Lloyd Fonds AG

VERMÖGEN. NEXT GENERATION.

Hamburg
Frankfurt
Munich

Annual Report 2021

	2021	2020	2019
Assets under Management* LLOYD FONDS LIQUID ASSETS (EUR billion)	2,2	1,7	1,1

Group figures* EUR million			
Sales (gross)	26,1	27,7	8,2
EBITDA	4,6	7,0	-9,7
Net profit after tax**	6,6	1,0	-0,1
Net operating cash flows	20,0	-0,9	-3,2
Total assets	116,9	113,7	104,8
Equity	48,4	42,7	41,2
Equity ratio (%)	41,3	37,6	39,3
Headcount (as of Dec. 31) ***	80	69	68

Percentages based on figures expressed as EUR 000s
* Excluding the two acquisitions BV Holding AG and growney GmbH
** Before non-controlling interests
*** Including Lange Assets & Consulting GmbH

Lloyd Fonds AG

Our aspiration:
Next-generation assets

Lloyd Fonds AG is an innovative financial services provider that generates returns for its partners and customers with active, sustainable and digital investment solutions.

Established in 1995, the bank-independent company has been listed on the stock exchange since 2005. Lloyd Fonds AG has been included in Deutsche Börse's "Scale" segment in Frankfurt (ISIN: DE000A12UP29) since March 2017.

Lloyd Fonds AG
NEXT-GENERATION ASSETS

LLOYD FONDS Active. Added. Value.	LLOYD WEALTH Individual. Added. Value.	LLOYD DIGITAL Digital. Added. Value.
Active fund management/ special mandates	**Personal asset management/ special mandates**	**Smart investing**
SPSW Capital ACTIVE. VALUE. DEVELOPMENT.	BV Holding AG * Lange Assets & Consulting MANAGING. FINANCIAL. OPPORTUNITIES.	LAIC AI-based investment solutions for all risk classes LAIC INVEST SMART. DIGITAL. growney simple investment solutions for all customers growney
Licensed in accordance with Section 15 of the Securities Institution Act**	Licensed in accordance with Section 15 of the Securities Institution Act***	Licensed in accordance with Section 15 of the Securities Institution Act****

* Completion of the owner control process confirmed by BaFin in a letter dated March 15, 2022. The closing of the acquisition is subject to further conditions.
** SPSW Capital GmbH *** Lange Assets & Consulting GmbH, BV Bayrische Vermögen GmbH, MFI Asset Management GmbH **** LAIC Vermögensverwaltung GmbH, growney GmbH.

The LLOYD FONDS business segment is positioned as a specialist provider of non-benchmarked equity, fixed-income and mixed funds with a clear focus on active alpha strategies. All funds are managed by experienced specialists with a proven track record and incorporate an integrated sustainability strategy in the investment process.

The LLOYD WEALTH business segment is committed to the proactive, holistic 360° implementation of the individual goals of high net-worth clients by means of personal asset management.

The LLOYD WEALTH business segment is committed to the proactive, holistic 360° implementation of the individual goals of high net-worth clients by means of personal asset management.

The LLOYD DIGITAL business segment offers digital and risk-optimized investment solutions for private investors and institutional clients via WealthTech LAIC and FinTech growney.

The aim of Strategy 2023/25 is to position Lloyd Fonds AG as an innovative quality leader in asset management in Germany.

Contents

Company

Management Board 8

Foreword by the Management Board 10

Supervisory Board 12

Report of the Supervisory Board 14

Corporate governance 18

Lloyd Fonds share 19

Digitalization 21

User centricity 24

Sustainability 26

LLOYD FONDS 28

LLOYD WEALTH 30

LLOYD DIGITAL 32

Group management report

1 Fundamental information on the Group 36

1.1 Business activities 36

1.2 Organization and governance structure 36

1.3 Legal structure 36

1.4 Planning and management process systems 38

2 Business report 39

2.1 Macroeconomic and sector environment 39

2.2 Business performance and economic situation 40

2.3 Target achievement and general statement on economic situation 44

3 Results of operations, net assets and financial condition 46

3.1 Results of operations 46

3.2 Net assets 48

3.3 Financial condition 49

4 Employee and compensation report 51

5 Risk report 52

5.1 Risk management system 52

5.2 Economic and sector risks 52

5.3 Operating and strategic risks 53

5.4 Organization and personnel management risks 58

5.5 IT risks 58

5.6 Financial risks 58

5.7 Overall assessment of risk situation 59

5.8 Main characteristics of the accounting-related internal control and risk management system 60

6 Material events occurring after the reporting date 62

7 Outlook 63

7.1 Macroeconomic and sector environment 63

7.2 Business performance 64

7.3 Opportunities 65

Consolidated financial statements

1 Consolidated income statement **70**

2 Consolidated statement of comprehensive income **71**

3 Consolidated balance sheet **72**

4 Consolidated cash flow statement **73**

5 Consolidated statement of changes in equity **74**

6 Notes to the consolidated financial statements **75**

6.1 General information 75

6.2 Summary of significant accounting policies 75

6.3 Financial risk management 86

6.4 Use of estimates and assumptions and changes to estimates and discretionary decisions 90

6.5 Segment report 91

6.6 Notes on the consolidated income statement 95

6.7 Notes on the consolidated balance sheet 97

6.8 Notes on the consolidated cash flow statement 104

6.9 Other disclosures 105

7 Responsibility statement **109**

8 Independent auditor's opinion **110**

9 Financial calendar **114**

Company

Office building at "An der Alster 42, Lloyd Fonds AG's" head office.

Management Board

Dipl.-Ing. Achim Plate
Management Board
Chief Executive Officer (CEO)

- Nationality: German
- Born in 1959, married, 2 children

- Studied at the University of the Federal Armed Forces in Hamburg, graduating with a Dipl.-Ing. degree in mechanical engineering
- From 1990 onwards, he established his own medium-sized group of companies and was awarded the German Job Investor Prize in 2001
- 2002 Integration of the largest single company of the group into D+S europe AG
- Chief Executive Officer (CEO) of D+S europe AG (Prime Standard and listed in the SDAX) from 2003 to 2009
- Development of the D+S europe Group from a call center company with 1,500 employees and sales of approximately EUR 42 million to a service group for multimedia customer contact management with over 7,000 employees and sales of around EUR 300 million in 2009
- 2010 SPS Investments GmbH incorporated
- 2015 Management of WHC Global Discovery commenced and Mr. Markus Wedel added as a further partner of SPSW Capital GmbH
- Chairman of the Supervisory Board of mVISE AG since September 2014
- Chairman of the Supervisory Board of DEWB AG from June 2017 until December 2019
- Member of the Supervisory Board of Lloyd Fonds AG from April 2018 until December 2019, Chairman since August 2018
- Member of the Management Board and Chief Executive Officer (CEO) of Lloyd Fonds AG since January 2020

Michael Schmidt, CFA
Management Board
Chief Investment Officer (CIO)

- Nationality: German
- Born in 1973, married

- Bank management assistant (Chamber of Industry and Commerce, Deutsche Bank AG, Ingolstadt)
- Holder of a degree in business administration (Frankfurt School of Finance and Management, Frankfurt)
- CFA charter holder (CFA Institute, Charlottesville)
- From 1994 to 2004, various specialist and management positions held at Deutsche Asset Management/DWS (asset management division of Deutsche Bank AG): Portfolio Manager Equities, Head of Global Telecom Services Team, Head of European Equity Research
- Managing Director and Head of Portfolio Management Institutional Equity at Deutsche Asset Management/DWS from 2005 to 2008
- Member of the Management Board of Union Investment Privatfonds GmbH and head of Portfolio Management Equities of the Union Investment Group from 2009 to 2014
- Member of the management board of Deka Investment GmbH and head of asset servicing and alternative investments for the Deka Group from July 2016 to March 2019
- Member of the Management Board and Chief Investment Officer (CIO) at Lloyd Fonds AG since April 2019
- Member of the Board of DVFA e.V., head of the DVFA Commission Governance & Stewardship
- Member of the Sustainability Advisory Council of Deutsche Post DHL
- Member of the EU Commission's High Level Expert Group on Sustainable Finance, which was in session from January 2017 until February 2018 and laid the foundations for the EU "Financing Sustainable Growth" action plan with its final report
- Member of the Sustainable Finance Advisory Council of the German Federal Government from 2019 until 2021

Foreword by the Management Board

**Dear shareholders,
ladies and gentlemen,**

Having positioned ourselves as an innovative listed financial services provider in 2020 with our Strategy 2023/25, we can now look back on a successful year in 2021 characterized by growth. In addition to very strong organic growth of over 32% in assets under management to just under EUR 2.2 billion, we also delivered in terms of the implementation of our strategic milestones last year. This includes four key steps, which we will briefly discuss below:

First, we continued to successfully position our WealthTech LAIC in the market with its approach that focuses on risk management. Less than two years after its market launch, we have already succeeded in entering into our first white label partnership and in gaining one of the largest broker pools in Germany for partner distribution.

A second key step was the successful further development of our digital investment platform, which serves as the basis for white label solutions and partner integration, among other things, and thus enables us to scale our product solutions as required. In this way, sales partners are able to network with Lloyd Fonds AG's platform architecture via specially developed interfaces. In the meantime, all processes, from account opening to asset management settlement, are carried out digitally on the platform and in compliance with regulations. The basis for this is the Digital Asset Platform 4.0., which was created in 2018 and following years, and the subsequent development of LAIC ADVISOR®, our artificial intelligence-based digital portfolio management system.

Third, we executed tokenized growth finance for our WealthTech LAIC for the first time, thereby also gaining "first-mover" experience in this exciting growth market. We can now also draw on this experience for potential future product solutions and projects and thus build up a further field of competence. With growth finance, investors subscribed to a special AIF via LAIC Token 21, which in turn took a 9.75% stake in LAIC Capital GmbH and its subsidiaries based on the valuation of EUR 50 million for Lloyd Fonds AG's LAIC subgroup. This achieved two things: on the one hand, we created visibility with regard to the organically developed value of our WealthTech and, on the other, we once again demonstrated our innovativeness. We believe that the tokenization of financial products will be one of the next big growth drivers in the industry.

Fourth, with the initial 17.75% stake taken in FinTech and robo-advisor growney GmbH and the subsequent acquisition of Bayerische Vermögen Group, we not only achieved further non-organic growth, but also decisively reinforced our value chain in the LLOYD DIGITAL and LLOYD WEALTH business segments. Strategically, both companies are an ideal fit for Lloyd Fonds AG's established business model, giving us business experts as well as asset and fund managers who are contributing their excellent reputation, networks and many years of investment experience to Lloyd Fonds AG. One of the fastest growing digital asset managers, growney has already successfully established itself as one of the leading robo-advisors with a focus on B2C retail business in Germany. On February 28, 2022, the contract for the acquisition of an initial 17.75% stake in growney was closed in full. The Bayerische Vermögen Group, with BV Holding AG as its holding company, currently manages assets valued at around EUR 2.5 billion from its head office in Munich and its three other offices in Chiemgau, Tegernsee and Main-Spessart, and also enjoys an excellent reputation. In addition to serving high net worth individuals, the Bayerische Vermögen Group has a pronounced focus on business with institutional investors, operating with highly experienced teams in this market. In a letter from BaFin dated March 15, 2022, the completion of the owner control proceedings was confirmed as a further important step towards the acquisition of BV Holding AG.

As a result of our strong growth in 2021, consolidated earnings before taxes (EBT) increased significantly to EUR 6.4 million (previous year: EUR -3.0 million). This resulted in an increase in consolidated net profit after tax to EUR 5.1 million (previous year: EUR -0.7 million). The significant growth in consolidated net profit is largely attributable to the further increase in the fair value measurement of two investments held by Lloyd Fonds AG in the LLOYD FONDS REAL ASSETS business segment at the end of the year compared with the first half of 2021. Cash flow from operating activities widened to just under EUR 20.0 million (previous year: EUR -0.9 million).

To finance the investment in growney and the acquisition of the Bayerische Vermögen Group, we successfully issued fresh equity with subscription rights accompanied by a parallel private placement in February 2022. This was achieved despite a very volatile market environment, generating gross proceeds of EUR 7.4 million. The vast majority of the cash equity issue was placed with existing shareholders who, in addition to exercising their subscription rights, also acquired further shares. In addition, new shareholders were also gained in a private placement.

The systematic fulfillment of customer needs while taking account of the megatrends we have defined – the digital transformation, user centricity and sustainability – will shape the continued implementation of Strategy 2023/25 this year.

In the LLOYD FONDS business segment, the processes and transparency with regard to the applicable sustainability parameters are to be additionally expanded. This reflects Lloyd Fonds AG's conviction that an innovative sustainability strategy targeting integration, transformation and impact offers an attractive risk-return profile for investors.

In the LLOYD WEALTH business segment, the focus this year will be on integrating the Bayerische Vermögen Group in addition to the acquisition of new customers following full completion of the takeover. Complementary fields of competence are to be contributed. For example, Lloyd Fonds' greater expertise in the areas of digitalization and user centricity will be drawn on to enhance the Bayerische Vermögen Group's customer service. The Bayerische Vermögen Group's particular expertise and experience in institutional business will in turn be leveraged to the benefit of all the solutions offered by the Lloyd Fonds Group, additionally reinforcing the individual value chains.

In the LLOYD DIGITAL business segment, we have begun working with growney to expand our digital offerings so as to evolve into a full-service solution provider. Under the planned two-brand strategy, individually managed product strategies focusing on risk management will be offered to high net worth individuals and institutional clients via WealthTech LAIC. At the same time, growney will be primarily addressing private investors with digitally managed ETF-based investment strategies as a cost-effective solution. The focus in the further development of the two strategies will be on harnessing synergistic effects through the mutual sharing of expertise. This includes the staggered further development of growney's product range, incorporating LAIC's established risk management expertise. In addition, WealthTech LAIC is to benefit from growney's particular expertise in digital online and performance marketing.

At the core of our ongoing sales and growth strategy is the further development of the digital investment platform with a particular emphasis on user centricity. The aim is to provide data-driven investment solutions for customers and partners with high scalability in all three business segments. This will allow us to address both traditional retail customers and institutional investors in a suitably targeted manner.

In addition, we want to continue growing at a disproportionately high rate. To this end, Lloyd Fonds AG has set itself two medium-term targets. Driven by both organic and inorganic growth, the value of assets under management is to be increased to over EUR 7 billion by the end of 2024. As a result of the acquisitions of growney GmbH and BV Holding AG with the additional growth achieved in this way, the assets being managed by the Lloyd Fonds Group have already risen to almost EUR 5 billion in value. This impressively illustrates the very successful transformation of the Company, which commenced at the beginning of 2018. In the medium term, Lloyd Fonds AG is aiming for an EBIDTA margin of over 45% relative to net sales. We believe that this strategic planning embodies Lloyd Fonds AG's long-term promise to its shareholders to leverage the synergistic benefits of all business segments on a sustained basis.

Effective April 1, 2022, Mr. Stefan Mayerhofer will take up his position on the Management Board as the new Chief Wealth Officer (CWO). As a long-standing member of the Management Board of BV Holding AG, he is a very experienced and highly competent financial expert. We are expressly looking forward to working with him and his colleagues at the Bayerische Vermögen Group.

The economic consequences of the further course of the Covid 19 pandemic and the geopolitical confrontation with Russia triggered by President Putin's military attack on Ukraine in February 2022 cannot be foreseen at present. Accordingly, adverse effects on the performance of Lloyd Fonds Group's core business can still not be ruled out.

We would like to thank our shareholders for their confidence in our Company. We also extend our thanks to our investors and business and sales partners for the successful collaboration. Our thanks particularly go to all employees for their great dedication and commitment.

Yours sincerely

Dipl.-Ing. Achim Plate
Chief Executive Officer

Michael Schmidt, CFA
Chief Investment Officer

Supervisory Board

Dr. Stefan Rindfleisch
Chairman

- Nationality: German
- Born in 1967, married, 2 children

- Attorney at law 2nd state examination in 1996. Admitted to the bar in Germany and in the Republic of the Marshall Islands
- Doctorate on the “Hot Pursuit at Sea” principle of international maritime law in 2000
- Joined law firm EHLERMANN RINDFLEISCH GADOW Rechtsanwälte Partnerschaft mbB (formerly Ehlermann & Jeschonnek) in 1998
- Partner in the law firm EHLERMANN RINDFLEISCH GADOW Rechtsanwälte Partnerschaft mbB (formerly Ehlermann & Jeschonnek) since 2001
- Main areas of expertise: maritime commercial law, structured maritime finance, corporate law
- Member of the German Association of International Law of the Sea and the German Maritime Arbitration Association.
- Chairman of the Supervisory Board of Salamon AG since February 2021
- Member of the Supervisory Board of Lloyd Fonds AG since May 2017

Oliver Heine
Deputy Chairman

- Nationality: German
- Born in 1962

- Studied law in Hamburg from 1984 until 1990
- Admitted to the bar in 1995
- Partner at law firm Heine und Partner GbR
- Founding shareholder of Lange Assets & Consulting GmbH
- Member of the Supervisory Board of Axel Springer SE since April 2005
- Member of the Supervisory Board of Lloyd Fonds AG since June 2019

Peter Zahn

- Nationality: German
- Born in 1958, married, 2 children

- Holder of a degree in industrial economics (Munich University of Applied Sciences)
- Management positions held at Hypo Vereinsbank AG from 1987 until April 2001
- Head of trading at newly established bank Falkebank AG from May 2001 until June 2004
- Member of the Management Board of Lang & Schwarz AG from July 2004 until October 2019
- Managing Director of Lang & Schwarz Broker GmbH from March 2008 until June 2020
- Member of the Supervisory Board of Backbone Technology AG and PAN AMP AG from August 2013 until December 2020
- Managing Director of Zahn Invest GmbH since February 2021
- Member of the Supervisory Board of Lloyd Fonds AG since January 2020

Prof. Wolfgang Henseler

- Nationality: German
- Born in 1961, married

- Graduate Designer and Master of HCID (Human Computer Interaction and Design)
- From 1994 until 2000, founder and managing director of Pixel Factory GmbH, a multimedia start-up
- From 2000 to 2005 Managing Director, Design Director International at GFT Technologies AG. The Group is a publicly listed information technology service provider for banks. The products offered primarily solutions for the implementation of regulatory requirements and the digitalization of business processes
- From 2005 to 2009 Managing Director, Creative Managing Director at Syzgy Deutschland GmbH, an internationally active, listed agency group for digital marketing
- Since 2009 Creative Managing Director at Sensory Minds GmbH, a design studio for innovative technologies and smart media
- Since 1999 professor of digital media and master of creative directions at the Pforzheim University of Applied Sciences - Faculty of Design. He is head of the “Visual Communications” study program and teaches the subjects Digital Transformation (Economy 4.0 and Thinking 4.0), User Centricity, Usability, User Experience, Innovation Thinking, smart Ecosystem Platforms and Service Design using AI systems
- Member of the Supervisory Board of Lloyd Fonds AG since August 2018

Jörg Ohlsen

- Nationality: German
- Born in 1955, married, 5 children

- Holder of a degree in business studies, tax consultant and accountant
- From 1982 until 1994 with Peat Marwick Mitchell & Co. Hamburg (KPMG)
- From 1987 until 1989 with Peat Marwick California, United States
- From 1990 until 1994 Partner and Managing Director at KPMG Peat Marwick Germany
- From 1994 until 2004, founder and Managing Partner of the OLP Group
- The OLP Group was sold to Deloitte in 2004
- From 2004 until 2019 partner at Deloitte:
  - From 2004 until 2010 lead partner responsible for the audit of three SDAX and TecDAX companies
  - 2007 to 2014 Partner responsible in Hamburg for corporate finance in Northern Germany (Hamburg, Berlin and Hannover) for transaction advisory, IPOs and corporate valuations
  - 2014 to 2019 managing partner of Deloitte Corporate Finance Germany (M&A/Investment Banking division)
  - 2011 to 2019 member of the Deloitte Global Executive Committee for Corporate Finance Advisory/M&A
- From 1995 to 2004 chairman and member of supervisory boards of start-ups, management buy-outs, investment funds and IPO candidates
- Member of the Board of Trustees of the Institute for Corporate and Capital Markets Law at Bucerius Law School-Corporate Finance, Corporate Governance & Compliance since 2007
- Chairman of the Supervisory Board of Deutsche Effecten- und Wechsel-Beteiligungsgesellschaft AG since January 2020
- Member of the Supervisory Board of Lloyd Fonds AG since January 2020

Report of the Supervisory Board

**Dear shareholders,
ladies and gentlemen,**

The Supervisory Board reports on the 2021 financial year as follows:

The Supervisory Board performed its duties in accordance with the applicable statutory provisions, the Company's Articles of Incorporation and the rules of procedure, advising and monitoring the Management Board in 2021. The Management Board reported to the Supervisory Board on all matters pertaining to the Company's strategy, forecasts, business performance, risk exposure and management as well as its condition and outlook on a regular, timely and comprehensive basis at all times both in writing and orally.

The Company's fundamental business transactions were discussed in detail with the Management Board, which obtained the approval of the Supervisory Board where necessary.

Meetings

All business transactions of the Company requiring the approval of the Supervisory Board in accordance with the law, the Articles of Incorporation or the rules of procedure were duly submitted by the Management Board to the Supervisory Board for approval.

The Supervisory Board was convened for a total of eight meetings in 2021, most of which were held in person, some in the form of video conferences and some by telephone. In addition, two circulatory resolutions were passed outside the meetings of the Supervisory Board.

All members of the Supervisory Board attended all meetings in person, by telephone or by video conference. In addition, the Chairman and other members of the Supervisory Board maintained regular contact with the Management Board. As well as this, the members of the Supervisory Board discussed individual matters among each other.

Main aspects of the Supervisory Board's deliberations

In the year under review, the Supervisory Board of Lloyd Fonds AG dealt with and passed resolutions on the following main matters among other things:

January 2021

At the Supervisory Board's first meeting in 2021 held on January 25, 2021, the Management Board initially reported on the preliminary results as documented in the Company's annual and consolidated financial statements for 2020 and the Company's current financial and liquidity planning. The Management Board then presented in detail the business plan for 2021, which was duly approved by the Supervisory Board. In addition, the Management Board provided information on the medium-term forecast for the Lloyd Fonds Group until 2025. The Management Board then proceeded to outline the main elements of a possible transaction for financing LAIC Capital GmbH in the form of the tokenization of the shares in LAIC Capital GmbH. It also reported on the performance of the investment funds allocated to the LLOYD FONDS business segment and the existing situation and objectives with regard to the further development of corporate governance at Lloyd Fonds AG. Among other things, the Supervisory Board approved changes to the management of two subsidiaries of Lloyd Fonds AG in the LLOYD FONDS REAL ASSETS business segment.

March 2021

At its second meeting for the year on March 26, 2021, the Supervisory Board approved the Company's annual financial statements for 2020 audited by the independent auditor Baker Tilly GmbH Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft, Hamburg, which had issued an unqualified audit opinion; the annual financial statements were thus duly adopted. The Supervisory Board also approved the consolidated financial statements, for which the independent auditors Baker Tilly GmbH Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft, Hamburg, had issued an unqualified audit opinion, and adopted the Supervisory Board's report to the annual general meeting for 2020. Representatives of the auditors participated in the discussion of this agenda item by video conference. In addition, the Supervisory Board approved the planned tokenization of shares in LAIC Capital GmbH for the purpose of financing the continued growth of the LAIC subgroup. The Supervisory Board also approved the launch of the "Lloyd Fonds - European Emerging Champions" equity fund. Furthermore, the Supervisory Board adopted its profile of objectives and competencies and approved the publication of these together with the rules of procedure of the Supervisory Board and the Management Board on the Company's website. Among other things, the Supervisory Board also passed a resolution approving bonus payments to the members of the Management Board for 2020 and the target agreement for them for 2021. In addition to personnel matters, the necessary amendment to the rules of procedure of a subsidiary of the Lloyd Fonds Group in the LLOYD FONDS REAL ASSETS business segment was also approved.

