Auditor's Report on Auriga Capital Markets, S.L.

(along with the Annual Accounts and Directors' Report of Auriga Capital Markets, S.L. for the year ended 31 December 2021).

Addressed to the Shareholders of Auriga Capital Markets, S.L.

Opinion

We have audited the Annual Accounts of Auriga Capital Markets, S.L. (the "Company"), which comprise the balance sheet at 31 December 2021, the income statement, statement of changes in equity and statement of cash flows for the year then ended, and notes.

In our opinion, the accompanying Annual Accounts give a true and fair view, in all material respects, of the equity and financial position of the Company at 31 December 2021 and its financial performance and cash flows for the year then ended in accordance with the applicable financial reporting framework (identified in note 2 of the report) and, in particular, with the accounting principles and criteria set forth therein.

Grounds for our opinion

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

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

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

Most relevant aspects of the audit

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

Recoverable amount of investments in Group companies and associates (see note 5 to the annual accounts)

The Company's statutory activity is the purchase, subscription, swap and sale of Spanish and foreign real estate and other securities, on its own behalf and without intermediation, for the purpose of administering and managing these investments. In keeping with this corporate purpose, the most significant item on the Company's balance sheet are long-term investments in Group companies and associates.

The recoverable amount of the Company's investments in Group companies and associates is determined, for those companies in which there is objective evidence of impairment, by applying valuation techniques which often require the exercising of judgement by the directors, and the use of assumptions and estimates. Due to the uncertainty associated with the establishment of these estimates, we consider the recoverable amount of investments in Group companies and associates to be a material aspect of our audit.

Our audit procedures included, among other aspects, an evaluation of the design and implementation of the key controls employed by the Company in relation to the valuation of financial investments and the assessment of impairment indicators, as well as the methodology and assumptions used in estimating the recoverable amount. In addition, we assessed whether the information disclosed in the annual accounts fulfils the requirements of the financial reporting regulatory framework applicable to the Company.

Other information: Directors' Report

Other information comprises exclusively the director's report for 2021, the preparation of which is the responsibility of the directors of the Company and does not form an integral part of the annual accounts.

Our opinion for the audit of the Annual Accounts does not extend to the director's report. In accordance with the regulations governing the auditing of accounts, our responsibility in respect of the directors' report consists of evaluating and informing on whether the directors' report is consistent with the Annual Accounts, while also evaluating and informing on whether the content and presentation of the directors' report is in accordance with applicable regulations. If, on the basis of our work, we conclude that there is material misstatement, we are bound to inform on this.

On the basis of the work carried out, as described in the preceding paragraph, the information contained in the director's report is consistent with that in the Annual Accounts for the year 2021 and its content and presentation are in accordance with applicable regulations.

Directors' Responsibility for the Annual Accounts

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

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

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

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

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

- We identify and assess the risks of material misstatement in the Annual Accounts, due to fraud or error, we design and use auditing procedures to respond to those risks and obtain sufficient appropriate audit evidence to provide a reasonable basis for our opinion. The risk of not identifying a material misstatement due to fraud is higher than in the case of material misstatement due to error, as the fraud can involve collusion, falsification, deliberate omissions, intentionally inaccurate statements or the avoidance of internal control.

- We obtain knowledge from the relevant internal control for our audit, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates made, and the information disclosed by the directors of the Company.

- We conclude whether it is appropriate for the Company directors to use the principle of a going concern and, based on the audit evidence gathered, we conclude whether or not there is any material uncertainty related to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern. If we conclude that material uncertainty does exist, we are required to draw attention in our report to the relevant information disclosed in the Annual Accounts or, if those disclosures are not appropriate, to express a modified opinion. Our conclusions are based on the audit evidence gathered up until the date of our auditor's report. However, any future events or conditions could be the reason for the Company ceasing to operate as to going concern.

- We evaluate the overall presentation, the structure and content of the annual accounts, including the information disclosed, and whether the annual accounts represent the underlying transactions and facts so as to present a true and fair view.

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

Amongst the significant risks which we have communicated to the directors of Auriga Capital Markets, S.L. we indicate those which had most significance on the audit of the Annual Accounts for the current year and which are therefore the risks considered to be most significant.

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

KPMG Auditores, S.L.

Registered in the Official Registry of Auditors with no. S0702

Fernando Renedo Avilés

Registered in the Official Registry of Auditors with no. 22,478

20 May 2022

AURIGA CAPITAL MARKETS, S.L.

Balance Sheets

31 December 2021 and 2020

(Expressed in Euros to two decimal places)

	Note	31 December 2021	31 December 2020
Non-current investments in Group companies and associates			
Equity instruments	5	11,518,102.77	14,917,340.13
Non-current financial investments	6		
Equity instruments		6,300,911.82	5,512,036.82
Loans to third parties		1,417,185.73	1,233,011.36
		7,718,097.55	6,745,048.18
Total non-current assets		19,236,200.32	21,662,388.31
Trade and other receivables	7	1,230,127.42	727,889.28
Current financial investments			
Loans to companies	6	484,921.40	563,285.98
Current prepayments and accruals	9	1,449.02	100,800.79
Cash and cash equivalents			
Cash	8	105,403.28	50,057.39
Total current assets		1,821,901.12	1,442,033.44
Total assets		21,058,101.44	23,104,421.75
Equity	10		
Capital			
Registered		1,492,350.00	1,492,350.00
Reserves		16,301,735.14	16,289,651.00
Prior periods' losses		(27,486.54)	(136,243.79)
Profit for the year		430,444.14	120,841.39
		18,197,042.74	17,766,598.60
Valuation adjustments for financial assets		728,875.00	-
Total equity		18,925,917.74	17,766,598.60
Non-current payables to Group companies and associates	11	608,821.20	4,000,000.00
Total non-current liabilities		608,821.20	4,000,000.00
Current payables	12		
Other financial liabilities		557,500.00	506,805.56
Current payables to Group companies and associates	11	737,072.30	732,056.92
Trade and other payables	13	228,790.20	98,960.67
Total current liabilities		1,523,362.50	1,337,823.15
Total equity and liabilities		21,058,101.44	23,104,421.75

The accompanying notes form an integral part of the annual accounts for 2021.

AURIGA CAPITAL MARKETS, S.L.

Income statements for the years ended 31 December 2021 and 2020

(Expressed in Euros to two decimal places)

	Note	2021	2020
Revenues	15 (a)		
Finance income of holding companies		650,100.00	123,000.00
Services rendered		244,999.00	202,543.41
		895,099.00	325,543.41
Other operating income		15,000.00	-
Personnel expenses	15 (b)		
Salaries and wages		(125,387.91)	(15,001.50)
Employee benefits expense		(15,130.07)	(3,834.03)
Other personnel expenses		(2,466.74)	(283.50)
		(142,984.72)	(19,119.03)
Other operating expenses	15 (c)		
Outside services		(342,950.90)	(170,210.58)
Taxes		(5,486.10)	(5,439.34)
Other current management expenses		(220.44)	(7,829.22)
		(348,657.44)	(183,479.14)
Profit/(loss) from operating activities		418,456.84	122,945.24
Finance income	15 (d)	5,810.29	4,345.00
Finance expense	15 (e)	(58,753.00)	(6,805.56)
Finance income/expense		(52,942.71)	(2,460.56)
Profit/(loss) before income tax		365,514.13	120,484.68
Income tax	14	64,930.01	356.71
Profit/(loss) for the year from continuing operations		430,444.14	120,841.39
Profit for the year		430,444.14	120,841.39

The accompanying notes form an integral part of the annual accounts for 2021.

AURIGA CAPITAL MARKETS, S.L.

Statements of Changes in Equity for the years
ended 31 December 2021 and 2020

(Expressed in Euros to two decimal places)

A) Statement of Recognised Income and Expense for the year ended 31 December 2021

	2021
Profit for the year	430,444.14
Income and expense recognised directly in equity	
By valuation of financial instruments	
Financial assets at fair value through equity	728,875.00
Tax effect	-
Amounts transferred to the income statement	
By valuation of financial instruments	-
Tax effect	-
Total recognised income and expense	1,159,319.14

B) Statement of Changes in Equity for the year ended 31 December 2021

	Registered capital	Legal reserve	Voluntary reserves	Prior periods' losses	Profit/(loss) for the year	Valuation adjustments	Total
Balance at 31 December 2020	1,492,350.00	-	16,289,651.00	(136,243.79)	120,841.39	-	17,766,598.60
Adjustments due to changes in accounting criteria	-	-	-	-	-	-	-
Adjustments due to error	-	-	-	-	-	-	-
Adjusted balance at 1 January 2021	1,492,350.00	-	16,289,651.00	(136,243.79)	120,841.39	-	17,766,598.60
Total recognised income and expense	-		-	-	430,444.14	728,875.00	1,159,319.14
Other changes in equity	-		-	-	-	-	-
Appropriation of`Profit/(loss)	-	12,084.14	-	108,757.25	(120,841.39)	-	-
Balance at 31 December 2021	1,492,350.00	12,084.14	16,289,651.00	(27,486.54)	430,444.14	728,875.00	18,925,917.74

The accompanying notes form an integral part of the annual accounts for 2021.

