, alternative funds and ETFs. There are approximately 100,000 funds from 2,340 different Fund Houses available for distribution and/or trading on the Allfunds Platform. We connect to a network of approximately 831 Distributors* domiciled in 62 countries, including retail banks, private banks, investment banks, life insurance companies, pension funds, stockbroking houses, custodians and independent financial advisers. We administer what we believe is the largest distribution network globally.

In addition to the widest fund offering, we provide through Allfunds Connect an improved digital analytics tool with multiple capabilities, enhancing a Distributor's ability to service its clients. As we increase performance, the digital analytics are constantly enhanced, creating greater leadership.

We promote innovation, we expand our product offering and continually improve our infrastructure. Our blockchain capabilities, which we develop every day, further underline our unparalleled offering.

The Allfunds offer is not only market leading but also under a buy-free model for Distributors – and therefore exceptionally compelling.

Approximately

100,000

funds from over

2,340

Fund Houses available for distribution and trading on the Allfunds Platform with access to

831

Distributors across

62

countries

Extending our reach: Allfunds Hong Kong

We are very excited to announce the opening of our second office in Asia. As we continue to expand our operations in the region and globally, we will be able to provide our clients with greater expertise and more localised support to help them attain their goals.

* As at 31 December 2021, if we include 489 new untapped Distributors from BNPP Acquisition, this goes up to 1,320 clients

Global scale coupled with local knowledge

Allfunds combines what it believes is the world's largest universe of mutual funds and ETFs with local service delivery to the largest fund distribution network

Our global locations

1 Madrid	2 Milan	3 London
4 Luxembourg	5 Santiago de Chile	6 Dubai
7 Zurich	8 Bogotá	9 Singapore
10 São Paulo	11 Valencia	12 Stockholm
13 Hong Kong	14 Paris	15 Warsaw	16 Miami

INNOVATIVE TECHNOLOGY: IT'S OUR ADVANTAGE

Our broader offering and scale – and a superior network of Fund Houses and Distributors – make a winning combination.

Our unique platform and data-driven insight help agile organisations reduce costs and enhance their capabilities. We continue to evolve this ecosystem that covers the entire fund distribution value chain and investment cycle, making it the sole fully integrated one-stop shop in the industry.

A main reason for our growth – and the main feature which differentiates us – is that we offer a compelling value proposition to both sides in our marketplace.

We provide Fund Houses with a single point of access to what we believe to be the largest global distribution network. This means Fund Houses can secure geographical and customer diversification with a secure and low-risk operational set-up. Fund Houses also benefit from our broad product and service portfolio, reducing internal costs and operational and Know Your Customer/Anti-Money Laundering (KYC/AML) complexities.

In turn, Distributors benefit from one-stop-shop access to what we believe is the largest open architecture fund offering with global distribution agreements. We reduce operational costs and risks for Distributors through maintaining these fully compliant distribution agreements and outsourcing administrative, reporting and regulatory compliance tasks. We support Distributors with local service on a global scale. Distributors gain access to our core services under a buy-free model, creating a strong loyalty which has resulted in negligible client churn in recent years. In addition, Fund Houses and Distributors have access to data and analytic tools and other digital wealth solutions to increase their sales efficiency and expand their wealth advisory capabilities.

Fund Houses and Distributors have access to data and analytic tools and other digital wealth solutions to increase their sales efficiency and expand their wealth advisory capabilities.

The Group had over

29.6m

trades placed successfully by our Distributors

Approximately

7,200

average monthly users

85%

of Allfunds Distributors access the platform to search, compare and trade funds

Extending our reach: A technology differentiator

We continue to invest in and enhance our digital ecosystem, Connect, which has quickly become an essential part of our client offering. The power of our platform resides in offering the best tools in a safe environment: Telemetrics, one of the many exceptional solutions available through this ecosystem, is a great example of the benefits we can offer to both Fund Houses and Distributors.

ACCELERATING GROWTH IN FINANCIAL ECOSYSTEMS

The Allfunds Platform creates powerful network effects that benefit both Fund Houses and Distributors – what we refer to as the 'flywheel' effect.

Our comprehensive suite of services and ability to achieve better terms in our distribution agreements with Fund Houses attracts new Distributors to join the Allfunds Platform. This provides incremental flows to Fund Houses, which incentivises more Fund Houses to join us to capture the increased sales from a growing base of Distributors.

Leveraging this network effect provides us with a clear competitive advantage. As Fund Houses and Distributors join the Allfunds Platform and make increasing use of our digital services, more data is available to us, which in turn enables us to continue to improve our service offerings.

A large and loyal network of Fund Houses and Distributors supports this flywheel effect, which we believe means that it will continue to generate positive momentum. Our low average Distributor churn of less than 1% over the last 10 years is testament to our strong relationships with Distributors and our attractive offering. Similarly, we have succeeded in attracting and retaining a large and diverse collection of Fund Houses, with an average churn rate closer to 0.9% from 2018 to 2020.

We continue working to further monetise Allfunds Connect on a subscription-based licence (Connect, Connect Premium and Connect Enterprise) from fund Distributors and Fund Houses.

Number of new Fund houses

169

added to the platform in 2021

Number of new Distributors

85

added to the platform in 2021

99.9%

Distributors average retention rate

98.8%

Fund Houses average retention rate

Extending our reach: Our client focus

Our client focus has always been to provide best service, to remain close and anticipate our clients' needs through innovation. Our client evolution has been impressive with an increase of 85 new agreements in 2021 – in addition to all the digital agreements entered into with existing clients. Several significant clients have joined us and our business has expanded, proving once again that our value to clients and service offering are one of the most compelling in the market.

Five reasons to invest with Allfunds

1

A leading large-scale WealthTech, with global reach and local presence

We are one of the largest B2B WealthTech platforms, with over €1.4 trillion of AuA. We match fragmented demand for asset management products from Distributors with fragmented supply of those products from Fund Houses. We are present on four continents and have leading market share positions in Europe, the Middle East, Latin America and Singapore. We have experienced strong AuA growth in recent years across all geographies.

We believe in the importance of being close to our clients to understand their needs. Thanks to our network of global services supported through 16 local offices (in Madrid, Valencia, Paris, Milan, London, Zurich, Luxembourg, Warsaw, Stockholm, Dubai, Hong Kong, Singapore, Miami, Bogotá, São Paulo and Santiago de Chile), we have built long-lasting relationships with Distributors and Fund Houses. The Allfunds Platform creates powerful network effects that benefit both Fund Houses and Distributors and represents a clear competitive advantage. This has contributed to our success in capturing market share across the territories in which we operate.

The need for lower cost of access to third-party funds and increasing regulatory pressure for transparency and end investor demand will lead to increased penetration of open architecture platforms. As Distributors expand their offering to new client pools, open architecture will make it easier to attract new clients, permitting easy relationship management with end investors and an expansion of other capabilities.

Increasing levels of administrative, compliance and data requirements together with cost pressure on asset managers and Distributors will lead to increased outsourcing. The economics of outsourced platforms and the increasing strength of external fund value propositions compared with in-house offers also make the trend towards outsourcing compelling. Outsourced AuA levels are still low in our key markets but are expected to continue to increase, further supporting market growth.

Combining global expertise and local knowledge has enabled us to build what Allfunds is today.

Read more about our Scale on pages 6 and 7

2

A one-stop shop with a unique value proposition

We have integrated large parts of the wealth management value chain into a simple and easy to use one-stop shop platform across distribution, dealing, custody and administration services, and have expanded our offer into other value-add areas like data & analytics.

A key driver of our competitive differentiation and growth is the compelling value proposition we deliver to both sides of its marketplace.

Fund Houses and Distributors gain access to industry-leading functionality through Allfunds Connect, a subscription-based SaaS-enabled offering of data-centric services. Through different application programming interfaces, Allfunds Connect is able to develop bespoke solutions that are fully integrated into Fund Houses' and Distributors' IT systems, providing them with an end-to-end solution to suit their needs. Once in place, these systems tend to remain and we retain 99% of Fund Houses and Distributors year on year.

As a fully invested, scalable platform, we onboard new clients at very low marginal costs and therefore at highly competitive rates.

Our proprietary technology is designed to ensure seamless integration of solutions into the Allfunds Platform to provide the best possible client experience. To minimise costs, we will continue to leverage our technology and operations infrastructure as the business grows.

We continue to invest in our platform to maintain operational efficiency and high-quality service.

Read more about our one-stop shop on page 26

3

A simple and attractive pricing model

We believe that we have a unique and attractive revenue business model. Distributors benefit from a buy-free model in core services such as trading, dealing, settlement and administration while paying a subscription fee for value-added services. Our comprehensive suite of services attracts new Distributors to join our platform. This provides incremental flows to Fund Houses, which incentivises more Fund Houses to join us to capture the increased sales from a growing base of Distributors. We refer to this as the 'flywheel' effect.

Furthermore, we believe that our innovative Allfunds Connect offering accelerates the flywheel effect by creating additional incentives for Distributors and Fund Houses to continue using and increasing their use of our services and solutions.

Read more about our business model on page 27

4

Our financial profile is underpinned by best-in-class growth, high margin and cash flow conversion and proven M&A track record

Our strong financial profile is the result of a compelling combination of strong top-line growth, profitability and high cash conversion at scale.

There are several compelling elements to our growth: double-digit AuA growth, net revenue growth and adjusted EBITDA growth. On top of this and reflecting our efficiency as a business, our adjusted EBITDA of €367.2m (IFRS EBITDA of €253.6m) implies an adjusted EBITDA margin of a remarkable 72.6%. This high margin allows us to also benefit from high cash conversion.

We were able to translate this strong growth in AuA into high top-line growth, with net revenues growing at a CAGR of 28% from 2017 to 2021. Our business model has proven resilience to economic cycles and we continue to improve operating efficiencies, leveraging our technology and operations infrastructure as the business grows.

We have materially increased our scale, capabilities, and geographical footprint through a number of value-accretive acquisitions in recent years, pursuing a strategy focused on both opportunistic bolt-on acquisitions and transformative M&A.

We are confident that we will increase our penetration in France and Germany and consolidate our presence in Europe. We believe it is very likely that strong growth will continue in markets such as Asia, where open architecture is ever-growing, and that the US offshore market will represent a very interesting opportunity with growth potential.

We expect further consolidation in the wealth management market and continue to focus on selected value-accretive M&A opportunities, which are expected to drive additional growth and margin resilience.

5

A founder-led visionary management team fostering an entrepreneurial culture

Since Allfunds' inception, our management team has focused on fostering an entrepreneurial culture, at the heart of which rests a commitment to superior service for clients and to creating benefits for all stakeholders. The Group is led by a highly experienced and entrepreneurial management team with complementary skillsets and proven track records of driving innovation.

The Founder and CEO, Juan Alcaraz, has spearheaded the development and growth of the company since its inception in 1999.

Read more about our People on page 36

FY21 Key financial highlights

AuA
€1.5 trillion
(29% up in 2021)

Net revenues
€505.7m
(37% up in 2021)

EPS (Earnings per Share)
€0.22

PAT (Profit After Tax)
€107.7m

Adjusted EBITDA margin
72.6%
(1.7p.p. up in 2021)

EBITDA margin
50.1%
(9.9% up in 2021)

Normalised Free cash flow
€228.2m
(33% up in 2021)

Non-financial and operational highlights

FH – Client retention rate
98.8%
(99.9% in 2020)

D – Client retention rate
99.9%
(99.8% in 2020)

Employee retention rate
92.8%
(92.8% in 2020)

Trades placed successfully
29.6m
(22.6% up in 2021)

New funds set up
35,879
(92.9% up in 2021)

STP orders
95.8%
(95.7% in 2020)

IT CAPEX over total CAPEX
90.7%
(13.4 p.p. up in 2021)

Security rating
800
(790 in 2020)

The Founder and CEO, Juan Alcaraz, has been at the heart of Allfunds since inception, together with many of the same team that built the platform since its early stages. Focused on fostering an entrepreneurial culture, he promotes a forward-looking agenda that revolves around creating benefits for all stakeholders.

The story of Allfunds is unique

What made you create Allfunds?

I started my career at Banco Santander, in the private banking side of the business. At that time the demand for international mutual funds was increasing exponentially amongst wealth management clients but we found the offering fragmented, and onboarding as well as execution tedious. As head of fund analysis I saw the potential of creating a B2B marketplace where all these international funds could coexist and be accessible to Distributors in a fast, simple, efficient manner. This was the main premise of Allfunds then and we remain true to its customer-centric character today, €1.5 trillion assets under administration later.

What did your successful IPO mean to you and your staff?

Our IPO on 23 April 2021 came as a natural next step to the phenomenal growth the Company has experienced in the last four years, building a global technology platform linking Fund Houses and Distributors. But there is still an enormous opportunity to be realised. This listing provides us with the flexibility to accelerate the digital transformation of the wealth management industry and the growth of our best-in-class global platform. With the support of leading institutional investors – many of whom are trusted clients – access to global capital markets and the continued dedication of our employees, we will continue offering our clients unparalleled service and support in a more connected and digital world.

Read more on page 18

This was, without a doubt, a huge milestone for all at Allfunds. We have many first joiners still here that have been working for 20 years to make this company what it is today, so this was especially relevant for them, but not exclusively. For the whole team globally, it was a way to come together like never before and a validation of our vision and efforts. For me specifically, it filled me with great pride and has been a once-in-a-career experience.

What differentiates your business?

We have four unique selling points that make us special:

1. **Scale:** we have strategically been focusing on growing our scale globally through international expansion and through transformational M&A, acquiring and integrating different businesses.
2. **A truly global perspective:** we are a strong global player, keeping a local presence to be closer to our clients.
3. **One-stop shop:** Allfunds is probably the only truly one-stop-shop fund platform that connects Fund Houses and Distributors seamlessly.
4. **Buy-free model:** Allfunds has a differentiated pricing model, with Distributors being able to subscribe under a buy-free model a quite broad universe of funds or just being charged for some specific funds or value-added services; AFB fees stem mainly from Fund Houses who control most of the economic inflow of the value chain.

In addition, we have an historical track record specialising in the mutual fund industry.

One of our main drivers is to deliver a superior service and help our clients advance their own objectives. In this spirit we have gone beyond the traditional dealing and execution services and created an ecosystem populated with the best integrated tools for data & analytics, portfolio & reporting, research, and regulatory solutions.

In summary, the Allfunds offering is exceptionally compelling.

Where do you see potential for Allfunds in the short to medium term?

We are very established in core markets, such as Southern European countries, the Nordics, UK and Central Europe, which will remain very important for us. However, we are looking at expansion in markets such as France, only natural after our recent acquisition and new local branch there, as well as Asia, in which we have been present for some time with great success but continue our commitment to the region and will operate a WOFE (Wholly Owned Foreign Enterprise) in Shanghai soon to pursue our expansion.

The beauty of Allfunds story is that we believe there is still potential not only in well-established markets, thanks to the move to open architecture, but also in new regions (that is, China) or markets in which we are still not present (that is, the US).

What are your priorities for the year ahead?

We wish to continue growing our traditional business lines and pipeline, of course, but are focusing also on expanding our digital capabilities and tools. We look to constantly improve our value proposition, a driver naturally embedded in our WealthTech DNA, and go beyond fulfilling our clients' needs: we must recognize their priorities and fast track them there. Additionally, 2022 will be a year in which we expect to complete the integration of recent acquisitions, which is key for us.

We want to effectively capture value for our shareholders and for that, we need to work on various fronts:

- Attracting new clients
- Continuously improving our value proposition for our clients
- Increasing our subscription revenues
- Ensuring the sustainable growth of our margin
- Focusing on maintaining efficiency

On top of that, our two additional business lines Allsolutions (outsourcing investment services with our sub-advisory mandates) and Allfunds Blockchain, also have a promising year ahead of them and we expect them to put their best foot forward a year after launch.

How would you describe your leadership style?

Having been one of the people that has built this business from the ground up, inevitably I am very hands-on and dynamic. It is hard for me to keep still, I am always looking for ways to move forward and for Allfunds to be ahead, via innovation, efficiency and talent. We try to nurture flexibility and open communication to encourage idea exchanges and collaboration, always in a demanding environment. This applies to me as well; I expect a certain amount of challenge coming from my teams just as they expect a reasonable degree of pressure from myself and the management team to achieve our targets. For me, as well as many of my colleagues who have worked here well beyond a decade, Allfunds has been a fundamental part of our lives and as such draws powerful emotions from all of us: great pride at milestones, inevitable periods of frustration, but mostly fuels our and day-to-day commitment and passion for the success of the business. Overall, I care deeply not only for the quality of this business, but also for the people that make it happen; without an engaged, motivated workforce we wouldn't be able to reach our goals or maintain our high-quality standards.

Our 2022 priorities

- Attracting new clients
- Continuously improving our value proposition for our clients
- Increasing our subscription revenues
- Ensuring the sustainable growth of our margin
- Focusing on maintaining efficiency

Read more on pages 20 and 21

How would you describe Allfunds' culture and will that change now that you are listed?

For one thing, entrepreneurial – we have continued to grow but focusing on innovating the business over the years, we are in constant evolution which sets a very dynamic atmosphere to our day-to-day operations; we never rest on our laurels and are always on the lookout for opportunities.

I think what best summarises our goals and ambitions, as well as culture, are our corporate values.

Excellence. We are a customer-centric business and client satisfaction is at our very core; we aim to go beyond expectations to ensure best in class delivery.

Accountability. We seriously look to go beyond expectations in this capacity and want to have an active role in fostering this principle throughout our organisation, which ultimately keeps us all more engaged and committed to our work and builds common trust. It is all about getting everyone on board and rowing together rather than isolating problems and pointing fingers at setbacks.

Empowerment. This too is very connected with our primary commitment. Allfunds exists in order to make our clients' lives easier, to lighten their operational burden and provide them with tools that up their own game. In the same way, we want our employees to feel they work in a global team where new ideas and initiatives are not just welcome, they are rather expected, and suitably rewarded. We believe strongly in meritocracy and those that consistently seed and add value to the business will thrive with it.

Inspiration. This is deeply connected to our innovation outlook and how we are trying to lead in the future of the fund industry by building new applications, seeking new partnerships and always keep moving forward.

Now that we are listed we have to be mindful not only that our stakeholder base has grown (from the investor community to regulators), and our responsibilities towards them, but also that we need to adapt to a new level of demand in every front of our business, as a corporate and as a service provider. I believe that we will continue to foster a competitive and accountable environment, all in the interest of quality growth and rendering a world-class service.

How is Allfunds responding to key ESG issues?

On the one hand, regarding our product offering, we are aware of the increasing demand for more precise ESG metrics beyond scoring for financial instruments and we are seeking to integrate more solutions with different ESG data and rating providers that may help our clients to better select funds according to their ESG needs. The more precise and thorough information we can provide the more value we are contributing to a quality screening process, and ultimately, a better ESG approach.

Regarding our own practice, we are committed to ESG development with a specific roadmap we can adhere to and work on, as well as metrics that can track and showcase our progress. For us it is not a trend nor imposition. It has been proven that companies with strong ESG practices overall are more efficient, dependable and resilient and in the end, we help society progress as ultimate goal. It is an all-around win for all stakeholders including clients, shareholders and employees.

Read more about our ESG approach on pages 34 to 41

> "I believe that we will continue to foster a competitive and accountable environment, all in the interest of quality growth and rendering a world-class service."

A pivotal year in our history

2021 highlights

Global Scale

€1,494bn

Assets under administration as of December 2021

High Growth

29%

AuA annual growth since December 2020

37%

Growth in Pro Forma net revenue since December 2020

High Profitability

€367m

Adjusted EBITDA 2021

€254m

EBITDA 2021

Our IPO on 23 April 2021 marked a major milestone for Allfunds. Not only was it one of the most successful flotations in 2021, but it was also the second largest in Europe. However, that was only one of the factors that made 2021 a pivotal year in our history.

It is only natural to begin by diving directly to the biggest milestone of 2021 and perhaps of all our history so far: our IPO. However, before doing so, we must remember this was the outcome of many years of consistent effort, drive for innovation and of course our employees' commitment. Indeed, our IPO on 23 April 2021 marked a major milestone for Allfunds, but this is not a new beginning just like it's definitely not an end. With our new listed status we can now look forward even further and look to bring Allfunds to the next level, consolidating our leadership position as a WealthTech leader and the preferred partner for the wealth management industry.

As mentioned, 2021 was an eventful year; our IPO was not only one of the most successful flotations awarded as EMEA IPO of the year 2021 by IFR (International Financing Review), but it was also the second largest in Europe. Our share price was set at €11.50 and closed that same day at €13.85, representing a 20.4% increase. However, that was only one of the factors that made the past year a pivotal one in our history.

2021 also represented an exceptional year of growth for us. We experienced double-digit growth in assets under administration (AuA), an outstanding 37% growth in net revenue from 2020 PF and an extraordinary 40% growth in adjusted EBITDA from 2020 PF (27% increase of EBITDA margin under IFRS approach). Consequently, AuA stood at €1.49 trillion at 31 December 2021 and net revenue at €506 million. These results also imply an adjusted EBITDA margin of 72.6% (50.1% of EBITDA margin under IFRS approach) – the highest in our history; an achievement of which we are really proud.

On top of that, we continued to build our business organically and by acquisition. Our strategic collaboration with BNP Paribas, which began in October, 2020, progressed well and is already fuelling the development of next-generation fund distribution services. Since our IPO in April, we have continued to attract new Distributors and Fund Houses, onboarding 254 altogether during the period across our key geographies.

The market environment

The beginning of the year was still dominated by the COVID-19 pandemic. With the start of vaccine roll-out, optimism flooded the markets; equities continued to soar and some indexes rose to record levels. Fixed income, on the other hand, remained sluggish, offering little respite from lower interest rates. Money markets suffered as flows diverted into asset classes with more catch-up potential.

The upsurge in the market brought with it the prospect – and then the reality – of reduction in monetary stimuli by central banks. Nevertheless, from the half-year mark onwards, the threat of inflation began to loom and with it a pressure on margins. At the centre of this were hikes in energy prices, exacerbated by geopolitical tensions, which continue into 2022.

Finally, the threat of Omicron, the most viral variant of COVID yet; new restrictions and lockdowns in some regions spiked tensions and led to more volatility, keeping markets on edge. As we moved towards the year-end market fears eased and eventually ended on a positive note for most, all keeping watchful eye for the coming year.

Regarding industry trends, alternative investments maintained momentum as investors moved towards regarding them more as a standard element of their portfolio. ESG-labelled funds also became increasingly popular, now seen as 'must have', not just 'nice to have'. Fund Houses all ensured they could not only offer such funds but also explain clearly the processes of exclusion, scoring, audit and continued revision they were following to qualify stocks for inclusion.

Partnerships

Our network of international partnerships remains a strategic priority for us. During 2021, we activated partnerships with several important world-leading service providers:

- iCapital Network – to provide our global distributor network with access to private market investment opportunities
- Morningstar and Clarity AI – to provide our global distributor network and our Fund Houses with additional information on the ESG criteria to select and compare funds
- ConsenSys – which has commercialised our Blockchain technology for broader application across the funds industry, facilitating greater streamlining of the fund distribution value chain

These partnerships, designed to attract new clients and create performance and revenue synergies for existing clients and their end-customers, underpin our future value creation.

Technology

We made a total of €27 million in new investments to develop our proprietary technologies and extended product offering:

- The launch of 'FAST', a B2B sub-advisory platform providing fund of funds managers and discretionary portfolio managers with solutions to optimise their portfolios and deliver greater efficiencies for fund transfers in Spain
- Continued enhancement of Telemetrics products to deliver comprehensive market data and intelligence resources to support clients' new business growth and meet their increasingly data-driven needs
- Upgrade of Nextportfolio, the only portfolio monitoring and reporting tool with the capacity to deliver discretionary portfolios at scale, to facilitate optimisation by asset allocation and the analysis of fund performance contribution

People

Attracting and retaining senior talent is a critical step in furthering our growth ambitions and strengthening our overall service to clients.

To expand our international footprint, we have appointed senior talent to lead growth initiatives overseas. We have made strategic executive hires in France, Hong Kong, Spain and Latin America.

We also welcome Alvaro Perera as our new Chief Financial Officer. With 14 years of industry experience, Alvaro will strengthen our executive leadership team and reinforce our commitment to delivering strong financial performance for clients and shareholders.

Looking ahead

As data analytics and digital solutions have become more deeply woven into the fabric of financial services, companies have faced significant pressures to meet the evolving needs of clients, shareholders and other stakeholders, whose expectations are aligned to these tech-driven services. Companies have had to adopt enhanced technology frameworks to keep pace with the rest of the industry. For many, harnessing the power of new digital tools has presented challenges.

Allfunds is uniquely positioned to support companies' transition in the digital age. With a suite of best-in-class tools to facilitate improved market intelligence, portfolio modelling, and efficiencies embedded in blockchain technology, Allfunds empowers companies to compete in an increasingly complex marketplace, and capture growth opportunities in line with new industry standards.

The Company continues to capitalise on these secular market growth trends and to deliver strong operational performance aligned with the principles set out at the IPO. The revenue model provides resilience during times of market volatility. The Company remains very positive on the evolution of the business. Allfunds has a robust and very profitable business model, with a track record of delivering strong organic growth and increasing market share.

At the macro level, we never imagined we could live these unprecedented times in Europe and worldwide. The now ever-present Russia-Ukraine war and inflation becoming much more conspicuous are impacting meaningfully the markets in these first months of the year. As we brace ourselves for what could be a year marked by increasing volatility, most are looking towards central bank policies, opportunities for correction and, on the negative side, yet more variants to come and the threat of escalating political conflicts that would no doubt impact the markets heavily.

Our strategy and growth plans

We build our strategy on six strategic pillars, enabling us to focus on priorities and react fast to changes in our operating environment.

Our strategic priorities

Strategic pillars	Progress in 2021	How we measure it	Future priorities
A Continued market share gain Allfunds has a track record and experience in developing business activities in its existing markets and outside its core markets, successfully growing its international market share	We have captured a larger share of the existing addressable market with our superior offering and 2021 has been a record year in onboarding Distributors and Fund Houses	Total market share Market appreciation in 2021 AuA growth in 2021	Continue gaining market share, especially in new markets we have just entered Expansion to new markets
B Perpetuating the flywheel effect The Allfunds flywheel is at the core of the Group's strategy: as the number of Fund Houses increases, so does the value of the Allfunds Platform proposition to Distributors, and vice versa Therefore, Allfunds is focused on supporting and perpetuating the flywheel effect through a number of strategies	We have captured new flows and new clients as a result of secular market growth We maintain strong client relationships, and develop and expand product offerings to current clients	New flows Number of new clients added (Fund Houses and Distributors) Expansion of client base in existing geographies Launch of Telemetrics and ESG offering	Continue adding Fund Houses to the platform Onboarding of key specific large Distributors when possible
C Further expansion and monetisation of digital value-added subscription-based proposition Allfunds' digital value-added proposition is a key pillar of its strategy to build a fully integrated, one-stop shop B2B wealth management marketplace	We have increased the penetration of our digital services: i. In existing client base ii. New clients outside Allfunds We have intensified our cross-selling efforts by selling the Allfunds Connect offering to our existing Distributors and Fund Houses	Net revenue share of digital proposition represents 5% of total revenues in 2021	Monetise Connect and strengthen it with third-party partnerships
D Margin resilience Allfunds believes that it is naturally well positioned to compensate margin fee pressure given its global scale and reach, strength of relationships with both Distributors and Fund Houses, its independence, and its ability to negotiate prices with them	We have finalised the first phase of the Fund Harmonisation programme to ensure margin resilience We also reached an agreement with a key alternatives platform provider to start selling alternative investments as a new asset class, which is expected to drive additional growth and margin resilience In addition, we have launched new initiatives such as sub-advisory and blockchain	Evolution of net platform revenue margin	Continue with the Fund Harmonisation initiative Launch the alternative investments offering Lead blockchain transformation and gather assets for All Solutions, our sub-advisory platform
E Realisation of operating efficiencies through scale effects Allfunds' focus on operating efficiency and associated cost optimisation will remain an integral part of its strategy	Thanks to its scalable platform, and the continued investments to improve it, Allfunds is able to onboard new Distributors at very low marginal costs	Cost per operation (€) Gross margin or EBITDA margin (%)	To maintain its operational efficiency and high-quality service, Allfunds will continue to invest in its platform to maintain best-in-class capabilities and standards
F Pursue strategic, value-accretive acquisitions Allfunds has proven M&A capabilities with a demonstrable track record of successful acquisitions that have helped accelerate its growth and enhance its platform We expect that there will be further consolidation in the wealth management market and we intend to continue to focus on selected M&A opportunities that will strengthen our value proposition to clients	Allfunds' M&A strategy has been focused on enhancing scale, expanding its geographical footprint and accessing technologies, products and expertise that enhance its solutions Allfunds is highly disciplined and has a well-defined set of evaluation criteria that it follows in order to maximise value from any acquisition In addition, we have progressed successfully with the integration of the BNP deal, establishing our dual operational hub (in Madrid and Warsaw) and realising meaningful scale economies as part of this process	Subject to the type of M&A pursued: product vs scale/consolidation	Allfunds will evaluate opportunities that would expand its global footprint in order to gain access to new markets Allfunds' M&A strategy will complement its organic growth ambitions Finalise the integration of recently acquired businesses

Read more about our KPI's on pages 22 to 25

Allfunds 3.0

We believe Allfunds in the future should be a 100% digital client service company. We are putting a lot of effort in to developing the digital side by building/creating various initiatives:

- Data to enhance efficiency of funds sales
- Expansion of ecosystem
- B2B marketplace
- Blockchain

Allfunds believes that its competitive strengths have allowed it to be at the forefront of innovation and to take full advantage of favourable market trends, evolving from 'Allfunds 1.0', a European platform with limited service offering, to 'Allfunds 2.0', a one-stop shop. The Group believes it is well positioned to enhance its business and increase scale over the coming years, with opportunities mostly centred on the following strategic pillars supporting the 'Allfunds 3.0' vision for the future as a fully digital client service provider:

- **Fully digital interaction with clients:** one of the main objectives of Allfunds 3.0 is to become a fully digital platform where clients, both Fund Houses and Distributors, directly interact digitally through the Connect Integrated Dashboard
- **Global footprint:** from a pure European platform, the Group has expanded its presence worldwide, becoming a global player. We will continue this expansion by entering new markets and confirming our commitment to key regions such as the US and Asia, in which we will open our third local office in 2022
- **Big data science on customer behaviour:** the Group is willing to combine the large quantity of data regarding trading and execution (which it has been collecting for the last 20 years and continues to collect) with the data available on Allfunds Connect in order to generate real-time insights on behaviours, investors and client appetite. The combination of historical data and Connect decision-making data results in high-value information that enables it to create an advanced predictive investment behaviour model
- **B2B marketplace:** currently Allfunds Connect comprises services that are proprietary to Allfunds. The Group has entered and may continue entering into strategic partnerships with third-party providers in order to add new services and solutions to Allfunds Connect as part of a marketplace offering that combines both in-house proprietary applications and best-of-breed third-party tools. A clear example has been the offering enhancement to a new asset class such as giving access to our clients to alternative investments
- **Full blockchain implementation:** the Group has long recognised that blockchain innovations have the potential to disrupt the global asset management value chain and we have been developing since 2018 an Allfunds Blockchain offering that, as of December 2021, is materialised in several labs that have resulted in real solutions (such as FAST, initiative to reduce time in investment fund transfers) and is part of some Sandbox projects

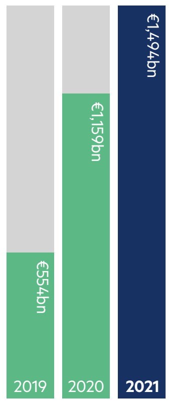
Measuring our progress

To ensure continuous improvement in our performance and responsible business practices, we have defined key performance indicators to measure our progress in achieving our strategic goals, servicing our clients, retaining talent and ensuring the successful scalability of our platform.

Financial measures

AuA € bn

€1,494bn



Description
Assets under administration through our platform

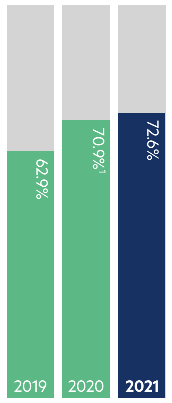
Definition
AuA is the total market value of the volume of units or shares of UCITs (undertakings for the collective investment of transferable securities) which are managed by Fund Houses

Link to strategy
A B

Link to remuneration
Total AuA is not a direct target within any remuneration package

Adjusted EBITDA margin %

72.6%



Description
Adj. EBITDA margin is a measure of our profitability and the efficiency of our operation

Definition
Adj. EBITDA margin refers to adjustments to EBITDA figure that relate to costs and income that the Allfunds Group believes are not reflective of the ongoing performance of the business and are thus added back

Link to strategy
D E F

Link to remuneration
Adj. EBITDA is included as a metric within the Group bonus scheme. Total EBITDA growth is also a performance element within the Group's LTIP schemes

Net revenue €m

€506m

Description
Revenues from sales

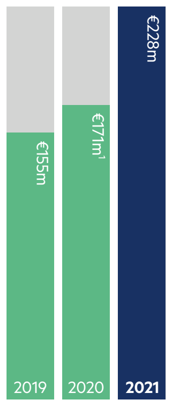
Definition
Net revenue represents the Allfunds Group's fee, commission and service revenues less fee, commission and service expenses. Net revenues is comprised of net platform revenue and net subscription and other revenues

Link to strategy
C F

Link to remuneration
Total revenue is not a direct target within any remuneration package. However, revenue is a performance element within the Group bonus scheme

Normalised Free cash flow €m

€228m



Description
FCF is a measure of operating performance and underlying cash generation

Definition
Profit /(loss) for the year after tax, excluding net interest expense, tax credit /(expense), and depreciation and amortisation, adjusted to exclude separately disclosed items, impairment losses, losses on disposal and amortisation of intangible assets acquired as a result of business combinations, net of Underlying capital expenditures, rental expenses, net interest expense and illustrative taxes (assuming an effective tax rate of 29.5% for 2021)

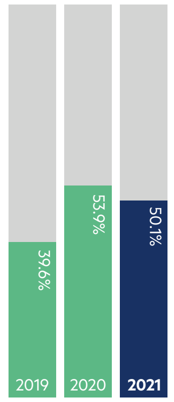
Link to strategy
F

1. Pro Forma figures for 2020 are showed to illustrate the impact on the Group of a portion of the BNPP Acquisition, specifically the acquisition from BP2S of its Banca Corrispondente, or local paying agent, (the BNPP LPA Business), completed on October 2, 2020 as part of the BNPP Acquisition, as if it had been completed on January 1, 2020. The purpose is to achieve a comparability of the businesses that Allfunds has today, between the 2020 and 2021 figures.
Pro Forma net revenue is derived from the unaudited Pro Forma financial information. Pro Forma net platform revenue for the year ended December 31, 2020 is therefore calculated as 2020 net platform revenue (derived from the 2020 Financial Statements), plus net revenue resulting from the BNPP LPA Business for the period to October 2, 2020.
Pro Forma normalised free cash flow is defined as Pro Forma profit /(loss) for the year after tax, excluding net interest expense, tax credit /(expense), and depreciation and amortisation, adjusted to exclude separately disclosed items, impairment losses, losses on disposal and amortisation of intangible assets acquired as a result of business combinations, net of Underlying capital expenditures, Pro Forma rental expenses, Pro Forma net interest expense and Pro Forma illustrative taxes (assuming a 27% cash tax rate in 2020 and 29.5% cash tax rate in 2021).

Financial measures continued

EBITDA margin

50.1%



Description
EBITDA margin is a measure of our profitability and the efficiency of our operation

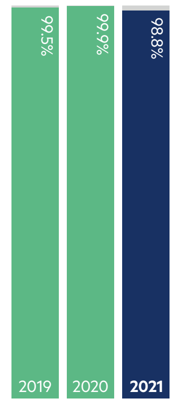
Definition
EBITDA margin refers to EBITDA figure calculated under IFRS approach over total revenues of the year

Link to strategy
D E F

Non-financial measures

FH – Client retention rate %

98.8%



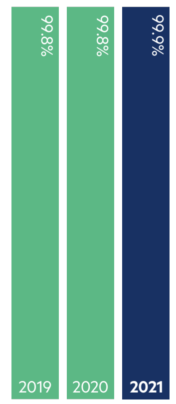
Description
High retention rate measures client satisfaction and recurring business

Definition
Calculated as 1 minus churn rate. Churn figures based on Fund Houses with GDAs in place that have cancelled their agreements during the year

Link to strategy
A B

D – Client retention rate %

99.9%



Description
High retention rate measures the client satisfaction and recurring business

Definition
Calculated as 1 minus churn rate. Churn figures based on total AuAs lost in a given year due to Distributors leaving the platform

Link to strategy
A B

Non-financial measures continued

Employee retention rate %

92.8%

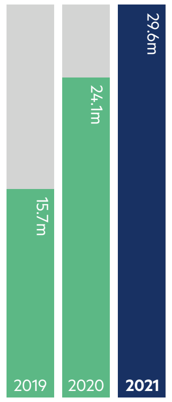
Description
Employee retention rate is a metric that measures the capacity of the Company to retain employees over the year

Definition
Calculated as 1 minus turnover rate. Turnover rate based on number of voluntary leavers over total number of direct employees during the year

Operational measures

Trades placed successfully (millions)

29.6m



Description
Number of trades correctly placed (not rejected) by our clients

Definition
Calculated as the number of orders, coming from Distributors, that pass all validations and are registered within the system for further delivery to Fund managers

Link to strategy
E F

STP orders %

95.8%

Description
% of STP trades placed by our Distributors

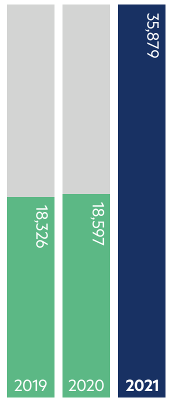
Definition
Calculated as the % of orders reaching Allfunds Platform through an STP process (swift, Fix and files)

Link to strategy
E F

Operational measures continued

New funds set up

35,879



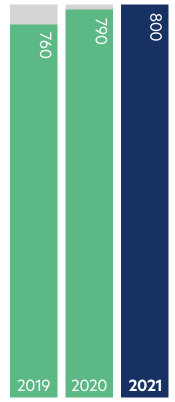
Description
Number of new funds set up annually within the system by Fund Houses

Definition
Calculated as number of ISINs set up within the system with the relevant operational information

Link to strategy
E F

Security rating

800



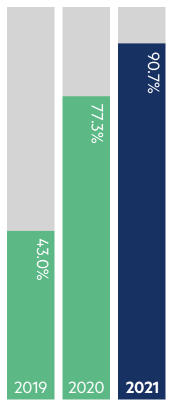
Description
Security rating provided by a third party (BitSight)

Definition
Cybersecurity posture, serve as a measure of the risk. Security rating is calculated daily using a proprietary algorithm from BitSight that examines two classes of externally observable data — configuration and security events. Configuration information represents how diligent a company is in implementing best practices to mitigate risk and security events represent evidence of successful cyber attacks

Link to strategy
E F

IT CAPEX over total CAPEX %

90.7%



Description
Investment in IT as a measure of the importance given to the maintenance and improvement of our platform

Definition
Investment made in IT, digital and blockchain developments (excluding IFRS 16 Leases spend) during the year over total Company capital expenditures (CAPEX)

Link to strategy
E F

Our business model

Efficient, scalable, resilient and capital-light

Allfunds operates within the wealth management value chain and competition amongst the providers of products and services across the value chain, such as Allfunds, is highly fragmented.

Allfunds mainly competes with other fund platforms as well as other service providers on the basis of breadth of service offering, scale, technology, speed and performance, quality and reliability, brand, reputation, customer service and price.

We offer a comprehensive suite of best-in-class solutions through our platform Connect. The Connect platform was launched in 2019 to digitalize our relationship with both Fund Houses and Distributors.

Allfunds believes that it has a simple and attractive business model. Distributors benefit from a buy-free model of core services related to trading, dealing, custody, settlement and administration while paying for other value-added services. Fund Houses benefit from an attractive value-for-money proposition in which they pay a fee to Allfunds for the intermediated and distributed AuA plus other value-added services.

Underpinning the value proposition of the Allfunds Platform is Allfunds Connect, a SaaS-enabled, subscription-based portal through which Distributors and Fund Houses have access to a variety of modular digital tools. This integrated, one-stop shop ecosystem provides Allfunds with a competitive advantage over other market participants, who typically only provide a sub-set of services available on the Allfunds Platform.

Allfunds generates the majority of its net revenue in the form of fees that are calculated and accrued daily as a margin on the outstanding AuA on the Allfunds Platform. Thanks to our low churn rates, recurring revenue streams therefore constituted approximately 99% of total net revenue for the year ended December 31, 2021 (including 100% of platform revenues and 87% of subscription and other revenues).

Due to our limited capital expenditure needs as a result of its well-invested and asset-light business model, with capital expenditures representing an average of 6% of the Group's net revenue from 2017 to 2021, our business model has proven its resilience to economic cycles, including during the recent COVID-19 pandemic.

Fund Houses

2,340

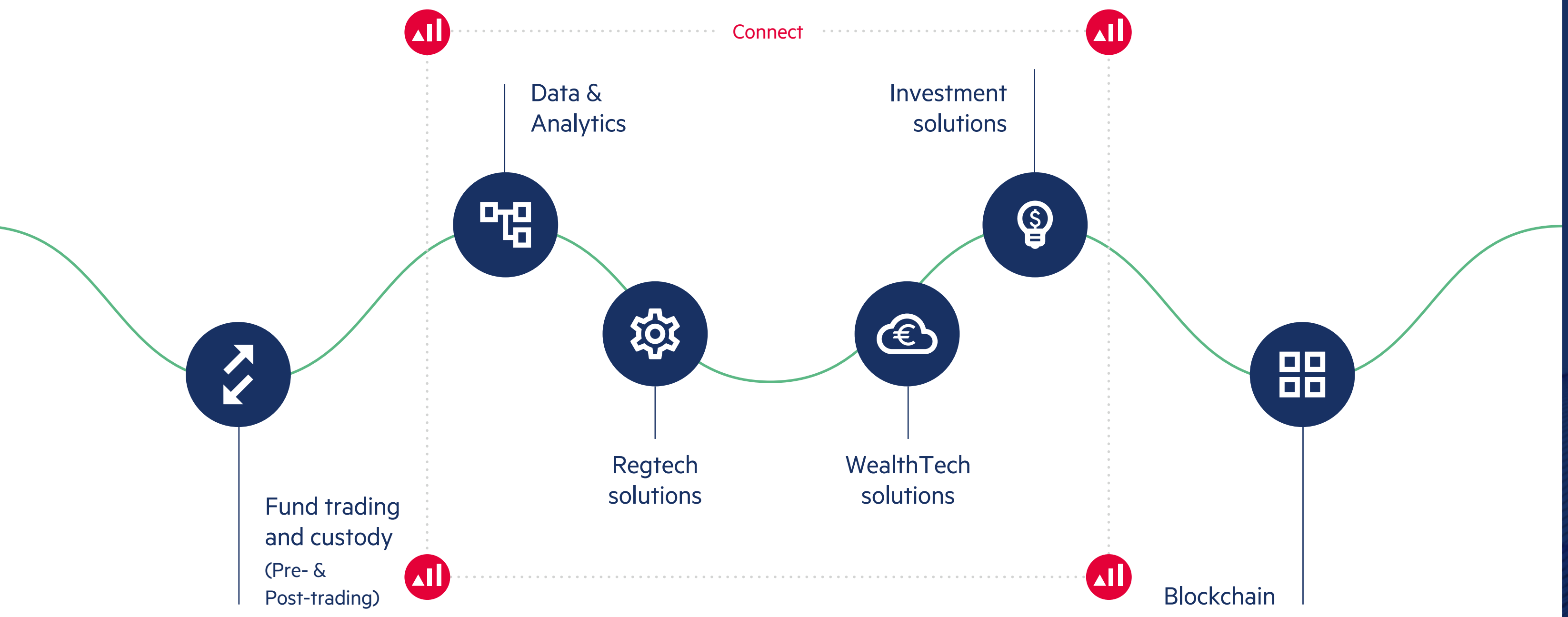
Distributors

>830

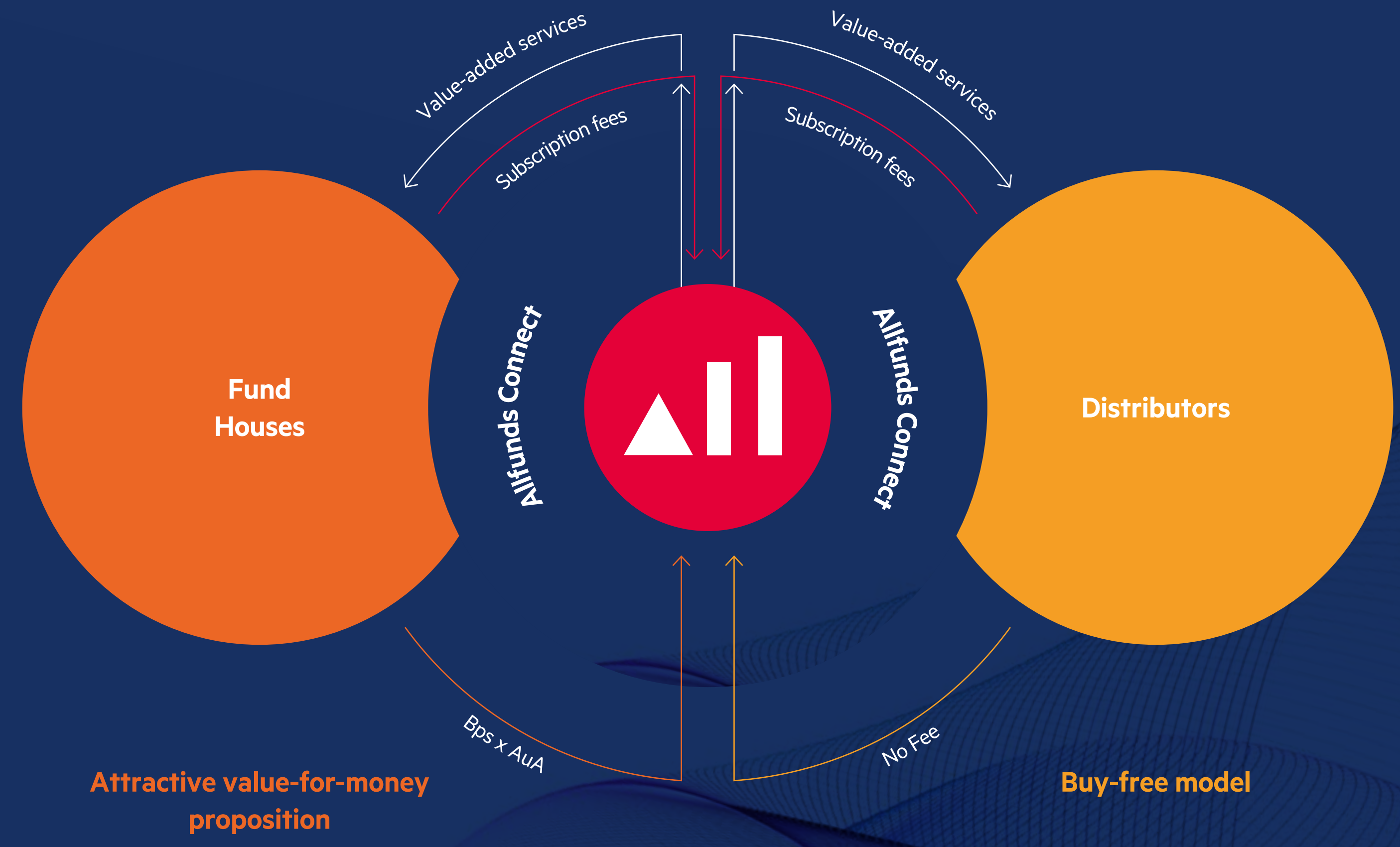
AuA

€1.5tn

One-stop shop



A simple and attractive revenue model



Allfunds Connect growth

Connect has enabled to bundle our digital offerings in one place.

The response from our clients has been extremely positive and we are seeing significant growth in the usage of the platform.

We continue working to further monetize Allfunds Connect on a subscription-based licence (Connect; Connect Premium and Connect Enterprise) and membership fees from Distributors to Fund Houses. Through Allfunds Connect, we are able to offer integration with the systems of Distributors and Fund Houses, providing them with tailor-made solutions to enhance their proposition to end investors.

We also expect Connect to help us realize significant cross-selling opportunities:

- Ability to organically sell more products to clients already paying for digital services
- Significant runway to increase penetration of institutions paying for our digital value-added services within the Allfunds ecosystem
- New digital products under development
- Clients from Allfunds Distributors joining the platform in the short term
- Additional Fund Houses in the coming years
- Potential demand from Distributors and Fund Houses only using digital services

Our value creation model

Our business model is at the core of everything we do. Our values underpin the way we want to reach our goals and execute our strategy. Based on our resources and the relationships we foster, we are driven to create value for all of our stakeholders in the short, medium and long term.

Our resources and relationships

Financial

AuA
Adj. EBITDA
Free cash flow

Our business activities require financial capital and cash flow to support our strategic growth. Allfunds has only one class of shares: ordinary shares

Clients

More than 800 Distributors

Collaboration with clients

More than 1,190 Fund Houses with Global Distribution Agreements (GDAs) in place

Fostering responsible investment

Human capital

907 employees

- Full-time employees ranging from digital specialists to platform back-end specialists and independent data scientists
- Dedicated client service managers, servicing clients in 62 countries
- Employees in our global sales and marketing team, with capabilities in 10 languages

Diverse and talented people

Technology and innovation

Innovative technical assets

- Wide range of digital products with wide market reach
- Tailor-made platforms in Channels, Processing, and Data
- Proprietary IP on Blockchain technology

Data-centric platform

- Unique cloud-based platform with full historical
- Core operational processes being shifted to Data Lake
- Data as a source of value for clients and internal process optimization

Our strategy

A Continued market share gain

B Perpetuating the flywheel effect

C Further expansion and monetisation of digital value-added proposition

D Margin resilience

E Realisation of operating efficiencies through scale effects

F Pursue strategic, value-accretive acquisitions

Read more on our strategy on page 20

How we do it

A one-stop shop

We offer a comprehensive suite of best-in-class solutions powered by smart data through our platform Connect. The platform was launched in 2019 to digitalise our relationship with both Fund Houses and Distributors. Connect has enabled us to bundle our digital offerings in one place.

Read more on page 26

Benefits of scale

We have been focusing strategically on growing our scale globally through international expansion. And we have also grown through transformational M&A, acquiring and integrating different businesses which has led us to operate the largest open architecture integrated marketplace ecosystem in the market with more than €1.4 trillion AuA across more than 60 countries.

Read more on pages 4 and 5

An attractive and simple revenue model

Distributors benefit from a buy-free model of core services related to trading, dealing, settlement and administration while paying a subscription fee for value-added services. Fund Houses benefit from an attractive value-for-money proposition in which they pay basis points for AuA intermediated in addition to a subscription fee for value-added services.

Read more on page 27

Keeping close to our clients globally

Through our local presence, we have been able to maintain long-time relationships with Distributors and Fund Houses. Thanks to this, we are capable of offering global access to our distribution network.

Read more on page 7

Operational excellence

We offer our clients a leading European fund distribution platform with best-in-class capabilities in core business. We have built a proprietary and independent platform which is robust and resilient.

Read more on page 8

Innovating through new initiatives

Allfunds has been unique anticipating client needs and adapting its offering to market trends. Clear examples of that innovation have been the launch in 2021 of our sub-advisory platform, the creation of Allfunds Blockchain to prepare for the future and a recent agreement with iCapital to offer access to alternative investments.

Read more on page 19

Value created in 2021

Net flows over BoP AuA

20.2%

2020 PF: 11.1%

Adjusted EBITDA

€367m

2020 PF: €263m

IFRS EBITDA

€254m

2020 PF: €199m

Net revenues

€506m

2020 PF: €370m

Normalised free cash flow

€228m[1]

2020 PF: €171m

Stable and quality employment with professional career development

92.8%

Employee retention rate in 2021

The Allfunds Platform is highly efficient, scalable and resilient, with

99.96%

an average 99.96% core platform availability

800

increase of our BitSight Rating to 800 as of Dec 2021

Read more on page 24 and 25

1. Normalised free cash flow is defined as profit /(loss) for the year after tax, excluding net interest expense, tax credit /(expense), and depreciation and amortisation, adjusted to exclude separately disclosed items, impairment losses, losses on disposal and amortisation of intangible assets acquired as a result of business combinations, net of Underlying capital expenditures, rental expenses, net interest expense and normalised cash tax expense based on 29.5% cash tax rate over Adjusted PBT.

Market review

Allfunds operates within the wealth management value chain that continues to grow at an astonishing rate and Allfunds' total fund platform distribution market is estimated to be worth at least €14.5 trillion. We believe we are perfectly placed to capture this revenue opportunity.

Addressable market

The wealth management industry is more than 200 years old, yet it is only within the last 20 years that traditional business models have begun to shift in response to massive digital and regulatory disruption across the value chain.

The traditional wealth management landscape is characterised by a fragmented patchwork of providers and legacy systems, which Allfunds believes leads to sub-optimal outcomes for both Distributors and Fund Houses. As such, Allfunds has set out to fundamentally change the industry by building a single fully integrated global platform, providing Fund Houses with a single point of access to the largest global distribution network.

There are four main wealth distribution channels through which to reach retail investors:

i. closed, or captive, architecture (Distributors selling only or predominantly their own funds and investment products);
ii. open architecture in-house, or Distributor-delivered (Distributors selling third-party funds but without the use of a fund platform);
iii. open architecture outsourced, or intermediated B2B (Distributors selling third-party funds through a B2B wealth platform such as Allfunds); and
iv. direct-to-consumer (D2C) (Fund Houses that reach retail investors via third-party D2C platforms). Unlike in the United States, where D2C is the predominant distribution channel, in Europe wealth distribution relies mainly on Distributor-delivered and intermediated B2B channels (for example, banks, insurers, independent financial advisers).

A fund platform today is no longer simply an intermediary linking Fund Houses and Distributors. Full-service fund platforms have moved beyond simply facilitating distribution agreements. Allfunds defines the fund platform distribution market as the portion of household wealth pertaining to investable financial assets that are invested in mutualised vehicles and distributed via captive asset managers or open architecture platforms.

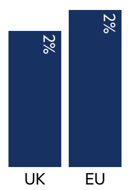
According to Allfunds' estimates, using underlying data from independent third parties, the total fund platform distribution market was estimated to be €14.5 trillion at the end of 2019 based on AuA. Of this €14.5 trillion, €8.5 trillion refers to the captive fund platform market, €6.0 trillion to B2B open architecture platforms, and the remaining €0.4 trillion pertains to D2C platforms. The figures for Allfunds' addressable market are limited to the geographies in which it currently has Distributors (including Europe, Asia, the Middle East, the United States offshore market and Latin America).

Allfunds believes that growth in the core B2B outsourced open architecture platform market is driven by predictable and sustainable secular trends, including household wealth, combined with penetration of financial assets, open architecture and outsourcing. Total AuA growth based on management sizing of the market using third-party data is expected to be c. 9% from 2019 to 2024.

Penetration-led market growth drivers

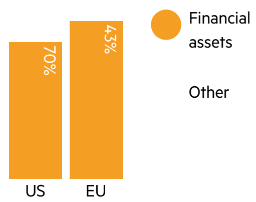
Household wealth

20-24E % CAGR



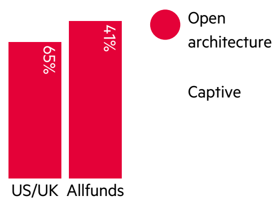
- Accelerating economic growth
- Expansionary monetary and fiscal policies
- Change in demographics and population growth

Financial assets penetration



- Wealth effect
- Attractiveness of financial assets vs real estate
- Shift to pensions/savings

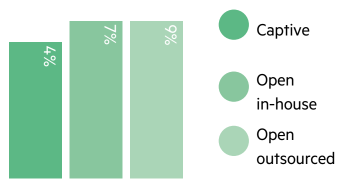
Open architecture penetration



- Third-party funds offer outperformance and broader diversification
- Regulatory pressure for increased transparency (for exmaple, MiFID II)
- Distributors expanding offering

Outsourcing penetration

19-24E AuA TAM CAGR



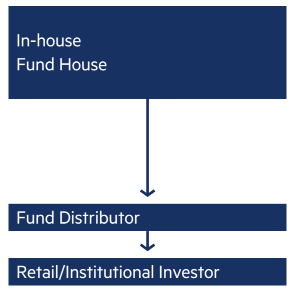
- Cost pressure
- Strength of third-party platform value proposition
- Increasing administrative, compliance and data requirements

Various models of wealth distribution

Open architecture

Captive 57%

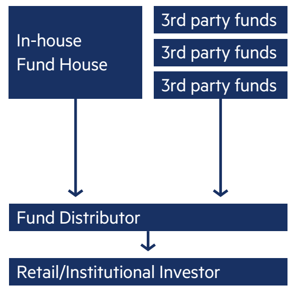
Exclusive sale of own funds



Market share trend

Open in-house 24%

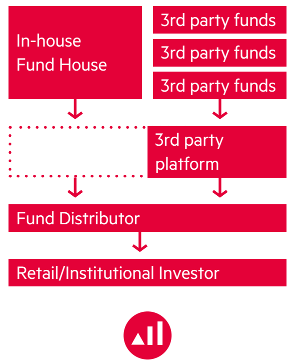
Access to 3rd party funds via multiple bilateral agreements



Market share trend

Open outsourced 16%

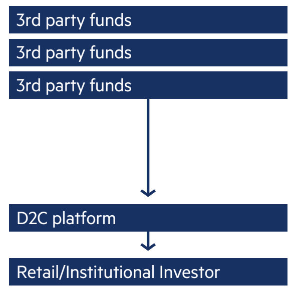
Access to 3rd party funds via a single 3rd party platform



Market share trend

D2C 3%

Direct to consumer platforms



Market share trend

Market trends

Our DNA is about evaluating and anticipating market dynamics to remain at the forefront of innovation and to take full advantage of favourable market trends.