June 2021

At its third meeting held on June 29, 2021, the Supervisory Board approved the tokenization of up to 9.75% of the shares in LAIC Capital GmbH for purchase by selected semi-professional investors, following an explanation of the shareholder structure by the Management Board. The "LAIC-Tokens 21" were to be subscribed by investors on the basis of a valuation of approximately EUR 50 million for Lloyd Fonds AG's LAIC subgroup. The investors were to participate in the economic success of LAIC Capital GmbH and its subsidiaries (LAIC subgroup) via a token-based trusteeship relationship as limited partners in a special AIF structured as a GmbH & Co. KG. Among other things, the Supervisory Board also approved the additional injection of EUR 4 million by Lloyd Fonds AG into LAIC Capital GmbH's equity in accordance with Section 272 (2) No. 4 of the German Commercial Code. The Management Board subsequently updated the Supervisory Board in detail on the progress made so far in implementing Strategy 2023/25 and the scenarios with regard to the Company's future strategic orientation, particularly in the three business segments LLOYD FONDS, LLOYD WEALTH and LLOYD DIGITAL, and the impact with regard to growth in assets under management, the EBITDA margin and the Company's ability to distribute a dividend.

July 2021

On July 26, 2021, the Supervisory Board approved by circular resolution the agenda and the convocation of the Company's annual general meeting on August 31, 2021.

August 2021

Following the annual general meeting, the Supervisory Board approved supplementary key matters relating to the tokenization of LAIC Capital GmbH at its fourth meeting on August 31, 2021. This included the additional subscription of LAIC tokens by the employee participation entity set up by Lloyd Fonds AG, LAIC TOKEN MITARBEITER GmbH & Co. KG. In addition, the Management Board provided a further update on the progress made in implementing Strategy 2023/25 with regard to possible acquisitions in the LLOYD WEALTH and LLOYD DIGITAL business segments. It also informed the Supervisory Board of the possible reversal of impairment losses recognized on two of Lloyd Fonds AG's associates in the LLOYD FONDS REAL ASSETS business segment. This was followed by deliberations by the Supervisory Board on other matters pertaining to the Management Board, among other things.

October 2021

At its fifth meeting on October 26, 2021, the Supervisory Board approved the continuation of plans to acquire growney GmbH and BV Holding AG. Among other things, it also approved the incorporation of Lloyd Token GmbH, whose business model is based on offering and implementing the entire tokenization value chain for customers as a full-service provider.

November 2021

At its sixth meeting held on November 8, 2021, and in a further meeting held by e-mail on November 9, 2021, the Supervisory Board approved by circular resolution the subscription to a cash equity issue at growney GmbH in two tranches totaling EUR 3 million and the acceptance of agreements with the other shareholders of growney GmbH governing options for the possible further acquisition of a total of up to 100% of the shares in growney GmbH.

At its seventh meeting held on November 18, 2021, the Supervisory Board approved the conclusion of a business combination agreement with BV Holding AG governing the planned acquisition of a target majority of at least 90 percent of the share capital of BV Holding AG among other things. The acquisition was to be financed in part through the issue of new shares in the Company plus a cash component and partially solely subject to payment of a cash purchase price. To this end, the Supervisory Board approved a non-cash equity issue of up to 418,050 new shares in the Company using its authorized capital and payment of a cash component with a partially variable remuneration component in consideration of the contribution of up to around 37.92% of the shares in BV Holding AG. Furthermore, the Supervisory Board approved the conclusion of the corresponding share transfer agreements. In addition, the Supervisory Board approved the appointment of Mr. Stefan Mayerhofer as an additional member of the Management Board and of Mr. Alexander Gröbner for the position of Divisional Board Member of the Company upon the transaction being closed.

At the eighth meeting of the Supervisory Board held on November 26, 2021, the Management Board updated the Supervisory Board, on the progress made with the acquisition of growney GmbH and BV Holding AG as well as the LLOYD FONDS and LLOYD DIGITAL business segments and provided a detailed overview of the draft business plan for 2022. In addition, the Management Board provided an outlook for 2022 and details of the further development of Strategy 2023/25. With the further implementation of the strategy, the focus was to be placed on the systematic development of user centricity. The Supervisory Board also dealt with the Company's personnel matters and approved, among other things, the appointment of an additional managing director at Lange Assets & Consulting GmbH.

Audit of the annual and consolidated financial statements

At the annual general meeting held on August 31, 2021, the shareholders passed a resolution appointing Baker Tilly GmbH Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft, Hamburg, as statutory auditors for the annual financial statements and the consolidated financial statements for the period from January 1, 2021 until December 31, 2021. Thereupon, the Supervisory Board entered into negotiations concerning the audit engagement and awarded the corresponding contract. The audit focused on the measurement of financial assets, deferred income taxes, changes to the companies consolidated and the planning process of the Lloyd Fonds Group. The statutory auditor was asked to report to the Supervisory Board without delay on all main findings and occurrences of relevance for its duties of which he became aware in the performance of his audit.

The consolidated financial statements as of December 31, 2021 prepared by Lloyd Fonds AG in accordance with the International Financial Reporting Standards (IFRS), the Group management report and the annual financial statements prepared in accordance with German GAAP and the management report of Lloyd Fonds AG for 2021 (HGB) were duly audited. The annual and the consolidated financial statements as well as the management reports were issued with an unqualified auditor's report. In addition, the statutory auditor reviewed the risk early detection system maintained by Lloyd Fonds AG in accordance with the Corporate Control and Transparency Act. The audit confirmed that the Company complies in full with all statutory requirements.

The members of the Supervisory Board specifically examined the annual and consolidated financial statements, the management report and the Group management report and the statutory auditor's reports for 2021. All documents were made available to the Supervisory Board in good time. The Supervisory Board discussed and evaluated in detail the annual and consolidated financial statements, the management report, the Group management report and the statutory auditor's reports. The statutory auditor took part in the meeting, explaining the annual and consolidated financial statements and presenting the results of the audits. All questions asked by those attending the meeting were duly answered. The Supervisory Board approved the results of the audit following deliberations held at its meeting.

On the basis of the final results of its examination, the Supervisory Board did not raise any objections and duly adopted the annual financial statements and management report prepared by the Management Board at its meeting on March 29, 2022. The annual financial statements for 2021 are thus final. Similarly, on the basis of the final results of its examination, the Supervisory Board did not raise any objections and adopted the consolidated financial statements and the Group management report prepared by the Management Board. It also examined and approved the Management Board's proposal for the allocation of the Company's unappropriated surplus.

Recent developments

There is currently only limited forward visibility with regard to the economic impact of the ongoing Covid 19 pandemic and the armed conflict in Ukraine following the attack on that country by Russian troops on February 24, 2022 on the global economic situation in general, the investment climate and the performance of Lloyd Fonds AG's individual business segments.

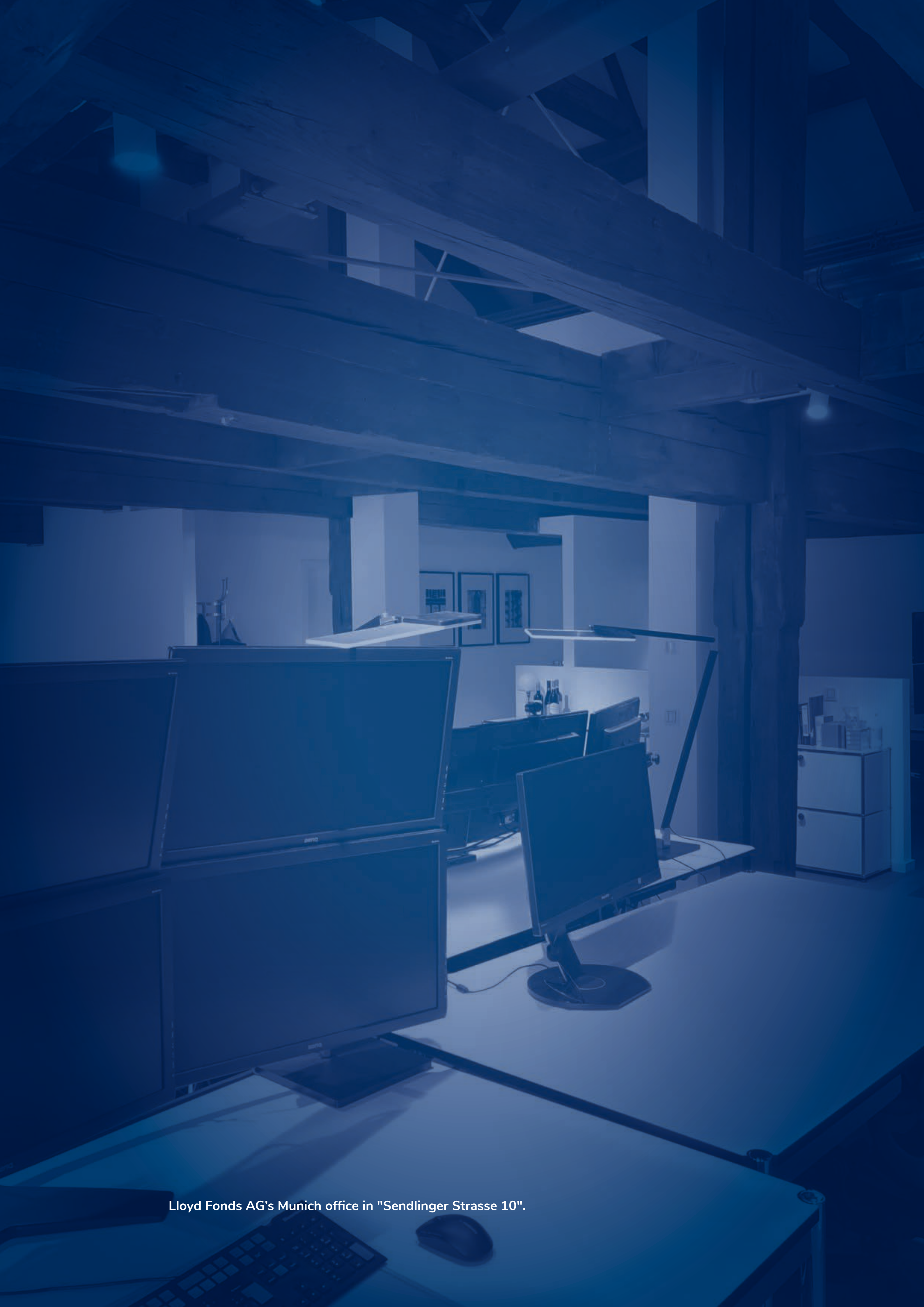
Vote of thanks

The Supervisory Board wishes to thank the Management Board and all employees of the Lloyd Fonds Group for their personal contributions and work performed.

Dear shareholders, the Supervisory Board would like to thank you for your trust and invites you to continue to accompany our company on its promising path.

Hamburg, March 29, 2022
For the Supervisory Board

Dr. Stefan Rindfleisch
Chairman of the Supervisory Board



Lloyd Fonds AG’s Munich office in "Sendlinger Strasse 10".

Corporate governance

The term "corporate governance" refers to the responsible management and supervision of companies. Lloyd Fonds AG attaches great importance to good corporate governance.

Orientation to the German Corporate Governance Code

The German Corporate Governance Code (the "Code") enshrines internationally and nationally acknowledged standards of good and responsible corporate governance. Corporate governance encompasses the entire system of managing and supervising a company. In addition to the organization of the company, this also includes the principle and values underlying its business policies, guidelines and internal and external control and monitoring mechanisms.

Good corporate governance seeks to make a significant contribution to responsible corporate management and control. It calls for efficient relations between the Management Board and the Supervisory Board, observance of the shareholders' interests, open and transparent communications and an awareness of the impact of the business model on the environment and society.

It also seeks to promote the confidence of shareholders, investors, business partners and employees as well as the general public in the Company.

Implementation of individual elements of the German Corporate Governance Code

As it is listed on the regulated unofficial market ("Scale" segment of the Frankfurt Stock Exchange), Lloyd Fonds AG is not a listed company as defined by Section 161 (1) of the German Stock Corporation Act. The Management Board and the Supervisory Board are therefore currently not under any legal obligation to declare annually that the Code has been or is being complied with and to state which recommendations of the Code have not been or are not being applied including the reasons for this.

Nonetheless, the Management Board had decided with the approval of the Supervisory Board to successively observe selected recommendations of the Code. In a resolution dated March 26, 2021, the Management Board and Supervisory Board approved the profile of objectives and competencies for the composition of the Supervisory Board of Lloyd Fonds AG as well as a code of conduct binding on the Company and all of its employees. In addition, the Supervisory Board approved the Management Board's proposal to publish the rules of procedure of the Supervisory Board and the Management Board in the Investor Relations/Corporate Governance section of the Lloyd Fonds AG website in addition to the Supervisory Board's profile of objectives and competencies and the code of conduct. In addition, the Company's Articles of Incorporation are also published.

Responsible investment & engagement policy

Lloyd Fonds AG puts engagement into practice as an active and sustainable investor. In its capacity as a trustee for its investors, it has an interest in the long-term success of the companies in which it invests. This approach thus goes hand in hand with a commitment to ensuring long-term growth in the value of the investments. Accordingly, fund management actively seeks to invest in companies with transformative business models and tries to use its influence as an active shareholder to move these companies towards more sustainable and responsible business practices. The responsible investment & engagement policy was published in the Investor Relations/Corporate Governance section of the Lloyd Fonds AG website in March 2022.

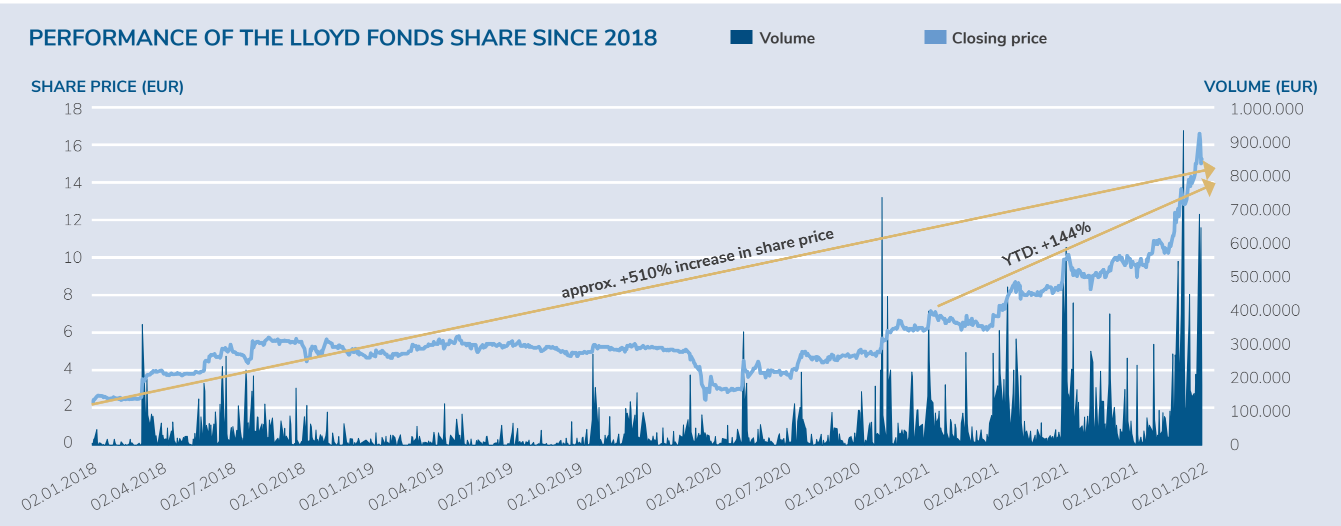
Hamburg, March 2022

Dipl.-Ing. Achim Plate Chief Executive Officer	Michael Schmidt, CFA Chief Investment Officer	Dr. Stefan Rindfleisch Chairman of the Supervisory Board

Lloyd Fonds share

Favorable performance by Lloyd Fonds stock

The Lloyd Fonds AG share closed at EUR 6.20 on December 31, 2020. As a result of the favorable corporate news flow, it continued to advance in an upbeat market environment, closing at EUR 8.74 at the end of the first half of 2021 (June 30, 2021). The two announcements concerning the investment in growney GmbH and the takeover bid for BV Holding AG in November caused the share to rise to EUR 15.15 as of December 30, 2021. This translated into a market capitalization of around EUR 202 million. Average daily trading volumes on selected German stock exchanges increased cumulatively to over 22 thousand shares.



Shareholder structure*

DEWB Effecten GmbH	21 %
SPSW investors	10 %
Family office of Achim Plate, CEO	10 %
LAC investors**	8 %
Free float	51 %

* Figures approximate. Shareholders in companies listed in the Scale segment (open market) of the Frankfurt stock exchange are not required to disclose any changes in their voting rights in accordance with the German Securities Trading Act. Accordingly, the description of the shareholder structure is provided on the basis of the Company's best knowledge with no liability for any errors or omissions. Last revised March 2022

** Lange Assets & Consulting GmbH.

Annual general meeting in 2021

At Lloyd Fonds AG's annual general meeting, which was held on August 31, 2021 as an online format again, all resolutions on the five items of the agenda were passed with majorities of up to 99.92 percent.

Cash equity issue successfully completed in 2022

Lloyd Fonds AG issued fresh equity with subscription rights in February 2022 together with a simultaneous private placement. All new shares were placed at an issue price of EUR 12.00. The vast majority of the cash equity issue was placed with existing shareholders who, in addition to exercising their subscription rights, also subscribed to further shares. In addition, new shareholders were also acquired in a private placement. The issue generated gross proceeds of EUR 7,380,000.00 for Lloyd Fonds AG.

As a result of the equity issue, the Company's share capital increased to EUR 13,940,914.00. The new shares are dividend-entitled from January 1, 2021 (see Section 6 of the Group Management Report, "Material events occurring after the reporting date").

Analysts

Coverage of the Lloyd Fonds share by external research companies remained stable in 2021. The following banks, research companies and investment firms regularly produced analyses, (brief) studies and updates on Lloyd Fonds AG.

Analysts	
Warburg Research	Marius Fuhrberg
Hauck & Aufhäuser	Frederik Jarchow
SMC Reseach	Holger Steffen

Investor Relations

Lloyd Fonds AG operates in the capital market with transparent and continuous financial communication. The publications can be viewed on the Lloyd Fonds AG website under the domain www.lloydfonds.ag in the Investor Relations and Press section.

Lloyd Fonds share parameters

Ticker symbol	WKN: A12UP2, ISIN: DE000A12UP29
Trading places	OTC Frankfurt (Scale), Xetra; OTC in Berlin, Düsseldorf, Hamburg, München, Stuttgart and Tradegate
Market segment	Scale
Share capital (February 18, 2022)	EUR 13,940,914
Corporate brokerage	Stifel Europe Bank AG
Designated sponsorship	Stifel Europe Bank AG
Capital market Partner	Stifel Europe Bank AG
First day of trading	October 28, 2005
Type	Bearer shares with a notional share of EUR 1 per share in the Company's share capital
Share price in 2021 (average)*	EUR 8.93
Share price (December 30, 2021)*	EUR 15.15
Trading volumes in 2021 (average)**	Over 22,000 shares per day
Market capitalization (December 30, 2021)	Approximately EUR 202

LLOYD FONDS SHARE
* Xetra.
** Own calculations of cumulative, selected German stock exchanges based on Bloomberg data.

Digitalization

The future of the financial services industry is digital, ubiquitous and transparent. The main goal is to link it as closely as possible with a corresponding customer journey in order to meet customer needs exactly when and where they arise.

Classic product worlds

Static with limited visibility

Customer problem

Personalized user journey

Reduced complexity

- Technological innovation
- Independent of location and time
- Solving genuine customer needs
- User-friendly products and services
- Real-time services
- Improved customer experience
- Memorable, human experiences

Solution

Sales conversion

Consistent customer experience across all channels

Product sales

Sale of financial products in a non-financial customer value chain (embedded finance) via finance APIs

Lloyd Fonds AG therefore believes that a financial service provider can only be successful if it is able to respond quickly to changing customer preferences, growing amounts of data, emerging risks and regulatory changes. Innovation, speed and the use of new technologies are essential, generating decisive competitive advantages particularly in times of crisis such as the Covid-19 pandemic.

Focusing on the benefits of digitalization

For this reason, Lloyd Fonds AG's Group Strategy 2023/25 is systematically aligned to the megatrend of digitization by focusing on innovative and dynamic data management. In a preliminary step, a cloud-based digital infrastructure, known as the Digital Asset Platform 4.0 (DAP 4.0), was developed as a technical enabler independently of legacy systems, from 2018. The API interface structure processes and integrates data derived from a variety of different databases and systems. The platform is now being developed independently and adapted to current needs. It is thus the technical enabler for all aspects of asset management in all business segments as well as for all external and internal operational processes at Lloyd Fonds AG.

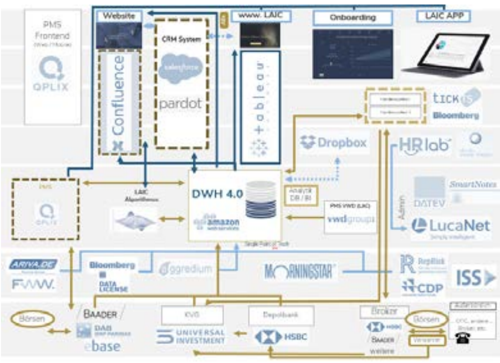
Accordingly, the data and systems of the Digital Asset Platform also form the core element of the algorithm-based proprietary portfolio management system in LAICADVOSOR®, which was developed simultaneously with DAP 4.0 and is undergoing constant further development. As a result, WealthTech LAIC has in this second stage become the first digital portfolio manager to implement self-learning AI-based allocation and risk management.

In the third stage starting in 2020, the digital investment platform underwent a further development step, allowing all sales partners to network with Lloyd Fonds AG's platform architecture via specially developed interfaces to interact with them. In the meantime, all processes, from account opening to the execution of the asset management processes including transparent reporting, are carried out digitally on the platform and in compliance with all applicable regulatory requirements. In addition, support services are provided by a service center for customer support.

The forthcoming fourth stage will be focusing on the digital-only data-driven acquisition of new customers and customer support. The necessary database with corresponding interfaces has been set up and implemented across the Group in steps one to three. The task at hand is now to achieve the clear positioning target from 2022 as a provider of user-centric solutions. The aim is to deliver highly scalable data-driven solutions for customers and partners.

Continuous further development of Lloyd Fonds AG towards user centricity

1 Digital Asset Platform 4.0
2018 – 2019 et seq.



DAP 4.0 as a basic structure for the API interface strategy.

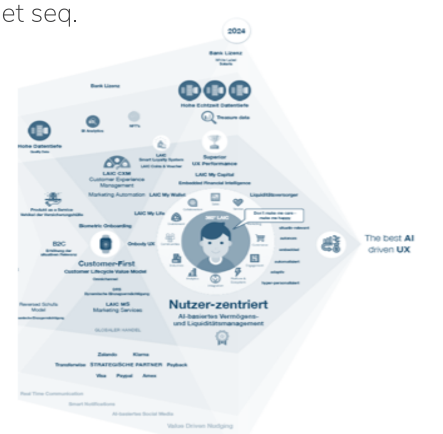
2 LAIC ADVISOR®
2018 – 2020 et seq.