AURIGA CAPITAL MARKETS, S.L.

Statements of Changes in Equity for the years
ended 31 December 2021 and 2020

(Expressed in Euros to two decimal places)

A) Statement of Recognised Income and Expense for the year ended 31 December 2020

	2020
Profit for the year	120,841.39
Total recognised income and expense	120,841.39

B) Statement of Changes in Equity for the year ended 31 December 2020

	Registered capital	Legal reserve	Voluntary reserves	Prior periods' losses	Profit/(loss) for the year	Total
Balance at 31 December 2019	1,500,000.00	-	16,320,251.00	-	(136,243.79)	17,684,007.21
Adjustments due to changes in accounting criteria	-	-	-	-	-	-
Adjustments due to error	-	-	-	-	-	-
Adjusted balance at 1 January 2020	1,500,000.00	-	16,320,251.00	-	(136,243.79)	17,684,007.21
Total recognised income and expense	-	-	-	-	120,841.39	120,841.39
Other changes in equity						
Capital decrease (note 10)	(7,650.00)	-	(30,600.00)	-	-	(38,250.00)
Appropriation of the loss for the year	-	-	-	(136,243.79)	136,243.79	-
Balance at 31 December 2020	1,492,350.00	-	16,289,651.00	(136,243.79)	120,841.39	17,766,598.60

The accompanying notes form an integral part of the annual accounts for 2021.

AURIGA CAPITAL MARKETS, S.L.

Statements of Cash Flows for the years 2021 and 2020

(Expressed in Euros to two decimal places)

	31 December 2021	31 December 2020
Cash flows from (used in) operating activities	215,600.68	48,555.05
Profit for the year before tax	365,514.13	120,841.39
Total adjustments		
Depreciation and amortisation (+)	-	-
Changes in provisions (+/-)	-	-
Finance income (-)	(5,555.00)	(4,345.00)
Exchange differences (-/+)	-	-
Other recognised income and expenses (-/+)	58,753.00	(98,486.98)
	53,198.00	18,009.41
Changes in working capital		
Trade and other receivables (+/-)	(243,109.79)	(112,451.67)
Trade and other payables (+/-)	(49,409.58)	142,997.31
Other current assets (+/-)	(99,036.94)	-
Other current liabilities (+/-)	185,033.55	-
	(206,522.76)	30,545.64
Other cash flows from (used in) operating activities		
Income tax payments (receipts)	(66,463.13)	-
Other payments (receipts) (-/+)	69,874.44	-
	3,411.31	-
Cash flows used in investing activities	(160,254.79)	(500,000.00)
Payments due to investments		
Group companies and associates	-	-
Property, plant and equipment	-	-
Intangible assets	-	-
Other financial assets	(160,254.79)	(500,000.00)
Proceeds from divestments		
Group companies and associates	-	-
Other financial assets	-	-
Cash flows used in financing activities	-	500,000.00
Proceeds from (payments for) financial liabilities		
Issuance		
Bank borrowings	-	-
Payables to Group companies and associates	-	-
Due to customers	-	500,000.00
Dividend payments and remuneration on other equity instruments		
Dividend payments	-	-
Net increase/decrease in cash and cash equivalents	55,345.89	48,555.05
Cash and cash equivalents at beginning of year	50,057.39	1,502.34
Cash and cash equivalents at year end	105,403.28	50,057.39

The accompanying notes form an integral part of the annual accounts for 2021.

AURIGA CAPITAL MARKETS, S.L.

Notes to the Annual Accounts

31 December 2021

(1) Nature and Activities of the Company and Composition of the Group

Auriga Capital Markets, S.L. (hereinafter, the Company) was incorporated in Madrid on 27 December 2018, as a limited liability company. Its corporate purpose is the acquisition, investment, holding, management, assignment and transfer of any kind of shares or ownership interests, quotas or other deeds representing rights over the share capital of resident and non-resident companies in Spanish territory, regardless of its nature or purpose, through subscription, undertaking or participation in the incorporation or in capital increases of such companies or through its acquisition by any means, without encroaching on the activities of Collective Investment Undertakings, Securities Companies and Agencies, or other Entities governed by special laws, as well as establishing its goals, strategies and priorities and coordinating the activities of the subsidiaries.

The Company's registered office is located at Calle Cuesta del Sagrado Corazón, 6, in Madrid.

On 29 June 2018, the Board of Directors of Auriga Capital Investments, S.L. (spun-off company) devised a Partial Spin-Off Project involving the creation of a new company, the Company, to be wholly owned and in equal proportion by the shareholders of the spun-off company. The partial spin-off was part of a reorganisation of the Group of companies headed by Auriga Capital Investments, S.L., the purpose of which was to group together, under a single company, all those regulated Spanish companies that are subject to the control and supervision of the Spanish National Securities Market Commission and to separate these investments from the rest of the Group's investments.

At 31 December 2021 and 2020, the Company belongs to a consolidated group of financial institutions, pursuant to Royal Decree 1332/2005. Details are included in the attached Appendix I, which forms an integral part of this note.

As required by the Spanish National Securities Market Commission (CNMV), Auriga Capital Markets, S.L. is responsible for ensuring compliance with the requirements of article 8 of Royal Decree 1332/2005 and, accordingly, prepares separate consolidated annual accounts, which are subject to an independent audit.

The impact of consolidation as compared to these individual annual accounts, at 31 December 2021, amounts to an increase in assets of Euros 33,057,431.10 (an increase in assets of Euros 30,299,783.57 at 31 December 2020) and a decrease in shareholders' equity of Euros 66,227.55 (a decrease in shareholders' equity of Euros 1,676. 939.16 at 31 December 2020) and an increase in profit for 2021 of Euros 2,350,814.14 (an increase in profit of Euros 2,733,036.60 at 31 December 2020), resulting in a consolidated profit attributable to the Group of Euros 2,781,258.28 (a profit attributable to the Group of Euros 2,853,877.99 at 31 December 2020).

a) Current situation as a result of the Coronavirus pandemic

The Covid-19 pandemic has not had a material effect on the Company's Balance Sheet or Income Statement.

(2) Basis of presentation

(a) True and fair view

The Annual Accounts were prepared on the basis of the accounting records of Auriga Capital Markets, S.L.

The 2021 Annual Accounts were prepared in accordance with the Spanish Chart of Accounts, approved by Royal Decree 1/2021, of 12 January, amending the Spanish Chart of Accounts approved by Royal Decree 1514/2007, along with the other prevailing mercantile legislation, to give a true and fair view of the equity and financial position at 31 December 2021 and results of operations, changes in equity and cash flows for the year then ended.

The Company's Directors expect that the Annual Accounts for 2021, prepared on 31 March 2022, will be approved at the Annual General Meeting without material changes.

Pursuant to legislation in force and the regulations of the National Securities Market Commission (CNMV), the Company's Directors draw up separate consolidated annual accounts for the Company and its subsidiaries.

(b) Comparative information

The balance sheet, income statement, statement of changes in equity, statement of cash flows and the notes thereto for 2021 include comparative figures for 2020, which formed part of the annual accounts approved at the annual general meeting held on 14 June 2021. Balances for 2020 have been reclassified to render them comparable.

Transition to the new accounting standards

The accounting principles and main measurement standards used by the Company to prepare these annual accounts are the same as those applied in the previous year, except for the adoption of Royal Decree 1/2021, of 12 January, amending the Spanish Chart of Accounts approved by Royal Decree 1514/2007, of 16 November.

The Company has not made any adjustments to the carrying amount of financial assets and liabilities in reserves as at 1 January 2021 as a result of the application of the new accounting standards.