Increasing wealth and savings

Wealth growth has proven its resilience in weathering crises, as personal financial wealth globally has nearly tripled over the last 20 years and is expected to continue growing in the coming years. According to market data, despite 2020 growth having been flat as a result of the COVID-19 pandemic crisis, the global wealth management market is expected to continue to grow at 3% per annum, reaching a total market size of €125 trillion by 2024.

Outsourcing and preference for open architecture

Our clients, both Fund Houses and Distributors, have started to shift towards lower-cost operating models by outsourcing more activities (for example, back-office, portfolio tools and analytics, regulatory and legal services) to fund platforms.

Increased levels of outsourcing and relying more on open architecture levels have allowed our clients to not only deal with increasing regulatory pressure, but also to help accommodate higher investor demand for performance and diversification.

In addition, end investors continue to show increasing demand for access to open architecture fund products as they look for breadth, choice and best performance at lowest cost and regulation has also driven this change. The continued shift from captive and closed models to guided and open architecture is leading to an increased need for platform outsourcing solutions and more sophisticated wealth offerings including advice and planning capabilities to provide value-add to end investors. It also provides Distributors with greater transparency and increased cost efficiencies, particularly for smaller Distributors who cannot develop these tools in-house.

Preference for passive vs active investment

The industry has experienced shifting consumer preferences to passive funds and exchange-traded funds (ETFs) have put pressure on fund management fees.

Passive funds are UCITs (Undertakings for Collective Investment in Transferable Securities) where the portfolio of assets mirrors the components of a specified index or similar pool of assets and is not actively managed by a Fund House. The amount of assets under administration on the Group's platform attributable to passive asset classes and ETFs remains relatively small compared to total AuA on the Group's platform (at approximately 6% of AuA as of 31 December, 2021), but may increase in the future and may thus place downward pressure on the size of management fees accepted in the market. Fund platforms have been and may continue to be affected by the trends outlined.

ESG focus

Fund Houses are experiencing increased pressure from investors to include more ESG criteria into their investments, leading to additional work and costs to consider and report on such ESG criteria. Conversely, demand from end investors to de-carbonise their investment portfolio has created the ability for asset managers to market both active and passive 'green funds', representing a unique opportunity to promote and accelerate the change in the industry for a better, more responsible investment.

Read more on page 34

Increased regulation

Our clients are facing continued regulatory pressure to increase transparency, particularly with regards to fees charged to investors and/or received from third parties. The increased costs of regulatory compliance are putting pressure on cost-income ratios of banks. In addition, greater transparency with regard to fees is driving investor demand away from higher-cost captive or closed architecture funds to lower-cost open-architecture funds, which also places pressure on Distributors' profits as they retain lower margins on open-architecture funds. Lower profit margins and investor demand is leading Distributors to increase levels of outsourcing in various areas of their activities to lower-cost third-party providers.

Due in large part to regulatory changes driving increased transparency to end investors, the asset management industry has shifted and continues to shift away from higher-margin fees based on negotiated rebates, and certain jurisdictions, including for example, the United Kingdom and Switzerland, have imposed bans or caps on these negotiated rebates. The significant majority of Allfunds' business has already shifted away from fees based on negotiated rebates as a result of the implementation of MiFID II in the European Economic Area.

Consolidation in the sector

The previously highly fragmented fund platform industry in Europe has undergone consolidation over the last three years with fewer players representing a higher market share.

We anticipate this trend of mergers and consolidations in the fund platform services industry in Europe to continue. As part of our strategy, we expect to continue to focus on selected potential opportunities that will allow us to compete more effectively and help us enhance, complement or expand our product and service offerings, strengthen our value proposition to clients and expand our global footprint to gain access to new markets.

Our response to market trends

As one of the world's leading B2B WealthTech, Allfunds is well positioned to respond to any market trend.

We have the capabilities to benefit from large and high-growth market underpinned by open architecture penetration and outsourcing. We have demonstrated that we can adapt quickly to evolving demand or regulatory trends, while maintaining a resilient business model. Finally, our innovative approach gives us the flexibility to capture the zeitgeist of client demand trends and can drive step-changes in business contribution.

Technology trends

Technology is disrupting the wealth industry primarily in terms of how services and products are bundled and offered.

Functions across the value chain used to be clearly defined, but with new technology and data (e.g. blockchain) that is no longer the case.

This opening up of the value chain has given way to increased competition across all services and products. However, given that Allfunds operates across the entirety of the value chain and continues to build its offering (e.g. sub-advisory, blockchain), technology disruption presents an opportunity more than a threat.

At the core of Allfunds' strategy is to remain at the forefront of the development of the industry, developing new, high-technology products and services and enhancing existing offering. Allfunds has a track record of anticipating clients' changing needs and adapting to emerging technological trends (Allfunds Connect, Allfunds Blockchain and the sub-advisory platform).

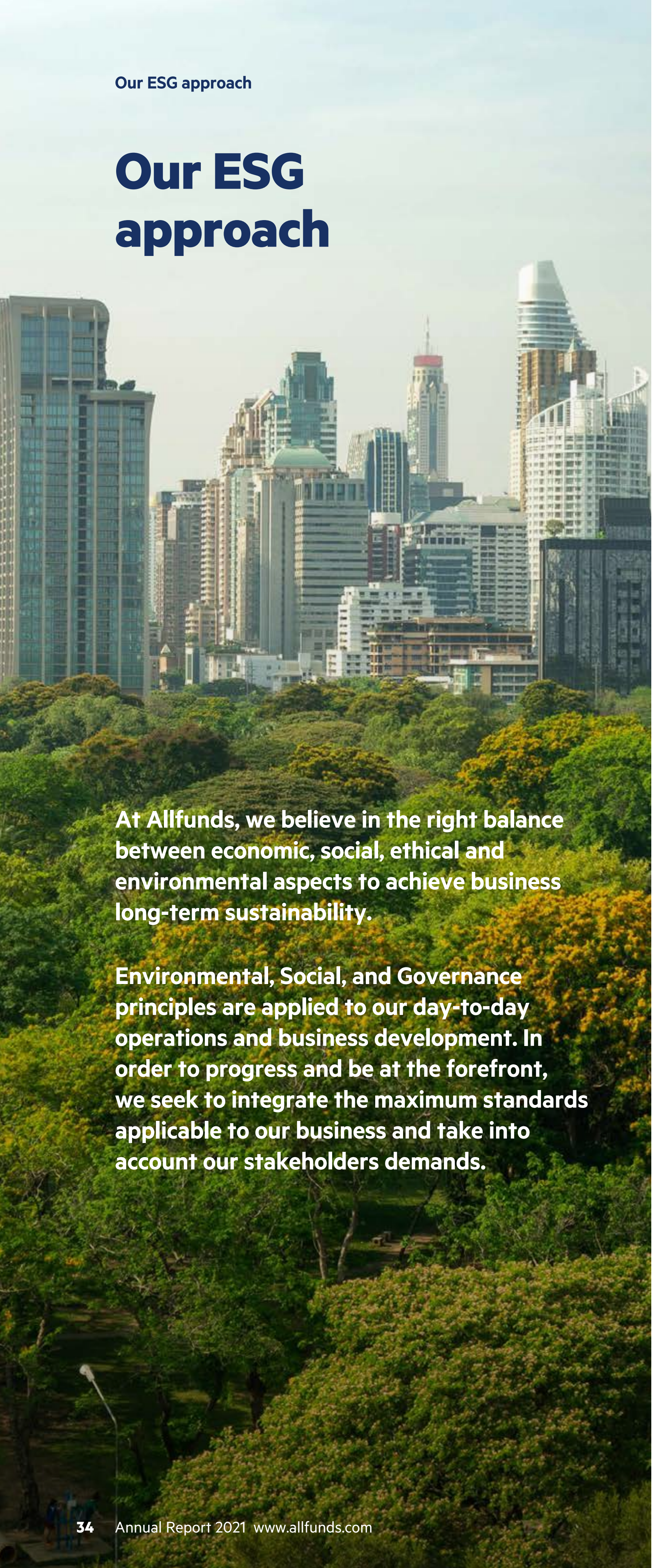
We are consistent in reinforcing our digital core through upskilling and hiring new highly qualified professionals. In the last 4 years we have increased in more that 20% our employees with engineering and technological profiles. We are also working in more than 200 digital projects with different technologies, empowering us as drivers of innovation and leading the WealthTech industry transformation.

We are building a unique technological talent platform to attract and retain the best talent.

Blockchain

At Allfunds, we have long recognised that blockchain innovations have the potential to disrupt the global asset management value chain by, among other things, de-risking, streamlining and speeding up processes while potentially disintermediating some actors within the industry.

In order to capitalise on the opportunities presented by blockchain technologies, in 2018 we commenced the development of our Allfunds Blockchain offering. As of December 2021, the Group is not generating any revenues from Allfunds Blockchain, although it has recently announced in 2022 the successful execution of the first tokenised fund in the Spanish industry that uses Allfunds Blockchain technology, within the framework of Spain's Regulatory Sandbox initiative and has started monetising its proprietary solution FAST, an innovative technology for the fund industry to reduce time and all current dealing inefficiencies around stock transfer activity, with clear benefits for the final investor.



Our ESG approach

At Allfunds, we believe in the right balance between economic, social, ethical and environmental aspects to achieve business long-term sustainability.

Environmental, Social, and Governance principles are applied to our day-to-day operations and business development. In order to progress and be at the forefront, we seek to integrate the maximum standards applicable to our business and take into account our stakeholders demands.

Environment

Sustainable development is a priority for the Allfunds Group, thereby determining its commitment to environmental protection and to fighting against climate change.

Allfunds Group is mindful of the risks that a direct environmental impact can have on the environment arising from the use of natural resources in its internal operations, while at the same time continually analysing the possible indirect impact that its banking and finance activity may have.

As part of the Company's commitment to the environment, the Group has a Climate Management Policy and has implemented ISO 14001 at the headquarters in Madrid, and plan to extend to other offices.

Allfunds identifies the environmental aspects and impacts associated with the services provided in accordance with the organisation's environmental aspects assessment procedure.

1 Carbon footprint

Allfunds calculates the carbon footprint of the Group according to the ISO 14064:2018.

It should be noted that the Company has few direct emissions (Scope 1) coming from any fuel consumption at any of Allfunds' sites (natural gas, diesel boilers). The indirect emissions (Scope 2) are due to electricity consumption in buildings. The Group only calculates the Scope 3 in Spain where it has the headquarters but is working to have it at a global level.

The intensity ratio of emission for the Group in 2021 was 0.04 tCO_2eq/employee, and in UK 0.15 tCO_2eq/employee.

2 Reduce-Reuse-Recycle

Allfunds' activities generate waste such as paper and cardboard, plastic, organic waste, toners, alkaline batteries, fluorescent bulbs and obsolete IT equipment.

Allfunds is registered as a small waste producer and has contracts with authorised waste managers for the proper collection and management of waste paper, cardboard, toners and oil at the Madrid site. In the other centres, we work with the building owner for the proper management of waste.

3 Natural resources

Water consumption is sourced from the general public sewerage network where Allfunds has a presence. Allfunds calculates water consumption in total and for each of the work centres where there is a metre, as, in most centres, water consumption is included in the cost of renting the buildings occupied by Allfunds.

Allfunds records and monitors the **paper consumption** of all work centres. Thanks to different initiatives and Allfunds' digitalisation process, the paper consumption trend is decreasing and this is expected to continue in the future.

With regard to **electricity**, Allfunds consumes energy from the general electricity grid. In this regard, it should be noted that the energy supplied to 8 major centres in 2021 was of 100% renewable origin. Various energy efficiency measures have been promoted, such as the replacement of IT equipment and lighting, along with awareness campaigns.

4 Environmental training and awareness campaigns

One of Allfunds' environmental commitments included in the Environmental and Climate Change Policy is to carry out campaigns to raise awareness and disseminate good environmental practices to all staff. In line with this, environmental news has been published on the Allfunds intranet, in the environment section, corresponding to world environmental days and specific environmental awareness campaigns.

1

Emissions in tonnes of CO_2 equivalent

7.31
Global: Scope 1

7.31
UK: Scope 1

30.39
Global: Scope 2

0
UK: Scope 2

2

19.12 tn
Paper recycled

29 kg
Lamps and bulb recycled

530.7 kg
Waste from Electrical and Electronic Equipment (WEEE) recycled

54 units
Batteries recycled

3

Water consumption

3,343.08 m^3
(-2.9% variation vs 2020)

Paper consumption (number of sheets)

165,343
(-67% variation vs 2020)

Electricity consumption

1,132.4MWh
(-9.2% variation vs 2020)

93%
of energy consumption coming from renewal sources (Spain, UK, Luxembourg, Switzerland, Poland, Chile and Singapore)

Policies, certifications and procedures

- Environmental and Climate Change Management Policy
- Environmental Management System Manual
- Certificate Environmental Management System Manual
- ISO 14001 Certification (HQ)
- Carbon Footprint Certification (HQ)
- Allfunds Environmental Programme
- LEED Certification (HQ)

Human capital

For Allfunds, human capital is the heart of the Company's strategy. Our people drive business success through Allfunds' high performance culture as we are focused on continuous improvement, achievement of objectives and customer service.

Overcoming challenges in a context of strong internal growth and geographic expansion means giving maximum relevance to the capability to attract and retain the best talent.

With this purpose, the Company works with processes designed to recruit, onboard, develop and provide the right work environment to facilitate the people who are part of Allfunds to thrive.

The nature of the activity carried out by the Company means that its workforce must be permanently growing to offer support to emerging business requirements, which is only possible with solid human talent management that promotes excellence, innovation, high ethics values and meritocracy as strategic lines.

1 Employment

Allfunds commits to responsible and sustainable employment; access to quality employment, underpinned by a decent wage and fair working conditions, is the foundation of work-life balance.

As of 31 December, 2021, Allfunds employed approximately 765 permanent employees, with a headcount of 861 direct employees ; an increase of 3.2% during 2021.

The Group has collective bargaining agreements applicable to its employees in Spain, Italy, Luxembourg and France, which cover approximately 66.7% of the Group's workforce as of 31 December, 2021. To date, the Group has not experienced a labour-related work stoppage.

2 Remuneration

Employee remuneration is key to attracting and retaining the best talent globally. Allfunds Remuneration Policy, approved by the Board of Directors and periodically assessed by the Remuneration and Appointments Committee, establishes principles and guidelines to ensure that each position within the organisation is appropriately remunerated, based on experience, level of responsibility and contribution of value, without losing sight of internal equity and external competitiveness. The Policy also provides for mechanisms to ensure that exceptional results and levels of performance are appropriately rewarded, always aligned with company strategy.

3 Learning and development of talent

The Company has a Training and Development Policy, which includes actions and measures aiming to provide added value to employees and ensuring the highest levels of technical competence and employability.

Main goals are:

- Development of each individual to leverage and expand their competencies and roles
- Creation of opportunities for growth and development within the Company to leverage internal potential and knowledge
- Development of a talent pool as a basic tool for a successful succession plan

1

Total employees

907

Direct employees end of the year*

861
(3.2% variation vs 2020)

Direct employees with permanent contract

89%

2

Adj. Personnel expenses

€94.7m

3

Hours of training

>8,460

* All the breakdown analysis showed in pages 36-41 and 46-47, related to human capital, are referred to direct employees (excluding external fixed-term and contractors).

4 Equal opportunities and diversity

Allfunds' Human Resources policies are based on principles of equality, non-discrimination and respect for diversity.

Allfunds has a Gender Equality Plan, which was approved in December 2020 and runs until December 2024. A permanent follow-up Committee was set up in order to evaluate and analyse on an annual basis the initiatives included in the plan (through monitoring indicators) and, if required, to propose improvements.

Allfunds has also a Diversity and Inclusion Policy that establishes measures regarding the different stages of the employee life cycle ie recruiting and access to employment; training, promotion and development; culture, communication and image; remuneration; and work conditions.

5 Work-life balance and social benefits

Allfunds has the following policies and measures in place to improve the quality of employees and their families:

- Flexible working hours
- Global Parental & Work-life Balance Policy
- Digital Disconnection Policy
- Back to Office Policy
- Most of Allfunds´employees have the possibility to access childcare benefits

6 Occupational Health and Safety

Our H&S Policy reflects Allfunds´ commitment to provide and maintain a safe and healthy working environment for employees, visitors and all persons using our facilities. Compliance with legislation is a prerequisite, and where possible also implementing minimum standards with a focus on further reducing any significant occupational health and safety risks.

In addition to applying our own health and safety measures, we ask third parties conducting business with us or operating on our premises to consider health and safety matters too, and all contractors are required to comply with our health & safety guidelines when dealing with us. In order to do so, management of Allfunds, starting from the Board, promote employees' health and safety.

Allfunds monitors, measures and reports health and safety performance on a regular and ongoing basis, involving and informing staff delegates in those places where they have representation.

A Workplace Accident procedure is in place to investigate incidents, search for the causes of the event and to implement corrective measures that eliminate or reduce the potential recurrence.

Allfunds has no positions in the organisation that are classified as having a high risk of accidents and/or illness related to their activity.

4

Women

395
(45.8% total direct employees)

Women by professional category:

16%
executive

40%
manager

48%
professional

Nationalities:

45

Employees between 30 and 50 years old:

553
(64% total direct employees)

6

Accidents or illness related to activity

0

Policies and procedures

- Remuneration Policy
- Learning and Development Policy
- Professional Career Plan
- Gender Equality Plan and a Diversity and Inclusion Policy and Protocol for Prevention and Action against harassment
- Global Health, Safety and Wellbeing Policy and Workplace Accident Procedure
- Recruitment Policy

Social

Allfunds carries out its activities taking into account their social impact, with the aim of taking advantage of opportunities to contribute to the sustainable development of the communities in which it operates, and of other particularly vulnerable communities.

Allfunds considers its main social contribution to be the development of a business activity that, based on the strictest ethics, legality and respect for the environment, contributes to the creation of wealth and employment.

For this reason, the most important matters that the Company is focused are:

- Community involvement
- Supplier management
- Sustainable investment
- Fiscal responsibility

1 Community involvement—Allfunds Charity Fund

The Allfunds Charity Fund was founded in 2015 with the idea of providing assistance to the development and training of the underprivileged through donations. It is based on the principle of good faith, to be applied rigorously, in all global aid projects using voluntary donations from individuals, companies and from Allfunds itself.

The Allfunds Charity Fund's functional goal is to contribute to social development and carry out social projects that benefit people. It makes firm commitments to help the development of the local communities in which Allfunds conducts its business as well as in other places in need of assistance.

1

€192,836
Investment in the community

285
Employees involved in volunteer activities

49
Supported foundations/non-profit associations

2 Supplier management

Allfunds has a procedure for the approval and evaluation of suppliers, which establishes the guidelines and principles to be considered acceptable in the process of selecting new suppliers to provide any type of products or services. This includes the alignment of the supplier with the values and ethical principles of good governance and corporate social responsibility of Allfunds and it is revised periodically.

This procedure complies with the UK Modern Slavery Act 2015 and is mandatory for any supplier wishing to be part of the Allfunds supply chain.

In addition, the supplier selection procedure includes the express and documented acceptance of the Supplier Code of Conduct, and suppliers must sign a document acknowledging they have received the Code of Conduct.

3 Sustainable investment

Allfunds is committed to Socially Responsible Investment and adheres to the United Nations Principles for Responsible Investment (PRI), thereby undertaking to consider environmental, social and governance (ESG) aspects in the Company's investment services.

The Company has :

- A dedicated investment consultant team analysing funds with ESG criteria
- A Digital Selector, a fund selection tool that takes sustainability requirements into account in the selection of investment products that has been developed in-house
- Partnered with companies providing ESG information of funds and their impact through the Connect platform (Clarity AI, Morningstar)

4 Fiscal Responsibility

Allfunds has a tax strategy in line with the principles of integrity, transparency and prudence, and fosters a relationship with the tax authorities based on trust, good faith, professionalism, collaboration, loyalty and reciprocity.

2

1,063
Suppliers

€17m
Supplier expenses (94% are local)

27.9
Average days payable supplier ratio

3

21,626 ISINs
according to articles 8 and 9 of the SFDR (18% of total available at Allfunds)

4

Taxes paid in 2021

€116.9m

Policies and procedures

- Allfunds Charity Funds Policy
- Crowdfunding platform
- Supplier Selection Procedure
- Supplier Code of Conduct
- Modern Slavery Act applied to supplier
- Responsible Investment Policy

Human rights

Allfunds respects human rights and recognises their importance and universality. It ensures that human rights are respected in all operational contexts and works to establish collaborative frameworks that never allow human rights violations to occur.

Allfunds has adhered to the 10 principles of the United Nations Global Compact and its policies are aligned with main international initiatives (International Bill of Human Rights, ILO Declaration on Fundamental Principles and Rights at Work, UN Guiding Principles on Business and Human Rights, OECD Guidelines for Multinational Enterprises).

1 Allfunds has different policies and procedures to respect human rights within its Compliance System

The Compliance Monitoring Programme, in application of the Corporate Defence model, collects and supervises the control measures defined in the organisation to prevent risks of human rights violations.

- Corporate Social Responsibility Policy, which includes the commitment to contribute to the effective practice of fundamental labour rights in each country in which Allfunds employs people. These rights include the elimination of all forms of forced or compulsory labour, the effective abolition of child labour, and equal opportunities and access to promotion and career advancement, training and any social benefits provided by the Company.
- Supplier Code of Conduct, which aims to align the decision-making process based on Allfunds' leadership, ethical and socially responsible values, in accordance with the seven principles of social responsibility included in the ISO 26000 standard: accountability, transparency, ethical behaviour, respect for stakeholder interests, respect for the rule of law, respect for international norms of behaviour and respect for human rights.

2 Training

The Regulatory Compliance Unit coordinates training for Allfunds employees on conduct (alignment with the ethical standards and principles of conduct that Allfunds employees must observe) and Corporate Defence (knowledge of the Corporate Defence model, the list of potential criminal offences that could affect the Company's activity, the existence of appropriate channels for reporting unethical conduct or illegal behaviour), Prevention of Money Laundering and Financing of Terrorism (knowledge of the detection and prevention measures in place), Privacy (knowledge of the necessary measures in the processing of data and information) and Regulations applicable to the securities market.

3 Communication and whistleblowing channels

Allfunds provides staff with channels for consulting and/or reporting cases in which a breach of the General Code of Conduct is detected or suspected (by emailing regulatorycompliance@allfunds.com and through the whistleblowing channel on the Allfunds intranet in the whistleblowing channel section, both managed by the Regulatory Compliance Unit).

Reports of harassment are also received through the whistleblowing channel on the Allfunds Corporate Intranet, which can be anonymous and are in any case handled with due confidentiality and without any reprisals against the complainant if they have identified themselves. The Regulatory Compliance Unit is responsible for handling the complaints received.

Allfunds also has a generic communication channel for third parties in the contact section of the Allfunds website.

During 2021, there were no reports of human rights abuses at Allfunds and therefore no measures to mitigate, manage and redress potential abuses were necessary.

1 **New suppliers that have confirmed to respect human rights**

100%

2 **Employees trained about General Code of Conduct**

88%

3 **Confirmed incidents of human rights abuses**

0

Policies and procedures

- General Code of Conduct and whisleblowing channels
- Compliance Monitoring Programme
- CSR Policy
- Supplier Code of Conduct

Anti-corruption and anti-bribery

Allfunds has a firm commitment to legality and ethical principles, especially evidenced in terms of corruption. Allfunds does not tolerate any form of corruption practices and the Company has developed a series of policies and procedures to prevent and control them.

1 To prevent corruption and bribery, Allfunds has established the following protocols:

- Allfunds General Code of Conduct, whose purpose is to ensure professional, ethical and responsible conduct by the Allfunds Group. This Code sets out the principles and values that must govern the relationships between the Allfunds Group and its stakeholders. It includes a section on gifts, commissions or financial facilities, stating that it is prohibited to give or accept any type of income, commissions, gifts or invitations not authorised by the procedures established by Allfunds, or to take advantage of the position held therein for one's own benefit.
- Anti-Corruption and Gifts and Invitations Policy, which clearly establishes the criteria and principles of action to be followed by employees in any of their professional relations with Allfunds, to ensure compliance with the Anti-Corruption Regulations and, specifically, regarding gifts, invitations, commissions, remuneration, income, advantages, or benefits, which is mandatory and additional to the General Code of Conduct.
- Code of Conduct in the Securities Market and Conflict of Interest Management Policy, which establishes the guidelines for avoiding and managing potential conflicts.

To combat money laundering, Allfunds has a Manual for the Prevention of Money Laundering and the Financing of Terrorism (AML), which covers the concepts, guidelines and directives that employees must observe in the performance of their activities, as well as the control measures implemented. In the 2021 year-end assessment exercises, the inherent and residual money laundering risk was considered to be low, with satisfactory controls.

2 Training

Allfunds staff receive training on the General Code of Conduct and the Corporate Defence model as well as on Anti-Money Laundering, on an annual basis, in addition to other specific courses depending on the functional area and geographical location.

1 **Complaints received through the whistleblowing channel:**

0

Employees trained about AML

89%

Confirmed incidents of corruption

0

Policies and procedures

- General Code of Conduct and whistleblowing channels
- Compliance Monitoring Programme
- Anti-Corruption and Gifts and Invitations Policy
- Manual for the Prevention of Money Laundering and Financing Terrorism
- Code of Conduct in the Securities Market
- Conflict of Interest Management Policy

Stakeholder engagement

Board Section 172(1) statement

Directors have acted in the way that they considered, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole. This section forms the Board's Section 172(1) statement, describing how, in discharging their duties, directors considered the matters set out in Section 172(1)(a) to (f) of the UK Companies Act 2006:

a. the likely consequences of any decision in the long term,
b. the interests of the Company's employees,
c. the need to foster the Company's business relationships with suppliers, customers and others,
d. the impact of the Company's operations on the community and the environment,
e. the desirability of the Company maintaining a reputation for high standards of business conduct, and
f. the need to act fairly as between members of the Company.

In respect of the duty in Section 172(1)(a), the Board is committed to deliver Allfunds' purpose to transform the WealthTech industry and acknowledges that the long-term success of the business depends on it creating a positive impact on a wide variety of stakeholders. Accordingly, directors have set a long-term oriented strategy and have taken decisions they believe best support its delivery. The Strategic Report contains a description of Allfunds' strategy and business model and how they contribute to long-term value creation for our stakeholders. Subsection 'Key focus areas in 2021' in section 'Corporate Governance – Board of Directors' further describes the main activities of the Board carried out during the year and is incorporated by reference into this Section 172(1) statement. All Board decisions are driven by long-term considerations, such as a new two-year period value creation plan, the refreshed corporate purpose and values, the envisaged Human Capital Strategic Roadmap or the launching of the Long-Term Incentive Plan.

Regarding the duty in Section 172(1)(b), the Board recognises that employees are essential to the delivery of our strategy and the achievement of our corporate purpose. In supervising the general state of corporate affairs, directors pay special attention to people and seek to ensure that Allfunds remains a responsible employer where employees can reach their full potential and, in turn, ensure the long-term success of the Group. Subsection 'Key focus areas in 2021' in section 'Corporate Governance – Board of Directors' further describes the main activities of the Board carried out during the year with regard to Allfunds' people. These include the launching of a Human Capital Strategic Roadmap as well as continued monitoring of talent management and development and reward systems. The Chief People Officer is a member of the Executive Committee and regularly reports to the Remuneration and Appointments Committee, with onward escalation to the Board where appropriate to ensure its adequate supervision of people matters.

As for the duty in Section 172(1)(c), the Board is aware that Allfunds' business cannot succeed without robust relationships with Fund Houses and Distributors, who are at the heart of its strategy, as well as with suppliers and other strategic partners. Directors receive periodic updates on the evolution of the relationships with these stakeholders and so supervise our engagement with them. In particular, the consideration of Fund Houses and Distributors current and future needs drives the Group's action. Moreover, the Code of Conduct sets out the principles that should govern each of such relationships, which are based on Allfunds acting with professionalism, honesty, integrity and independence. This Code has been reviewed and updated by the Board in 2021.

With regard to the duty in Section 172(1)(d), the Board seeks to ensure that environmental and social issues are integrated in the corporate strategy and business model. Creating a positive impact on wider society is inherent to our purpose of transforming the WealthTech world. The Board monitors that this is given effect in the day-to-day management of the business. The Strategic Report describes our approach to ESG matters and our engagement action during the year with society, as influenced by Board discussion and decision-making.

In relation to the duty in Section 172(1)(e), the Board promotes robust culture and values encouraging that all actions, attitudes and behaviours at Allfunds meet the highest standards of business conduct. Our corporate governance framework is periodically reviewed by directors to monitor that legal and ethical standards are achieved, and that Allfunds' reputation reflects this. The Board is provided with regular information on investors' and analysts' feedback to keep up to date on third parties' impressions and perception of our business. Directors also receive periodic updates from internal control functions, which include feedback on the use of our whistleblowing channels, so they are informed of material business misconduct on a regular basis. Specific decisions made by the Board during the past year in this area are further described in subsection 'Key focus areas in 2021' in section 'Corporate Governance – Board of Directors'.

Finally, with respect to the duty in Section 172(1)(f), the Board acknowledges that all members shall be treated fairly. Directors seek to ensure that this principle underpins Allfunds' engagement with shareholders and the investor community, as reflected in the contents of some internal regulations approved by the Board in 2021, namely the Dividend Policy, the Policy on Bilateral Contacts with Shareholders and the Communications Policy. Further information on how we engage with this group can be found in the Strategic Report.

In discharging its Section 172 duties, directors recognise that having a good understanding of the views and interests of the Group's key stakeholders will help them to deliver the Group's strategy in line with its purpose and to operate the business in a sustainable way. To that end the Board has identified six groups of key stakeholders: employees, clients, the investor community, regulators, business partners and wider society. Depending on the decision in question, the relevance of each stakeholder group may differ. Directors acknowledge the importance of considering the impact on each of those stakeholders, in order to balance their interests whilst promoting the success of the Group's business.

Stakeholder engagement is therefore embedded in all aspects of the Board's discussions and decision-making. The Board adopts a variety of methods for engagement with different stakeholder groups. The Board will sometimes engage directly with stakeholders on certain issues, but stakeholder engagement is continual and often takes place at an operational level. The broader business engages with stakeholders regularly throughout the year, and in the build-up to or during many projects or activities. The Board regularly receives reports and considers and discusses information from across the organisation to understand the impact of the Group's operations on, and the interests and views of, the Group's key stakeholders. As a result of these activities and the information it receives, the Board has an overview of engagement with stakeholders, and other relevant factors, which enables directors to comply with their legal duty under Section 172 of the UK Companies Act 2006.

Our engagement with stakeholders

We acknowledge that Allfunds' long-term success depends on our business creating value for a wide variety of stakeholders. Therefore, we seek to ensure that stakeholders' interests and views are embedded into our strategy and business model. To that end, we have identified six groups of key stakeholders: employees, clients, the investor community, regulators, business partners and wider society.

This section contains a description of the main decisions and actions taken during 2021 as part of Allfunds' continuous engagement with each group of key stakeholders, and it forms part of the Board's Section 172(1) statement contained in this Annual Report.

Stakeholders	Value creation proposition	Engagement action	Active dialogue	Target
Employees - **Direct employees (full time and part time)** - **External employees (trainees, interns, subcontractors, temporary agencies)** Expectations - Stable employment and fair compensation - Professional development and the correct undertaking of their work through training activities - Equal opportunities and treatment - Work-life balance - Safe and healthy work environment	- Attractive compensation package that ensures non-discrimination and recognises experience and level of responsibility - Training and Development to upskill employees and foster individual development, to leverage and expand competencies and roles creating opportunities for growth within the organisation - Performance management process and feedback culture - Definition of Allfunds' Talent and Talent Identification process - Diversity and Inclusion working environment in which all people are treated with respect, dignity and equal conditions - Work-life balance. Flexible working hours and digital disconnection measures are in place to improve the quality of life of its employees and their families - Global Health, Safety and Wellbeing Policy that aims to ensure adequate resources, equipment and training for employees' health and safety work practices and activities according to applicable local legislations	- Launch of Human Capital Strategic Roadmap. - LTIP implementation and review of variable remuneration system - Internal Mentoring Programme (expert managers as mentors / high potential employees as mentees) - Leadership Programmes to reinforce Allfunds' leadership style mostly in middle management and new managers - Implementation of a learning platform that offers a great variety of training that employees can deploy "à la carte" with autonomy - Introduction of the gamification methodology in order to better engage employees in the learning paths - Talent management: offering internal development opportunities within the organisation and acknowledging them through our intranet (vacancies covered internally and promotions)	- Allfunds intranet with CEO Corner - Continuous feedback model - Face-to-face meetings - Video/audio conferences - Allfunds website - Event and conferences - Collaborative tools - Social media - Surveys - Newsletters - Whistleblowing channel	- Retention plan for high potentials - Succession plans - HiPo Development Programme - Engagement survey - Employee experience (employee value proposition / employee journey) - Classification model of internal roles per level and type of contribution, that provide value to Allfunds
Clients - **Fund Houses** - **Distributors** Expectations - Excellent service (transparency and traceability) - Cybersecurity and data protection - Support on compliance & regulatory framework - Drive efficiency - Improve sales - Integration of ESG criteria in investments	- Provide Fund Houses with a better understanding of common clients' distribution activities - Connect businesses with international markets through digital solutions, increasing control and reducing risks thanks to a global network - Continuously working to innovate and develop digital solutions adapted to clients' needs - Contribution to the 'democratisation' of investment opportunities by providing access to premium products - Information Security System that supports against possible threats, reducing the damage caused by incidents, ensuring the continuity of its services, and preserving the basic components of its security (confidentiality, integrity, availability, traceability and resilience) - Transform the WealthTech world, empowering them with a unique combination of scale, experience and a digital mindset	- Net Promoter Scoring survey on Connect, addressed to both Fund Houses and Distributors - Net Promoter Scoring survey on Telemetrics, only addressed to Fund Houses - Webinars with subsequent satisfaction surveys - Drawing on data from personal interactions at an operational level - Digital events	- Connect platform - Face-to-face meetings - Video/audio meetings - Webinars/digital events - Events and conferences - Emails - Surveys - Advertising - Customer service	- Expand the existing Connect functionalities with new modules – such as CID (Allfunds CRM tool), ESG Fund Indicators, enhanced reporting – with the goal of improving the access to data - Keep working on aligning our services to our customers' needs, providing the required digital tools in order to facilitate the onboarding process to our clients and Fund Houses (CID), improving reporting through Telemetrics and increasing efficiency via Nextportfolio
Investor community - **Shareholders** - **Investors** - **Rating agencies** - **Analysts** - **Proxy advisers** Expectations - Accessible and transparent information - Deliver on Allfunds' investment case - Good financial performance with a return on their investment - Creation of long-term value	- Long-term sustainable returns through attractive Adj. EBITDA margin and share price appreciation - Progressive dividend policy	- IPO process: analyst presentation, deep dive meetings, pilot fishing and management IPO roadshow - Results presentation for 1H 2021 and 3Q trading update - Management roadshow on the back of 1H 2021 results - Attendance at investor conferences throughout the year (1-o-1 meetings, group calls, fireside chats, etc.) - Ongoing dialogue through IR department: mailing, 1-o-1 meetings, telephone, email correspondence, etc. - Shareholders Annual General Meeting in London	- Allfunds website – Investor section - Reports and conference calls on the semi-annual and annual financial results - Trading update and conference calls each quarter - Investor Relations communication area: mailing list, telephone and email - Full flexibility for 1-o-1 meetings and ad-hoc calls - Investor conferences, sales force meetings and fireside chats - Roadshows during the year on the back of results	- Achievement of strategic goals and results - Adjusted EBITDA margin 73% – 75% - Dividend policy with pay out ratio of 20%-40% of adjusted net income

Stakeholders *continued*	Value creation proposition	Engagement action	Active dialogue	Target
Regulators - **Public authorities and supervisors** - **Policymakers and legislators** - **Industry forums and working groups** Expectations - Compliance with applicable regulations and best standards - Constructive relationships with regulators and responsiveness to authorities' requests - Quality, transparency and timeliness in reporting - Robustness of internal governance systems and documentation - Tone from the top culture of integrity and accountability - Proactive follow-up of regulatory agenda and contribution to industry policy-making - Payment of applicable taxes and social security contributions	- Allfunds' governance framework reflects applicable regulations and best standards and seeks to ensure excellence, robustness and prudence in business management - Allfunds' governing bodies monitor and foster strong regulatory relationships at all levels of the organisation and across all business areas - Regulatory Compliance Monitoring System aims to ensure compliance with regulations and internal policies - Internal Audit function provides the Board of Directors and senior management with a reliable and independent assessment of the effectiveness of controls designed to mitigate the significant risks affecting the business - The Risk Management System identifies, measures, controls, mitigates and communicates Allfunds' financial and non-financial risks, including legal and regulatory - Allfunds participates in public and private industry forums and working groups that support the development of appropriate regulatory frameworks - Tax strategy is in line with the principles of integrity, transparency and prudence, and fosters a relationship with the tax authorities based on trust, good faith, professionalism, collaboration, loyalty and reciprocity	- Revised governance framework adapted to new condition of listed parent company - Adherence to the Dutch Corporate Governance Code - Close interaction with supervisors and agile and transparent response to regular routine inspections conducted by several authorities - Special supervisory milestones: IPO prospectus authorised by AFM, merger of Sweden and Luxembourg subsidiaries - Participation in Spanish Regulatory Sandbox project for the Tokenisation of Investment Funds	- Allfunds website - Allfunds periodic public reporting - Regulators' official and informal communication channels - Face-to-face and virtual meetings - Webinars - Events and conferences	- Use the Annual Report and the website as primary forms of disclosure - Review and enhance the intuitiveness of the website's map - Achieve the Alexander-Hampton and Parker Review diversity targets - Closely monitor and adapt to climate-related regulatory initiatives
Business partners - **Strategic business and technological partners** - **General suppliers** - **Advisers and consultants** Expectations - Mutually beneficial and impactful partnerships - Reciprocal and balanced agreements - Loyalty and long-term relationships - Ongoing communications and cultivated trust - Flexible and innovative mindset - Respect for laws and regulations - Fulfilment of obligations and on-time payments	- The Group core values of excellence, accountability, empowerment and inspiration drive all relationships with partners - Allfunds' partnerships are aimed at transforming the WealthTech industry and thus enhancing the entire distribution chain for the benefit of all parties - The Group gives public recognition to partners and their contributions - The Group promotes respect and protection of human and labour rights - Allfunds' Code of Conduct seeks to ensure that suppliers are chosen with transparency and equal treatment and based on objective, weighted and ethical criteria	- Revised Outsourcing Policy and Supplier Selection Procedure - Average payment term to suppliers of 27.9 days - Several partnerships announced (ConsenSys)	- Face-to-face and virtual meetings - Webinars - Events and conferences - Emails - Surveys - Full flexibility for 1-o-1 meetings and ad-hoc calls - Investor conferences, sales force meetings and fireside chats - Roadshows during the year on the back of results	- Follow-up on, and prepare for the enactment of, the proposed EU Directive on corporate sustainability due diligence

Society
- **Non-governmental organisations (NGOs)**
- **Media**
- **Opinion leaders**
- **Civil society**
- **Environment**
 	
Expectations
- Contributing to the sustainable development of local communities and vulnerable groups in the countries where Allfunds operates and in developing countries
- Clear and transparent communication
- Protect the environment: preventive approach, risk management, responsible use of natural resources and waste
	- Charity Fund Investment Policy supervised by the Charity Fund Committee, which ensures objectivity and maximisation of the impact of the investments made. Focused on:
	  - Crowdfunding platform
	  - Raising awareness among employees and other stakeholders within the Company's scope of influence and control
	  - Ensure equal opportunity of access to the Charity Fund and report transparently on the results and positive impacts on society
	  - Give Allfunds employees the opportunity to propose social projects to which they are locally committed
	- Communication Protocol and Marketing and Communication Department to ensure clarity and consistency in corporate communication across the organisation and establishing quality checks for external communications
	- Environmental Policy to ensure well-defined principles, criteria, rules and procedures that fortify the prevention and reduction of the environmental impact of Allfunds' business
		- Events and campaigns to raise funds and in-kind donations to support social projects
		- Creation of a global volunteer programme
		- Launch of Solidarity Fund's crowdfunding platform
		- Recycling of unused technological material
		- Environmental awareness campaigns
		- Global recycling and plastic-free project
			- Allfunds website
			- Face-to-face meetings
			- Video/audio meetings
			- Events and conferences
			- Emails
			- Surveys
			- Advertising
				- Annual fundraising events
				- Expansion of the volunteer programme in all countries where Allfunds has a presence
				- Creation of a Global Marketing protocol
				- Increase in environmental awareness campaigns
				- Extension of ISO 14001 certification in the UK, Italy, Luxembourg and Poland Allfunds offices

A robust approach to risk

Risk management

The Board of Directors, supported by its Risk and Audit Committee, is responsible for defining the risk strategy, risk appetite and the risk policy as well as any material changes to these. For more details see the Risk and Audit Committee Report included in this Annual Report.

The CEO and the senior management team are responsible for the implementation of the Board's guidelines through a clear and segregated organizational model, qualitative principles, indicators and thresholds and limits on risks established by the Board of Directors.

Risk management approach

Risk management consists in identifying and measuring direct and indirect risks, as well as potential and emerging risks, determining the Group's appetite for the identified risks and deciding whether to accept, avoid, mitigate or transfer them. Risk management further entails the ability to gain resilience, gain competitive advantage and identify new business opportunities, as well as to create a modus operandi when it comes to assessing and preventing the risks identified within the Group.

Allfunds has a general risk management and control model adapted to its business model, its organisation, the countries where it operates and its corporate governance system. This model allows the Group to implement the risk management and control strategy and policies defined by the Board and to adapt itself to a changing economic and regulatory environment. The model is updated at least annually and is fully applied across the Group. It comprises the following elements: risk management framework, risk management strategy and objective, risk appetite framework and risk reporting.

The Group promotes the development of a risk culture that ensures a consistent application of this model across the Group, so that the Risk Management function is understood and internalized at all levels of the organization.

Risk management framework

The Group's risk management framework is based on the three lines of defence: the business, risk management and internal audit. This framework is designed to ensure effective and independent oversight of the Group's activities in line with the overall risk strategy which is established by the Board of Directors of Allfunds Bank and updated at least on an annual basis.

First line of defence Business and support functions (other than control functions)	**Providing day-to-day risk management and control for the Group** Implements and manages the risk indicators or first level controls in order to identify potential risks and ensure an effective answer to mitigate them
Second line of defence Compliance and risk management teams Act autonomously and independently of each other and with respect to the first line of defence	**Providing independent oversight of and challenges to the risk management of the business** Supports the first line of defence by defining and monitoring compliance with rules and limits needed for the business to stay within the overall Risk Appetite defined by the Allfunds Bank Board
Third line of defence Internal audit function Has the maximum level of independence and objectivity within the Group	**Ensuring the effectiveness of the Group's control systems** Carries out independent reviews of the first two lines of defence and in order to verify compliance with the Group's risk management framework, providing assurance to the Risk and Audit Committee of Allfunds Bank on the effectiveness of the Group's risk management

Risk management strategy and objective

The prudence applied by the Group in risk management is a basic pillar in all its activities and in the services it provides. In turn, the Group's organisational structure represents a system of clearly defined delegations for the management of this risk. The general principles that guide the definition, monitoring and management of risks are the following:

a. the risks assumed must be compatible with the assets of the Group and in accordance with the targeted solvency level.
b. willingness to maintain a 'low risk' profile through:
    i. sticking to the distribution activity, avoiding incorporating proprietary positions into the balance sheet that generate risks that the Group does not wish to assume;
    ii. the search for a high degree of diversification of structural risks, establishing limits to concentrations by customers, sectors, markets and/or geographies that may pose a threat to the solvency objectives, liquidity and recurrence of results; and
    iii. continuous attention to the tasks of identification and monitoring of risks, so that all areas are provided with adequate and dynamic systems that result in optimal management and control of the risks assumed;
c. existence of control and monitoring procedures for all the risks incurred by the Group in the performance of its activity;
d. existence of solid management mechanisms and mitigation of operational and reputational risks;
e. independence of the risk function with respect to the business areas; and
f. involvement of the organisation in the philosophy of risk management.

Risk appetite framework

The Risk Appetite Framework (RAF) is the group-wide corporate management framework to determine risk appetite (the type and amount of risk to be willingly taken to achieve the business strategy) within the Group's risk capacity. This is supported by the management strategies formulated by the senior management team based on the Group's management principles, together with the internal control system underpinning that process.

The RAF aims primarily to strengthen profitability, enhance risk management and promote transparency in the overall risk-taking policy for capital allocation and profit maximization. This is supported through the setting, communication and oversight of risk appetite, as well as the optimization and speed-up of allocation of management resources. Overall, it reinforces the risk monitoring system through the use of the RAF.

The Board of Directors annually approves the risk strategy and in particular the RAF to promote a good internal governance, the establishment of limits and objectives and the implementation of monitoring and surveillance mechanisms for the different types of risk. The last update was performed in December 2021 and the Board has established that the Group's risk appetite is low. This risk appetite level provides the foundation for the development of calculation and control methodologies for the risks incurred by the Group and which are implemented through its risk unit.

The Allfunds Bank Board reviews and discusses potential corrective measures should any of the risk tolerance levels be exceeded. The Group has identified and implemented a set of key risk indicators in order to monitor its performance relative to its risk appetite. The key risk indicators report, across all risk areas, is provided to the Board of Directors of the Company on a quarterly basis where deviations and potential breaches of the set risk tolerance levels are disclosed and, if required, mitigating actions are discussed.

Risk exposure

Risk profile: assessment of the **risk exposure** to each relevant risk at a specific moment, depending on the current situation and future forecasts reflected in the dynamic and potential metrics. It must remain within the limits established (risk appetite) and must not exceed the risk capacity.

Immediately reduce exposure	**Risk capacity:** maximum amount of risk Allfunds Bank can take before its viability is threatened, or in terms of solvency/liquidity, the maximum amount of risk Allfunds Bank can afford without breaching its capital and liquidity regulatory obligations. The level of own funds will be a key reference in most cases.
Reduce exposure	**Risk tolerance:** amount of risk Allfunds Bank is willing to reach in order to achieve the objectives (deviation from risk appetite). There will be an upper limit to the risk that the organisation is prepared to accept. Risk tolerance is the top end of the risk appetite.
Alert level	**Alert level:** security level whose objective is to detect if the risk profile is significantly different from the risk appetite.
Risk appetite	
Increase exposure	

Risk reporting

Risk control and monitoring reports assist in the efficient and ongoing monitoring of the risks the Group incurs in its daily activities. The format and nature of the information included in these reports support the Group's control of the operating limits defined for each counterparty and of other operating aspects related to the Group's intermediation activity.

The main reports necessary for the risk unit to fulfil its duties include, but are not limited to, progress reports regarding execution settlement risk exposure limits, progress reports for overdraft limits, progress reports about liquidity and market risk, statistical reports and stress test results.

Progress reports about liquidity and market risk display limits for liquidity risks (accumulated liquidity gap) and market risks (set in terms of a percentage of own funds). These reports are produced daily.

Risk stress reports are produced as required and simulate the impact of risk scenarios that help complement and improve the planning of risk decision making. This type of analysis is mainly applied to liquidity risk.

Principal risks and uncertainties

The Group's financial risk management areas are credit/counterparty risk (including execution and overdraft settlement risk), market risk, interest rate risk, exchange rate risk, liquidity risk and concentration risk. Its non-financial risk management areas are operational risk, information and communication technology (ICT) risk, third-party risk (outsourcing), regulatory compliance risk, reputational risk, behavioural risk, legal risk, environmental risk and money laundering and financing of terrorism risk. The most significant risks relate to solvency, credit risk, counterparty risk, liquidity risk, settlement risk, market risk, interest rate risk, operational risk (including reputational) and ICT risk.

Allfunds is progressively incorporating environmental, social and governance (ESG) aspects into its risk management framework.

With regard to climate and environmental risks, Allfunds' objective is to reduce the direct or indirect impact of its business and thus limit its exposure to these risks. It is noteworthy that the Group does not develop lending activities, participate in the issuance of financial instruments or provide portfolio management. For this reason, its exposure to these risks according to the Task Force on Climate-related Financial Disclosures (TCFD) is considered limited but the Company is working to increase the measures to control and monitor them within its scope of influence.

Risk and potential impact	Mitigation	Comments for 2021
Operational risk Risk of losses resulting from deficiencies or failures of internal processes, human resources or systems, or derived from external circumstances, which can lead to increased operational losses. It is inherent to all activities, processes and systems and is generated by all business and support areas.	– Operational risk limits are approved annually by the Board of Directors to monitor losses. – Risk and Control Self Assessments (RCSAs) in those areas most exposed to operational risk. – Identification, reporting and tracking of operational risk events. – Dedicated resources to the integration of the businesses acquired from BNP in 2020. – Availability of a detailed Business Continuity Management (BCM) programme across the Group. – Existence of insurance policies against fraud, cybersecurity incidents and professional liability.	– The Board has reviewed and approved the update of the Group's operational risk limits as well as its operational risk policy. – Ongoing work to increase the scope of RCSAs. – Ongoing improvements to the BCM programme.
Information and Communication Technology (ICT) risk Risk associated with insufficient or faulty hardware and software of technical infrastructures that may compromise the availability, integrity, accessibility and security (including cybersecurity) of infrastructures and data. This could lead among others to reduced operational efficiency and increased costs, or to data vulnerability.	– Existence of a Group IT Security and Cybersecurity framework. – Internal and external assessments of the ICT risk framework. – Existence of a Business Continuity Plan (BCP) and a Disaster Recover Plan (DRP) that are tested annually. – Identification, reporting and tracking of technological risk events (TKIs).	– Satisfactory testing of the BCP and DRP. – Increased testing of our cybersecurity framework. – Reinforcement of the team through the appointment of a fully dedicated IT Risk function within the Risk Management Unit.
Credit and counterparty risk (including execution and overdraft settlement risk) Credit risk quantifies the losses derived from the potential failure of customers or counterparties to meet their financial obligations, which could impact our ability to settle trades with Fund Houses and Distributors timely	– Ex-ante and ex-post controls to monitor trades and settlements. – Ongoing monitoring of large exposures limits. – Approval of credit risk limits for each counterparty and use of alarms to prevent risk limit breaches.	– The Board has reviewed and approved the update of the Group's credit risk limits as well as its credit and counterparty risk policy. – No defaults from our counterparties in the history of Allfunds.

Risk and potential impact	Mitigation	Comments for 2021
Liquidity risk Liquidity risk is the possibility of incurring losses when there are not sufficient cash or liquid resources to comply with the obligations assumed.	– Daily monitoring of short-term liquidity to ensure that all trades can be funded. – Ongoing analysis of net cash flows. – Regular liquidity stress testing to simulate potential defaults by Distributors or Fund Houses. – Existence of a liquidity risk management procedure aimed at ensuring compliance with the liquidity risk limits approved by senior management. – Strict compliance with regulatory obligations in terms of liquidity management (LCR, NSFR, ALMM) under the close supervision of Bank of Spain.	– Allfunds has continued to have strong liquidity levels throughout 2021. – Stress test shows strong buffer to cope with severe scenarios.
Regulatory and reputational risk Compliance risks are defined as the risks of regulatory breaches of the obligations defined by the applicable regulatory framework and the risks of breaches of ethical codes, codes of conduct and internal policies and procedures, which may result in sanctions, material or financial losses or damage to the company's reputation.	– Existence of a Compliance Monitoring Plan across the Group that is approved by the Board Risk and Audit Committee. – Advise senior management on the measures to be taken to ensure compliance with applicable laws, rules, regulations and standards. – Implementation of an Anti-Money Laundering (AML) and Counter-Terrorism Financing (CTF) framework.	– Analysis of new regulatory requirements from the Market Abuse Regulation (following the listing of Allfunds on Euronext). – Monitoring of new ESG regulations. – Analysis of the new regulatory framework in different jurisdictions as needed, including for the branches of Paris, Warsaw and Hong Kong.
Climate-related and environmental risk Allfunds identifies the environmental aspects and impacts associated with the services provided in accordance with the organisation's environmental assessment procedure.	– The Group has an environmental precautionary approach articulated through the Environmental Management System, Environmental and Climate Change Management Policy, Corporate Social Responsibility Policy and the commitment to the environment in the General Code of Conduct. – ESG criteria (including environmental topics) have been established in the selection of suppliers, the onboarding of new Fund Houses and the procedure of approval of new services. – Regular environmental trainings and awareness campaigns are conducted throughout the organisation.	– Implementation of the ISO 14001 at the headquarters in Madrid, and extending to other centres that have the management control. – The energy supplied to the centres in Spain, London and Zurich in 2021 is of 100% renewable origin. – Allfunds has not received any environmental fines or sanctions during last years.

Directors' statement

In accordance with Best Practice Recommendation 1.4.3 of the Dutch Code, directors are of the opinion that:

i. this report provides sufficient insights into the risks and into any failings in the effectiveness of the internal risk management and control systems;
ii. systems provide reasonable assurance that the financial reporting does not contain any material inaccuracies;
iii. based on the current state of affairs, it is justified that the financial reporting is prepared on a going concern basis; and
iv. this report states those material risks and uncertainties that are relevant to the expectation of the Company's continuity for the period of twelve months after the preparation of this report.

Strategic report sign-off

This Strategic Report has been prepared in accordance with the UK Companies Act 2006. It was approved by the Board of Directors and signed on its behalf.

On behalf of the Board of Directors

Marta Oñoro
General Counsel and Company Secretary

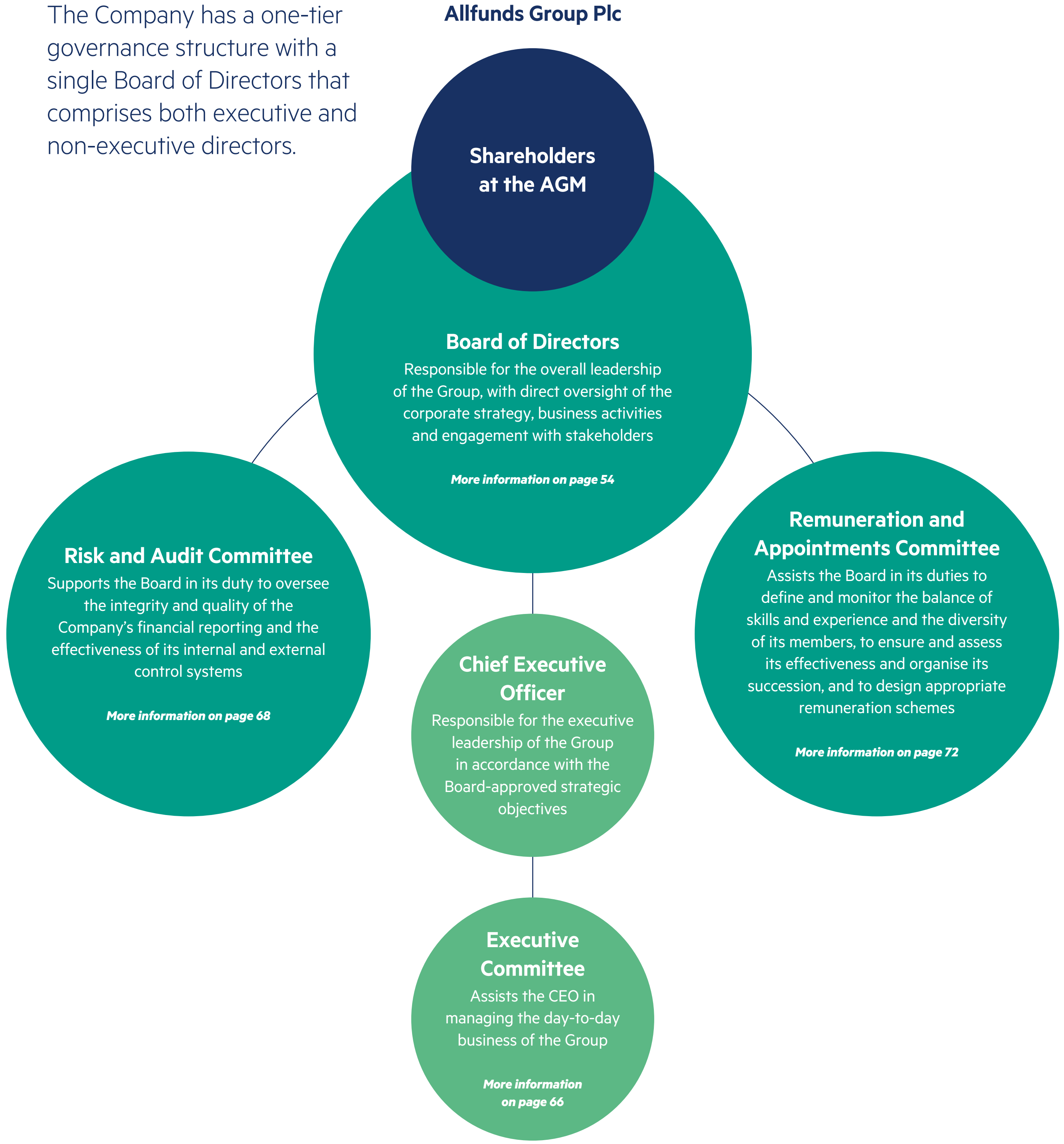
21 March 2022

Shaping our connected future

Corporate governance

Governance framework

The Company has a one-tier governance structure with a single Board of Directors that comprises both executive and non-executive directors.