The driving force behind customizability, risk management and controlling

3 Digital investment platform
2020 – 2021 et seq.

Flexible platform structure for digital solutions.

4 User centricity
2022 et seq.



Highly scalable data-driven solutions for customers and partners.

The headquarters of the FinTech growney in "Voltastrasse 5" in Berlin.

User centricity

User-Experience

Under Strategy 2023/25, Lloyd Fonds AG is now focusing on the needs of the various customer groups after a multi-year development phase for the necessary structures and corresponding product solutions. The investment platform described above has been structured in a user- and customer-oriented manner to provide a consistent user experience.

User-centric solutions for all customer groups

As a decision in favor of a given product should not be influenced by transactional steps, they take a back seat on platforms based on a modern architecture. This means that customers' needs and interests can be identified at a very early stage on the basis of the data obtained and analyzed. Solutions must be derived from this data independently of the time and place and offer individual services in real time. The subsequent product solutions are thus based on solutions created by artificial intelligence and are offered holistically to address demand more efficiently. Recognizing a need before the customer even starts looking for a solution is what user centricity is all about at Lloyd Fonds AG.

User centricity: Solutions for all user groups

4 : User centricity 2022 ff.

Data-driven solutions for customers and partners with high scalability

LAIC / MFI Asset Management / Lloyd Fonds Spezialmandate / m|c Asset Allocation	LAIC / Lloyd Fonds Publikumsfonds	BV Bayerische Vermögen / Lange Assets & Consulting / growney / LAIC / Lloyd Fonds Aktiv. Mehr. Wert.
Institutional customers: B2I	**Partners' end customers: B2B2C**	**End customers (B2C)**
- Deposit account A - Family office - Foundations - Pension funds - Insurance companies	- Banks - Asset managers - Broker pools - VKI SmartInvest Ihre digitale Geldanlage	- Asset management - Self-deciders - Online sales platforms - Social networks

This ultimately leads to an individualization of the product world, thus opening up the possibility of offering solutions to almost all customer groups.

It is precisely these customer groups that must be analyzed in detail to obtain the necessary data. Currently, Lloyd Fonds AG distinguishes three groups, for which separate sales approaches have been defined.

On the one hand, there is classic B2I business. Lloyd Fonds AG has a direct contractual relationship with these customers. This ensures that sufficient data and information is available on these customers, making it possible to derive the most from an individualized approach.

With its two recent acquisitions, Lloyd Fonds AG has succeeded in significantly expanding the second group of B2C relationships. Thus, the acquisition of BV Holding AG in combination with growney GmbH has added more than 10,000 direct end customers. Via these customer relationships, the Company has a sound insight into customer preferences and risk appetite. In the case of the two groups mentioned, there is a direct contractual relationship with a deep pool of information.

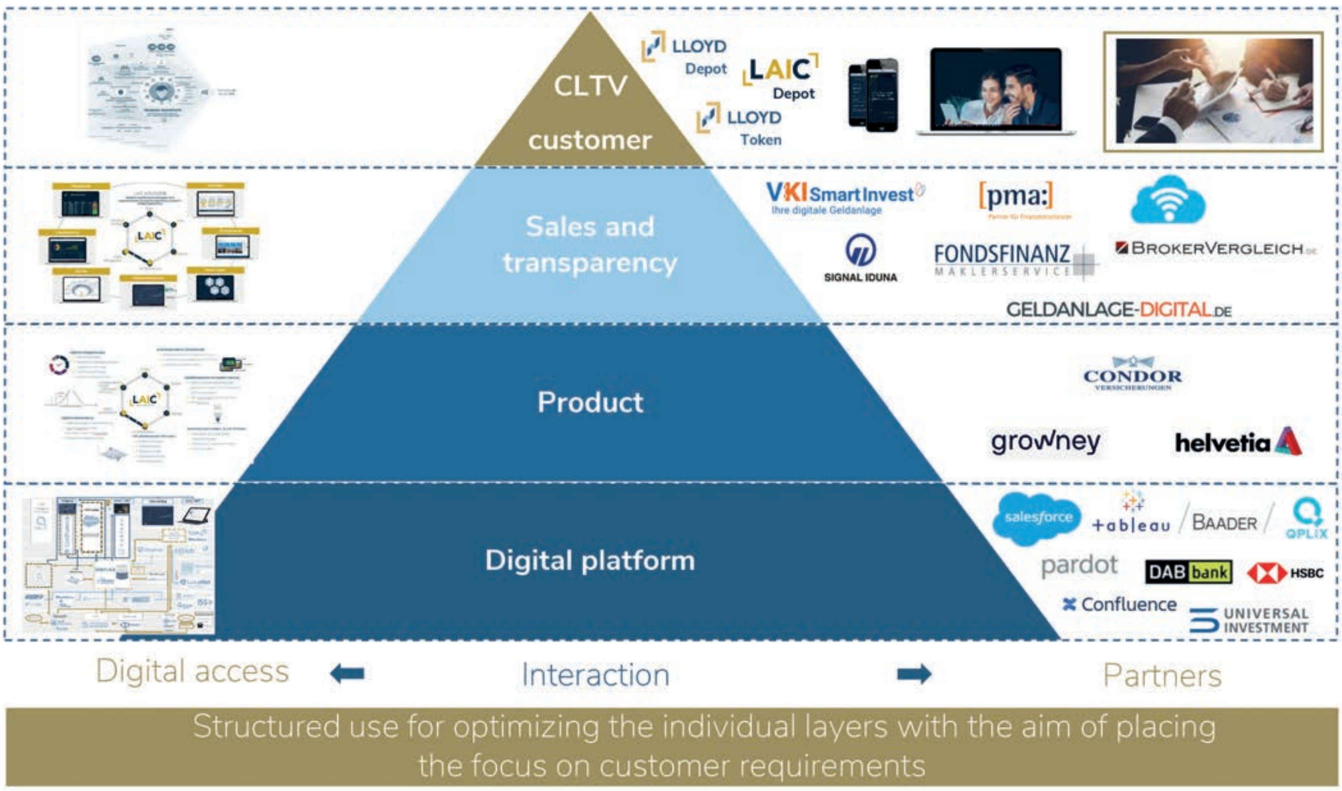
The increasing number of such customer relationships will allow the platform to view customers holistically. As a result, the number of customers with a direct business relationship is to be increased in a targeted manner. In B2B2C business, this is to be achieved, for example, by means of exclusive “white label” partnerships, via which partners’ end customers are addressed via their advisors.

Customer life time value (CLTV)

The declared goal in the further development of Strategy 2023/25 is thus to transfer as many customers as possible into a direct customer relationship in order to enable a data-driven analysis of the respective requirements structure. This analysis is reinforced by the individual preferences of the customers in different markets and lifetime phases.

If the customer relationships are not only subdivided according to their sales type but are also classified right from the first point of contact, i.e. the Digital Asset Platform 4.0, the next step is to assign the individualized product range, which permits a qualified sales approach via a wide variety of channels offering maximum transparency. From the customer’s perspective, this process generates heightened customer loyalty, as the combination of digital steps with a unique user experience and the corresponding partners should lead to greater customer satisfaction. This, in turn, provides the cornerstone for process optimization, through which a calculable and controllable “customer life-time value” becomes a performance indicator in the future.

Process optimization leads to optimum customer life time value (CLTV)



Sustainability

Sustainability entails a comprehensive structural change in the existing economic model. The transformation of the financial system is also a key to a transition to greater climate protection and sustainable use of global resources.

The decisive drivers for the dynamic advancement of sustainability come from two measures adopted by the international community with an overwhelming majority in 2015: firstly, the cap on global warming to a maximum of 1.5-2° Celsius by 2050 through the Paris Climate Agreement and, secondly, the implementation of the United Nations Sustainable Development Goals (SDGs) by 2030.

Innovative approach to sustainability

The necessary transformation of the economy can only be achieved through target- and future-oriented analysis and evaluation as well as serious, committed and constructive support of the companies of the real economy by professional investors.

Lloyd Fonds AG believes that modern sustainable fund offers should not be based on classic, usually backward-looking and static ESG approaches but should be forward-looking and form part of the investment process ("integration"), emphasize companies' ability to change ("transformation") and focus on the effects ("impact"). In a clear departure from standard ESG approaches, the sustainability strategy thus concentrates on companies' future-oriented activities. The investment approach thus differs significantly from conventional screenings and traditional ESG analysis approaches, which are often backward-looking and usually only aim to optimize a static ESG score.

Traditional ESG approaches

- No target defined
- No differentiation between E, S and G
- Best-in-class and exclusion lists
- ESG assessment is mainly based on a backward-looking system
- Transition not taken into account

SDG approach: LLOYD FONDS retail funds

- Objectives defined in accordance with the 17 UN SDGs
- ESG differentiation
- Clear consideration of positive contributions and disputes
- Pursuing a forward-looking SDG transition path
- Forward-looking integration of ESG in name selection processes
- Transition reinforced

Overarching understanding of sustainability

Lloyd Fonds AG sees sustainability as an overarching approach that is factored into all three of its business segments. In this context, relevant and material sustainability parameters are integrated in the investment processes for the retail funds in the LLOYD FUNDS business segment in accordance with the respective fund structure, particularly in corporate analysis and risk management. In the LLOYD WEALTH and LLOYD DIGITAL business segments, the focus is on responding to customer-specific sustainability preferences. In addition, sustainability must be anchored at the company level in order to gain credibility. What this specifically means for Lloyd Fonds AG is that sustainability is one of the Management Board's responsibilities, thus forming a core element of the Company's corporate strategy.

Net-zero financial services provider

Lloyd Fonds AG is also making its own contribution to the transition of the economy to net zero by reducing and compensating its own carbon emissions. According to its own calculations, carbon emissions from the Lloyd Fonds Group's business operations stood at around 200 tonnes in 2021, thus continuing to drop due, among other things, to the switch to green electricity at all three Lloyd Fonds AG offices. Once again, compensation for the reported carbon emissions in 2021 will be provided in the form of reforestation projects in conjunction with PLANT-MY-TREE in Schleswig-Holstein.

Signatory of:

Partnerships

Since 2019, Lloyd Fonds AG has forged various partnerships for the systematic implementation of its sustainability strategy:

1. PRI
Corporate governance is aligned to the PRI Principles For Responsible Investment. The aim of the investor initiative developed in partnership with the financial initiative of the UN Environment Program UNEP and the UN Global Compact Investors Initiative is to understand the impact of sustainability for investors and to support the signatories in integrating these issues in their decision-making processes.

2. WWF Germany
The aim of the partnership with WWF Germany, which has been in place since January 2020, is to promote environmental and resource protection through sustainable investments. The positive impact on the transformation of companies is a particular focus of the partnership. It aims to contribute to the achievement of the SDGs.

3. FNG seal
Over the last few years, the FNG seal has increasingly been established as a seal of quality for sustainable investment funds in Germany. The 2022 FNG seals were awarded to six of the retail funds in the LLOYD FUNDS business segment.

4. Ecolabel
The Austrian Ecolabel provides consumers with a source of information for environmentally friendly purchasing decisions. It is a government seal of approval for ecological development. In February 2022, Lloyd Fonds AG acquired the right to use the ecolabel with six of its retail funds in the LLOYD FONDS business segment.

5. Carbon Disclosure Project
Lloyd Fonds AG is a member of the Carbon Disclosure Project (CDP). CDP is a non-profit organization established with a mandate to operate a global environmental data disclosure system.

6. Science-Based Targets
Lloyd Fonds AG is the first independent asset manager in Germany to join the Science Based Targets Initiative (SBTi). This initiative is committed to the reduction of greenhouse gases on the basis of science-based targets.

LLOYD FONDS

Positioning

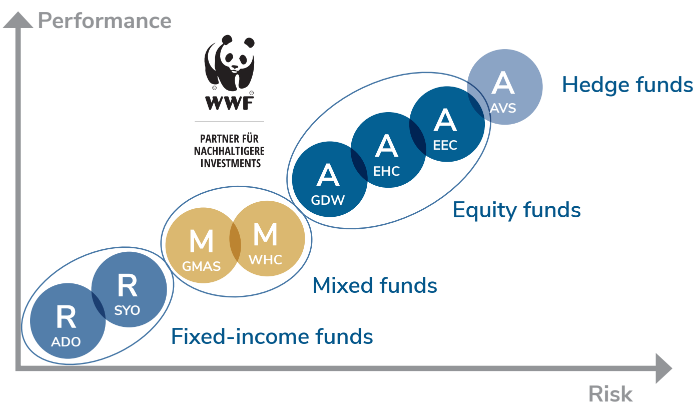
The LLOYD FONDS business segment is positioned as a specialist provider of non-benchmarked equity, fixed-income and mixed funds with a clear focus on active alpha strategies. All funds are managed by experienced specialists with a proven track record and incorporate an integrated sustainability strategy in the investment process.

Active value creation

In the LLOYD FONDS business segment, Lloyd Fonds AG currently offers eight open-end investment funds for professional and private investors. In addition, it offers and manages selected strategies for institutional investors:

The long-term value of a company is at the core of fund management. This intrinsic value is made up of a company's profitability and corresponding growth opportunities. Funds create value not least of all through the active commitment of the fund managers. In this connection, activity is not defined in terms of high trading intensity, but with reference to active analysis and selection and, not least, active monitoring of portfolio companies over a protracted period of time. Such active management, which requires more time, is effectively only possible within the framework of concentrated portfolios. As a rule, all investment funds comprise an average of approximately 50 positions, all of which are added to the fund in question only if the fund managers are convinced of their potential on the basis of detailed analysis with accompanying management contact. There is also a focus on the contribution made by individual names to the generation of a return on the fund in question. The top 10 positions are typically given a greater weighting and thus make an above-average contribution to the overall performance of the individual funds.

LLOYD FONDS: 8 focused active and differentiated fund concepts



- A AVS Lloyd Fonds – Active Value Selection
- A EEC Lloyd Fonds – European Emerging Champions
- A EHC Lloyd Fonds – European Hidden Champions
- A GDW Lloyd Fonds – Green Dividend World
- M WHC Lloyd Fonds – WHC Global Discovery
- M GMAS Lloyd Fonds – Global Multi Asset Sustainable
- R SYO Lloyd Fonds – Sustainable Yield Opportunities
- R ADO Lloyd Fonds – ASSETS Defensive Opportunities

Disclaimer: The above information on returns and risks has been carefully compiled to the best of the Company's knowledge and belief based on knowledge, estimates and assumptions believed to be correct as of March 2022. They reflect the estimates of Lloyd Fonds AG as of March 2022 and may change at any time without prior notice. No liability is assumed for any errors, omissions or obsolescence in the data presented herein or any failure of the forecasts to be reached.

Active alpha strategies

- Excellent track record
- Fixed-income, mixed, equity and hedge funds
- Special mandates: equities and fixed income

Growth potential

- High competitiveness as a basis for future growth
- No capacity constraints to achieve the long-term targets for assets under management
- Additional growth due to differentiated niche products and sales scaling

Award-winning fund managers

Actively managed equity, fixed-income and mixed funds invest on the basis of sound individual name selection. Each fund is based on a dedicated investment strategy pursued by the fund manager. Success with actively managed funds requires competence, experience and a convincing track record on the part of the fund managers. The fund management team at Lloyd Fonds AG integrated within SPSW Capital GmbH has exactly these characteristics. All fund managers have been pursuing their fund strategies for years, receiving regular awards for their achievements.

Sustainability characteristics

Currently, six LLOYD funds retail funds are targeted at sustainability and aligned with the SDGs. However, it is crucial for implementation to fit the respective fund concept, so that sustainability and basic analysis are integrated and performance and sustainability goals can be achieved at the same time.

Orientation to sustainability: Differentiated SDG orientation, minimum standards and regulatory compliance

Investment fund	Category (Disclosure Regulation)	Integration of ESG	Engagement (governance)	Minimum standard UNGC	Dispute management (including standard exclusions)	SDG goals/ subgoals / ESG focus / impact focus	Impact orientation (% of funds)
Lloyd Fonds-ASSETS Defensive Opportunities	Art. 8	✓	✓	✓	✓	10 / 30 / E „Transition“	> 51%
Lloyd Fonds-Sustainable Yield Opportunities	Art. 8	✓	✓	✓	✓	10 / 30 / E „Transition“	> 51%
Lloyd Fonds-Global Multi Asset Sustainable	Art. 8	✓	✓	✓	✓	17 / 40 / E & S „Transition“	> 51%
Lloyd Fonds-WHC Global Discovery	Art. 8	✓	✓	✓	✓	10 / 30 / E „Transition“	selectively
Lloyd Fonds-Green Dividend World	Art. 9	✓	✓	✓	✓	10 / 30 / E „Transition“	75-100%
Lloyd Fonds-European Hidden Champions	Art. 8	✓	✓	✓	✓	17 / 40 / E & S „Enabler“	selectively

Lloyd Fonds - Green Dividend World, which is a fully sustainable investment fund under Article 9 of the Disclosure Regulation, is the sustainability flagship in the Company's range of investment funds. The innovative, impact-based approach is aimed at further established retail funds, which as investment funds under Article 8 of the Disclosure Regulation not only have ESG characteristics but also pursue selective sustainable investments within the meaning of Article 9.

Given the wide range of sustainable funds on offer, an external and independent review of the content and quality of sustainable investments makes an important contribution to ensuring a credible range of products. As a result of such a recent review, Lloyd Fonds AG has received the FNG seal 2022 for six retail funds.

In 2022, the processes and transparency regarding sustainability at the fund level are to be additionally expanded as Lloyd Fonds AG believes that sustainability has become a key factor in investors' decision-making processes in terms of risk and return.

LLOYD FONDS
Active. Added. Value.

LLOYD WEALTH

Positioning

The LLOYD WEALTH business segment is committed to the proactive, holistic 360° implementation of the individual goals pursued by high net-worth clients through personal asset management via Lange Assets & Consulting GmbH and BV Bayerische Vermögen GmbH. The latter is the asset management unit of BV Holding AG, which has been acquired by Lloyd Fonds AG and has its registered offices in Munich.

360° advisory

Personal asset management is committed to the proactive, holistic 360° implementation of the individual goals pursued by high net-worth and institutional customers. In addition, bespoke solutions for family offices and foundations are developed, resulting in the additional management of mandates and foundation assets. The Lloyd Fonds Group's entire network is available for achieving these objectives.

Strategic growth

Personal asset management in the LLOYD WEALTH business segment was significantly expanded in 2021 with the announcement of the acquisition of BV Holding AG.

In a letter from BaFin dated March 15, 2022, the owner control proceedings were completed as a further important precondition for the acquisition of BV Holding AG. With the completion of the transaction, customers will be supported by the Hamburg-based asset management company Lange Assets & Consulting GmbH as well as by the Bayerische Vermögen Group, which has its focus on the southern German region.

Expected increase in assets under management to roughly EUR 3 billion

Bayerische Vermögen Group with broad-based skills in southern Germany

BV Holding AG has been the holding company for a leading independent group of asset management companies in southern Germany since 1998 and is the sole shareholder of BV Bayerische Vermögen GmbH, MFI Asset Management GmbH and m+c Asset Allocation GmbH.

With more than 60 employees, the Group currently manages assets valued at around EUR 2.5 billion from its headquarters in Munich and three other locations in Chiemgau, Tegernsee and Main-Spessart.

Reinforcing the value chain

In addition to serving high net worth individuals, the Bayerische Vermögen Group has a pronounced focus on business with institutional investors, operating with highly experienced teams in this market. On the one hand, BV Holding AG, via its subsidiary MFI Asset Management GmbH, handles conventional management of institutional funds primarily in the form of individualized special mandates. Currently, MFI Asset Management GmbH is managing customer assets worth around EUR 1.7 billion.

On the other hand, the subsidiary m+c Asset Allocation GmbH advises institutional customers holding assets that are currently valued at around EUR 15 billion. This involves top-down allocation advice for large institutionals. In this way, it is not only the LLOYD WEALTH business segment that has grown through the acquisition of BV Holding AG. As well as this, the value chain has been reinforced in a mutually beneficial way through the addition of the aforementioned skills in the institutional capital segment.

In addition to gaining new customers, the LLOYD WEALTH business segment will be concentrating in 2022 on integrating the Bayerische Vermögen Group within the Lloyd Fonds Group. The mutual competences are to be integrated transparently to ensure mutual sharing of the relevant skills. For example, Lloyd Fonds' greater expertise in the areas of digitalization and user centricity will help to enhance the Bayerische Vermögen Group's customer service.

On the other hand, BV Holding AG's extensive experience with and focus on business with institutional investors with its very experienced team will be leveraged. The Bayerische Vermögen Group's particular expertise and experience in institutional business will in turn be used to the benefit all of the solutions offered by the Lloyd Fonds Group's, thus additionally reinforcing the entire value chain.

LLOYD WEALTH
Individual. Added. Value.

LLOYD DIGITAL

Positioning

The LLOYD DIGITAL business segment offers digital and risk-optimized investment solutions for private investors and institutional clients via WealthTech LAIC and FinTech growney.

Strategic growth

The LLOYD DIGITAL business segment was significantly expanded in 2021 with the acquisition of the Berlin-based FinTech and robo-advisor growney GmbH. With the completion of the transaction in February 2022, customers will be offered the digital solutions of the WealthTech LAIC as well as the FinTechs growney GmbH.

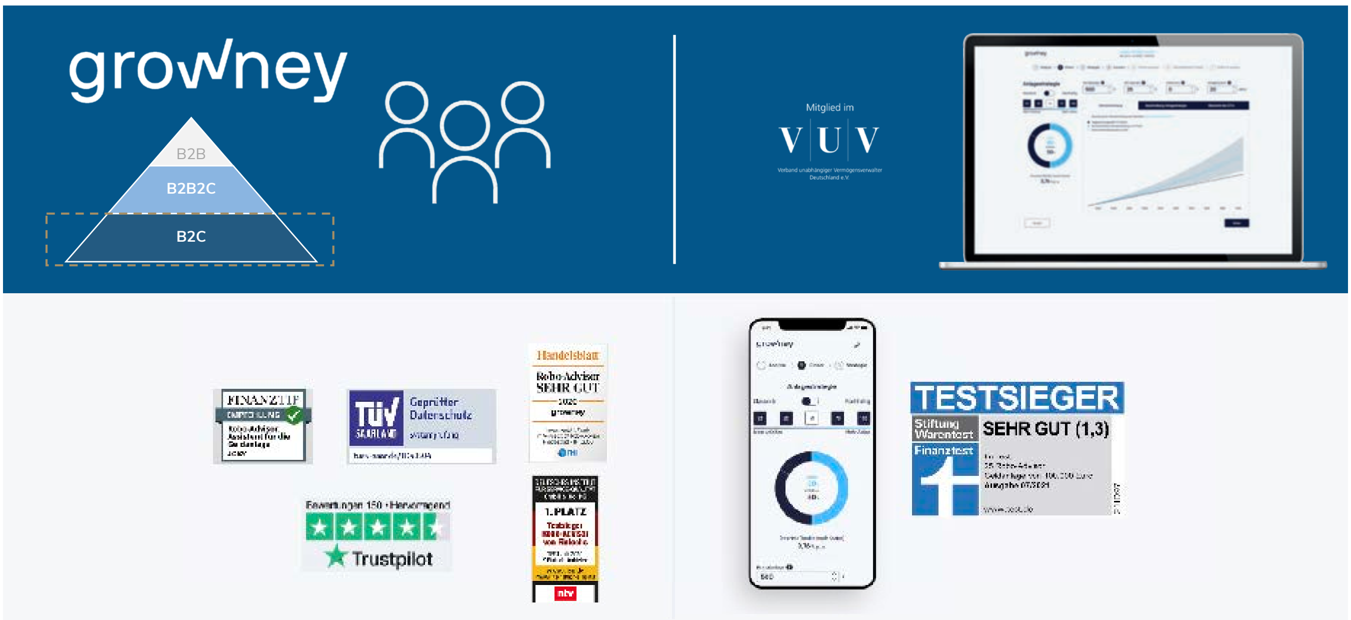
With its proprietary, artificial intelligence-based system (LAIC ADVISOR®), the WealthTech LAIC offers digital and risk-optimized investment solutions for portfolio optimization for retail investors and institutional clients with a special focus on risk management. The product range permits a clear differentiation in the determination of the price point. In this way, the WealthTech LAIC with its product solutions can be positioned at the upper end of the market price range.