(c) Functional and presentation currency

The figures disclosed in the annual accounts are expressed in Euros, the Company's functional and presentation currency, rounded off to two decimal places.

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

Accounting estimates must be made when applying the Company's accounting principles to prepare the annual accounts. In this regard, the items requiring a greater degree of judgement in the preparation of the annual accounts were as follows:

- Estimates for determining the subsequent measurement of long-term financial instruments in Group companies (see note 5).

(3) Distribution of profit/(loss)

The Company's proposed appropriation of profit for the year ended 31 December 2021, made by the Directors and pending approval by shareholders at the Annual General Meeting, is as follows:

	Euros
Basis of appropriation	
Profit for the year	430,444.14
Distribution	
Legal reserve	43,044.41
Voluntary reserves	353,362.40
Capitalisation reserve	6,550.79
Offset of prior periods' losses	27,486.54
	430,444.14

The appropriation of profit for the year ended 31 December 2020 approved by shareholders at the Annual General Meeting is as follows:

	Euros
Basis of appropriation	
Profit for the year	120,841.39
Distribution	
Legal reserve	12,084.14
Offset of prior periods' losses	108,757.25
	(136,243.79)

(4) Significant accounting policies

(a) Financial instruments

A financial instrument is a contract that gives rise to a financial asset at one entity and, simultaneously, a financial liability or equity instrument at another entity.

Financial instruments are recognised in the balance sheet only when the Company becomes a party to the contract in accordance with the contractual terms and conditions. The Company recognises receivables and payables from the date on which the legal right to receive, or the legal obligation to pay, cash arises and financial derivatives from the trade date. In addition, transactions in the foreign currency market are recorded on the settlement date, and financial assets traded in Spain's secondary securities markets are recognised on the trade date in the case of equity instruments and on the settlement date in the case of debt securities.

4.a.1 Financial assets

Financial assets refer to assets that consist of cash, another company's equity instruments, or arise from a contractual right to receive cash or another financial asset, or any exchange of financial instruments on favourable terms. Financial assets include cash on hand, deposits with central banks, loans to financial intermediaries, loans to individuals, debt securities and equity instruments acquired.

Classification and measurement

- Financial assets at amortised cost

Included in this category are those financial assets, even while admitted to trading in an organised market, in which the investment is held for the purpose of receiving cash flows, that are solely payments of principal and interest on the principal amount outstanding (notwithstanding that the transaction may be agreed at a zero or below-market interest rate).

Assets are considered to meet this requirement even if sold or expected to be sold in the future. For this purpose, the frequency, amount, timing and reasons for past sales, as well as expectations of future sales, are taken into account.

In general, this category includes trade and non-trade receivables.

They are initially measured at fair value, which, barring evidence to the contrary, is the transaction price, this being the fair value of the consideration given, plus directly attributable transaction costs.

Trade receivables and other items such as advances, loans to employees or dividends receivable, maturing within one year and bearing no contractual interest rate, are measured at its nominal amount when the effect of not discounting cash flows is not material, both on initial recognition and subsequent measurement, unless there is impairment.

These assets are subsequently measured at amortised cost and accrued interest is booked in the income statement using the effective interest method.

Impairment is estimated to exist when there is a reduction or delay in estimated future cash flows that may be caused by the debtor's insolvency.

Impairment losses and, where applicable, reversals thereof, are charged or credited to income, respectively, at year end. However, the reversal is capped at the amortised cost of the assets had the impairment loss not been recognised.

- Financial assets at fair value through equity

This category includes financial assets whose contractual terms give rise to cash flows that are solely collections of principal and interest on the outstanding principal amount, and are not held for trading or classified in the category "Financial assets at amortised cost". This category also includes investments in equity instruments for which the irrevocable option to present subsequent fair value changes directly in equity has been executed on initial recognition.

They are initially measured at fair value, which, barring evidence to the contrary, is the transaction price, this being the fair value of the consideration given, plus directly attributable transaction costs.

Subsequent measurement is at fair value and changes in value are taken to equity and reclassified to profit or loss upon the sale or in the event of impairment of the financial asset.

Impairment losses and gains and losses arising from exchange differences on monetary financial assets denominated in foreign currencies are recognised in the income statement.

Interest, determined using the effective interest method, and accrued dividends are also recognised in the income statement.

Investments in equity instruments whose fair value cannot be reliably determined are measured at cost less any accumulated impairment losses.

When a value is assigned to these assets due to its derecognition or otherwise, the weighted average value method is used for homogeneous groups of assets.

At least at the end of each reporting period, the necessary impairment losses are recognised in the income statement, provided there is objective evidence that a financial asset included in this category is impaired. Impairment reversals are credited to the income statement, with the exception of reversals relating to equity instruments, the recovery of which is recorded directly against equity.

In the case of equity instruments, an individual analysis of the investments is carried out to determine whether or not there is impairment based on whether there has been a prolonged (18 months) or significant (40%) decline in the market value as compared to its cost.

Determination of fair value:

The fair value of financial assets is determined by using quoted market values whenever available quotations for the instruments can be considered representative because they are published regularly in the usual information systems, provided by recognised financial intermediaries.

A fair value hierarchy is established according to the inputs used, allowing estimates to be classified into three levels:

- Level 1: using unadjusted quoted prices in active markets for identical assets or liabilities that the company can access at the measurement date.
- Level 2: based on quoted prices in active markets for similar instruments or other valuation methodologies where all significant inputs are based on directly or indirectly observable market data.
- Level 3: one or more significant input is not based on observable market data.

If market prices are not available, a valuation is performed with internal models using, to the extent possible, publicly available market data that satisfactorily replicate the quoted market values of instruments. This valuation methodology is based on discounting the future cash flows of the assets (determined or estimable) using the risk-free discount curve. Consistent with the specific characteristics of the issue and the issuer at hand, a specific credit risk, of varying magnitude, is allocated to each of the flows to be received.

For holdings in investment funds classified as assets at fair value through equity, the fair value is the net asset value of the fund at the measurement date.

- Financial assets at cost

This category includes equity investments in Group companies, jointly-controlled entities and associates.

These investments are initially recognised and measured at cost, which is the fair value of the consideration given, plus directly attributable transaction costs.

They are subsequently measured at cost less any accumulated impairment losses.

- Financial assets at fair value through profit or loss

A financial asset must be included in this category unless it has to be classified in one of the other categories as per the preceding paragraphs.

A financial asset is considered to be held for trading if:

- Acquired or originated for the purpose of selling it in the short term (e.g. debt securities, regardless of its maturity, or listed equity instruments that are acquired for the purpose of selling them in the short term);

- It is part of a portfolio of identified financial instruments that are managed together at initial recognition for which there is evidence of a recent actual pattern of short-term profit-taking; or

- It is a derivative financial instrument, provided that it is not a financial guarantee contract and has not been designated as a hedging instrument.

Financial assets included in this category are initially measured at fair value, which, barring evidence to the contrary, is the transaction price, this being the fair value of the consideration given. Transaction costs directly attributable to them are recognised in the income statement for the year. After initial recognition, the company measures financial assets in this category at fair value through profit or loss.

<u>Interest and dividends received on financial assets</u>

Interest and dividends on financial assets accrued after the date of acquisition are recognised as income in the consolidated income statement. Interest on financial assets measured at amortised cost is recognised using the effective interest method and dividends are recognised when the right to receive them is declared.

For these purposes, in the initial measurement of financial assets they are recognised independently, based on its maturity, the amount of explicit interest accrued and not yet due and the amount of dividends agreed at the time of acquisition.

Likewise, when the dividends are derived from profits generated prior to the acquisition date because amounts higher than the profits generated by the investment since acquisition have been distributed, they are not recognised as income and the carrying amount of the investment is reduced.

Derecognition of financial assets

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset have expired or when they are transferred, provided that substantially all the risks and rewards of ownership are also transferred.

When a financial asset is derecognised, the difference between the consideration received net of attributable transaction costs and the carrying amount of the financial asset, plus any cumulative amount recognised directly in equity, determines the gain or loss arising and is recognised in profit or loss for the year.

4.a.2 Financial liabilities

Instruments issued, incurred or assumed that create a direct or indirect contractual obligation for the Company, on the basis of its economic substance, to deliver cash or another financial asset, or to exchange financial assets or liabilities with third parties on unfavourable terms are recognised as financial liabilities.

Classification of financial liabilities:

- Financial liabilities at amortised cost

This category includes payables to financial intermediaries, payables to individuals and trade and non-trade payables.