The Company is the indirect parent undertaking of Allfunds Bank, S.A.U. The Board of Directors has established internal governance arrangements, mechanisms and processes to ensure the respective boards of both companies are aligned, act in a coordinated manner and have a clear understanding of the general objectives, strategies and interests of the Group as a whole. The powers and responsibilities of each Board of Directors are clearly separate. This is monitored when preparing both boards' agendas, documentation, resolutions and minutes.

The Board of Directors

Blake Kleinman
Chairman – Non-Executive Director

Initially appointed:
24 March 2017
Last appointed:
25 March 2021
Term of office: 4 years
Born: 1976
Nationality: British and US citizen

Skills and experience:
Mr Kleinman joined Allfunds' Board in 2017. He joined H&F in 2001 and is now a partner, focusing on the software, internet & media, and financial services sectors. He is currently a director of AutoScout24 and TeamSystem. Mr Kleinman was formerly a director of Gartmore, IRIS, Scout24, SSP and Wood Mackenzie and was active in H&F's investments in Arch Capital, Axel Springer, Mondrian, Nielsen, and ProSieben. Prior to H&F, Mr Kleinman worked in the Mergers, Acquisitions and Restructurings Department at Morgan Stanley & Co. in New York. Mr Kleinman is a graduate of Harvard College.

Other relevant appointments:
Partner at Hellman & Friedman.

In response to Allfunds' commitment to appoint an independent Board Chair, Mr David Bennett is being proposed as a new director to the next AGM for him to succeed Mr Kleinman as Board Chair. See section 'Succession planning' below.

Juan Alcaraz
CEO – Executive Director

Initially appointed:
29 March 2021
Term of office: 4 years
Born: 1969
Nationality: Spanish

Skills and experience:
Mr Alcaraz is the founder and CEO of Allfunds. Before launching Allfunds in 2000, he spent five years as the head of investment funds at BSN, Santander Group's private bank. From 2009 until 2016 he held a dual role as both CEO of Santander Asset Management and CEO of Allfunds. Mr Alcaraz holds a degree in Business Administration from COX Business School, Southern Methodist University in Dallas, Texas.

Other relevant appointments:
N/A.

Amaury Dauge
CFO – Executive Director

Initially appointed:
29 March 2021
Term of office: 4 years
Born: 1974
Nationality: French

Skills and experience:
Mr Dauge is the Chief Financial Officer at Allfunds. He joined Allfunds in 2020 from Qontigo, where he served as CFO and COO, and prior to that he was President and CFO of Axioma. Previously, he served as Group CFO at Euronext, where he led the financial and legal carve-out of the company from NYSE Euronext and its subsequent IPO. Mr Dauge holds an Executive MBA from INSEAD and a bachelor's of Business Administration, Finance from Inseec Group. He also holds a CIIA (Euro Zone CFA equivalent) from CFAF – Centre de Formation à l´Analyse Financière.

Other relevant appointments:
N/A.

Zita Saurel
Non-Executive Director

Initially appointed:
24 March 2017
Last appointed:
25 March 2021
Term of office: 4 years
Born: 1977
Nationality: Spanish and US citizen

Skills and experience:
Ms Saurel joined Allfunds' Board in 2017. She joined H&F in 2005 and is now a partner, focusing on the internet & media sectors and financial services sectors. Ms Saurel was formerly a director of Nets, Wood Mackenzie and Hostelworld (Web Reservations). She was also active in H&F's investments in Scout24, IRIS, Nielsen and Gartmore. Ms Saurel also leads H&F's capital markets activities in Europe related to new investments and for portfolio companies. Prior to H&F, Ms Saurel worked at Investcorp in London and the Leveraged Finance department of Lehman Brothers in London. In addition, she serves as a Director of Glasswing International and a Governor of The Royal Ballet School.

Other relevant appointments:
Partner at Hellman & Friedman.

Johannes Korp
Non-Executive Director

Initially appointed:
24 March 2017
Last appointed:
25 March 2021
Term of office: 4 years
Born: 1984
Nationality: Austrian

Skills and experience:
Mr Korp joined Allfunds' Board in 2017. He joined H&F in 2014 and is a partner, focusing on the financial services, software and consumer & retail sectors. Mr Korp has been active in H&F's investments in Action, Allfunds and Nets/Nexi, where he was formerly a director. Prior to H&F, Mr Korp worked in the financial services and retail investment groups at Warburg Pincus and in the financial services M&A group at Goldman Sachs in London. Mr Korp is a graduate of the University of St. Gallen (Switzerland) and earned an MBA from Stanford Graduate School of Business.

Other relevant appointments:
Partner at Hellman & Friedman.

Andrea Valier
Non-Executive Director

Initially appointed:
2 October 2020
Term of office: 4 years
Born: 1971
Nationality: Italian

Skills and experience:
Mr Valier joined Allfunds' Board in 2020. He is also the Head of Corporate Development and Strategy at BNP Paribas Securities Services. Previously, he served in senior positions within BNP Paribas Corporate and Institutional Banking (CIB). Mr Valier holds a Master's in Economics from Università Bocconi – Milan.

Other relevant appointments:
Head of Corporate Development and Strategy at BNP Paribas Securities Services.

David Vaillant
Non-Executive Director

Initially appointed:
25 March 2021
Term of office: 4 years
Born: 1976
Nationality: French

Skills and experience:
Mr Vaillant joined Allfunds' Board in 2021. He is also the Global Head of Finance, Strategy and Participations at BNP Paribas Asset Management. Previously, Mr Vaillant worked in BNP Paribas' Corporate and Institutional Banking / FIC division as Head of Banking for EMEA. Mr Vaillant started his career as a lawyer with Skadden, where he advised a wide range of French and international companies on their expansion strategy, in the financial and industrial sectors. He then joined the French central bank (Banque de France), where he took part in the analysis of significant transactions in the financial sector. Mr Vaillant holds a Master's in Management from HEC, a Master's in Political Sciences and Public Affairs from Sciences Po, and a Master's in Analysis and Policy in Economics (applied mathematics) from EHESS / Ecole Normale Supérieure. He also holds a Master's in Communications/Intellectual Property law from Paris I Sorbonne and a Master's in Business Law from Paris II Assas. He is a member of the Paris Bar.

Other relevant appointments:
Global Head of Finance, Strategy and Participations at BNP Paribas Asset Management.

Fabian Shey
Non-Executive Director

Initially appointed:
26 March 2020
Term of office: 4 years
Born: 1969
Nationality: Swiss and US citizen

Skills and experience:
Mr Shey joined Allfunds' Board in 2020 after leading the team that launched CS InvestLab AG in 2017 and serving as Chairman of CS InvestLab AG from 2017 to 2019. Mr Shey is also a Managing Director at Credit Suisse, overseeing the private and alternative markets area within Credit Suisse private bank. His team works across the alternatives spectrum including late-stage venture capital and co-investments, private equity, yield alternatives and hedge funds. Prior to joining Credit Suisse, he held a variety of senior positions at UBS and RBS in foreign exchange and fixed income businesses. During his career, Mr Shey served as a founding board member and later as Chairman of FX Alliance LLC. He also served as a member of the UBS Investment Bank Board and the FX Committee of the Federal Reserve. Mr Shey holds an M.B.A. (Finance) from the University of Chicago and a B.S. (Economics) from Miami University.

Other relevant appointments:
Managing Director at Credit Suisse.

Julian Abraham
Non-Executive Director

Initially appointed:
26 March 2020
Term of office: 4 years
Born: 1973
Nationality: Dutch

Skills and experience:
Mr Abraham joined Allfunds' Board in 2020. He is also the Head of Corporate Development at Credit Suisse. Prior to this role, he was Head of Mergers & Acquisition with the Corporate Development function at Credit Suisse and, from 2005 to 2013, he served as director of the FIG IBCM business. Mr Abraham also spent four years at Citigroup on the EMEA FIG team. He holds a degree in Economics from the University of Amsterdam.

Other relevant appointments:
Head of Corporate Development at Credit Suisse.

Lisa Dolly
Independent Non-Executive Director

Initially appointed:
29 March 2021
Term of office: 4 years
Born: 1966
Nationality: US citizen

Skills and experience:
Ms Dolly joined Allfunds' Board in 2021. Previously, she worked at Pershing LLC where she held positions of strategic importance, most recently as Chairman, CEO and Member of the BNYMellon Executive Committee (2016-2019) and Chief Operating Officer (2013-2016). Earlier positions include Director of Global Operations, Chief Administrative Officer, and Head of Managed Investments, Lockwood, and Albridge. Ms Dolly has also served on the Board of SIFMA (Securities Industry Financial Markets Association) and as Chair of the SIFMA Operations/Technology Committee. As a graduate of Rutgers University, Ms Dolly is a member of the Douglass College, Rutgers University Dean's Advisory Board as well as a member of the Rutgers University Board of Overseers.

Other relevant appointments:
Independent director at Hightower Advisors and at RBB Funds.

Sofia Mendes
Independent Non-Executive Director

Initially appointed:
29 March 2021
Term of office: 4 years
Born: 1975
Nationality: Portuguese

Skills and experience:
Ms Mendes joined Allfunds' Board in 2021. She has more than 20 years of professional experience advising financial institutions on mergers and acquisitions and capital market transactions. Ms Mendes is a partner at Arcano Partners. Prior to that, she was a partner in the FIG Corporate Finance team at KPMG in Madrid for five years and a year before she served as investment director at Private Equity ECS in Lisbon. From 2000 to 2009 she worked in the JPMorgan European Financial Institutions team from the London and Madrid offices as Senior Vice President, carrying out M&A and capital markets operations for all segments of the financial sector, and as Head of the Business of Bancassurance in Europe. Before joining JPMorgan, Ms Mendes worked as an auditor for KPMG in Lisbon. Ms Mendes holds a degree in Management and Business Administration from the Portuguese Catholic University of Lisbon.

Other relevant appointments:
Partner at Arcano Partners.

David Pérez Renovales
Independent Non-Executive Director

Initially appointed:
29 March 2021
Term of office: 4 years
Born: 1965
Nationality: Spanish

Skills and experience:
Mr Pérez Renovales joined Allfunds' Board in 2021. His career in banking spans 21 years, 18 of which were at Bankinter where he occupied various roles (Managing Director of Capital Markets, Managing Director of Products and SME Divisions, Investor Relations Officer, Chief Financial and Risk Officer, General Deputy Director and member of the Steering Committee). Mr Pérez Renovales was also formerly the CFO of Línea Directa Aseguradora, before shifting roles to launch that company's Health business. Until mid-March 2022 he was also a member of the Línea Directa Aseguradora Steering and Investment Committees. Mr Pérez Renovales is also currently a member of the Board of Directors of Harvard Club in Spain and of the Executive Committee of ICADE Business Club. He holds a degree in Law and Business Economics at the Universidad Pontificia Comillas-ICADE, a PMD from Harvard Business School and an Executive Program from Singularity University. He is also a professor of Corporate Finance at Universidad Pontificia Comillas - ICADE.

Other relevant appointments:
N/A.

JP Rangaswami
Independent Non-Executive Director

Initially appointed:
29 March 2021
Term of office: 4 years
Born: 1957
Nationality: British and Indian

Skills and experience:
Mr Rangaswami joined Allfunds Bank's Board in 2018. His other board appointments include Admiral Group plc, DMGT plc, the National Bank of Greece and EMIS Group plc. In addition, he is the Chairman of the Web Science Trust and serves as trustee of Cumberland Lodge, a think tank with scholars in residence whose patron is the Queen. He is an Adjunct Professor at the University of Southampton, a Fellow of the British Computer Society, a Chartered IT Professional and a Fellow of the Royal Society of the Arts. He is also a Liveryman of the Worshipful Company of Information Technologists and a Freeman of the City of London. Mr Rangaswami previously served as Chief Data Officer and Group Head of Innovation at Deutsche Bank from 2015-2018, Chief Scientist at Salesforce.com from 2010-2014, Chief Scientist at BT plc from 2006-2010, and Global CIO at Dresdner Kleinwort from 2001-2006 (having joined Dresdner Kleinwort in 1997). Mr Rangaswami holds a degree in Economics and Statistics from St. Xavier's College, University of Calcutta.

Other relevant appointments:
Director at Admiral Group plc, DMGT plc, the National Bank of Greece and EMIS Group plc.

Delfín Rueda
Independent Non-Executive Director

Initially appointed:
29 March 2021
Term of office: 4 years
Born: 1964
Nationality: Spanish

Skills and experience:
Mr Rueda joined Allfunds' Board in 2021. He also serves as CFO and vice-chair of the Executive Board at NN Group NV and Chairman of the Audit Committee of the Supervisory Board of Adyen NV. Previously, Mr Rueda worked as CFO and CRO of Atradius NV, as Senior Vice President in the Financial Institutions Group of the Corporate Finance Department of JPMorgan, as an Executive Director at UBS, and as Senior Consultant at Andersen Consulting. Mr Rueda holds a Master's of Science degree in Economics from Universidad Complutense and an M.B.A. in Finance from The Wharton School.

Other relevant appointments:
CFO and vice-chair of the Executive Board at NN Group NV and Chairman of the Audit Committee of the Supervisory Board of Adyen NV.

Ursula Schliessler
Independent Non-Executive Director

Initially appointed:
29 March 2021
Term of office: 4 years
Born: 1958
Nationality: German

Skills and experience:
Ms Schliessler joined Allfunds' Board in 2021. She has senior executive experience in asset management and wealth management, having previously worked at Citigroup, Morgan Stanley and Legg Mason. She has led global teams across multiple functional areas and her experience spans product development and management, sales strategy, business process design and implementation, change/project management and overseeing risk, operations, technology and data. Prior to assuming her current independent non-executive director positions and trustee position, Ms Schliessler was Chief Administrative Officer of Legg Mason until July 2019. Ms Schliessler holds a Master's of Commerce degree in Business Economics from the University of the Witwatersrand in Johannesburg, South Africa.

Other relevant appointments:
Independent non-executive director at S&P Global Ratings Europe Ltd, S&P Global Ratings UK Ltd and Asset Management One International Ltd, and trustee of Starfish Greathearts Foundation.

Marta Oñoro
Company Secretary and General Counsel

Joined Allfunds in 2007

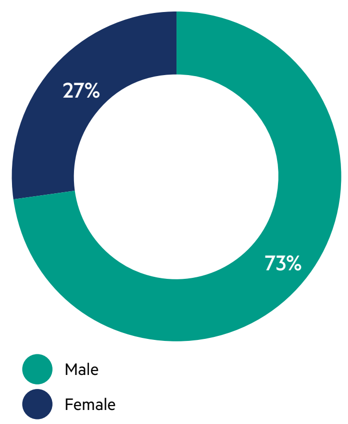
Ms Oñoro joined Allfunds in 2007 and was appointed General Counsel in 2009. Prior to joining Allfunds, she worked at the law firm Uria Menendez within the Capital Markets and Fund Regulatory teams in its Madrid and London offices. She holds a degree in law from Universidad Complutense of Madrid and a Master's in Stock Exchange and Financial Markets from Instituto de Estudios Bursátiles IEB (sponsored by the Madrid Stock Exchange).

Resignations in 2021
Mr Chris Reid served as non-executive director of Allfunds until he resigned on 22 April 2021.

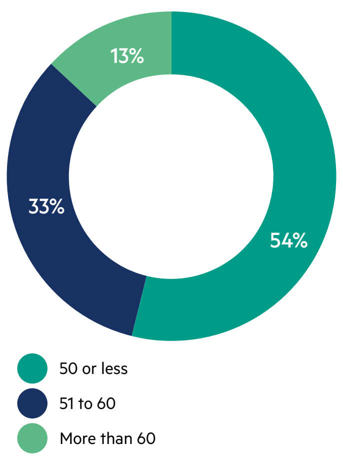
On 29 November 2021, Mr Amaury Dauge informed the Board of his resignation, which will become effective on 31 March 2022.

Board profile as of 31 December 2021

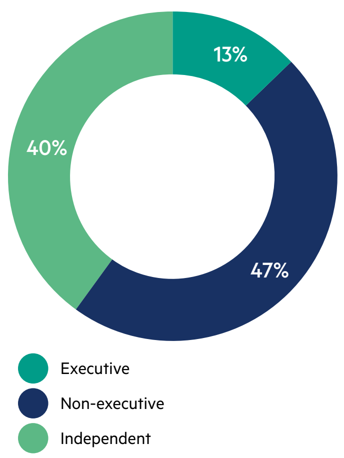
Gender balance



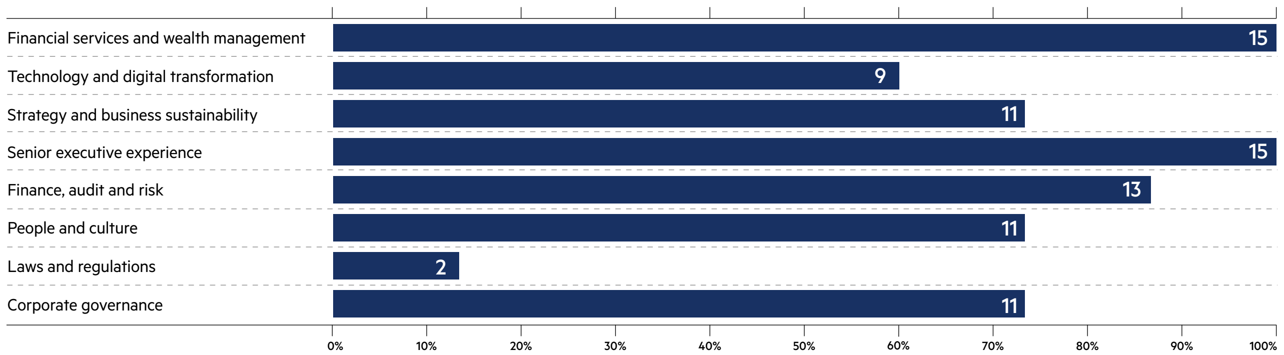
Age diversity



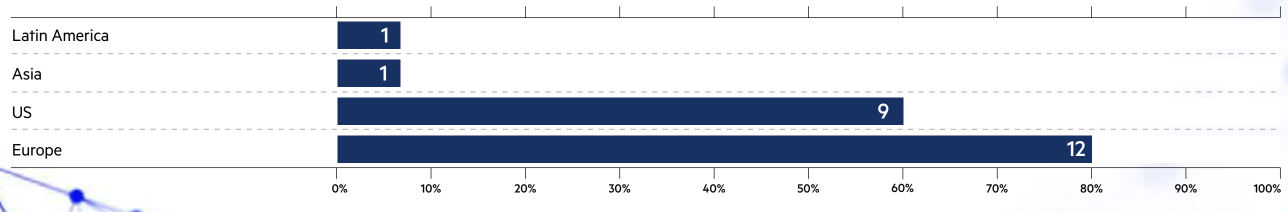
Level of independence



Skills and experience



International background or education



Board Diversity Policy

In 2021, pursuant to Best Practice Provision 2.1.5 of the Dutch Corporate Governance Code (the 'Dutch Code') and following the proposal of the Remuneration and Appointments Committee, the Board approved a Board Diversity Policy applicable to the Board and the executive management team of the Company.

The Board Diversity Policy aims to ensure that diversity and inclusion are promoted in the boardroom. Under the Policy, the Board acknowledges the benefits of diversity in its widest definition, including but not limited to educational and professional background, gender, age, international background and ethnic diversity. The Board is committed to ensure that the Company's directors and senior managers bring a wide range of skills, knowledge, experience, background and perspectives and that all appointments are based on merit against objective criteria.

The Board Diversity Policy sets out two specific diversity targets to be achieved by 2025: the Hampton-Alexander Review target to achieve a 33% share of female directors and the Parker Review target to have at least one director from an ethnic minority background.

As of 31 December 2021, the Company already met the Parker Review target in terms of ethnic diversity. The female ratio however amounted to 27%. This was already the ratio at the time of approval of the Board Diversity Policy. Nevertheless, the Remuneration and Appointments Committee and the Board are committed to attaining the intended female ratio in the next cycle of Board appointments. In this line, there is gender balance amongst independent directors (with a 50%-50% ratio) and the female ratio excluding nominee directors appointed by shareholders amounts to 38%, therefore exceeding the Hampton-Alexander Review target. With the appointment of the new Chair and the exit of Mr Dauge in 2022, the percentage of women will not change.

In 2021 the Board Diversity Policy has been implemented in several internal processes.

Firstly, the Board of Directors also approved a Profile for Non-Executive Directors that aimed to provide a guide to the membership and work of non-executive directors. Ultimately, the Profile seeks that directors' combined experience, expertise and independence allow them to engage in relevant, informed, expert and efficient discussion and decision-making.

Secondly, the diversity and balanced composition of the Board of Directors was assessed during the Board's annual effectiveness review. The Board profile and diversity rates are disclosed in section 'Board profile as of 31 December 2021' of this Annual Report and the outcome of the review, including in terms of diversity, is further disclosed in section 'Board effectiveness review'.

Thirdly, the Board Diversity Policy has been observed throughout the new independent Chair's and the new CFO's recruitment processes. In both cases Russell Reynolds, a search firm compliant with the Voluntary Code of Conduct for Executive Search Firms, was engaged and a brief on the desired profile of the new candidate was produced, which placed due emphasis on diversity matters. The search firm was asked to produce an inclusive list of diverse candidates, a number of whom were interviewed by the Company. As a result of these processes, Mr David Bennett is being proposed as new director and Board Chair to the 2022 AGM and Mr Alvaro Perera will replace the CFO upon termination of his employment as further described in section 'Succession planning'.

Finally, the Remuneration and Appointments Committee and the Board applied the Board Diversity Policy in the development of directors' succession plans. A Retirement Schedule for Non-Executive Directors was also approved by the Board to achieve a staggered refreshment of the Board in the mid-to-long-term future.

Board role and responsibilities

Board role and purpose

The Board of Directors is collectively responsible for the success of Allfunds and seeks to deliver long-term value to its stakeholders. The Board assists the management in defining the Group's strategy and inspires a corporate culture and values consistent with those long-term views. It is accountable to shareholders for the proper conduct of business.

In performing its duties, the Board has regard to the likely consequences of its decisions in the long term, the interests of the Group's employees, the need to foster the Group's relationship with its stakeholders, the impact of the Group's operations on the community and environment and the desirability to maintain a reputation for high standards of business conduct.

The Board's powers are subject to applicable laws, regulations and Allfunds' Articles of Association.

Division of responsibilities

The Board is led by its Chair, who is responsible for setting its agenda and for its proper functioning and ensures among others that directors receive all information required for the performance of their duties in a timely fashion; that there is sufficient time for consultation and decision-making; that there is a culture of openness and constructive challenge; and that the Board is responsive to signs of misconduct or irregularities, assisted by the Company Secretary.

The roles of the Chair, a non-executive role, and the Chief Executive Officer, are separate and there is a clear division between their responsibilities. Whereas the Chair leads the Board and performs a supervisory function, the Chief Executive Officer, supported by the other executive director and the management team, is entrusted with the day-to-day management of Allfunds' business.

Given the one-tier governance structure of the Company, non-executive directors oversee the general state of affairs within Allfunds. They supervise and advise executive directors on the implementation of the long-term value creation strategy. Non-executive directors contribute a wide range and balance of skills and experience and are expected to bring critical and independent judgement to Board discussions and decisions. It is the Board's view that independent directors meet the independence requirements set out in the Dutch Code. Non-executive directors also play leading roles in the Board committees, bringing an independent view to discussions.

The interaction of the Board with the executive management team is very fluid, partially thanks to the fact that there is an Executive Committee formed by the two executive directors along with the most senior managers of the Company. Executive directors periodically update the Board on business and operational matters so that all directors are adequately informed and can properly discharge their duty to supervise the Company's management, and, conversely, they report the Board's feedback to the Executive Committee to ensure effective bi-directional communication.

The Board is assisted by the Company Secretary, who assures observance of proper procedures and compliance with statutory obligations. The Secretary also ensures that the Board has the information, time and resources to discharge its duties and to function effectively and efficiently. She attends all Board and Committee meetings and prepares the minutes of the proceedings, which are generally adopted in the next meeting.

Board meetings and attendance in 2021

During 2021, there were eight Board meetings. Five meetings were held virtually in the context of COVID-19 circumstances and three meetings were held in London with directors being able to attend either in person or by electronic means.

Details of attendance are shown below. The table shows the number of meetings attended against the number of meetings each director was eligible to attend according to their appointment dates.

	Attendance rates	
Directors	Meetings attended	% of attendance
Blake Kleinman	8 / 8	100%
Johannes Korp [1]	7 / 8	87.5%
Zita Saurel	8 / 8	100%
David Vaillant [2]	6 / 7	85.7%
Andrea Valier	8 / 8	100%
Julian Abraham	8 / 8	100%
Fabian Shey	8 / 8	100%
Lisa Dolly	7 / 7	100%
Sofia Mendes	7 / 7	100%
David Pérez Renovales	7 / 7	100%
JP Rangaswami	7 / 7	100%
Delfín Rueda	7 / 7	100%
Ursula Schliessler	7 / 7	100%
Juan Alcaraz	7 / 7	100%
Amaury Dauge	7 / 7	100%

1. Mr Korp was absent from the Board meeting held on 1 October 2021 but gave voting instructions to his proxy in respect of all items in the agendas.
2. Mr Vaillant was absent from the Board meeting held on 28 October 2021.

Board functioning

The Board's functioning is described in detail in the Board rules of procedure, which are available on the corporate website (www.allfunds.com).

The Board meets every two months and at least once every quarter. It prepares an annual schedule of regular meetings based on the matters within its competence. Directors must do everything possible to attend the Board meetings. When unable to attend, they may give their representation to another director, preferably with instructions.

Board resolutions can be adopted with the favourable vote of a majority of the directors present or represented at the meeting (and in respect of whom no conflict of interest exists), although the Board endeavours to achieve that resolutions are as much as possible adopted unanimously. Each director is entitled to cast one vote. In the event of a tie, the Chair has a casting vote.

The Board may invite individuals other than directors to attend all or part of any meeting, including members of the management team and the external auditor, if appropriate for the Board to properly perform its supervisory functions.

Key focus areas in 2021

Below is a non-exhaustive summary of the key focus areas of the Board during the year. As part of the agenda of each Board meeting, the CEO typically submits a business report, giving details of business performance and progress against the goals the Board has approved. Likewise, the CFO provides an update on the financial results of the Company since the last Board meeting. In terms of governance, the Chair of each Board Committee informs the directors of their activities and proposals, if any, on the matters within their competences.

Corporate purpose and strategy	
Purpose and strategy	- Monitored progress of 2021 strategic pillars and objectives - Received regular business and strategic updates - Validated the Allfunds 3.0 vision for the future - Discussed geographical footprint and supervised ongoing business integrations - Reviewed and discussed the 2022-2023 value creation plan
IPO	- Discussed the advantages of, and approved to apply for, Allfunds shares' admission to listing on Euronext Amsterdam - Followed up on the Company's required adjustments and needs as a newly listed company
External business environment	- Received updates on business environment and evolution of the European fund industry - Received regular updates on the share price evolution - Monitored the shareholding structure and changes - Discussed investors' feedback, brokers' coverage and consensus and general expectations from the market

Financial matters	
Financial results	- Received regular updates on financial results - Approved the 2020 annual accounts and the 2021 interim results, along with the going concern statement - Approved the 2022 financial calendar
Financial planning	- Supervised the evolution of results against budget - Approved the 2022 annual budget
Dividends	- Prepared the Dividend Policy that was approved by shareholders prior to the IPO - Proposed the final dividend distribution against 2021 results that is being submitted for shareholders' approval at the 2022 AGM

Risk, audit and compliance	
Risk management and internal control	- Received regular updates from internal control functions - Monitored the effectiveness of risk management and control systems and progress on identified issues - Approved the Group's risk appetite framework (RAF) and supervised the risk profile evolution
Internal audit	- Reviewed performance of the Internal Audit function and outcomes of internal audits - Approved the Group's 2022 internal audit plan
External audit	- Assessed the performance and independence of the external auditor - Supervised the audit plan drafted by the external auditor, the management letter and the audit report - Proposed the reappointment of the external auditor that is being submitted for shareholders' approval at the 2022 AGM
Compliance	- Supervised the Compliance Monitoring Programme, existing controls and progress on action plans - Reviewed and approved several Group policies such as the Outsourcing Policy, the Asset Protection Policy and the Telephone Conversations and Electronic Communications Recording Policy

Governance and leadership	
Corporate governance framework	- Approved a revised corporate governance framework adapted to Allfunds being a listed company (revised Articles, Board Rules, Board Committees' Terms of Reference, Insider Trading Policy, Communications Policy, and Policy on Bilateral Contacts with Shareholders among others) - Decided to voluntarily adhere to the Dutch Corporate Governance Code
Board membership, suitability and diversity	- Appointed and re-elected members of the Board and its Committees following recommendations of the Remuneration and Appointments Committee - Supervised the recruitment process of the new Board Chair that is being proposed to shareholders at the 2022 AGM - Developed and approved the Board Diversity Policy and the Profile for Non-Executive Directors
Board succession planning	- Reviewed directors' tenure and approved a Non-Executive Directors' Retirement Schedule - Received recommendations from the Remuneration and Appointments Committee on directors' succession plans
Board and Committees' effectiveness review	- Examined the outcome of the internal review of the Board's and its Committees' effectiveness, and approved an action plan for 2022

People and culture	
Culture	- Discussed the corporate culture and values and their alignment with the corporate purpose - Approved a revised Code of Conduct that reflects among others our approach to ESG matters
Talent overview and succession planning	- Monitored the creation of a Human Capital Strategic Roadmap - Received regular updates on people headcount, hires, leavers and transfers - Received feedback on Allfunds' talent and future leaders and monitored the development of succession plans
Remuneration	- Proposed the Directors' Remuneration Policy that is being submitted for shareholders' approval at the 2022 AGM - Approved a Long-Term Incentive Plan for key talented employees

Appointment, re-election and dismissal of directors

The Board's composition must be such that the combined experience, expertise and independence of its members enables the Board to best perform its duties. To that end, the Board approved in 2021 a Profile for Non-Executive Directors addressing its desired composition, structure and size, considering the nature of the Group and its activities. This profile is considered when making Board appointments or re-elections.

Directors are proposed for appointment at the general meeting, either at the recommendation of the Board or prior notice from a shareholder qualified to vote at the meeting stating its intention to propose a director for appointment, such notice to be given in accordance with article 134 of the Articles of Association.

Likewise, the Board may appoint a director to fill a vacancy or as an additional director (within the maximum number of directors set out in the Articles of Association). Any director appointed by the Board shall retire at the first general meeting held after their appointment and may be re-elected by shareholders at the meeting.

Each executive director must retire from office at the general meeting held in the fourth calendar year after their appointment and may be re-elected for any number of subsequent terms of up to four years each. Each non-executive director must retire from office at the general meeting held in the fourth calendar year after their first appointment and may be re-elected for a second term of up to four years and two subsequent terms of up to two years each if still suitable for the office and upon a favourable evaluation of their previous performance. Non-executive directors shall also retire early in the event of inadequate performance, structural incompatibility of interests, and in other instances in which this is deemed necessary by the Board. If the vacancy is not filled at the meeting where a director retires (and it is not resolved not to fill it), the retiring director, if willing to act as such, shall be deemed to have been re-elected unless a re-election resolution is put to vote and lost.

If resolutions for the appointment or re-election of directors are put to vote and lost at a general meeting and at the end of the meeting the number of directors is fewer than the minimum number set out in the Articles of Association, all retiring directors who stood for re-election shall be deemed to have been re-elected and shall remain in their office for the purposes of filling the vacancies and convening general meetings and performing such duties as appropriate to maintain the Company's going concern and comply with its obligations.

In addition to the rules above, pursuant to the Relationship Agreement, the Company's major shareholders LHC3 Limited, BNP Paribas Securities Services, BNP Paribas Asset Management Holdings (together, the BNP Paribas Entities) and Credit Suisse AG are entitled to nominate for appointment up to given numbers of directors or observers to the Board for so long as they hold specific percentages of the total shares of Allfunds. In the event of divestments, the number of nominee directors decreases progressively up to nil below a 5% stake. Further information can be found on pages 20-21 and 165-167 of the IPO prospectus available at www.allfunds.com.

Conflicts of interest

Each director shall immediately report any actual or potential, direct or indirect, conflicts of interest to the Company to the other directors.

The Company's Articles of Association allow the Board to authorise any matter in which a director has an interest that conflicts or may conflict with the interests of the Group and which otherwise would involve a breach of directors' duties under section 175 of the UK Companies Act 2006. Authorisation may only be granted by non-conflicted directors. In deciding whether to grant them, directors must act in a way they consider, in good faith, would be most likely to promote the Company's success and they may impose such limits or conditions they deem appropriate. Situations considered and authorisations given are recorded in the Board minutes and are reviewed annually by the Board. The Board believes this system operates effectively.

The Board has further approved in 2022 a related party transaction monitoring procedure that requires that material transactions between the Company and its directors be assessed by the Board, with the abstention of affected directors, to ensure they are concluded in the ordinary course of business and on normal market terms, and that non-executive directors review any such transactions twice a year.

In 2021, no material transactions were entered into with Board members.

Directors' training and development

The Board of Directors is committed to lifelong learning and continuous improvement. The Board Chair and the Company Secretary are responsible among others for ensuring that directors follow their training and induction programmes.

Since admission, directors' training and development needs are identified as part of the Board's effectiveness evaluation and based on the Board's desired profile. Training programmes are then defined to address these needs and they include a combination of periodic deep dive presentations and updates; tailored sessions as may be required to address specific topics; and directors' opportunity to receive external training at Allfunds' expense if needed for the proper performance of their duties. Directors who belong to the Board Committees or serve as directors of Group companies may also receive training relevant to those roles.

In 2021, external consultants provided comprehensive training to directors on the new corporate and regulatory framework of Allfunds as a listed company, including listed companies' reporting rules, directors' duties and liabilities, best corporate governance standards, and capital markets-related issues.

Moreover, newly appointed directors receive an extensive induction to give them a clear understanding of the Group's general affairs, financial reporting, business, culture and governance rules. These inductions are tailored to each director's specific needs identified during the suitability assessment process and allow them to contribute meaningfully from appointment. Directors who joined Allfunds in 2021, that is Lisa Dolly, Sofia Mendes, David Pérez Renovales, Delfín Rueda and Ursula Schliessler, as well as Amaury Dauge, received such inductions.

For 2022, a training and development programme has been approved that seeks to cover directors' needs or learning requests expressed during the Board effectiveness review process and, ultimately, to enhance their understanding of the Group, its activities, its operating environment, its governance and regulations.

Succession planning

The Board of Directors, supported by the Remuneration and Appointments Committee, is developing succession plans for its own members and for key management roles at the Group level in order to ensure an orderly leadership transition and proper refreshment of skills and experience. Succession plans are based on merit, skills and experience while recognising the benefits of diversity.

In 2021, the Board approved a Retirement Schedule for its Non-Executive Directors that is published on the corporate website (www.allfunds.com). In this document, directors expressly state their view that a differentiated term of appointment is desirable to ensure continued experience on the Board and their intention to strive to get in a position that not all non-executive directors retire at the same time.

During the year, focus was placed on the succession of the Board's Chair by an independent director. At the time of the IPO in April 2021, the Company announced its intention to appoint an independent director as Chair of the Board, be it either a newly appointed director or an already existing one. In response to that announcement, the Remuneration and Appointments Committee assessed the Board's profile and diversity and initiated an internal and external search process with the assistance of the external search firm Russell Reynolds. The Committee agreed what qualities, skills and attributes the future Chair should possess, and considered and interviewed multiple candidates.

After a robust search process, the Board, based on the previous proposal of the Remuneration and Appointments Committee, agreed that Mr David Bennett should be appointed as a director of the Company with effect from April 2022 in order to further appoint him as the Board's Chair. As a result of this process, Mr Bennett will be proposed as a new director at the next AGM.

Mr Bennett has a profound knowledge of the global financial markets, with considerable experience in technology-driven financial services businesses, a solid insight into regulatory environments and a deep strategic vision, having managed business growth and transformation, and corporate transactions from executive and non-executive roles. He is an experienced board member and chair for listed and non-listed companies, thus bringing a deep understanding of corporate governance and stakeholder engagement skills. He also contributes with his international mindset, being born in Kenya and having lived in the UK, Singapore, US and New Zealand, and served in board roles with an international focus.

Mr Bennett worked in Alliance & Leicester Group from 1999 to 2008 (Abbey National Plc following its acquisition by Banco Santander in 2007), where he served in various roles from Group Treasurer to Group Finance Director, Group Chief Executive and Executive Director. Prior to that he worked in the Lloyds TSB Group from 1996 to 1998, where among others he served as Chief Executive Officer at Countrywide Bank in New Zealand and Risk Management Officer at the National Bank of New Zealand. Previously, he worked in Cheltenham & Gloucester (1988-1995), Chemical Bank (1985-1986) and Grindlays Bank (1983-1985).

Mr Bennett also has extensive experience in board roles, having served as non-executive director at Together Personal Finance (2010-2019), HomeServe Membership (2012-2017), easyJet (2005-2014), Bank of Ireland UK (2013-2015), Pacnet (2009-2014), CMC Markets (2010-2012) and Clarity Commerce Solutions (2010-2011). He was also a member of the Advisory Board of Glendevon King Asset Management (2011-2013) and of the Board of the British Bankers' Association (2007-2008).

Mr Bennett currently serves as Board Chair and Senior Independent Director at Virgin Money UK plc, as non-executive director and Chair of the Audit and Risk Committee at PayPal (Europe) S.à r.l. et Cie., S.C.A., and as non-executive director at the Department of Work and Pensions of the British Government. He has stepped down from his role as Board Chair at Ashmore Group plc effective from 22 April 2022 to accept his appointment at the Company.

Mr Bennett holds a master's in Economics from the University of Cambridge.

Likewise, upon the CFO's resignation in November 2021, the Board started a formal process to identify and appoint a successor to Mr Dauge, with the assistance again of Russell Reynolds. Based on a description of the qualities, skills and attributes that Mr Dauge's successor should combine and on his succession plan, an internal and external search process began that was completed with the selection of the internal candidate Mr Alvaro Perera. Following Mr Dauge's employment termination, Mr Perera will be appointed as CFO and member of the Executive Committee as of 1 April 2022.

Mr Perera joined Allfunds in 2017 as Head of Financial Planning & Analysis (FP&A) and M&A. He has 15 years of experience in the financial services industry, with an ample track record in M&A and integration of companies and deep expertise in FP&A, cost management and performance optimisation. He has strong strategic and operational capabilities and a solid knowledge of Allfunds and its competitive landscape. During the past years he has worked hand-in-hand with the CEO and the CFO and has actively contributed to Allfunds' main achievements, including its IPO and M&A-led expansion strategy.

Before joining Allfunds, he worked at Banco Santander, where he also served as Head of FP&A and M&A in Santander Asset Management UK (2013-2017) and as Vice President in M&A at the Global Investment Banking Division of Banco Santander (2011-2013). Previously he was a consultant at the Transaction Advisory Services of PwC (2007-2011) and Deloitte (2006-2007).

Mr Perera holds a degree in Business Administration, majoring in Finance, from the Universidad Pontificia de Comillas (Spain).

Board effectiveness review

The Board and its Committees undergo an annual review of their effectiveness. In 2021, this review was conducted internally, led by the Remuneration and Appointments Committee.

Process

The in-house review is based on directors' responses to a questionnaire covering a wide range of topics, including the Board's and its Committees' composition, size and leadership; their dynamics and functioning; their time allotment by subject matters; engagement with stakeholders; the relationship among directors and with the management team; and each director's own contribution to each body's collective performance.

Results

The results of the Board review were captured in a report that was discussed by its members. They suggested that directors are generally content with the Board and believe it operates effectively. They identified as main positive attributes:

i. the collective skillset, knowledge and experience of directors, which allow them to properly understand the organisation and its business;
ii. the diversity of geographies and professional backgrounds, which they find particularly useful for an increasingly international company;
iii. directors' engagement, their willingness to devote time and effort to Allfunds and to undertake complex issues, and their awareness of their duties and separate roles;
iv. the ambience of open dialogue and constructive challenge that has been created in this very recently created Board; and
v. the availability, transparency and thoughtfulness of the senior management and the Company Secretary and the robustness of their periodic reporting.

2022 plan

Going forward, the Board agreed on an action plan for 2022 aimed, on the one hand, to foster those features that have been identified as the Board and its Committees' best strengths in line with Allfunds' commitment to lifelong learning and continuous improvement, and, on the other hand, to address those needs or refresh those areas where directors believe there is room for improvement or gaps. As a result, the Board resolved that in the coming year focus should be placed on:

i. developing sound succession plans based on the Board's aspired composition and diversity targets, and ensuring that these are achieved in a timely manner;
ii. keep nurturing the collegiate atmosphere and facilitating the integration of, and leadership transition to, the new Chair once appointed;
iii. adequately allotting time to allow for in-depth debate of highest value issues following periodic presentations, deep dive sessions and Committees' reporting; and
iv. launching a training and development programme to cover directors' needs or learning requests and enhance their understanding of the Group, its activities, its operating environment, its governance and regulations.

The Executive Committee

The Executive Committee was created with the main role to assist the CEO in the day-to-day management of the Group. It currently consists of eight members, including the CEO, the CFO, the Company Secretary and General Counsel, and five other senior managers, each of whom oversees a specific area of the business. Their profiles are described below.

The Executive Committee meets weekly to follow up on a wide range of matters. Its members receive weekly updates on business and strategy, financial KPIs, operations, share price performance, technology, people and other business and corporate issues. On a monthly basis, the Committee receives deep dive sessions into specific topics and projects relevant to the Group. These sessions are fed by the relevant operational committees and subject matter experts, who are invited to the meetings to ensure the Committee receives as much accurate information as possible to discharge its duties.

The CEO, assisted by the Company Secretary, acts as a main liaison between the Board of Directors and the management team. They channel information both upwards and downwards by reporting to the Board at each meeting and subsequently providing the Board's feedback to management as appropriate. This structure and dynamics allow the Board to effectively perform their supervisory duties and be duly and timely informed of the corporate affairs.

Juan Alcaraz
CEO – Executive Director

Founded Allfunds

Juan Alcaraz is the founder and CEO of Allfunds. Before launching Allfunds in 2000, he spent five years as the head of investment funds at BSN, Santander Group's private bank. From 2009 until 2016 he held a dual role as both CEO of Santander Asset Management and CEO of Allfunds.
Mr Alcaraz holds a degree in Business Administration from COX Business School, Southern Methodist University in Dallas, Texas.

Gianluca Renzini
Chief Commercial Officer and Trading Service

Joined Allfunds in 2003

Mr Renzini joined Allfunds in 2003 and became Country Head Italy in March 2004. He became Regional Manager Central Europe, Middle East and Asia in 2006, Managing Director Global Sales in 2009, and was appointed in 2010 as Deputy General Manager. Previously, he worked at Banca Nazionale del Lavoro, General Electric and San Paolo Wealth Management Group (AM and Life Insurance).
Mr Renzini has a degree in Economics from the University of Ancona and a Master's in Business Administration from SDA Bocconi University.

Borja Largo
Chief Fund Groups Officer

Joined Allfunds since inception

Mr Largo leads the business and manages the Group's relationships with more than 1,900 Fund Houses. Prior to becoming the Chief Fund Groups Officer in 2012,
Mr Largo was the Group's CIO, during which time he developed analysis and fund selection, asset allocation, risk management, operational due diligence and R&D solutions.
Mr Largo began his career in 1999 as an analyst of international investment funds at Santander Private Banking. He holds a degree in Business Administration from the Universidad del País Vasco.

Amaury Dauge
CFO – Executive Director

Joined Allfunds in 2020

Mr Dauge is the Chief Financial Officer at Allfunds. He joined Allfunds in 2020 from Qontigo, where he served as CFO and COO, and prior to that he was President and CFO of Axioma. Previously, he served as Group CFO at Euronext, where he led the financial and legal carve-out of the company from NYSE Euronext and its subsequent IPO. Mr Dauge holds an Executive MBA from INSEAD and a bachelor's of Business Administration, Finance from Inseec Group. He also holds a CIIA (Euro Zone CFA equivalent) from CFAF – Centre de Formation à l´Analyse Financière.

Juan de Palacios
Chief Strategy Officer

Joined Allfunds in 2018

Mr de Palacios joined Allfunds in 2018 as Chief Transformation Officer and was appointed Chief Strategy Officer in 2019. Prior to joining Allfunds, he worked at Santander Asset Management as Strategic Planning Director and later as Chief of Staff. He holds a degree in Economics from Universidad San Pablo - CEU and an Executive MBA from ESADE Business School.

Mariano Blanchard
Chief Technology Officer

Joined Allfunds in 2021

Mr Blanchard joined Allfunds in January 2021, after serving as the CTO of Bankinter. Prior to that, he was the Global Head of Solutions and Architecture at IPsoft in New York. He also previously worked at McKinsey where he was global co-leader of McKinsey Digital Labs. He holds a Bachelor in Engineering from Pontificia Universidad Católica Argentina 'Santa María de los Buenos Aires'.

Jorge Calviño
Chief People Officer

Joined Allfunds in 2019

Mr Calviño joined Allfunds in January 2019. Prior to joining Allfunds, he served as human resources director at both Beiersdorf and at Alain Afflelou Europe. He has also held various HR roles at Gillette, Amadeus, L'Oréal and Microsoft. Mr Calviño holds a degree from Universidad Carlos III de Madrid and he also studied at INSEAD.

Marta Oñoro
Company Secretary and General Counsel

Joined Allfunds in 2007

Ms Oñoro joined Allfunds in 2007 and was appointed General Counsel in 2009. Prior to joining Allfunds, she worked at the law firm Uria Menendez within the Capital Markets and Fund Regulatory teams in its Madrid and London offices. She holds a degree in law from Universidad Complutense of Madrid and a Master's in Stock Exchange and Financial Markets from Instituto de Estudios Bursátiles IEB (sponsored by the Madrid Stock Exchange).

Risk and Audit Committee Report

David Pérez Renovales

As Chair of the Risk and Audit Committee, I am pleased to present the Committee's report for the year ended 31 December 2021.

2021 key milestones made this year challenging for Allfunds and the Risk and Audit Committee, namely Allfunds becoming a listed company on an EU-regulated market and a non-EU based company upon the end of the UK's EU withdrawal transitional period.

From a financial reporting and accounting perspective, the new condition of Allfunds as a UK-based company listed in the Netherlands changed the legal framework applicable to its annual and interim accounts. In 2021, Allfunds prepared for the first time its financial information in accordance with both Dutch and UK law and meeting the standards and formalities prescribed in both jurisdictions.

Brexit's effectiveness also involved the exclusion of the Company from the scope of supervision of the Bank of Spain, which up to 1 January 2021 was competent to supervise it as the ultimate European parent company of the Spanish group company Allfunds Bank. As a result, the scope of prudential disclosures of the Group also required changes during the year.

From a risk standpoint, business integration represents a challenge and milestones planned for 2021 were successfully achieved thanks, among others, to the effort made in identifying, managing and mitigating the risks associated with them and with business continuity upon integration, for which the commitment and dedication of the management has been key. In 2021 Allfunds also enhanced its management of non-financial risks, namely in terms of technology risk and third-party risk, and made progress as to environmental risks. Additionally, Allfunds banking group successfully integrated the new regulatory reporting requirements for European credit institutions.

Going forward, our priorities for 2022 include:

- *Receiving assurance of the integrity of financial reporting and the effectiveness of internal and external audit*
- *The ongoing monitoring of business integrations and new businesses and ensuring the Group's operational resilience, and*
- *Continuing to oversee the quality of internal control systems and keep progressing in the embedding of non-financial risks into strategy and business processes.*

It is with pleasure that I express my sincere belief that Allfunds has successfully addressed these challenges. I would like to thank my fellow members of the Committee, as well as all the employees at the finance, risk, audit and compliance departments for their commitment and professionalism during this demanding and exciting beginning of our new journey.

David Pérez Renovales
Chair of the Risk and Audit Committee

21 March 2022

Committee composition

David Pérez Renovales
Committee Chair
Independent Non-Executive Director

Ursula Schliessler
Member
Independent Non-Executive Director

Johannes Korp
Member
Non-Executive Director

All Committee members are non-executive directors and have been appointed based on their skills and experience. Each of them is financially literate and/or a financial expert with relevant knowledge and/or experience of financial administration and accounting for listed companies or large entities. Their profiles are described in section 'Board composition' above.

Committee role and responsibilities

The Risk and Audit Committee's main role is to support the Board of Directors in its duty to oversee the integrity and quality of the Company's financial reporting and the effectiveness of its internal and external control systems.

Its key responsibilities include:

i. overseeing the accounting and financial reporting processes, as well as the choice and application of accounting policies, reviewing the financial reports or announcements of the Company and assessing the fairness, adequacy and clarity of their contents;
ii. overseeing the operation and effectiveness of the internal control systems and the internal audit and risk functions, reviewing reports from internal units and monitoring the effectiveness of corrective action taken by management;
iii. with regard to the external auditor, advising on its appointment, reappointment or dismissal and on the terms of its engagement, supervising the relationship with it and monitoring its performance and independence, and reviewing the effectiveness of the audit process;
iv. advising the Board on the Group's risk appetite, risk profile and future risk strategy, and monitoring the effectiveness of the risk management framework; and
v. assisting in the design of the Company's financing structure and tax planning policy.

The Risk and Audit Committee regularly reports to the Board on its deliberations and findings and its Chair attends the AGM to address any question shareholders may have on the Committee's activities.

Key activities in 2021

In 2021, the Risk and Audit Committee met seven times. The level of attendance of its members is detailed in the table below.

	Attendance rates	
Directors	Meetings attended	% of attendance
David Pérez Renovales	7 / 7	100%
Johannes Korp	7 / 7	100%
Ursula Schliessler	7 / 7	100%

The main activities carried out by the Committee throughout the year are described below.

Financial statements

The Risk and Audit Committee is responsible for monitoring the integrity of the Group's financial statements, including its interim and full-year results. In light of this duty, the Committee reviewed this Annual Report and associated Financial Statements, as well as the interim financial results for the six month period ended 30 June 2021. In performing this review, the Committee considered and, where appropriate, challenged the application of significant accounting policies across the Group that feed into its financial statements.

The most significant accounting policies applied during 2021 were related to (i) revenue recognition criteria applied as per IFRS 15 and the impairment reviews of both (ii) the goodwill from the previous M&A acquisitions as well as (iii) a specific review of the current relations with clients through the cooperation agreement with former shareholders. For the impairment reviews, an external third-party provider performed the mandatory annual reviews as per IAS 36 to confirm whether any required impairments are necessary to be reflected in the financial statements. With respect of the specific review of the current relations with clients, this encompassed assessing the reasonableness for the useful economic life period applied to confirm if any impairment was necessary to be reflected in the financial statements.

Having evaluated all of the available information, the assurances by management and underlying processes used to prepare the published financial information, and the feedback provided by the external auditor, the Committee concluded and advised the Board that the financial statements and related disclosures made during the year were fair, balanced and understandable.

Going concern basis

The Risk and Audit Committee is responsible for assessing whether it is appropriate to prepare the financial statements on a going concern basis. In doing so, directors considered a wide range of information, including the current economic climate at the time of approving the financial statements, as well as the expected working capital requirements of the Company and the Group for the coming year. The Committee concluded and advised to the Board that the financial statements should be prepared on a going concern basis as they had a reasonable expectation that the Company and the Group had adequate resources to continue in operational existence for the foreseeable future.

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External audit

The Risk and Audit Committee is responsible for overseeing the work and performance of Deloitte LLP, who is the external auditor of the Company and the Group since 2017. During the year, the Committee monitored the end-to-end audit process, from the engagement of the auditor at the beginning of the year until completion of the audits and delivery of the audit report at the end. The Committee assessed regular reports from Deloitte on the progress of the audit plan and on the key audit and accounting issues identified. As a result, the Committee approved the 2021 audit plan.

In addition, the Committee is responsible for assessing the qualifications, expertise and resources of the external auditor, and for reviewing the effectiveness of the audit process. This evaluation was conducted at the Committee's periodic meetings, as well as during private meetings with key members of the Deloitte audit team and through discussions with senior executives. The Committee concluded that the external auditor has demonstrated challenge and professional scepticism in performing its role over the past years.

Likewise, the Committee must monitor the objectivity and independence of the external auditor. The Committee received a report from the external auditor confirming that there were no matters impairing or otherwise restricting its objectivity as auditor to the Group. Moreover, the Committee paid special attention to the Group's wider relationship with Deloitte through its provision of non-audit services and to the tenure of the auditor.

With respect to audit and non-audit services, the Committee received information on all the services provided by Deloitte to the Group during the period under review. Fees for the statutory audit amounted to €1,576 thousand, fees for other audit-related services amounted to €1,240 thousand (totalling €2,816 thousand), and fees for non-audit services amounted to €6 thousand. Therefore, total fees amounted to €2,822 thousand and the ratio of audit to non-audit fees in 2021 was 99.79%. In each case, the rationale for retaining Deloitte over alternative suppliers was the knowledge, skills and experience they possess, and in particular their in-depth understanding of the Group's business.

Regarding the auditor's tenure, Deloitte LLP has audited the Company's individual and consolidated accounts for five years, whilst Deloitte, S.L. (Spain) has audited the individual and consolidated accounts of the Spanish subsidiary Allfunds Bank, S.A.U. for 22 years, as the Company was incorporated later. The tenure of Mr Ignacio Gutiérrez, the senior audit partner of Deloitte, S.L. from 2017 to 2021, will end in 2022, and a new lead audit partner of the Spanish subsidiary will be appointed for 2022. The tenure of Mr John Clacy, the senior audit partner at Deloitte LLP, is still in force.

Having considered all the above, the Risk and Audit Committee concluded that the external audit process was effective, that the performance of the external auditor was satisfactory and that there are policies and procedures in place to adequately preserve its independence and objectivity. Accordingly the Committee recommended to the Board that the re-election of Deloitte LLP as external auditor be submitted to shareholders for their approval at the 2022 AGM.

Internal control

The Risk and Audit Committee is responsible for overseeing the Group's risk management and control systems. To properly perform this role, the Committee receives periodic reports from the heads of the internal control functions (risk, compliance and internal audit) that cover the sufficiency and effectiveness of internal controls as well as the results and findings of the control testing by the Internal Audit function.

Specific areas of focus during 2021 were business integrations, operational risks with high focus in technology risk, product governance, anti-money laundering (AML) and financing terrorism (FT). Reporting to the Committee also included updates on progress against actions identified over preceding periods, developments of the compliance monitoring programme and use of the whistleblowing channel. The Committee also monitored on a regular basis the risk profile and risk appetite statement of the banking group.

With respect to financial reporting, the Finance department is responsible for the quality, transparency and adequacy of financial information.

The internal control processes for financial reporting at Allfunds focus on ensuring the adequate recording, valuation, presentation and breakdown of the transactions that could impact the financial information.

Controls designed to monitor the relevant processes and activities take into account the goals of financial reporting based on materiality and qualitative criteria, particularly focusing on those activities and processes most exposed to the risk of fraud and errors in estimates, and considering the principles of occurrence, integrity, detail and comparability.

Specifically, the following objectives are set:

- Existence: All the assets (rights) and liabilities (obligations) recorded on the bank's balance sheet exist, and the transactions booked took place in the reference period.
- Totality: Not only do they exist, but all assets and liabilities are recorded at the closing of the balance sheet, along with the transactions that took place in the period.
- Valuation: The amounts at which the assets and liabilities have been booked, and the revenues and expenses recorded, were determined in accordance with generally accepted principles.
- Presentation: The information is sufficient, adequate and properly described and classified.