With growney GmbH, Lloyd Fonds AG has acquired a stake in a successful and rapidly growing digital asset manager concentrating on direct retail business with ETF-based investment solutions.

This range comprises a total of ten different investment strategies or portfolios that pursue a common investment concept based on passive exchange traded funds (ETFs). The investment universe is composed of up to 5,000 equities and bonds from 45 countries. This is supported by an agile onboarding process with a high user experience.

growney GmbH enjoys an excellent reputation in this still young industry. Reflecting this, it has already received several awards from Handelsblatt, Finanztip and ntv, among others, for its digital asset management in recognition of its asset investments as well as the convenient and customer-friendly user process offered by the platform together with the transparent provision of information. Most recently, growney GmbH was awarded a rating of "very good" (1.3) by consumer affairs association Stiftung Warentest in issue 07/2021 of its "Finanztest" publication and named best robo-advisor for an investment of EUR 100,000.

growney GmbH: Very good B2C retail brand



Two-brand strategy

Through the strategic partnership with growney, the digital offerings of the LLOYD DIGITAL business segment are to be expanded to create a full-service solution provider.

Under a two-brand strategy, individually managed portfolio management strategies focusing on risk-adjusted performance will be offered to high net worth individuals and institutional customers through WealthTech LAIC. On the other hand, growney will be primarily addressing price-sensitive private investors by offering them digitally managed ETF-based investment strategies and portfolios as a cost-effective alternative.

The focus in the further development of the two strategies will be on harnessing synergistic effects through the mutual sharing of expertise. This includes the staggered further development of growney's product range, incorporating LAIC's established risk management expertise. In addition, WealthTech LAIC is to benefit from growney's particular expertise in digital online and performance marketing.

LAIC INVEST SMART. DIGITAL.	growney
☑ Active management with individual portfolios - AI with LAIC ADVISOR® ☑ Focus on risk-adjusted performance ☑ Institutional investors and high net worth individuals ☑ Fee structure plus performance-tied remuneration ☑ White label partner sales	☑ Passive ETF-based approach ☑ Simple access for price-sensitive investors ☑ Independent retail investors and market entrants ☑ Simple and low-cost structure ☑ Online sales
"Individual strategies"	"Model strategies"

Reinforcing the value chain

The value chain is reinforced significantly by addressing different customer groups by means of different product solutions, price expectations and sales channels.

LLOYD DIGITAL
Digital. Added. Value.

Group management report

Group management report

1 Fundamental principles of the Group

1.1 Business activities

Lloyd Fonds AG is an innovative listed financial services provider that seeks to generate returns for its partners and customers by means of active, sustainable and digital investment solutions.

Listed on the stock exchange since 2005, the bank-independent company has been included in Deutsche Börse's Scale segment (ISIN: DE000A12UP29) as Lloyd Fonds AG since March 2017.

The LLOYD FONDS business segment is positioned as a specialist provider of non-benchmarked equity, fixed-income and mixed funds with a clear focus on active alpha strategies. All funds are managed by experienced specialists with a proven track record and incorporate an integrated sustainability strategy in the investment process.

The LLOYD WEALTH business segment is committed to proactive, holistic 360° implementation of the individual goals of high net-worth individuals by means of personal asset management.

The LLOYD DIGITAL business segment offers digital and risk-optimized investment solutions for retail and institutional investors.

1.2 Organization and governance structure

As a listed company, Lloyd Fonds AG has a Management Board that is monitored by the Supervisory Board. In accordance with its Articles of Incorporation, the Supervisory Board consists of five members. As of December 31, 2021, these are Dr. Stefan Rindfleisch (Chairman of the Supervisory Board), Oliver Heine (Deputy Chairman), Prof. Wolfgang Henseler, Jörg Ohlsen and Peter Zahn. The Management Board of Lloyd Fonds AG is composed of Dipl.-Ing. Achim Plate as Chief Executive Officer (CEO/CFO) and Michael Schmidt, CFA, as Chief Investment Officer (CIO) as of December 31, 2021.

Beneath the Management Board, a management group has been established and is composed of highly qualified and experienced managers from all three business segments as well as selected corporate units such as finance and human resources. It consults with the Management Board on a quarterly basis.

The LLOYD FONDS LIQUID ASSETS business segment comprises LLOYD FONDS, LLOYD WEALTH and LLOYD DIGITAL. The LLOYD FONDS REAL ASSETS business segment includes real estate, shipping and other assets.

Lloyd Fonds AG's corporate culture is characterized by flat hierarchies, cross-departmental team and project work and short decision-making paths. As of December 31, 2021, the Lloyd Fonds Group had 80 (previous year: 69) employees (see also Chapter 4, Employees and Remuneration Report in the Management Report).

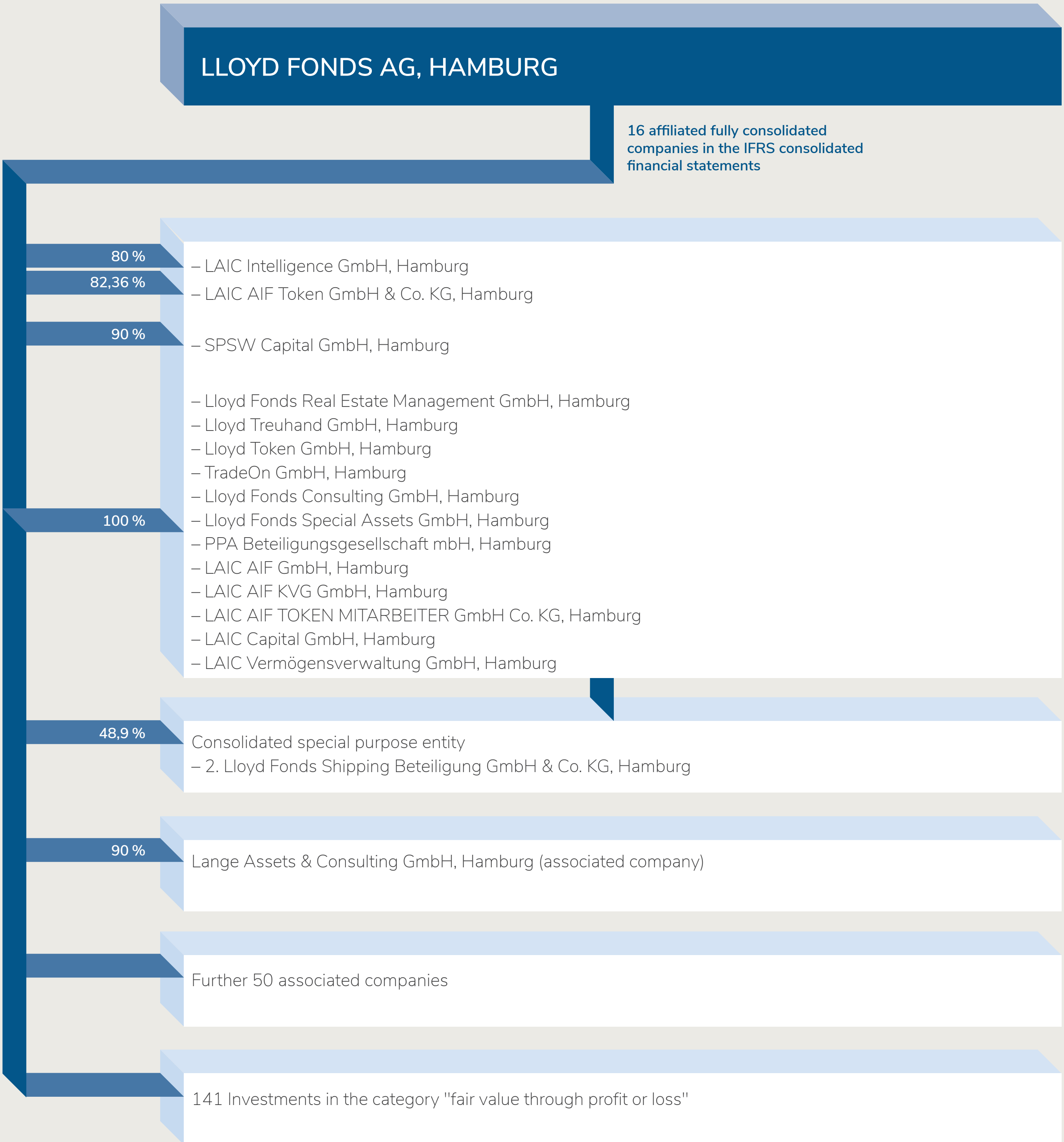
1.3 Legal structure

As of the reporting date, the Lloyd Fonds Group comprised 16 (previous year: 14) affiliated subsidiaries which are fully consolidated in accordance with IFRS. It also includes 51 (previous year: 61) associates. In addition, the Group holds 141 (previous year: 162) investments.

The subsidiaries of the Lloyd Fonds Group include SPSW Capital GmbH, which is registered with the German Federal Financial Supervisory Authority (BaFin) under the number 124050. The German Securities Institutions Act came into effect on June 26, 2021. Since that date, SPSW Capital GmbH has been classified as a securities institution whose legal obligations are governed by the German Securities Institution Act. SPSW Capital has a license in accordance with Section 15 of the German Securities Institution Act, which, in the absence of any further requirements, corresponds to the scope of the license previously granted by BaFin under the German Banking Act. The Company thus remains authorized to provide investment brokerage, investment advice, financial intermediation and financial portfolio management services. As of December 31, 2021, financial portfolio management covers eight mutual funds and two institutional mandates.

Asset management company Lange Assets & Consulting GmbH (LAC) forms part of LLOYD WEALTH. It is accounted for as an associate, because, although Lloyd Fonds AG holds 90% of its capital, not all the conditions for full consolidation are currently met. LAC also has a permit in accordance with Section 15 of the German Securities Institution Act.

Shareholder structure of Lloyd Fonds Group as of December 31, 2021



The LAIC subgroup within the LLOYD DIGITAL business segment is likewise consolidated by the LLOYD FONDS Group. The subgroup of LAIC companies consists of the parent company LAIC Capital GmbH and its subsidiaries LAIC Vermögensverwaltung GmbH and LAIC Intelligence GmbH. The object of LAIC Capital GmbH is to invest in other companies as well as to provide consulting, IT and other non-licensed services related to digital asset management by third parties. Among other things, LAIC Vermögensverwaltung GmbH engages in financial portfolio management, investment and financial brokerage as well as investment advice in connection with digital asset management. As an asset manager, LAIC Vermögensverwaltung GmbH also holds a license under Section 15 of the German Securities Institution Act. The object of LAIC Intelligence GmbH is to provide, operate, maintain, manage and license IT and software products.

Lloyd Token GmbH is also a consolidated subsidiary of the Lloyd Fonds Group. Its purpose is to advise and support companies in connection with the issuance of (tokenized) financial instruments. The services particularly include consulting on the structure and marketing of (tokenized) financial instruments as well as support with investor relations.

Lloyd Treuhand GmbH, which is responsible for investor relationship management for the legacy funds in the three segments real estate, shipping and other assets within LLOYD FONDS REAL ASSETS is another of Lloyd Fonds AG's 16 fully consolidated companies.

The shareholder structure of the Lloyd Fonds Group is presented on page 37. In addition, Chapter 6.9.5.2 of the Notes to the Consolidated Financial Statements sets out the consolidated companies and the Group's shareholdings in accordance with Section 313 (2) of the German Commercial Code (HGB).

1.4 Planning and management process systems

The Company has an internal planning and control system that allows it to respond to changes in the markets and its operating environment in a timely and efficient manner. Deviations from strategic and operational objectives are thus detected and appropriate adjustments initiated. One key aspect of the internal control system entails the extensive reporting and information facilities.

Short-term liquidity management is based on a rolling liquidity preview, which covers a forward range of one year, supplemented by medium-term forecasts. This is an integrated planning model comprising forecasts for the income statement and balance sheet. Both short-term liquidity forecasts and the medium-term model are based on the current business forecasts of the Lloyd Fonds Group and harmonized with each other. The Management Board is kept informed of all key performance indicators in reports submitted in monthly or even shorter intervals. The Management Board reports to the Supervisory Board on all matters pertaining to the Company's strategy, forecasts, business performance, risk exposure and management as well as its outlook on a regular, timely and comprehensive basis both in writing and orally. The Management Board requests the Supervisory Board's approval for all transactions of fundamental importance for the Company. A total of eight Supervisory Board meetings were held in 2021 (see also Report of the Supervisory Board).

In addition to assets under management, Lloyd Fonds AG's key performance indicators are sales, consolidated operating profit before interest, taxes, depreciation and amortization (EBITDA) and post-tax profit. Customers and assets continued to grow in 2021. Compared with December 31, 2020, the assets managed by the Lloyd Fonds Group in the LLOYD FONDS LIQUID ASSETS business segment increased organically by more than 32% to around EUR 2.2 billion in the three segments LLOYD FONDS, LLOYD WEALTH and LLOYD DIGITAL (previous year: EUR 1.7 billion). Overall, the Lloyd Fonds Group generated sales of EUR 26.1 million in 2021, i.e. in line with the previous year (EUR 27.7 million), despite significantly lower performance fees than in the previous year. EBITDA came to EUR 4.6 million (previous year: EUR 7.0 million). Net profit after noncontrolling interests increased to EUR 5.1 million (previous year: EUR -0.7 million). This translates into earnings of EUR 0.39 per outstanding share (EPS) as of the reporting date (see also Chapter 2.3 Target achievement and general statement on economic situation in the Management Report).

Lloyd Fonds AG has a risk management system for detecting threats to its business performance at an early stage and allowing it to take appropriate precautions. The Company produces a semi-annual risk report, which is prepared and verified for plausibility by the responsible risk manager. The risk report is submitted to the Management Board for inspection and approval (see Chapter 5 Risk Report within the Management Report).

2 Business report

2.1 Macroeconomic and sector environment

2.1.1 Developments in the global economy

2021 was once again marked by the impact of the Covid-19 pandemic. In the fourth quarter of 2021 in particular, a number of factors contributed to a noticeable slowdown in global economic growth. On the one hand, this was caused by new protective measures to contain the Delta variant and, later on, the new Omicron variant of the Covid-19 virus. On the other hand, supply chain bottlenecks affecting important intermediate goods and raw materials weighed on the economy, worldwide industrial production and global trade. Despite this, global gross domestic product (GDP) rose by as much as 5.9% in 2021, after a decline of 4.4% in 2020.

The greatest impetus for the global economy at the beginning of 2021 came from the lifting of restrictions in many countries after they adopted a more flexible approach to addressing the Covid-19 pandemic. At the same time, growth in the global economy was primarily driven by the main economic regions, namely the United States, China and the European Union. Thanks to extensive stimulus packages and an increasingly rapid vaccination rate, the US, for example, was able to widen its GDP by 5.5%. The recovery thus proved to be robust as a result of extremely expansionary monetary and fiscal policies. This led to a sharp decline in unemployment. In some sectors, a shortage of skilled labor actually arose. As a result, salaries rose, strengthening purchasing power but also spurring inflationary tendencies. With the elimination of the severe restrictions imposed during the Covid-19 pandemic, the Chinese economy also expanded at an above-average rate, achieving growth of as much as 8.5%. EU countries were also able to recover more quickly, with economic growth expected to reach around 5%.

2021 was another turbulent year for the German economy. Up until the spring, the Covid-19 pandemic and the measures taken to contain it particularly took their toll on the economy. The vaccination campaign ushered in a recovery in nearly all sectors in the summer. In the further course of the year, however, supply chain constraints and shortages of materials particularly exerted strain on industry. In the autumn of 2021, the number of infections increased again significantly, placing a noticeable damper on the economic recovery in the final quarter as a result. All told, GDP grew by 2.7% in 2021.

2.1.2 Conditions in the capital market

After the extreme volatility of the previous year, the global equity markets were upbeat in 2021, according to an assessment by Lloyd Fonds AG. This applied to the German and European equity markets as well as Wall Street, which is often seen as the bellwether market.

However, the favorable start to the year following the change of government in the United States was already nullified in January with the emergence of the Delta variant of the COVID-19 virus. Even so, economic optimism returned to the capital markets in the first quarter of 2021 in anticipation of the adoption of extensive aid programs by the US and other governments. The German benchmark DAX index passed the 15,000 mark in March 2021, with value stocks outperforming growth and momentum-oriented equities in particular. As a consequence, the predominantly favorable quarterly reports from companies for the first and second quarter of 2021 as well as upbeat sentiment indicators spurred the market despite the differences among individual countries in the number of COVID-19 infections and resurging inflation. In the third quarter of 2021, production constraints caused by the COVID-19 pandemic and supply chain disruptions exerted additional strain on the capital markets. A still mostly positive news flow from the corporate sector in the third quarter on the one hand and the spread of the new Omicron COVID-19 variant on the other hand heightened volatility in the fourth quarter of 2021.

As a result, the main equity indices closed the year higher despite significant fluctuation. Specifically, the globally oriented MSCI World benchmark index (in USD) posted an increase of 20.1% (previous year: 16.5%), the DAX an increase of 15.8% (previous year: 3.5%), the MDAX an increase of 14.1% (previous year: 8.8%) and the SDAX an increase of 11.2% (previous year: 18.0%), predominantly with above-average gains in 2021 (all indices calculated as total return indices, including the reinvestment of dividends).

In the bond markets, inflation and central banks' response to it had a key bearing on yields in 2021. Although several waves of Covid-19 infections partially slowed the economic recovery, inflation picked up at an unexpectedly strong pace over the course of the year.

Yields on government bond yields were again low, remaining below inflation. In the United States, for example, yields on 10-year government bonds stood at 1.5% at the end of the year. In Germany, yields dipped slightly into negative territory.

It was not least of all the strong inflationary pressure that prompted the US Federal Reserve to take action and usher in a change of direction: It began to scale back the accommodative monetary policies of recent years in the course of the fourth quarter of 2021. Asset purchasing declined significantly, causing the yield curve to flatten in the bond market. Nascent "tapering" led to a massive rise in yields on short-term bonds and unchanged or slightly lower yields on bonds at the longer end towards the end of the year. In 2021, the European Central Bank shied away from any change in its monetary policy. From the late summer, risk premiums on investment-grade euro corporate bonds rose again somewhat after the downward trend emerging in the first half of the year. Spreads remained small against the backdrop of the growing uncertainty over future central bank policy, subsequently reaching a high for the year of around 1.1% at the end of November. US spreads followed a similar course, albeit at different levels.

2.1.3 Sustainability legislation

Lloyd Fonds AG believes that thanks to its allocation and multiplier function the capital market has an important role to play in mobilizing the capital flows needed for achieving the comprehensive sustainability goals defined by the United Nations and the goals of the Paris Climate Agreement. There has been growing interest in investments with a focus on environmental protection, compliance with social standards and exemplary corporate governance (ESG: environment, social, governance) worldwide in recent years. The main priority here is to limit climate change and to trigger the economic transformation required to achieve this. To this end, a number of sustainable finance measures have been taken at a European level. In July 2021, the European Commission presented a revised sustainable finance strategy that includes greater support for the real economy to help it finance its transformation efforts. As far as financial services are concerned, the Disclosure Regulation (SFDR: Sustainable Finance Disclosure Regulation; EU Regulation 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosure requirements in the financial services sector) in particular was an important step forward in terms of ESG transparency as it provides investors with an initial guide to the sustainability aspects of financial products. Level 1 of the Disclosure Regulation entered into force on March 10, 2021. It requires financial market participants to classify their products in one of three categories (Article 6 – "traditional" financial products, Article 8 – ESG financial products, Article 9 – "impact" financial products). From January 1, 2022 and, thus, one year later than originally planned, the implementing provisions of the Regulation (regulatory technical standards, "Level 2") will also take effect, with the result that the sustainability information for financial products will be presented in greater detail.

Even in its second stage of implementation, the Disclosure Regulation is not the sole indicator of what financial products are considered sustainable in terms of financial advice and asset management. Announced on August 2, 2021, the EU Delegated Regulation on MiFID II is expected to place high demands with respect to the mandatory disclosure of investors' sustainability preferences from August 2022. These requirements will have a corresponding impact on the structure of the sustainability elements of suitable financial products. The target market concept for sustainable financial products, which has now been acknowledged by BaFin and which the major financial associations have jointly developed ("Association Concept"), is essential for implementation in Germany.

In addition, the use of a sustainability traffic light system for financial products is being discussed in Germany according to the Federal Ministry of Finance. Such a traffic light system could consolidate the various regulatory rules in a consistent and comprehensive manner. The aim is to present sustainability aspects transparently to investors for as many financial products as possible. An EU-wide solution would be preferential in this regard. If this is not possible, the German Federal Government will consider drawing up its own proposal for a national sustainability traffic light system.

2.1.4 Market performance of LLOYD FONDS REAL ASSETS

According to real estate service provider Jones Lang LaSalle, transactions in the German real estate market, including the residential segment, are expected to reach a total value of EUR 105 to 110 billion in 2021 as a whole. This translates into an increase of around 30% over the previous year. However, the significant rise in corporate acquisitions with correspondingly large portfolio transfers must also be borne in mind. This is one of the reasons why there are further shifts in market shares in the residential segment. One exception is hotel real estate assets, which have been hit the hardest by the Covid-19 pandemic. In general, there is a trend towards broader diversification by investors to avoid cluster risks. This may include mixed-use real estate or even districts that combine the basic needs of users of work, living, shopping and leisure space. In addition, Jones Lang Lasalle states that European sustainable finance regulation is also becoming increasingly important in the real estate market, as some investors will only select properties for their portfolios that comply with Articles 8 or 9 of the Disclosure Regulation or even utilize the EU taxonomy.

Container shipping boomed in 2021. The sharp rise in consumption in the United States and Europe, catching-up effects on the part of industrial buyers and economic stimulus programs in many countries in response to the Covid-19 pandemic together with trade congestion and supply chain disruptions lasting for weeks or even months generated strong demand for container shipping. The rapid rise in the capacity utilization of container ships led to record freight rates in container shipping. However, according to a study by consulting company PwC on German shipping companies, a large number of companies still face major structural challenges. Issues include access to the capital markets by this industry, which often has the structures of small and mid-size companies, as well as environmental requirements and the fulfilment of climate targets. Lloyd Fonds AG assumes that the recovery in the tanker market expected by many experts failed to materialize in 2021, primarily as a result of an oversupply of tankers, while demand rose only slightly.

2.2 Business performance and economic conditions

2.2.1 Material events in 2021

Development of forward-looking sustainability strategy

Lloyd Fonds AG additionally expanded its future-oriented integrated sustainability approach within the framework of its Strategy

2023/25, joining the Science Based Targets Initiative (SBTi) in January 2021 as the first independent asset manager in Germany. This initiative is committed to the reduction of greenhouse gases on the basis of science-based targets. In this way, companies are able to base their climate policy on the goals of the Paris Climate Agreement, counteract climate change effectively and help shape the transition to a net-zero future.