Financial liabilities are initially recognised at fair value on the balance sheet. After initial recognition, all of the Company's financial liabilities are measured at amortised cost. Interest is expensed in the income statement using the effective interest method.

Trade payables maturing at no more than one year and not bearing a contractual interest rate, as well as disbursements required by third parties on holdings the amount of which is expected to be paid in the short term, are measured both initially and subsequently at its nominal value when the effect of not updating the cash flows is not material.

- Financial liabilities at fair value through profit or loss

This category includes financial liabilities issued for the purpose of repurchasing them in the short term, or that form part of a portfolio of financial instruments for which there is evidence of a recent actual pattern of short-term profit-taking, or is a derivative financial instrument that is neither a guarantee contract nor has been designated as a hedging instrument.

Hybrid financial instruments are also included in this category when the embedded derivative cannot be separately measured or its fair value cannot be reliably determined, either at the time of acquisition or subsequently. In this case, for accounting purposes the hybrid financial instrument is classified as a whole as a financial asset or liability included in the category of financial assets (liabilities) at fair value through profit or loss. The same criterion is applied when the Company measures the hybrid financial instrument at fair value on initial recognition.

Derecognition of financial liabilities

Financial liabilities are derecognised, in full or in part, when the obligation they generate has been extinguished. Own financial liabilities that are acquired are also derecognised, even if the intention is to resell them in the future.

If there is an exchange of debt instruments that have substantially different conditions, the original liability is derecognised and the new liability is recognised.

The difference between the carrying amount of the financial liability, or the part thereof that has been derecognised, and the consideration paid, including attributable transaction costs and any asset transferred other than cash or the liability assumed, is recognised in the income statement in the period in which it takes place.

(b) Cash and cash equivalents

Cash and cash equivalents include cash on hand and demand deposits in financial institutions. They also include other short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. An investment normally qualifies as a cash equivalent when it has a maturity of less than three months from the date of acquisition.

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

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

(c) Income tax

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

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

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

As a result of the spin-off, on 20 May 2019, the Auriga Capital Markets Group submitted an application to the Spanish Ministry of Economy and Finance, notifying the taxation authorities of its decision to avail itself of the special consolidated tax regime. On 18 July 2019 the taxation authorities notified the Group that it had been assigned tax group number 585/19. Moreover, the taxation authorities issued notification that the tax group was constituted retroactively as from 1 January 2019. The Company forms part of this consolidated tax group created in 2019.

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

The Company recognises deferred tax assets in all cases, except those arising from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither accounting profit nor taxable income.

The Company recognises deferred tax assets provided that it is likely that sufficient taxable profits will be obtained in the future to offset those items, or when tax legislation allows for the future conversion of deferred tax assets into an enforceable credit in respect of the public entities.

The Company recognises the conversion of a deferred tax asset into a receivable from public entities when it becomes enforceable in accordance with prevailing tax legislation. In this connection, the deferred tax asset is derecognised against the deferred tax asset expense and the receivable is recognised against current income tax.

However, assets arising from the initial recognition of assets and liabilities in a transaction that is not a business combination and, at the time of the transaction, affects neither accounting profit nor taxable income are not recognised.

Unless otherwise shown, it is not considered likely that the Company will have future tax profits when it is foreseeable that their future recovery will take place in a period exceeding ten years as from year-end, regardless of the nature of the deferred tax asset or, in the case of tax credits deriving from deductions and other tax benefits pending application due to insufficient tax rate, when, the activity having taken place or the return originating the deduction or credit having been obtained, there are reasonable doubts in regard to the compliance with the requirements for their enforcement.

The Company only recognises deferred tax assets deriving from tax loss carryforwards to the extent that it is probable that the Company will have future taxable profit against which the tax assets can be utilised within the legally established period, up to a maximum of ten years, unless they are likely to be recovered in a longer period, when tax legislation allows them to be utilised in a longer period or does not establish any time limits in this connection.

Conversely, it is considered likely that the Company will obtain sufficient taxable profits in the future to offset deferred tax assets, provided there are sufficient deductible temporary differences, relating to the same tax authority and referring to the same taxpayer, the reversal of which is expected in the same tax year as the deductible temporary differences are expected to be reversed or in years in which a tax loss emanating from a deductible temporary difference may be offset against prior or subsequent profit.

The Company recognises deferred tax assets that have not previously been recognised due to exceeding the ten-year recovery deadline, to the extent that the future reversal period does not exceed ten years as from the end of the period or when there are sufficient deductible temporary differences.

In determining future taxable profit, the Company takes into account tax planning opportunities, provided it intends to adopt them or is likely to adopt them.

(d) Classification of assets and liabilities as current and non-current

The Company classifies assets and liabilities as current or non-current. Current assets and liabilities are those that meet the following criteria:

- Assets are classified as current when they are expected to be realised or are intended for sale or consumption in the Company's normal operating cycle, they are held primarily for the purpose of trading, they are expected to be realised within twelve months after the reporting date or are cash or a cash equivalent, unless the assets may not be exchanged or used to settle a liability for at least twelve months after the reporting date.

- Liabilities are classified as current when they are expected to be settled in the Company's normal operating cycle, they are held primarily for the purpose of trading, they are due to be settled within twelve months after the reporting date or the Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

(e) Related-party transactions

Transactions between Group companies, except those relating to non-monetary contributions, are recognised at the fair value of the consideration delivered or received. The difference between this value and the amount agreed is recognised in line with the underlying economic substance of the transaction.

(f) Statement of total changes in equity

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

- Reclassifications, reflecting changes in equity due to the adjustment of balances in the financial statements as a result of changes in accounting principles or corrections of errors.

- Income and expenses recognised during the year, comprising the aggregate amount of the items recognised in the statement of recognised income and expense.

- Other changes in equity, comprising the remaining items recognised in equity, such as distribution of profit or application of losses, transactions with own equity instruments, equity-settled payments, transfers between equity line items and any other increases or decreases in equity.

(g) Statement of cash flows

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

- Cash flows: inflows and outflows of cash and cash equivalents, the latter being short-term, highly liquid investments subject to a low risk of changes in value.

- Operating activities: typical activities of the company and other activities that cannot be classified as investing or financing.

- Investing activities: the acquisition, sale or disposal by other means of long-term assets and other investments not included in cash and cash equivalents.

- Financing activities: activities that result in changes in the size and composition of equity and of liabilities that do not form part of operating activities.

Cash and cash equivalents include cash on hand and demand deposits in financial institutions. They also include other short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. An investment normally qualifies as a cash equivalent when it has a maturity of less than three months from the date of acquisition.

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

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

(5) Investments in Group companies and associates

Details of this balance sheet heading at 31 December 2021 and 2020 are as follows:

	Euros			
	31 December 2021		31 December 2020	
	Non-current	Current	Non-current	Current
Equity instruments	11,518,102.77	-	14,917,340.13	-
	(note 16)	(note 16)	(note 16)	(note 16)

At 31 December 2021 and 2020, all balances under this heading are denominated in Euros.

These companies are not listed on organised markets. The breakdown of the movement of investments in equity instruments of Group companies and associates at 31 December 2021 and 2020 is as follows:

- 31 December 2021

	Euros		
	Balance at 31 December 2020	Disposals	Balance at 31 December 2021
Cost			
Auriga Global Investors, S.V., S.A.U.	7,657,043.13	-	7,657,043.13
Quadriga Asset Managers S.G.I.I.C., S.A.	3,118,721.00	-	3,118,721.00
Alternative Financing, Estructuración y Originación, S.L.	141,576.00	-	141,576.00
iBroker Global Markets, SV, SA	4,000,000.00	(3,399,237.36)	600,762.64
Total	14,917,340.13	(3,399,237.36)	11,518,102.77

- 31 December 2020

	Euros		
	Balance at 31 December 2019	Disposals	Balance at 31 December 2020
Cost			
Auriga Global Investors, S.V., S.A.U.	14,229,954.00	(6,572,910.87)	7,657,043.13
Quadriga Asset Managers S.G.I.I.C., S.A.	3,448,721.00	(330,000.00)	3,118,721.00
Alternative Financing, Estructuración y Originación, S.L.	141,576.00	-	141,576.00
iBroker Global Markets, SV, SA	4,000,000.00	-	4,000,000.00
Total	21,820,251.00	(6,902,910.87)	14,917,340.13

Details of the investments are as follows:

Auriga Globlal Investors, S.V., S.A.U.