Allfunds has established processes to identify the risk of errors in its financial reporting:

- Documentation of all the critical processes and activities which, due to their relevance, could impact on the financial information.
- The accounting processes are almost entirely automated and are generated based on the record of each transaction. Accordingly, particular attention is paid to manual accounting processes and the process of launching new services, activities or special operations.
- Information systems relating to the preparation of financial information ensure that it is properly compiled and published, though a specific internal control system.
- Internal procedures that govern the management of access to the applications and systems in line with an array of profiles adapted to the different functions of each workstation.
- The outsourcing of critical functions or services is carried out to ensure that the quality of internal control and the ability of regulators to monitor the compliance of the obligations derived from the applicable laws and regulations may not be materially impaired.

The main IT systems and applications involved in generating financial information used by Allfunds are centralised and interconnected. There are procedures and controls that ensure the proper development and maintenance of these systems, as well as their correct operational readiness, continuity and security.

Overall, the Committee is satisfied with the Group's internal control and risk management systems and how they are being reinforced to address the Group's growth and integration challenges. During the year, the Committee was informed of a number of internal policies of the Group that were either approved or amended, such as the Related Party Transactions Procedure, the Product Governance Policy and the Outsourcing Policy, which in the opinion of the Committee contribute to the Group's robustness of internal controls.

Internal audit

The Board is responsible for establishing the policies and procedures that ensure the independence and effectiveness of the Company's Internal Audit function and has delegated responsibility to its Risk and Audit Committee to oversee the Company's Internal Audit function.

The objective of the Internal Audit function is to provide independent, reliable, valued, insightful and timely assurance to the Board and Executive Management over the effectiveness of governance, risk management and control over current and evolving risks.

The role of the Internal Audit function is defined by the Internal Audit Charter, which sets out its purpose, authority and responsibilities. To provide for its independence, the Global Head of Internal Audit reports functionally, through the Risk and Audit Committee, to the Board of Directors and administratively to the CEO.

The scope of work of Internal Audit is included as part of the Audit Plan, which is approved annually and reviewed quarterly. The Risk and Audit Committee ensures that it includes all relevant regulatory requirements, that it is aligned with strategic initiatives and that it focuses on the areas with the highest audit need. The Audit Plan also takes into account feedback provided by senior management and the external auditors.

The Risk and Audit Committee monitors the effectiveness of the Internal Audit function and reviews the reports submitted by the Global Head of Internal Audit. These cover audit reports issued, the status of the Audit Plan, the number of open and overdue audit issues and the results of the follow-up of issues raised in previous audits.

Committee functioning

The Risk and Audit Committee's functioning is described in detail in its terms of reference, which are available on the corporate website (www.allfunds.com).

The Risk and Audit Committee meets at least four times a year and normally ahead of any Board meeting, coinciding with key dates in the financial reporting and audit cycle.

Meetings may be held with the attendance, in person or by proxy, of the majority of the Committee members.

The Committee's decisions can be taken with the favourable vote of a majority of the members present or represented at the meeting (and in respect of whom no conflict of interest exists). In the event of a tie, the Committee Chair has a casting vote.

The Committee may invite the CEO, the CFO, the internal auditor and/or the external auditor, as well as the Board Chair or any other individual, to attend all or part of any meeting, if appropriate for the Committee to properly perform its functions.

Committee effectiveness review

The Board Committees undergo an annual review of their effectiveness. Like the Board's own review, in 2021 this process was conducted internally, led by the Board's Chair with the assistance of the Remuneration and Appointments Committee.

The review is based on directors' responses to a questionnaire covering a wide range of topics, including the Committee's composition, size and leadership; its dynamics and functioning; its time allotment by subject matters; engagement with stakeholders; the relationship among directors and with the management team; and each director's own contribution to each body's collective performance. All directors are invited to fill the questionnaire irrespective of their membership with the purpose of effectively assessing the Committee's actual support to the Board.

The results of the Risk and Audit Committee review suggested that directors are highly satisfied with the activities of the Committee, and they believe it operates effectively and reports properly to the Board. Some minor areas of focus were identified that will be addressed in 2022.

On behalf of the Risk and Audit Committee

David Pérez Renovales
Chair of the Risk and Audit Committee

21 March 2022

Remuneration and Appointments Committee Report

Lisa Dolly

As Chair of the Remuneration and Appointments Committee, I am pleased to present the Committee's report for the year ended 31 December 2021.

The Committee was created in April 2021 in the context of Allfunds' IPO. During our first year of activity, we worked intensely to support the Board in its new journey as a governing body of a listed company. As further described in this report, we made every effort to design a robust governance framework and to achieve the highest market standards in terms of Board membership, effectiveness, succession and remuneration.

Throughout the year, our focus was mainly placed on ensuring a balanced presence of knowledge, skills and experience in the boardroom going forward and on developing appropriate remuneration schemes, particularly a new Long-Term Incentive Plan as undertaken with the investor community at the time of the IPO. We also worked on implementing a successful process for the Board's internal effectiveness review and supervised the search for the best candidate to succeed the Board Chair. With respect to the wider workforce, we put most of our efforts into monitoring the elaboration of the Group's new Human Capital Strategic Roadmap.

I believe the outcome of our work is significant. In terms of appointments, it ranges from approving a set of rules governing the composition of the Board and proposing a new Board Chair to launching the creation of the Group's Human Capital Strategic Roadmap. As for compensation, our effort mainly reflects in the proposal of a new Directors' Remuneration Policy and the approval of a Long-Term Incentive Plan.

Looking ahead, the Committee members have identified the following priorities for 2022:

- *To assist the Board in achieving a successful and orderly transition of leadership to the new Chair*
- *To keep discussing and making recommendations on directors' and key positions' succession plans*
- *To approve and monitor the implementation of the Human Capital Strategic Roadmap and ensure focus is put on diversity and talent retention, and*
- *To ensure that Allfunds' remuneration systems keep driving performance and supporting our strategy in line with stakeholders' expectations.*

I would like to thank my fellow members for their dedication during this very demanding year. I look forward to working with them in enhancing Allfunds' governance system and engagement with people.

Lisa Dolly
Chair of the Remuneration and Appointments Committee

21 March 2022

Committee composition

Lisa Dolly
Committee Chair
Independent Non-Executive Director

JP Rangaswami
Member
Independent Non-Executive Director

Zita Saurel
Member
Non-Executive Director

All Committee members are non-executive directors and have been appointed based on their skills and experience. Their profiles are described in section 'Board composition' above.

Committee role and responsibilities

The Remuneration and Appointments Committee's main role is to support the Board of Directors in its duties to define and monitor the balance of skills and experience and the diversity of its members, to ensure and assess its effectiveness and organise its succession, and to design appropriate remuneration schemes.

Its key responsibilities include:

i. assisting in the design and periodic review of the Board desired profile, including its composition, skills, experience and diversity targets, and in the development of succession plans;
ii. participating in selection and appointment processes, identifying suitable candidates and making proposals for appointments or re-elections of directors;
iii. assisting in the Board and Committees' effectiveness review, as well as each director's individual contribution, and overseeing directors' training and development programmes;
iv. advising on the design of the remuneration policy for directors, ensuring its contribution to long-term value creation and monitoring its implementation; supervising performance metrics linked to variable remuneration; and assessing beneficiaries' performance in light of those metrics.

The Remuneration and Appointments Committee regularly reports to the Board on its deliberations and findings and the Chair must attend the AGM to address any questions shareholders may have on the Committee's activities.

Key activities in 2021

In 2021, the Remuneration and Appointments Committee met seven times. The level of attendance of its members is detailed in the table below.

	Attendance rates	
Directors	Meetings attended	% of attendance
Lisa Dolly	7 / 7	100%
JP Rangaswami	7 / 7	100%
Zita Saurel	7 / 7	100%

The main activities carried out by the Committee throughout the year are described below.

Board profile and suitability

The Remuneration and Appointments Committee prepared a set of rules addressing the Board's desired profile and suitability criteria, aimed to achieve a balanced composition of the Board and, ultimately, to enable the effective performance of its duties and the upholding of best market standards. Among these rules was the Board Diversity Policy, where the Board acknowledged the benefits of greater diversity to prevent group thinking and set the targets assumed for the coming years (that is, the Hampton-Alexander Review target in terms of gender balance and the Parker Review target in terms of ethnic diversity). Likewise, the Committee prepared a Profile for Non-Executive Directors stating the specific skills, knowledge or expertise collectively sought in non-executive directors taking into account the size and nature of the Group activities.

Moreover, the Remuneration and Appointments Committee reviewed the internal suitability assessment procedure applicable to directors and key function holders at the level of Allfunds' Spanish subsidiary, which is a financial institution subject to specific regulatory requirements in terms of suitability.

Succession planning

Throughout the year, the Remuneration and Appointments Committee launched the process of developing succession plans for key roles. At the level of the Board, the Committee prepared and proposed to the Board the Non-Executive Directors' Retirement Schedule, which is subject to the nominee directors' retirement obligations based on their nominating shareholders' divestments. The Committee noted that directors should not all retire at the same time, and is committed to ensure continued experience on the Board in the following cycles of Board appointments. At the level of senior management, succession plans for critical roles started to be developed with the advice of the Human Resources Department.

Moreover, the Remuneration and Appointments Committee supervised the process to appoint a new independent Board Chair that should succeed Blake Kleinman within one year from Allfunds' IPO, as publicly undertaken by the Company when going public.

In view of that commitment, during 2021 the Committee retained Russell Reynolds as independent external adviser to assist in the recruitment process. The Committee, supported by the senior management and the external adviser, agreed what qualities, skills and attributes the future Chair should possess. The search firm was asked to produce an inclusive list of diverse candidates, a number of whom were interviewed by the Company. As a result of this process, the Committee concluded that Mr Bennett should be appointed as new director and Board Chair of the Company and submitted this proposal to the Board, which after due consideration agreed on the proposal and approved its submission to shareholders at the 2022 AGM. Mr Bennett's profile is described in sub-section 'Succession planning' of section 'Board of Directors' above.

Likewise, upon receiving Mr Dauge's resignation letter in November 2021, the Committee launched a formal process to identify and appoint a successor, again with the assistance of Russell Reynolds. A selection process began that concluded with the selection of Mr Alvaro Perera, Allfunds' internal candidate. His profile is also described in sub-section 'Succession planning' of section 'Board of Directors' above.

Board and Committees' effectiveness review and training monitoring

In 2021, the Remuneration and Appointments Committee launched the first effectiveness review of the Board and its Committees as governing bodies of a listed company. The Committee decided that the review would be made in-house and approved the questionnaire to be sent to directors for them to rate a wide range of topics. The questionnaire was sent to directors and fulfilled by them in November. The Committee then aggregated directors' feedback and, based on it, prepared an action plan for 2022 aimed, on the one hand, to foster those features that had been identified as the Board and its Committees' best strengths, in line with Allfunds' commitment to lifelong learning and continuous improvement, and, on the other hand, to address those needs or refresh those areas where directors believed there was room for improvement. This action plan was submitted to the Board for its review and approval. The main outcomes of the review as well as the key lines of action identified for 2022 are described in section 'The Board of Directors' above.

The questionnaire also included several sections aimed to identify potential training needs of directors, either individually or as a whole. The Committee included these questions to ensure the directors' collective ability to understand the Group's activities and risks and to properly discharge their duties. Based on the answers to the questionnaire, the Committee outlined a training plan for 2022 that mainly consists in periodic deep dive sessions into Allfunds' business areas and related matters and insights into evolving topics such as governance or ESG matters.

Remuneration

In 2021, the Remuneration and Appointments Committee carried out extensive activities in terms of remuneration. With respect to directors, the Committee proposed the new Directors' Remuneration Policy, which is being submitted to shareholders for their binding approval at the 2022 AGM. The Committee also reviewed and provided its advice on the different remuneration components of executive directors, including their base salaries and their annual bonuses, in each case based on the external advice received from independent firms. The major decisions adopted in this regard are described in detail in the Directors' Remuneration Report.

As for the overall employee population, in 2021 the Remuneration and Appointments Committee led the design of Allfunds Long-Term Incentive Plan (LTIP), a plan aimed to reward and incentivise employees' performance and engagement with Allfunds. At the time of the IPO, Allfunds committed to approve such a plan in order to promote long-term value creation and foster talent retention. This plan was prepared with the advice of the external adviser on remuneration Korn Ferry. Under the LTIP rules approved by the Board, the Remuneration and Appointments Committee decided to launch the first LTIP award in October 2021 (the 2021 LTIP Award). It was granted to over 15% of the Group employees and covers two types of awards: (i) a performance-based award, where beneficiaries were granted an award in respect of a target number of shares at no cost whose vesting is contingent on pre-set long-term performance measures being achieved throughout relevant performance periods; and (ii) a time-based award, where beneficiaries were granted an award in respect of a number of shares at no cost whose vesting will occur in 2023 and 2024 with no link to any performance measures. Executive directors were granted the performance-based award. Further details on the performance-based award are provided in the Directors' Remuneration Report.

People and talent

In 2021, the Remuneration and Appointments Committee presented to the Board a Group Human Capital Strategic Roadmap aimed to promote business success through people. The Roadmap is based on four pillars driven by Allfunds' core values and aligned with its strategic business priorities. Each pillar contributes to create a unique employee experience. Under each pillar, different areas of focus have been identified, specific goals and due dates have been set, their status has been measured and KPIs to monitor their progress have been defined.

The Committee also monitored the general state of human resources at Allfunds throughout the year and received periodic information on headcounts, hires, leavers and transfers, as well as diversity ratios.

Committee functioning

The Remuneration and Appointments Committee's functioning is described in detail in its terms of reference, which are available on the corporate website (www.allfunds.com).

The Remuneration and Appointments Committee meets at least twice a year, although meetings are called whenever needed for the Committee to perform its duties.

Meetings may be held with the attendance, in person or by proxy, of the majority of the Committee members.

The Committee's decisions can be taken with the favourable vote of a majority of the members present or represented at the meeting (and in respect of whom no conflict of interest exists). In the event of a tie, the Committee Chair has a casting vote.

The Committee may invite non-members to attend all or part of any meeting if appropriate for it to properly perform its functions.

Committee effectiveness review

The Board Committees undergo an annual review of their effectiveness. Like the Board's own review, in 2021 this process was conducted internally, led by the Board's Chair with the assistance of the Remuneration and Appointments Committee.

The review is based on directors' responses to a questionnaire covering a wide range of topics, including the Committee's composition, size and leadership; its dynamics and functioning; its time allotment by subject matters; engagement with stakeholders; the relationship among directors and with the management team; and each director's own contribution to each body's collective performance. All directors are invited to fill the questionnaire irrespective of their membership with the purpose of effectively assessing the Committee's actual support to the Board.

The results of the Remuneration and Appointments Committee review suggested that directors are content with the Committee, and they believe it operates effectively and reports properly to the Board. Some minor areas of focus were identified that will be addressed in 2022.

On behalf of the Remuneration and Appointments Committee

Lisa Dolly
Chair of the Remuneration and Appointments Committee

21 March 2022

Compliance with the Dutch Code

Allfunds believes that compliance with the Dutch Code contributes to stakeholders' confidence in the good and responsible management of the Company and its integration in society.

Before the IPO, the Company reviewed its corporate governance to determine the most appropriate recognised governance code for it to report against going forward, given that neither the UK Corporate Governance Code nor the Dutch Code mandatorily apply to the Company. Following this review, Allfunds determined to voluntarily adopt the Dutch Code and, since the IPO, voluntarily complies with its principles and best practice provisions, except for the deviations and nuances explained below in accordance with the Code's comply or explain principle. Where Allfunds deviates from the Code, it adheres as much as possible to the Code's spirit. The Company has a one-tier governance structure with a single Board of Directors that comprises both executive and non-executive directors. Therefore Chapter 5 of the Dutch Code is applicable, and this statement should be read accordingly. The Dutch Code is available on the website of the Dutch Corporate Governance Code Monitoring Committee.

Provisions 2.1.7(ii) and (iii) (Independence of the Board)

Allfunds endorses Principle 2.1 of the Dutch Code on the composition and size of the Board and complies with the resulting Provisions except for paragraphs (ii) and (iii) of Provision 2.1.7. Paragraph (ii) provides that the total number of independent non-executive directors according to the criteria of the Dutch Code should account for more than half of the total number of non-executive directors. As of 31 December 2021, there were 13 non-executive directors, six of whom were independent within the meaning of the Dutch Code. However, this deviation is about to be improved as the Board is proposing to the next AGM the appointment of a new independent director, Mr David Bennett. Upon his appointment, the ratio of independent to non-executive directors will increase over 50% (seven out of 14). Paragraph (iii) recommends that for each shareholder, or group of affiliated shareholders, who directly or indirectly hold more than 10% of the shares in the company, there be at most one non-executive director who can be considered to be affiliated with or representing them within the meanings of the Dutch Code. As of 31 December 2021, shareholders LHC3 Limited (holding 39.00% of the share capital), the BNP Paribas Entities (jointly holding 13.81% of the share capital) and Credit Suisse (holding 8.56% of the share capital) had three, two and two non-executive directors, respectively, who can be considered to be affiliated with or representing them. The Company considers such deviation is acceptable and reasonable (i) for the sake of continuity of a Board that has proven to be effective and conducive to the success of the Group, as the relevant non-executive directors have been fulfilling their roles for years now, and (ii) in view of the Company's current shareholding structure and as a show of continued support by its major shareholders. However, major shareholders' rights to appoint directors are subject to them maintaining specific levels of shareholdings and that their appointed directors must resign as soon as these levels are crossed.

Provisions 2.1.9 and 5.1.3 (Independence of the Chair)

The Company partially deviates from these provisions as the Board Chair, Blake Kleinman, is a non-executive director but he does not qualify as independent according to the criteria of the Dutch Code. Nevertheless, this deviation will end by the 2022 AGM. At the time of the IPO, the Company expressed its intention to either recruit a new independent Chair or appoint one of the existing independent directors as Board Chair within 12 months from admission to trading. Accordingly, the appointment of Mr David Bennett as an independent director is being submitted for approval of the shareholders at the 2022 AGM. If appointed, Mr Bennett will be appointed as Board Chair. The Company will then comply with Provision 2.1.9 and will enhance the level of independence among the non-executive directors up to 50%.

Provisions 2.3.6(ii) (Chair of the Board), 2.3.7 (Vice-Chair of the Board) and 2.4.3 (Point of contact for the functioning of the Board)

The Company complies with the entire Provision 2.3.6 except for paragraph (ii), as the Board has not appointed a Vice-Chair. The Chair has not needed to be deputised for the time being. As a result, Provision 2.3.7 is not applicable and the Company partially deviates from Provision 2.4.3, which recommends that the Vice-Chair acts as contact regarding the functioning of the Chair. In the absence of Vice-Chair, the Chair of the Remuneration and Appointments Committee acts as such contact.

Provision 3.1.2 (Remuneration Policy)

The Remuneration Policy that is being submitted for shareholders' binding approval at the 2022 AGM is compliant with this Provision except for the second part of paragraph (vi), as the conditional award in respect of a target number of shares granted to executive directors under the Long-Term Incentive Plan are not subject to a five year holding period. However the shares ordinarily vest three years after they are awarded, subject to achievement of performance conditions. The Company believes this deviation is appropriate for retention purposes and in view of the competitive landscape. Further information can be found on the Annual Report on Remuneration.

Provision 3.2.3 (Severance payments)

The Company partially deviates from this Provision because the amount of the executive directors' severance payments exceeds the amount of the fixed component of their annual salary. Details on the severance payments they would be entitled to in the event of termination are provided in the Directors' Remuneration Report. The Board notes that these rights were granted to the executive directors before the decision was made to apply for the admission to listing of Allfunds' shares and to voluntarily adhere to the Dutch Code. The Company is committed to honour its pre-existing obligations and commitments, as stated in the new Directors' Remuneration Policy, and therefore the Board believes this partial deviation is acceptable. The Board also notes that Mr Dauge's employment termination will not trigger any severance payment.

Provision 3.4.2 (Agreement of executive directors)

The main elements of the agreement of each executive director with the Company are described in the IPO prospectus, which is publicly available on the corporate website. They are also contained in the Directors' Remuneration Policy that is being submitted to the approval of shareholders at the 2022 AGM and is fully transcribed in this Annual Report. Therefore, although they are not disclosed as a separate document, the Company believes it does comply with the transparency purpose of this Provision.

Corporate Governance Statement

The Company is required to make a statement concerning corporate governance pursuant to the Dutch Royal Decree of 23 December 2004 (the Decree). The information required to be included in this corporate governance statement, as described in the Decree, can be found in the sections below, which are incorporated by reference hereinto:

- A description of the Company's compliance with the Dutch Code, including the motivated deviation of the compliance of the Dutch Code – section 'Compliance with the Dutch Code' in this Annual Report
- A description of the main elements of financial management and control systems in connection with the Company's financial reporting and of the financials of group companies included in the consolidated accounts – section 'Strategic Report' in this Annual Report
- A description of the functioning of the general meeting and the authority and rights of the Company's shareholders – section 'Shareholder Information' in this Annual Report
- A description of the composition and functioning of the Board and its Committees – section 'Corporate Governance' in this Annual Report
- A description of the Board Diversity Policy, the targets set out therein and an outline of the current state of affairs – section 'Corporate Governance' in this Annual Report
- A description of the information concerning the inclusion of the information required by the Decree Article 10 EU Takeover Directive, as required by the Decree – sections 'Corporate Governance' and 'Shareholder Information' in this Annual Report.

Other statutory information

This section of the Annual Report contains the remaining information which the Directors are required to report on each year and for the year ended 31 December 2021.

Incorporation by reference

In accordance with section 414C (11) of the UK Companies Act 2006, the Company has chosen to include in its Strategic Report the following information, which would otherwise be disclosed in this Directors' Report:

- The particulars of important events affecting the Company which have occurred since the end of 2021
- An indication of likely future developments in the business of the Company
- Our engagement with employees
- Our engagement with suppliers, customers and others in a business relationship with the Company
- The Board of Directors' section 172(1) statement
- In relation to the use of financial instruments, the Company's financial risk management objectives and policies and its exposure to financial risk (information on which may also be found in Note 6 to the financial statements).

Likewise, the following information that is relevant to this Directors' Report pursuant to UK law and Dutch law can be found in the following sections, which are incorporated by reference hereinto:

- Allfunds at a glance – Strategic Report
- Dividends – Shareholder Information
- Share capital – Shareholder Information
- Greenhouse gas emissions, energy consumption and energy efficiency action – Strategic Report

Branches outside the United Kingdom

The Company, UK-based, is the sole parent undertaking of Liberty Partners, S.L.U., a holding company based in Spain which in turn is the sole parent undertaking of Allfunds Bank, S.A.U., another company based in Spain that is the Group entity holding the banking licence.

The Group operates in Spain through Allfunds Bank, S.A.U. and outside Spain through its subsidiaries, branches and representation offices. There are eight branches located in the UK, France, Italy, Luxembourg, Poland, Singapore, Sweden and Switzerland, five representation offices located in Brazil, Chile, Colombia, Miami and United Arab Emirates, and a subsidiary based in Hong Kong.

Political donations

During 2021 the Group did not make any political donation to any UK, EU or non-EU political party or other political organisation or to any independent election candidate, nor did it incur in any political expenditure.

Allfunds' Code of Conduct expressly establishes that the Group does neither contribute to election campaigns nor make donations to political parties.

Research and development

There were no activities in the field of research and development during 2021.

Policy on employment of disabled persons

At Allfunds we believe in providing equal opportunities for all employees in terms of recruitment, training, career opportunities and all aspects of the working relationship. This commitment is also aimed at persons with a disability.

The Group gives full consideration to applications for employment made by disabled persons, having regard to their aptitudes and abilities, and encourages and assists them with training, promotion opportunities and appropriate work conditions, ensuring accessibility to physical and digital environments. Should employees become disabled during their employment with Allfunds, efforts would be made to continue their employment and to arrange appropriate training.

Effectiveness and compliance with the Code of Conduct

Allfunds' Code of Conduct, which is available on the corporate website (www.allfunds.com), sets out the values and ethical principles that must govern the activity of all the Group's employees, directors and members of the management bodies.

All members of the Group, comprising its branches, subsidiaries and representation offices, must conduct themselves in accordance with applicable laws and regulations and with the integrity, transparency, prudence and professionalism that correspond to the social impact of financial activities and the trust that customers have bestowed upon Allfunds.

Employees are expected to comply with the Code of Conduct and must confirm their adherence to the Code and confirm their understanding when joining the Company. They are also obliged to attend any training that may be convened to ensure proper knowledge of the Code.

The Regulatory Compliance Unit is responsible for monitoring the effectiveness of, and compliance with, the Code of Conduct and regularly reports to the Board of Directors, through the Risk and Audit Committee, its findings and observations. Likewise, the Head of each Department must ensure compliance with the Code of Conduct in their respective spheres. The Human Resources Department is responsible for informing employees of their obligations under the Code and for organising adequate training.

In performing its duty to ensure the effectiveness of the Code of Conduct, the Regulatory Compliance Unit has established a whistleblowing channel that allows employees to report any breach of the Code, or any behaviour, action or event that might constitute an allegedly illegal or professionally unethical act, they may observe or be aware of. The channel enables anonymous communications and the Regulatory Compliance Unit ensures the confidentiality of the complaints and the secrecy of the complainants' identity.

Significant agreements subject to change of control provisions

The revolving credit facility agreement entered into on 14 April 2021 by the Company, as original borrower and guarantor, and a group of financial institutions, as original lenders, providing for borrowings of up to €550 million on a committed basis, grants each lender an individual right to be prepaid upon a change of control of the Company, subject to exceptions.

Other than that, the Company has not entered into any significant agreement that takes effect, alters or terminates upon a change of control of the Company following a takeover bid.

From a remuneration perspective, if Mr Alcaraz's employment is terminated by Allfunds Bank, including upon a change of control, other than (i) in circumstances justifying his summary dismissal without compensation; (ii) on the grounds of his capability or conduct; or (iii) for some other substantial reason that would be a fair reason for dismissal under English law, he will (subject to any overriding regulatory requirements) be entitled to a severance payment of 798.75 days' earnings, including base salary, contractual benefits and the higher of his target bonus amount and the bonus amount paid to him in the preceding 12 months (in each case converted into a daily figure). The payment will be conditional upon Mr Alcaraz signing a settlement agreement waiving any legal claims against Allfunds Bank and will be inclusive of any payment in lieu of notice made to him. Conversely, Mr Dauge's employment termination on 31 March 2022 will not entitle him to any severance payment given his voluntary resignation. Moreover, the awards of the Long-Term Incentive Plan approved by the Board of Directors in October 2021 become payable in the event of customary corporate events such as a tender offer or a scheme of arrangement. Other than that, the Company has not entered into any agreement with its directors or employees providing for compensation for loss of office or employment (whether through resignation, purported redundancy or otherwise) that occurs because of a takeover bid.

Anti-takeover measures

There are no existing or potential anti-takeover measures at the time of this report.

The Company's shareholders voluntarily incorporated in the Articles of Association the terms of the Dutch mandatory takeover bid rules that require any person (whether acting alone or in concert with others) who, directly or indirectly, acquires a controlling interest in the Company of at least 30% of the voting rights exercisable in the general meeting, to launch a mandatory public offer for all outstanding shares of the Company, as these terms do not mandatorily apply to the Company for it is not incorporated as a Dutch public limited company.

Related party transactions

Material significant transactions carried out between the Company and its shareholders holding at least 10% of the shares in the Company are described in Note 37 to the financial statements.

Furthermore, the Company's Articles of Association provide for specific rules on related party transactions, as neither the Dutch nor the UK rules on related party transactions mandatorily apply to the Company. The Articles of Association therefore provide for rules on related party transactions that are the reflection of the Dutch statutory provisions on related party transactions, which implement the relevant terms of the Directive (EU) 2017/828 of the European Parliament and of the Council of 17 May 2017, to apply to the Company. The Articles of Association provide that a material transaction of the Company (or a subsidiary of the Company) with a related party that is not in the ordinary course of business or is proposed not to be concluded on normal market terms, is subject to approval by the Board. The Company is obliged to make a public announcement immediately upon such material transaction having been entered into with the related party concerned.

Pursuant to the Company's Articles of Association, a transaction is considered to be 'material' if: (i) information on the transaction qualifies as inside information as set out in article 7(1) of Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (market abuse regulation); and (ii) it is entered into, or to be entered into, between the Company and a related party of the Company. For purposes of the definition of 'material', non-material transactions entered into between the Company and the same related party of the Company in the same financial year are aggregated (and can, as such, qualify as being 'material' in aggregate). Notwithstanding the aforementioned, pursuant to the Articles of Association, there is no related party transaction between the Company and a related party in the following cases: (a) a transaction between the Company and a Group company (or between Group companies); (b) a transaction between the Company or a Group company and directors of the Company or a subsidiary regarding remuneration of directors of the Company or a subsidiary; (c) a transaction entered into by the Company or a Group company on the basis of measures to safeguard Allfunds Banks' stability, such measures as determined by the Bank of Spain or the European Central Bank; and (d) a transaction between the Company and a shareholder of the Company if all other shareholders can participate on the same (or substantially the same) conditions and provided that equal treatment of shareholders and the interest of the Company are safeguarded.

Disclosure of information to auditors

In accordance with section 418(2) of the UK Companies Act 2006, directors of the Company who held office at the date of approval of this Annual Report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware; and each director has taken all the steps that he or she ought to have taken as a director to make himself or herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Going concern

Directors, having made appropriate enquiries, have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the financial statements.

In making the going concern assessment, directors have considered a wide range of information, including the current economic climate at the time of approving the financial statements, as well as the expected working capital requirements that the Company and the Group will have for the coming year. See Note 40 to the financial statements.

Directors' indemnities

The Articles of Association entitle the Company's directors to be indemnified out of the assets of the Company against any liability incurred or to be incurred by them in performing their duties and/or exercising their powers in relation to the affairs of the Company, to the extent permitted by law. Accordingly, on 23 April 2021 Allfunds entered into individual deeds of indemnity with each Board member that constitute qualifying third-party indemnity provisions as defined in section 234 of the UK Companies Act 2006. These indemnities remained in force throughout 2021 and are in force as at the date of this Annual Report. The deeds are available for inspection at the Company's registered office.

In addition, the Company maintains a directors' and officers' liability insurance policy giving customary coverage to directors and the Company.

Directors' report sign-off

The Corporate Governance section of this Annual Report constitutes the Directors' Report. It has been prepared in accordance with the UK Companies Act 2006 and the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, as amended, as well as the Dutch Civil Code, Dutch Royal Decree of 5 April 2006 implementing Article 10 of Directive 2004/25/EC, Dutch Royal Decree of 23 December 2004 establishing further requirements on the content of the board report, and the Dutch Corporate Governance Code.

This Directors' Report was approved by the Board of Directors and signed on its behalf.

On behalf of the Board of Directors

Marta Oñoro
General Counsel and Company Secretary

21 March 2022

Non-Executive Directors' Report

Role of non-executive directors

Non-executive directors of the Company are responsible for overseeing the way the management implements the long-term value creation strategy.

In 2021, they oversaw the implementation of the strategy and the general state of corporate affairs by participating in all the meetings of the Board. At each meeting, non-executive directors are informed by executive directors of business performance and strategy progress, which enables them to discharge their monitoring responsibilities. Furthermore, management team members can be invited to their meetings and request information as needed to perform their duties.

During the year, there were eight Board meetings. Sub-section 'Key focus areas in 2021' of section 'Board of Directors' of this Annual Report describes the specific matters discussed and decisions made at the Board level in this regard during the year and is incorporated by reference hereinto. In particular, in terms of strategy and corporate purpose, in 2021 the Board monitored progress of 2021 strategic pillars and objectives, validated the Allfunds 3.0 vision for the future, discussed geographical footprint, supervised ongoing business integrations and reviewed the 2022-2023 value creation plan.

Non-executive directors' profile

The Board of Directors currently comprises 13 non-executive directors, six of whom are independent within the meaning of the Dutch Code: Ms Lisa Dolly, Ms Sofía Mendes, Mr David Pérez Renovales, Mr JP Rangaswami, Mr Delfín Rueda and Ms Ursula Schliessler. Their profile and personal information, including their gender, age, nationality, principal position and other relevant positions, date of initial appointment and current term of office, are disclosed in sub-section 'Board composition' of section 'Board of Directors' of this Annual Report, which is incorporated by reference hereinto.

The desired Board profile and diversity standards are laid down in the Profile for Non-Executive Directors and the Board Diversity Policy approved by the Board of Directors in 2021 with the favourable vote of non-executive directors. Non-executive directors are of the opinion that the Board has a balanced and diverse composition in terms of skills and experience, age, and international background and education. This was further assessed during the Board's annual effectiveness review and the results showed that directors were satisfied with the Board composition.

Non-executive directors note that, in the future, the Board should tend towards gender balance. The Board Diversity Policy includes gender as a diversity criterion to be considered in selection processes and sets a target of 33% of the Board seats to be held by women by 2025. Non-executive directors highlight that the female ratio amongst them as of 31 December 2021 was 38%, and reached 50% amongst independent directors.

Board of Directors' profile and independence

Non-executive directors endorse the principle that the composition of the Board should be such that its members are able to act critically and independently vis-à-vis one another, the executive management team and any particular interests.

Currently, six out of the 13 non-executive directors qualify as independent in accordance with Best Practice Provision 2.1.8 of the Dutch Code. It is the view of non-executive directors that independent directors meet the independence requirements set out in said provision.

The seven non-executive non-independent directors are affiliated to or represent the Company's major shareholders LHC3 Limited (three non-executive directors), the BNP Paribas Entities (two non-executive directors) and Credit Suisse (two non-executive directors), and they were appointed pursuant to the terms of the Relationship Agreement. Therefore, paragraphs (ii) and (iii) of Best Practice Provision 2.1.7 of the Dutch Code are not complied with. The Company considers such deviation necessary and reasonable in light of continuity of the Board composition that has proven to be effective and conducive to the (continuity of the) success of the Group (as the relevant non-executive directors were already fulfilling roles as members of the Board of Allfunds Bank).

As for the Board Chair, the appointment of Mr David Bennett as an independent director of the Company is being submitted for approval of the shareholders at the 2022 AGM. If appointed, Mr Bennett will be appointed as Chair of the Board. Upon such appointment, the Company will comply with Best Practice Provision 2.1.9 of the Dutch Code and will enhance the level of independence of the Board up to 50%.

Board and Committees' effectiveness review

The Board and its Committees undergo an annual review of their effectiveness. This review also addresses each director's individual contribution and performance, including that of non-executive directors.

The review process as well as the general conclusions of this year's review are described in sub-section 'Board effectiveness review' of section 'Board of Directors' of this Annual Report, with respect to the Board, and in each of the Board Committees' Reports included in this Annual Report, with respect to the Board Committees.

Non-executive directors are satisfied with the process undergone and endorse the lines of action set by the entire Board to enhance its effectiveness in 2022, which include focusing on succession plans, facilitating the transition of leadership to the new independent Chair, adequately managing time at Board meetings to allow for in-depth debate and fostering directors' development by providing them with ongoing training sessions on the Group and other evolving topics.

Board Committees' reports

The Board Committees are exclusively composed of non-executive directors.

Each of the Committees periodically reports to the Board, through their respective Chairs, on their deliberations and findings and makes proposals, if any, regarding matters within their competence.

Each of the Board Committees' Reports included in this Annual Report contains detailed information on how the Board Committees carried out their duties during 2021. In particular, each report describes the relevant Board Committee's composition, its role and responsibilities, the number of meetings held, and main items discussed in 2021, its functioning rules and the conclusions of its annual effectiveness review.

Non-executive directors are satisfied with the duties performed by the Committees in 2021 and believe they effectively operate and support the Board of Directors in discharging its responsibilities.

Attendance at the meetings of the Board and its Committees

The rate of attendance of each non-executive director at the meetings of the Board of Directors is disclosed below:

	Meetings attended		
Directors	Board of Directors	Risk and Audit Committee	Remuneration and Appointments Committee
Blake Kleinman	8 / 8	—	—
Johannes Korp[1]	7 / 8	7/7	—
Zita Saurel	8 / 8	—	7/7
David Vaillant[2]	6 / 7	—	—
Andrea Valier	8 / 8	—	—
Julian Abraham	8 / 8	—	—
Fabian Shey	8 / 8	—	—
Lisa Dolly	7 / 7	—	7/7
Sofia Mendes	7 / 7	—	—
David Pérez Renovales	7 / 7	7/7	—
JP Rangaswami	7 / 7	—	7/7
Delfín Rueda	7 / 7	—	—
Ursula Schliessler	7 / 7	7/7	—

1. Mr Korp was absent from the Board meeting held on 1 October 2021 but gave voting instructions to his proxy in respect of all items in the agenda.
2. Mr Vaillant was absent from the Board meeting held on 28 October 2021.

Non-Executive Directors' Report sign-off

This Non-Executive Directors' Report has been prepared in accordance with the Dutch Code and, pursuant to section 5.1.5 thereof, included in the Corporate Governance section of this Annual Report given the one tier corporate structure of the Company. The Report was approved by the non-executive members of the Board of Directors and signed on their behalf.

On behalf of the non-executive directors

Marta Oñoro
General Counsel and Company Secretary

21 March 2022

Directors' Remuneration Report

Annual statement of the Remuneration and Appointments Committee Chair

Dear shareholders,

On behalf of the Board, I am pleased to present the Directors' Remuneration Report for the financial year ended 31 December 2021.

This is our first report since the admission to trading of Allfunds shares in April 2021. This year the Remuneration and Appointments Committee, composed of Mr JP Rangaswami, Ms Zita Saurel, and chaired by myself, has worked hard to revise Allfunds' executive remuneration framework in view of the IPO, to ensure it keeps driving performance and supporting the corporate strategy whilst reflecting best practices and stakeholders' expectations.

This statement summarises the major decisions of the Remuneration and Appointments Committee during this demanding year, including the context in which they were made.

New Directors' Remuneration Policy

At the 2022 AGM, we will be seeking shareholder binding approval for a new Directors' Remuneration Policy. The Policy is set out on the following pages of this Report and, if approved, is intended to remain in effect for three years from the date of the 2022 AGM.

The Remuneration and Appointments Committee shaped this new Policy with the assistance of external advisers and in consultation with Allfunds' three largest shareholders and was pleased with the level of engagement received. The Committee considered different factors, including the performance of directors and the Group, as well as market positioning against appropriate international comparators.

The Policy seeks to offer our impactful directors a competitive remuneration package that incentivises performance. The philosophy that underpins Allfunds' approach to remuneration is the following:

- Align pay with strategy: remuneration should support Allfunds' business strategy and be focused on long-term value creation
- Pay competitively: the global remuneration package and its structure should be competitive, making it easier to attract and retain directors, whilst not compromising their objectivity nor creating conflicts of interest
- Pay for performance: remuneration should reward both the Group's and each individual's performance, although directors' fixed remuneration should represent a significant portion of total compensation
- Pay fairly: remuneration should be respectful of the principles of non-discrimination and should promote internal fairness between similar levels of responsibility and performance

In addition, as Allfunds is the parent company of a Spanish credit institution supervised by the Bank of Spain, remuneration of employees at Allfunds Bank S.A.U. (including the executive directors) needs to reflect and be consistent with the applicable regulatory regimes, including the requirements imposed by the Bank of Spain, and should be in accordance with capital requirements and prudent management.

The proposed Remuneration Policy defines executive directors' total compensation as a combination of fixed remuneration, variable remuneration, pension and other benefits. The total compensation was proposed by the Remuneration and Appointments Committee to the Board of Directors. In preparing the proposal, the Committee took into account both internal and external references in order to observe the principles governing the proposed Policy.

Particularly, to ensure market competitiveness, in 2021 Allfunds retained Korn Ferry as external adviser on remuneration to conduct an executive compensation benchmarking exercise for senior management and the executive population at Group level. The assessment and its findings are further described below.

Likewise, the Remuneration and Appointments Committee conducted scenario analyses to determine the effect of performance and results on executive directors' remuneration.

The Remuneration and Appointments Committee also took into account that, in accordance with regulatory requirements applicable to Allfunds Bank, the proportion of variable to fixed remuneration payable to the executive directors must not exceed a ratio of 2:1.

Finally, the Remuneration and Appointments Committee discussed the proposed remuneration with the executive directors themselves and considered their views in order to finalise its proposal.

As for non-executive directors' remuneration, the proposed Remuneration Policy defines such remuneration as fixed compensation for their responsibilities, and not dependent on Allfunds' results. It is the Committee's belief that the certainty of the fixed remuneration protects directors' independence of mind in their supervisory role and allows them to focus on long-term value creation and sustainability. The specific amounts were set considering the principles that govern the proposed Remuneration Policy and are meant to attract and retain highly competent and diverse non-executive directors.

A description of each remuneration component as well as their monetary value are included in the new Remuneration Policy set out on the following pages of this Report.

New LTIP and 2021 LTIP Award

In 2021, the Board of Directors approved Allfunds Long-Term Incentive Plan (LTIP). At the time of the IPO, Allfunds committed to approve such a plan in order to motivate and incentivise the sustainable long-term performance of the Group, aid the retention of global talent and promote alignment of employee interests with shareholders' interests. The LTIP was prepared with the advice of Korn Ferry. It was designed as a rolling plan, providing for the grant of annual awards in order to achieve long-term retention goals.

Under the LTIP rules approved by the Board, the Remuneration and Appointments Committee decided to launch the first LTIP award in October 2021 (the 2021 LTIP Award). The 2021 LTIP Award is payable in Allfunds' shares. It was granted to over 15% of the Group employees and covers two types of awards: (i) a performance-based award, where beneficiaries were granted an award in respect of a target number of shares at no cost whose vesting is contingent on pre-set long-term performance measures being achieved throughout relevant performance periods; and (ii) a time-based award, where beneficiaries were granted an award in respect of a number of shares at no cost whose vesting will occur in 2023 and 2024 with no link to any performance measures. Mr Alcaraz and Mr Dauge were each granted a performance-based award in 2021.

With respect to performance-based awards, the LTIP performance measures must be approved by the Remuneration and Appointments Committee prior to the grant of each LTIP award. The Committee can set different performance conditions for awards granted in different years, provided that the conditions are not materially less challenging from any one award to the next. For each performance measure, a threshold, target and maximum performance level is set along with an LTIP payout.

Ordinarily, performance periods of each LTIP award will last three years and therefore the shares will vest, if at all, three years after the grant date. Exceptionally, the 2021 LTIP Award is capable of vesting in two equal tranches in 2023, based on achievement of performance conditions during a performance period ending on 31 December 2022, and in 2024, based on achievement of performance conditions during a performance period ending on 31 December 2023. The Remuneration and Appointments Committee determined that in light of the Company's IPO during 2021 and the expected payout schedules under the existing incentive arrangements, the 2021 LTIP Award was necessary to incentivise and retain the executive directors and senior management and to align their interests with the Group's. The 2021 LTIP Award is subject to malus and clawback clauses.

Further information on the 2021 LTIP Award and the value of the awards granted to executive directors can be found on the next pages of this Report.

Performance in the year and 2021 annual bonus

The Remuneration and Appointments Committee places great importance on ensuring that pay is aligned with performance and reflects both the Group's and each individual's underlying achievements. This year Allfunds has delivered unprecedented results as disclosed in other sections of this Annual Report.

As for the annual bonus, in 2021 the Company retained Willis Towers Watson to review the design of the bonus for the overall population of the Group. The review aimed to ensure that the bonus was aligned with our compensation philosophy and provided enough flexibility to adjust to emerging trends and circumstances.

As a result, a new bonus scheme was approved that follows a top-down approach, assuring alignment of individual bonuses with corporate results by linking their accrual and amounts to the achievement of corporate, unit and individual goals (weighted appropriately for an employee's position and role). The new scheme also allows for objective evaluations with pre-set performance scales and combines quantitative and qualitative metrics. Further information on the scheme is available in the Annual Report on Remuneration below, as the revised annual bonus scheme is also applicable to executive directors. In February 2022 the Remuneration and Appointments Committee determined that Mr Alcaraz was to be awarded a bonus of 137% of his target opportunity for financial year 2021. Details on the performance scales, payout ratios and the factors considered in making this decision as well as the discretion exercised by the Committee in determining the final outcomes are available on the following pages of this Report.

Changes in directors' remuneration

In 2021, as a result of the IPO, independent non-executive directors were appointed for the first time to the Board of the Company. From that moment, they were awarded the right to receive annual fees in relation to their Board positions and membership of relevant Board Committees, as set out below. These fees were determined in line with best practices of listed companies and were based on a benchmarking analysis conducted internally of the remuneration of independent directors of other European listed companies comparable to the Company in terms of size and type of activities.

As for the executive directors, in addition to the 2021 LTIP Award, in 2021 the Remuneration and Appointments Committee reviewed the salary of both of them based on the aforesaid benchmarking assessment carried out by Korn Ferry. The benchmarking was conducted over 12 roles, including the CEO and the CFO roles. The peer group consisted of a blended group of 22 asset management firms and banks across Europe and the US, chosen based on several size indicators as total revenue, market capitalisation, total assets and employees. As a result, various roles were selected for pay adjustments based on their market position and the overall retention risk profile, including Mr Dauge's, whose salary was increased to €425,000 with effect from 1 July 2021, and Mr Alcaraz's, whose salary was increased to £1,000,000 with effect from 1 January 2022.

Looking ahead

The year ahead promises to be another busy one as the Remuneration and Appointments Committee remains committed to ensuring that Allfunds' remuneration systems reflect best practices and market trends in its sector while addressing our stakeholders' ambitious expectations. We look forward to your support for the Board proposals at the forthcoming AGM and thank you in advance.

Lisa Dolly
Chair of the Remuneration and Appointments Committee

21 March 2022

Annual report on directors' remuneration

This is the first annual report on director's remuneration since the listing of Allfunds' shares on Euronext Amsterdam. It sets out the directors' remuneration for the year ended 31 December 2021, which was approved by the Board of Directors following the recommendations of the Remuneration and Appointments Committee and partly reflects historic rights and legacy arrangements that were in place prior to Allfunds listing in 2021. This report will be put to an advisory vote at the 2022 AGM.

Executive directors' remuneration in 2021

Executive directors' total compensation for 2021 was defined as a combination of fixed remuneration, including base salary, pension and other taxable benefits, and variable remuneration, as set out below.

The notes to the table below describe the purpose of each remuneration component and how they contribute to long-term value creation.

	Juan Alcaraz (CEO) (£ thousand)	Amaury Dauge (CFO) (€ thousand)
Single total figure for executive directors (audited)	2021 (1)	2021 (1)
Base salary (a)	735	387.5 (2)
Taxable benefits (3) (b)	422.5	300
Pension (c)	60	0 (4)
Total fixed remuneration (a + b + c)	1,217.5	687.5
Bonus (5) (d)	1,803.2	350
2021 LTIP Vested (6) (e)	0	0
Total variable remuneration (d + e)	1,803.2	350
Total remuneration (a + b + c + d + e) (7)	**3,020.7**	**1,037.5**

1. As this is the first period reported since the IPO it is not possible to provide meaningful year-on-year comparative data. Full disclosure will be provided in future remuneration reports.
2. Mr Dauge's base salary was reviewed in June 2021 and increased from €350,000 to €425,000 with effect from 1 July 2021. The table shows the total salary Mr Dauge received during 2021 as a result of this increase.
3. The benefits included for Mr Alcaraz housing allowance (£373,600), car allowance (£34,000), private medical practitioner allowance, healthcare and other miscellaneous allowances, and for Mr Dauge housing allowance (€275,000), car allowance, health care, disablement and survivors insurance and subsidised meals.
4. In line with the corporate policy applying to all employees, pension benefits of the CFO only start accruing after two years of employment at Allfunds, and are then granted retroactively with effect from the date of commencement of the employment. Given Mr Dauge's period of service with Allfunds and resignation submitted in November 2021, he will not be entitled to any pension contribution for 2021.
5. Bonus awarded in respect of 2021 included for Mr Alcaraz the annual bonus ordinarily granted and calculated as a percentage of the base salary (£1,259,606), as well as an extraordinary incentive linked to key milestones in 2021 as further detailed below (£543,643). Mr Dauge was awarded a cash incentive of €175,000 in respect of his contribution in 2021 and an extraordinary incentive of €175,000. Further details of the awards are included below. During the year Mr Alcaraz was also paid the 2018, 2019 and 2020 bonus partial amounts that had been deferred according to the Company's former deferral policy, and Mr Dauge was paid the sign-on bonus of €4.5 million by an indirect shareholder of the Company, LHC1 Limited. These amounts are not shown in the table as they are not receivable in respect of 2021.
6. The 2021 LTIP Award is subject to the achievement of performance measures in future financial years. The 2021 LTIP Award may vest in two equal tranches in 2023 and 2024. Given Mr Dauge's resignation, he will not be entitled to any payment under the 2021 LTIP Award, which will lapse on the termination of his employment and appointment with the Company.
7. Remuneration of executive directors is paid by the Group company Allfunds Bank, S.A.U. which is the employer of both of them.

Notes in respect of each remuneration component of executive directors:

Base salary

Executive directors receive a base salary that is payable in monthly instalments in cash. Its purpose is to reward executive directors' daily work competitively, in accordance with their level of responsibility and the complexity of the function assigned to their job positions. It also ensures sufficient remuneration so that there is a fair ratio between fixed and variable components of remuneration.

Base salaries' future increases will normally be in line with increases awarded to the overall employee population, although the salaries are reviewed annually to ensure their market competitiveness.

Taxable benefits

Executive directors are eligible to receive a broad range of flexible benefits. These benefits aim to provide executive directors with attractive and flexible compensation in line with market practice, thereby acting as a talent attraction and retention tool.

Pension entitlements

Executive directors are entitled to annual pension contributions that provide them with a market competitive mechanism for the accumulation of retirement benefits.

In 2021, Mr Alcaraz received a pension contribution of £60,000. Mr Dauge did not receive any pension contribution in 2021 as the corporate policy for all employees is that pension contributions are only payable after two years of service have been accrued (at which point a retroactive contribution is made covering the first two years of service). Given Mr Dauge's period of service with Allfunds and his resignation, he will not be entitled to any pension contribution corresponding to 2021.

Annual bonus

Executive directors are entitled to receive an annual bonus linked to the achievement of pre-set annual performance measures. This variable remuneration component is designed to incentivise directors to create value for the Company in the short, medium and long term and to align their interests with those of shareholders. It further rewards distinguished performance and achievements and motivates directors to improve their performance.

Accordingly, the annual performance measures contribute to Allfunds' strategy and purpose. They contain a mix of corporate and individual performance indicators weighted as shown in the table below. The performance measures are proposed by the Remuneration and Appointments Committee and approved by the Board of Directors at the beginning of each financial year. For each performance measure, a threshold, target and maximum performance level is set along with a bonus payout. In 2021, the maximum annual bonus opportunities in the event of maximum performance were 180% of base salary for Mr Alcaraz and 144% of base salary for Mr Dauge. The on-target bonus opportunities were 125% of base salary for Mr Alcaraz and 100% of base salary for Mr Dauge.

The performance measures set for 2021 were the following:

Performance measures	Weight (%) Juan Alcaraz	Weight (%) Amaury Dauge	Threshold	Target	Maximum	Actual	2021 outcome (% of target bonus) Juan Alcaraz	2021 outcome (% of target bonus) Amaury Dauge
Corporate metrics	**90%**	**60%**						
Adjusted EBITDA (€ million)	45%	30%	285.1	319.9	348.6	377.0	150%	–
New asset-driven run-rate (€ million)	18%	12%	3.85	7.7	10.3	16	150%	–
Non-asset-driven annual recurring revenue (€ million)	9%	6%	16.5	21.8-22.9	30.5	22.3	100%	–
Qualitative leadership and delivery capacity	18%	12%	Assessed by the Board at the end of the year based on strategic goals' achievements				120%	–
Unit metrics	**–**	**30%**						
Finance team transformation		30%	Assessed by the Board at the end of the year based on unit goals' achievement				–	–
Individual metrics	**10%**	**10%**						
Personal contribution	10%	10%	Assessed by the Board at the end of the year based on individual goals' achievement				120%	–
						Total outcome	**137%**	**–**

Given Mr Dauge's resignation submitted in November 2021 and pursuant to the termination provisions of his agreement, he was not entitled to receive the annual bonus corresponding to 2021. Nevertheless, the Board, based on the Remuneration and Appointments Committee's proposal, resolved to grant him a cash incentive of €175,000 (41% of his base salary at the end of the year) to fairly reward his significant contribution to the achievement of all the 2021 bonus' corporate metrics as described below, as well as his crucial role in the transformation of the finance team he launched when joining Allfunds and has led to date, all in line with the principles underpinning Allfunds' remuneration system of paying for performance, paying fairly and aligning pay with strategy.

As for Mr Alcaraz, at the beginning of 2022, the Board, based on the proposal of the Remuneration and Appointments Committee, assessed each performance measure according to the scorecard shown in the table above.

With respect to the quantitative corporate metrics (adjusted EBITDA, new asset-driven run-rate and non-asset-driven annual recurring revenue), the target level of each metric corresponds to the budgeted metric for 2021 as approved by the Board of Directors in December 2020. The payout ratios amount to 100% at the target level, 50% at the threshold level and 150% at the maximum level. Payout in between these levels is calculated on a straight-line basis. Below the threshold level the payout is zero and above the maximum level the payout is capped. No discretion was exercised to adjust these formulaic outcomes.

With respect to qualitative leadership and delivery capacity, three levels of performance were set, threshold, target and outstanding, with payout ratios of 50%, 100% and 120%, respectively. Performance of this metric was assessed by the Board in its absolute discretion by analysing the achievements in three main strategic goals: delivering successful business integration milestones, continuing to improve clients' journey through value-added services and staying on track to deliver key strategic pillars. In view of Allfunds' results and strategic delivery during the year, the Board determined that performance had been outstanding and thus the outcome for this metric should be 120%.

As for individual performance, the Board assessed Mr Alcaraz's contribution in each of the following key areas, which align with the Company's objectives.

- Company leadership: The CEO decisively led the Group through a very demanding year. Financial and non-financial results at the end of the year proved excellent and the contribution of Mr Alcaraz to this achievement was crucial. The CEO, closely supported by the management team, led the IPO process and obtained an extremely successful response from investors during the IPO roadshow and throughout the year. This assessment was based on the strong performance of the share market price during 2021, the feedback gathered from investors and the consensus reached by analysts. The Board also considered that the CEO was crucial to the timely success of business integration milestones. Under his leadership, the integration office (whose head directly reports to Mr Alcaraz) delivered its integration goals and business continuity was assured. In the same manner, the Board assessed that funds harmonisation targets were achieved in 2021 and considered that the CEO strongly contributed to digital diversification of Allfunds revenues and the growth of non-asset-driven annual revenues.
- COVID-19 response: The CEO played a critical role during the COVID-19 pandemic by achieving record levels of business with significant numbers of colleagues working from home and remaining highly motivated and engaged, in spite of the profound impact of the pandemic on the financial markets. This conclusion was based on the outstanding results of the Group compared to the overall performance of the markets and the industry. From an internal perspective, he effectively led employees' progressive return to the office while maintaining staff health and ensuring safety and work.

Overall, based on the achievement of corporate and unit measures and on the assessment of the CEO's personal contribution to the Group's success, the Remuneration and Appointments Committee determined that the outcome of Mr Alcaraz's annual bonus for 2021 should be 137% of his target bonus, that is, 171% of his annual base salary.

The 2021 annual bonus will be paid in cash and no portion of the 2021 annual bonus shall be deferred.

Extraordinary bonus

In 2021 the executive directors along with other members of the senior management were granted an extraordinary incentive. For Mr Alcaraz, the maximum opportunity of this extraordinary bonus was set at 75% of his base salary, linked to the IPO success (weighting 50%), business integrations (25%) and funds harmonisation and fund dealing services (FDS) monetisation (25%). For Mr Dauge, the maximum opportunity of this extraordinary bonus was set at 50% of his base salary (before the increase approved in 2021, that is, €175,000) and was linked to the IPO success.

In terms of performance measures, it was established that:

i. The IPO success would be assessed based on the achievement of several milestones without delay, including the timely and sound delivery of marketing materials (early look, deep dive and roadshow presentations as well as analyst presentations) and legal and financial documentation (prospectus and financial statements), the establishment of an Investor Relations function, the successful roll-out of a post-IPO readiness plan and the alignment of the Company's structure with that of a listed company.
ii. The success of integrations would be assessed based on a series of annual KPIs linked to asset migrations, EBITDA, platform readiness and achievement of synergies, and on qualitative objectives aligned with business as usual continuity of the business, linked to transparency, readiness, simplicity, project management, planification and reporting.
iii. Funds harmonisation and FDS monetisation would also be assessed against different KPIs measuring the progress of the harmonisation project, FDS monetisation and rebate revenues.

At the end of 2021 a straightforward assessment of the delivery of these goals was conducted by measuring the relevant KPIs. The outcome of the extraordinary bonus was set at 100% for the IPO success and funds harmonisation and FDS monetisation, and at 95% for the success of integrations. As a result, the amounts of incentive paid were £543,643 to Mr Alcaraz and €175,000 to Mr Dauge.