EU passport for LAIC Vermögensverwaltung GmbH
In a letter issued by BaFin on February 25, 2021, LAIC Vermögensverwaltung GmbH was authorized to provide financial services in Austria as a cross-border service. In addition to LAIC solutions, retail investors and institutional clients in Austria will also be able to acquire the products offered by this LLOYD FONDS business segment in the future.

LAIC growth finance LAIC Token 21
With the placement of two tranches of the 2021 LAIC token in June and August 2021, a total nominal amount of EUR 5.0 million was raised from selected semi-professional investors to finance the continued growth of the WealthTech LAIC. With the full completion of the transaction, Lloyd Fonds AG now holds a 90.25% share in LAIC Capital GmbH (see also Group Management Report, Chapter 2.2.2 LLOYD FONDS LIQUID ASSETS, LLOYD DIGITAL business segment).

Annual general meeting 2021
At Lloyd Fonds AG's annual general meeting, which was held on August 31, 2021, all resolutions on the five items of the agenda were passed with majorities of up to 99.92 percent.

Investment in growney GmbH
On November 9, 2021, the Management Board of Lloyd Fonds AG decided, with the Supervisory Board's approval, to acquire a stake of 17.75% in FinTech and Robo-Advisory company growney GmbH, Berlin, by way of a cash equity issue to be completed in two tranches through contributions totaling EUR 3.0 million.

At the same time, option agreements were entered into with the current majority shareholder and founder Gerald Klein and all other shareholders with the purpose of increasing the share in growney GmbH to up to 100% in several steps.

Growney GmbH is one of the fastest growing digital asset managers in Germany (see Section 2.2.2 of the Group Management Report, LLOYD FONDS LIQUID ASSETS, LLOYD DIGITAL business segment and Chapter 6 Material events occurring after the reporting date).

Takeover bid submitted to shareholders of BV Holding AG
On November 18, 2021, the Management Board of Lloyd Fonds AG passed a resolution, with the approval of the Supervisory Board, to enter into a business combination agreement with BV Holding AG, Munich, governing the planned acquisition of a majority of at least 90% of the share capital of the Bayerische Vermögen Group

BV Holding AG ("Bayerische Vermögen Group") has been the holding company for a leading independent group of asset management companies in southern Germany since 1998 and is the sole shareholder of BV Bayerische Vermögen GmbH, MFI Asset Management GmbH and m+c Asset Allocation GmbH.

The acquisition of shares in the Bayerische Vermögen Group is being financed in part through the issue of new shares in Lloyd Fonds AG plus a cash component or partially solely subject to payment of a cash component. Initially, Lloyd Fonds AG secured a stake of almost 50% in that company's share capital by entering into shareholder agreements.

In a second step, all other free shareholders of the Bayerische Vermögen Group were offered a cash payment of EUR 63.50 per share for their shares in order to achieve a minimum shareholding of 90% (see also Group Management Report Section 2.2.2 LLOYD FONDS LIQUID ASSETS, LLOYD WEALTH and Chapter 6 Material events occurring after the reporting date).

2.2.2 LLOYD FONDS LIQUID ASSETS

LLOYD FONDS

The LLOYD FONDS business segment is positioned as a specialist provider of non-benchmarked equity, fixed-income and mixed funds with a clear focus on active alpha strategies. The actual value, returns and growth opportunities of a given company and its stock market value form the core of fund management activities. In the investment process, the fund managers pursue an integrated sustainability strategy.

Financial portfolio management for these securities is provided by SPSW Capital GmbH, Hamburg, an investment services company licensed in accordance with Section 15 of the German Securities Institution Act. The capital management company for the funds is Universal-Investment-Gesellschaft mbH, Frankfurt am Main. The funds are retailed in Germany at the level of Lloyd Fonds AG under the investment brokerage license issued in accordance with Section 34f of the Trade Code and in Austria under the EU passport held by LAIC Vermögensverwaltung GmbH, Hamburg, another investment services company owned by the Lloyd Fonds Group authorized under Section 15 of the German Securities Institution Act.

As of December 31, 2021, the active asset management funds offered by the LLOYD FONDS business segment comprised the three equity funds Lloyd Fonds – European Hidden Champions (EHC, ISIN R tranche: DE000A2PB598), Lloyd Fonds – Green Dividend World (GDW, ISIN R tranche: DE000A2PMXF8) and Lloyd Fonds – European Emerging Champions (EEC, ISIN R tranche: DE000A2QK6F7), the two mixed funds Lloyd Fonds – WHC Global Discovery (WHC, ISIN R tranche: DE000A0YJMG1) and Lloyd Fonds – Global Multi Asset Sustainable (GMAS, ISIN R tranche: DE000A1WZ2J4), the Lloyd Fonds – Sustainable Yield Opportunities (SYO, ISIN R tranche: DE000A2PB6F9), the money-market-oriented Lloyd Fonds – ASSETS Defensive Opportunities (ADO, ISIN R tranche: DE000A1JGBT2) and the special AIF Lloyd Fonds – Active Value Selection (AVS, ISIN: DE000A1C0T02).

In addition, SPSW Capital GmbH managed a share mandate for a Scandinavian pension fund in 2021 and, from August 2021, a pension mandate for a pension fund based in Germany within a master fund issued by HeLaBa Invest Kapitalanlagegesellschaft mbH, Frankfurt am Main.

On March 10, 2021, Level 1 of the SFDR (Sustainable Finance Disclosure Regulation; EU Regulation 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosure requirements in the financial services sector) entered into force. On the basis of the range of funds described, the GDW fund was categorized in accordance with Article 9, the ADO, SYO, GMAS, WHC and EHC funds in accordance with Article 8 and the two EEC funds and the AVS funds in accordance with Article 6 of the Disclosure Regulation.

Given the wide range of sustainable funds on offer, an external and independent review of the content and quality of sustainable investments makes an important contribution to ensuring a credible range of products. As a result of such a recent review in 2021, Lloyd Fonds AG has received the FNG seal 2022 from quality assurance company Nachhaltiger Geldanlagen mbH, Berlin, for the six retail funds GDW, EHC, WHC, GMAS, ADO and SYO. The FNG seal for sustainable investment funds has been developed by FNG together with financial experts and representatives from civil society. The credibility of the FNG seal is underpinned by an independent audit performed by the University of Hamburg and undergoes additional monitoring by an external committee comprising representatives of WWF Switzerland, the University of Kassel, a Swiss regional church and the ÖGUT (Austrian Society for the Environment and Technology). In addition to meeting the minimum criteria, all six funds are aligned with the SDGs.

LLOYD WEALTH

Established in 2005, wealth management company Lange Assets & Consulting GmbH (LAC), Hamburg, engaged in personal wealth management within the LLOYD WEALTH business segment in 2021.

The asset manager also has a permit to provide financial services in accordance with Section 15 of the German Securities Institution Act. It is a member of the Association of Independent Asset Managers, Frankfurt am Main (VuV).

Personal asset management is committed to the proactive, holistic 360° implementation of the individual goals pursued by high net-worth individuals and institutional investors. In addition, bespoke solutions for family offices and foundations are developed, resulting in the additional management of mandates and foundation assets. The Lloyd Fonds Group's entire network is available to LAC for achieving these objectives.

In November 2021, Lloyd Fonds AG submitted a takeover bid to the shareholders of BV Holding AG (see Chapter 2.2.1 Material Events in 2021 and Chapter 6 Material events occurring after the reporting date).

At the core of the BV Group's activities is the management of private and institutional assets as well as the provision of advisory services for institutional clients such as companies, foundations, municipalities and family offices. At present, it manages assets valued at around EUR 2.5 billion with more than 60 employees at its head office in Munich and its three other locations in Chiemgau, Tegernsee and Main-Spessart.

Through its subsidiaries, BV Bayerische Vermögen GmbH and MFI Asset Management GmbH, the Bayerische Vermögen Group has permission to provide financial services in accordance with Section 15 of the German Securities Institution Act. BV Bayerische Vermögen GmbH is also a member of VuV.

The transaction will strengthen the Lloyd Fonds Group's LLOYD WEALTH business segment in particular.

LLOYD DIGITAL

With its proprietary, artificial intelligence-based system (LAIC ADVISOR®), the WealthTech LAIC (LLOYD DIGITAL) offers digital and risk-optimized investment solutions for portfolio optimization for retail and institutional investors.

As of December 31, 2021, LAIC offered individual custodian accounts, five mixed funds (LAIC – Defensive Digital Selection (ISIN: DE000A2P0UB1), LAIC – Balanced Digital Selection (ISIN: DE000A2P0T77), LAIC – Dynamic Digital Selection (ISIN: DE000A2P0UF2), LAIC – Sustainable Digital Selection EM (ISIN: DE000A2P0T36) and LAIC – Sustainable Digital Selection AC (ISIN: DE000A2PS3N1)), two pension insurance schemes and an institutional fund (LAIC – Digital Institutional Europe (ISIN: DE000A2QCXA8)). Via the individual portfolio LAIC – My Portfolio Selection, high net worth individuals and institutional investors are able to invest a minimum amount of EUR 50,000 with digital support according to their preferences. The digitally managed mixed funds offer retail investors a broadly diversified investment solution with predefined ancillary conditions in defined risk classes. The capital management company for the funds is Universal-Investment-Gesellschaft mbH, Frankfurt am Main. In conjunction with two insurance partners Helvetia Schweizerische Lebensversicherungsgesellschaft AG and Condor Lebensversicherungs-AG, two fund-linked, tax-privileged pension funds are offered on the basis of the digitally managed mixed fund and also target retail investors. The institutional retail fund LAIC – Digital Institutional Europe was developed and launched together with an institutional client to address the requirements of German Volksbank and Sparkasse banks in "Depot A" business.

In 2021, LAIC Token 21 was placed with selected semi-professional investors with a total nominal value of EUR 5.0 million. This resulted in the sale of 9.75% of the shares in LAIC Capital GmbH. The investors subscribed to LAIC-Tokens 21 on the basis of a valuation of approximately EUR 50 million for Lloyd Fonds AG's LAIC subgroup (see also Group Management Report Chapter 1.3 Legal Structure). The investors participate in the economic success of LAIC Capital GmbH and its subsidiaries (LAIC subgroup) via a token-based trusteeship relationship as limited partners in a special AIF structured as a GmbH & Co. KG entity (LAIC AIF Token GmbH Co. KG) for a maximum term of seven years. The trusteeships provided by the investors are represented by tokens on the blockchain. The LAIC tokens are based on the Ethereum blockchain and serve as proof of the legitimacy of the trusteeship. The token holders hold a digitally stored value on the blockchain and an option to convert their tokens into a conventional limited partnership. The LAIC tokens were subscribed to by the investors via a digital drawing portal on an online platform operated by LAIC Vermögensverwaltung GmbH. Employees of the Lloyd Fonds Group also participated in the subscription process for LAIC Token 21 via an employee participation entity known as LAIC AIF TOKEN MITARBEITER GmbH & Co. KG.

In November 2021, Lloyd Fonds AG submitted a takeover bid to the shareholders of growney (see Chapter 2.2.1 Material Events 2021 and Section 6 Material events occurring after the reporting date).

Growney GmbH was founded in 2014 by its present managing director and principal shareholder Gerald Klein. The platform was launched in May 2016.

The range comprises a total of ten different investment strategies or portfolios that pursue a common investment concept based on passive exchange traded funds (ETFs). The investment universe is composed of up to 5,000 equities and bonds from 45 countries.

growney GmbH enjoys an excellent reputation in this still young industry. Reflecting this, it has already received several awards from Handelsblatt, WirtschaftsWoche, Finanztip, ntv, Capital, Stern, Focus Money and Euro am Sonntag, among others, for its digital asset management in recognition of its asset investments as well as the convenient and customer-friendly user process offered by the platform together with the transparent provision of information. Growney GmbH was awarded a rating of "very good" (1.3) by consumer affairs association Stiftung Warentest in issue 07/2021 of its "Finanztest" publication and named best robo-advisor for an investment of EUR 100,000.

It has permission to provide financial services in accordance with Section 15 of the German Securities Institution Act and is also a member of the VuV.

The transaction will in particular strengthen the LLOYD DIGITAL business segment of the Lloyd Fonds Group.

2.2.3 LLOYD FONDS REAL ASSETS

The LLOYD FONDS REAL ASSETS business segment includes real estate, shipping and other assets.

Real estate

As of December 31, 2021, the real estate team managed three active funds investing in Germany and the Netherlands. The portfolio comprises a leased area of around 28,300 square meters with currently twelve tenants. The occupancy rate as of December 31, 2021 stands at around 93%, based on the office and hotel floor space. A total of 729 square meters of office space was handed over to another new tenant after the completion of renovation and modernization in January 2022. The lease was signed for a period of five years. This caused the occupancy rate to widen to around 97% of the office and hotel floor space. Negotiations are currently ongoing with a prospective tenant for additional office space of around 509 square meters. Assuming that the negotiations are successful, the lease is expected to commence in July 2022. In terms of types of use, the portfolio breaks down into 60% office and 40% hotel investments, based on the total rental space.

Shipping

The fleet under management by Lloyd Fonds AG was composed of a total of five product and crude oil tankers in a total of five ship funds as of December 31, 2021. In 2021, a further five ships, including four container ships and one product and crude oil tanker, were sold on a planned basis. In addition, two secondary market funds for ship investments are under management, while a third one is in liquidation. As of December 31, 2021, the portfolio of these secondary market funds consisted of 18 container ships and 15 tankers.

Other assets: Aircraft, UK life insurance, private equity, etc.

As of December 31, 2021, Lloyd Fonds AG managed two aircraft funds. The fleet currently consists of three aircraft: an Airbus A380 long-haul aircraft and two Airbus A319 medium-haul aircraft. In the case of the A380, the lease with Singapore Airlines will continue until August 2024. Of the two A319s, one aircraft remains in regular service with a Swiss airline until March 2023. The other aircraft was found to be damaged during a regular check in Italy and will not return to flight operations. However, after intensive negotiations with the insurance company, it was possible for the corresponding claim to be settled with a positive outcome for the investors.

Lloyd Fonds AG also managed four UK life insurance funds as of the reporting date, although these will be entering the liquidation phase with effect from January 1, 2022.

As of the reporting date, Lloyd Fonds AG also managed an originally broadly diversified fund managed by US investment company Neuberger Berman, which is also in liquidation.

In the field of renewable energies, Lloyd Treuhand GmbH additionally manages two wind farm funds.

As well as this, Lloyd Fonds AG manages two portfolio funds which it initiated and which invest in a broad range of asset classes.

2.3 Target achievement and general statement on economic situation

With the capital markets still being impacted by the Covid-19 pandemic and associated global lockdowns, Lloyd Fonds AG continued to implement its Strategy 2023/25. In doing so, it reached the following main milestones:

Continuation of planned acquisition strategy through strategic acquisitions

The acquisition strategy based on additional inorganic growth was successfully continued with the strategic acquisition of BV Holding AG in the LLOYD WEALTH business segment and growney GmbH in the LLOYD DIGITAL business segment.

With the completion of the acquisition of BV Holding AG, assets under management are expected to increase significantly. In addition to the increase in assets under management, the strategic reinforcement of the value chain, especially in the institutional capital segment, is a decisive factor in the acquisition. As well as addressing high net worth individuals, the Bayerische Vermögen Group has a pronounced focus on business with institutional investors, operating with a highly experienced team in this market.

With the completion of the acquisition of growney GmbH, the LLOYD DIGITAL business segment is to evolve into a full-service provider of digital solutions. The aim is to offer investors appropriate individualized solutions in the future under a two-brand strategy: On the one hand, individually managed portfolio strategies focusing on risk management via WealthTech LAIC for high net worth individuals and institutional investors, and on the other hand, digitally managed ETF-based investment strategies and portfolios for retail investors as a cost-effective solution through FinTech growney GmbH.

Implementation of sales channels and new partnerships

As the number of market participants to be addressed is growing and becoming more diverse, particularly due to the new online channels, sales through the four sales channels - direct sales, online sales, external partner sales and white label exclusive partners - underwent further expansion in 2021. With the product diversity that has been achieved, Lloyd Fonds AG is able to offer a full range addressing almost all target groups, something which is contributing to the high future scalability of Lloyd Fonds AG's business model.

In addition, further sales partnerships were established. For example, a partnership was forged with DV Plus GmbH, a joint venture with Main Tauber Finanzhaus and Volksbank Main Tauber, with the aim of distributing white label solutions to further cooperative Volksbank banks as a partner of LAIC. Known as V:AI SmartInvest, a white label platform combining the experience of the Cooperative Finance Group with the expertise of LAIC was established. In addition, the broker pool [pma:] Finanz- und Versicherungsmakler GmbH and its subsidiary FSG Finanz Service GmbH (FSG) were signed up as partners for WealthTech LAIC.

Organic growth of over 32% in assets under management in 2021

Customers and assets under management continued to grow in 2021. The assets managed by the Lloyd Fonds Group in the LLOYD FONDS LIQUID ASSETS business segment increased by more than 32% to around EUR 2.2 billion in the three business segments LLOYD FONDS, LLOYD WEALTH and LLOYD DIGITAL (previous year: EUR 1.66 billion). In the midst of the ongoing Covid-19 pandemic, this is a testament to the strength of the diversified business model that Lloyd Fonds AG has established.

Increase in net profit to EUR 5.1 million (previous year: EUR -0.7 million)

Overall, Lloyd Fonds AG continued its favorable business performance in 2021.

Consolidated earnings before taxes (EBT) rose to EUR 6.4 million (previous year: EUR -3.0 million). Tax expense stands at EUR 0.2 thousand (previous year: EUR 4.0 million), consisting of deferred assets of EUR 1.5 million and current tax expense of EUR 1.3 million.

This resulted in an increase in consolidated net profit after tax to EUR 5.1 million (previous year: EUR -0.7 million), equivalent to earnings of EUR 0.39 per outstanding share (EPS).

Among other things, the significant growth in consolidated net profit is attributable to the further increase in the fair value measurement of two investments held by Lloyd Fonds AG in the LLOYD FONDS REAL ASSETS business segment at the end of the year compared with the first half of 2021. Due to the accounting rules, the Lloyd Fonds Group's investment income is reported within net finance income/finance expense.

As of December 31, 2021, the Lloyd FONDS Group generated income of EUR 8.4 million from performance fees in the LLOYD FONDS business segment (previous year: EUR 14.8 million). Of this amount, EUR 7.9 million arose in the first half of 2021. In the second half of 2021, income from performance fees amounted to almost EUR 0.5 million and includes the performance fee from the largest retail fund, Lloyd Fonds – WHC Global Discovery.

Overall, the Lloyd Fonds Group generated sales of EUR 26.1 million in 2021 (previous year: EUR 27.7 million) despite significantly lower performance fees compared to the previous year.

Consolidated earnings before interest, taxes, depreciation and amortization (EBIT) reached EUR 4.6 million (previous year: EUR 7.0 million).

Cash flow from operating activities widened to EUR 20.0 million (previous year: EUR -0.9 million).

As a result, the forecast of EUR 14.0 million to EUR 16.0 million for cash flow from operating activities published on August 19, 2021 was significantly exceeded.

Lloyd Fonds' share price in 2021 reflected the capital market's confidence in the Company and the implementation of its Strategy 2023/25. As of December 31, 2021, the Company had a market capitalization of approximately EUR 202 million (previous year: approximately EUR 82 million).

3 Results of operations, net assets and financial condition

3.1 Results of operations

The breakdown of and changes in the individual items of the Lloyd Fonds Group's income statement are described in the following analysis.

The Group's results of operations in the year under review as well as in the previous year were as follows:

	2021	2020
EUR thous.		
Sales	26.122	27.739
Cost of materials	-2.702	-1.072
Staff costs	-11.341	-11.726
Depreciation, amortization and impairment losses	-3.938	-3.750
Net other operating income/expenses	-7.796	-8.385
Share of profit of associates	327	400
Earnings before interest and taxes (EBIT)	**672**	**3.206**
Net finance income	5.747	-6.156
Earnings before taxes (EBT)	**6.419**	**-2.950**
Income taxes	213	3.964
Consolidated net profit before non-controlling interests	**6.632**	**1.014**
of which consolidated net profit attributable to non-controlling interests	**1.481**	**1.717**
of which consolidated net profit attributable to Lloyd Fonds shareholders	**5.151**	**-703**

Sales are a key performance indicator for the Lloyd Fonds Group. Compared with the previous year, total sales declined by EUR 1,617 thousand to EUR 26,122 thousand (previous year: EUR 27,739 thousand). Sales changed as follows in the year under review:

	2021	2020
EUR thous.		
Income from fund and asset management	26.122	26.522
Income from arrangement and structuring services	–	1.198
Other income	–	19
Sales	**26.122**	**27.739**

Compared to the previous year, sales decreased by a total of EUR 1,617 thousand to EUR 26,122 thousand in 2021 due to the lower performance fees generated from fund management in the LLOYD FONDS LIQUID ASSETS business segment. No income arose from arrangement and structuring services in the year under review.

The cost of materials rose by EUR 1,630 thousand over the previous year to EUR 2,702 thousand due to trailing sales commissions.

Staff costs came to EUR 11,341 thousand in 2021, compared with EUR 11,726 thousand in the previous year. In addition, expenses of EUR 352 thousand were incurred in the year under review (previous year: EUR 123 thousand) for the stock option program (SOP) for individual employees and for the phantom stock plans (PSP) for the members of the Management Board. The employer contributions to the statutory pension scheme as well as contributions to direct insurance cover are classified as defined-contribution plans in accordance with IAS 19.38. In the year under review, these expenses came to EUR 413 thousand (previous year: EUR 388 thousand).

Compared with the previous year, amortization and depreciation increased by EUR 188 thousand to EUR 3,938 thousand. In the period under review, systematic depreciation of property, plant and equipment dropped by EUR 138 thousand from EUR 1,766 thousand to EUR 1,628 thousand. This item also includes depreciation of EUR 1,088 thousand on right-of-use assets resulting from the application of IFRS 16 (comparison period: EUR 1,184 thousand) (see Note 6.2.1.1). The increase in amortization from EUR 1,978 thousand to EUR 2,310 thousand is mainly due to the recognition as assets of the fund management contracts held by SPSW Capital GmbH.

The decrease in net other operating income from EUR 8,385 thousand to EUR 7,796 thousand is mainly due to the strategic realignment of the Lloyd Fonds Group, which has now been largely completed. This has a particular impact on legal and consulting costs, which were reduced by EUR 563 thousand compared with the previous year.

The share of profit of associates of EUR 327 thousand (previous year: EUR 400 thousand) primarily entails net investment income earned and the share of the net profit/loss of associates.

Net finance income/expenses came to EUR 5,747 thousand, compared with EUR -6,156 thousand in the previous year. The change in net investment income amounting to EUR 14,517 thousand is due to the fair value measurement of two investments held by Lloyd Fonds AG, which had been reported as associates until December 31, 2020. The necessary significant influence exercised by Lloyd Fonds AG ceased in 2018, while the inclusion of the two investments in net finance income/finance expense has no effect on the previous years. The net interest expense of EUR -9,835 thousand (comparison period: EUR -7,685 thousand) results from interest expenses in connection with the purchase price liabilities of SPSW Capital GmbH and Lange Assets & Consulting GmbH (EUR -1,629 thousand), the adjustment for the purchase price liability of SPSW Capital GmbH (EUR -6,405 thousand), interest expenses on the convertible bond issued (EUR -390 thousand) and the discount factor unwind on lease liabilities in connection with IFRS 16 (EUR -378 thousand).