In 2020, the Company received dividends charged to voluntary reserves from Auriga Global Investors, S.V., S.A.U. amounting to Euros 6,572,910.87, which reduced the cost of the investment (see note 6).

At 31 December 2021 and 2020, the Company holds 300,000 registered shares, each with a par value of Euros 10.00, in Auriga Global Investors Sociedad de Valores, S.A.U., representing 100% of its share capital, fully subscribed and paid.

Quadriga Asset Managers, S.G.I.I.C., S.A.

On 22 July 2020, the Company sold 330,000 shares at par value of Quadriga Asset Managers S.G.I.I.C., S.A. for an amount of Euros 330,000.00, resulting in neither a gain nor a loss. Payment for the sale of said shareholding is pending collection (see note 6).

At 31 December 2021 and 2020, the Company holds 2,967,000 registered shares, each with a par value of Euro 1.00, in Quadriga Asset Managers, S.G.I.I.C., S.A. representing 89% of its share capital, fully subscribed and paid.

Alternative Financing, Estructuración y Originación, S.L.

At 31 December 2021 and 2020, the Company holds 3,000 shares, each with a par value of Euro 1.00, in Alternative Financing, Estructuración y Originación, S.L., representing 75.28% of its share capital, fully subscribed and paid.

iBroker Global Markets, S.V., S.A.

On 2 July 2019, the Company acquired from Auriga Capital Investments, S.L., 2,000,000 shares in iBroker Global Markets, S.V., S.A. for Euros 4,000,000.00 (see note 11), representing 50% of the share capital. These shares were acquired through a loan granted by Auriga Global Investors, S.V., S.A.U.

On 14 May 2021, the Company transferred 9.99% of the shares in iBroker Global Markets, S.V., S.A. to Auriga Global Investors, S.V., S.A. amounting to Euros 3,399,237.36, in partial payment of the loan between the Company and Auriga Global Investors, S.V., S.A.U. (see note 11).

At 31 December 2021, the investee iBroker Global Markets, SV, S.A. distributed dividends amounting to Euros 650,100.00 (Euros 123,000.00 in 2020) (see notes 15 (a) and 16 (a)).

(6) Financial investments

At 31 December 2021 and 2020, all balances under this heading are denominated in Euros.

(a) Equity instruments

Details of this balance sheet heading at 31 December 2021 and 2020 are as follows:

	Euros			
	31 December 2021		31 December 2020	
	Non-current	Current	Non-current	Current
Equity instruments	6,300,911.82	-	5,512,036.82	-
Impairment adjustments	-	-	-	-
Total	6,300,911.82	-	5,512,036.82	-

At 31 December 2021, a Euros 60,000 capital increase was carried out at Sherpa Capital II, FCR and a Euros 728,875.00 net gain in the fair value of the shareholding was recorded. The latter amount was recognised under "Equity – Valuation adjustments".

On 13 November 2020, the Company acquired from Quadriga Asset Managers, S.G.I.I.C., S.A. 14 shares in the company Grabat Energy, S.L., for Euros 500,000.00.

In December 2020, the Company received 60,250 Class A shares in Sherpa Capital II, FCR amounting to Euros 1,708,087.50 and 3,262 shares in Sherpa Capital 2, S.L. amounting to Euros 3,303,949.32 in payment of dividends received from Auriga Global Investors, S.V. S.A.U. (see note 5).

(b) Loans

Details of this balance sheet heading at 31 December 2021 and 2020 are as follows:

	Euros			
	31 December 2021		31 December 2020	
	Non-current	Current	Non-current	Current
Loans	1,417,185.73	484,921.40	1,233,011.36	563,285.98
Impairment adjustments	-	-	-	-
Total	1,417,185.73	484,921.40	1,233,011.36	563,285.98

Details of this heading at 31 December 2021 are as follows:

Bank	Date of maturity	Interest rate	Euros Non-current	Euros Current
Mega Cuadro, S.A.	31 December 2031	0.00%	898,666.36	384,666.61
Zafiro Atlantic, S.L.	28 February 2022	Interest rate (State Budget Law)	-	100,254.79
Members of Senior Management	31 December 2023	0.00%	178,619.37	-
Other loans with individuals	31 December 2025	Interest rate (State Budget Law)	339,900.00	-
			1,417,185.73	484,921.40

Details of this heading at 31 December 2020 are as follows:

Bank	Date of maturity	Interest rate	Euros Non-current	Euros Current
Mega Cuadro, S.A.	31 December 2025	0.00%	898,666.36	384,666.61
Members of senior management (note 16)	31 December 2021	5.00%	-	178,619.37
Other loans with individuals	31 December 2025	Interest rate (State Budget Law)	334,345.00	-
			1,233,011.36	563,285.98

On 22 July 2020, the Company granted loans to two employees of Quadriga Asset Managers S.G.I.I.C., S.A. amounting to Euros 330,000.00 for the purchase of shares in this investee (see note 5). In 2021 interest of Euros 5,555.00 has accrued (Euros 4,345.00 in 2020 (see note 15 (d)).

In December 2020, the Company received credit rights from Mega Cuadro, S.A. amounting to Euros 1,283,332.97 and a receivable from a member of senior management amounting to Euros 178,619.37 in payment of dividends received from Auriga Global Investors, S.V. S.A.U (see note 5). On 30 December 2021, Mega Cuadro, S.A. and the Company signed a new agreement on these credit rights which expires in 2031.

On 30 November 2021, the Company granted a Euros 100,000.00 loan to Zafiro Atlantic, S.L. for reservation of ownership of technical installations that the borrower wishes to acquire. At 31 December 2021, interest of Euros 254.79 has accrued (see note 15 (d)).

(7) Trade and other receivables

Details of this caption at 31 December 2021 and 2020 are as follows:

	Euros	
	31 December 2021	31 December 2020
Customer receivables for services rendered	41,780.00	112,433.50
Other receivables	366,708.98	123,381.21
Refundable from the Tax Authorities		
For Corporate Income Tax from previous years	18.17	98.53
Amounts receivable from Group companies for tax purposes (notes 14 and 16)	821,620.27	491,976.04
	1,229,909.44	727,889.28

At 31 December 2021 and 2020, all balances under this heading are denominated in Euros.

(8) Cash and cash equivalents

The breakdown of this heading is as follows:

	Euros	
	31 December 2021	31 December 2020
Banks	105,403.28	50,057.39

At 31 December 2021 and 2020, all cash is denominated in Euros.

(9) Current prepayments and accruals

Details of accruals are as follows:

	Euros	
	31 December 2021	31 December 2020
Prepayments	1,449.02	100,800.79

At 31 December 2021 and 2020, all balances under this heading are denominated in Euros.

(10) Equity

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

(a) Capital

At 31 December 2021 and 2020 the share capital of Auriga Capital Markets, S.L. is represented by 149,235 indivisible and cumulative shares, each with a par value of Euros 10.00, fully subscribed and paid. These shares have the same voting and profit-sharing rights.

On 22 July 2020, the Company acquired 765 shares from one of the shareholders for Euros 38,250.00, as agreed by shareholders at the Extraordinary General Meeting held on 21 July 2020.

On 22 July 2020, the Company reduced its share capital by 765 shares, amounting to Euros 7,650.00, through share repurchases, as agreed by shareholders at the Extraordinary General Meeting held on that date. This reduction was registered in the Companies Registry on 10 August 2020.

At 31 December 2021 and 2020 the Company's shareholder structure is as follows:

	31 December 2021		31 December 2020	
Shareholder	Number of shares	Percentage ownership	Number of shares	Percentage ownership
Marfeco, S.L.	44,500	29.82%	44,500	29.82%
Iresco Inversiones, S.L.	44,500	29.82%	44,500	29.82%
Mr Rodrigo Hernando Ortega	37,750	25.30%	37,750	25.30%
Mr Amadeo Hernández Bueno	7,500	5.03%	7,500	5.03%
Mr Ignacio Contreras González	3,016	2.02%	3,016	2.02%
Mr Francisco de Borja Torres Bruzón	7,492	5.02%	7,492	5.02%
Mr Alfredo Jiménez Fernández	1,500	1.01%	1,500	1.01%
Mr Vasco Manuel Ventura Machado	1,485	1.00%	1,485	1.00%
Ms Susan J. Richards	1,492	1.00%	1,492	1.00%
	149,235	100.00%	149,235	100.00%

At 31 December 2021 and 2020 neither the Company nor any third party operating on its behalf holds any own shares. The Company’s shares are not listed on the stock exchange.