The Company considered that, in spite of his upcoming departure, Mr Dauge was instrumental in the success of the IPO, which was achieved well ahead of his resignation. He contributed primarily by helping to build a robust investment case from a financial perspective, and also by ensuring the readiness of financial statements and their adequate and effective disclosure to investors. The CFO also contributed significantly by establishing an investor relations function that has successfully performed throughout the year. This conclusion was based on the market's response to the IPO, in the first place, and to the announcement of financial results, afterwards. Therefore he was awarded the full extraordinary bonus he would have been entitled to had he not resigned from his office.

The extraordinary bonus was paid in cash and no portion shall be deferred.

Long-Term Incentive Plan

Executive directors are eligible to participate in the LTIP approved by the Board of Directors in October 2021. The LTIP aims to motivate and incentivise sustainable long-term performance of the Group and to promote alignment with shareholders' interest while aiding the retention of global talent. The first LTIP award was granted on 8 October 2021 (the 2021 LTIP Award).

The 2021 LTIP Award is payable in Allfunds' shares.

The 2021 LTIP Award is divided into two equal tranches: a first tranche vesting in 2023 in relation to a performance period ending on 31 December 2022 and a second tranche vesting in 2024 in relation to a performance period ending on 31 December 2023, both contingent on the achievement of two performance measures. This tranched structure was approved by the Remuneration and Appointments Committee for retention purposes. In light of the Company's IPO during 2021 and the expected payout schedules under the existing incentive arrangements, the Committee determined that it was necessary to incentivise and retain senior managers and to align their interests.

Performance measures set for the 2021 LTIP Award are, equally weighted:

i. Allfunds' total shareholder return (TSR) compared against the average TSR of companies belonging to STOXX Europe 600 Financial Services, in each case calculated over the period starting on the date of admission to trading of Allfunds' shares (23 April 2021) and ending on 31 December 2022 for the first tranche and on 31 December 2023 for the second tranche; and
ii. actual adjusted EBITDA (as appearing in the final annual accounts to be approved for each relevant financial year) compared against the budgeted adjusted EBITDA (as approved by the Board of Directors in the budget for each relevant financial year), cumulated during 2021 and 2022 for the first tranche and during 2021, 2022 and 2023 for the second tranche.

For each performance measure, a threshold, target and maximum performance level is set:

Performance measures	Performance levels Threshold	Target	Maximum
Allfunds' TSR against comparator group's TSR	Below par	At par	+ 33% or higher
Actual adjusted EBITDA against budgeted adjusted EBITDA	-20%	At par	+ 33% or higher

The TSR levels cannot be disclosed as they are unknown as of the date of the Annual Report. The EBITDA levels are not being disclosed for their commercial sensitivity. Both levels will be reported following the end of the performance periods.

For each performance level, an LTIP payout is set:

Performance measures	LTIP payout ratio Threshold	Target	Maximum
Allfunds' TSR against comparator group's TSR	0%	100%	200%
Actual adjusted EBITDA against budgeted adjusted EBITDA	50%	100%	200%

Payout between these levels is calculated on a straight-line basis. Below the threshold level the payout is zero and above the maximum level the payout is capped.

The target LTIP opportunity in the event of target performance was established, for Mr Alcaraz, as a number of shares with a monetary value equal to 125% of his base salary per annum, that is £918,750 based on his annual salary of £735,000, and, for Mr Dauge, a number of shares with a monetary value equal to 100% of his base salary per annum, that is €425,000.

The equivalent number of shares was calculated on the date of grant (8 October 2021) by dividing the monetary value of the award by the average middle market quotation in the 20 dealing sessions preceding the date of grant obtained from the official list of Euronext Amsterdam (€17.01 per share). For Mr Alcaraz, whose base salary is set in GBP, the exchange rate applied was the average exchange rate during that same period as officially disclosed by the European Central Bank. The resulting number of shares is 63,142 shares for Mr Alcaraz and 24,981 shares for Mr Dauge at target level, and 126,284 shares for Mr Alcaraz and 49,962 shares for Mr Dauge at maximum level.

Given Mr Dauge's resignation notified in November 2021, he will not be entitled to any payment under the 2021 LTIP Award, which will lapse on the termination of his employment and appointment with the Company.

The 2021 LTIP Award does not carry dividends.

The 2021 LTIP is subject to malus and clawback clauses under which the Remuneration and Appointments Committee may: (i) reduce (including to nil) the number of shares or notional shares in respect of which any future LTIP award is granted to a participant; (ii) reduce (including to nil), as the Remuneration and Appointments Committee considers appropriate, the cash amount payable under an unvested 2021 LTIP Award or the number of shares under an unvested 2021 LTIP Award; or (iii) in relation to a vested 2021 LTIP Award require a participant to pay to the Company, as the Remuneration and Appointments Committee considers appropriate, such number of shares or such monetary amount no greater than the net value of the vested shares. The circumstances in which the Remuneration and Appointments Committee can exercise its discretion under (i) to (iii) are: (a) material financial misstatement of the Company's audited financial accounts; (b) conduct by a participant which results in or is reasonably likely to result in significant reputational damage to the Company; (c) the negligence or gross misconduct of a participant; or (d) fraud effected by or with the knowledge of a participant. There are robust mechanisms in place to ensure that these provisions are enforceable.

		Main conditions of the 2021 LTIP Award					Opening balance	During the year	Closing balance
		End of performance period	Award date	Value per share at grant	Vesting date	End of holding period	Shares awarded at the beginning of 2021	Shares awarded in 2021	Shares subject to performance
Juan Alcaraz	2021 LTIP Award Tranche 1	31 Dec 2022	8 Oct 2021	€17.01	March 2023	N/A	0	63,142	63,142
	2021 LTIP Award Tranche 2	31 Dec 2023	8 Oct 2021	€17.01	March 2024	N/A	0	63,142	63,142
Amaury Dauge[1]	2021 LTIP Award Tranche 1	31 Dec 2022	8 Oct 2021	€17.01	March 2023	N/A	0	24,981	24,981
	2021 LTIP Award Tranche 2	31 Dec 2023	8 Oct 2021	€17.01	March 2024	N/A	0	24,981	24,981

1. Mr Dauge's full 2021 LTIP Award will lapse on the termination of his employment with the Company.

Malus and clawback clauses

In 2021 the Company did not apply any clawback or malus clause with respect to executive directors' variable remuneration. The LTIP Awards are subject to the malus and clawback clauses described above.

Scenario analyses

Juan Alcaraz's pay scenarios in 2021:

- Minimum: consists of base salary, taxable benefits and pension (£1,217.1 thousand), and results in 100% of the total compensation being fixed
- On-target: consists of base salary, taxable benefits and pension (£1,217.1 thousand), plus on-target annual bonus and full extraordinary bonus (£1,470 thousand), and results in 45% of the total compensation being fixed and 55% being variable
- Maximum: consists of base salary, taxable benefits and pension (£1,217.1 thousand), plus maximum annual bonus and full extraordinary bonus (£1,874 thousand), and results in 39% of the total compensation being fixed and 61% being variable

Amaury Dauge's pay scenarios in 2021:

- Minimum: consists of base salary, taxable benefits and pension (€656 thousand), and results in 100% of the total compensation being fixed
- On-target: consists of base salary, taxable benefits and pension (€656 thousand), plus on-target annual bonus and full extraordinary bonus (€525 thousand), and results in 56% of the total compensation being fixed and 44% being variable
- Maximum: consists of base salary, taxable benefits and pension (€656 thousand), plus maximum annual bonus and full extraordinary bonus (€679 thousand), and results in 49% of the total compensation being fixed and 41% being variable

These scenarios were calculated before increasing Mr Dauge's base salary with effect from 1 July 2021. For informative purposes only, the scenarios with his increased salary are disclosed below:

- Minimum: consists of base salary, taxable benefits and pension (€731 thousand), and results in 100% of the total compensation being fixed
- On-target: consists of base salary, taxable benefits and pension (€731 thousand), plus on-target annual bonus and full extraordinary bonus (€638 thousand), and results in 53% of the total compensation being fixed and 47% being variable
- Maximum: consists of base salary, taxable benefits and pension (€731 thousand), plus maximum annual bonus and full extraordinary bonus (€824 thousand), and results in 47% of the total compensation being fixed and 53% being variable

No outstanding loans

The executive directors do not have any outstanding loans towards the Company or any of the Group companies in accordance with the meaning of section 2:383e of the Dutch Civil Code.

Planned implementation of the Remuneration Policy in 2022 for executive directors

The Remuneration Policy is being submitted to shareholders' binding approval at the 2022 AGM and, if approved, the Policy will apply immediately from the date of the 2022 AGM for three years until the 2025 AGM, unless a further policy is approved by shareholders before then.

Below is a summary of how the Remuneration Policy is planned to be implemented in 2022 with respect to executive directors.

Base salary

Mr Alcaraz's base salary was increased in 2022 up to £1,000,000. This increase is based, on the one hand, on Allfunds' strong performance during the year, the resulting market capitalisation as well as its growth potential, and on the other hand, on the findings of a benchmarking assessment conducted by Korn Ferry during 2021, which had already motivated the increase of Mr Dauge's salary in July 2021. The peer group consisted in a blended group of 22 asset management firms and banks across Europe and the United States, chosen based on several size indicators as total revenue, market capitalisation, total assets and employees, compared to which the CEO's position was below median. Based on the foregoing, the Remuneration and Appointments Committee considered there was room for increase in line with Allfunds' philosophy of paying competitively and paying for performance, and with its ultimate goal of retaining talent.

Mr Dauge's salary was maintained at 2021 levels during the first months of 2022 that he stayed in office.

Annual variable remuneration

The Board, advised by the Remuneration and Appointments Committee, resolved that Mr Alcaraz's annual variable remuneration for 2022 will be linked to the achievement of the following performance measures:

Performance measures	Weight (%)
Corporate metrics	**90%**
Adjusted EBITDA (€ million)	45%
New asset-driven run-rate (€ million)	18%
Non-asset-driven annual recurring revenue (€ million)	9%
Qualitative leadership and delivery capacity	18%
Individual metrics	**10%**
Personal contribution	10%
Total	**100%**

The target measures and performance levels are considered to be commercially sensitive, but will be disclosed in the next Directors' Remuneration Report.

Details of the Remuneration and Appointments Committee's assessment will be given in the remuneration report next year.

In line with the new Directors' Remuneration Policy, Mr Alcaraz's annual bonus opportunity is 180% of his base salary in the event of maximum performance and 125% of his base salary in the event of target performance.

Mr Dauge will not be entitled to any annual variable remuneration in 2022 given his resignation to take effect on 31 March 2022.

Long-Term Incentive Plan

The second LTIP award was approved in March 2022 and will be effectively granted on 1 April 2022 (the 2022 LTIP Award).

The shares will vest in January 2025 contingent on the achievement of the following performance measures (equally weighted), which have been approved by the Remuneration and Appointments Committee:

i. Allfunds' TSR compared against the average TSR of companies belonging to STOXX Europe 600 Financial Services, in each case calculated over the period starting on 1 January 2022 and ending on 31 December 2024; and
ii. actual adjusted EBITDA (as appearing in the final annual accounts to be approved for each relevant financial year) compared against the budgeted adjusted EBITDA (as approved by the Board of Directors in the budget for each relevant financial year), cumulated in 2022, 2023 and 2024.

For each performance measure, a threshold, target and maximum performance level is set:

	Performance levels		
Performance measures	Threshold	Target	Maximum
Allfunds' TSR against comparator group's TSR	Below par	At par	+ 33% or higher
Actual adjusted EBITDA against budgeted adjusted EBITDA	-20%	At par	+ 33% or higher

The TSR levels cannot be disclosed as they are unknown as of the date of the Annual Report. The EBITDA levels are not being disclosed for their commercial sensitivity. Both levels will be reported following the end of the performance period.

For each performance level, an LTIP payout is set:

	LTIP payout ratio		
Performance measures	Threshold	Target	Maximum
Allfunds' TSR against comparator group's TSR	0%	100%	200%
Actual adjusted EBITDA against budgeted adjusted EBITDA	50%	100%	200%

Payout between these levels is calculated on a straight-line basis. Below the threshold level the payout is zero and above the maximum level the payout is capped.

The target LTIP opportunity approved for Mr Alcaraz in the event of target performance is a number of shares with a value equal to 125% of his base salary per annum, that is £1,250,000 based on his annual salary of £1,000,000.

The equivalent number of shares will be calculated on the date of grant (1 April 2022) by dividing the monetary value of the award by the average middle market quotation in the 20 dealing sessions preceding the date of grant obtained from the official list of Euronext Amsterdam. For Mr Alcaraz, whose base salary is set in GBP, the exchange rate applied will be the average exchange rate during that same period as officially disclosed by the European Central Bank. The share value and the resulting number of shares at target level and at maximum level will be disclosed in the 2022 Annual Report.

Given Mr Dauge's resignation submitted in November 2021, he was not awarded the 2022 LTIP Award.

The 2022 LTIP Awards do not carry dividends.

It is subject to the same malus and clawback clauses as the 2021 LTIP Award (for further details see above).

Pension arrangements

Mr Alcaraz's annual pension contributions will be maintained at 2021 levels.

Mr Dauge will not receive any pension contribution corresponding to the first months of 2022 given his resignation.

Other benefits

Mr Alcaraz's flexible benefits will be maintained at 2021 levels.

Mr Dauge's benefits will be maintained at 2021 levels during the first months of 2022 that he stayed in office.

Non-executive directors' remuneration

Non-executive directors' total compensation for 2021 was defined as annual fees, as well as reimbursement of expenses reasonably incurred by them in fulfilment of their roles.

Single total figure for non-executive directors (audited)
(in Euros)

Director	Board fees 2021 (1)	Committee fees 2021	Allfunds Bank board fees 2021	Allfunds Bank board committee fees 2021	Total remuneration 2021
Blake Kleinman	0	0	0	0	0
Johannes Korp	0	0	0	0	0
Zita Saurel	0	0	0	0	0
David Vaillant	0	0	0	0	0
Andrea Valier	0	0	0	0	0
Julian Abraham	0	0	0	0	0
Fabian Shey	0	0	0	0	0
Lisa Dolly	47,500	17,500	47,500	17,500	130,000
Sofia Mendes	47,500	0	47,500	0	95,000
David Pérez Renovales	47,500	17,500	47,500	17,500	130,000
JP Rangaswami	77,500 (2)	12,500	47,500	12,500	150,000
Delfin Rueda	47,500	0	47,500	0	95,000
Ursula Schliesser	47,500	12,500	47,500	12,500	120,000

1. As this is the first period reported since the IPO it is not possible to provide meaningful year-on-year comparative data. Full disclosure will be provided in future remuneration reports.
2. Mr Rangaswami's annual board fees amount to €47,500, as the other directors. The additional €30,000 was paid in 2021 for his services rendered during the period preceding the Company's IPO, where, among others, he temporarily undertook the chairmanship of the Allfunds Bank board committees upon the death of Jaime Carvajal.

Notes in respect of each remuneration component of non-executive directors:

Annual fees

Independent non-executive directors are entitled to the following annual fixed fees:

- A €47,500 annual fee for membership of the Board of Directors
- A €12,500 annual fee for membership of each Board Committee (excluding Committee chairs)
- A €17,500 annual fee for performing the role of Board Committee Chair

Independent directors are also entitled to the same fees for performing the roles of members of Allfunds Bank's Board of Directors and its committees.

Non-executive non-independent directors are not entitled to said fees.

Other arrangements

The Company may reimburse expenses reasonably incurred by non-executive directors in fulfilment of their roles.

The Company provides directors' and officers' liability insurance and has executed a deed of indemnity in the non-executive directors' favour.

Planned implementation of the Remuneration Policy in 2022 for non-executive directors

The Remuneration Policy is being submitted to shareholders' binding approval at the 2022 AGM and, if approved, the Policy will apply immediately from the date of the 2022 AGM for three years until the 2025 AGM, unless a further policy is approved by shareholders before then.

With respect to non-executive directors, their remuneration for membership of the Board and its Committees and for chairing the Committees will remain unchanged in 2022.

The new independent Chair will be entitled to receive an annual fee of €200,000 for performing the role of member and Chair of the Board of Directors and the same amount for performing the role of member and Chair of the Board of Allfunds Bank.

Non-executive directors are not paid a pension and do not participate in any of the Company's variable incentive schemes. Non-Executive Directors do not receive any other taxable benefits.

Other remuneration disclosures

Total pension entitlements (audited)

No person having served as a director of the Company during 2021 has a prospective entitlement to defined benefits or cash balance benefits.

Payments to former directors

No remuneration was paid to former directors of Allfunds in 2021. Mr Dauge served as director throughout the entire year and is therefore not considered a former director for the purposes of this section.

Payments for loss of office

No payment for loss of office to directors of Allfunds was made in 2021.

Directors' shareholdings and share interests

As stated in the proposed Directors' Remuneration Policy and according to the Company's Insider Trading Policy, directors and other persons discharging managerial responsibilities are required to hold Allfunds' shares only for long-term investment purposes in line with the provisions of the Dutch Code. They are also prevented from purchasing or writing options on, or short selling, securities of the Company.

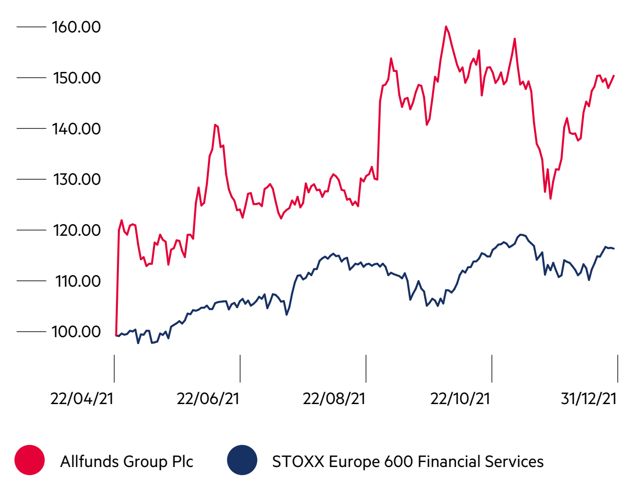
The interests in shares of the Company held as at 31 December 2021 by directors in office during the year, including any interests of their connected persons, are set out in the table below.

Directors	Shares held	Shares unvested and subject to performance conditions (1)
Executive directors		
Juan Alcaraz	0 (2)	126,284 (3)
Amaury Dauge	0 (2)	49,962 (3)
Non-executive directors		
Blake Kleinman	0	0
Johannes Korp	0	0
Zita Saurel	0	0
David Vaillant	0	0
Andrea Valier	0	0
Julian Abraham	0	0
Fabian Shey	0	0
Lisa Dolly	0	0
Sofia Mendes	0	0
David Pérez Renovales	0	0
JP Rangaswami	0 (2)	0
Delfin Rueda	0	0
Ursula Schliesser	0	0

1. Refers to the shares granted under the 2021 LTIP Award. For details of this award, including performance conditions, see above.
2. Mr Alcaraz, Mr Dauge and Mr Rangaswami hold no direct shares in the Company but they have an indirect interest of 0.926%, 0.132% and 0.010%, respectively, as a result of their interests in LHC Manco Limited, an indirect shareholder of LHC3 Limited, which in turn is a direct shareholder of the Company.
3. Figures reflect maximum number of shares that can vest under each 2021 LTIP Award, which will vest in two tranches in 2023 and 2024.

TSR performance and CEO pay

The graph below shows the value at 31 December 2021 of €100 invested in Allfunds at the IPO price of €11.50 per share on 23 April 2021, the date of admission to trading on Euronext Amsterdam, compared to €100 invested in the STOXX Europe 600 Financial Services, on the assumption that dividends are reinvested for additional equity. The STOXX Europe 600 Financial Services was selected as a comparator as Allfunds is a constituent. This allows our performance to be compared against the index as a whole.



As for the CEO's historical pay outcomes, as this is the first period reported since listing it is not possible to provide meaningful year-on-year comparative data. Full disclosure will be provided in future remuneration reports.

Change in remuneration of directors and employees

Similarly, as this is the first period reported since listing it is not possible to provide meaningful comparative data on the annual change in remuneration of directors and employees. Full disclosure will be provided in future remuneration reports.

Executive directors' pay ratios

The Company is exempt from disclosing CEO pay ratios according to Schedule 8 of The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, as amended, as the Group does not meet the qualifying condition of having 250 full-time equivalent employees in the UK.

Nevertheless, the Company is disclosing the ratios between the total remuneration of the executive directors and the average annual remuneration of the Group employees, to comply with Best Practice Provision 3.4.1 of the Dutch Code. As recommended by the Dutch Code Monitoring Committee, the CEO and CFO total annual remuneration includes all the remuneration components included in the 2021 annual accounts, and the average annual remuneration of employees has been determined by dividing the total payroll cost for 2021 as included in the annual accounts divided by the average number of employees in 2021 including temporary employees. Sign-on bonuses paid in 2021 by an indirect shareholder of the Company have not been considered. Accordingly, the pay ratios in 2021 were 19.9 for the CEO and 6.4 for the CFO. As this is the first period reported since listing, it is not possible to provide meaningful comparative data from the previous year.

Relative importance of spend on pay

The table below sets out distributions to shareholders by way of dividends and remuneration paid to or receivable by employees in 2020 and 2021, and the percentage of change between these years.

With respect to dividends, the Board notes that this is the first period reported since listing and that, in its view, the annual change of dividends in 2021 compared to 2020 was exceptional and is not representative of future changes. In 2021 the Board approved a Dividend Policy aimed to provide stable dividends going forward and targeting a payout ratio of 20% to 40% of adjusted net income.

€ million	2021	2020	Annual change
Dividends (1)	0	12	-100%
Employee remuneration (2)	112.9	75.6	+49%

1. Dividends paid, which correspond in 2020, to an interim dividend of €12 million (€10.9 cents per share). No distributions to shareholders were made in the form of share buybacks. The dividend of €185 million (€29.39 cents per share) that was conditionally granted before the IPO to the then shareholders of the Company, as described in the IPO prospectus, was effectively paid in January 2022 upon achievement of the conditions it was subject to.
2. As shown in the approved annual accounts for each relevant financial year. The amount for 2021 includes the sign-on bonuses paid by an indirect shareholder of the Company to several employees during 2021, including Mr Dauge.

Severance payments

With respect to Mr Alcaraz, in the event of termination by Allfunds in circumstances that are not considered to be a bad leaver, Mr Alcaraz is entitled to a severance payment of 798.75 days' earnings, which include base salary, contractual benefits and the higher of his target annual bonus amount and the bonus amount paid to him in the preceding 12 months (in each case converted into a daily figure). The severance payment will be conditional upon Mr Alcaraz signing a settlement agreement waiving any legal claims against Allfunds Bank and will be inclusive of any payment in lieu of notice made to him.

Mr Dauge was entitled to a severance payment in the event of termination resulting from a change of control in an amount equal to (i) a pro-rated annual bonus in respect of the period up to the termination date, calculated on the basis of 60% of target; and (ii) a payment of six months' salary (or a statutory severance payment, if higher). Mr Dauge would have been entitled to these payments only if the termination by Allfunds Bank, or the circumstances triggering his resignation, had been linked to a change of control. His resignation does not entitle him to any payment of this nature.

Non-executive directors are not entitled to any compensation (other than accrued and unpaid fees and expenses for the period up to the termination) for loss of office.

Governance

The Remuneration and Appointments Committee Report included in this Annual Report contains information in relation to its members and the activities carried out in 2021.

During the year, the Committee was assisted in its considerations, except in relation to their own remuneration, by the CEO, the CFO, the Chief People Officer and the Human Resources Department, as well as the Company Secretary and the Legal Department.

Likewise, during the year the Committee appointed (i) Willis Towers Watson as its independent adviser to review the annual bonus scheme for Allfunds' global employee population, including the executive directors, and (ii) Korn Ferry as independent adviser to advise on the design of the LTIP and to provide a benchmark of senior managers' base salaries, including both the CEO and the CFO. Each of the independent advisers were selected by the Chief People Officer based on their merits, capabilities and services proposals following an open process where several firm candidates were assessed. The Company also reviewed the potential for conflicts of interests of each adviser and judged there were none. Willis Towers Watson provided its services on an agreed-upon fee basis based on its dedication and professional experience at a cost of €27,980, and Korn Ferry provided its services on a time spent basis at a cost of €64,960, in both cases excluding VAT. The Remuneration and Appointments Committee was satisfied with the advice and services provided by each independent adviser.

Proposed Directors' Remuneration Policy

In the following pages we have set out the Company's remuneration policy for its executive directors and non-executive directors (the ***Policy***). We will seek shareholders' approval of the Policy at the AGM on 21 April 2022, and if approved, the Policy will apply immediately for three years until the AGM in 2025, unless amendments to the Policy are required, in which case further shareholder approval will be sought.

Key principles

The Company is the parent company of a Spanish credit institution supervised by the Bank of Spain, Allfunds Bank S.A.U (***Allfunds Bank***). Allfunds Bank acts as the parent company to an international group of entities, most of them financial (although not all), including subsidiaries, branches and representation offices (together with the Company and Allfunds Bank, the ***Group***). Therefore, remuneration needs to reflect and be consistent with the applicable regulatory regimes, including the requirements imposed by the Bank of Spain (the ***Spanish Regulations***).

In addition to complying with the regulatory regimes, this Policy aims to reflect the Group's culture. Having its shares listed on Amsterdam's EU regulated market operated by Euronext Amsterdam N.V., the Company has voluntarily adopted the Dutch Corporate Governance Code (the ***Dutch Code***) and adheres to the Dutch Code's best practices and principles also in relation to its remuneration policy other than as explicitly stated in this Policy. Its design is intended to align its directors with the Group's long-term goals. The Group considers proper remuneration of its professionals to be a fundamental factor in achieving its goals and for unlocking value for shareholders. Therefore, it is vital that this Policy allows the Company to attract and retain talented directors, while also being mindful of employee experiences across the Group.

In general, the Policy is governed by the following principles and is established by the Company's Remuneration and Appointments Committee of the Board of Directors (the ***Committee***):

- Remuneration must foster the adequate and efficient management of risks, and must be aligned with the interests of shareholders and other stakeholders of the Group, fostering the creation of value in the short, mid and long-term and avoiding excessive risk actions taken for short-term gain
- The global remuneration package and its structure should be competitive, making it easier to attract and retain directors
- The remuneration practices derived from this Policy should be in keeping with an effective management of conflicts of interests
- Remuneration should be in accordance with capital requirements
- Fixed remuneration should represent a significant portion of total compensation
- Variable remuneration should reward performance, based on, among other factors, achieving the Group's goals
- The Policy should be respectful of the principles of non-discrimination, and any other aspects relevant to the Company and the Group, such as social employee-related matters, respect for human rights, and fighting corruption and bribery
- The Policy should promote internal fairness between similar levels of responsibility and performance
- The Company has the right to reduce or remove variable remuneration if it is not appropriate in the circumstances
- The allocation of variable remuneration components is intended to take into account current and future risks.

Remuneration policy – executive directors

The following table sets out our policy for the Company's executive directors.

In setting the Policy, we pay full regard to the Spanish Regulations, as they are amended from time to time. Pursuant to the Spanish Regulations:

- The method for determining the remuneration of the executive directors must not compromise their objectivity or create conflicts of interest
- It is important that fixed remuneration is a key and significant component of the overall remuneration package and, as such, all the elements of variable remuneration for a given performance year shall not exceed 200% of the fixed components for that year
- Executive directors' variable remuneration should be based on specific objectives and should not be determined by individual financial performance of the business area subject to their control or supervision
- Executive directors engaged in control functions are independent from the business units they oversee, in order to have the appropriate authority
- The remuneration of executive directors will be overseen by the Committee (as well as by the Allfunds Bank Remuneration and Appointments Committee, given that the executive directors are employed by Allfunds Bank).

Please see below for details of the individual components of executive director compensation.

Base salary	
Purpose	– To reflect the level of responsibility and complexity of the functions assigned to each job position. Internal fairness is especially important, in particular establishing and maintaining a fair remuneration structure that aligns with the relative importance of each role. Therefore, the greater the responsibility and/or complexity of the role, the higher the benchmark level of fixed remuneration – To ensure enough remuneration so that there is a fair ratio between the fixed and variable components of remuneration, taking into account the fact that variable remuneration may be decreased or removed entirely where an executive director has demonstrated poor performance, poor behaviour or has taken inappropriate risks
Operation	Base salaries are typically reviewed annually at the beginning of each year reviewing internal fairness and external competitiveness against companies of similar size and complexity, normally taking retroactive effect as of 1 January in that year. The aim of the review is to ensure that executive directors' base salaries are adequately aligned with the market and internally. Base salaries are paid monthly in cash.
Maximum value and performance measures	Base salary in 2022 is £1,000,000 for Mr Alcaraz. Salaries for any new executive directors will be determined after taking into account internal fairness and external competitiveness. Any future increases in base salaries will normally be in line with the increase awarded to the overall employee population. Greater changes in base salary may be implemented in cases where an employee is considered to be a 'top performer' and their base salary is significantly unaligned with market benchmarks among financial institutions, platforms and wealth management firms or the Company's own internal fairness. These changes, in general, will be made to coincide with salary reviews but they can be made at any time when there is considered to be a risk of talent leaving the Company or a significant change in responsibility.
Other	N/A

Pension	
Purpose	– To provide retirement benefits which keep the Company competitive within the industry – To provide a mechanism for the accumulation of retirement benefits
Operation	The Group provides an employer sponsored defined contribution pension plan. All executive directors are eligible to participate in the plan, or receive cash in lieu of employer's contribution.
Maximum value and performance measures	Maximum annual employer contribution for each executive director is £10,000. In addition, an executive director may receive an annual cash allowance in lieu of an additional pension contribution equal to 12% of their base salary. The overall combined value of cash allowance and employer pension contribution may not exceed £60,000 per annum.
Other	N/A

Benefits	
Purpose	– To provide flexible benefits as part of a competitive remuneration package – To attract and retain top talent
Operation	Core benefits include subsidised meals, life insurance, permanent health insurance, and medical and dental insurance. Executive directors may also be eligible for a corporate vehicle in accordance with the Group's policy. Executive directors are also entitled to receive accommodation expenses and minor dependents' school fees to cover additional expenditure incurred while they are located outside their normal countries of residence in order to perform their roles. Payment of such expatriate allowances will be reviewed on an annual basis. The Committee reserves discretion to introduce new benefits where it concludes that it is in the interests of the Group to do so, having regard to the particular circumstances and to market practice.
Maximum value and performance measures	Accommodation expenses (if provided) are capped at £360,000 per year for an executive director. The cost of benefits will be kept in line with market practice. The Committee will monitor such costs in practice and ensure that the overall costs do not increase by more than the Committee considers appropriate in all circumstances.
Other	N/A

Annual bonus	
Purpose	– To provide an incentive to create value for the Company in the short, medium and long-term – To reward distinguished performance and achievements – To motivate people to improve their performance – To act as a retention tool in the short, medium and long-term – To align employees' performance with the shareholders' interests, prudent risk management and generation of value for the Company
Operation	Awards are discretionary and decisions are based on the Allfunds Bank's Remuneration and Appointments Committee's judgement of executive directors' performance, as overseen by the Committee and the performance of the Company. The director must continue to be employed by the Group on the payment date. If the director is on his or her notice period on the payment date, the amount received will be proportional to the time that has been worked. The annual bonus will be paid in accordance with the details in 'Other' below.
Maximum value and performance measures	The maximum annual bonus opportunity is capped at 180% of base salary per annum for Mr Alcaraz and 144% of base salary per annum for any other executive director. The maximum award will be paid if the maximum performance is achieved. On-target performance on all measures will result in a payment of 125% of base salary per annum for Mr Alcaraz and 100% of base salary per annum for any other executive director. Attaining the threshold performance level will result in a 50% payment of the on-target bonus. The performance measures applied to annual bonus will be set annually at the beginning of the financial year, and may be financial or non-financial, and corporate or individual, and targets will be appropriately demanding. At least 90% of the bonus will be based on financial metrics with the balance based on non-financial metrics to be assessed by the Remuneration and Appointments Committee after the end of the year.
Other	100% of annual bonus payout will be paid in cash without deferral. Annual bonus will be subject to satisfaction of applicable regulatory requirements, including the Spanish Regulations, and payouts may be subject to downward adjustment notwithstanding the achievement of applicable performance measures. In accordance with regulatory requirements and shareholder approvals obtained by Allfunds Bank, the proportion of on-target variable to fixed remuneration payable to identified persons within the Allfunds Bank Banking Group, including the directors, must not exceed a ratio of 2:1. Malus/clawback provisions apply to the annual bonus payouts, including any portion deferred into shares, in accordance with the Group Malus and Clawback Policy.

Long-term incentive plan (the ***LTIP***)	
Purpose	– To motivate and incentivise sustainable long-term performance of the Group – To aid the retention of global talent – To promote alignment with shareholders' interests
Operation	Executive directors may be granted awards under the LTIP to receive shares for nil-cost. LTIP awards to executive directors will normally made in the form of conditional shares which vest after a three-year performance period. Awards are normally granted annually.
Maximum value and performance measures	The maximum on-target grant date value of LTIP awards that may be granted to an executive director is 150% of base salary per annum. The Committee may set such performance measures for LTIP awards as it considers appropriate. The measures may be financial or non-financial, and corporate or individual. It is currently expected that the vesting of the LTIP awards will be based on the Company's total shareholder return relative to STOXX Europe 600 Financial Services and the adjusted EBITDA, each of them weighting 50%. The Committee can set different performance conditions for awards granted in different years, provided that the conditions are not materially less challenging from any one award to the next. The Committee may make adjustments to the performance conditions applicable to outstanding LTIP awards as it considers appropriate to take account of any relevant factors, and in particular, if there is an event which causes the performance conditions to be no longer a fair measure of performance, so long as the amended conditions are at least as challenging as the ones originally set. Below threshold performance level 0% and at maximum performance level 200% of on-target LTIP award will vest. LTIP awards may carry dividend equivalents which accrue on such basis as the Committee may determine and may be payable in cash or shares. For every LTIP award, appropriate disclosures regarding the proposed performance conditions will be made in the Annual Report.

Long-term incentive plan (the ***LTIP***) continued	
Other	The operation of the LTIP is subject to applicable regulatory requirements, including the Spanish Regulations, and awards may be subject to downward adjustments notwithstanding the achievement of applicable performance measures. In accordance with regulatory requirements and shareholder approvals obtained by Allfunds Bank, the proportion of on-target variable to fixed remuneration payable to identified persons within the Allfunds Bank Banking Group, including the directors, must not exceed a ratio of 2:1. Malus and clawback provisions apply to the LTIP awards, in accordance with the Group Malus and Clawback Policy. Please see below under 'Legacy arrangements' for the terms of the "Initial LTIP Awards" granted in October 2021.

Malus and clawback policy

Amounts payable under variable remuneration (including annual bonus and LTIP awards) may be reduced (including to nil) in the event of (i) a restatement of the annual financial statements of the Group if such restatement would result in lesser payments, (ii) the individual's serious and negligent breach of any internal rules that might affect the Group's risk profile, (iii) significant variations in the economic capital or risk profile of the Group that make the payment of any deferred amounts unadvisable, (iv) a fraudulent action by the individual, (v) the individual causing serious damage to the Group involving culpability or negligence, or (vi) termination of employment where the individual is not a good leaver. The provisions apply for five years from the grant date.

In addition, the individuals must repay part or all of variable remuneration already received in the event of (i) a restatement of the annual financial statements of the Group if such restatement would result in lesser payments, (ii) the individual's serious and negligent breach of any internal rules that might affect the Group's risk profile, (iii) a fraudulent action by the individual, (iv) the individual causing serious damage to the Group involving culpability or negligence, or (v) the disciplinary dismissal or termination of the individual due to breach of duty or causing damage to the Group or circumstances entitling the Group to take action against the individual. The provisions apply for five years from the payment date.

Alignment between the executive directors' remuneration policy and all employees' policy

The Group's wider employee remuneration policy is driven by the creation of a culture of high performance. The Committee has reviewed the wider employee remuneration policy to ensure that it continues to support the Company's overall proposition to attract, retain and motivate the best people, who are aligned to the Company's values and committed to maintaining a long-term career within the Group. The Committee did not consult with the Group's employees when setting the Policy.

The Committee considers the following factors in designing the remuneration policy and determining the remuneration of executive directors:

- Internal fairness: comparison with the remuneration of an employee who the Group is paying for a position with a comparable profile (knowledge, abilities, attitudes, responsibility, experience and contribution), and
- External competitiveness: comparison with the remuneration of an employee who the market is paying for a position with a comparable profile (knowledge, abilities, attitudes, responsibility, experience and contribution) including a consideration of the following aspects:
  - Specificity of the business / niche: the Group's business, providing integrated solutions in the distribution of funds, is practically unique in the market. As a result, the Group's business is not exactly replicated by many other companies
  - Commercial profile / client-oriented approach: many roles across the Group are very commercial and client-oriented. There are opportunities to develop commercial relationships and to intervene in the long negotiation process before a deal is closed
  - Corporate / institutional client: the Group's clients are financial institutions. At financial institutions, directors are frequently liaising with specialist managers and committees. As a result, our commercial positions need to reflect that, and
  - International component: the Group's clients may be located anywhere in the world and, accordingly, it is necessary to consider an individual's willingness to travel and close deals across the globe.

In addition to the aspects above, for the purposes of market remuneration, the following aspects are considered: impact of the position on the business; relationship with clients; complexity of the position; importance in the Company's expansion process; team management; and retention of key employees.

Remuneration packages of employees differ from the Policy for executive directors in the following areas:

- Annual bonus: all employees are eligible for annual bonus, although the quantum and weightings of performance measures vary by level
- LTIP: along with executive directors, senior employees participate in the LTIP based on the same performance conditions as those for executive directors. Awards made to employees with less seniority may be made without performance conditions
- Pension: employees are eligible to take part in pension arrangements based on their location and executive directors' pension benefits approved in this Policy can exceed the Group's wider pension contributions
- Benefits: employees are entitled to taxable and non-taxable benefits, with most senior employees being entitled to substantially the same benefits as the executive directors except for housing allowances

Discussion with executive directors

In setting the executive directors' remuneration, the Committee submits a proposal to the Board concerning the remuneration of each of them. The proposal is prepared in compliance with the prevailing directors' remuneration policy of the Company and includes the proposed remuneration structure, the amount of the fixed and variable remuneration components, the performance criteria, the scenario analyses and the pay ratios within the Company and its affiliated enterprise.

When designing the Policy as it relates to the current executive director, the Committee discussed the remuneration structure, the amount of the fixed and variable remuneration components, the performance criteria used, the scenario analyses that were carried out and the pay ratios within the Company and its Group with him. The views of the executive director from those discussions have been considered in finalising this Policy.

Discretion

The Committee will operate the incentive arrangements according to their respective rules and the Policy table above. Under such rules, consistent with market practice, the Committee retains certain operational discretions, including:

With respect to the LTIP:

- The Committee may decide to grant LTIP awards in the form of performance or restricted shares, options, phantom awards or conditional awards;
- The Committee may adjust the award on a variation of share capital or other corporate event that affects the current or future value of the award, or alternatively, the right to vest the award early in such circumstances;
- While executive directors' LTIP awards are normally subject to performance conditions, the Committee may, in exceptional circumstances, grant LTIP awards without performance conditions to executive directors to the extent such grants are in accordance with the relevant corporate governance and regulatory requirements;
- The Committee may in its discretion determine that an LTIP award will carry dividend equivalents, and determine the basis on which the dividend equivalents accrue and whether they should be payable in shares or cash;
- The Committee may make adjustments to the performance conditions applicable to outstanding LTIP awards as it considers appropriate to take account of any relevant factors, and in particular, if there is an event which causes the performance conditions to be no longer a fair measure of performance, so long as the amended conditions are at least as challenging as the ones originally set;
- The Committee may determine that an individual leaving employment should receive a good leaver treatment pursuant to the applicable rules, and that outstanding LTIP awards held by good leavers vest early in exceptional circumstances and/or disapply time pro-rating in respect of the vesting level;
- Where it is impractical to deliver shares following vesting of an LTIP award, equivalent cash amounts may be paid instead.

With respect to the annual bonus:

- The Committee is responsible to assess in its discretion the achievement of non-quantitative performance measures;
- The Committee may make adjustments to the performance conditions applicable to annual bonus as it considers appropriate to take account of any relevant factors, and in particular, if there is an event which causes the performance conditions to be no longer a fair measure of performance, so long as the amended conditions are at least as challenging as the ones originally set;
- The Committee may determine that a good leaver receive a pro-rated portion of annual bonus, subject to performance.

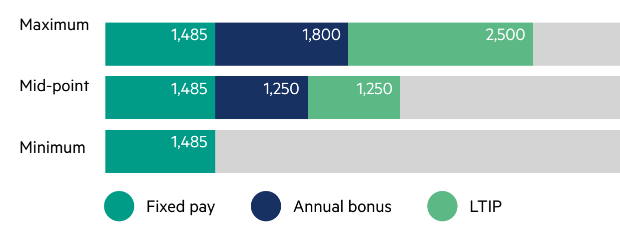
In addition to the various operational discretions that the Committee can exercise in the performance of its duties (including those discretions set out in the Company's remuneration arrangements), the Committee reserves the right to make either minor or administrative amendments to the Policy to benefit its operation or to make more material amendments in order to comply with new laws, regulations and/or regulatory guidance. The Committee would only exercise its right if it believed it was in the best interests of the Company to do so and where it is not possible, practicable or proportionate to seek or await shareholder approval.

Illustrative scenarios for executive directors' remuneration

The charts below show the potential value of Mr Alcaraz's total remuneration payable under the Policy in 2022:

- 'Minimum' consists of base salary to be paid in 2022, benefits measured as benefits to be paid in 2022, and pension entitlement;
- 'Mid-point' consists of base salary, benefits and pension as above, plus on-target annual bonus (125% of salary) and on-target vesting of LTIP awards (125% of salary) valued as at the date of grant, and
- 'Maximum' consists of base salary, benefits and pension as above, plus maximum annual bonus (180% of salary) and maximum vesting of LTIP awards (250% of salary) valued as at the date of grant.

Mr Dauge's scenarios have not been calculated given the shortness of his employment period in 2022 and the lack of variable remuneration.



Remuneration policy – non-executive directors

The table below sets out the remuneration policy for non-executive directors.

Fees	
Purpose	To attract and retain an individual with the appropriate experience and skills. To promote an adequate performance of their non-executive role. Remuneration of non-executive directors is not dependent on the results of the Group.
Operation	Independent directors are entitled to annual fees for performing their role as such, plus additional fees for membership of a Board committee and serving as chair of either the Board or a Board committee. The independent directors' fees reflect the time expected to be spent in discharging their duties and their responsibilities. The chair's fee is set by the Committee and reviewed annually, taking account of fees paid at comparable companies. Other non-executive directors' fees are reviewed and set by the executive directors and chair. The total fee level is set in line with similar positions in comparable companies. Independent directors are entitled to the same fees as outlined above for performing their role as a member of the Allfunds Bank's Board or Board committees. Non-independent non-executive directors have no entitlement to such a fee for performing roles at either the Company's or Allfunds Bank's Board or Board Committees. Fees are paid monthly or quarterly in cash.
Maximum value and performance measures	The maximum aggregate fees payable to all independent directors for their membership to the Board and its Committees and for chairing any of them will not exceed €600,000 per annum, or €1,200,000 including the fees for their membership to Allfunds Bank's Board and Committees and for chairing any of them.

Other arrangements
The Company may reimburse expenses reasonably incurred by non-executive directors in fulfilment of their roles. The Company provides Directors' and Officers' Liability Insurance. The Company has executed a deed of indemnity in the non-executive directors' favour.

Bonus, share plans and pension
Non-executive directors do not participate in the Company's annual bonus, share plan or pension arrangements.

Policy on payment for loss of office

The Committee's approach to payments in the event of termination is to take account of the individual circumstances including the reason for termination, individual performance, contractual obligations and the terms of any incentive plans in which the executive director participates.

Pursuant to the Spanish Regulations, it is important that payments relating to the early termination of a contract reflect performance achieved over time and do not reward failure or misconduct.

The Committee reserves the right to make any remuneration payments and payments for loss of office, notwithstanding that they are not in line with the policy set out below, where the terms of the payment were agreed before the Policy set out below came into effect or at a time when the relevant individual was not a director of the Company and the payment was not in consideration for the individual becoming a director of the Company.

Executive directors

The following table sets out the Company's Policy on payment for loss of office for executive directors. Further details of the current Executive Directors' service agreements and notice periods are summarised below under 'Service agreements and letters of appointment'.

Standard provision	Approach
Notice periods in executive directors' service contracts	An executive director's notice period under a service agreement shall not exceed 12 months from either party. An executive director may be placed on garden leave during the notice period.
Pay during notice period or payment in lieu of notice per service contracts	An executive director's service agreement may be terminated by the employer making a payment in lieu of notice (***PILON***). A PILON may consist of the director's basic annual salary and rental expenses that would have been payable during the notice period. A PILON may not include annual bonus or other benefits or pension entitlements for the notice period. A PILON may be made in a lump sum, or in monthly instalments subject to reduction if the executive director finds alternative employment or engagement during the payment period.
Treatment of annual bonus on termination	An executive director shall not be entitled to annual bonus if the services agreement is terminated, or if the director is in notice period, at the time of payment of the bonus. Exceptionally, in the event of termination by the Company other than due to a gross breach of duties by the relevant director, Mr Alcaraz will be entitled to a severance payment of 798.75 days' earnings, including the higher of his target bonus amount and the bonus amount paid to him in the preceding 12 months as described under heading 'Service agreements and letters of appointment' below.
Treatment of unvested awards under the LTIP	Unvested LTIP awards will be forfeited when an executive director ceases employment voluntarily and is not deemed a good leaver. If an executive director is a good leaver, unvested awards will normally continue to vest in line with applicable vesting dates, subject to performance conditions, save that the Committee may determine that awards should vest early in exceptional circumstances and/or disapply time pro-rating reduction of such awards.
Legal claims	The Group has power to enter into settlement agreements and to pay compensation to settle potential legal claims. The Group may also pay a contribution toward the individual's legal fees and fees for outplacement services as part of a negotiated settlement, consistent with the market practice.
Corporate event	In the event of a change of control, in accordance with the LTIP rules, any unvested LTIP awards will vest early, subject to performance conditions and time pro-rating reduction, save that the Committee disapply time pro-rating reduction.
Other	'Service agreements and letters of appointment' below sets out further entitlements provided under the current CEO's service agreement, which was executed in November 2017. An executive director will be entitled to applicable severance payments described under heading 'Service agreements and letters of appointment'.

Non-executive directors

Non-executive directors' appointment is for an initial term of four years which may be renewed for a second term of up to four years and two subsequent terms of each up to two years. Appointments may be terminated immediately without notice if directors are not reappointed by shareholders, upon the expiry of the appointment term, if they are removed from the Board under the Company's Articles of Association, if they resign and do not offer themselves for re-election, upon the expiry or termination of their directorship with Allfunds Bank, or in accordance with the terms of the Relationship Agreement between the Company and the relevant shareholder (if applicable). In addition, their appointments may be terminated by either the individual or the Company giving three months' written notice of termination. Non-executive directors are not entitled to any compensation (other than accrued and unpaid fees and expenses for the period up to the termination) for loss of office. Further details of the current non-executive directors' letters of appointment are summarised below under 'Service agreements and letters of appointment'.

Service agreements and letters of appointment

The following section sets out details of the directors' service agreements and letters of appointment. The documents are available for inspection at the Company's registered office upon request.

Executive directors

Mr Alcaraz is party to a service agreement with Allfunds Bank entered into on 21 November 2017 and providing for a notice period for both parties of 230 working days.

If Mr Alcaraz's employment is terminated by Allfunds Bank other than (i) in circumstances justifying his summary dismissal without compensation; (ii) on the grounds of his capability or conduct; or (iii) for some other substantial reason that would be a fair reason for dismissal under English law, he will (subject to any overriding regulatory requirements) be entitled to a severance payment of 798.75 days' earnings. For this purpose, 'earnings' includes base salary, contractual benefits and the higher of his target bonus amount and the bonus amount paid to him in the preceding 12 months (in each case converted into a daily figure). The severance payment will be conditional upon Mr Alcaraz signing a settlement agreement waiving any legal claims against Allfunds Bank and will be inclusive of any payment in lieu of notice made to him.

Non-executive directors

Non-executive directors are appointed for fixed terms, which may be renewed subject to their re-election by shareholders. Non-executive directors do not have service agreements but are bound by letters of appointment issued for and on behalf of the Company.

The terms of the non-executive directors' letters of appointment are shown below:

Non-executive director	Date of current appointment	Length of current term
Blake Kleinman	25 March 2021	4 years
Zita Saurel	25 March 2021	4 years
Johannes Korp	25 March 2021	4 years
Andrea Valier	2 October 2020	4 years
David Vaillant	25 March 2021	4 years
Julian Abraham	26 March 2020	4 years
Fabian Shey	26 March 2020	4 years
Delfín Rueda	29 March 2021	4 years
Sofia Mendes	29 March 2021	4 years
JP Rangaswami	29 March 2021	4 years
David Pérez Renovales	29 March 2021	4 years
Ursula Schliessler	29 March 2021	4 years
Lisa Dolly	29 March 2021	4 years

Shareholding policy

Non-executive directors may maintain shareholdings in the Company to the extent that they are aligned with the long-term interests of shareholders and not hindering their independent judgement (in case of independent directors).

Only beneficially owned shares, vested share awards, and unvested share awards not subject to performance conditions, may be counted for the purposes of the shareholding policy.

Legacy arrangements

It is a provision of the Policy that the Group can honour all pre-existing obligations and commitments that were entered into prior to this Policy taking effect. The terms of such arrangements may differ from the terms of the Policy and may include, without limitation, obligations and commitments under service contracts, pension and benefit plans, and incentive arrangements.

In particular, Mr Juan Alcaraz entered into his service agreement with Allfunds Bank on 21 November 2017. The terms of the service agreements are described in this Policy under section 'Service agreements and letters of appointment'. It is a provision of the Policy that the Company would honour the terms of the service agreements.

In October 2021, the executive directors as well as other senior managers were granted awards under the LTIP (the ***Initial LTIP Awards***). The Initial LTIP Awards will vest in two equal tranches in April 2023 based on achievement of performance conditions during the period from the date of grant to 31 December 2022, and in April 2024 based on achievement of performance conditions during the period from the date of grant to 31 December 2023. The Committee determined that in light of the Company's IPO during 2021 and the expected payout schedules under the pre-existing incentive arrangements, the Initial LTIP Awards were necessary to incentivise and retain the executive directors and senior managers and to align their interests with the shareholders of the Company. It is a provision of the Policy that the Company would honour the terms of the Initial LTIP Awards, notwithstanding that their terms differ from the Policy table.

Policy on recruitment

Executive directors

The aim of the recruitment policy is to allow sufficient flexibility to attract and secure appointments of talented executives while promoting internal equity. A new executive director's remuneration package will be in line with the general policy for executive directors as set out above in the Policy table, save that:

- In case of internal appointments, any existing commitments will be honoured, and any variable element awarded in respect of the prior role may be allowed to be paid out according to its existing terms or adjusted to reflect the new appointments, as appropriate
- For external appointments, compensation may be provided in respect of forfeiture of awards from an existing employer ("buy-out awards"). For such buy-out awards, the maximum value will be, in the Committee's reasonable opinion, no more than the forfeited awards. After taking account of performance conditions and other conditions attached to forfeited awards, the Committee will determine comparable (in the Committee's reasonable opinion) conditions attached to the buy-out awards, and
- The Committee may agree that the Group will provide certain relocation allowances as it considers appropriate.

Non-executive directors

A new non-executive director will be recruited on the terms set out in the Policy table above.

How shareholder views are taken into account in setting the Policy

The proposed Policy was discussed with our largest shareholders. They have been supportive of the Policy.

The engagement with shareholders has been valuable, and our aim is to continue this dialogue as we implement the proposed Policy over the following years.

The Policy has also been designed taking into account the guidelines of major independent proxy advisors.

Implementation of Remuneration Policy in 2022

The following table sets out how the Committee intends to apply the Policy for the year ending 31 December 2022.

Executive directors

Juan Alcaraz	
Base salary	£1,000,000
Benefits	£425,000
Pension	£60,000
Annual bonus	Up to 180% of base salary at maximum performance level
LTIP	Up to 250% of base salary at maximum performance level

Mr Dauge's remuneration has not been included given the shortness of his employment period in 2022 and the lack of variable remuneration.

Annual bonus

In 2022 the annual bonus will be linked to the achievement of the following performance conditions, weighted as follows:

Performance measures	Weight (%)
CORPORATE METRICS	**90%**
Adjusted EBITDA (€ million)	45%
New asset-driven run-rate (€ million)	18%
Non-asset-driven annual recurring revenue (€ million)	9%
Qualitative leadership and delivery capacity	**18%**
INDIVIDUAL METRICS	10%
Personal contribution	10%
TOTAL	**100%**

The target measures and performance levels are considered to be commercially sensitive, but will be disclosed in the next Directors' Remuneration Report.

LTIP

The second LTIP award was approved in March 2022 and will be granted effectively on 1 April 2022 (the '2022 LTIP Award'). The awards will vest in January 2025 contingent on the achievement of the following performance measures (equally weighted), which have been approved by the Remuneration and Appointments Committee:

	Performance levels		
Performance measures	Threshold	Target	Maximum
Allfunds' TSR against comparator group's TSR from 1 January 2022 to 31 December 2024	Below par	At par	+ 33% or higher
Actual adjusted EBITDA against budgeted adjusted EBITDA, both cumulated in 2022, 2023 and 2024	-20%	At par	+ 33% or higher

The target TSR levels cannot be disclosed as they are unknown as of the date of the Annual Report. The target EBITDA levels are not being disclosed for their commercial sensitivity. Both levels will be reported in the Directors' Remuneration Report following the end of the performance period.

Non-executive directors

The fees paid to the Company's chair and independent directors for the year commencing 1 January 2022 are as follows. Non-independent non-executive directors do not receive any fees.

Chair's annual fee	€200,000
Non-executive director's annual fee	€47,500
Committee chair's annual fee	€17,500
Committee member (other than chair)'s annual fee	€12,500

Independent directors will be entitled to the same fees for belonging or chairing the Board or the Board Committees of Allfunds Bank.

Directors' Remuneration Report sign-off

This Directors' Remuneration Report has been prepared in accordance with the UK Companies Act 2006, the Dutch Civil Code and the Dutch Code. The Report was approved by the Board of Directors and signed on its behalf.

On behalf of the directors

Marta Oñoro
General Counsel and Company Secretary

21 March 2022

Shaping our connected future

Financial statements

Preparation of financial statements and statement of directors' responsibilities

The directors are responsible for preparing this Annual Report, including the Directors' Remuneration Report and the Corporate Governance Statement, and the Financial Statements in accordance with applicable law and regulations. These require that directors prepare the financial statements for each financial year. As such, the directors have prepared the Group's consolidated financial statements in accordance with international accounting standards in conformity with the requirements of the Dutch Financial Supervision Act (Wet op het financieel toezicht) and the Dutch Civil Code (Burgerlijk Wetboek), and therefore in conformity with United Kingdom adopted international accounting standards and International Financial Reporting Standards (IFRSs) as adopted by the EU. The directors have prepared the Company's stand-alone financial statements in accordance with the requirements of the UK Companies Act 2006, and therefore in conformity with UK adopted international accounting standards.

Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the Company and of their profit or loss for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether the financial statements have been prepared in accordance with United Kingdom adopted international accounting standards and IFRS as adopted by the EU;
- adopt the going concern basis unless it is inappropriate to do so.

Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy the financial position of the Company and the Group and which enable them to ensure that the accounts comply with the applicable regulations. They are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps to prevent and detect fraud and other irregularities.

A copy of the Annual Report and the Financial Statements is available on the corporate website (www.allfunds.com). Directors are responsible for the maintenance and integrity of information on the Company's website.

Legislation in the UK and the Netherlands governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Statement of directors' responsibilities

Each of the directors in office as at the date of this Annual Report, whose names and functions are listed in section 'Board of Directors', confirms that to the best of his or her knowledge:

- the Financial Statements, prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Allfunds Group and the undertakings included in the consolidation as a whole; and
- the Directors' Report includes a fair review of the development and performance of the business and the course of events during 2021 and of the position of the Group at year end, together with a description of the principal risks and uncertainties that it faces.

The directors consider that the Annual Report and the Financial Statements, taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders to assess the Group and the Company's performance, business model and strategy.

On behalf of the directors

Marta Oñoro
General Counsel and Company Secretary

21 March 2022

Independent auditor's report to the members of allfunds group plc

Report on the audit of the financial statements

1. Opinion

In our opinion:

- the financial statements of Allfunds Group plc (the 'parent company') and its subsidiaries (the 'group') give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2021 and of the group's profit for the year then ended;
- the group financial statements have been properly prepared in accordance with United Kingdom adopted international accounting standards and International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB) and IFRSs as adopted by the European Union;
- the parent company financial statements have been properly prepared in accordance with United Kingdom adopted international accounting standards and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- consolidated statement of financial position;
- consolidated statement of comprehensive income;
- consolidated statement of changes in equity;
- consolidated statement of cash flows;
- company statement of financial position;
- company statement of changes in equity;
- notes to the consolidated financial statements; and
- notes to the company financial statements.