The remaining net finance income/finance expense of EUR 170 thousand includes the fair value measurement of financial assets in accordance with IFRS 9 and is particularly influenced by the measurement of security deposits.

As a result, the Lloyd Fonds Group achieved earnings before taxes (EBT) of EUR 6,419 thousand in 2021 (previous year: EUR -2,950 thousand).

Income taxes for the period under review stand at EUR 213 thousand, compared with EUR 3,964 thousand in the previous year. The deferred income taxes of EUR 1,500 thousand (previous year: EUR 4,730 thousand) primarily comprise deferred income tax assets of EUR 1,042 thousand for unused tax losses within the five-year planning horizon. Based on the underlying Group budget, future Group profits will benefit from tax advantages derived from unused tax losses. The current tax expense of EUR 1,287 thousand (previous year: EUR 766 thousand) in the reporting period mainly results from the completed tax audits at Lloyd Fonds Real Estate Management GmbH and Lloyd Fonds Special Assets GmbH, as well as from income taxes at Lloyd Fonds AG and SPSW Capital GmbH.

No further tax expenses arose in the year under review due to the income tax group established between Lloyd Fonds AG (dominant company), SPSW Capital GmbH, Lloyd Treuhand GmbH and Lloyd Fonds Real Estate Management GmbH.

All told, consolidated net profit attributable to the shareholders of Lloyd Fonds of EUR 5,151 thousand was recorded in 2021 (previous year: EUR -703 thousand).

Lloyd Fonds AG has additionally enhanced the brand positioning for the Group and the three business segments LLOYD FONDS LIQUID ASSETS, LLOYD FONDS REAL ASSETS and LLOYD FONDS GROUP under its strategy 2023/25. The LLOYD FONDS LIQUID ASSETS segment includes LLOYD FONDS, LLOYD WEALTH and LLOYD DIGITAL. The LLOYD FONDS REAL ASSETS segment includes real estate, shipping and other assets. The LLOYD FONDS GROUP business segment includes the general other expenses attributable to the Lloyd Fonds Group.

The "LLOYD FONDS GROUP" segment is primarily composed of staff costs for the administrative and corporate units such as accounting, legal, communications (IR/PR) including marketing and the Management Board as well as general other operating expenses, e.g. rental, office and IT expenses.

The following section provides further information on the consolidated earnings for the business segments LLOYD FONDS LIQUID ASSETS, LLOYD FONDS REAL ASSETS and LLOYD FONDS GROUP.

3.1.1 LLOYD FONDS LIQUID ASSETS segment

The sales of EUR 20,211 thousand (previous year: EUR 22,348 thousand) include income of EUR 19,569 thousand (previous year: EUR 21,967 thousand) from the fund and asset management activities performed by SPSW Capital GmbH. Net other operating income/expenses mainly comprise expenses for the further development of the IT environment (EUR 1,515 thousand), legal and consulting expenses (EUR 1,656 thousand), sales support costs (EUR 1,487 thousand) and rental expenses (EUR 204 thousand).

3.1.2 LLOYD FONDS REAL ASSETS segment

Compared to the previous year, sales decreased by EUR 1,146 thousand from EUR 4,595 thousand to EUR 3,449 thousand. This is particularly due to lower income from trusteeship business as a result of expiring trust agreements and asset sales.

The staff costs of EUR 1,726 thousand (previous year: EUR 1,785 thousand) and other operating expenses of EUR 1,187 thousand (previous year: EUR 1,276 thousand) are unchanged over the previous year.

The net finance income/expense of the three operating segments increased from EUR -6,156 thousand to EUR 5,747 thousand, mainly as a result of the fair value measurement of two investments held by Lloyd Fonds AG.

3.2 Net assets

The Group's net assets as of December 31, 2021 and December 31, 2020 are analyzed in the following table:

Assets EUR thous.	2021	2020
Property, plant and equipment and intangible assets	64.706	67.726
Financial assets	18.988	9.523
Deferred income tax assets	10.192	9.150
Receivables and other assets	6.744	20.745
Cash and cash equivalents	16.331	6.533
Total assets	**116.961**	**113.677**

Equity and liabilities EUR thous.	2021	2020
Consolidated equity	48.362	42.728
Deferred income tax liabilities	12.155	12.613
Financial liabilities	17.847	18.951
Other liabilities	38.597	39.385
Total equity and liabilities	**116.961**	**113.677**

Total assets rose by EUR 3,284 thousand from EUR 113,677 thousand at the end of 2020 to EUR 116,961 thousand as of December 31, 2021. This was due to the following factors:

On the assets side, property, plant and equipment and intangible assets decreased by EUR 3,020 thousand from EUR 67,726 thousand to EUR 64,706 thousand. Additions to property, plant and equipment amounted to EUR 221 thousand and were related to the acquisition of IT hardware and the purchase of new operating and office equipment. Alongside the additions to assets in the reporting period, property, plant and equipment are particularly dominated by right-of-use assets as defined in IFRS 16. The right-of-use assets were valued at EUR 6,888 thousand as of the reporting date (previous year: EUR 8,131 thousand).

Intangible assets declined by EUR 1,419 thousand to EUR 54,771 thousand (previous year: EUR 56,190 thousand). This is due to the systematic depreciation of EUR 2,310 thousand of the fund management contracts held by SPSW Capital GmbH, DAP 4.0 and the new websites for LAIC Capital GmbH and LAIC ADVISOR®.

On the assets side, financial assets increased by EUR 9,465 thousand from EUR 9,523 thousand to EUR 18,988 thousand and include the securities accounts held by Lloyd Fonds AG and the shares in affiliated companies and associates, which are measured at fair value.

The increase in financial assets is mainly due to the fair value measurement of two investments held by Lloyd Fonds AG.

Deferred income tax assets were recognized in 2021 on unused tax losses of EUR 10,192 thousand (previous year: EUR 9,150 thousand).

Based on the underlying Group budget with a forward range of five years, future Group profits will benefit from tax advantages derived from unused tax losses.

Receivables and other assets dropped from EUR 20,745 thousand to EUR 6,744 thousand.

The decline in trade receivables from EUR 18,903 thousand to EUR 2,326 thousand as of the reporting date mainly reflects reporting date effects.

The decrease in other receivables and other assets from EUR 1,103 thousand to EUR 792 thousand as of December 31, 2021 is primarily attributable to the repayment of deductible capital gains taxes from previous years.

On the asset side, cash and cash equivalents increased by a total of EUR 6,533 thousand to EUR 16,331 thousand. Reference should be made to the notes on the Group's financial condition for a detailed analysis of cash and cash equivalents.

On the other side of the balance sheet, equity increased by EUR 5,634 thousand from EUR 42,728 thousand to EUR 48,362 thousand as of the reporting date.

The equity component of EUR 248 thousand (previous year: EUR 111 thousand) of the stock option program arising from the increase in equity is included in the share premium in addition to the consolidated net profit for the year of EUR 5,151 thousand (previous year: EUR -703 thousand). A put option was agreed upon in connection with the sale of 20% of the shares in LAIC Intelligence GmbH. This resulted in a deduction of EUR 163 thousand (previous year: EUR 100 thousand) from equity as of the reporting date.

The equity ratio widened from 37.6% in the previous year to 41.35% in the year under review.

The change of EUR 458 thousand in deferred income tax liabilities from EUR 12,613 thousand to EUR 12,155 thousand is mainly due to the realization of deferred income tax liabilities of EUR 458 thousand.

Financial liabilities decreased by EUR 1,104 thousand from EUR 18,951 thousand to EUR 17,847 thousand.

Non-current financial liabilities include the debt component of the convertible bonds of EUR 4,234 thousand issued in 2020 (previous year: EUR 10,146 thousand). Current financial liabilities include the convertible bonds issued in 2019/22 of EUR 6,142 thousand (previous year: EUR 145 thousand) and outstanding interest accruing in connection with the convertible bond and not yet paid out as of the reporting date.

They also include lease liabilities in accordance with IFRS 16 of EUR 7,471 thousand (previous year: EUR 8,666 thousand).

Other liabilities fell by EUR 788 thousand from EUR 39,385 thousand to EUR 38,597 thousand. They include trade payables of EUR 3,740 thousand (previous year: EUR 3,739 thousand), miscellaneous liabilities of EUR 21,865 thousand (previous year: EUR 25,421 thousand), other provisions of EUR 276 thousand (previous year: EUR 248 thousand), liabilities to related parties of EUR 6,061 thousand (previous year: EUR 8,891 thousand), the net asset value attributable to other limited partners of EUR 5,151 thousand (previous year: EUR 151 thousand) and current income tax liabilities of EUR 1,780 thousand (previous year: EUR 835 thousand).

Miscellaneous liabilities are mainly attributable to the discounted liability arising from the purchase price installments due to external third parties in the years 2020 to 2027 for the acquisition of SPSW Capital GmbH of a total of EUR 14,971 thousand as well as the discounted purchase price liability for the years 2020 to 2026 in connection with the acquisition of Lange Assets & Consulting GmbH of EUR 2,300 thousand. The amount of each tranche is tied to a specific performance indicator among other things. A put option was agreed upon in connection with the sale of 20% of the shares in LAIC Intelligence GmbH and is recognized as a non-current liability of EUR 163 thousand as of the reporting date (previous year: EUR 100 thousand).

Liabilities to related parties mainly concern the liability arising from future purchase price installments to be paid to Plate & Cie. GmbH for the shares in SPSW Capital GmbH.

Trade payables are unchanged over the previous year.

Furthermore, the non-controlling interests in the consolidated companies LAIC AIF Token GmbH & Co. KG and LAIC TOKEN MITARBEITER GmbH & Co. KG have been added to the net asset value attributable to the other limited partners, which thus stand at EUR 5,151 thousand (previous year: EUR 151 thousand).

3.3 Financial condition

The Lloyd Fonds Group's financial management activities are handled by the finance department with the primary purpose of safeguarding solvency and strengthening the Group's financial resources. Treasury activities ensure the availability of liquidity at all times within the Group, manage risks arising from financial instruments and optimize Group-wide cash management. To this end, rolling liquidity planning broken down by currency and with a horizon of up to one year is used. The medium-term financial forecast is prepared using an integrated planning tool based on the current business forecast for the following five financial years.

The Group's financial condition in the year under review as well as in the previous year was as follows:

EUR thous.	2021	2020
Consolidated net profit before share of profit of associates, interest and taxes / consolidated net profit before non-controlling interests*	6.632	1.851
Non-cash income and expenses	3.347	4.566
Changes to working capital	3.670	-8.818
Dividends and profit distributions received	6.307	1.427
Interest and income taxes received and paid	-	25
Cash flow from operating activities	**19.956**	**-949**
Cash flow from investing activities	-1.117	-936
Cash flow from financing activities	-9.041	-736
Net cash inflow/outflow	**9.798**	**-2.621**
Cash and cash equivalents at the beginning of the period	6.533	9.131
Non-cash change in cash and cash equivalents	–	23
Changes to the companies consolidated	**–**	**–**
Cash and cash equivalents at the end of the period	**16.331**	**6.533**

* Effective from January 1, 2021, the cash flows from consolidated net profit for the period are calculated before non-controlling interests

In the year under review, a net cash inflow of EUR 19,956 thousand was generated from operating activities (previous year: EUR -949 thousand). The consolidated net profit from operating activities of EUR 6,632 thousand had a positive effect. Furthermore, the settlement of trade receivables and the distributions received of EUR 6,307 thousand had a positive effect on operating cash flow.

Non-cash income and expenses particularly include depreciation and amortization (EUR 3,938 thousand).

The cash flow of EUR -1,117 thousand from investing activities particularly reflects payments for additions to intangible assets of EUR -890 thousand and for property, plant and equipment of EUR -310 thousand.

The cash flow from financing activities was particularly affected by the payment of the purchase price liabilities of EUR 11,106 thousand to the minority shareholders of SPSW Capital GmbH and Lange Asset & Consulting GmbH.

Free cash and cash equivalents rose by EUR 9,798 thousand in the year under review from EUR 6,533 thousand to EUR 16,331 thousand.

Reference should be made to the risk report (Section 5 of the management report) and the additional disclosures in the notes to the consolidated financial statements (Notes 6.9.2) for an analysis of the Group's main provisions and contingent liabilities.

4 Employees and compensation report

Lloyd Fonds Group attaches key importance to its employees. Their loyalty and motivation are key factors in the success of the Company's business and the achievement of its goals within the framework of Strategy 2023/25.

On December 31, 2021, the Lloyd Fonds Group, including Lange Assets & Consulting GmbH, which is not fully consolidated, had 80 employees (previous year: 69) (not including the Management Board, employees on maternity or parental leave, apprentices and temporary staff). The Company's employees have an average age of 42.1 years .Around 71.25% are men and around 28.75% women.

Since September 1, 2019, Lloyd Fonds AG has been enabling two employees to attend practical and cooperative dual studies at the HSBA Hamburg School of Business Administration. Moreover, Lloyd Fonds AG helps young and committed school-leavers by offering them opportunities for embarking on a career as interns or student trainees.

One focus of the activities in the Human Resources department in 2021 was the recruitment of further qualified specialists, in particular for the further expansion of the WealthTech LAIC. Lloyd Fonds AG operates in an environment characterized by intense national and international competition. This means that the Company is all the more dependent on qualified, competent and committed employees. The Lloyd Fonds Group therefore attaches particular importance to employer/employee relations based on a spirit of partnership and respect for employees' individual interests. In addition to attractive remuneration, this includes flexible working hours and the option of working from home. All employees also receive a supplement to their meal allowance via an app.

Lloyd Fonds Group employees are paid fixed and variable salary components. The variable remuneration is based on both the Company's goals and individually agreed objectives. Certain employees of the Lloyd Fonds Group are additionally allowed to participate in a stock option program.

Alongside fixed salary components, the members of the Management Board receive variable remuneration based on their personal performance and the development of Lloyd Fonds AG. The variable remuneration is subject to a cap. In addition, both Management Board members participate in a phantom stock plan. As well as this, the CIO participates in a flagship bonus program and in the stock option program of Lloyd Fonds AG.

Another focus of activities in 2021 concerned the Covid-19 response in the light of the requirements of the authorities and recommendations of scientists regarding the protection of employees, customers and business partners in close consultation with the Management Board. The response plans ensured that employees were able to perform their duties free of any disruption. This was possible at all three offices in Hamburg, Frankfurt and Munich due, among other things, to the provision of modern and agile workstations and state-of-the-art devices, including Apple iPads, meaning that it was possible for employees to work from home at all times. This safeguarded employees' accessibility and ability to work at all times.

In addition to attracting further employees, the integration of BV Holding AG will be a major focus of activities in 2022 in terms of joint personnel work. In this area, the Lloyd Fonds Group is also using its cloud-based platform, which manages various decentralized software solutions from payroll accounting to personnel development. The systems ensure agile and centralized administration of all data and processes in personnel work, thus enabling professional, automated and modern personnel management.

A further focus of work in the current year will also entail the implementation of upskilling and further education activities for employees. This includes further training in employees' individual areas of specialization, management and IT seminars and presentation training.

5 Risk report

The following risk report takes into account the risks to which Lloyd Fonds AG is exposed as of December 31, 2021.

5.1 Risk management system

Lloyd Fonds AG has a risk management system for detecting any developments liable to affect its going-concern status at an early stage. In addition to Lloyd Fonds AG itself, this system also covers all main subsidiaries whose business activities give rise to material risks for the Group. With the assistance of software systems and transparent processes, the aim is to identify and assess risks at an early stage as a basis for taking appropriate precautions. The Management Board defines risk management policy, which is then put into practice by the central risk management department / risk administrator. The risk management department ensures that the operating departments identify and measure risks in both quantitative and qualitative terms of their own accord and with minimum delay and implement precautions for averting or mitigating risk.

Risks are reviewed and re-measured on the basis of a systematic risk inventory. At the same time, there is an internal ad-hoc reporting duty with respect to any new risks identified by the responsible persons. Each risk identified is assigned to a risk group. When risks are reported and measured for the first time, it is necessary to determine the potential loss and probability in accordance with the risk policy adopted by the Company. Risks are measured and reviewed semi-annually as well as on an ad-hoc basis.

The result of the systematic risk inventory is submitted to the Management Board on a semi-annual basis in the form of a graphic, tabular and written evaluation of all risks. A semi-annual report is also submitted to the Supervisory Board. The risk management process thus provides a structured view of the existing risk situation, improvements to corporate management, transparency and documentation of risk management practices, heightened awareness and ultimately also the basis for internal and external risk reporting.

The following assessment of the risks is based on their probability and the amount of loss (impact on liquidity). Each of these two dimensions is assessed using four categories.

Probability:	
Low	+
Medium	++
High	+++
Very high	++++

Amount of loss (impact on liquidity):	
Low	-
Moderate	- -
Material	- - -
Severe	- - - -

In the interests of uniform risk designations, “Risks from the LLOYD FUND business segment” (Section 5.3.1) have been renamed “Risks from the acquisition of SPSW Capital GmbH” and the risks previously referred to as “Risks from the LLOYD WEALTH business segment” in Section 5.3.2 have been renamed “Risks from the acquisition of Lange Assets & Consulting GmbH (LAC)”.

The planned acquisition of 17.75% of the shares in growney GmbH and of at least 90 % of the shares in BV Holding AG has resulted in the addition of two risks (Section 5.3.3 and Section 5.3.4). The numbering of the following risks has been modified accordingly.

With the planned acquisition of growney GmbH, the LAIC business segment has been renamed LLOYD DIGITAL.

In addition, potential loss caused by limited availability or data loss as a result of cyber attacks has been added to the IT risk (Section 5.5).

5.2 Economic and sector risks

5.2.1 Market risk

Probability	++
Amount of loss	- - - -

Demand for the Group’s products and services in the three business segments LLOYD WEALTH, LLOYD DIGITAL and LLOYD FONDS depends to a considerable extent on factors over which Lloyd Fonds AG has no influence. These may include, for example, adverse developments and heightened volatility in the capital and financial markets as well as political, social or macroeconomic developments, including ESG (environmental, social and governance) risks, particularly the effects of climate change (risk of stranded assets).

The duration and intensity of the impact of the ongoing Covid 19 pandemic on the global economy cannot be estimated at present. The numerous restrictions on mobility in many countries will lead to significant setbacks in economic and corporate data. This development has also been reflected in the sharp declines in asset prices in the global financial markets. At the same time, the economy is expected to recover sharply once the virus has been overcome, not least because of catch-up effects. The Lloyd Fonds Group, like the entire financial services industry, continues to be affected by the spread of the Covid 19 pandemic and its economic consequences. Despite the recent recovery in the financial markets, adverse effects on the Lloyd Fonds Group's core business can still not be ruled out and, should they occur, would probably necessitate adjustments to the forecast. The duration and intensity of the impact are subject to uncertainty at this time and therefore cannot be quantified conclusively. In addition, the products offered by Lloyd Fonds could become less attractive to customers as a result, while customers' willingness to invest could decline. As a result, income, particularly the planned management and performance fees, could fall significantly short of the budgeted figures.

In addition, the LLOYD FONDS REAL ASSETS business segment manages investments in alternative real assets for national and international institutional investors as well as for retail investors. To date, the investments have comprised assets in the areas of shipping, real estate, aircraft, renewable energies, private equity and traded UK endowment policies. Accordingly, the Group's business performance hinges materially on conditions in the asset markets. Adverse conditions in these markets may cause a decline in income from portfolio investments with a correspondingly negative effect on the Group's results of operation. Further details on conditions in the capital market can be found in Chapter 2.1.2.

5.2.2 Competition risk

Probability	++
Amount of loss	- -

With the implementation of its corporate strategy, Lloyd Fonds has entered new markets and is exposed to new competitive situations. There is a risk that strong competition, especially from very large players in these markets, will make it more difficult for Lloyd Fonds to enter and achieve a share of these markets. This applies in particular to the LLOYD DIGITAL business segment, as many market players are currently working on digital offerings in this market. The asset management industry is highly competitive with moderate barriers to entry. Mounting competition may also lead to the loss of market share that has already been gained. In addition, poor performance or the failure of competing products may have a negative impact on the products offered by Lloyd Fonds.

5.2.3 Loss of reputation

Probability	+
Amount of loss	- - -

The Company's success is linked to a considerable extent to the use of the "Lloyd Fonds AG" and "LAIC" brands, among other things. Internal as well as external occurrences such as the weak performance of the Company's own products, breaches of statutory regulations by employees or corporate bodies, failure to take account of ESG (environmental, social, and governance) risks, negative coverage in the digital and printed media and industry scandals may harm the standing of the brands of Lloyd Fonds AG or its subsidiaries, thus leading to a loss of reputation, which could necessitate previously unbudgeted market development expenses.

5.3 Operating and strategic risks

5.3.1 Risks from the acquisition of SPSW Capital GmbH

Probability	+
Amount of loss	- - -

Lloyd Fonds AG successfully acquired 90% of the shares in SPSW Capital GmbH at the end of 2019. The takeover gives rise to the main risks described below at the level of Lloyd Fonds AG.

There is a risk that funds will flow out of SPSW Capital GmbH and thus no longer be available to the Group.

This may prevent the planned growth targets at the level of SPSW Capital GmbH from being achieved, resulting in lower Group sales. Business growth could fall short of expectations.

Under the share transfer agreement with SPSW Capital GmbH, Lloyd Fonds AG has undertaken to pay a minimum purchase price. There is a risk that SPSW Capital GmbH's enterprise value could fall below the minimum price agreed in the share transfer agreement. In this case, Lloyd Fonds would incur expenses that are not covered by an equivalent enterprise value.

5.3.2 Risks from the acquisition of Lange Asset & Consulting GmbH (LAC)

Probability	+
Amount of loss	- - -

Lloyd Fonds AG successfully acquired 90% of the shares in Lange Assets & Consulting in the second half of 2019. The takeover gives rise to the main risks at the level of Lloyd Fonds AG described below.

There is a risk that funds will flow out of Lange Assets & Consulting GmbH and thus no longer be available to the Group.

This may prevent the planned growth targets at the level of Lange Assets & Consulting GmbH from being achieved, resulting in lower net finance income. Business growth could fall short of expectations.

Under the share transfer agreement with Lange Assets & Consulting GmbH, Lloyd Fonds AG has undertaken to pay a minimum purchase price. There is a risk that Assets & Consulting GmbH's enterprise value of Lange could fall below the minimum price agreed in the share transfer agreement. In this case, Lloyd Fonds would incur expenses that are not covered by an equivalent enterprise value.

5.3.3 Risks from the acquisition of BV Holding AG

Probability	++
Amount of loss	- - -

Lloyd Fonds AG plans to acquire at least 90% of the shares in BV Holding AG. There is a risk that the planned acquisition cannot be implemented, for example because the necessary approval is not granted by the regulatory authorities. This would significantly impair the planned implementation of Lloyd Fonds AG's corporate and growth strategy.

A successful acquisition of at least 90% of the shares in BV Holding AG would result in the following material risks at the level of Lloyd Fonds AG:

There is a risk that the integration of BV Holding AG will not be successful or will not be fully completed. This could hamper the implementation of the corporate strategy and achievement of the planned growth.

There is also a risk that capital will flow out of BV Holding AG and thus no longer be available to the Group.

This may prevent the planned growth targets at the level of BV Holding AG from being achieved, resulting in lower Group sales.