(b) Reserves

(i) Legal reserve

In accordance with article 274 of the Spanish Companies Act, companies are obliged to transfer 10% of the profits for the year to a legal reserve until this reserve reaches an amount equal to 20% of the share capital.

This reserve is not distributable to shareholders and may only be used to offset losses if no other reserves are available. This reserve may be used to increase share capital.

At 31 December 2021, the Company has allocated a legal reserve amounting to Euros 12,084.14. At 31 December 2020, the Company had not allocated this reserve as it was newly created and had not generated any profit.

(ii) Voluntary reserves

These reserves are freely distributable. At 31 December 2021 and 2020, the Company allocated an amount of Euros 16,289,651.00 to voluntary reserves.

(c) Dividends

The Company did not pay any dividends to its shareholders in 2021 or 2020.

(d) Valuation adjustments

Details and movement of valuation adjustments recognised in equity that have resulted in a change in the cost of the investment classified as "Financial assets at fair value through equity" and recognised under "Equity instruments" (note 6 (a)).

(11) Payables to Group companies and associates

Details of this balance sheet heading at 31 December 2021 and 2020 are as follows:

	Euros			
	31 December 2021		31 December 2020	
	Non-current	Current	Non-current	Current
Loans from Group companies	608,821.20	-	4,000,000.00	263,699.96
Amounts payable to Group companies for tax purposes (note 14)	-	737,072.30	-	468,356.96
Total	608,821.20	737,072.30	4,000,000.00	732,056.92
	(Note 16)	(Note 16)	(Note 16)	(Note 16)

Details of Group company loans received by the Company at 31 December 2021 are as follows:

				Euros		
	Currency	Interest rate	Maturity	Loan	Interest	Total
Auriga Global Investors, S.V. S.A.U.	Euro	3% (*)	19 January 2026	600,762.64	8,058.56	608,821.20

Details of Group company loans received by the Company at 31 December 2020 are as follows:

				Euros		
	Currency	Interest rate	Maturity	Loan	Interest	Total
Auriga Global Investors, S.V. S.A.U.	Euro	3% (*)	19 January 2026	4,000,000.00	-	4,000,000.00
Auriga Global Investors, S.V. S.A.U.	Euro	Statutory interest %	31 December 2021	263,699.96	-	263,699.96
				4,263,699.96	-	4,263,699.96

(*) This loan was arranged on 19 June 2019, with a two-year grace period on interest and principal payments.

On 14 May 2021, the Company transferred 9.99% of the shares in iBroker Global Markets, S.V., S.A. to Auriga Global Investors S.V, S.A.U. for Euros 3,399,237.36, in partial payment of the loan between the Company and Auriga Global Investors S.V, S.A.U. (note 5).

At 31 December 2021 and 2020, all balances under this heading are denominated in Euros.

(12) Current payables

Details of this balance sheet heading at 31 December 2021 and 2020 are as follows:

	Euros	
	31 December 2021	31 December 2020
Related-party loans	557,500.00	506,805.56
	(Note 16)	(Note 16)

Details of the related-party loans received by the Company at 31 December 2021 are as follows:

				Euros		
	Currency	Interest rate	Maturity	Loan	Interest	Total
Marfeco S.L.	Euro	10.00%	12 November 2021	500,000.00	57,500.00	557,500.00

In 2021, interest of Euros 50,694.44 has accrued on these loans (Euros 6,805.56 in 2020) (see notes 15 (e) and 16 (a)).

At 31 December 2021, this amount was pending payment. Said loan has been repaid in 2022.

At 31 December 2021 and 2020, all balances under this heading are denominated in Euros.

(13) Trade and other payables

The breakdown of this heading is as follows:

	Euros	
	31 December 2021	31 December 2020
Sundry creditors	11.50	790.56
Current payables to suppliers, Group companies and associates (note 16)	24,477.67	24,459.50
Remuneration pending payment	180,000.00	-
Public entities, other		
VAT payable to the Tax Authorities	13,064.65	66,427.63
Other	11,236.38	7,282.98
	228,790.20	98,960.67

At 31 December 2021 and 2020, all balances under this heading are denominated in Euros.

(14) Taxation

(a) Income tax

Earnings are subject to corporate income tax at a rate of 25% of the taxable income. Certain deductions may be applicable to the resulting amount.

A reconciliation of the accounting profit for 2021 and 2020 and the taxable income that the Company expects to declare following approval of the annual accounts is as follows:

	Euros	
	2021	2020
Accounting profit/(loss) for the year and taxable income	365,514.13	120,484.68
Permanent differences	(617,595.00)	(123,000.00)
Taxable income and taxable accounting income	(252,080.87)	(2,515.32)
Capitalisation reserve	(6,550.70)	
Tax loss carryforwards offset by the Group	(1,076.52)	
Taxable income generated and consumed by the Tax Group	(259,708.09)	1,787,327.40
Taxable income applied by the Tax Group	(259,708.09)	(1,788,754.25)
Individual taxable income	-	(1,426.85)
25% tax rate and corporate income tax expense	-	-
Corporate income tax to be refunded	-	-

The calculation of corporate income tax expense is as follows:

	Euros	
	2021	2020
Taxable income applied by the Tax Group at 25%	64,930.01	356.71

In 2021 the Company applied the capitalisation reserve incentive (art. 25 of the Corporate Income Tax Law), which results in a reduction of taxable income provided the following requirements are met:

- The amount of the increase in shareholders' equity must be maintained for 5 years, unless accounting losses are incurred.

- A reserve in the amount of the reduction in taxable income must be allocated, which must be properly shown on the balance sheet, separately and appropriately titled.

The capitalisation reserve incentive generated and applied in 2021 amounted to Euros 6,550.70. Consequently, in 2022 the Company will allocate a capitalisation reserve (restricted) against the distribution of profit.

In accordance with current legislation, taxes cannot be considered definitive until they have been inspected by the taxation authorities or before the inspection period of four years has elapsed. At 31 December 2021 the Company has open to inspection by the taxation authorities all the main applicable taxes filed since its incorporation. The Company's Directors do not expect that any significant additional liabilities would arise in the event of an inspection.

In accordance with Spanish tax legislation, losses declared may be carried forward to be offset against profits of subsequent accounting periods, the amount being distributed as considered appropriate. Losses are offset when the tax returns are filed, without prejudice to the taxation authorities' power of inspection.

As the head of the Tax Group (see note 4 (c)), the Company has booked an amount receivable for the taxable income applied by the entities belonging to the Tax Group. Euros 804,603.70 was duly recorded under "Trade and other receivables". (see note 7). Furthermore, it has recognised an amount payable for the taxable income generated and applied by companies belonging to the Tax Group. Euros 732,019.94 was duly recorded under "Payables to Group companies and associates" (see note 11).

(15) Income and Expense

(a) Revenues:

The breakdown of this heading is as follows:

	Euros	
	2021	2020
Finance income of holding companies (note 5 and 16 (a))	650,100.00	123,000.00
Services rendered	244,999.00	202,543.41
	895,099.00	325,543.41

(b) Personnel expenses

The breakdown of this heading is as follows:

	Euros	
	2021	2020
Salaries and wages	125,387.91	15,001.50
Employee benefits expense	15,130.07	3,834.03
Other personnel expenses	2,466.74	283.50
	142,984.72	19,119.03

At 31 December 2021, distribution of Company employees, by category and gender, is as follows:

	Annual Period	31 December 2021		
		Male	Female	Total
Management	-	-	-	-
Qualified personnel	1	1	-	1
Administrative staff	-	-	-	-
	1	1	-	1

At 31 December 2020, the distribution of Company employees, by category and gender, was as follows:

	Annual Period	31 December 2020		
		Male	Female	Total
Management	-	-	-	-
Qualified personnel	1	1	-	1
Administrative staff	-	-	-	-
	1	1	-	1

At 31 December 2021 and 2020, the Company has no contracted employees with a disability rating of 33% or higher.