The financial reporting framework that has been applied in the preparation of the parent company financial statements is applicable law and United Kingdom adopted international accounting standards, IFRSs as adopted by the European Union, and as applied in accordance with the provisions of the Companies Act 2006.

2. Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the group and the parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. The non-audit services provided to the group for the year are disclosed in note 28 to the financial statements. We confirm that we have not provided any non-audit services prohibited by the FRC's Ethical Standard to the group or the parent company.

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

3. Summary of our audit approach

Key audit matters	The key audit matters that we identified in the current year were: – Goodwill recognised as part of business combinations may be impaired; and – Risk of fraud in revenue recognition – calculation of commission income.
Materiality	The materiality that we used for the group financial statements was £20.6 million which was determined on the basis of 0.8% of group revenues.
Scoping	The group audit work was focused on three components with the most significant components being the parent company - Allfunds Group plc - and Allfunds Bank S.A.U., which were subject to full scope audits. We performed audits of specific account balances on the remaining components. All these components account for 100% of the group's total assets, the group's revenue and the group's profit before tax.

4. Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Our evaluation of the directors' assessment of the group's and parent company's ability to continue to adopt the going concern basis of accounting included:

- Evaluated management's method to assess going concern, including mathematical integrity of the financial information presented in their assessment;
- Evaluated the relevance and reliability of the financial information presented by tracing amounts included within management's assessment to underlying accounting data and supporting documents;
- Evaluated the assumptions on which the assessment is based particularly in relation to the use of the Revolving Credit Facility to support cash flow needs of the Group;
- Evaluated plans for future actions by reviewing the business plan of the Group particularly in relation to terminal growth rates;
- Considered whether any additional facts or information have become available since the date management made its assessment as it relates to disclosures in the consolidated financial statements.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

5. Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

5.1. Goodwill recognised as part of business combinations may be impaired

Key audit matter description	During the prior years, the Group has acquired through business combinations a number of businesses. These include the acquisitions of: - Allfunds Bank, S.A.U. ("Allfunds Bank") on 21 November 2017; - Fintech Partners, S.L.U. ("Fintech Partners") on 17 January 2018; - Nordic Fund Market ("Allfunds Sweden") on 31 October 2019; - Credit Suisse Investlab AG ("Allfunds Investlab") on 26 March 2020; and - BNP Bandol ("Banca Corrispondente") on 2 October 2020. The group identified the fair value of the net assets acquired as at the acquisition date in accordance with the requirements of IFRS 3 'Business Combinations'. This resulted in recognising goodwill on acquisition of €1.4 billion (accumulatively) as the difference between the consideration paid and the fair value of the net identifiable assets as at the acquisition date. Management has applied the 'value in use' method to assess the recoverable amount of the various CGUs mentioned above. This method considers expected future cash flows and requires the selection of suitable discount rates and forecast of long-term growth rate (LTGR). The value in use of a CGU is sensitive to changes in underlying assumptions and is therefore inherently subjective. As explained in notes 4 and 10 of the consolidated financial statements, use of the valuation models involve significant judgements and high degree of estimation uncertainty around market and business assumptions. As a result of the impairment assessment performed, no impairment loss was recognised on goodwill. We have determined the calculation of the 'value in use' to be a key audit matter due to the relative size of the goodwill to total assets of the group as at 31 December 2021, and the involvement of significant judgement by management on the valuation of the CGUs.
How the scope of our audit responded to the key audit matter	Our audit procedures included obtaining an understanding of management's controls relating to the goodwill impairment analysis. We challenged the identification of the group's various CGUs, by assessing whether the CGU reflected the lowest aggregation of assets that generate largely independent cash flows. In relation to the 'value in use' methodology we: - assessed management's forecast of future cash flows prepared by comparing them to the latest board-approved business plan; - tested historical budgeting accuracy by comparing current year results with the equivalent figures included in the prior year forecasts; - involved our internal valuations' specialists to independently derive a range of discount rates which were then compared to the ones used by the management; and - performed a detailed analysis of the group's assumptions used in the annual impairment review, including the long-term growth rate (LTGR) and the cash flow projections. Additionally, we assessed the adequacy of the disclosure in the consolidated financial statements as per the requirements of IAS 36 'Impairment'.
Key observations	The discount rate used by management in the impairment assessment is lower than the Deloitte range, however the use of a lower discount rate would still not suggest an impairment. The LTGR used by the management is below the analyst references, but above the long-term real GDP projections, the use of a lower growth rate by management would still not suggest an impairment. We therefore conclude that although both the discount rate and LGTR used by management falls outside the Deloitte range, there would be no impact on the overall conclusion made by management i.e. no impairment to Goodwill.

5.2. Risk of fraud in revenue recognition – calculation of commission income

Key audit matter description	As disclosed in note 25 of the accompanying consolidated financial statements, the Group recognised fee and commission income of €2,649 million (2020: €1,575 million) in connection with the marketing of the investment funds during the year. As explained in note 3(f), the income is calculated by applying the agreed-upon contractual percentage to the daily volume of those ownership interests held for the account of the Group's customers. This income represents 99% (2020: 99%) of the total revenue earned by the Group during the year. The income can be materially misstated due to an incorrect accounting of the amount related to fee and commission income arising from marketing of investment funds. Fee and commission income are also susceptible to fraud as it is one of the key performance indicators for Allfunds Bank S.A.U. ("AFB"). In view of the above consideration and due to the significance of fee and commission income to the Group, we consider this a key audit matter.
How the scope of our audit responded to the key audit matter	Our audit procedures included obtaining an understanding and testing of the relevant controls (including information system controls) supporting the completeness of the fees and commissions, as well as the fee and commission income accounting and recognition procedure. We had also obtained an understanding and tested relevant controls over calculation and recording of commission income at AFB level. In addition, our work also included the following substantive procedures: - Circularisation of third-party confirmation letters to fund managers to confirm commission income earned during Q1 to Q3. Where responses have not been received, we have reviewed documents evidencing receipt of fees and commissions from the fund management companies; - Performing an analytical review of commission income for Q4; - Based on a sample of investment agreements entered during the period, we reviewed the fee and commission income against to the terms and conditions and obligations established in the agreements with the management companies, to assess whether it has been recognised appropriately; and - Re-computation of the fee and commission income earned during the period, for a sample of agreements to assess whether it has been calculated accurately.
Key observations	Overall, we concluded that the fee and commission income has been appropriately recognised.

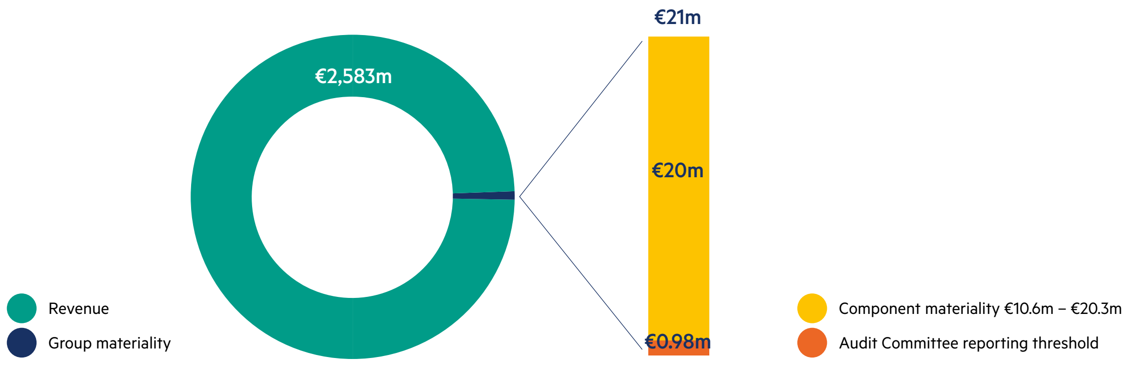
6. Our application of materiality

6.1. Materiality

We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality both in planning the scope of our audit work and in evaluating the results of our work.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

	Group financial statements	Parent company financial statements
Materiality	€20.6 million	€10.3 million
Basis for determining materiality	We have used 0.8% of revenue of the Group as our basis for materiality.	Parent company materiality was calculated on the basis of 3% of net assets and then capped to 50% of Group materiality.
Rationale for the benchmark applied	We consider the revenue benchmark to be appropriate as the revenue numbers are a key metric monitored by stakeholders of the Group; have been stable on a year on year basis; and are essentially the driving force of the business both currently and in the long-term.	For the Parent company financial statements audit we consider net assets to be an appropriate benchmark for determining materiality as the key stakeholders of the company will be focussed on capital appreciation.



6.2. Performance materiality

We set performance materiality at a level lower than materiality to reduce the probability that, in aggregate, uncorrected and undetected misstatements exceed the materiality for the financial statements as a whole.

	Group financial statements	Parent company financial statements
Performance materiality	70% of group materiality	70% of parent company materiality
Basis and rationale for determining performance materiality	In determining performance materiality, we considered the following factors: a. the quality of the control environment and whether we were able to rely on controls for certain financial statement line items, in particular revenue; and b. the low number of corrected and uncorrected misstatements in the prior periods.	

6.3 Error reporting threshold

We agreed with the Audit Committee that we would report to the Committee all audit differences in excess of €0.98 million, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also report to the Audit Committee on disclosure matters that we identified when assessing the overall presentation of the financial statements.

7. An overview of the scope of our audit

7.1. Identification and scoping of components

Our group audit was scoped by obtaining an understanding of the group and its environment, including group-wide controls, and assessing the risks of material misstatement at the group level. Audit work to respond to the risks of material misstatement was performed by the group audit engagement team and component auditor as determined by the group audit engagement team. The group audit work was focused on 3 components with the most significant components being the parent company - Allfunds Group plc - and Allfunds Bank S.A.U., which were subject to full scope audits. We performed audits of specific account balances on the remaining components. All these components account for 100% of the group's total assets, the group's revenue and the group's profit before tax. Our audit work at these components was executed at materiality levels that are lower than group materiality between €10.6 million and €20.3 million.

7.2. Our consideration of the control environment

Our audit scope included understanding of relevant accounting processes and controls in place at the Group. We performed the audit using substantive approach without placing reliance on controls over financial reporting.

At Allfunds Bank S.A.U. level, we took a control reliance approach on commission income and commission expense, as the component makes up 100% of the commission revenue and expense. We obtained an understanding of and tested the relevant controls over calculation and recording of commission income and were therefore able to rely upon these controls.

7.3. Working with other auditors

Allfunds Bank S.A.U. is audited by a member firm of Deloitte in Spain and we issued group audit instructions to component auditors outlining the key areas of focus for us at group level and the key timelines and reporting requirements. The significant balances to be tested by the component auditors were fees and commission income, fee and commission expense and fee and commission receivable and payable. The component auditors were also involved in assessing the appropriateness of the cash flow forecasts used in the impairment assessment of goodwill.

There was frequent oversight of component auditor work through regular meetings from audit planning to completion stage, discussing the status of their work, areas of judgement and estimation uncertainty and review of their working papers, including but not limited to their communications with those charged with the governance of the component.

8. Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

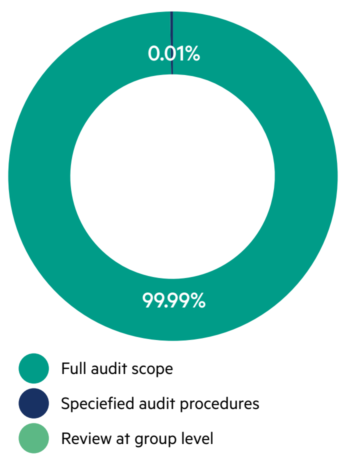
Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated.

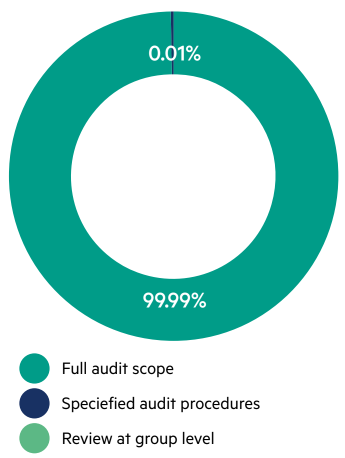
If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

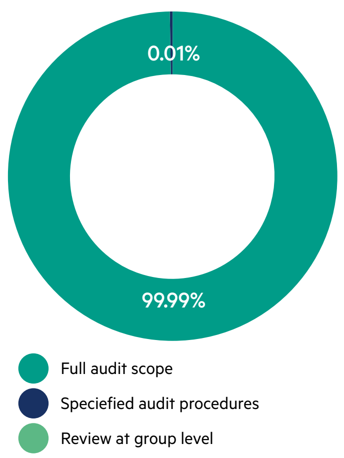
Revenue



Profit before tax



Net assets



9. Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

10. Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

11. Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

11.1 Identifying and assessing potential risks related to irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the industry and sector, control environment and business performance including the design of the group's remuneration policies, key drivers for directors' remuneration, bonus levels and performance targets;
- results of our enquiries of management and the audit committee about their own identification and assessment of the risks of irregularities;
- any matters we identified having obtained and reviewed the group's documentation of their policies and procedures relating to:
  - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
  - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
  - the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;
- the matters discussed among the audit engagement team including significant component audit teams and relevant internal specialists, including tax, valuations, pensions and IT specialists regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the following area: recognition of fee and commission income. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory frameworks that the group operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the UK Companies Act.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the group's ability to operate or to avoid a material penalty.

11.2. Audit response to risks identified

As a result of performing the above, we identified calculation of commission income as a key audit matter related to the potential risk of fraud. The key audit matters section of our report explains the matter in more detail and also describes the specific procedures we performed in response to that key audit matter.

In addition to the above, our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- enquiring of management, the audit committee and legal counsel concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance, reviewing internal audit reports and reviewing correspondence with relevant regulatory authorities; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members including internal specialists and significant component audit teams, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Report on other legal and regulatory requirements

12. Opinions on other matters prescribed by the Companies Act 2006

In our opinion the part of the directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the group and the parent company and their environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

13. Matters on which we are required to report by exception

13.1 Adequacy of explanations received and accounting records

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns.

We have nothing to report in respect of these matters.

13.2. Directors' remuneration

Under the Companies Act 2006 we are also required to report if in our opinion certain disclosures of directors' remuneration have not been made or the part of the directors' remuneration report to be audited is not in agreement with the accounting records and returns.

We have nothing to report in respect of these matters.

14. Other matters which we are required to address

14.1. Auditor tenure

Following the recommendation of the audit committee, we were appointed by the shareholders in 2017 to audit the financial statements for the year ending 31 December 2017 and subsequent financial periods. The period of total uninterrupted engagement including previous renewals and reappointments of the firm is 5 years, covering the years ending 31 December 2017 to 31 December 2021.

14.2. Consistency of the audit report with the additional report to the audit committee

Our audit opinion is consistent with the additional report to the audit committee we are required to provide in accordance with ISAs (UK).

14.3. European Single Electronic Format (ESEF) prepared Annual Financial Report

We have been engaged to provide assurance on whether the annual financial report has been prepared using the single electronic format specified in the ESEF RTS and will report separately to the members on this.

15. Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

We have been engaged to provide assurance on whether the annual financial report has been prepared using the single electronic format specified in the ESEF RTS and will report separately to the members on this.

John Clacy, FCA (Senior statutory auditor)
For and on behalf of Deloitte LLP

Statutory Auditor

St. Helier, Jersey

21 March 2022

Consolidated statement of financial position

As at 31 December 2021

	Notes	31 Dec 21 EUR ('000s)	31 Dec 20 EUR ('000s) Re-presented*
Assets			
Non-current assets			
Goodwill	10	**1,008,159**	1,002,105
Intangible assets	10	**1,194,977**	1,328,894
Property, plant and equipment	9	**28,046**	29,301
Financial assets held at amortised cost	12	**957**	868
Deferred tax assets	14	**125,416**	55,112
Total non-current assets		**2,357,555**	2,416,280
Current assets			
Financial assets at fair value through profit or loss		**1,041**	900
Financial assets held at amortised cost	12	**245,250**	225,810
Contract assets	13	**713,562**	435,606
Tax assets	14	**23,228**	9,020
Other assets	15	**12,784**	6,842
Cash and cash equivalents	16	**2,192,630**	1,848,905
Total current assets		**3,188,495**	2,527,083
Total assets		**5,546,050**	4,943,363
Equity and Liabilities			
Non-current liabilities			
Deferred tax liabilities	19	**223,219**	327,391
Non-current lease liabilities	36	**12,728**	12,188
Provisions	20	**1,890**	–
Total non-current liabilities		**237,837**	339,579
Current liabilities			
Financial liabilities at fair value through profit or loss		**396**	213
Financial liabilities held at amortised cost	17	**2,257,390**	1,800,408
Contract liabilities	18	**601,710**	352,159
Current lease liabilities	36	**7,116**	7,289
Tax liabilities	19	**52,104**	15,145
Other liabilities	21	**65,162**	53,302
Total current liabilities		**2,983,878**	2,228,516
Total liabilities		**3,221,715**	2,568,095
Equity			
Share capital	22	**1,574**	1,574
Share premium	22	**2,060,156**	2,060,156
Retained earnings		**248,110**	313,006
Other reserves		**14,495**	532
Total equity		**2,324,335**	2,375,268
Total liabilities and equity		**5,546,050**	4,943,363

* For further details on the re-presentations, please refer to Note 2e.

The consolidated Financial Statements were approved and authorised by the Directors of the Company on 21 March 2022 and were signed on its behalf by:

Amaury Dauge
Director and Chief Financial Officer

Allfunds Group Plc

(The Notes form an integral part of these Financial Statements)

Consolidated statement of comprehensive income

For the year ended 31 December 2021

	Notes	31 Dec 21 EUR ('000s)	31 Dec 20 EUR ('000s) Re-presented*
Fee, commission and service revenue	25	**2,668,888**	1,589,363
Fee, commission and service expense	26	**(2,163,199)**	(1,280,065)
Net Revenue**	5	**505,689**	309,298
Employee compensation and benefits	27	**(112,824)**	(75,591)
Other expenses	28	**(146,094)**	(89,901)
Other operating income	29	**6,804**	5,537
Amortisation and depreciation relating to other intangible assets and property, plant and equipment	9, 10	**(23,065)**	(18,426)
Amortisation of intangible assets acquired as a result of business combinations	10	**(138,753)**	(111,607)
Profit before net interest expense, impairment loss and tax expense		**91,757**	19,310
Interest income	30	**3,853**	3,451
Interest expense	31	**(12,042)**	(6,024)
Net interest expense		**(8,189)**	(2,573)
Impairment losses	32	**(6,773)**	(1,550)
Provisions	20	**(1,443)**	–
Profit before tax		**75,352**	15,187
Tax credit/(expense)	33	**32,383**	(15,230)
Profit/(loss) after tax		**107,735**	(43)
Basic and diluted earnings per share (EUR)	34	**0.2223**	(0.0000)
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translation of foreign operations		**13,963**	41
Total comprehensive income/(loss) for the period		**121,698**	(2)

* For further details on the re-presentations, please refer to Note 2e.

** Net revenue is comprised of fee, commission and service revenue recognised under IFRS 15 less fee, commission and service expense. Net revenue is a gross profit measure. The Group labels this gross profit subtotal as Net revenue because the Directors believe it reflects the integral interrelationship between revenue generated and the expenses concurrently incurred, whilst also being comparable to measures used by peers.

(The Notes form an integral part of these Financial Statements)

Consolidated statement of changes in equity

For the year ended 31 December 2021

	Notes	Share capital EUR ('000s)	Share premium EUR ('000s)	Retained Earnings EUR ('000s)	Other reserves EUR ('000s)	Total equity EUR ('000s)
		Attributable to the owners of Allfunds Group Plc				
Balance as at 31 Dec 2019		1,099	1,276,839	325,041	491	1,603,470
Loss for the year		–	–	(43)	–	(43)
Total other comprehensive income for the year		–	–	–	41	41
Transactions with owners of the Company						
Share issuance during the year		475	783,317	–	–	783,792
Dividends	23	–	–	(12,000)	–	(12,000)
Balance as at 31 Dec 2020 as previously reported		1,574	2,060,156	312,998	532	2,375,260
Adjustment to prior year balances in relation to the re-measurement of net assets acquired as a result of a business combination*	2e	–	–	8	–	8
Re-presented balance as at 31 Dec 2020		1,574	2,060,156	313,006	532	2,375,268

	Notes	Share capital EUR ('000s)	Share premium EUR ('000s)	Retained Earnings EUR ('000s)	Other reserves EUR ('000s)	Total equity EUR ('000s)
		Attributable to the owners of Allfunds Group Plc				
Balance as at 31 Dec 2020 as previously reported		1,574	2,060,156	312,998	532	2,375,260
Adjustment to prior year balances in relation to the re-measurement of net assets acquired as a result of a business combination*	2e	–	–	8	–	8
Re-presented balance as at 31 Dec 2020		1,574	2,060,156	313,006	532	2,375,268
Profit for the year		–	–	107,735	–	107,735
Total other comprehensive income for the year		–	–	–	13,963	13,963
Transactions with owners of the Company						
Dividends	23	–	–	(185,000)	–	(185,000)
Shareholders Contribution	37	–	–	10,400	–	10,400
Employee Share Scheme	3g	–	–	1,969	–	1,969
Balance as at 31 Dec 2021		**1,574**	**2,060,156**	**248,110**	**14,495**	**2,324,335**

* For further details on the re-presentations, please refer to Note 2e.

(The Notes form an integral part of these Financial Statements)

Consolidated statement of cash flows

For the year ended 31 December 2021

	Notes	31 Dec 21 EUR ('000s)	31 Dec 20 EUR ('000s) Re-presented*
Operating activities			
Profit/(loss) after tax for the period		**107,735**	(43)
Adjustment for:			
Depreciation and amortisation	9, 10	**161,818**	130,033
Net (gain)/loss on financial assets and liabilities at fair value	29	**19**	(295)
Net exchange differences	29	**(1,758)**	(428)
Impairment losses	32	**6,773**	1,550
Provisions	20	**1,443**	–
Interest income	30	**(3,853)**	(3,451)
Interest expense	31	**12,042**	6,024
Tax (credit)/charge	33	**(32,383)**	15,230
Profit adjusted for non-cash items		**251,836**	148,620
Net decrease/(increase) in operating assets			
Financial assets at amortised cost		**(24,590)**	530,839
Financial assets at fair value through profit or loss		**(736)**	102
Other operating assets		**(262,339)**	(88,033)
		(287,665)	442,908
Net increase/(decrease) in operating liabilities			
Financial liabilities at fair value through profit or loss		**183**	(536)
Financial liabilities at amortised cost		**458,096**	185,972
Other operating liabilities		**197,007**	80,985
		655,286	266,421
Payments of corporation taxes		**(116,911)**	(22,280)
Net cash flows generated from operating activities		**502,546**	835,669
Investing activities			
Purchase of property, plant and equipment	9	**(795)**	(9,397)
Purchase of intangible assets	10	**(22,715)**	(19,109)
Net cash acquired as a result of business combinations		**–**	29,684
Cash consideration (paid) on acquisition of subsidiaries		**–**	(29,272)
Net cash flow used in investing activities		**(23,510)**	(28,094)

* For further details on the re-presentations, please refer to Note 2e.

(The Notes form an integral part of these Financial Statements)

Consolidated statement of cash flows *continued*

For the year ended 31 December 2021

	Notes	31 Dec 21 EUR ('000s)	31 Dec 20 EUR ('000s)
Financing activities			Re-presented*
Payment of interim dividend		**(185,000)**	(12,000)
Proceeds from borrowings on revolving credit facility, less fees incurred	17	**46,700**	–
Proceeds from issuance of share capital and share premium		**–**	14,636
Loan interest paid		**(1,786)**	–
Cash payments on principal portion of lease liabilities		**(7,383)**	(6,105)
Shareholder contributions	37	**10,400**	–
Net cash flow used in financing activities		**(137,069)**	(3,469)
Effect of exchange rate changes on cash and cash equivalents	29	**1,758**	428
Net increase in cash and cash equivalents		**343,725**	804,534
Cash and cash equivalents at the start of the year		**1,848,905**	1,044,371
Cash and cash equivalents at the end of the year	16	**2,192,630**	1,848,905

* For further details on the re-presentations, please refer to Note 2e.

Non-cash disclosures

No non-cash equity contributions were made during the year from 1 January 2021 to 31 December 2021.

During the year from 1 January 2020 to 31 December 2020, the Allfunds Group made non-cash equity contributions in the following amounts:

- EUR 190,000 thousand on 26 March 2020 in relation to the acquisition of Credit Suisse InvestLab AG; and
- EUR 18,792 thousand on 26 March 2020 in relation to the deferred consideration for the 2019 acquisition of Credit Suisse InvestLab AG.

(The Notes form an integral part of these Financial Statements)

Notes to the consolidated financial statements

For the year ended 31 December 2021

1. General Information

Allfunds Group Plc, (the "Company") is a public limited company domiciled in England and Wales, United Kingdom. The address of the registered office is at 2 Fitzroy Place, 8 Mortimer Street, London, United Kingdom, W1T 3JJ.

The Company was formerly named Allfunds (UK) Limited, until 14 April 2021 when the name was changed to Allfunds Group Limited. Following the admission to listing and trading on Euronext Amsterdam on 23 April 2021, the Company was converted into a public company with limited liability with the name Allfunds Group Plc.

The activities that the Company and its subsidiaries (the "Allfunds Group") ultimately undertakes are as follows:

- The performance of all kinds of activities, transactions and services of the banking business in general, related thereto or permitted under current legislation and financial reporting framework applicable to the Bank of Spain;
- The acquisition, holding, use, administration, and disposal of Spanish and foreign marketable securities, shares and equity interests in companies, in accordance with current legislation; and
- The provision of investment services and any applicable supplementary activity under current legislation.

As at 31 December 2021, the Company is 39.00% owned by LHC3 Limited (formerly LHC3 Plc), 7.51% owned by BNP Paribas Securities Services ("BP2S"), 6.30% by BNP Paribas Asset Management Holding ("BNPP AM"), and 8.56% by Credit Suisse AG. The remaining 38.63% of the ordinary shares of the Company are listed on the Euronext Amsterdam exchange.

The largest shareholder, LHC3 Limited is in turn wholly owned by LHC2 Limited having its registered address at Third Floor, 37 Esplanade, St. Helier, Jersey, JE1 1AD. Similarly LHC2 Limited is wholly owned by LHC1 Limited which indirectly holds its share of the Company through LHC2 Limited and LHC3 Limited. LHC1 Limited is ultimately jointly controlled by Hellman & Friedman LLC and its affiliates ("H&F"), and Eiffel Investment Pte Ltd, a nominated investment vehicle of GIC Special Investments Pte Ltd, a direct subsidiary of GIC (Ventures) Pte Ltd ("Eiffel"), with a minority holding held by LHC Manco Limited, a company owned by certain members of senior management of the Allfunds Group.

2. Basis of Accounting

2.a. Statement of compliance

The consolidated and individual financial statements for the year ended 31 December 2021 (the "Financial Statements") have been prepared on a going concern basis and in accordance with International Accounting Standards in conformity with the requirements of the United Kingdom (UK) Companies Act 2006 and International Financial Reporting Standards (IFRS) as adopted by the European Union (EU).

2.b. Basis of preparation

The financial statements have been prepared on the historical cost basis, except for the revaluation of financial assets and liabilities at fair value through profit and loss.

Certain comparative figures have been reclassified to conform to the current year presentation.

The financial statements are presented in Euros, which is the currency of the primary economic environment in which the Group operates (the "functional currency"), rounded to the nearest thousand.

The Directors have made enquiries and having considered the current economic climate at the time of approving the consolidated financial statements, as well as the expected working capital requirements that the Group will have for the twelve months from the date that these financial statements are signed and issued, they have a reasonable expectation that the Group have adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the consolidated financial statements.

2.c. Basis of Consolidation

Subsidiaries are all entities over which the parent company has control. The investor (parent company) controls an investee if and only if the investor has all of the following: a) power over the investee; b) exposure, or rights, to variable returns from its involvement with the investee; and c) the ability to use its power over the investee to affect the amount of the investor´s returns. Subsidiaries are fully consolidated from the date on which control is transferred to the parent company. They are derecognised from the date that control ceases. The acquisition method is used by the Group to account for business combinations.

When the parent company has less than a majority of the voting rights of an investee, they consider that they have power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally.

Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between the members of the Group are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction process evidence of an impairment of the transferred asset.

2.d. New standards interpretations and amendments adopted by the Group

The following amendments and interpretations became effective during the year. Their adoption has not had any significant impact on the Group:

	Effective from
Effective date of IBOR reform Phase 2 amendments	1 January 2021
IFRS 16 - Covid-19 – Related Rent Concessions adoption date	1 April 2021

The following amendments and interpretations became effective after the 31 December 2021:

Basis	Effective from
IFRS 3 – Reference to the Conceptual Framework	1 January 2022
IAS 37 – Amendments regarding onerous contracts	1 January 2022
Effective date of 2018-2020 annual improvements cycle	1 January 2022
IAS 16 – Amendments regarding proceeds before use	1 January 2022
IFRS 17 – Insurance contracts	1 January 2023
IAS 8 – Amendments on accounting estimates	1 January 2023
Effective date of amendments on disclosure of accounting policies	1 January 2023
IFRS 17 – Effective date for amendments	1 January 2023
IAS 12 – Amendments on deferred tax	1 January 2023
IAS 1 – Amendments on classifications	1 January 2023

The Group has not early adopted any of these or any other standard, interpretation or amendment that has been issued but is not yet effective that have a material impact on the financial statements.

2.e. Prior Year Comparative Information

The Company presents in the Financial Statements, for comparative purposes, in addition to the figures as of 31 December 2021, those corresponding to 31 December 2020. However, the figures corresponding to 31 December 2020 included for comparative purposes in the accompanying Financial Statements differ from those included in the audited annual consolidated financial statements as of 31 December 2020 approved by the shareholders due to the retrospective application of the purchase price allocation ("PPA") performed on the business combination in relation to the BNPP Acquisition (see Note 11).

IFRS 3.49 states that during the measurement period of intangible assets arising in a business combination, the acquirer shall recognise adjustments to the provisional amounts as if the accounting for the business combination had been completed at the acquisition date. Accordingly, the acquirer shall revise comparative information for prior periods presented in financial statements as needed, including making any change in depreciation, amortisation or other income effects recognised in completing the initial accounting.

In the first half of 2021, the Allfunds Group obtained the final Purchase Price Allocation (PPA) report and modified the initial allocation made as of 31 December 2020 retroactively as it is within the 1-year period since the transaction was executed and in accordance with the provisions of IFRS 3.

The below tables show the impact of the retrospective application of the PPA on the statement of financial position as at 31 December 2020 and the statement of comprehensive income for the year ended 31 December 2020 in accordance with IFRS 3:

	Notes	31 Dec 2020 EUR ('000s) As reported	BNP PPA EUR ('000s) Adjustment	31 Dec 2020 EUR ('000s) Re-presented
Assets				
Non-current assets				
Goodwill	10	1,015,982	(13,877)	1,002,105
Intangible assets	10	1,308,167	20,727	1,328,894
Property, plant and equipment	9	29,301	–	29,301
Financial assets held at amortised cost	12	868	–	868
Deferred tax assets	14	55,112	–	55,112
Total non-current assets		2,409,430	6,850	2,416,280
Current assets				
Financial assets at fair value through profit or loss		900	–	900
Financial assets held at amortised cost	12	225,810	–	225,810
Tax assets	14	9,020	–	9,020
Contract assets	13	435,606	–	435,606
Other assets	15	6,842	–	6,842
Cash and cash equivalents	16	1,848,905	–	1,848,905
Total current assets		2,527,083	–	2,527,083
Total assets		4,936,513	6,850	4,943,363
Equity and Liabilities				
Non-current liabilities				
Deferred tax liabilities	19	320,549	6,842	327,391
Non-current lease liabilities	36	12,188	–	12,188
Total non-current liabilities		332,737	6,842	339,579
Current liabilities				
Financial liabilities at fair value through profit or loss		213	–	213
Financial liabilities held at amortised cost	17	1,800,408	–	1,800,408
Contract liabilities	18	352,159	–	352,159
Current lease liabilities	36	7,289	–	7,289
Tax liabilities	19	15,145	–	15,145
Other liabilities	21	53,302	–	53,302
Total current liabilities		2,228,516	–	2,228,516
Total liabilities		2,561,253	6,842	2,568,095
Equity				
Share capital	22	1,574	–	1,574
Share premium	22	2,060,156	–	2,060,156
Retained earnings		312,998	8	313,006
Other reserves		532	–	532
Total equity		2,375,260	8	2,375,268
Total liabilities and equity		4,936,513	6,850	4,943,363

	Notes	2020 EUR ('000s) As reported	BNP PPA EUR ('000s) Adjustment	2020 EUR ('000s) Re-presented
Fee, commission and service revenue	25	1,589,363		1,589,363
Fee, commission and service expense	26	(1,280,065)		(1,280,065)
Net Revenue	5	309,298		309,298
Employee compensation and benefits	27	(75,591)		(75,591)
Other expenses	28	(89,901)		(89,901)
Other operating income	29	5,537		5,537
Amortisation and depreciation relating to other intangible assets and property, plant and equipment	9, 10	(18,426)		(18,426)
Amortisation of intangible assets acquired as a result of business combinations	10	(111,599)	(8)	(111,607)
Profit before net interest expense, impairment loss and tax expense		19,318	(8)	19,310
Interest income	30	3,451		3,451
Interest expense	31	(6,024)		(6,024)
Net interest expense		(2,573)		(2,573)
Impairment losses	32	(1,550)		(1,550)
Profit before tax		15,195		15,187
Tax credit/(expense)	33	(15,230)		(15,230)
Profit/(loss) after tax		(35)		(43)
Basic and diluted earnings per share (EUR)	34	(0.0002)		(0.0003)

3. Significant Accounting Policies

The Group accounting policies have been applied consistently by all group entities and for all periods presented herein.

3.a. Foreign currency translation

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date, with the foreign currency difference recognised in other operating income/(expense).

Differences arising on the translation of investments measured at fair value through OCI are recognised in other comprehensive income.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated into the Euro functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items in a foreign currency that are measured based on historical cost are translated using the exchange rate at the date of the transaction.

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into euros at the exchange rates at the reporting date. The income and expenses of foreign operations are translated to euros at the exchange rates at the dates of the transactions.

Foreign currency differences are recognised in other comprehensive income and presented in the other reserves (translation reserve) of equity.

3.b. Financial Instruments

Financial assets and financial liabilities are recognised in the consolidated statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

i. Financial assets

Financial assets are classified according to the business model within which the asset is held and the contractual cash-flow characteristics of the asset.

ii. Financial assets at amortised cost

The Group's financial assets at amortised cost comprise trade receivables from credit institutions, customers and the required balances to be held at central banks.

Financial assets at amortised cost are initially recognised at fair value including any directly attributable costs. They are subsequently measured at amortised cost using the effective interest method, less any impairment. No interest income is recognised on financial assets measured at amortised cost, with the exception of cash and cash equivalents, as all financial assets at amortised cost are short-term receivables and the recognition of interest would be immaterial. Financial assets are derecognised when the contractual right to the cash flows from the asset expire.

iii. Trade and other receivables

Trade and other receivables are initially recorded at the fair value of the amount receivable and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Other receivables also represent client money required to meet settlement obligations.

iv. Cash and cash equivalents

Cash and cash equivalents include cash in hand, on demand deposits with banks and other short-term highly-liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and subject to an insignificant risk of changes in value. Where appropriate, bank overdrafts are shown within borrowings in current liabilities in the consolidated statement of financial position.

v. Impairment of financial assets

The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and number of days past due. The Group considers a trade receivable to be in default when it is past due by more than 90 days. The carrying amount of the financial assets is reduced by the use of a provision. When a trade receivable is considered uncollectable, it is written off against the provision. Subsequent recoveries of amounts previously written off are credited against the provision. Changes in the carrying amount of the provision are recognised in the income statement.

vi. Financial liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into.

vii. Financial liabilities at amortised cost

The Group's financial liabilities at amortised cost comprise trade payables from credit institutions, customers and other payables. They are subsequently measured at amortised cost using the effective interest method. No interest expense is recognised on financial liabilities measured at amortised cost as all financial liabilities at amortised cost are short-term payables and the recognition of interest would be immaterial. Financial liabilities are derecognised when the contractual obligation to the cash flows from the liability expire.

viii. Lease liabilities

Lease liabilities consist of amounts payable by the Group measured at the present value of lease payments to be made over the lease term.

ix. Other financial liabilities

The Group's other financial liabilities consist mainly of the external funding obtained through the revolving credit facility as well as the conditional dividend pending to be paid. Other financial liabilities are initially measured at fair value, net of transaction costs. They are subsequently carried at amortised cost using the effective interest rate method. A financial liability is derecognised when, and only when, the Group's obligations are discharged, cancelled or they expire.

x. Trade and other payables

Trade and other payables consist of amounts payable to clients and other counterparties and obligations to pay suppliers for goods and services in the ordinary course of business, including amounts recognised as accruals. Trade and other payables are measured at amortised cost using the effective interest method.

xi. Derivative Financial Instruments

The Group enters into derivative financial instruments, including foreign exchange spot and forward contracts, to manage its exposure to foreign exchange rate risk.

Derivatives are initially recognised at fair value at the date the contract is entered into and are subsequently remeasured to fair value at each statement of financial position date, with the resulting gain or loss is recognised in comprehensive income.

A derivative with a positive fair value is recognised as a financial asset whereas a derivative with a negative fair value is recognised as a financial liability. A derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than 12 months and it is not expected to be realised or settled within 12 months from the reporting date. Other derivatives are presented as current assets or current liabilities.

xii. Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

3.c. Goodwill

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the excess is recognised immediately in comprehensive income as a bargain purchase gain.

Goodwill is not amortised but is reviewed for impairment, as part of the cash-generating unit ("CGU") to which it belongs, at least annually. The cash-generating unit is the smallest group of assets that includes the goodwill and generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. Identification of an asset's cash-generating unit involves judgement. For the purpose of impairment testing, goodwill acquired as part of a business combination is allocated to each of the Group's cash-generating units expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill cannot be reversed in a subsequent period. On disposal of a cash-generating unit, the attributable amount of goodwill is included in the determination of the gain or loss on disposal.

3.d. Property, Plant and Equipment

Items of property, plant and equipment are stated at historical cost less accumulated depreciation. Historical cost includes expenditures that are directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

The Group depreciates property, plant and equipment on a straight-line basis for both years ended 31 December 2021 and 2020, over the following periods:

Furniture and fixtures	10 years
Computer hardware	4 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

3.e. Intangible Assets (other than goodwill)

Intangible assets are identifiable non-monetary assets without physical substance which arise as a result of a legal transaction or which are developed internally by the Group, where applicable. Only assets whose cost can be reasonably estimated objectively and from which the Group considers it probable that future economic benefits will be generated are recognised.

Intangible assets comprise IT developments, IT technological platforms, current relations with clients, current relations with clients through cooperation agreements, current relations with clients through exclusivity agreements, brand name, and sub-distribution agreement. These are stated at cost less amortisation or fair value less any recognised impairment loss. Amortisation is provided on all intangible assets excluding goodwill at rates calculated to write off the cost or valuation, less estimated residual value, of each asset evenly using a straight-line method over its estimated useful economic life for both years ended 31 December 2021 and 2020, as follows:

IT developments	5 years
IT technological platform	5–5.1 years
Current relations with clients	13.6–15.9 years
Current relations with clients through cooperation agreements	12–16.5years
Current relations with clients through exclusivity agreements	12–14.7 years
Brand name	16.5 years
Sub-distribution agreement	10 years

The assets' estimated useful lives, amortisation rates and residual values are reviewed, and adjusted if appropriate at the end of each reporting period. An asset's carrying value is written down immediately to its recoverable amount if its carrying value is greater than the recoverable amount.

Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the software so that it will be available for use;
- management intends to complete the software and use or sell it;
- there is an ability to use or sell the software;
- it can be demonstrated how the software will generate probable future economic developments;
- adequate technical, financial and other resources to complete the development and to use or sell the software are available; and
- the expenditure attributable to the software during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the software include employee costs and an appropriate portion of relevant overheads.

Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is ready for use.

3.f. Revenue recognition

Fee, commission and service revenue

The Group identifies revenue to be recognised in accordance with the provisions of the agreements signed with customers. The services can be differentiated according to the type of service, as detailed further below. The Group recognizes contract assets and liabilities in accordance with IFRS 15 as a result of the balances generated for accrued fee, commission and service revenues. See Notes 13 and 17 for further information regarding the contract assets and liabilities, respectively.

Platform revenue:

- The Group considers that the service is provided (and the performance obligation satisfied) when subscription and redemption of units in Collective Investment Undertakings ("CIU") are settled and accordingly the positions are allocated in the clients' securities accounts. The commissions agreed with clients associated with these intermediation services are calculated daily and the services are generally invoiced on a quarterly basis. Revenue is recognised in the period in which the performance obligation has been satisfied, in accordance with the volume of activity and the contractual price.

Subscription and other revenues:

- Financial or banking services: the service is provided (and the performance obligation satisfied) at a point in time. The commissions and fees are invoiced at the time the service is rendered according with the economic terms fixed in the agreement. The performance obligation is satisfied once the service has been performed, and revenue is recognised accordingly.
- Information delivery services: the service is provided (and the performance obligation satisfied) over a period of time in accordance with the contract. The service is invoiced according to the conditions and fixed pricing included in the contract (monthly, quarterly or annually). The performance obligation is satisfied over a period of time as defined in the contract, and the revenue is recognised pro-rata over this same period.

Fee, commission and service expense

Fee, commission and service expenses comprise expenses for third parties, distributors, and other parties. These expenses are generated as a result of a type of fee contract generally referred to as the rebate model. Under this model, the fund houses pay a portion of the management or distribution fee of the CIU, which is calculated as a margin on the volume of AuA, as a distribution fee, or rebate, to Allfunds. Allfunds then passes this rebate on to the distributor. The expense is recognised in the same accounting period as the income associated with the assets under intermediation/distribution (see above).

Net revenue

Net revenue is comprised of fee, commission and service revenue recognised under IFRS 15 less fee, commission and service expense. Net revenue is a gross profit measure. The Group labels this gross profit subtotal as net revenue because the directors believe it reflects the integral interrelationship between revenue generated and the expenses concurrently incurred, whilst also being comparable to measures used by peers.

3.g. Employee Benefits

3.g. i. Short term obligations

Liabilities for wages and salaries, including non-monetary benefits and accumulated sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented within other liabilities in the consolidated statement of financial position, as long as there in no right to deferral.

3.g. ii. Post-employment obligations – defined contribution plans

The Group's post-employment obligations to its employees are deemed to be "defined contribution plans" where the Group makes pre-determined contributions to a separate entity and will have no legal or effective obligation to make further contributions if the separate entity cannot pay the employee benefits relating to the service rendered in the current and prior periods.

The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

3.g. iii. Long-Term Incentive Plan ("LTIP")

In 2021, the Board of Directors of the Company approved the launch of a Long-Term Incentive Plan (LTIP) as a share-based payment scheme of Allfunds Group Plc applicable towards executive directors, senior management, and other employees of the Group. The first cycle of the LTIP was granted in October 2021, and is divided into two types of incentives:

i. A share incentive granted to executive directors, senior management and key employees, linked to the beneficiary´s permanence in Allfunds until the payment date and the degree of achievement of two metrics:

   a. The evolution of the Total Shareholder Return (TSR) of Allfunds Group Plc compared to the evolution of the TSR of a group of comparable companies and
   b. The ratio of the Group Adjusted EBITDA compared to the budgeted Adjusted EBITDA over an agreed performance period

This incentive has been divided into two equal tranches, the first of which will be executed, if applicable, at the beginning of 2023, and the second at the beginning of 2024.

ii. A share incentive granted to other LTIP beneficiaries, linked solely to the employee´s permanence in Allfunds until the date of payment of the incentive, which will also be executed in two equal installments at the beginning of 2023 and 2024.

The incentive is subject to standard malus and claw back clauses normal in this type of remuneration plan.

As of 31 December 2021, the first cycle of the LTIP is pending execution as no shares had neither been acquired by the Company nor granted to any individual member of the scheme.

Included in these consolidated financial statements for the year ending 31 December 2021 is an accrual of EUR 1,975 thousand for the estimated costs of the share-based payment scheme in acquiring the required shares at a future date. This calculation has been made assuming that 100% of the performance targets will be met, both for the TSR and the Adjusted EBITDA, and in addition to reflect any leavers of the Group during the period from grant date to 31 December 2021. The estimated cost will be reviewed in subsequent reporting periods.

3.g. iv. Termination Benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits at the earlier of the following dates: (a) when the Group can no longer withdraw the offer of those benefits; and (b) when the entity recognises costs for a restructuring that is within the scope of IAS 37 and involves the payment of terminations benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

3.h. Income Tax

Current tax expense or benefit is based on the taxable profit for that year. Taxable profit differs from the profit as reported in the consolidated statement of comprehensive income because it excludes items of income or expenses that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. Furthermore, the accrual for current tax includes provisions for uncertain tax positions which require estimates for each matter and the exercise of judgement in respect of the interpretation of tax laws and the likelihood of challenge of historical tax positions.

Current tax assets and liabilities are measured as the amount expected to be paid to tax authorities, net of recoveries based on the tax rates and laws enacted or substantively enacted at the date of the statement of financial position. The Group periodically evaluates positions taken in the tax returns for situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax liabilities are provided for using the liability method on temporary differences between carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that, at the time of the transaction, affects neither accounting nor taxable profit or loss. Deferred tax assets are recognised for all deductible temporary differences and carried forward of unused tax losses, to the extent that it is probable that the deductions and tax losses can be utilised. The carrying amount of deferred tax assets is reviewed at each date of the statements of financial position and reduced to the extent it is no longer probable that the deferred or current tax assets will be recovered. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable income will allow the deferred tax asset to be recovered. Deferred tax assets and liabilities are measured at the tax rates that are expected to prevail in the period when the asset is realised or the liability settled, based on the tax rates and laws that have been enacted or substantively enacted at the dates of the statements of financial position.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity respectively.

Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

3.i. Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. In accordance with IFRS 16, the Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

In all other cases the lessee is required to recognise a right-of-use asset representing its right to use the leased asset under “Property, plant and equipment” in the consolidated statement of financial position (see Note 9), and a lease liability representing its obligation to make lease payments under “Financial liabilities at amortised cost” in the consolidated statement of financial position (see Note 16). The depreciation of the right-of-use asset is recognised under “Amortisation and depreciation relating to other intangible assets and property, plant and equipment" (see Notes 9 and 10), and the finance cost associated with the lease liability under “Interest expense" (see Note 31).

The Group recognises right-of-use assets at the commencement date of the lease, i.e., the date the underlying asset is available for use. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the initial amount of lease liabilities recognised, adjusted for any initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets for both the year ended 31 December 2021 and 2020, as follows:

Vehicles	4 years
Computer hardware	5 years
Buildings	2–10 years

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease liabilities also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. There are no variable lease payments or expected payments under residual value guarantees.

The lease liabilities are measured at amortised cost using the effective interest method.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. Since the Group has no borrowings with a bank, the incremental borrowing rate has been constructed as the country risk-free rate for a period similar to the term of the lease, plus an adjustment for the lessee's credit risk (spread), plus an adjustment for the exchange rate, in the event that the currency of the lease contract is different from the reference currency of the country in which the lessee operates, and finally the possibility of making an adjustment for the risk associated with the type of asset being leased is analysed. The Group has established individual fees for each jurisdiction, following this methodology. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term as a result of a change in the Group's assessment of whether it will exercise an extension or termination option, a change in the future lease payments arising from a change in an index or rate or if there is a revised in-substance future lease payment, or a change in the assessment of an option to purchase the underlying asset.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in comprehensive income if the carrying amount of the right-of-use asset has been reduced to zero.

3.j. Business Combinations

Acquisitions of subsidiaries and businesses are accounted for using the acquisition method of accounting pursuant to IFRS 3. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interest issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in comprehensive income as incurred and included in "Technical reports" in other expenses (see Note 25).

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (being no longer than one year from the acquisition date), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

3.k. Provisions

Provisions are recognised when the Group has a present obligation, legal or constructive, as a result of a past event, and it is probable that the Group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the statement of financial position date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows, where the effect of the time value of money is material.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received, and the amount of the receivable can be measured reliably.

4. Critical Accounting Judgements and Key Sources of Estimation Uncertainty

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also exercises judgement in applying the Allfunds Group's accounting policies. Detailed below is an overview of the areas that involve a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions being revised based on actual experience.

4.a. Critical judgements in applying the Group's accounting policies

- Useful lives of property, plant and equipment and intangible assets with finite lives – The determination of the useful economic life of these assets, as well as the determination of the most appropriate method for depreciation/amortisation is considered a management judgment. Adjustments to the financial statements could occur as a result in changes in the expected useful life or the expected pattern of consumption of future economic benefits of the asset. See further information in Notes 9 and 10.
- The Group has cooperation agreements with certain counterparties which allows the Group access to their underlying clients. These agreements expire in 2023 and have an option to be extended for an additional period subject to certain terms and conditions. The Group amortises the relationships with the underlying customers over a useful economic life based on an initial lock in period which is then followed by a period whereby an applicable churn rate is applied. Management have made judgements in considering these useful economic life period and the churn rate. Please see Note 10.
- Taxes – Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits, together with future tax planning strategies. See Note 14.
- Provisions, contingent liabilities and assets – When required, the Group records accruals for provisions and loss contingencies in accordance with IAS 37, Provisions, Contingent Liabilities and Contingent Assets. Such determinations are subject to interpretations of current facts and circumstances, forecasts of future events and estimates of the financial impacts of such events affecting the Allfunds Group and the need to recognise accruals thereon. For further information see Notes 20 and 38.
- Management Investment Plan – LHC Manco Limited, a company owned by senior management of Allfunds Group, also holds a minority interest in LHC1 Limited. Those managers purchased shares which have certain conditions attached. The determination that these shares were purchased at an amount representative of fair value is considered a significant management judgement. See Note 37.

4.b. Key sources of estimation uncertainty

- Business Combinations – The Company accounts for business combinations under the acquisition method. The cost of an acquired company is assigned to the tangible and intangible assets acquired and the liabilities assumed on the basis of their fair values at the date of acquisition. Any excess of purchase price over the fair value of net tangible and intangible assets acquired is allocated to goodwill. The determination of fair values of assets acquired and liabilities assumed requires management to make estimates and use valuation techniques when market values are not readily available. A provisional PPA for the BNPP acquisition was completed as of 31 December 2020, but subsequently adjusted through the final PPA report to reflect a change in the useful life and the attrition rate utilised in the calculation. See further information in Note 11.
- Impairment of non-financial assets – Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs of disposing of the asset. The value in use calculations are based on the Discounted Cash Flow ("DCF") and Dividend Discount Model ("DDM"), depending on the CGU, and the methodology used to calculate the fair value less cost of disposal of Allfunds Bank, S.A.U. was the income approach. Forecasted performance figures do not include future investments that will enhance the performance of the assets of the CGU being tested. The recoverable amount is sensitive to the discount rate used to calculate the present terminal value of the investment and the growth rate used for extrapolation purposes. These estimates are most relevant to goodwill and other intangibles with indefinite useful lives recognised by the Group. The key assumptions used to determine the recoverable amount for the different CGUs, including a sensitivity analysis, are disclosed and further explained in Note 10.
- Provision for expected credit losses ("ECL") of trade receivables and contract assets – The Allfunds Group uses a provision matrix to calculate ECL for trade receivables and contract assets. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns. As the Allfunds Group´s receivables have short maturities, and the simplified method under IFRS 9 has been applied, credit losses and other forward-looking information is not considered to have a significant impact; however, the assessment of the correlation between historical observed default rates and ECL is a significant estimate. The Allfunds Group's historical credit loss experience may also not be representative of customer's actual default in the future.

5. Operating Segments

The Allfunds Group´s revenues are generated through its global operations, primarily in Europe and Asia. The Allfunds Group reports its results of operations through the following two reportable segments: net platform revenue and net subscription and other revenues.

- Net platform revenue is generated from commission-based and transaction-based revenues. Commission-based revenues are generated based on a daily fee calculated based on the amount of each Fund House's outstanding AuA in UCIs on the platform, according to the Service fee model or the Rebate Commission fee model. Transaction-based revenues are related to AuA, but are charged on a per-transaction basis rather than based on the underlying AuA volume.
- Net subscription and other revenues include Allfunds Connect (including both annual license fees and annual membership fees) and digital add-ons, as well as the Allfunds Group's fund research and investment services and legal and compliance services. Allfunds generates income from subscription and other services based on fixed membership fees and licenses and charges for its digital solutions and tools and other investment and legal solutions.

The chief operating decision makers (the Executive Committee), regularly review the performance of each of these distinct revenue-generating services, and the Company has determined that these represent the operating segments of the group. On a segment basis, the Executive Committee are solely reviewing net revenue in order to steer each of the operating segments. Interest expense, interest income, segment assets and segment liabilities are consistent with those included in these financial statements and no adjustments are required to arrive at the relevant totals for the segments; it is impracticable to split these amounts and balances between the two segments. No additional profitability or balance sheet metrics are reviewed at the segment level by the chief operating decision makers. The operating segments have not been aggregated; thus, the reportable segments are equivalent to the operating segments. Revenues, and their associated expenses for each segment are recognised in accordance with the same accounting principles and policies as those used to prepare the consolidated financial statements.

The information in the following tables is derived from the Allfunds Group's internal financial reporting used for corporate management purposes:

	For the year ended	
	31 December 2021 EUR ('000s)	31 December 2020 EUR ('000s)
Platform revenue	**2,648,557**	1,575,356
Platform expense	**(2,163,199)**	(1,280,065)
Net platform revenue	**485,358**	295,291
Subscription and other revenues	**20,331**	14,007
Subscription and other expenses	**–**	–
Net subscription and other revenues	**20,331**	14,007
Total Net Revenue	**505,689**	309,298

No single customer contributed 10 per cent or more to the Allfunds Group's revenue in either the year to 31 December 2021 or 31 December 2020.

6. Financial Risk Management

This Note explains the Group's exposure to financial risks and how these risks could affect the Group's future financial performance. Current year profit and loss information has been included where relevant to add further context.

The Group's risk management is carried out by the Directors of the Company and each of the Company's subsidiaries. As such, this risk management function has been delegated to the relevant department within a specific Group company. The Directors or the relevant department identify, evaluate and hedge financial risks.

6.a. Market Risk

Market risk is defined as the risk to which the Group is exposed in terms of a potential adverse impact on its consolidated statement of comprehensive income due to fluctuations in interest rates, currency exchange rates and the market prices of instruments included in the Group's trading portfolio, where they exist.

The Group does not have positions on or off the consolidated statement of financial position that might be affected by fair value risk relating to interest rate and price risks, except those that are strictly necessary for compliance with regulatory requirements in connection with liquidity and currency exchange derivative hedging to mitigate the risk in the main currencies to which it is exposed.

6.a.i. Foreign Exchange Risk

Foreign currency risk is defined as the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

As the Group operates internationally and is exposed to foreign exchange risk arising from foreign currency transactions, foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the functional currency of the relevant Group entity. The risk is measured through the Risk Control Unit of Allfunds Bank Group which forecasts likely foreign currency expenditure. In addition, the management of Allfunds Bank Group receive daily reports on the exposure and impact on the statement of comprehensive income of Allfunds Bank Group due to currency fluctuations and any measures implemented to mitigate open risks.

In order to mitigate the aforementioned foreign exchange risk, Allfunds Bank Group, which has the largest exposure to non-reporting currencies within the Group, have set a cap on the net positions in foreign currencies.

The Group's exposure to foreign currency risk at the end of the reporting period, expressed in Euros, was as follows:

	2021 EUR ('000s)			2020 EUR ('000s)		
	USD	GBP	Other	USD	GBP	Other
Assets						
Cash, and cash equivalents	309,939	112,891	178,130	166,162	101,475	124,133
Financial assets held at amortised cost	61,835	21,442	11,646	56,455	21,501	12,290
Other assets	116,552	11,807	76,050	66,176	3,729	53,926
Liabilities						
Financial Liabilities at amortised cost	(334,269)	(128,820)	(105,780)	(213,893)	(124,208)	(68,181)
Other liabilities	(98,272)	(12,581)	(86,350)	(54,902)	(12,804)	(52,389)
	55,785	4,739	73,696	19,998	(10,307)	69,779

As shown in the table above, the Group is exposed to USD, GBP and several other currencies which result in a foreign currency risk. This can be seen through a number of different asset and liability types that are held in currencies other than Euros.

Should the net asset value subject to currency risk be subject to a 10% increase/decrease, a movement deemed reasonably possible, the impact on the Statement of Financial Position and Statement of Comprehensive Income would be an increase/decrease in the value of EUR 13,422 thousand (2020: EUR 7,947 thousand).