5.3.4 Risks from the acquisition of an interest in growney GmbH

Probability	++
Amount of loss	- -

Lloyd Fonds AG plans to acquire 17.75% of the shares in growney GmbH. In addition, there are option agreements with further growney shareholders governing the possible staggered acquisition of up to 100% of growney GmbH in return for the issue of shares in Lloyd Fonds AG plus cash. There is a risk that the planned acquisition cannot be implemented, for example because the necessary approval is not granted by the regulatory authorities. This would significantly impair the planned implementation of Lloyd Fonds AG's corporate and growth strategy.

The acquisition of growney GmbH would result in the following material risks at the level of Lloyd Fonds AG:

There is a risk that the integration of growney GmbH will not be successful or will not be fully completed. This could hamper the implementation of the corporate strategy and achievement of the planned growth.

There is a risk that capital will flow out of growney GmbH and thus no longer be available to the Group.

This may prevent the planned growth targets at the level of growney GmbH from being achieved. Business growth could fall short of expectations.

5.3.5 Risks in connection with the LAIC companies

Probability	+
Amount of loss	- - -

There is a risk that the license held by LAIC Vermögensverwaltung GmbH or the licenses granted for LAIC Capital GmbH may be restricted or revoked. This would make it impossible to carry out the respective corporate activities and, as a consequence, would significantly jeopardize the implementation of the corporate strategy and achievement of the planned growth.

There is also a risk that funds could flow out the LAIC companies and thus no longer be available to the Group.

This may prevent the planned growth targets at the level of LAIC companies from being achieved, resulting in lower Group sales.

5.3.6 Product risk

Probability	++
Amount of loss	- - - -

The market success of the products offered in the various business segments hinges on the following factors.

The performance of the funds offered by Lloyd Fonds materially depends on the quality of the fund management. When making investment decisions, investors usually focus on the performance of the individual funds as a key criterion. Good performance is also the result of correct investment decisions by the fund management. There is a risk that the fund management may make investment decisions that prove to be incorrect in retrospect and that the expected fund performance and, thus, the defined targets may not be achieved.

In addition, there is a risk that the fund management may misinterpret the information contained in research reports, statistics, ratings and other market information when considering the investment decision. This could also have a negative impact on the performance of the managed funds.

Negative fund performance would render sales activities considerably more difficult, preventing the planned sales targets from being achieved in full, with the result that the earnings generated in the individual business segments would fall significantly short of expectations.

Lloyd Fonds AG's income depends on the value of the funds and the assets under management. If the value of the funds were to decline or if no or only minor increases in the value of the assets under management were to be achieved, annual sales would decline accordingly, exerting a negative impact on the Company's results of operations. In addition, the value of the funds depends on various factors outside the Company's control, including macroeconomic trends that may affect global markets generally and impact the value of the assets under management or the value of certain assets held by the funds. Increasingly, sustainability or ESG (environmental, social and governance factors) risks, particularly the impact of climate change (risk of stranded assets), are also influencing the valuation of assets on the capital market.

Lloyd Fonds AG faces strong competition and the asset management industry is highly competitive with moderate barriers to entry. Retail customers have numerous investment options that are growing as online offerings become more available.

The failure or negative performance of competitors' products may cause a loss of customer confidence and, consequently, also a loss of confidence in the asset management products.

The amount of the performance fees is difficult to predict and volatility, particularly in relation to market conditions outside Lloyd Fonds AG's control, has a direct impact on the Company's operating earnings. Moreover, the duration and intensity of the impact of the Covid-19 pandemic are subject to uncertainty at this time and therefore cannot be quantified conclusively.

5.3.7 Sales risks

Probability	**+++**
Amount of loss	**- - - -**

Sales success is significantly influenced by the factors listed below.

Lloyd Fonds AG relies on third-party sales partners and sales platforms to generate demand for its products and services and thus to maintain and expand its portfolio of assets under management. In implementing its Strategy 2023/25, the Company is also dependent on its ability to tap into new distribution channels such as savings banks, private banks, insurance companies, broker pools, asset managers and family offices. There is a risk that the development of new sales channels may fall short of plans, thus delaying the implementation of Strategy 2023/25.

In addition, there is a risk that sales partners may be lost, as negative market developments, increasing regulatory requirements for sales partners or disruptions in the quality of service at Lloyd Fonds could lead to sales partners ceasing their activities entirely or not commencing or continuing their partnership with Lloyd Fonds. This may have a significant impact on the sales activities themselves and the planned sales targets.

There is also a risk that the legal requirements, particularly regulatory requirements, applicable to sales activities will continue to increase. This may impair the performance of sales activities or render them impossible. In this case, the planned sales targets might not be achieved in full. Moreover, heightened legal requirements may lead to unplanned expenses, for example due to the need to obtain further permits or to provide mandatory training for sales employees.

Increasingly stringent legal requirements regarding the use/processing of personal data may prevent customer data files from being used on an unrestricted basis. This may make it difficult to reach existing and new customers and may act as a sales barrier.

The contact restrictions mandated by the authorities in response to the Covid 19 pandemic are placing restrictions on sales activities, particularly with regard to customer meetings. This is making it much more difficult to expand existing customer relationships and to acquire new ones and could have an impact on the achievement of planned sales targets.

5.3.8 Risk of loss of management and other income in the LLOYD FONDS REAL ASSETS business segment

Probability	**+++**
Amount of loss	**- -**

The Group's results of operations, net assets and financial condition also depend materially on the economic performance of the investments managed in the LLOYD FONDS REAL ASSETS business segment (fund entities).

Weak spells in the relevant asset markets, e.g. the shipping and real estate markets, may adversely affect the economic situation of the investments arranged and managed by the Group, culminating in the insolvency of the funds.

In addition, significant effects of the Covid 19 pandemic on the relevant asset markets cannot be ruled out and may lead to a material deterioration of the economic situation of the fund entities.

There is a risk of the managed investments falling short of forecasts with the result that income is lost in full or is less than budgeted. In addition, budgeted income from investments and brokerage services may not be realized to the planned extent, resulting in a budget shortfall.

The material factors impacting the fund entities are described below.

The loss of contractual partners for the investments, such as charterers or lessees, who in turn have experienced financial difficulties due to the weak shipping markets or the sharp decline in air traffic as a result of the Covid-19 pandemic, is a significant factor.

As well as this, the insolvency of investments would lead to a loss of management and trusteeship fee income. There is a risk of the precautionary measures taken being insufficient and of part or all of the budget income being lost. On the other hand, this would not have any material effects on the value of the financial assets recognized in the balance sheet as the Group companies hold only small shares in the entities concerned. However, the cumulative occurrence of individual risks of this kind could have a material effect on the Company's balance sheet.

5.3.9 Prospectus liability risk and risks under co-liability for misselling

Probability	**++**
Amount of loss	**- - -**

In order to attract equity capital in the form of limited-partner contributions, Lloyd Fonds AG has produced selling prospectuses for which it is liable towards individual subscribers in its capacity as the publisher in the event of a loss being sustained as a result of any errors or omissions in the prospectus. The selling prospectuses were regularly produced in accordance with the "Principles for the Proper Assessment of Prospectuses for Investments Offered Publicly" (IDW S 4), a standard issued by Institut der Wirtschaftsprüfer in Deutschland e.V., and reviewed by a public auditor in accordance with this standard. In the case of all audited prospectuses, the auditor has generally confirmed that the information provided is complete, correct and clear and has also confirmed that the assessments in the prospectuses are plausible, the conclusions are logical and also that the risks and rewards associated with the investment have been described in detail in accordance with IDW S4; however, in individual cases, the auditor may have made comments which do not restrict the validity of the audit opinion. In addition, Lloyd Fonds AG regularly had the tax-related statements contained in the prospectus reviewed by a tax expert.

From June 21, 2013, selling prospectuses had to be approved by the German Federal Financial Supervisory Authority (BaFin). The approval procedure comprised not only a check for omissions, but also a review of the contents for coherence and comprehensibility. However, the assessment of the prospectus by an auditor as well as other actions taken do not provide any absolute guarantee of the absence of any errors or omissions in the contents of the prospectus or of the economic benefits or tax ramifications of the investment.

As of December 31, 2021, a total of 202 (previous year: 213) prospectus liability disputes for damages involving nominal capital of roughly EUR 10.59 million (previous year: roughly EUR 10.9 million) and US-$ 0.37 million (previous year: roughly US-$ 0.4 million), in which Lloyd Fonds AG or Lloyd Treuhand GmbH were parties, were pending. In addition, 54 (previous year: 93) court proceedings initiated by a bank against Lloyd Fonds AG were pending as of December 31, 2021. These concern payments of a nominal amount of around EUR 0.01 million (previous year: roughly EUR 0.01 million) plus a nominal amount of around US-$ 2.07 million (previous year: roughly US-$ 3.3 million).

An outcome cannot be ruled out in this or future litigation in which damages may be awarded against Lloyd Fonds AG or its subsidiaries under its liability for the prospectus on account of errors or omissions in the contents of past or future prospectuses. Lloyd Fonds AG has suitable insurance cover for these cases. At the present time, Lloyd Fonds AG considers it likely on the whole that it will prevail in court with its arguments and succeed in defending itself against the actions.

Lloyd Fonds AG issued offering documents in connection with the equity issues in 2019 and 2020. There is a risk that, in the event of any errors in these documents, Lloyd Fonds AG may be held liable. The same applies to the offering documents issued by subsidiaries of Lloyd Fonds AG.

There is a risk of Lloyd Fonds AG being held liable for the actions of third parties acting on its behalf and for its account. However, external partners are monitored closely to avoid any liability-relevant activity and to reduce Lloyd Fonds AG's potential liability.

5.3.10 Risks in connection with the duties of Lloyd Treuhand GmbH

Probability	+
Amount of loss	- -

As part of its management activities, Lloyd Treuhand GmbH is responsible for handling all the rights and duties of the subscribers with the greatest possible care in accordance with the trusteeship agreement. For this reason, employees who handle trusteeship business are carefully selected in advance. In addition, it ensures the greatest possible reliability by means of employee training and regular quality checks.

Lloyd Treuhand GmbH has in some cases been entered in the commercial register as the limited partner in trust for diverse subscribers with the corresponding liable amount attributable to such subscribers (trustors). In the event that liquidity surpluses not backed by profits are distributed, there is a risk that Lloyd Treuhand GmbH could be held liable in accordance with Sections 171, 172 IV of the German Commercial Code.

Under the terms of the trusteeship contract, Lloyd Treuhand GmbH is in turn entitled to recover this amount from the subscriber in question, which is why a potentially uncovered outflow of resources at Lloyd Treuhand GmbH is considered to be relatively unlikely.

If a fund becomes insolvent, the limited partners face the risk of having to repay the dividends received in the past which are not covered by the entity's profits. In cases in which the Group acts as trustee, this also affects Lloyd Fonds AG as Lloyd Treuhand GmbH may suffer considerable liquidity outflows to the extent that the trusteeship is acting as a limited partner in trust on behalf of the subscribers. The trusteeship entity would have to assert its recovery claims separately against each individual subscriber.

5.3.11 Legal risks

Probability	+ +
Amount of loss	- -

In the case of judgments issued by courts in other jurisdictions, it is not possible to exclude that the relevant matters may be interpreted differently or less favorably than would be the case if the matter were heard before a German court. However, as the German courts would feel inclined to accept the ruling of such foreign court, it would not be possible to have it changed. Where Lloyd Fonds AG or its subsidiaries operate outside Germany, a risk may arise from a failure to take full account of the legal requirements of the applicable foreign jurisdiction. Moreover, it may become more difficult for the Company to assert its own rights and to defend itself against third-party claims or this may only be possible at considerable added expense.

Claims for damages may arise from errors during contract negotiations and in the event of any breaches of contract. Risks may arise from the contracts entered into, e.g. in connection with partnerships with banks, sales partners, consultants and other business partners. Breaches of contract may also arise from non-compliance with contractual requirements or disregard of formal requirements and deadlines. These may have a significant adverse effect on the Company's business and trigger a financial obligation on the part of Lloyd Fonds AG.

5.3.12 Regulatory and compliance risks

Probability	+ +
Amount of loss	- - -

The Lloyd Fonds Group is subject to a variety of regulatory and supervisory regimes, and compliance with these rules and regulations is costly, time-consuming and complex. Failure to comply with these regulations may lead to the imposition of fines and/or a temporary or permanent ban on certain activities. The Lloyd Fonds Group is increasingly subject to regulatory requirements particularly via the Group companies LAIC Vermögensverwaltung GmbH, SPSW Capital GmbH, Lange Assets & Consulting GmbH and LAIC AIF KVG GmbH, which require a license. The same applies to the subsidiaries of BV Holding AG (BV Bayerische Vermögen GmbH, MFI Asset Management GmbH) and, assuming a successful takeover, growney GmbH, all of which require licenses to operate.

In view of the extent of the regulatory requirements and ongoing additions and revisions to these, there is also a risk that Lloyd Fonds AG may not be fully aware of all requirements. This may result in violations of regulations and orders issued by national supervisory authorities, possibly leading to liability on the part of Lloyd Fonds AG (e.g. in the form of fines).

In some cases, statutory provisions provide for considerable sanctions, e.g. in the form of drastic fines, in the event of a breach. Beyond the regulatory requirements, the Company may inadvertently breach statutory provisions (e.g. money laundering, copyright, license, data protection legislation) or rules, make errors as a result of a misinterpretation (e.g. in the case of fiscal requirements) or fail to meet prescribed deadlines.

Regulatory stipulations and approval requirements may result in heightened expense for Lloyd Fonds AG or its subsidiaries.

5.3.13 Tax risks

Probability	++
Amount of loss	- -

There is a risk of erroneous judgments or advice arising in tax matters and of tax deadlines being missed. This may have ramifications that are detrimental to Lloyd Fonds AG or, in the event of failure to observe deadlines, result in the imposition of fines or surcharges. It is not possible to exclude the risk that reviews of contracts in the light of taxation matters have not been performed or are insufficient, something which may also have an adverse effect on Lloyd Fonds AG's tax situation.

Given the large number of associates, there is a risk of changes in tax assessment, for example as a result of changes in exceptional operation results or also due to tax audits at the level of the individual associates. This may give rise to tax backpayments on the part of Lloyd Fonds AG.

5.4 Organization and personnel management risks

Probability	+++
Amount of loss	- -

The Company's success hinges materially on the skills and expertise of the members of the Management Board and Supervisory Board, as well as key technical and managerial staff, who hold many years of experience in the industry that enables them to make a decisive contribution to the growth and continued development of the Company's business. If one or more of the members of the Management Board or Supervisory Board are no longer available, this could have a significantly adverse effect on the Company's growth and continued development.

The same applies to senior management and qualified executives holding key positions. To safeguard the economic success of Lloyd Fonds AG, it is therefore vital for adequate numbers of senior executives and specialists to continue working for the Company so as to exclude any adverse effects on the Group members and their continued business performance. Above-average personnel turnover, in particular key executives and specialists, could prevent individual positions from being filled properly, thus resulting in staff shortfalls. The same applies to the filling of newly created positions. Similarly, unsuitable appointments or shortfalls may occur as a result of incorrect personnel decisions or shortfalls. This may cause delays in the performance of activities and favor the incidence of incorrect decisions or management errors.

5.5 IT risks

Probability	++
Amount of loss	- - -

Lloyd Fonds relies heavily on its IT systems, including the provision of information to customers and employees and the management of financial records. Permanent availability of IT systems is therefore critical for Lloyd Fonds AG to ensure due and proper execution of its business. At the same time, Lloyd Fonds is required to guarantee the safety of sensitive data, particularly data relating to customers, at all times.

In particular, the threat of cyber attacks remains consistently high and is increasingly jeopardizing successful digitization. Among other things, this is highlighted by recent reports issued by the German Federal Office for Information Security (BSI), which classify the threat situation as ranging from difficult to critical (see, for example, the BSI report of October 2021). The number of new malware variants is constantly increasing; in the period covered by its last report, BSI counted 144 million new malware variants. Ransomware and DDoS attacks are on the rise, increasingly threatening system availability and information security.

The Company has taken numerous precautions to minimize the risk of system failures, including redundant server virtualization and the implementation of modern back-up systems complete with external data strongholds and business continuity plans for the swiftest possible system restoration. Among other things, data and IT systems are protected by means of firewalls, anti-virus and encryption programs as well as authorization and authentication systems, which are updated in regular intervals or on an ad-hoc basis.

5.6 Financial risks

5.6.1 Liquidity risk

Probability	++
Amount of loss	- - -

Given the nature of the environment in which the Group operates, it is necessary for it to preserve its financial flexibility by ensuring the availability of sufficient liquidity reserves. Furthermore, equity or debt capital must be raised to ensure that the Group's business objectives can be achieved. The maximum risk involves insolvency on account of payment defaults. In the event of any decline in liquidity and a resultant increase in funding requirements, there is a risk of the Group not being able to find suitable sources of finance or equity. The Group may also be unable to cover its financial requirements or may be forced to accept finance on economically less favorable terms. In addition, financing expenses could increase due to a rise in interest rates.

Short-term liquidity management is based on a rolling liquidity preview, which covers a forward range of up to one year, supplemented by medium-term forecasts covering the following five years. This is an integrated planning model comprising forecasts for the income statement and balance sheet. Both short-term liquidity planning and the medium-term model are based on the Group's current business forecasts and harmonized with each other.

As of December 31, 2021, the Group's financial liabilities totaled EUR 55 million (previous year: EUR 57.0 million). Further details, particularly with respect to the maturity structure can be found in Note 6.3.2.3 to the consolidated financial statements.

The Group's liquidity is considered to be stable. Even so, unexpected events with an impact on liquidity may constitute a risk. Such events could be the loss of planned income or additional unplanned expenses. If several such events were to occur simultaneously, this could have negative effects on the Group's performance.

5.6.2 Valuation and credit risk

Probability	+++
Amount of loss	- -

As in earlier years, market conditions have resulted in a heightened risk of impairment losses on the shares in associates held by the Group. In addition to the shares which Lloyd Fonds AG holds in its own investment funds, this also affects its investments in affiliated companies and associates, primarily in the LLOYD FONDS REAL ASSETS business segment. Lloyd Fonds AG is addressing this risk by means of ongoing reviews of the fair values of its investments and receivables on the basis of an analysis of the relevant financial indicators. By means of regular impairment tests, Lloyd Fonds made extensive adjustments in previous years to the value of the shares held in some of these associates, thus fundamentally reducing the risk of any further impairment losses. Nonetheless, there is a risk that the value of these shares and receivables may have to be additionally impaired. In individual cases, additional impairments cannot be ruled out in the event of muted macroeconomic conditions and weak shipping markets.

Moreover, conditions in the capital market have a considerable impact in the form of threatened defaults, thus impairing the Group's risk position. Lloyd Fonds AG addressed this heightened risk by recognizing extensive impairments in prior years. In the year under review, lower impairment losses were recognized on the receivables held by LLOYD FONDS REAL ASSETS business segment, thus reflecting the adjustments to the recoverable value of these receivables. In the LLOYD FONDS LIQUID ASSETS operating segment, no impairment losses arose due to the recoverability of the receivables. In addition to ongoing impairment testing of receivables, Lloyd Fonds is responding to this market risk by implementing steady and sustained improvements to its receivables management in an effort to ensure early collection of amounts owed and to reduce the volume of receivables due for immediate settlement.

Despite the impairments recognized or reversed in the year under review, further losses and corresponding liquidity shortfalls due to unrecoverable receivables cannot be ruled out. Receivables held by Lloyd Treuhand GmbH against trustors arising from payouts may be affected by this. This risk has been addressed by the adoption and implementation of a plan of action which defines various approaches, e.g. a settlement with the creditors or the assignment of the recovery rights held by Treuhand to the creditors. Reference should be made to the notes to the consolidated financial statements (Note 6.3.1.3) for further analyses.

5.6.3 Risks from contingent liabilities

Probability	+
Amount of loss	- - -

It cannot be excluded that Lloyd Fonds AG may also be held liable for other risks beyond those in connection with the duties of Lloyd Treuhand GmbH (see "Risks in connection with the duties of Lloyd Treuhand GmbH", Section 5.3.10), resulting in recourse being taken to the amounts recognized as contingent liabilities. The contingent liabilities recognized by the Lloyd Fonds Group as of December 31, 2021 came to a total of EUR 25 million (previous year: EUR 36 million). Net of the settlement claims arising from joint and several obligations, which amounted to EUR 25 million in 2021 (previous year: EUR 36 million), remaining net liability stands at EUR 0 million (previous year: EUR 0 million). Further details on and the breakdown of contingent liabilities can be found in Note 6.9.2 to the consolidated financial statements.

5.6.4 Interest and currency risk

Probability	++
Amount of loss	- -

Interest risk is the risk of fluctuation in the fair value of or future payment flows from a financial instrument as a result of changes in market interest rates. It is also conceivable that banks may charge negative interest rates on balances in the future. This may affect the Group's future interest income and expense and also influence the fair value of its financial assets. There were no material interest risks as of the balance sheet date. Further details can be found in Note 6.3.1.2 to the consolidated financial statements. The Group is currently exposed to foreign currency risks in US dollars, which primarily result from end-of-year translation of the corresponding monetary items. Monetary items comprise cash and cash equivalents, receivables and liabilities. Foreign-currency risks are addressed by translating incoming payments denominated in a foreign currency into euros with minimum delay. Accordingly, there were no significant risks in this respect as of the balance sheet date.

5.7 Overall assessment of risk situation

As of the date on which the consolidated financial statements were prepared, no individual risks were known that might threaten the Group's going-concern status. The Group's management believes that the identified risks with a serious impact have a high or medium probability of occurrence. However, the cumulative occurrence of individual risks could pose a threat to the Company's going-concern status.

The Lloyd Fonds Group, like the entire financial services industry, continues to be affected by the spread of the Covid 19 pandemic and its economic consequences. The financial markets were very volatile in the first quarter of 2022. Accordingly, adverse effects on the Lloyd Fonds Group's business can still not be ruled out and, should they occur, would probably necessitate adjustments to the forecast. The duration and intensity of the impact are subject to uncertainty at this time and therefore cannot be quantified.

The Lloyd Fonds Group, like the entire financial services industry, is affected by the outbreak of war in Ukraine and its economic consequences. The financial markets were very volatile in the first quarter of 2022. Accordingly, adverse effects on the Lloyd Fonds Group's business cannot be ruled out and, should they occur, would probably necessitate adjustments to the forecast. The duration and intensity of the impact of the war are subject to uncertainty at this time and therefore cannot be quantified.

5.8 Main characteristics of the accounting-related internal control and risk management system

5.8.1 Elements of the accounting-related internal control and risk management system

The Lloyd Fonds Group's accounting-related internal control and risk management system encompasses all principles, processes and precautions for ensuring the efficacy, efficiency and propriety of the accounting system and for ensuring compliance with the applicable statutory provisions.

The internal management system and the internal monitoring system form the heart of the internal control system. The central finance, accounting, "IFRS" and controlling and tax units are responsible for coordinating the internal control system. The internal monitoring system entails measures integrated in processes as well as non-process-related measures. The measures integrated in processes include individual checks such as the application of the "cross-check" principle as well as IT-based checks. In addition, monitoring processes are integrated by means of specific Group functions such as Group Tax and Group Legal. Non-process-related control functions are primarily performed by the Supervisory Board and other auditing bodies.

The accounting-related risk management system is integrated within the Lloyd Fonds Group's risk management system described on page 52. It is designed to identify significant risks to the Company's accounting process including the preparation of the consolidated financial statements and external reporting.

The key element comprises the early detection, management and monitoring of risks capable of impacting the Group's net assets, financial condition and results of operations.

5.8.2 Structural organization

The Lloyd Fonds Group has a central financial reporting system.