(c) Operating expenses

The breakdown of this heading is as follows:

	Euros	
	2021	2020
Outside services	342,950.90	170,210.58
Taxes	5,486.10	5,439.34
Other current management expenses	220.44	7,829.22
	348,657.44	183,479.14

(d) Finance income

The breakdown of this heading is as follows:

	Euros	
	2021	2020
Other interest and sundry income (note 6)	5,810.29	4,345.00

(e) Finance expense

The breakdown of this heading is as follows:

	Euros	
	2021	2020
Payables to Group companies and associates (notes 11 and 16 (a))	8,058.56	-
Payables to sundry third parties (note 12 and 16 (a))	50,694.44	6,805.56
	58,753.00	6,805.56

(16) Related parties

(a) Related-party transactions and balances with Group companies

At 31 December 2021 and 2020, in addition to the amounts indicated in note 10 on equity, the Company has the following balances payable to and receivable from Group companies and other related parties:

	Euros			
	31 December 2021		31 December 2020	
	Assets	Liabilities	Assets	Liabilities
Non-current investments in Group companies and associates (note 5)	11,518,102.77	-	14,917,340.13	-
Receivables from Group companies (note 7)	821,620.27	-	491,976.04	-
Payables to Group companies and associates (note 11)	-	1,345,893.50	-	4,732,056.92
Current payables to related parties (note 12)	-	557,500.00	-	506,805.56
Payables to Group companies (note 13)	-	24,477.67	-	24,459.50
	12,339,723.04	1,927,871.17	15,409,316.17	5,263,321.98

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

	Euros					
	2021			2020		
	Group companies	Other related parties	Total	Group companies	Other related parties	Total
Income						
Dividends (notes 5 and 15 (a))	650,100.00	-	650,100.00	123,000.00	-	123,000.00
Expenses						
Payables to Group companies (notes 12 and 15 (e))	8,058.56	-	8,058.56	-	-	-
Payables to sundry third parties (notes 12 and 15 (e))	50,694.44	-	50,694.44	6,805.56	-	6,805.56
	58,753.00	-	58,753.00	6,805.56	-	6,805.56

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

In 2021, the Company has accrued expenses for remuneration to members of the Board of Directors in the amount of Euros 180,000.00, which is pending payment and is included under "Trade and other payables" in the balance sheet. At 31 December 2020, no such expenses were accrued.

The Company has no pension obligations with former or current Board members. Neither are there any other obligations or balances with the aforementioned members of the Board of Directors.

In 2021 or 2020 the Group did not extend any guarantees on their behalf. Likewise, in 2020 the Company took over a credit right granted to one of the directors amounting to Euros 178,619.37 (see note 6).

During 2021, civil liability insurance premiums amounting to Euros 108,478.51 were paid in respect of possible damage or loss caused by actions or omissions of the directors while exercising their duties (Euros 109,555.07 in 2020).

At 31 December 2021, the Board of Directors of the Company is comprised of 3 men (4 men in 2020).

(c) Conflicts of interest

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

(17) Risk Management and Policy

Auriga Capital Markets, S.L. implements comprehensive risk management for which it has defined its own philosophy for action based on solid control systems underpinned by the following principles:

- Independence of control processes.
- Protection of reputation and information.
- Control and review of extraordinary or unusual operations.
- Supervision of the development of new business areas.
- Continuous review of all management processes.
- Risk identification and spreading.
- Protection of profits through limits on risk-taking capacity.

Because of the type of business carried out by Auriga Capital Markets, S.L., the foremost primary risks to which the Company is exposed are the position risk of its own portfolio, the operational risk of its own brokerage activity and, to a lesser extent, credit risk. The Company's daily operations also take into account other risks inherent to a business established in the financial sphere, such as liquidity risk and structural balance sheet interest rate risk.

The following is a brief outline of each of the most important risks:

Risks pertaining to equity investments are the risks underlying the position in the securities held in the portfolio, generally referred to as market risk, which also reflects the credit, interest rate and currency risk of the assets invested.

To keep this risk under control, the Group has developed:

- Investment strategies and processes
- Management structures and organisation
- Measurement and reporting systems and procedures
- Hedging and mitigation policies

Business risk, or operating risk, is the risk of losses derived from inefficiencies or failures in internal processes, human error or system failures during the brokerage activity. Losses may also be incurred as a result of external factors such as accidents, catastrophes or deliberate actions targeting the Company.

The Company has strategies, policies and procedures to manage the proper execution of orders received from customers across the various branches of its business. Moreover, the Company has a Business Continuity Plan that guarantees continuity and regularity in the provision of services in the event of serious incidents.

Credit risk is defined as the risk of incurring losses deriving from the possibility of default on payment of the principal or interest linked to a credit operation. This risk is not prominent in the daily activity of Auriga Capital Markets, S.L.

Its most significant aspects would relate to:

- Credit institutions: demand deposits, term deposits and other investments.

- Companies: security deposits, advances, credits and loans.

- Individuals: credit and/or receivables from customers and employees

- Advances to suppliers.

Although this risk is not prominent in the Company's daily activities, there are procedures in place to regulate this type of secondary activities.

Liquidity risk is defined as the inability to meet payment obligations or liabilities when they fall due.

In addition to its capital management, Auriga Capital Markets, S.L. implements a liquidity management policy, by maintaining products that allow access to financing based on the needs stemming from the Company's operations.

As previously detailed, each of the risks described above is covered by management and control processes emanating from the Company's various policies and procedures. Controlling all of these risks requires them to be identified, measured, quantified and monitored, for which purpose the Company has the organisational, material and human resources to maintain an adequate internal risk control and monitoring system in keeping with the most exacting standards and current regulations.

(18) Environmental Information

The directors of Auriga Capital Markets, S.L. consider that the environmental risks deriving from the Company's activity are minimal and adequately covered and that no additional liabilities will arise therefrom. The Company has not incurred any expense or received subsidies in connection with such risks during the years ended 31 December 2021 and 2020.

(19) Audit Fees

KPMG Auditores, S.L., the auditor of the Company's annual accounts, invoiced the following net fees for professional services during the years ended 31 December 2021 and 2020:

	Euros	
	2021	2020
Audit services	42,150.00	38,317.00

(20) Late payments to suppliers. "Reporting Requirement" under Law 15/2010 of 5 July 2010

Pursuant to final provision two of Law 31/2014 of 3 December 2014, and in accordance with the Spanish Accounting and Auditing Institute (ICAC) Resolution of 29 January 2016, details of the average supplier payment period in 2021 and 2020 are as follows:

	Days	
	2021	2020
Average supplier payment period	2.32	1.70
Transactions paid ratio	2.32	1.70
Transactions payable ratio	2.32	1.70

	Amount (Euros)	
	2021	2020
Total payments made	162,950.90	169,458.10
Total payments outstanding	1,033.75	790.56

(21) Events after the Reporting Period

After a number of years of tensions between Russia and Ukraine, on 24 February 2022 the Kremlin commenced a military invasion of its western neighbour. In response to this military action, a number of countries announced severe economic sanctions against Russia and an increasing number of major public and private companies unveiled voluntary measures to restrict its commercial activities with Russia. These actions include plans to dispose of assets or halt operations in Russia, reduce imports and exports to and from the country and suspend services to the Russian state and businesses.

The Ukraine conflict is taking place at a time of global economic uncertainty and volatility and its impact is likely to interact with and even compound the current market conditions. The war brought with it a significant number of economic effects, such as higher energy prices, suspended trade relations, equity market volatility, supply chain disruption, etc.

At the date of authorising for issue these annual accounts, the Company has not been affected, nor does it expect to be significantly affected, by this situation.

Regardless of the information included in these notes, between the balance sheet date and the date of authorising for issue these annual accounts, no subsequent event has emerged that significantly affects them and that has not been included herein.

AURIGA CAPITAL MARKETS, S.L.