6.a.ii. Interest Rate Risk

Interest rate risk is defined as the risk that the value or the future cash flows of a financial instrument will fluctuate due to changes in interest rates.

The Group's receivables are held at amortised cost.

The Group does not deem its exposure to interest rate risk to be significant as its main balance sheet aggregates are either repayable on demand or have a short maturity. As a result, no sensitivity analysis is provided.

6.a.iii. Price Risk

The Group is exposed to equity securities price risk which arises from investments held by the Group and classified in the statement of financial position as financial assets at fair value through profit or loss.

As the Group's exposure to equity securities is not material or its core business, the Group does not manage its price risk as it does not deem the exposures to be significant.

6.b. Credit Risk

Credit risk is the possibility of loss stemming from the failure of customers or counterparties to meet their payment obligations to the Group. Given the type of business conducted by the Allfunds Bank Group, namely the distribution and intermediation of third-party collective investment schemes, the Group does not perform any active lending activity, and nor is that its purpose.

The Group's exposure to credit risk is through its cash, cash balances with Central Banks and other demand deposits and financial assets at amortised cost balances. Specifically, the material exposure is to regulated institutions (which are the only authorised customers of Allfunds Bank Group) to which the Group has granted credit lines tied to the settlement of brokerage transactions.

The entity follows a criterion of reducing the exposure to concentration risk, diversifying the counterparts so as to mitigate the additional risk. The Group evaluates and monitors credit risk by geographical distribution and by type of exposure. The Risk Control Unit has implemented a system of counterparty limits by the counterparty based on an internal rating assignment methodology which results in a probability of default for each counterparty. This assigned probability is reviewed and measured at least once a year, so that the limits can be adjusted to each customer's risk profile. Counterparty limits are controlled through an integrated system operating in real time, enabling the Group to be aware at all times of the unused credit line for each counterparty.

Expected Credit Loss Model

Per IFRS 9, the expected credit loss model has been applied to the relevant receivables as at 31 December 2021 and 2020. The expected credit loss model measures the pattern of improvement or deterioration in the credit quality of the instruments. Under IFRS 9, there are two categories for measuring expected credit losses: 1) Expected credit losses over 12 months and 2) Lifetime expected credit losses.

The Group has applied the simplified approach for trade receivables under IFRS 9, which eliminates the need to calculate a 12- month expected credit losses or to measure increases in credit risk for the instrument. For trade receivables the loss allowance is measured at initial recognition and is equal to lifetime expected credit losses. Impairment losses are recognised in the consolidated statement of comprehensive income. Receivables for which an impairment provision was recognised are written off against the provision when there is no expectation of recovering additional cash. Subsequent recoveries of amounts previously written off are credited in the consolidated statement of comprehensive income.

Individual receivables which are known to be uncollectable are written off by reducing their carrying amount directly, however the Group recognised no individually impaired trade receivables during the year.

6.c. Liquidity Risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities.

The Risk Control Unit has developed a methodology to dynamically calculate the exposure to liquidity risk through static and dynamic ratios and set a limit in terms of a liquidity buffer. The Group also periodically performs stress scenario analysis and uses back-testing to measure these scenarios. Additionally, Allfunds Bank, S.A.U.'s Board of Directors have established a contingency procedure to cater for possible losses from this type of risk.

To supplement the monitoring performed by the Allfunds Group Risk Control Unit, the Settlement Department of the Transaction Area of Allfunds Group performs ongoing follow-up of order settlement processes in each of the currencies in which the Group operates, thus providing a twofold control of the Group's liquidity.

7. Capital Management

The Group's objectives when managing capital are to:

- safeguard its ability to continue as a going concern, so that it can continue to provide returns for its shareholders and benefits for other stakeholders; and
- maintain an optimal capital structure to reduce its cost of capital.

In order to maintain or adjust its capital structure, the Group may vary the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets.

The capital structure of the Group consists of equity attributable to equity holders of the ultimate parent, comprising issued capital, share premium, retained earnings and a foreign currency translation reserve as disclosed in the consolidated statement of changes in equity.

Subsidiaries within the Group have capital adequacy requirements imposed primarily by the Bank of Spain along with other regulatory bodies. Group entities are required to report on certain capital adequacy ratios on a periodic basis. The ratio is calculated as being the percentage of capital to assets, based on the regulators' definitions of capital and assets. This ratio is required at all times to be above a benchmark percentage provided by each of the regulators. The subsidiaries of the Group have been in compliance with the capital adequacy requirements in respect of the period ended 31 December 2021.

8. Taxation

Significant Tax Event

As described in the audited annual consolidated financial statements for the year ended 31 December 2020 and herein in Note 8, on 2 October 2020, BP2S contributed its BNPP LPA business to Allfunds Bank, S.A.U. in exchange for the issuance of new shares. Such BNPP LPA business was automatically attributed to its Milan branch.

The BNPP LPA business contribution qualified as a tax neutral transaction. As a result, the BNPP LPA business goodwill and its intangibles that were identified in the frame of the PPA process were treated as if not existing for tax purposes, meaning that their tax base was equal to zero and, therefore, could not be tax-amortised.

However, the Italian tax laws provide for an optional tax step-up regime whereby (i) the taxpayer can opt to pay a substitute tax at a reduced rate and (ii) the tax base of the asset is increased up to its fair value as emerging from the PPA process. Thus, by making this election, the taxpayer is entitled to amortise the relevant stepped-asset for tax purposes.

In particular, Allfunds Bank Milan branch has made the following elections:

- Ordinary step-up election for the BNPP LPA business intangibles (Article 176(2-ter) of the Italian income tax code approved with Presidential Decree No. 917 of 22 December 1986), under which:
  a. Allfunds Bank Milan branch is required to make the step-up tax payment in three installments (with a 2.5% interest accruing on the second and third installment): (i) EUR 11,000 thousand in June 2021 (already paid); (ii) EUR 15,000 thousand by the end of June 2022; and (iii) EUR 11,600 thousand by the end of June 2023; and
  b. Allfunds Bank Milan branch is entitled to amortise the BNPP LPA business intangible assets for tax purposes over their useful lives and starting from 1 January 2021.
- Special step-up election for the BNPP LPA business goodwill (Article 15(10) of the Italian Law Decree No.185/2008), under which:
  a. Allfunds Bank Milan branch is required to make a step-up tax payment amounting to EUR 35,000 thousand in one single instalment by June 2021 (already paid); and
  b. Allfunds Bank Milan branch is entitled to amortise the BNPP LPA business goodwill for tax purposes over 5 years starting from 1 January 2022.

On 7 June 2021, the Italian tax authorities confirmed Allfunds Bank Milan branch 's entitlement to apply for the step-up rules in a positive answer to a ruling application filed in March 2021.

From an accounting perspective, for FY2021, the above elections have triggered:

i. The full recognition of EUR 71,650 thousand step-up tax expense (with the exception of interest that will be due) as a charge in the statement of comprehensive income of Allfunds Bank Milan branch.
ii. The accounting registration of EUR 72,281 thousand credit in the statement of comprehensive income of Allfunds Bank Milan branch, with the corresponding recognition of a deferred tax asset (DTA), to reflect the future tax deductions of the BNPP LPA business goodwill (not amortised for accounting purposes).
iii. The release of the deferred tax liability (DTL) booked in 2020 in relation to the BNPP LPA business intangibles (whose amortisation was considered non tax-deductible before the tax step-up election) and the corresponding registration of EUR 76,270 thousand credit in the statement of comprehensive income of Allfunds Bank Milan branch.

As a result, for the year ended 31 December 2021, the Allfunds Group has recognised a positive impact in the statement of comprehensive income (tax credit/(expense) line item) of EUR 76,901 thousand (expense of EUR 71,650 thousand plus credits of EUR 72,281 thousand and EUR 76,270 thousand).

9. Property, Plant and Equipment

Depreciation is calculated using the straight-line method to allocate the cost, net of the residual values, over the estimated useful lives of the assets.

There were no impairment losses during the year for property, plant and equipment.

	31 Dec 2021 Furniture and fixtures EUR ('000s)	Computer Hardware EUR ('000s)	Right-of-use Assets* EUR ('000s)	Total EUR ('000s)
Cost:				
Brought forward 1 Jan 2021	12,575	2,991	30,473	46,039
Additions	274	521	8,408	9,203
Disposals	(181)	–	(930)	(1,111)
Carried forward 31 Dec 2021	12,668	3,512	37,951	54,131
Accumulated depreciation:				
Brought forward 1 Jan 2021	(3,956)	(1,490)	(11,292)	(16,738)
Charge for the year	(1,247)	(1,349)	(7,026)	(9,622)
Disposals	–	–	275	275
Carried forward 31 Dec 2021	(5,203)	(2,839)	(18,043)	(26,085)
Net Book Value	7,465	673	19,908	28,046
Fully depreciated assets	4,218	–	–	4,218

* Right-of-use assets are further detailed in Note 36.

	31 Dec 2020 Furniture and fixtures EUR ('000s)	Computer Hardware EUR ('000s)	Right-of-use Assets* EUR ('000s)	Total EUR ('000s)
Cost:				
Brought forward 1 Jan 2020	11,555	2,267	22,911	36,733
Additions	1,201	724	7,562	9,487
Disposals	(181)	–	–	(181)
Carried forward 31 Dec 2020	12,575	2,991	30,473	46,039
Accumulated depreciation:				
Brought forward 1 Jan 2020	(2,521)	(874)	(5,090)	(8,485)
Charge for the year	(1,526)	(616)	(6,202)	(8,344)
Disposals	91	–	–	91
Carried forward 31 Dec 2020	(3,956)	(1,490)	(11,292)	(16,738)
Net Book Value	8,619	1,501	19,181	29,301
Fully depreciated assets	3,113	–	–	3,113

* Right-of-use assets are further detailed in Note 36.

10. Goodwill and Intangible Assets

The following acquisitions by the Group resulted in goodwill upon the purchase:

Business Acquired	Acquisition Date	Percentage Holding	CGU	Goodwill on purchase EUR ('000s)	Impairment EUR ('000s)	Goodwill 31 Dec 2020 EUR ('000s)	Goodwill 31 Dec 2021 EUR ('000s)
Allfunds Bank, S.A.U.	21 Nov 2017	100%	Allfunds Bank	962,412	(362,000)	600,412	600,412
Fintech Partners, S.L.U.	17 Jan 2018	100%	Fintech Partners	6,704	–	6,704	6,704
CS - Investlab AG	26 March 2020	100%	Allfunds Investlab	158,264	–	158,264	163,432
Nordic Fund Market	31 Oct 2019	100%	Allfunds Sweden	18,155	–	18,155	19,041
BNP – BC Business	2 Oct 2020	100%	BNP Banca Correspondente	232,447	–	218,570	218,570
Total				1,377,982	(362,000)	1,002,105	1,008,159

Presented in the table below is an analysis of Goodwill and Other Intangible Assets as at 31 December 2021 and 2020.

	Goodwill EUR ('000s)	IT developments EUR ('000s)	IT technological platform EUR ('000s)	Current relations with clients EUR ('000s)	Current relations with clients through cooperation agreement EUR ('000s)	Brand name EUR ('000s)	Sub-distribution agreement EUR ('000s)	Current relations with clients through Exclusivity agreement EUR ('000s)	Total EUR ('000s)
Cost:									
Brought forward 1.1.21	1,364,105	61,758	208,633	485,858	571,946	47,603	175,636	104,056	3,019,595
Additions	–	25,119	–	–					25,119
Disposals	–	–	–	–	–	–	–	–	–
Translation differences	6,054	–	–	244	7,270	–	(14,636)	–	(1,068)
Carried forward 31.12.21	1,370,159	86,877	208,633	486,102	579,216	47,603	161,000	104,056	3,043,646
Accumulated amortisation:									
Brought forward 1.1.21	–	(24,100)	(113,778)	(78,232)	(94,490)	(8,978)	(4,391)	(1,871)	(325,839)
Charge for the year	–	(13,444)	(40,728)	(32,814)	(38,459)	(2,885)	(16,772)	(7,094)	(152,196)
Disposals	–	–	–	–	–	–	–	–	–
Other movements	–	–	–	467	–	–	366	–	833
Carried forward 31.12.21	–	(37,544)	(154,506)	(110,578)	(132,949)	(11,863)	(20,797)	(8,965)	(477,202)
Impairment losses:									
Brought forward 1.1.21	(362,000)	(7)	(750)	–	–	–	–	–	(362,757)
Charge for the year	–	–	(551)	–	–	–	–	–	(551)
Carried forward 31.12.21	(362,000)	(7)	(1,301)	–	–	–	–	–	(363,308)
Net book value	1,008,159	49,327	52,826	375,523	446,267	35,740	140,203	95,091	2,203,136
Fully amortised	–	10,018		–	–	–	–	–	10,018

	Goodwill EUR ('000s)	IT developments EUR ('000s)	IT technological platform EUR ('000s)	Current relations with clients EUR ('000s)	Current relations with clients through cooperation agreement EUR ('000s)	Brand name EUR ('000s)	Sub-distribution agreement EUR ('000s)	Current relations with clients through Exclusivity agreement EUR ('000s)	Total EUR ('000s)
Cost:									
Brought forward 1.1.20	1,005,824	44,171	184,474	376,615	558,317	47,603	–	–	2,217,004
Additions	–	17,680	–	–	–	–	–	–	17,680
Acquired intangibles	372,158	–	24,159	91,168	13,629	–	175,636	101,404	778,154
Disposals	–	(93)	–	–	–	–	–	–	(93)
Carried forward 31.12.20	1,377,982	61,758	208,633	467,783	571,946	47,603	175,636	101,404	3,012,745
Accumulated amortisation:									
Brought forward 1.1.20	–	(14,100)	(76,238)	(51,500)	(56,309)	(6,085)	–	–	(204,232)
Charge for:									
Acquired Intangibles	–	–	(37,540)	(26,732)	(38,181)	(2,893)	(4,391)	(1,870)	(111,607)
Other intangible assets	–	(10,082)	–	–	–	–	–	–	(10,082)
Disposals	–	82	–	–	–	–	–	–	82
Carried forward 31.12.20	–	(24,100)	(113,778)	(78,232)	(94,490)	(8,978)	(4,391)	(1,870)	(325,839)
Impairment losses:									
Brought forward 1.1.20	(362,000)	(7)	–	–	–	–	–	–	(362,007)
Charge for the year	–	–	(750)	–	–	–	–	–	(750)
Carried forward 31.12.20	(362,000)	(7)	(750)	–	–	–	–	–	(362,757)
Net book value	1,015,982	37,652	94,105	389,551	477,456	38,625	171,245	99,534	2,324,149
Fully amortised	–	5,563	–	–	–	–	–	–	5,563
Prior Year Adjustment*	(13,877)	–	–	18,075	–	–	–	2,652	6,850
Represented 31.12.2020	1,002,105	37,652	94,105	407,626	477,456	38,625	171,245	102,186	2,330,999

* For further details on the representations, please refer to Note 2(e).

Impairment Testing

At least once per year (or whenever there is any indication of impairment), the Group reviews goodwill for impairment (i.e., a potential reduction in its recoverable amount to below its carrying amount) (see Note 3e). The first step that must be taken in order to perform this analysis is to identify the cash-generating units, i.e. the Group's smallest identifiable groups of assets that generate cash inflows that are largely independent of the cash inflows from other assets or groups of assets. The carrying amount of each cash-generating unit is determined taking into consideration the carrying amount (including any fair value adjustment arising on the business combination) of all the assets and liabilities of all the independent legal entities composing the cash- generating unit, together with the related goodwill. The carrying amount of the cash-generating unit to be recovered is compared with its recoverable amount in order to determine whether there is any impairment.

The carrying amount of goodwill acquired through business combinations has been allocated to the CGUs below, which are all included within the Platform Revenue operating and reportable segment.

The Group's directors assess the existence of any indication that might be considered to be evidence of impairment of the cash-generating unit by reviewing information including the following: (i) certain macroeconomic variables that might affect its investment (political situation and economic situation, among others) and (ii) various microeconomic variables comparing the Group's investment with the financial services industry of the country in which the cash-generating unit carries on most of its business activities (off-balance- sheet intermediated funds, net fees and commissions, earnings, among others). Regardless of whether there is any indication of impairment, every year the Group calculates the recoverable amount of each cash-generating unit to which goodwill has been allocated and, to this end, it uses internal estimates and appraisals performed by independent experts. The Group performed its annual impairment test as at 31 October 2021. This represents a change from the prior year, when the impairment testing was performed as at 31 December 2020. The impairment testing date was moved forward in order to facilitate the timing of management and external valuation specialist reviews.

The recoverable amount of an asset is the higher of the asset's or CGU's fair value less costs of disposal and its value in use. The value in use has been calculated using discounted cash flow projections ("DCF") or the dividend discount model ("DDM"), depending upon the CGU. The purpose of impairment testing is to determine whether the recoverable amount is greater than the carrying amount. If it is greater – based on either fair value less costs of disposal or value in use – then there is no requirement to refine the determination of the recoverable amount to a single number. However, if it is not greater, then more detailed work is required to determine the recoverable amount in order to calculate the impairment loss. Therefore, it is not always necessary to determine both a CGU's fair value less costs of disposal and value in use. In the case of all four of the CGUs tested for impairment, the value in use of the CGU is greater than its carrying amount, thus only the value in use has been calculated.

The dividend discount model was determined to be best suited to valuing the Allfunds Bank, Allfunds Sweden and Banca Correspondente CGUs, while the discounted cash flow method was determined to be the best valuation method for the Allfunds Investlab and Fintech CGUs. The dividend discount model is best suited for financial institutions. In order to obtain the actual value of the business, the income is discounted to a present date at a discount rate based on the cost of equity. The discounted cash flow method is accepted by valuation experts from both a theoretical and a practical perspective, as it effectively incorporates all the factors that affect the value of a business into the result of the valuation. The discounted cash flow method considers the operating results as well as the capital expenditures and working capital policies to calculate a business capacity of generating free cash flow. In order to obtain the actual value of the business, free cash flows are discounted to a present date at a weight average cost of capital (WACC).

In all cases, valuation has been done following a mid-year discounting assumption as it is considered that there is no special seasonality in the business. Furthermore, although limitations in comparability exist, value in use calculated is within the range of comparable listed companies and comparable transactions analysed.

See below for further details on the impairment testing methodology performed for each CGU:

2021

CGU	Value in Use	Discount Rate	Ke / WACC	Growth Rate
Allfunds Bank	Dividend discount model (DDM)	Cost of equity (Ke)	7,60%	2,80%
Allfunds Investlab	Discounted cash flow method (DCF)	Weighted average cost of capital (WACC)	6,80%	2,80%
Fintech Partners	Discounted cash flow method (DCF)	Weighted average cost of capital (WACC)	12,30%	1,80%
Allfunds Sweden	Dividend discount model (DDM)	Cost of equity (Ke)	9,40%	2,80%
Banca Correspondente*	Dividend discount model (DDM)	Cost of equity (Ke)	9,49%	2,80%

* Not tested for impairment as of 31 December 2020 due to the fact that the acquisition was closed in October 2020 and PPA remained open during the following 12-month measurement period.

2020

CGU	Value in Use	Discount Rate	Ke / WACC	Growth Rate
Allfunds Bank	Dividend discount model (DDM)	Cost of equity (Ke)	11,10%	1,90%
Allfunds Investlab	Discounted cash flow method (DCF)	Weighted average cost of capital (WACC)	10,80%	1,90%
Fintech Partners	Discounted cash flow method (DCF)	Weighted average cost of capital (WACC)	10,20%	1,30%
Allfunds Sweden	Dividend discount model (DDM)	Cost of equity (Ke)	12,90%	1,90%

Assumptions

Discount Rate

The present value of the future distributable dividends has been calculated using a discount rate for the cost of capital of the business (Ke). Such rate reflects the yield demanded by investors for investments with a similar risk to the business being valued. For its determination the Capital Asset Pricing Model ("CAPM") has been used. When discounting future distributable dividends, only a post-tax discount rate could be used.

In determining value in use, projected future cash flows are discounted using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. The WACC shown above and applied to the DCF models has been determined specific to projected future cash flows to be generated by the relevant CGUs and it has been considered that this discount rate is one that a market participant would use.

Perpetual Growth Rate

The determination of the perpetual growth rate for the calculation of the terminal value in the DDM and DCF has been prepared based on market data. Management's experts have reviewed broker reports of listed comparable companies belonging to the asset management industry, which have been issued close to the valuation date, in order to obtain a market consensus of the perpetuity growth rates assumed by analysts on their valuations.

Other Business Assumptions

AuA evolution

The volume flows have been estimated by the Company according to its best estimate of its capacity to capture assets under management, both from migrations of other clients as well as from organic growth of current clients (including former shareholders). The market effect has been estimated by the Company in line with the rest of AFB's branches, based on their best understanding of the overall expected performance evolution of the equities and fixed income.

Fee and commission income

The fee evolution has been forecasted by the Group based on their best estimate of the margin and remunerated AuA. In addition, this takes into account the movement in some CGUs from a revenue model based on set-up fees toward a new model based on recurring revenue.

Expenses

Expenses have been projected by the Group considering the current cost structure of the Group and are expected to evolve considering the Group´s needs, improved efficiency driven by the digitalization of services and forecasted inflation.

Company's capital requirements applicable only to Allfunds Bank cash generating unit (CGU) where the DDM model has been applied.

- Allfunds Bank CGU – The Company's capital necessities and the target common equity tier ("CET") ratio has been projected to be 17.5% plus the required counter cyclical buffer, in line with Company's commitment and consensual agreement with Bank of Spain.

Sensitivity Analysis

The Directors note that the estimations regarding the discount rate (Ke or WACC) and perpetual growth rate (g) factors could move and therefore have deemed it appropriate to consider the below sensitivity analysis for each CGU:

Allfunds Bank	Increase in Ke of 1.4%	Decrease in Ke of 1.6%	Increase in g of 0.4%	Decrease in g of 0.4%
Revised factor	9.0%	6.0%	3.2%	2.4%
Recoverable value (EUR ('000s))	2,910,000	5,662,000	4,040,000	3,480,000
Impairment needed	No	No	No	No

Allfunds Investlab	Increase in WACC of 1.2%	Decrease in WACC of 0.8%	Increase in g of 0.7%	Decrease in g of 1.3%
Revised factor	8.0%	6.0%	3.5%	1.5%
Recoverable value (EUR ('000s))	718,900	1,162,600	1,094,700	720,000
Impairment needed	No	No	No	No

Fintech Partners	Increase in WACC of 0.5%	Decrease in WACC of 0.5%	Increase in g of 0.5%	Decrease in g of 0.5%
Revised factor	12.8%	11.8%	2.3%	1.3%
Recoverable value (EUR ('000s))	49,302	53,833	53,172	49,908
Impairment needed	No	No	No	No

Allfunds Sweden	Increase in Ke of 1.5%	Decrease in Ke of 1.5%	Increase in g of 0.5%	Decrease in g of 0.5%
Revised factor	10.9%	7.9%	3.3%	2.3%
Recoverable value (EUR ('000s))	44,600	70,700	58,500	51,300
Impairment needed	No	No	No	No

Banca Correspondente	Increase in Ke of 0.5%	Decrease in Ke of 0.5%	Increase in g of 0.2%	Decrease in g of 0.3%
Revised factor	9.0%	10.0%	3.0%	2.5%
Recoverable value (EUR ('000s))	1,010,000	1,168,000	1,107,000	1,041,000
Impairment needed	No	No	No	No

Recoverable Amount

The carrying amount of a CGU should be determined in a way that is consistent with the way that the recoverable amount of the CGU is determined. For Allfunds Bank and Allfunds Sweden, the recoverable amount of the CGU has been determined using the DDM, based on income statement projections, and the carrying amount of all the assets and liabilities allocated to the cash-generating unit should be used in determining the cash-generating unit's carrying amount. For Allfunds Investlab and Fintech, the DCF projections include outflows and inflows in respect of tangible assets, intangible assets and working capital. Therefore, the carrying amount of the CGU that is used to determine the recoverable amount includes the related assets and liabilities.

As shown below, the recoverable amount exceeded the carrying amount of the investments for all CGUs and therefore, no impairment is required.

	31 Dec 2021 EUR ('000s)		
CGU	Carrying value	Recoverable amount	Impairment required on goodwill
Allfunds Bank	1,714,000	3,736,000	–
Allfunds Investlab	331,901	927,994	–
Fintech Partners	10,937	51,462	–
Allfunds Sweden	24,718	54,636	–
BNP Banca Correspondente	485,000	1,084,000	–

	31 Dec 2020 EUR ('000s)		
CGU	Carrying value	Recoverable amount	Impairment required on goodwill
Allfunds Bank	1,706,000	1,973,000	–
Allfunds Investlab	322,535	405,332	–
Fintech Partners	11,807	22,163	–
Allfunds Sweden	24,718	30,942	–

Furthermore, due to the covenants under IAS 36 it is not possible to reverse the previous impairment against the goodwill of the Allfunds Bank CGU, therefore there is no effect on the audited annual consolidated financial statements.

Impairment tests are performed annually.

11. Business Combinations

Nordic Fund Market

On 24 March 2019, Allfunds Bank S.A.U., signed an agreement to acquire Nordic Fund Market (NFM) through the purchase of all the shares of Allfunds Sweden AB (former Nasdaq Broker Services AB) from its shareholder Nasdaq Technology AB. NFM is one of the main providers of fund services in Sweden. The company has an investment license for Sweden, is regulated by the Swedish "Finansinspektionen" authority and is authorised to operate in Finland and Norway. On 31 October 2019 the conditions precedent were met, and Allfunds Bank, S.A.U., acquired all the shares of Allfunds Sweden AB and obtained control of the entity on that date. On 31 October 2019, Allfunds paid Nasdaq Technology AB EUR 29,363 thousand for the acquisition of Allfunds Sweden AB.

In 2021 Allfunds Sweden became a branch of Allfunds Bank, S.L.U. effective for accounting purposes on 1 January 2021. Consequently, as from 1 January 2021, all the assets and liabilities of Allfunds Sweden, along with the intangible assets arising in the business combination resulting from the acquisition of Allfunds Sweden, are included in the balance sheet of the Bank.

Assets arising from the business combination

This business combination gave rise to certain assets as a result of the price paid being higher than the value of the net assets acquired. In this connection, at 31 December 2020 the Group had completed the purchase price allocation process for Allfunds Sweden AB, taking into consideration the report prepared by an independent expert, and disclosing the following assets at the acquisition date:

	Thousands of Euros
Consideration transferred to Nasdaq Technology AB	29,363
Less- Fair value of the net assets acquired	(9,949)
Emerged goodwill from business combination	**19,414**
Customer relationships	(1,587)
Deferred tax liabilities	328
Goodwill (Note 10)	**18,155**

2021

	Thousands of Euros				
	Useful life	Initial Balance at 1 January 2021	Amortization	Exchange rate effect	Final Balance at 31 December 2021
Customer relationships	14.95	1,463	(106)	66	1,423
Deferred tax liabilities	14.95	(301)	22	(14)	(293)

2020

	Thousands of Euros			
	Useful life	Initial Balance at 31 October 2020	Amortization	Final Balance at 31 December 2020
Customer relationships	14.95	1,569	(106)	1,463
Deferred tax liabilities	14.95	(324)	23	(301)

Credit Suisse distribution business

Description of the transaction

On 25 June 2019, Allfunds Bank, S.A.U. and its subsidiary Allfunds International, Schweiz AG, together with their shareholders Allfunds (UK) Limited (former LHC4 (UK) Limited) (sole shareholder of Liberty Partners, S.L.U., which in turn is the sole shareholder of Allfunds Bank, S.A.U.) and LHC1 Limited, entered into an agreement with Credit Suisse AG to acquire: i) First phase: the shares of the Swiss company Credit Suisse InvestLab AG (subsequently Allfunds InvestLab AG), including its equipment, technology, an exclusivity and cooperation agreement, and the corresponding services agreements with management companies and; ii) Second phase: the shares of the Swiss company Credit Suisse InvestLab 2AG (subsequently Allfunds InvestLab 2AG) which includes the distribution agreements with those management companies. The first phase was carried out in September 2019 and, entitled Credit Suisse AG to a 9% indirect ownership interest in the share capital and the Group acquired Allfunds InvestLab AG; and the second, during the first quarter of 2020, entitled Credit Suisse to an additional indirect holding of 9%. Consequently, after executing the second phase, Credit Suisse held 18% of the share capital of Allfunds (UK) Limited and indirectly of Allfunds Bank, S.A.U.

To carry out this transaction, and as a result of the settlement of the purchase price for the acquisition of the shares of Credit Suisse InvestLab AG and Credit Suisse InvestLab 2 AG by Allfunds International Schweiz from Credit Suisse AG through the transfer of the additional ownership interest in Allfunds Group Plc, Allfunds Group Plc (sole shareholder of Liberty Partners, S.L.U.) granted two loans of EUR 190 million each to Allfunds International, Schweiz AG, i.e., the amount at which the shares of Credit Suisse InvestLab AG (Phase One) and Credit Suisse InvestLab 2 AG (Phase Two) transferred had been valued.

These loans were contributed by Allfunds Group Plc as a non-monetary capital increase to Liberty Partners, S.L.U. (sole shareholder of Allfunds Bank, S.A.U.) and, simultaneously, as a non-monetary capital increase, by Liberty Partners, S.L.U. to Allfunds Bank, S.A.U. Lastly, Allfunds Bank, S.A.U. made two contributions to the reserves of Allfunds International Schweiz AG, at which time the original loans were extinguished.

The grandparent contributions made by Allfunds Bank, S.A.U. to the reserves of Allfunds International Schweiz AG did not involve capital increases at Allfunds International Schweiz AG, and Allfunds Bank, S.A.U. did not receive any shares of Allfunds International Schweiz AG; this contribution was accounted for in the separate financial statements of Allfunds Bank, S.A.U. as an addition to the value of the ownership interest held by it in Allfunds Bank International, S.A. (sole shareholder of Allfunds International Schweiz AG).

In addition, on 17 June 2019 Allfunds International Schweiz AG entered into an agreement, for EUR 14,783 thousand before tax (EUR 13,726 thousand after tax), to negotiate the acquisition of Credit Suisse InvestLab AG on an exclusive basis with Credit Suisse AG. Once the transaction had been successfully completed, this amount was treated as an addition to the value of the consideration paid by the Allfunds Bank Group for the acquisition of Allfunds InvestLab AG.

In 2021 Allfunds Bank International, S.A.U. (together with its branch in Switzerland, which took over the business acquired from Credit Suisse) became a branch of the Bank, effective for accounting purposes on 1 January 2021. Consequently, as from 1 January 2021, all the assets and liabilities of Allfunds Bank International, S.A., along with the intangible assets arising from the business combination for the acquisition of the Credit Suisse distribution business have been recorded in the Bank's balance sheet.

Assets arising from the business combination

This business combination gave rise to certain assets as a result of the price paid being higher than the value of the net assets acquired. In this connection, at 31 December 2020 the Group had completed the purchase price allocation process for Credit Suisse InvestLab, AG (both first and second phase), taking into consideration the report prepared by an independent expert, and disclosing the following assets at the acquisition date:

	Thousands of Euros		
	Phase One (06/09/19)	Phase Two (26/03/20)	Total
Consideration transferred to Credit Suisse AG	190,000	190,000	380,000
Cost of negotiation on an exclusive basis	14,783	–	14,783
Less- Fair value of the net assets acquired	(27,755)	(93)	(27,848)
Emerged goodwill from business combination	**177,028**	**189,907**	**366,935**
Cooperation agreement*	(148,635)	(13,629)	(162,264)
Relationships with customers	(3,717)	–	(3,717)
Deferred tax assets	(25,647)	(39,268)	(64,915)
Deferred tax liabilities	30,249	2,698	32,947
Other assets**	(5,475)	–	(5,475)
Payment of tax liabilities	(5,247)	–	(5,247)
Goodwill (Note 10)	**18,556**	**139,708**	**158,264**

* Fair value of the relationship between Allfunds Bank, S.A.U. and Credit Suisse whereby Allfunds Bank is the distributor of funds of Credit Suisse on an exclusive basis in certain geographical areas, as well as providing certain services associated with the distribution of funds also on an exclusive basis.

** Amount collected at 31 December 2020.

The changes in assets with finite useful lives and the related deferred tax liabilities, since the acquisition date were as follows:

2021

	Thousands of Euros				
	Useful Life	Beginning Balance at 1 January 2021	Amortisation	Exchange rate differences	Ending Balance at 31 December 2021
Cooperation agreement	12	145,048	(13,512)	7,270	138,806
Relationships with customers	13.4	3,351	(277)	178	3,252
Deferred tax liabilities	13	(29,229)	2,717	(1,519)	(28,031)

2020

Phase One: acquisition date: 6 September 2019

	Thousands of Euros			
	Useful Life	Beginning Balance at 1 January 2020	Amortisation	Ending Balance at 31 December 2020
Cooperation agreement	12	144,701	(12,411)	132,290
Relationships with customers	13.4	3,629	(278)	3,351
Deferred tax liabilities	13	(29,399)	2,684	(26,715)

Phase Two: acquisition date: 26 March 2020

	Thousands of Euros			
	Useful Life	Beginning Balance at 26 March 2020	Amortisation Charge	Ending Balance at 31 December 2020
Cooperation agreement	12	13,629	(871)	12,758
Deferred tax liabilities	13	(2,698)	184	(2,514)

BNP

On 2 October 2020, Allfunds Bank, S.A.U. and BNP Paribas Securities Services (BP2S) and BNP Paribas AM (PAM) completed the transaction signed on 21 October 2019 after obtaining the relevant regulatory approvals and as a result:

a) BNP Paribas Securities Services ("BP2S") has contributed its "Banca Corrispondente" or correspondent banking business division, which engages in, inter alia, paying agency, investor relations management, and tax, foreign exchange and transfer agency activity (the BC Business), which conducted through its branches in Italy, Poland and Spain, to Allfunds Bank, S.A.U., which, after the transaction closing date, would carry on the business for its own account through its branch in Italy and the new branch in Warsaw, Poland. This business contribution has no tax relevance in Spain since the BC Business has been automatically and immediately attributed by Allfunds Bank, S.A.U., to its branch in Italy, with the exception of the branch of activity related to the transfer agent services business that has been integrated in Spain as it has been developed by the branch of BP2S in Spain. The contribution of the mentioned branch of activity (transfer agent services business offered to non-Spanish management companies wishing to market their funds in Spain) have been covered by the tax regime established in Chapter VII of Title VII of Law 27/2014, of November 27, on Corporate Income Tax and, for such purposes, all the necessary actions have been taken to correctly comply with the requirements established in the aforementioned regulation (see Note 14).

   This business has been valued by an independent expert at EUR 414,000 thousand. This transaction was carried out through a non-monetary capital increase in Allfunds Bank, S.A.U. As a result, B2PS has acquired 16.20% of the capital of Allfunds Bank, S.A.U., at the closing of the transaction.

b) PAM has contributed:

   – the right in favor of Allfunds Bank, S.A.U. to (a) have access to certain entities of group BNPP for the exclusive purpose of offering fund distribution services and other products and services that do not compete with the products offered by group BNPP, and (b) to present itself before CIIs and fund managers as the fund distributor of the referred entities acting through PAM by virtue of the sub-distribution agreements that have been signed with the different entities of group BNPP (Activity PAM) and Allfunds Bank who will develop it through its new branch in Paris (France), to whom this activity was automatically and immediately attributed by Allfunds Bank, S.A.U., lacking therefore tax relevance in Spain.

     This right has been valued by an independent expert at EUR 146,363 thousand. This transaction was carried out through a non-monetary capital increase IN Allfunds Bank, S.A.U. As a result, PAM has acquired 5.73% of the capital of Allfunds Bank, S.A.U., at the closing of the transaction.

   – EUR 14,636 thousand in cash. This transaction was carried out by means of a cash capital increase in Allfunds Bank, S.A.U. Consequently, PAM acquired 0.57% of the capital of Allfunds Bank, S.A.U., at the closing of the transaction.

Lastly, BP2S entered into with Allfunds Bank, acting through its branch in Paris (France), an outsourcing agreement under which it will receive brokerage and custody services in relation with its FDS (Fund Dealing Services) business.

The Group has considered that, through this transaction and in accordance with IFRS 3, it has acquired two business units (CGUs) associated with: i) Banca Corrispondente; ii) intermediation and custody services (FDS: Fund Dealing Services) and an asset that corresponds to the agreement signed with PAM.

Additionally, in the context of the operation, dated 20 October 2019, BP2S and Allfunds Bank, S.A.U., have signed a contract with a duration of 3 years and with the aim of establishing the cooperation framework between both entities to carry out the transition of business and operations to Allfunds Bank (Transactional Services Agreement or TSA). The cost of this contract has been established at EUR 82,000 thousand according to the following schedule (see Note 38):

- EUR 36,000 thousand corresponding to the first year of the contract
- EUR 36,000 thousand corresponding to the second year of the contract
- EUR 10,000 thousand corresponding to the third year of the contract

Likewise, said contract establishes that BP2S will pay to Allfunds Bank, S.A.U. EUR 300 thousand for services provided to BP2S during the 24 months after closing.

As a consequence, at 31 December 2021 and 2020, the Group has recognised an expense associated to the TSA costs for EUR 42,064 thousand and EUR 10,516 thousand which is included in the heading "Other expenses: Sub-contracted administrative services" of the accompanying consolidated statement of comprehensive income (see Note 28).

On 20 October 2019, PAM and Allfunds Bank, S.A.U. signed a contract (Sub Distribution Framework Agreement) that regulates the cooperation between PAM and Allfunds Bank for the migration from PAM to Allfunds Bank, S.A.U. The duration of the contract has been established in 10 years with a price of EUR 9,000 thousand for the first two years (EUR 6,000 thousand in 2020 and EUR 3,000 thousand in 2021) and EUR 1,000 thousand in subsequent years (see Note 38).

As a consequence, as at 31 December 2021 and 2020, the Group has recognised an expense associated to the Sub Distribution Agreement for EUR 6,300 thousand and EUR 1,800 thousand which is included in the line of "Sub-contracted Administrative services" of the accompanying consolidated statement of comprehensive income (see Note 28) and a right as a result of prepayment for EUR 2,700 thousand and EUR 5,426 thousand which is included in the heading "Other Assets" of the attached consolidated statement of financial position (see Note 15).

After the closing of the operation and with the purpose that BP2S and PAM become shareholders of Allfunds (UK) Limited, indirect sole shareholder of Allfunds Bank, S.A.U., as at 31 December 2020:

a) an increase in share capital at Liberty Partners, S.L.U., the sole shareholder of Allfunds Bank, S.A.U., has been completed through the non-monetary contribution by BP2S and PAM of the respective shares held by them of Allfunds Bank, S.A.U.; and

b) similarly, an increase in capital at Allfunds (UK) Limited has been completed through the non-monetary contribution by BP2S and PAM of the respective shares held by them of Liberty Partners, S.L.U.

Therefore, at 31 December 2020, BP2S and PAM held a joint ownership interest of up to 22.5%.

i) Acquisition of Banca Corrispondente business

Assets arising from the business combination

In this business combination, different assets were revealed as a consequence of the higher price paid on the net assets acquired. In this sense, as of December 31, 2020, the Group had completed the process of assigning the purchase price of the business of Banca Corrispondente, taking into consideration the report made by an independent expert. At 31 December 2020 the Group had made a provisional purchase price allocation, but in 2021 it obtained additional information (mainly relating to the historical attrition rate) and proceeded to retroactively adjust the initial allocation of intangible assets (as of 31 December 2020), pursuant to paragraph 49 of IFRS 3, as the period of one year from the transaction date had not expired. This adjustment entailed changes to the recorded amortisation expense, with an impact of EUR 8 thousand on the result at 31 December 2020 (see Note 2.e).

The following table provides a breakdown of the initial allocation at 2 October 2020 and the allocation made with the new information and recorded retroactively at 31 December 2020:

	EUR ('000s)	
	Initial allocation	Allocation with new information available
Consideration transferred to BNP Paribas Securities Services ("BP2S")	414,000	414,000
Less – Cash transferred from BP2S to Allfunds Bank, S.A.U.	(29,684)	(29,684)
Less – Fair value of the net assets acquired	(7,617)	(7,617)
Emerged goodwill from business combination	**376,699**	**376,699**
Exclusivity agreement*	(101,404)	(104,056)
Relationship with clients	(91,168)	(109,231)
Technological Platform	(22,730)	(22,730)
Deferred tax liabilities	71,050	77,888
Goodwill (Note 10)	**232,447**	**218,570**

* Fair value of the relationship between Allfunds Bank, S.A.U. and Banca Nazionale del Lavore ("BNL") by means of which Allfunds Bank, S.A.U. will provide the services of payment agent to managers whose funds are distributed by BNL.

The movement of assets with a defined useful life, as well as the associated deferred tax liability, from the acquisition date is detailed below:

2021

		EUR ('000s)		
	Useful life	Initial balance at 31 December 2020	Amortization	Ending Balance at 31 December 2021
Exclusivity agreement	14.67	102,292	(7,095)	95,197
Relationship with clients	13.57	107,229	(8,051)	99,178
Technological platform	5	21,600	(4,546)	17,054
Deferred tax liabilities		(76,272)	76,272	–

2020

		EUR ('000s)		
	Useful life	Initial balance at 2 October 2020	Amortization	Ending Balance at 31 December 2020
Exclusivity agreement	14.67	104,056	(1,764)	102,292
Relationship with clients	13.57	109,231	(2,002)	107,229
Technological platform	5	22,730	(1,130)	21,600
Deferred tax liabilities		(77,888)	1,616	(76,272)

ii) Acquisition of the business of services of intermediation and custody (FDS: "Fund Dealing Services")

Assets acquired and liabilities assumed on the date of acquisition

The accounting for the Fund Dealing Services business assets and liabilities recognised at the acquisition date gave rise to the recognition of certain obligations associated with the employees transferred amounting to EUR 452 thousand. However, after the completion of the transaction, FDS transferred EUR 452 thousand to Allfunds Bank, S.A.U., since the value of the net assets acquired was lower than the amount established by the parties in the agreement.

12. Financial Assets at Amortised Cost

	31 Dec 2021 EUR ('000s)	31 Dec 2020 EUR ('000s)
Non-current assets		
Receivables from customers	957	868
	957	868
Current assets		
Receivables from credit institutions	61,051	43,426
Receivables from customers	169,524	169,919
Required balances held at Central Banks	14,675	12,465
	245,250	225,810
Total	246,207	226,678

13. Contract Assets

Contract assets represent accrued fees, commissions, and service revenues pursuant to IFRS 15. Accrued fees relate to UCIs distribution services rendered to Fund Houses and the amounts that were pending to be invoiced as at 31 December 2021 were EUR 713,562 thousand (31 December 2020 EUR 435,606 thousand).

The amount accrued of EUR 435,606 thousand as at 31 December 2020 was included in the invoiced amounts received during the year ended 31 December 2021.

14. Tax Assets

Included within the tax assets are the below balances:

	31 Dec 2021 EUR ('000s)	31 Dec 2020 EUR ('000s)
Current tax assets:		
Allfunds Bank, S.A.U.	6,695	4,137
Allfunds Bank, S.A. Singapore branch	7,275	3,492
Allfunds Bank, Stockholm branch (*)	1,197	1,077
Allfunds Bank Luxembourg branch (**)	4,890	–
Allfunds Bank Paris branch	2,793	–
Other	378	314
	23,228	9,020
Deferred tax assets:		
Non-deductible depreciation and amortisation (Allfunds Bank)	188	251
Non-tax-deductible provisions (Allfunds Bank)	474	182
Deferred tax assets – Business combinations CS InvestLab (***)	51,263	54,388
Deferred Tax assets – Business combinations BNP Italian tax step up (****)	72,281	–
Other related to Allfunds Bank subsidiaries & branches	1,210	291
	125,416	55,112
Total	148,644	64,132

(*) Upstream cross border merger of Allfunds Sweden AB into Allfunds Bank, S.A.U. with allocation of all assets and liabilities to the new Allfunds Bank Stockholm branch.

(**) Upstream cross boarder merger of Allfunds International Bank into Allfunds Bank, S.A.U. with allocation of Luxembourg and Swiss assets and liabilities to the new Allfunds Bank Luxembourg and Swiss branches respectively.

(***) "Deferred Tax Assets – InvestLab acquisition" includes the tax asset EUR 51,263 thousand arising in the business combination through which the distribution business of Credit Suisse was acquired. This tax asset amounted to EUR 64,915 thousand of which EUR 4,925 thousand has been amortised in the year to 31 December 2021 (EUR 5,245 thousand in the year to 31 December 2020, and EUR 5,282 thousand in the year to 31 December 2019) and EUR 1,800 thousand valuation adjustments for foreign exchange differences.

(****) "Deferred Tax Assets – Italian tax step" includes the tax assets arising as a consequence of the tax step-up election made by Allfunds Bank Milan branch and its entitlement, as from 2022, to amortise for tax, not for accounting purposes, the BC goodwill over a 5 year period.

	Balance at 31 Dec 2020	Impact in SOFP	Impact in SOCI	Acquisition for the year	Balances at 31 Dec 2021
Non-deductible depreciation and amortisation (Allfunds Bank)	251	–	(63)	–	**188**
Non-tax-deductible provisions (Allfunds Bank)	182	–	35	257	**474**
Tax assets – Business Combination CS Investlab (*)	54,388	1,800	(4,925)	–	**51,263**
Tax assets – Business Combination BNP Italian tax step up	–	–	–	72,281	**72,281**
Other tax credits of Allfunds Bank subsidiaries and branches	291	–	(199)	1,088	**1,180**
Other	–	–	–	30	**30**

(*) Valuation adjustments made in application of IAS 21

The Group has not recognised a deferred tax asset for tax losses in Singapore of EUR 18,267 thousand as of December 2020 (EUR 12,642 thousand as of December 2019); Spain – Liberty Partners, S.L.U. EUR 62,138 thousand as of December 2020; UK EUR 499 thousand in 2020 and Switzerland EUR 110,817 thousand as of December 2020 (EUR 38,057 thousand in 2019).

15. Other Assets

	31 Dec 2021 EUR ('000s)	31 Dec 2020 EUR ('000s)
Sundry accounts	**9,908**	5,557
Prepaid expenses	**2,876**	1,285
Total	**12,784**	6,842

16. Cash and Cash Equivalents

	31 Dec 2021 EUR ('000s)	31 Dec 2020 EUR ('000s)
Cash at bank and in hand	**12**	358
Cash balances at Central Banks	**1,306,516**	1,232,995
Other demand deposits	**886,102**	615,552
Total	**2,192,630**	1,848,905

Cash and cash equivalents comprise cash and short term bank deposits with an original maturity of three months or less. The carrying amount of these assets is approximately equal to their fair value.

The cash and cash equivalents disclosed above and in the statement of cash flows are all available on demand; there are no restricted cash amounts.

17. Financial Liabilities at Amortised Cost

	31 Dec 2021 EUR ('000s)	31 Dec 2020 EUR ('000s)
Deposits from credit institutions	**753,265**	1,181,627
Deposits from customers	**925,265**	266,760
Other financial liabilities	**578,860**	352,021
Total	**2,257,390**	1,800,408

Other financial liabilities contain funds temporarily held on behalf of Distributors due to orders of transfers of investments in UCIs received, which were yet to be settled at period end, tax collection accounts and other payment obligations. Also, included in other financial liabilities is the payment obligation in relation to the transitional services agreement with BNP Paribas of EUR 15,875 thousand as at 31 December 2021 (EUR 10,516 thousand as at 31 December 2020).

In addition, included in other financial liabilities is the revolving credit facility ("RCF") entered into by the Company during the year with a total capacity of EUR 550,000 thousand. As at 31 December 2021, the total amount drawn on the facility is EUR 50,000 thousand. Interest expense incurred on the RCF during the year ended 31 December 2021 was EUR 2,341 thousand (31 December 2020 nil). Finally, included in other financial liabilities is the pending EUR 185,000 thousand dividend payment due to the former shareholders.

18. Contract Liabilities

Contract Liabilities represent accrued expenses and unexpired costs at year end related to a type of fee contract generally referred to as the rebate model. The accrued liability represents the net amount to be paid to the Distributors, after the Allfunds Group has kept a margin on the gross amount paid by the Fund Houses. These amounts were pending to be settled to the Distributors as at 31 December 2021 were EUR 601,710 thousand (31 December 2020 EUR 352,159 thousand).

The amount accrued of EUR 352,159 thousand as at 31 December 2020 was included in the invoiced amounts paid during the year ended 31 December 2021.

19. Tax Liabilities

	31 Dec 2021 EUR ('000s)	31 Dec 2020 EUR ('000s)
Current tax liabilities	**52,104**	15,145
Deferred tax liabilities		
Arising in business combinations (Note 11)		
Allfunds Bank, S.A.U.	**194,028**	220,278
Allfunds Digital, S.L.U.	**859**	1,051
CS Investlab	**28,031**	29,232
Nordic Fund Market	**293**	301
Banca Correspondente business of BNP*	**–**	76,272
Other	**8**	257
	223,219	327,391
Total	**275,323**	342,536

* The deferred tax liabilities associated to the BC intangibles have been released in 2021 as a consequence of the tax step up election made by the Allfunds Bank Milan branch and its entitlement, as from 2021, to amortise the tax, and not only for accounting purposes, the BC intangibles over their useful lives.

The balance of "Tax Liabilities – Current Tax Liabilities" in the accompanying consolidated statement of financial position includes mainly the income tax payable generated in Luxembourg, Italy and France.

20. Provisions

The breakdown of the provisions recognised on the consolidated statement of financial position at year-end and the main changes during the year:

	Thousands of Euros					
Provisions	Opening balance	Other adjustments due to business combinations	Charge for the year	Unwind of discount	Amounts used	Closing balance
Pension and other post-employment defined benefit obligations	–	601	1,243	89	(243)	1,690
Other long-term employee remuneration	–	–	–	–	–	–
Outstanding tax court proceedings and lawsuits	–	–	–	–	–	–
Commitments and guarantees given	–	–	–	–	–	–
Other provisions	–	–	200	–	–	200
Total	**–**	**601**	**1,443**	**89**	**(243)**	**1,890**

Long-term defined benefit remuneration

The breakdown of the present value of the commitments assumed by the Group with respect to post-employment and other long-term remuneration, of the plan assets held to cover those obligations and of unrecognised past service cost at year-end 2021 is provided in the table below:

	31 Dec 2021 EUR ('000s)
Present value of obligations	**12,185**
Less: Fair value of plan assets	**(9,252)**
Less: Unrecognised prior service cost	**(1,243)**
Non-current provisions – Non-current employee benefit obligations (asset)	**1,690**

The present value of the commitments was determined by qualified independent actuaries, who used the following criteria for valuation purposes:

- Calculation method: the "projected credit unit" method, which contemplates each year of service as generating an additional unit of right to the benefits and values each unit separately.
- Actuarial assumptions made: unbiased and mutually compatible. The most significant actuarial assumptions used in the expert's calculations were the following:

Actuarial assumptions	2021 Switzerland	Italy
Discount rate (*)	0%	0.99%
Mortality and life expectancy tables	BVG 2015. 2012 Mortality Tables	RG48
Rate of growth in social security tax limit	0,47%	1,90%
Expected return on plan assets	1,75%	n.a

(*) Discount rate based on the yield curve on a pool of corporate bonds denominated in Euros carrying AA ratings from the three main ratings agencies (Standard & Poor's, Moody's and Fitch) with maturities as of the valuation date equal to or longer than the duration of the commitments assumed.

The rates used to discount the future cash flows were determined using high-quality corporate bonds denominated in each currency.

The expected return on the plan assets is in line with the chosen discount rate.

The retirement ages for the various commitments are set at the earliest date to which employees become entitled to retire, the contractually stipulated date in the case of early retirements or using retirement tables.

Changes in the key assumptions could affect the measurement of the Group's obligations. The table below provides an analysis of how sensitive the measurement is to changes in the key inputs:

Sensitivity analysis (thousands of Euros)

	Change in basis points	2021 Increase	2021 Decrease
Discount rate	0,25%	**(513)**	**n.a**
Wage growth rate	0,25%	**336**	**(322)**
Increase in obligation per year of effective service	1 year	**148**	**160**

The sensitivity analysis was performed as of the date of the consolidated financial statements and provides the individual impact of changes in each of the assumptions, keeping all other variables constant, such that it excludes potential combined effects.

Below is a summary of the movements in the commitments that affected the amounts recognised on the consolidated statement of financial position in respect of the post-employment commitments assumed with current and former employees and other long-term remuneration obligations in 2021:

2021:

	Post-employment commitments Defined benefit obligations	Plan assets	Net obligation/ (asset)
Balance at 1 January 2021	8,858	(8,858)	–
Amounts recognised with a balancing entry in profit or loss.	601	–	601
Staff costs - Ordinary expense for the year	*852*	–	*852*
Return on plan assets	–	*(334)*	*(334)*
Financial cost of commitments	–	–	–
Curtailments and settlements	–	–	–
Additions to provisions for immediate recognition of actuarial losses and gains	–	–	–
Addition to provisions (net)	*1,149*	–	*1,149*
Adjustments in equity	219	(200)	19
Other	(884)	1,145	261
Contributions	296	(1,005)	(709)
Payments made	(149)	–	(149)
Balance at 31 December 2021	**10,942**	**(9,252)**	**1,690**

21. Other Liabilities

	31 Dec 2021 EUR ('000s)	31 Dec 2020 EUR ('000s)
Accrued variable remuneration costs	**30,111**	22,350
Trade payables	**24,110**	18,721
Other payables	**10,941**	12,231
Total	**65,162**	53,302

Accrued variable remuneration costs represent the accrual for the portion of employee compensation which is dependent upon performance during the year and is paid in a lump-sum on an annual basis, subsequent to calendar year-end.

Trade payables relate to commission expenses. They are unsecured and are usually paid within 30 days of recognition. The carrying value of trade and other payables are considered to be the same as their fair values, due to their short-term nature.

22. Share Capital

	31 Dec 2021 EUR ('000s)	31 Dec 2020 EUR ('000s)
Share Capital		
At 1 January	**1,574**	1,099
Issued during the year	**–**	475
At 31 December	**1,574**	1,574
Share Premium		
At 1 January	**2,060,156**	1,276,839
Premium arising on equity share issuance	**–**	783,317
Premium reallocation to reserves	**–**	–
At 31 December	**2,060,156**	2,060,156

The Company's total share capital was EUR 1,574 thousand as at 31 December 2021 (31 December 2020: EUR 1,574 thousand) comprising 629,426,348 ordinary shares of EUR 0.0025 per share (31 December 2020 comprised 157,356,587 ordinary shares of EUR 0.01 per share).

As part of the IPO process that occurred during the period, each EUR 0.01 share was divided into four EUR 0.0025 shares, with no change to each investor holding in the Company. All of the shares listed on Euronext Amsterdam were previously held by prior shareholders, reducing the ownership percentage of the relevant shareholders, and no new shares were issued as part of the IPO process. Each share has identical voting rights and all of the Company's allotted shares are fully paid up.

The EPS as per the Statement of Comprehensive Income for the comparative period has been calculated retroactively, using the number of shares post the share split in accordance with IAS 33.

23. Dividends

	31 Dec 2021 EUR ('000s)	31 Dec 2020 EUR ('000s)
Interim dividend paid during 2021 of 0.00 cents per share	**–**	–
Interim dividend paid during 2020 of 10.90 cents per share	**–**	12,000

24. Off Balance Sheet Items

	31 Dec 2021 EUR ('000s)	31 Dec 2020 EUR ('000s)
Available to third parties:		
Credit Institutions	**53,835**	49,092
Other resident sectors	**2,250**	2,250
Other non-resident sectors	**15,242**	14,743
Total	**71,327**	66,085

Off balance sheet items as at 31 December 2021 and 31 December 2020 relates to balances representing rights, obligations and other legal situations that in the future may have an impact on net assets, as well as any other balances needed to reflect all transactions performed by the Allfunds Group although they may not impinge on its net assets.

Contingent obligations held by the Allfunds Group which may result in the recognition of financial assets refer in their entirety to credit lines potentially available to third parties which could be drawn up to EUR 71,327 thousand as at 31 December 2021 and EUR 66,085 thousand as at 31 December 2020.

Also, at 31 December 2021, the Allfunds Group held off-balance-sheet funds under management relating to units/shares in UCIs amounting to EUR 1,494,464 thousand (31 Dec 2020: EUR 1,158,453 thousand).

25. Fee, Commission and Service Revenue

Fee, commission and service revenue has been generated by the following segments and recorded by the Group in accordance with IFRS 15:

	2021 EUR ('000s)	2020 EUR ('000s)
Platform revenue	2,648,557	1,575,356
Subscription and other revenues	20,331	14,007
Total revenue	2,668,888	1,589,363

Platform revenue includes fees and commissions related with the fund intermediation services, primarily from:

- the marketing of units in collective investments undertakings to asset management houses;
- foreign currency exchange services;
- ETFs intermediation activity;
- correspondent bank services;
- sub-custody services;
- intermediation services to customers where the fees are calculated applying a percentage to the daily assets under administration or distribution held for the account of the Group's customers;
- transaction fees on subscriptions and redemption orders in units of collective investments undertakings.