Information on companies classified as Group companies and associates for the year ended 31 December 2021

(Expressed in thousands of Euros)

At 31 December 2021:

Company	Registered office	Activity	Listed company	Cost	Percentage Direct	Percentage Indirect	Thousands of euros Assets	Thousands of euros Profit/(loss)	Thousands of euros Capital
Auriga Global Investors S.V., S.A., Sociedad Unipersonal (*)	C/ Cuesta del Sagrado Corazón, 6-8 (Madrid)	Financial intermediation	No	7,657,043	100.00%	-	20,753	(70)	6,040
Quadriga Asset Managers, S.G.I.I.C, S.A. (*)	C/ Cuesta del Sagrado Corazón, 6-8 (Madrid)	Sociedad Gestora de IIC's	No	3,118,721	89.00%	-	10,313	1,889	5,410
iBroker Global Markets S.V., S.A. (*)	C/ Caleruega 102-104, Planta Baja (Madrid)	Financial intermediation	No	600,763	40.01%	-	110,788	3,174	12,994
Finalter, S.L.	C/ Cuesta del Sagrado Corazón, 6-8 (Madrid)	Other lending activities	No	-	-	75.28%	11,212	157	724
Auriga Sherpa I, S.L.	C/ Cuesta del Sagrado Corazón, 6-8 (Madrid)	Investing activities	No	-	-	28.99%	1,879	682	(19)
Alternative Financing, Estructuración y Originación, S.L.	C/ Cuesta del Sagrado Corazón, 6-8 (Madrid)	Financial intermediation	No	141,576	75.28%	-	3,672	(5)	613
Auriga Investments S.a.r.l.	8832 Rombach-Martelange, 1-3, rue de la Sapinière Luxemburg	Sociedad Gestora de IIC's	No	-	-	89.00%	96	20	78
Einicia Crowdfunding, S.L. (**)	C/ Cuesta del Sagrado Corazón, 6-8 (Madrid)	Other financial services	No	-	-	0.00%	-	-	-
Quadriga Investments GP S.a.r.l	8832 Rombach-Martelange, 1-3, rue de la Sapinière Luxemburg	Sociedad Gestora de IIC's	No	-	-	89.00%	38	13	9

(*) Data obtained from the audited annual accounts of the companies at 31 December 2021.

(**) On 22 March 2021, Alternative Financing, Estructuración y Originación, S.L., as the owner of 100% of the share capital of Einicia Crowdfunding P.F.P., S.L., sold and transferred all of the shares it held in Einicia Crowdfunding P.F.P., S.L. to an entity outside the Group.

This Appendix forms an integral part of note 5 to the annual accounts for 2021, in conjunction with which it should be read.

AURIGA CAPITAL MARKETS, S.L.

Information on companies classified as Group companies and associates for the year ended 31 December 2020

(Expressed in thousands of Euros)

At 31 December 2020:

Company	Registered office	Activity	Listed company	Cost	Percentage Direct	Percentage Indirect	Thousands of euros Assets	Thousands of euros Profit/(loss)	Thousands of euros Capital
Auriga Global Investors S.V., S.A., Sociedad Unipersonal (*)	C/ Cuesta del Sagrado Corazón, 6-8 (Madrid)	Financial intermediation	No	7,657,043	100.00%	-	22,538	1,146	6,110
Quadriga Asset Managers, S.G.I.I.C, S.A. (*)	C/ Cuesta del Sagrado Corazón, 6-8 (Madrid)	Sociedad Gestora de IIC's	No	3,118,721	89.00%	-	5,805	1,304	3,585
iBroker Global Markets S.V., S.A. (*)	C/ Caleruega 102-104, Planta Baja (Madrid)	Financial intermediation	No	4,000,000	50.00%	-	84,279	2,484	9,040
Finalter, S.L.	C/ Cuesta del Sagrado Corazón, 6-8 (Madrid)	Other lending activities	No	-	-	75.28%	14,296	(173)	(567)
Auriga Sherpa I, S.L.	C/ Cuesta del Sagrado Corazón, 6-8 (Madrid)	Investing activities	No	-	-	28.99%	3,424	11,110	2,523
Alternative Financing, Estructuración y Originación, S.L.	C/ Cuesta del Sagrado Corazón, 6-8 (Madrid)	Financial intermediation	No	141,576	75.28%	-	3,879	(102)	618
Auriga Investments S.a.r.l.	8832 Rombach-Martelange, 1-3, rue de la Sapinière Luxemburg	Sociedad Gestora de IIC's	No	-	-	89.00%	49	22	58
Einicia Crowdfunding, S.L.	C/ Cuesta del Sagrado Corazón, 6-8 (Madrid)	Other financial services	No	-	-	63.99%	72	18	53
Quadriga Investments GP S.a.r.l	8832 Rombach-Martelange, 1-3, rue de la Sapinière Luxemburg	Sociedad Gestora de IIC's	No	-	-	89.00%	25	11	(3)

(*) Data obtained from the audited annual accounts of the companies at 31 December 2020.

This Appendix forms an integral part of note 5 to the annual accounts for 2021, in conjunction with which it should be read.

AURIGA CAPITAL MARKETS, S.L.

Directors' Report

2021

The previous year ended against a backdrop of severe economic contraction due to the Covid-19 pandemic, which forced very stringent restrictions to be imposed to contain the health situation. Accordingly, the leading economies posted sharp declines in GDP at year end: -6.6% in the case of the Eurozone, with the southern European countries being the worst affected due to its greater exposure to tourism. GDP shrank by 10.8% in Spain, 8.9% in Italy and 8.1% in France. Meanwhile, Germany, which is highly exposed to the manufacturing sector, and the United States, both held up better with declines of -4.9% and -3.5% respectively.

Conversely, 2021 was the year of economic recovery from the pandemic, underpinned by the mass vaccination drive, with close to 90% of eligible people vaccinated in Spain by the end of the year. As the vaccination progressed, consumer confidence was restored and the economy revived, especially from the second quarter onwards, attaining a strong pace of growth throughout the rest of the year. Thus, Spain's GDP rebounded by 5.1% year-on-year, slightly below the 5.3% of the Eurozone and the 5.6% of the United States.

Furthermore, the aggressive asset purchase programmes introduced by central banks last year remained in place, ensuring very favourable financing conditions and robust liquidity in the system. The Fed had been buying US$120 billion a month in Treasury bonds and mortgage-backed securities, and commenced tapering in November. The ECB, meanwhile, opted to keep the Pandemic Emergency Purchase Programme (PEPP) in place until March 2022, in addition to its ordinary Asset Purchase Programme (APP). Moreover, policy interest rates remain at historic lows: the ECB refinancing rate at 0% and the Fed Funds rate at 0%-0.25%. Over the course of 2022, the Fed is expected to start monetary policy normalisation, with some increase in policy rates already envisaged.

The economic forecasts for the coming years are upbeat, buoyed by the Next Generation Funds and the European Commission estimates that Spain's GDP will grow by 5.6% in 2022 and 4.4% in 2023; and Eurozone GDP by 4.0% and 2.8%, respectively. However, there are some concerns associated with both the strong monetary stimulus and the post-pandemic recovery, namely public debt at record highs and rising inflation. With regard to inflation, ECB president Christine Lagarde has said it is temporary and linked to the reopening of the economy, supply chain bottlenecks and rising energy prices, which will undermine economic growth in the short term.

On the trading side, equities built on its performance in the previous, pandemic year, where there was a significant increase in terms of trading volume, mainly due to the high market volatility generated by the atypical global situation.

In Fixed Income trading, the volume of operations surged by 50% on the back of opportunities generated by special situations linked to corporate and governmental issuers where our team provides excellent value to investors, both in terms of analysis and providing liquidity. Last year's recruitments are bearing fruit and new business lines and innovative business opportunities are opening up, contributing positively to the team's overall result. The margin per transaction has risen slightly due to the type of operations currently in focus.

Significant events occurring subsequent to the end of the year

Nothing to report other than as mentioned in the notes to the Annual Accounts.

Acquisition of own shares

At 31 December 2021, the Company did not hold any own shares, nor did it carry out any own share transactions during the year.

Research and development

There was no research and development activity during the year. The Company's accounts for 2021 do not contain any items that should be included in the separate document on environmental information.

Auditing

By agreement of the Annual General Meeting, the Company's Annual Accounts, which comprise the balance sheet, income statement, statement of changes in equity, cash flow statement and notes to the Annual Accounts for the year 2021, have been audited by KPMG Auditores, S.L.

Information on the average supplier payment period in commercial transactions

At 31 December 2021, the Company's average supplier payment period is 2.32 days.

AUTHORISATION FOR ISSUE

The Board of Directors of Auriga Capital Markets, S.L. has prepared the individual Annual Accounts, comprising the Balance Sheet, the Income Statement, the Statement of Changes in Equity, the Cash Flow Statement, the Notes to the Annual Accounts and the Directors' Report, for the year ended 31 December 2021, which form an integral part of this document.

Madrid, 31 March 2022

Mr Íñigo Resusta Covarrubias

Chairman of the Board of Directors and Director

Mr Enrique Martinavarro Ferrer

Deputy Chairman of the Board of Directors and Director

Mr Rodrigo Hernando Ortega

Director

Ms Caridad Bono Landaluce

Secretary (non-Director) to the Board of Directors