Subscription and other revenues is revenue that is not driven by fund intermediation activity, primarily:

- information and research services;
- administration and legal services; and
- use of technological financial tools.

26. Fee, Commission and Service Expense

Fee, commission and service expense has been generated by Allfunds Bank, S.A.U. and its subsidiaries and recorded by the Group as follows:

	2021 EUR ('000s)	2020 EUR ('000s)
Total expenses	2,163,199	1,280,065

27. Employee Compensation and Benefits

	2021	2020
Average number of employees during the year:	871	592

	2021 EUR ('000s)	2020 EUR ('000s)
Personnel expenses include the following expenses:		
Wages and salaries	94,044	63,808
Social security costs	11,618	8,013
Expense for defined contributions pension funds	1,794	1,540
Termination benefits	325	441
Long term incentive plan	1,975	–
Training expenses	550	238
Other staff costs	2,518	1,551
Total	112,824	75,591

28. Other Expenses

	2021 EUR ('000s)	2020 EUR ('000s)
Sub-contracted administrative services	65,525	32,782
Technical reports	39,469	16,549
Information technology	19,211	14,548
Communications	6,162	5,073
Insurance	3,167	731
Legal and professional	1,991	13,178
Other	10,569	7,040
Total	146,094	89,901

Within sub-contracted administrative services included for the year ended 31 December 2021 are EUR 53,409 (EUR 26,013 for the year ended 31 December 2020) that correspond to the transitional services agreements and cooperation agreements with both BNP Paribas and Credit Suisse.

Included within Technical reports are EUR 20,916 thousand for the year ended 31 December 2021 of costs associated with the IPO listing of the Company.

Included in Technical reports are amongst others, the fees for audit and other services provided by the auditor of the Group. The breakdown of which is included below:

	2021 EUR ('000s)	2020 EUR ('000s)
Audit services	1,494	932
Other assurance services	177	218
Other services	7	15
Total audit and related services	1,678	1,165

29. Other Operating Income/(Expense)

	2021 EUR ('000s)	2020 EUR ('000s)
Other operating income	7,064	9,338
Other operating expenses	(1,999)	(4,524)
Net (losses)/gains on financial assets and liabilities at FVTPL	(19)	295
Net exchange differences	1,758	428
Other operating incomes	6,804	5,537

The balance of "Other Operating Income" in the accompanying consolidated statement of comprehensive income relates mainly to income from capitalization of internal staff costs and from proceeds related to insurance claims.

The balance of "Other Operating Expenses" in the accompanying consolidated statement of comprehensive income relates mainly to expenses from operational incident losses and from contributions to the Single Resolution Board, the central resolution authority within the banking union.

30. Interest Income

	2021 EUR ('000s)	2020 EUR ('000s)
Loans and advances to credit institutions	1,078	1,081
Loans and advances to customers	1,758	1,324
Other finance income	1,017	1,046
Total	3,853	3,451

31. Interest Expense

	2021 EUR ('000s)	2020 EUR ('000s)
Deposits from credit institutions	7,803	4,544
Cash balances from Central Banks	3,998	1,108
Lease liabilities	265	346
Other	(24)	26
Total	12,042	6,024

32. Impairment Losses

	2021 EUR ('000s)	2020 EUR ('000s)
Impairment loss on non-financial assets	730	750
Impairment loss on financial assets held at amortised cost	6,043	800
	6,773	1,550

33. Tax Expense

The tax expense recognised by the Group for the year is as follows:

	2021 EUR ('000s)	2020 EUR ('000s)
Allfunds Bank	22,859	10,432
Allfunds Bank – Milan branch*	(45,143)	20,203
Allfunds Bank – Paris branch	3,847	3,955
Allfunds Bank - Luxembourg branch	6,526	4,309
Allfunds Bank – Swiss branch**	541	349
Allfunds Bank – UK branch	3,649	–
Liberty Partners	1,987	(124)
Allfunds Group Plc	(451)	–
Other	244	163
less:		
Deferred tax on intangible assets Allfunds Bank Group	(192)	2,265
Deferred tax on intangible assets Liberty Partners Group	(26,250)	(26,322)
Tax expense	(32,383)	15,230

* AFB Milan branch has registered a tax income in 2021 due to the accounting impact of the tax step-up election

** Upstream cross-border merger of Allfunds Bank International, S.A. into Allfunds Bank, S.A.U. with simultaneous allocations of Luxembourg and Swiss assets and liabilities to new Allfunds Bank Luxembourg and Swiss branches, respectively.

2021	Current tax expense/ (income) EUR ('000s)	Adjustment in respect of current income tax of prior years EUR ('000s)	Deferred tax relating to origination and reversal of temporary differences (*) EUR ('000s)	Total Tax (credit)/expense EUR ('000s)
Allfunds Bank	20,384	527	1,948	22,859
Allfunds Bank – Milan branch	31,491	277	(76,911)	(45,143)
Allfunds Bank – Paris branch	3,853	(6)	–	3,847
Allfunds Bank – Luxembourg branch	6,815	(289)	–	6,526
Allfunds Bank – Swiss branch	402	139	–	541
Allfunds Bank – UK branch	2,362	1,377	(90)	3,649
Liberty Partners, S.L.U.	1,987	–	–	1,987
Allfunds Group Plc	–	(451)	–	(451)
Other	713	(105)	(364)	244
less:				
Deferred tax on intangible assets at Allfunds Bank Group	–	–	(192)	(192)
Deferred tax on intangible assets at Liberty Partners Group	–	–	(26,250)	(26,250)

* Main input derived from the Italian tax step-up (release of DTL associated to the BC intangibles and recognition of DTA associated to BC goodwill).

2020	Current tax expense/ (income) EUR ('000s)	Adjustment in respect of current income tax of prior years EUR ('000s)	Deferred tax relating to origination al reversal of temporary differences (*) EUR ('000s)	Total Tax (credit)/ expense EUR ('000s)
Allfunds Bank, S.A.U.	10,798	(366)	–	10,432
Allfunds Bank, S.A.U. – Milan branch	20,814	(611)	–	20,203
Allfunds Bank, S.A.U. – Paris branch	3,955	–	–	3,955
Allfunds Bank, S.A.U. – Luxembourg branch	4,658	–	2,480	7,138
Other	158	5	(215)	(52)
less:				
Tax relief from Liberty Partners, S.L.U. to Allfunds Bank, S.A.U.	(124)	–	–	(124)
Deferred tax on intangible assets	(26,322)	–	–	(26,322)

* Related mainly to the decrease in the DTAs and DTLs arising at a consolidating level as a result of the PPA in the business combinations performed.

	2021 EUR ('000s)	2020 EUR ('000s)
Consolidated Profit/(loss) before tax	75,352	15,187
Plus Allfunds Group Plc consolidation adjustments	185,000	227,590
Less Liberty Partners Group consolidation adjustments	(105,510)	(25,320)
Allfunds Group Plc Company Profit /(Loss) before tax	154,842	217,457
Less Dividend Income	(185,000)	(14,590)
Plus Non-tax deductible expenses	22,995	7,881
Less Impairment reversal	–	(213,000)
Taxable profit /(loss)	(7,163)	(2,252)
UK Tax rate	19%	19%
Tax liability	–	–

The effective tax rate used in order to arrive at the tax expense is as follows:

	2021 EUR ('000s)	2020 EUR ('000s)
Profit/(loss) before tax	75,352	15,187
Tax (income)/expense	(32,383)	15,230
Effective tax rate	(42.98%)	100.28%

34. Earnings per Share

	2021 EUR ('000s)	2020 EUR ('000s)
Profit / (Loss) attributable to ordinary holders of the parent	107,735	(43)

	31 Dec 2021 Thousands	31 Dec 2020 Thousands
Number of ordinary shares	629,426	157,357
EPS (EUR)	0.2223	(0.0000)

Basic EPS is calculated by dividing the profit for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year.

As the Company has solely ordinary shares issued with no dilutive potential, diluted EPS equates to basic EPS.

35. Recognised Fair Value Measurement

The methodology used to calculate fair value for each class of financial assets and liabilities is as follows:

- Cash, cash balances at central banks and other demand deposits: relate to financial assets convertible into cash on demand and, accordingly, their fair value was considered to coincide with their carrying amount.
- Trading derivatives (assets and liabilities): the fair value of the trading derivatives was obtained by discounting estimated cash flows based on the forward curves of the respective underlying, quoted in the market.
- Financial assets not designated for trading compulsorily measured at fair value through profit or loss: the amount recognised in this line item relates to equity instruments not listed on organised markets and for which no other valid references for the estimation of fair value were available, as a result of which the Bank recognised them at cost in the consolidated statement of financial position since it was not possible to estimate their fair value reliably. In these cases, the Bank estimated the potential impairment of these instruments on the basis of the equity of the investee, adjusted by the amount of the unrealised gains existing at the date of measurement.
- Financial assets at amortised cost: the fair value of financial assets at amortised cost was obtained using the present value model, which discounts future cash flows to the present, using interest rates based on directly or indirectly observable market data to calculate the discount rate.
- Financial liabilities at amortised cost: these relate to financial liabilities at amortised cost at a fixed interest rate and maturing at less than one year and, accordingly, it was considered that their fair value coincided with their carrying amount since there were no significant differences.

To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under the accounting standards issued by the International Accounting Standards Board. An explanation of each level is as follows:

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading and held at fair value through profit or loss securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in Level 1.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on equity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3. This is the case for unlisted equity securities.

The following table summarises the valuation of the Group's financial instruments by the fair value hierarchy as detailed above:

	31 Dec 2021		
	Level 1 EUR ('000s)	Level 2 EUR ('000s)	Level 3 EUR ('000s)
Derivative financial instruments	–	(19)	–
Financial assets at FVTPL	–	664	–
	–	645	–

	31 Dec 2020		
	Level 1 EUR ('000s)	Level 2 EUR ('000s)	Level 3 EUR ('000s)
Derivative financial instruments	–	294	–
Financial assets at FVTPL	–	393	–
	–	687	–

During the year ended 31 December 2020, the Group did not transfer any financial instruments between levels 1, 2 or 3.

36. Leases

The Group has lease contracts for buildings, vehicles, and computer hardware. The Group's obligations under its leases are secured by the lessor's title to the leased assets.

The Group also has leases with lease terms of 12 months or less and leases of office equipment with low value. The Group applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the year:

	Vehicles EUR ('000s)	Computer Hardware EUR ('000s)	Buildings EUR ('000s)	Total EUR ('000s)
As at 1 January 2020	877	–	22,034	22,911
Additions (Note 8)	246	3,342	3,974	7,562
Depreciation charge for the year	(474)	(691)	(10,127)	(11,292)
As at 31 December 2020	649	2,651	15,881	19,181
Additions (Note 9)	307	–	7,896	8,203
Depreciation charge for the year	(329)	(691)	(6,520)	(7,540)
As at 31 December 2021	**627**	**1,960**	**17,257**	**19,844**

Set out below are the maturities of the lease liabilities:

	31 Dec 2021 EUR ('000s)	31 Dec 2020 EUR ('000s)
6 months or less	**3,732**	3,760
6-12 months	**3,374**	3,529
Total current liabilities	**7,106**	7,289
1-5 years	**11,549**	11,890
Over 5 years	**1,189**	298
Total non-current liabilities	**12,738**	12,188
Total Liabilities	**19,844**	19,477

The following are the amounts recognised in the consolidated statement of comprehensive income:

	2021 EUR ('000s)	2020 EUR ('000s)
Depreciation expense of right-of-use assets	**7,015**	6,202
Interest expense on lease liabilities	**265**	344
Expenses relating to short-term and low value leases	**731**	574
Total	**8,011**	7,120

The Group had cash outflows for leases of EUR 7,383 thousand for principal payments and EUR 265 thousand of interest payments in 2021 (2020: principal EUR 6,105 thousand and interest EUR 344 thousand).

37. Related Party Transactions

Balances and transactions between the Company and other subsidiaries of the Allfunds Group, which are related parties, have been eliminated on consolidation and are not disclosed in this Note.

Relationships

In addition to the public float, the shareholders of the Company are LHC3 Limited, Credit Suisse AG (CS AG), BNP Paribas Securities Services (BP2S) and BNP Paribas Asset Management Holding S.A. (BNPP AM). The Company is 39.00% owned by LHC3 Limited lc as at 31 December 2021. The remaining 22.37% is owned between Credit Suisse AG, BP2S and BNPP AM, and with the remainder of free float of 38.63%.

Acquisition-related agreements

As described in the the audited annual consolidated financial statements for the year ended 31 December 2020, Allfunds Group has entered into various cooperation, exclusivity and transitional service agreements with its shareholders, BP2S, BNPP AM and Credit Suisse AG. As a result of the agreements entered into, there are revenues, expenses, and asset and liability balances generated between the Allfunds Group and these parties. The shareholders BP2S and BNPP AM are collectively referred to as "BNP Paribas" below:

	As at			
	Amounts owed by related parties		Amounts owed to related parties	
	31 Dec 2021 EUR ('000s)	31 Dec 2020 EUR ('000s)	**31 Dec 2021 EUR ('000s)**	31 Dec 2020 EUR ('000s)
LHC3 Limited	**–**	15,325	**–**	6,251
Credit Suisse AG	**13,111**	30,094	**36,026**	46,827
BNP Paribas	**176,739**	242,656	**297,018**	18,011

	Twelve months to			
	Commission / Other income		Commission / Other expenses	
	31 Dec 2021 EUR ('000s)	31 Dec 2020 EUR ('000s)	**31 Dec 2021 EUR ('000s)**	31 Dec 2020 EUR ('000s)
LHC3 Limited	**–**	38	**–**	67
Credit Suisse AG	**23,705**	17,168	**135,889**	96,058
BNP Paribas	**57,883**	7,825	**129,615**	16,707

Management investment plan

Certain employees of the Allfunds Group have invested in the Management Investment Plan of LHC Manco Limited. Together, these employees through LHC Manco Limited indirectly have interests as at 31 December 2021 of 4.15% of Allfunds Group Plc. Included within this are 0.93% for Juan Alcaraz, Chief Executive Officer (CEO), 0.13% for Amaury Dauge, Chief Financial Officer (CFO), 0.01% for JP Rangaswami (Director) and 0.92% for Other key management, excluding both CEO and CFO.

The employees voluntarily bought in to the shares at a fair market value. There are a number of conditions attached to the ownership of these shares restricting the ability and price at which these shares can be disposed of.

As the shares have been issued and acquired at fair market value, there was no difference between the value that the employee received, and the value paid by the employees. Consequently, no expense has been accounted for in these financial statements.

As part of the IPO process, LHC3 Limited (the company via which LHC Manco Limited indirectly holds its shareholding in Allfunds Group Plc) disposed of 29.3% of its shareholdings in Allfunds Group Plc. Some of the proceeds were used to repay debt and other costs at LHC3 Limited, such that the net proceeds received by LHC Manco Limited represented 17.6% of the value it held prior to the IPO.

Remuneration of key management personnel

The remuneration of the Allfunds Group's senior executives, who are key management personnel of the Allfunds Group, is set out below:

	Twelve months to	
	31 Dec 2021 EUR ('000s)	31 Dec 2020 EUR ('000s)
Non-executive directors	**721**	56
Senior management		
Short term employee benefits	**24,777**	8,890
Post-employment benefits	**360**	293
Termination benefits	**–**	–
Total	**25,137**	9,183

There are 15 Directors of Allfunds Group Plc as at 31 December 2021 (7 Directors as at 31 December 2020), and of these 15 Directors, 12 were also Directors of Allfunds Bank, S.A.U. (of the 7 Directors as at 31 December 2020, 5 were also Directors of Allfunds Bank, S.A.U.).

A further amount of EUR 10,400 thousand has been paid in the year to 31 December 2021 by an indirect shareholder of the Company to certain employees of Allfunds Bank, S.A.U. for their hiring to the bank.

38. Commitments and Contingencies

Commitments

As at 31 December 2021 the Group and its subsidiaries had the following commitments:

- BNPP TSA with a cost of EUR 37,000 thousand pending as at 31 December 2021;
- PAM sub distribution agreement with a cost of EUR 9,800 thousand over a 10 year period; and
- Credit Suisse cooperation agreement, which includes:
  - Other relationship services to be provided by Credit Suisse with a cost of EUR 11,000 thousand for each of the first three years and EUR 6,500 thousand for each subsequent year until such moment that a party to the agreement wishes to withdraw; and
  - Joint conferences to be held with Credit Suisse (up to eight in total) for which the Group will have to pay an amount of EUR 5,000 thousand for each event

Contingencies

On 3 March 2011, Fairfield Sentry Limited and Fairfield Sigma Limited (hereinafter, the "Funds"), both in liquidation and affected by the so-called Madoff case, filed before the United States Bankruptcy Court for the Southern District of New York, in the United States of America, a claim against a distribution company outside the Group and against the Bank, as a consequence of the reimbursements made prior to December 2008, through the Bank, following the instructions of the aforementioned distribution company, as the liquidators of the Funds understood that, among other reasons, there were erroneous payments and unjust enrichment in said reimbursements, in the amount of USD 3,505,471.33 (approximately EUR 3,095 thousand).

In August 2016, the plaintiff also suspended certain claims from the Court of the British Virgin Islands. The Court of the British Virgin Islands denied the request for dismissal (although the Bank is not sued in the British Virgin Islands, there is a possibility that such claims will be reviewed in New York).

On 13 January 2017, the group of defendants, which include Allfunds Bank, S.A.U., filed an application for dismissal of the claim. On 6 December 2018 the Court found in favour of the defendants with respect to their contractual claims, except in the cases which the defendants were aware that the applicable net asset value at the time the redemptions were made was erroneous due to the investments of the funds held through Madoff. In this situation, the plaintiff could take action against the defendants and where the Bank is not included.

After the decision on 6 December 2018, the parties (plaintiffs and defendants) agreed to close the claims in order to execute that decision. After this decision was presented to the Court, on 4 April 2019, the Court accepted the closing of the claims in relation to Allfunds. Subsequently, the plaintiffs have appealed the decision of the Court on 6 December 2018 (including the closing order regarding Allfunds), this has not been resolved by the Court at the date of issuance of these consolidated financial statements.

On 19 July 2019, the plaintiff submitted an amendment to the claim against Allfunds, where all claims dismissed under the December 2018 decision are eliminated, except the claims related to the British Virgin Islands lawsuit on which it will submit a request for dismissal (although the Bank is not sued in the British Virgin Islands).

On 16 March 2020, the group of defendants has filed a new withdrawal action against the claim and the amendment of the claim (renewed motion).

On 20 March 2020, several Spanish defendants filed a supplement to the new withdrawal action seeking to demonstrate that the Spanish defendants, including Allfunds, are financial institutions eligible for the "free port" or safe harbour exemption under U.S. law by providing the necessary documentation.

On 29 May 2020, the Liquidators filed their opposition to Defendants' Renewed Motion and the Supplemental MOL, and Defendants filed a consolidated reply on 19 June 2020. The U.S. Bankruptcy Court determined that it will use two representative complaints (filed against Citibank NA London and HSBC Private Bank (Suisse) SA) to decide certain issues presented in the Renewed Motion, including whether (i) the majority of redemption payments were paid "to" or "for" the benefit of a covered entity under the U.S. Bankruptcy Code's safe harbour defence and (ii) whether the Liquidators' claims against Defendants who are parties to the Hague Convention ("Hague Defendants") must be dismissed for insufficient service of process, respectively. The Hague Defendants, including the Bank, did not permit or authorize the Liquidators to serve their complaints by international mail.

On 14 December 2020, the U.S. Bankruptcy Court issued a favourable decision on the merits of the Renewed Motion ("Fairfield III"). Specifically, the U.S. Bankruptcy Court dismissed the BVI Avoidance Claims against all defendants, including the Bank. The U.S. Bankruptcy Court declined to dismiss the constructive trust claims (i.e., the Liquidators' conclusory allegations that certain "Knowledge Defendants," knew the net asset value was inflated at the time of the redemptions). However, the Liquidators intend to appeal Fairfield III to the same District Court judge who is handling the appeal of Fairfield II. The new appeal will be consolidated with the Liquidators' appeals of Judge Bernstein's previous Fairfield decisions. On 24 February 2021, the order implementing the U.S. Bankruptcy Court's Fairfield III decision for the Bank was entered. On 12 March 2021, a final judgment was entered, dismissing the Bank from the case, with prejudice. As noted, the Liquidators intend to appeal this order to the District Court. On 26 February 2021, Judge Bernstein retired from the U.S. Bankruptcy Court and was replaced by Chief Bankruptcy Judge Cecelia G. Morris, who will preside over the litigation going forward.

On 24 February 2021, the order of implementation of the Court's decision was issued to the Bank and the final judgment of dismissal was issued on 12 March 2021 declaring the Bank out of the case. However, the liquidators appealed the order and the defendant´s consolidated opposition to the Liquidators´ appeals due on 19 October 2021.

Allfunds Group considers that, ultimately, the Group will not have to bear the possible adverse consequences of the aforementioned proceeding, since it considers that it acted merely as an intermediary without benefiting, on any occasion, from the redemptions made, and that it was not irrefutably aware that the applicable net asset value at the time the redemptions were made was erroneous, and, accordingly, no provision was recognised in this connection as at 31 December 2021 or 31 December 2020.

39. COVID-19

The appearance of the Coronavirus ("COVID-19") in China in January 2020 and its global expansion caused the viral outbreak to be classified as a pandemic by the World Health Organization on 11 March 2020.

The Allfunds Group is exposed to volatility in the financial markets caused by the COVID-19 pandemic with respect to the market value of AuA on its platform, which can have a materially negative impact on the Allfunds Group's financial condition and results of operations. During the initial period of the outbreak and the associated market volatility, the value of the Allfunds Group's AuA declined during Q1 2020. However, the markets subsequently improved, and the Allfunds Group has been able to additionally increase AuA through new activity with existing customers and the addition of new customers. The value of the Allfunds Group's AuA has rebounded in full since the decrease in the prior year.

The Directors and management of the Allfunds Group continue to update their risk assessment with respect to liquidity risks, operational risks, financial results as compared to budget, and going concern risk, based on the best available information. There have been no significant changes in this risk assessment since the issuance of the annual audited 2021 financial statements.

Due to the recovery in the markets and the success of vaccination programs during 2021, the global financial outlook is positive for 2022. However, any future direct and indirect effects of the pandemic on the global economy and our businesses, results of operations and financial condition are highly uncertain and depend on future developments that cannot be predicted, including spread of new variants of COVID-19, the timing and availability of effective medical treatments and vaccines, future actions taken by governmental authorities, including stimulus legislation, and/or other third parties in response to the pandemic. The pandemic may cause prolonged global or national negative economic conditions or longer lasting effects on economic conditions than currently exist, which could have a material adverse effect on our businesses, results of operations and financial condition.

40. Subsequent Events

On 19 January 2022 the Company paid to its former shareholders the conditional dividend which was approved prior to 31 December 2021 to the value of EUR 185,000 thousand.

41. Subsidiaries

Name of the entity	Place of business/ country of incorporation	Ownership	Principal activities
Liberty Partners, S.L.U. C/de los Padres Dominicos 28050, Madrid, Spain	Spain	100%	Asset holding
Allfunds Bank, S.A.U. C/de los Padres Dominicos 28050, Madrid, Spain	Spain	100%	Banking and investment services
Allfunds Nominee Limited 2 Fitzroy Place, 8 Mortimer Street 6th floor, London, W1T 3JJ	United Kingdom	100%	Asset holding
Allfunds Bank Brazil Representacoes Ltda. Rua Tabapuã, 1227, Itaim Bibi, São Paulo, Brazil	Brazil	100%	Representation services
Allfunds Digital, S.L.U. Edificio Insomnia, Calle de la Travessia, 15B Base 2, 46024 Valencia, Spain	Spain	100%	Computer programming
Allfunds Blockchain, S.L.U. C/ de los Padres Dominicos 28050, Madrid, Spain	Spain	100%	Computer programming activities and technology development
Allfunds Hong Kong Limited 30th Floor, One Taikoo Place, 979 Kings' Road, Hong Kong	Hong Kong	100%	No activity
MyFundmatch 7 Rue Meyerbeer, 75009, Paris, France	France	100%	Institutional intermediation

Company statement of Financial Position

As at 31 December 2021

	Notes	31 Dec 21 EUR ('000s)	31 Dec 20 EUR ('000s)
Assets			
Non-current assets			
Investments held at cost less impairment losses	3	**2,878,355**	2,876,424
Property, plant and equipment		**41**	–
Total non-current assets		**2,878,396**	2,876,424
Current assets			
Other assets		**4,273**	270
Tax assets		**272**	–
Cash and cash equivalents		**187,489**	334
Total current assets		**192,034**	604
Total assets		**3,070,430**	2,877,028
Equity and Liabilities			
Non-current liabilities			
Financial Liabilities	4	**47,899**	–
Total non-current liabilities		**47,899**	–
Current liabilities			
Other liabilities	5	**188,481**	1,710
Intercompany payable	6	**–**	13,536
Total current liabilities		**188,481**	15,246
Total liabilities		**236,380**	15,246
Equity attributable to equity holders of the parent entity			
Share capital		**1,574**	1,574
Share premium		**2,060,156**	2,060,156
Retained earnings		**772,320**	800,052
Total equity		**2,834,050**	2,861,782
Total liabilities and equity		**3,070,430**	2,877,028

The company Financial Statements were approved and authorised by the Directors of the Company on 21 March 2022 and were signed on its behalf by:

Amaury Dauge
Director and Chief Financial Officer

Allfunds Group Plc

Company statement of comprehensive income

For the year ended 31 December 2021

	Notes	31 Dec 21 EUR ('000s)	31 Dec 20 EUR ('000s)
Fee, commission and service revenue		–	–
Fee, commission and service expense		–	–
Net Revenue		–	–
Employee compensation and benefits	8	(4,271)	(2,361)
Other expenses	9	(25,757)	(8,015)
Other operating income	7	187,221	14,858
Amortisation and depreciation relating to other intangible assets and property, plant and equipment		(12)	–
Profit before net interest expense, impairment loss and tax expense		157,181	4,482
Interest income		–	–
Interest expense		(2,341)	(25)
Net interest expense		(2,341)	(25)
Reversal of Impairment losses on financial assets held at cost		–	213,000
Profit before tax		154,840	217,457
Tax income/(expense)	10	451	–
Profit/(loss) after tax		155,291	217,457
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translation of foreign operations		–	–
Total comprehensive income/(loss) for the period		155,291	217,457

Company statement of changes in equity

For the year ended 31 December 2021

	Notes	Share capital EUR ('000s)	Share premium EUR ('000s)	Retained Earnings EUR ('000s)	Total equity EUR ('000s)
Balance as at 31 Dec 2019		1,099	1,276,839	594,595	1,872,533
Profit		–	–	217,457	217,457
Other comprehensive income:					
Total other comprehensive income		–	–	–	–
Transactions with owners of the Company					
Share issuance		475	783,317	–	783,792
Capital reduction		–	–	–	–
Dividends		–	–	(12,000)	(12,000)
Balance as at 31 Dec 2020 as previously reported		1,574	2,060,156	800,052	2,861,782

	Notes	Share capital EUR ('000s)	Share premium EUR ('000s)	Retained Earnings EUR ('000s)	EUR ('000s)
Balance as at 31 Dec 2020 as previously reported		1,574	2,060,156	800,052	2,861,782
Adjustment to prior year balances in relation to the re-measurement of net assets acquired as a result of a business combination		–	–	–	–
Re-presented balance as at 31 Dec 2020		1,574	2,060,156	800,052	2,861,782
Profit		–	–	155,291	155,291
Other comprehensive income:					
Total other comprehensive income		–	–	–	–
Dividends	7	–	–	(185,000)	(185,000)
Other contributions		–	–	1,977	1,977
Balance as at 31 Dec 2021		1,574	2,060,156	772,320	2,834,050

Company statement of cash flows

For the year ended 31 December 2021

	Notes	Twelve months to 31 Dec 21 EUR ('000s)	31 Dec 20 EUR ('000s)
Operating activities			
Profit after tax for the year		155,291	217,457
Adjustment for:			
Impairment on financial assets at amortised costs		–	(213,000)
Amortization on loan facility		550	–
Depreciation		12	–
Net interest expense		2,341	25
Tax (credit)/charge	10	(451)	–
Adjusted profit		157,743	4,482
Net decrease/(increase) in operating assets			
Financial assets at amortised cost		–	–
Financial assets at fair value through profit or loss		–	–
Other operating assets		(4,515)	(269)
		(4,515)	(269)
Net increase/(decrease) in operating liabilities			
Financial liabilities at fair value through profit or loss		–	–
Financial liabilities at amortised cost		–	–
Other operating liabilities		(10,987)	6,278
		(10,987)	6,278
Net cash flows generated from operating activities		142,241	10,491
Financing activities			
Loan received		46,700	–
Dividend paid		–	(12,000)
Loan interest paid		(1,786)	–
Net cash flows generated from financing activities		44,914	(12,000)
Net increase / (decrease) in cash and cash equivalents		187,155	(1,509)
Cash and cash equivalents at the start of the year		334	1,843
Cash and cash equivalents at the end of the year		187,489	334

Non-cash disclosures

No non-cash equity contributions were made during the period from 1 January 2021 to 31 December 2021.

During the period from 1 January 2020 to 31 December 2020, the Allfunds Group made non-cash equity contributions in the following amounts:

- EUR 190,000 thousand on 26 March 2020 in relation to the acquisition of Credit Suisse InvestLab AG; and
- EUR 18,792 thousand on 26 March 2020 in relation to the deferred consideration for the 2019 acquisition of Credit Suisse InvestLab AG

Notes to the company financial statements

For the year ended 31 December 2021

1. Significant Accounting Policies

The standalone financial statements for the Company have been prepared under the same accounting treatments as described in the Group accounting policies in Notes 2 and 3 of the Notes to the Consolidated Financial Statements, where applicable.

2. Critical Accounting Judgements and Key Sources of Estimation Uncertainty

The preparation of the Company financial statements have been prepared using the same accounting treatments as those applied in Group's accounting policies.

3. Investment in Subsidiary

The company owns 100% of the share capital of Liberty Partners, S.L.U., a holding company, and therefore indirectly, its subsidiaries.

The investment in subsidiary is held at cost less accumulated impairment losses.

	31 Dec 2021 EUR ('000s)	31 Dec 2020 EUR ('000s)
Investment at cost	2,876,424	2,111,424
Additions	1,931	765,000
Total investment in Subsidiary	2,878,355	2,876,424

On 26 March 2020, as part of the business combination made by the Group as described in Note 11, the Company increased its holding within Liberty Partners, S.L.U. by EUR 190,000 thousand to complete the second phase of the Credit Suisse transaction. Furthermore, on 13 November 2020, as part of the business combination made by the Group as described in Note 11, the Company further increased its holding in Liberty Partners, S.L.U. by a total of EUR 575,000 thousand through the non-monetary contribution by BP2S and PAM in consideration for the newly issued shares within the Company.

4. Non current Other Liabilities

	2021 EUR ('000s)	2020 EUR ('000s)
Financial Liabilities	47,899	–
Total	47,899	–

5. Other Liabilities

	2021 EUR ('000s)	2020 EUR ('000s)
Dividend Payable	185,000	–
Accrued variable remuneration costs	2,364	1,093
Other payables	1,117	617
Total	188,481	1,710

6. Intercompany Payable

	2021 EUR ('000s)	2020 EUR ('000s)
LHC3 Limited	–	6,194
Allfunds Bank, S.A.U.	–	6,985
Credit Suisse Investlab	–	357
Total	–	13,536

In July 2020, the Company entered into a loan agreement with Allfunds Bank, S.A.U. in order to provide funds to settle outstanding expenses incurred by the Company. The loan was provided on an arm length basis and had a maturity date of 30 July 2021 with an interest rate of 0.73%. The loan was repaid in full in April 2021.

7. Other Operating Income

During the year to 31 December 2021, the Company received dividends from Liberty Partners, S.L.U. its direct subsidiary, as detailed below:

	2021 EUR ('000s)	2020 EUR ('000s)
Interim dividend received during 2021 of 29,4 cents per share	185,000	–
Interim dividend received during 2020 of 13.3 cents per share	–	14,590
Other income	2,221	268
	187,221	14,858

8. Employee Compensation and Benefits

	2021	2020
Average number of employees	5	4

	2021 EUR ('000s)	2020 EUR ('000s)
Employee compensation and benefits include the following expenses:		
Wages and salaries	(3,314)	(1,759)
Social Security Costs	(738)	(530)
Expense for defined contributions pension funds	(22)	(28)
Training expenses	(176)	(12)
Other staff costs	(21)	(32)
Total	(4,271)	2,349

9. Other Expenses

	2021 EUR ('000s)	2020 EUR ('000s)
Legal & professional expenses	(21,178)	(7,466)
Sub-contracted administrative services	(1,350)	(79)
Insurance	(1,337)	–
Bank Charges	(824)	(2)
Audit Costs	(523)	(9)
Rental expenses	(170)	(133)
Other expenses	(345)	(326)
Total	(25,727)	(8,015)

10. Tax Expense

	2021 EUR ('000s)	2020 EUR ('000s)
Profit/(loss) for the period before tax	154,840	217,457
Adjustment for:		
Impairment reversal	–	(213,000)
Dividend income	(185,000)	(14,590)
Non–tax–deductible expenses	22,996	7,881
Taxable profit/(loss)	(7,164)	(2,252)
Tax rate	19%	19%
Adjustment in relation to prior years*	451	–
Taxable income / (expense)	451	–

* Allfunds Group Plc surrendering tax losses to Allfunds Bank, S.A.U. UK branch for an amount of EUR 2,282 thousand for the year ended 31 December 2020. As a result, as at 31 December 2021 Allfunds Group Plc is due to receive EUR 451 thousand from Allfunds Bank, S.A.U. UK branch which will be settled post year end.

11. Capital Management

The Company's capital management policies are the same as those applied by the Group. See Note 7in the consolidated financial statements.

Reconciliations from IFRS to non-IFRS measures

	Year ended 31 December 2021 EUR ('000s)	Year ended 31 December 2020 EUR ('000s)
Profit / (loss) for the period after tax	107,735	(43)
Separately disclosed items[1]		
TSAs and Restructuring Costs	53,409	26,013
Consultancy costs, legal fees and M&A/IPO costs	40,789	33,896
Other non-recurring items	19,423	3,347
Subtotal	113,621	63,256
Impairment losses	730	1,550
Amortisation of intangible assets acquired as a result of business combinations	138,753	111,607
Tax (Income)/ Expense	(32,384)	15,230
Adjusted Profit before tax	328,455	191,600
Interest Income	(3,853)	(3,451)
Interest Expense	12,042	6,024
Adjusted Net Interest expense	8,189	2,573
Amortisation and depreciation relating to other intangible assets and property, plant and equipment	23,065	18,426
Provisions	7,486	–
Adjusted EBITDA	367,195	212,599
Underlying capital expenditures	(26,554)	–
Rental Expenses	(7,383)	–
Adjusted Net Interest expense	(8,189)	–
Adjusted Cash Tax Expense	(136,280)	–
Normalised free cash flow	188,789	–

1. Separately disclosed items of EUR 113,621 thousand refer to the following adjustments: Employee compensation and benefits of EUR 18,147 thousand, other expenses of EUR 95,725 thousand and other operating net expense of EUR (251) thousand.

Figures in EUR thousand, unless otherwise stated	Year ended 31 December 2021 EUR ('000s)	Year ended 31 December 2020 EUR ('000s)
Employee Compensation and benefits	(112,824)	(75,591)
Separately disclosed items		
M&A Consultancy Costs	–	8,966
Other non-recurring items	18,147	1,447
Adjusted Employee compensation and benefits	(94,677)	(65,177)

Figures in EUR thousand	Year ended 31 December 2021 EUR ('000s)	Year ended 31 December 2020 EUR ('000s)
Other Expenses	(146,094)	(89,901)
Separately disclosed items		
TSAs and Restructuring Costs	53,409	26,013
Consultancy costs, legal fees and M&A/IPO costs	40,985	24,929
Other non-recurring items	1,331	3,202
Adjusted Other Expenses	(50,369)	(35,757)

Figures in EUR thousand	Year ended 31 December 2021 EUR ('000s)	Year ended 31 December 2020 EUR ('000s)
Profit before tax	**75,351**	15,187
Separately disclosed items		
TSAs and Restructuring Costs	**53,409**	26,013
Consultancy costs, legal fees and M&A/IPO costs	**40,789**	33,896
Other non-recurring items	**19,423**	3,347
Total Separately disclosed items	**113,621**	63,213
Impairment losses	**730**	1,550
Amortisation of intangible assets acquired as a result of business combinations	**138,754**	111,607
Adjusted Cash tax expense	**(136,280)**	(55,519)
Adjusted Profit after tax	**192,176**	136,080

Figures in EUR thousand, unless otherwise stated	Year ended 31 December 2021 EUR ('000s)	Year ended 31 December 2020 EUR ('000s)
Tax credit/(expense)	**32,383**	(15,230)
Up-front tax payment	**25,676**	–
Non-cash tax deferred adjustments at Italian local level	**(148,562)**	(1,623)
Non-cash tax deferred adjustments (Allfunds Bank group)	**(192)**	2,265
Non-cash tax deferred adjustments (Allfunds Group Plc)	**(26,250)**	(26,322)
Financial Statements vs. cash tax expense	**3,199**	789
Adjustments re. Separately Disclosed items	**(22,524)**	(15,398)
Adjusted cash tax expense incl. Italian tax step up	**(136,271)**	(55,519)
Adjusted cash tax expense excl. Italian tax step up	**(96,886)**	(55,519)

Alternative performance measures

Within the annual report and condensed financial statements, various Alternative Performance Measures (APM) are referred to. APMs are not defined by International Financial Reporting Standards and should be considered together with the Allfunds Group's IFRS measurements of performance. We believe APMs assist in providing greater insight into the underlying performance of the Allfunds Group and enhance comparability of information between reporting periods.

The table below states those which have been used, how they have been calculated.

APM	How are they calculated
Assets under Administration (AuA)	Assets under Administration, being the total market value of the volume of units or shares of UCITs which are managed by Fund Houses
AuA EoP	AuA on the Allfunds Group's platform at the end of the relevant financial period (EoP)
AuA Average	Average value of the AuA on the Allfunds Group's platform for the relevant financial period. It is calculated as the sum of the daily value of AuA on the Allfunds Group's platform for the year divided by 365 and is derived from management's internal accounting records
Net flows as a % of BoP AuA	Volumes of AuA from existing and new Distributors in any given year as a percentage of AuA on the Allfunds Group's platform at the beginning of the relevant financial period (BoP). Net flows as a % of BoP AuA is derived from management's internal accounting records
Market performance as a % of BoP AuA	Volumes of AuA from movements in the financial markets in any given year as a percentage of AuA on the Allfunds Group's platform at the beginning of the relevant financial period. Market performance as a % of BoP AuA is derived from management's internal accounting records
Net revenues	Net revenue represents the Allfunds Group's fee, commission and service revenues less fee, commission and service expenses
Net platform revenue margin	Net platform revenue divided by the average AuA for the relevant period and expressed in basis points
Adjusted EBITDA	Profit /(loss) for the year after tax, excluding net interest expense, tax credit /(expense), depreciation and amortisation, provisions and extraordinary items, adjusted to exclude separately disclosed items, impairment losses, losses on disposal and amortisation of intangible assets acquired as a result of business combinations. Such adjustments relate to costs and income that the Allfunds Group believes are not reflective of the ongoing performance of the business and are thus added back
Adjusted EBITDA margin	Adjusted EBITDA as a percentage of net revenue
Adjusted Profit after tax	Profit /(loss) before tax less Adjusted cash tax expenses, adjusted to exclude separately disclosed items, impairment losses, losses on disposal and amortisation of intangible assets acquired as a result of business combinations. Such adjustments relate to costs and income that the Allfunds Group believes are not reflective of the ongoing performance of the business and are thus added back to profit /(loss) before tax
Separately disclosed items	Comprise costs or profits recognised in a given period which, due to their nature or size, are disclosed separately to enable a more comparable view of period-to-period underlying performance. They include TSA and restructuring costs (excluding capital expenditures), M&A consultancy costs, other consulting and legal fees and other non-recurring items (including IT carve-out costs in relation to the BNPP Acquisition integration, double rental costs incurred due to moving to a new office in London and one-off staffing bonuses, redundancy and severance costs relating to the closing off of a redundant business line)
Normalised free cash flow	Profit /(loss) for the year after tax, excluding net interest expense, tax credit /(expense), and depreciation and amortisation, provisions and extraordinary items, adjusted to exclude separately disclosed items (as described above), impairment losses, losses on disposal and amortisation of intangible assets acquired as a result of business combinations, net of Underlying capital expenditures, rental expenses, net interest expense and illustrative taxes (assuming a 29.5% effective tax rate in 2021)
Underlying capital expenditures	Sum of purchase of property, plant and equipment additions and intangible asset additions, less property, plant and equipment disposals and right-of-use asset additions as required by IFRS 16 Leases

Glossary

Definitions	
Adjusted cash tax expenses	Current year cash tax expense (that is excluding non-cash items such as deferred taxes) that would have arisen for the Group if the separately disclosed items, impairment losses, losses on disposal and their associated tax deductions, when applicable, were not reflected. The Group views Adjusted cash tax expense as a helpful measure of the Group's tax liabilities excluding the impacts of M&A activities which can distort the accounting tax rate and tax expense recognised through profit or loss
Adjusted Net Interest Expense	Net Interest income and Net interest expenses adjusted for one-off expenses
Allfunds Group or the Group	Includes the Company and Allfunds Bank, S.A.U. and all of its branches and affiliates
Allfunds organic AuA	All AuA excluding BNPP Other portfolio which is in the process of being transferred to the Allfunds Platform during 2021 and 2022
B2B	Business-to-Business
Banca Corrispondente	Local paying agent business division engaged in, amongst others, transfer agency, paying agency, investor relations management and tax and foreign exchange agency activities in Italy
BoP	Beginning of Period
BNPP Acquisition	The contribution by BP2S of the BNPP LPA Business and the contribution by BNPP AM of the BNPP Platform Services Right, in consideration for the issuance to BP2S and BNPP AM Holding of shares in Allfunds Bank, S.A.U., which were ultimately rolled up into shareholdings in the Company of 25,491,756 and 9,913,476, Shares, respectively, such that BP2S and BNPP AM held 16.2% and 6.3%, respectively, of the issued Shares in the Company following the BNPP Acquisition Closing, which Shares held by BNPP AM have since been transferred to BNPP AM Holding as permitted transferee
BNPP Other Portfolio	Portfolio of AuA contributed as a result of the BNPP Acquisition and excluding the AuA coming from the BNPP LPA Business
BNPP LPA Business	The entire Banca Corrispondente, or local paying agent, business division, which was contributed by BP2S to Allfunds Bank, S.A.U. Milan Branch pursuant to the BNPP Acquisition, which was engaged in, amongst others, transfer agency, paying agency, investor relations management and tax and foreign exchange agency activities
bps	Basis points
CAGR	Compound annual growth rate
Clients	References to the Allfunds Group's clients in this document refers to Fund Houses and Distributors
Distributor	A financial institution that buys and sells and/or distributes shares of UCITs on/through a fund platform, either for its own account or with a view to distributing such UCITs to its end investors. If a Distributor has entered into multiple, separate agreements for separate services, they are considered a separate Distributor under each agreement
EBITDA	Earnings Before Tax, Interest, Depreciation and Amortisation
EoP	End of Period
Flows	Net flows as the result of inflows and outflows of AuA into the platform
Flywheel effect	Powerful network effects that benefit both Fund Houses and Distributors, created by Allfunds platform
Fund House	A financial institution that creates, manages or distributes UCITs
Interim Financial statements	The interim condensed consolidated financial statements for the six month period to 30 June 2021
Pro Forma or PF	Pro Forma financial information is presented to illustrate the impact on the Allfunds Group of the BNPP Acquisition. It has been produced for illustrative purposes only and assumes annualised figures of BNPP LPA Business acquisition based on figures provided by an auditor in the context of the IPO (assuming three identical quarters for nine months of 2020)
Prospectus of the IPO	Document dated 16 April 2021 filed at the Netherlands Authority for the Financial Markets (Stichting Autoriteit Financiële Markten, the AFM), related to the offering of up to 163,650,850 ordinary shares and admission to listing and trading of all ordinary shares of Allfunds Group Plc on Euronext Amsterdam (the IPO)
UCITs	Undertakings for Collective Investments in Transferable Securities

Shareholder Information

Share capital

Share capital

As of 31 December 2021, Allfunds' issued share capital was divided into 629,426,348 ordinary shares created under and in accordance with English law, fully paid-up and with a nominal value of €0.0025 each.

Since 23 April 2021, the shares are listed on Euronext Amsterdam under the ticker symbol 'ALLFG' and ISIN code GB00BNTJ3546.

Rights attached to the shares

Each share confers its holder the right to cast one vote at the Company's general meeting. There are no restrictions on voting rights other than those applicable to LHC3 Limited pursuant to the Relationship Agreement which is further described in 'Shareholder agreements' below.

The shares carry dividend rights.

The rights attached to any class of shares may only be varied with the consent in writing of the holders of three quarters in nominal value of the issued shares of that class or by a special resolution passed at a general meeting of such holders.

There are no shares without voting rights, shares with limited economic rights or shares with any other special right attached to them (other than the limitations to voting rights as applicable to LHC3 Limited pursuant to the Relationship Agreement, described in 'Shareholder agreements' below).

Form and transfer of the shares

The shares are registered in book-entry form and deposited with Euroclear Nederland, the Dutch central securities depository, whose registered office is as Herengracht 459-469, 1017 BS Amsterdam, the Netherlands.

The shares are transferable through book-entry records on the accounts of investors with intermediaries that are participants in Euroclear Nederland or intermediaries that hold, directly or indirectly, accounts with participants in Euroclear Nederland.

There are no restrictions on the transferability of the shares other than those that may be imposed by law and regulations from time to time (such as market abuse regulations) and those applicable to specific shareholders of the Company pursuant to the Relationship Agreement.

Shareholding structure

The table below shows our shareholding structure as of 31 December 2021. Only substantial shareholdings in accordance with transparency regulations are disclosed:

LHC3 Limited	39.00%
Credit Suisse AG	8.56%
BNP Paribas Securities Services	7.51%
BNP Paribas Asset Management Holding	6.30%
Free float	38.63%
Total	100.00%

Shareholder agreements

At the time of the IPO on 16 April 2021, the Company entered into a Relationship Agreement with its principal shareholders LHC3 Limited, the BNP Paribas Entities and Credit Suisse, along with their controlling entities (the Principal Shareholders).

Pursuant to this agreement, the Principal Shareholders are entitled to nominate for appointment up to given numbers of directors or observers to the Board for so long as they hold specific percentages of the total shares of Allfunds.

In addition, certain actions require the prior approval of each of the Principal Shareholders, such as (a) agreeing to a change of listing venue, additional listing venue or cancellation of any listing; (b) any material reorganisation or similar of the Group; (c) initiating a voluntary dissolution, liquidation or winding up proceeding of any material member of the Group; and (d) acquiring or establishing any subsidiary or branch in the United States or in certain specified tax haven jurisdictions. Moreover, LHC3 Limited undertook, for so long as it holds more than 35.7% of the shares, only to exercise its voting rights in relation to up to a maximum 35.7% of the shares in respect of any merger or acquisition that requires shareholders' approval under article 58(b) of the Articles, with the exceptions set out in the Relationship Agreement.

As for shares' transfer, for so long as a Principal Shareholder holds more than 5% of the shares in the Company, it can only sell them in accordance with an agreed sell-down process (subject to certain exemptions) that entitles all Principal Shareholders to participate in any sell-down pro rata to their holdings in the Company.

Further information on the Relationship Agreement can be found on pages 20-21 and 165-167 of the IPO prospectus available on the corporate website (https://investors.allfunds.com/).

The Company is not aware of any other agreements between holders of shares that may result in restrictions on the transfer of shares or on voting rights.

Powers to issue shares

Subject to the provisions of the UK Companies Act 2006 and without prejudice to any rights attached to any existing shares, shares may be issued with such rights or restrictions as the Company may by ordinary resolution determine or, subject to and in default of such determination, as the Board shall determine.

Powers to allot shares and to disapply pre-emptive rights

Subject to the provisions of the UK Companies Act 2006 and in accordance with section 551 thereof, on the date of this report the directors are authorised to:

i. allot shares in the Company, and to grant rights to subscribe for or to convert any securities into shares in the Company, (a) up to an aggregate nominal amount of approximately €525 thousand, and (b) comprising equity securities up to an aggregate nominal amount of approximately €1,050 thousand (including within such limit any shares issued or rights granted under paragraph (a) above), in connection with an offer by way of a rights issue to holders of shares in proportion (as nearly as practicable) to their existing holdings or to people who are holders of other equity securities if this is required by the rights of those equity securities, or if the directors consider it necessary, as permitted by the rights of those equity securities, in each case subject to such exclusions or arrangements as the Board deems necessary or appropriate to deal with treasury shares, fractional entitlements, record dates, legal, regulatory or practical problems in, or under the laws of, any territory or any other matter, and
ii. to make an offer or agreement which would or might require shares to be allotted, or rights to subscribe for or convert any security into shares to be granted, after expiry of this authority, and the directors may allot shares and grant rights in pursuance of that offer or agreement as if this authority had not expired,
iii. for a period expiring at the 2022 AGM to be held on 21 April 2022. However, at said AGM shareholders will be asked to grant that general and unconditional authority to the directors under the same terms and conditions as the existing one, and for the same amounts, for a period expiring on the earlier of the end of the following AGM of the Company or the close of business of 21 July 2023 (unless previously renewed, revoked or varied by the Company in general meeting).

The Board is further authorised, pursuant to sections 570 and 573 of the UK Companies Act 2006, to disapply pre-emptive rights, for a period expiring at the 2022 AGM to be held on 21 April 2022, with respect to:

i. the allotment of equity securities for cash in connection with an offer of equity securities to holders of shares in the Company in proportion (or as nearly as practicable) to their existing holdings and to holders of other equity securities if this is required by the rights of those securities, or if the directors consider it necessary, as permitted by the rights of those equity securities, subject to such exclusions or arrangements as the Board deems necessary or appropriate to deal with treasury shares, fractional entitlements, record dates, legal, regulatory or practical problems in, or under the laws of, any territory or any other matter,
ii. the allotment of equity securities for cash (other than as described in the previous paragraph) up to an aggregate nominal value of approximately €79 thousand, and
iii. the allotment of equity securities for cash up to an additional aggregate nominal value of approximately €79 thousand used only for the purposes of financing (or refinancing, if the authority is to be used within six months after the original transaction) a transaction which the Board determines to be an acquisition or other capital investment of a kind contemplated by the Statement of Principles on Disapplying Pre-Emption Rights most recently published by the Pre-Emption Group, and
iv. to make an offer or agreement which would or might require equity securities to be allotted after expiry of this authority, and the directors may allot equity securities in pursuance of that offer or agreement as if this authority had not expired.

At the 2022 AGM, shareholders will be asked to grant that general and unconditional authority to the directors under the same terms and conditions as the existing one, and for the same amounts, for a period expiring on the earlier of the end of the following AGM of the Company or the close of business of 21 July 2023 (unless previously renewed, revoked or varied by the Company in general meeting).

Power to acquire own shares

As of 31 December 2021, the Company did not own treasury shares.

The Articles of Association do not restrict the Company's ability to purchase its own shares. However, English law generally prohibits the Company from purchasing its own shares by way of off-market purchases without the prior approval of shareholders by ordinary resolution. Such approval has not currently been sought or obtained. English law prohibits the Company from conducting on-market purchases as its shares are not traded on a recognised investment exchange in the United Kingdom. Therefore, the Company will not be able to effect any buy-back of its shares until a buy-back contract has been approved by ordinary resolution of the Company's shareholders.

At the 2022 AGM, shareholders will be asked to generally and unconditionally authorise the Company to make off-market purchases of its own ordinary shares pursuant to section 693A of the UK Companies Act 2006, for the purposes of, or pursuant to, an employees' share scheme (as defined in section 1166 of the UK Companies Act 2006), on such terms and in such manner as the directors may from time to time determine provided that the maximum aggregate number of ordinary shares authorised to be purchased is 62,942,634 shares and the minimum price per ordinary share that may be paid is €0.00025 and the maximum price (exclusive of expenses) per ordinary share that may be paid is the higher of: (a) an amount equal to 5% above the average market value of an ordinary share for the five business days immediately preceding the day on which the Company agrees to buy the relevant ordinary share, based on the share price on Euronext Amsterdam; and (b) the higher of the price of the last independent trade and the highest current independent bid on the trading venues where the purchase is carried out; and the authority shall expire on the earlier of the end of the next AGM of the Company or the close of business of 21 July 2023 (unless previously renewed, revoked or varied by the Company in general meeting), but without prejudice to the continuing authority of the Company to purchase ordinary shares pursuant to a contract concluded before the expiry of such authority and which might be executed wholly or partly after such expiry.

Employees' share schemes

The Company does not have any employees' share scheme the shares of which have rights with regard to control of the Company that are not directly exercisable by the employees.

Dividends

In 2021, the Company approved a Dividend Policy aimed to provide stable dividends going forward and targeting a payout ratio of 20% to 40% of adjusted net income. The final payout ratio shall be determined based, among others, on the Company's earnings, cash flow, financial condition and capital investment requirements and considering that the Company is the parent undertaking of Allfunds Bank, a consolidating institution subject to Directive 2013/36/EU.

The Dividend Policy is available on the corporate website (www.allfunds.com).

In January 2022, the Company paid the €185 million conditional dividend approved by shareholders in April 2021, after verifying the conditions had been satisfied. The record date for this dividend was set as of 14 April 2021.

Further information is available on the IPO prospectus, at www.allfunds.com.

In 2022, the Board of Directors is proposing a final dividend of €0.05 per share which results in a pay-out ratio of nearly 25% of the adjusted net profit after tax. If approved, the dividend will be paid in cash in April 2022.

The Articles of Association do not include any provision as to the allocation of profits.

General meetings

The 2022 Annual General Meeting is expected to be held on 21 April 2022 at 11:00 a.m. both in person and virtually.

Information on how to participate and details of the resolutions to be proposed will be available in the notice of the meeting that will be published on the corporate website (www.allfunds.com). A live webcast will also be available on the website. Shareholders should monitor our website and announcements for any updates.

The procedures of the general meetings are described in detail in the Articles of Association available on the corporate website (www.allfunds.com).

Annual general meetings must be held by 30 June each year and require 21 clear days' notice to shareholders, or 28 clear days' notice if special resolutions are proposed, whereas, subject to the UK Companies Act 2006, other general meetings may be convened any time with 14 clear days' notice.

For all general meetings, a quorum of two persons present at the meeting and entitled to vote on the business transacted is required, unless each of the two persons is a corporate representative of the same corporation or is a proxy of the same shareholder.

Every member who is present in person or represented at any general meeting and who is entitled to vote has one vote on a show of hands. On a poll, every member who is present or represented and who is entitled to vote has one vote for every share held.

Amendment of the Articles of Association

The Company's Articles of Association may only be amended by special resolution at a general meeting.

They are available on the corporate website (www.allfunds.com).

Important legal information

The Company has included in this Annual Report and may from time to time include in its public filings, press releases or other public statements, certain forward-looking statements with respect to the business, strategy, operations, performance and financial condition of the Group. Statements that are not historical facts, including statements about the Group's or its directors' and/or management's beliefs and expectations, are forward-looking statements.

Words such as 'believes', 'achieves', 'anticipates', 'estimates', 'expects', 'targets', 'should', 'intends', 'aims', 'projects', 'plans', 'potential', 'will', 'would', 'could', 'considered', 'likely', 'may', 'seek', 'estimate' and variations of these words and similar future or conditional expressions are intended to identify forward-looking statements but are not the exclusive means of identifying such statements.

By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will or may occur in the future. Actual outcomes or results could differ materially from forward-looking statements made by the Group or on its behalf. Factors that could cause actual outcomes or results to differ materially from forward-looking statements include, but are not limited to: the Group's ability to maintain or grow its network of Distributors and Fund Houses and to retain the largest ones; the Group's ability to adapt to new technology and provide new services; the availability and performance of the Group's platform and IT systems; changes to the Group's entrepreneurial culture; the Group's ability to attract and retain senior management and other employees; fee pressure in the asset management industry; potential consolidation in the fund platform industry; general economic, political and market conditions, market risk and investor behaviour in the countries the Group operates; fluctuation of interest rates and exchange rates; changes in laws, regulations, practices and accounting standards or taxation; changes to regulatory capital or liquidity requirements; natural, pandemic (including but not limited to the COVID-19 pandemic) and other disasters. A number of these influences and factors are beyond the Group's control.

Except as required by any applicable law or regulation, the forward-looking statements contained in this Annual Report speak as at the date on which they are made and the Group expressly disclaims any obligation or undertaking to update or review any forward-looking statements as a result of new information, future events or otherwise. The information, statements and opinions contained in this document do not constitute a profit forecast.

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