Group-wide policies and instructions have been adopted to ensure swift, correct, complete and efficient entries of all transactions. The "IFRS" unit is also integrated within central financial reporting and is responsible for reconciling the financial statements of the consolidated companies prepared in accordance with German or local GAAP with the measurement and recognition rules applicable under the International Financial Reporting Standards (IFRS) as well as consolidating the individual entities as a basis for preparing the consolidated financial statements.

The IT application DATEV-Kanzlei-Rechnungswesen is used to record the individual business transactions in accordance with commercial law. Lloyd Fonds AG's IFRS consolidated financial statements are prepared using the financial performance management software LucaNet.

5.8.3 Process organization

The consolidated financial statements are prepared and external reporting organized in the form of a structured process based on a schedule implemented by the relevant internal departments and external partners. Agreement is also reached on the deadline for the delivery of accounts-related data generated outside the accounting system, e.g. information obtained from fund management for measuring the value of investments of the financial statements of associates. Data from outside the department or Company is collected on the basis of predefined individual requirement profiles. This process also entails flowback checks to ensure timely receipt of all the information requested. The consolidation process takes the form of full consolidation at the level of Lloyd Fonds AG.

The preparation process entails a large number of checks to ensure that all errors and omissions are avoided in the consolidated and single-entity financial statements. These are preventive, downstream and proactive controls. The preventive checks particularly comprise approval and release processes, e.g. in connection with the recording of incoming invoices and payment operations. Certain transactions which may affect the consolidated financial statements on account of their scope or complexity are also approved in a predefined process. In addition, the central finance and legal units provide direct assistance as internal advisors in connection with major contracts, e.g. leases or service level agreements. Consequently, the finance department receives direct information ensuring that such transactions are recognized correctly.

The investigative checks are performed in the various phases of the accounting process. This particularly entails the “double-sign-off” principle. All single-entity financial statements are reviewed by the head of finance before they are cleared for further processing in connection with the IFRS consolidated financial statements. In connection with the reconciliation of these financial statements with IFRS and consolidation, additional plausibility checks and examinations are performed.

6 Material events occurring after the reporting date

Lloyd Fonds AG's cash equity issue completed

Lloyd Fonds AG issued fresh equity with subscription rights in February 2022 together with a simultaneous private placement entailing a total of 615,000 new shares. Despite very volatile conditions in the global equity markets, all new shares were placed at an issue price of EUR 12.00. The issue generated gross proceeds of EUR 7,380,000.00 for Lloyd Fonds AG. As a result of the equity issue, the Company's share capital increased from EUR 13,325,914.00 to EUR 13,940,914.00 through the issue of 615,000 new no-par value bearer shares. The new shares are dividend-entitled from January 1, 2021.

The vast majority of the cash equity issue was placed with existing shareholders who, in addition to exercising their subscription rights, also subscribed to further shares. In addition, new shareholders were also acquired in a private placement.

The sole bookrunner for the share placement was futurum bank AG, Frankfurt am Main. The roadshow and the private placement were supported by CapSolutions GmbH, Munich.

The equity issue resulted in an exclusion period for the exercise of the conversion rights held by the holders of the 3.75% convertible bond 2019/2022 (ISIN: DE000A2YNQR7) and the 5.5% convertible bond 2020/2024 (ISIN: DE000A289BQ3) issued by Lloyd Fonds AG. In order to give convertible bondholders the opportunity of exercising their conversion rights despite this, the Company ensured that conversion declarations would still be accepted during a grace period of 21 days from the expiry of the exclusion period. In addition, the conversion price for both convertible bonds was adjusted.

Acquisition of 17.75% stake in FinTech growney GmbH completed

On February 28, 2022, Lloyd Fonds AG completed the cash equity issue in growney GmbH in two tranches. In a first step, Lloyd Fonds AG has thus acquired a 17.75% stake in growney GmbH through cash contributions totaling EUR 3 million. BaFin granted the approval required for this step, among other things, on February 17, 2022 as part of the owner control proceedings. In addition, there are option agreements with further growney shareholders governing the possible staggered acquisition of up to 100% of growney GmbH in return for the issue of shares in Lloyd Fonds AG plus cash.

Conclusion of owner control proceedings for BV Holding AG

In a letter from BaFin dated March 15, 2022, the owner control proceedings were completed as a further important precondition for the acquisition of BV Holding AG. With the full closure of the transaction, which is still subject to the completion of the cash capital increase by Lloyd Fonds AG, the value of assets under management within the Lloyd Fonds Group will increase to almost EUR 5 billion.

With the acquisition of BV Holding AG, it is to be fully consolidated in the Lloyd Fund Group in 2022.

Covid-19 pandemic

The Lloyd Fonds Group, like the entire financial services industry, continues to be affected by the spread of the Covid 19 pandemic and its economic consequences. The financial markets were very volatile in the first quarter of 2022. Accordingly, adverse effects on the Lloyd Fonds Group's business can still not be ruled out and, should they occur, would probably necessitate adjustments to the forecast. The duration and intensity of the impact are subject to uncertainty at this time and therefore cannot be quantified.

War in Ukraine

The Lloyd Fonds Group, like the entire financial services industry, is affected by the outbreak of war in Ukraine and its geopolitical and economic consequences. The financial markets were very volatile in the first quarter of 2022. Accordingly, adverse effects on the Lloyd Fonds Group's business cannot be ruled out and, should they occur, would probably necessitate adjustments to the forecast. The duration and intensity of the impact of the war are subject to uncertainty at this time and therefore cannot be quantified.

7 Outlook

7.1 Macroeconomic and sector environment

The following section includes assumptions the occurrence of which is not certain. If one or more of these assumptions fail to eventuate, actual results or developments may differ substantially from the forecasts presented here. It is currently not possible to estimate the impact on the global economy of the ongoing Covid-19 pandemic and the war in Ukraine with the imposition of economic sanctions. There is a risk of significant economic setbacks for many companies around the world.

7.1.1 Outlook for the global economy

Global economic output should continue increasing in 2022, albeit with somewhat reduced momentum compared to the previous year, which was also marked by significant catching-up effects. The simultaneous recovery of the economy around the world, recurring regional production stoppages and logistical disruptions due to the pandemic caused supply chain bottlenecks for important intermediate goods and raw materials, which will continue to retard the economic upturn at the beginning of the year. These supply chain bottlenecks should gradually subside over the course of the year. Combined with continued robust demand, this is set to provide a stable basis for growth. Accordingly, global GDP is expected to increase by around 4.9% in 2022. This forecast, like the following ones, does not take into account the possible economic dislocations arising from the geopolitical confrontation with Russia triggered by President Putin's military attack on Ukraine in February 2022.

For the United States, and for most of the other industrialized nations, there are signs of persistent inflation in 2022, which could have a dampening effect on consumer spending in particular. The US Federal Reserve has already announced further interest rate hikes. Overall, US GDP growth is expected to be somewhat lower than in the previous year. Experts project an increase of 4.0%.

The Eurozone economy will probably continue to feel the effects of the current Omicron variant of the Covid-19 virus in the first quarter of 2022. In the wake of falling infection rates and, as a consequence of this, the gradual easing of containment measures, a renewed economic expansion process spreading across all markets should emerge in the spring. The European export sector is thus gaining momentum and, supported by the fiscal measures taken in the member states and by the EU, this should spur the pace of growth. The ECB's continued expansionary monetary policy is still providing favorable financing conditions. Unemployment has now returned to its pre-pandemic level. GDP is projected to increase by 4.2% in 2022.

GDP growth in Germany should reach 3.6% in 2022. At the same time, economic activity in the first quarter is expected to be impacted by the Covid-19 pandemic and the related restrictions, particularly in the service sectors. In the further course of the year, the economic recovery should pick up significant momentum again as inflation rates level off, resulting in the gradual lifting of restrictions. Industry should also be able to significantly expand its output once the supply chain bottlenecks start to ease as the year progresses.

7.1.2 Conditions in the capital market

Many market participants including Lloyd Fonds AG believe that there is reason to be cautiously optimistic about the prospects for the capital markets in 2022 as long as the geopolitical confrontation with Russia does not lead to any prolonged economic upheavals. Otherwise, broad global economic growth should set in as the Covid-19 pandemic gradually subsides. This will spur spending by both companies and the public sector. Employment should rise sharply, boosting incomes and consumer spending.

Alongside the solid economic outlook, the prospect of higher inflation is increasingly gaining attention. Globally, effects such as high transport costs and supply chain bottlenecks as well as the sharp rise in energy prices have so far led to significant increases in inflation rates. These effects should recede this year, resulting in a moderate year-on-year decline in inflation. Nevertheless, higher inflation rates are expected for 2022 compared to the prepandemic situation.

Against this backdrop, the outlook for the equity markets remains generally upbeat despite the very volatile market environment in the first quarter of 2022. The combination of solid economic growth, cautious central banks and what is assumed to be the large-scale normalization of supply chains should trigger solid growth in company earnings. Moreover, the ongoing digital revolution and the nascent "green" transformation of the global economy should continue to open up interesting opportunities for global investors.

With respect to the bond markets, central banks have hesitated for a long time to react to rising inflation after years of very low inflation rates. In the meantime, the turnaround in monetary policy has begun with a vengeance. The US Federal Reserve had already started scaling back its asset purchasing operations in 2021 and intends to wind them down by March 2022. The markets have been anticipating preliminary rate hikes for as early as at the end of the first quarter. In the Eurozone, the ECB will be ending its PEPP pandemic bond purchasing program at the end of March 2022 but widening its other programs. Overall, this should mean a continuation of the far more expansive monetary policy in Europe compared to the US. Long-end interest rates are already pricing in corresponding action by central banks. In addition, greater volatility is expected for longer-dated bonds.

7.1.3 Outlook for LLOYD FONDS REAL ASSETS

The outlook for the German real estate market for 2022 remains generally upbeat. The extent to which the trend towards rising investment volumes will continue and the level they will ultimately reach is difficult to estimate in view of ongoing factors such as the Covid-19 pandemic, inflation and the impact of the sustainability trend on the real estate markets. In addition, the geopolitical confrontation with Russia is a new source of uncertainty. The pressure to change varies considerably in the various real estate classes. However, investors' basic interest should remain high.

In the container shipping industry, there is still strong optimism over market prospects in 2022, as there is unlikely to be any change in the balance between supply and demand in the short term. Ship availability is lower than ever now that the shipping lines have already secured a large part of the tonnage required for 2022 and beyond. In general, therefore, no decline in the demand for tonnage by charterers is expected over the next few months; in the short term, demand could even rise again, especially for extra Transpacific tours. OPEC's latest outlook gives reason for optimism with respect to the oil and tanker markets. Over the next five years in particular, global oil demand should expand due to the expected sharp global recovery, thus giving tanker shipping the necessary boost.

With respect to air transport, the industry expects a significant increase in global passenger capacity of well over 40% in 2022 together with significantly increased global passenger capacities. As the number of air passengers is expected to rise steadily again due to the opening of countries in the wake of the gradual decline of the Covid-19 pandemic, global domestic traffic (measured in passenger numbers) should return to pre-pandemic levels by the end of 2022.

7.2 Business performance

In 2021, Lloyd Fonds AG additionally enhanced the brand positioning for the Group and the three business segments LLOYD FONDS LIQUID ASSETS (LLOYD FONDS, LLOYD WEALTH), LLOYD FONDS REAL ASSETS (real estate, shipping and other assets) and LLOYD FONDS GROUP under its Strategy 2023/25.

With its Strategy 2023/25, Lloyd Fonds AG is positioning itself as an innovative listed financial services provider with the aim of generating returns for its partners and customers through active, sustainable and digital investment solutions.

Strategy 2023/25 takes account of the three megatrends of digitalization, user centricity and sustainability as growth drivers and has created the technical enabler for this with the cloud-based Digital Asset Platform 4.0 (DAP 4.0).

The aim of Strategy 2023/25 is to position Lloyd Fonds AG as an innovative quality leader in fund and asset management.

The LLOYD FONDS business segment is positioned as a specialist provider of non-benchmarked equity, fixed-income and mixed funds with a clear focus on active alpha strategies. Experienced asset managers with a proven track record actively manage these with clearly defined investment objectives and transparent return and risk profiles. In 2022, the processes and transparency regarding sustainability at the fund level are to be additionally expanded as Lloyd Fonds AG believes that sustainability has become a key factor in investors' decision-making processes in terms of risk and return.

The LLOYD WEALTH business segment is committed to the proactive, holistic 360° implementation of the individual goals of high net-worth individuals. In addition to gaining new customers, the LLOYD WEALTH business segment will be concentrating in 2022 on integrating the Bayerische Vermögen Group within the Lloyd Fonds Group. In doing so, Lloyd Fonds' greater expertise in the areas of digitalization and user centricity will be drawn on to enhance the Bayerische Vermögen Group's customer service. As well as addressing high net worth individuals, the Bayerische Vermögen Group has a pronounced focus on business with institutional investors, operating with a highly experienced team in this market. This expertise in institutional business is to be leveraged to the benefit of all the solutions offered by the Lloyd Fonds Group and the value chain will thus be further strengthened.

The LLOYD DIGITAL business segment offers digital and risk-optimized investment solutions for private investors and institutional clients via WealthTech LAIC and FinTech growney. Beginning in 2022, the digital offerings are to be expanded to create a full-service solution provider. Under a two-brand strategy, individually managed portfolio strategies with a special focus on risk management will be offered to high net worth individuals and institutional investors through WealthTech LAIC. On the other hand, growney will be addressing retail investors with digitally managed ETF-based investment strategies and portfolios as a cost-effective solution. The aim is to address different customer groups by means of individual product solutions, price expectations and sales channels, thereby reinforcing the value chain here as well. The focus in the further development of the two strategies will be on harnessing synergistic effects through the mutual sharing of expertise. This includes the staggered further development of growney's product range, incorporating LAIC's established risk management expertise. In addition, WealthTech LAIC is to benefit from growney's particular expertise in digital online and performance marketing.

The digital investment platform, which was developed in 2020 and 2021 on the basis of Digital Asset Platform 4.0, is to be further expanded in the current year with a focus on "user centricity". The aim is to provide data-driven investment solutions for customers and partners with high scalability. This will make it possible to address end customers in the B2C sector, to reach end customers via partner distributors in the B2B2C sector and to specifically address institutional investors, such as foundations, pension funds, insurance companies, family offices and deposit A customers in the B2I sector.

The continued disproportionately sharp growth in assets under management in the LLOYD FONDS LIQUID ASSETS business segment with its three segments LLOYD FONDS, LLOYD WEALTH and LAIC is expected to be the main driver of Lloyd Fonds AG's future earnings. At the same time, LLOYD FONDS REAL ASSETS, with its real estate, shipping and other assets business segments, will deliver lower revenues as planned, although these will remain calculable.

Lloyd Fonds AG has set itself two medium-term targets for the future. Driven by both organic and inorganic growth, the value of assets under management is to be increased to over EUR 7 billion by the end of 2024. In doing so, Lloyd Fonds AG is aiming for an EBITDA margin of over 45% relative to net sales.

There is currently only limited forward visibility with regard to the economic impact of the ongoing Covid 19 pandemic and the armed conflict in Ukraine following the attack on that country by Russian troops on February 24, 2022 on the global economic situation in general, the investment climate and the performance of Lloyd Fonds AG's individual business segments.

7.3 Opportunities

7.3.1 Overall assessment

With its Strategy 2023/25, Lloyd Fonds AG is positioning itself as an innovative listed financial services provider that seeks to generate returns for its partners and customers with active, sustainable and digital investment solutions. By using and expanding its strengths and competences, Lloyd Fonds AG is striving to make the best possible use of the associated opportunities. Material opportunities will be derived from the following factors:

7.3.2 Positioning in growing markets

According to industry association BVI Bundesverband Investment und Asset, 2021 was an exceptional year, in which the fund companies organised in the association were able to achieve their best sales performance to date with new business of EUR 256 billion. In particular, digital offerings are growing very dynamically. Demand for sustainable financial products should also continue to expand disproportionately. Lloyd Fonds AG believes that a scenario of above-average inflation rates and still relatively low interest rates should continue to spur demand for quality-oriented investment products on the part of retail and institutional investors over the next few years and this should lead to further above-average market growth. Accordingly, Lloyd Fonds AG expects significant market potential for return and dividend-oriented retail funds and investment solutions with sustainability elements, but also for innovative digital asset management services.

7.3.3 Management with capital market experience

The Management Board of Lloyd Fonds AG and other managers have extensive experience and expertise in the capital markets and asset management. The acquisition of BV Holding AG and growney GmbH offers the opportunity for significantly expanding the existing network and benefiting from the experience and contacts of the local management. This will continue to provide an opportunity for accessing new target groups.

7.3.4 Focusing on user centricity

The digital investment platform offers the opportunity for offering highly scalable data-driven solutions for customers and partners for all customer groups and sales partners. The cloud architecture of the platform also enables the system to be scaled to match growing requirements, while the infrastructures can be adapted quickly and individually to meet customer's needs. This may provide a decisive advantage in a highly competitive market.

7.3.5 Innovativeness

The transformation of the asset management industry in an environment of low interest rates, coupled with accelerated digitization and heightened transparency necessitates the ongoing adaptation of strategies and business models together with ongoing innovation as a basis for success in this increasingly dynamic environment. Product providers must pursue multi-pronged growth strategies, invest heavily in data and technologies and be flexible in terms of partnerships and collaborations. Lloyd Fonds AG has already demonstrated its innovativeness several times, for example by setting up the hybrid investment platform and by providing LAIC growth finance via a tokenized investment. This innovativeness can be a decisive competitive advantage.

7.3.6 Transparency

Transparency is an important criterion in investment decisions for both retail and institutional investors. Lloyd Fonds AG is seeking to set itself apart from the competition through transparent active asset management. The goal is to inform all target groups as best as possible about the products and their performance. This offers opportunities for generating added value for customers and creates trust in the brand. As a company in the Scale segment of the Frankfurt stock exchange, Lloyd Fonds AG also meets the transparency requirements applicable to providers of capital investments and has also decided to implement certain recommendations of the German Corporate Governance Code and the DVFA Scorecard for Corporate Governance, despite the fact that it is currently not under any obligation to do so due to its listing in the open market.

7.3.7 Acquisitions lead to an increase in customer numbers

Lloyd Fonds AG wants to grow both organically and inorganically. Further company acquisitions offer an opportunity of increasing the number of direct customer relationships as the basis for user-centric solutions. In a dynamic competitive environment, it is also possible to gain market share more quickly and to optimize costs and synergistic effects.

Hamburg, March 29, 2022

The Management Board of Lloyd Fonds AG

Achim Plate Michael Schmidt

The Office of Lloyd Fonds AG in Frankfurt at "Ulmenstraße 23-25".

Consolidated financial statements

Consolidated financial statements

1 Consolidated income statement

for the period from January 1 to December 31, 2021

EUR thous.	Note	2021	2020
Sales	6.6.1	26.122	27.739
Cost of sales	6.6.2	-2.702	-1.072
Staff costs	6.6.3	-11.341	-11.726
Depreciation/amortization and impairment losses	6.6.4	-3.938	-3.750
Other operating income/expenses	6.6.5	-7.796	-8.385
Share of profit of associates	6.6.6	327	400
Net profit from operating activities		**672**	**3.206**
Finance income	6.6.7	15.582	1.529
Finance expenses	6.6.7	-9.835	-7.685
Earnings before taxes		**6.419**	**-2.950**
Income taxes	6.6.8	213	3.964
Consolidated net profit before non-controlling interests		**6.632**	**1.014**
of which **attributable to non-controlling interests**		**1.481**	**1.717**
of which **attributable to Lloyd Fonds shareholders**		**5.151**	**-703**
Earnings per share in the reporting period (€ per share) Diluted/basic	6.6.9	**0,39**	**-0,05**

The notes on pages 75 - 109 are an integral part of these consolidated financial statements.

2 Consolidated statement of comprehensive income

for the period from January 1 to December 31, 2021

EUR thous.	Note	2021	2020
Consolidated net profit		**6.632**	**1.014**
Consolidated other comprehensive income before non-controlling interests		**6.632**	**1.014**
on which attributable to non-controlling interests		**1.481**	**1.717**
on which attributable to Lloyd Fonds shareholders		**5.151**	**-703**

The notes on pages 75 - 109 are an integral part of these consolidated financial statements.

3 Consolidated balance sheet

as of December 31, 2021

EUR thous.	Note	31.12.2021	31.12.2020
Assets			
Non-current assets			
Property, plant and equipment	6.7.1	9.935	11.536
Intangible assets	6.7.2	54.771	56.190
Financial assets			–
Investments in associates	6.7.3	6.360	6.295
Financial assets at fair value through profit and loss	6.7.4	2.719	1.373
Deferred income tax assets	6.7.5	10.192	9.150
		83.977	**84.544**
Current assets			
Trade receivables and other receivables	6.7.6	6.177	20.005
Receivables from related parties	6.7.7	29	35
Financial assets at fair value through profit and loss	6.7.4	9.908	1.855
Current income tax assets	6.7.15	538	705
Cash and cash equivalents	6.7.8	16.331	6.533
		32.984	**29.133**
Total Assets		**116.961**	**113.677**
Equity			
Share capital	6.7.9.1	13.326	13.266
Share premium	6.7.9.2	17.764	17.582
Retained earnings	6.7.9.3	12.173	7.022
Capital and reserves attributable to the Parent Company's equity holders		**43.263**	**37.870**
Minority interests	6.7.9.4	5.099	4.858
Total equity		**48.362**	**42.728**
Liabilities			
Non-current liabilities			
Net assets attributable to other limited partners	6.7.10	5.151	151
Trade payables and other liabilities	6.7.11	9.204	11.510
Financial liabilities	6.7.12	10.630	17.666
Liabilities to related parties	6.7.13	2.561	3.308
Other provisions	6.7.14	277	243
Deferred income tax liabilities	6.7.5	12.155	12.613
		39.978	**45.491**
Current liabilities			
Trade payables and other liabilities	6.7.11	16.123	18.700
Liabilities to related parties	6.7.13	3.501	4.402
Financial liabilities	6.7.12	7.217	1.285
Other provisions	6.7.14	–	5
Current income tax liabilities	6.7.15	1.781	1.066
		28.622	**25.458**
Total liabilities		**68.599**	**70.949**
Total equity and liabilities		**116.961**	**113.677**

The notes on pages 75 - 109 are an integral part of these consolidated financial statements.

4 Consolidated cash flow statement

for the period from January 1 to December 31, 2021

EUR thous.	Note	2021	2020
Cash flow from operating activities			
Consolidated net profit before share of profit of associates, interest and income taxes/ consolidated earnings before non-controlling interests*	6.8.1	6.632	1.851
Depreciation and amortization of non-current assets	6.6.4	3.938	3.736
IFRS 9 (other net finance income/finance expense)		–	-128
Losses from the disposal of non-current assets		–	921
Other non-cash transactions	6.8.2	-591	-127
Changes to trade receivables and other receivables		2.449	-14.221
Changes to other assets (not attributable to investing or financing activities)		–	2.616
Changes to receivables from related parties		-26	6
Changes to trade payables and other liabilities		-628	922
Changes to liabilities to related parties		1.833	1.859
Changes to other provisions		42	164
Interest received		–	61
Interest paid			–
Dividends and profit distributions received		6.307	1.427
Income tax refunds received		–	167
Income tax paid		–	-203
Net cash generated from operating activities		**19.956**	**-949**
Cash flow from investing activities			
Payments made for purchases of:			
Property, plant and equipment and intangible assets	6.7.1-2	-1.201	-1.204
Financial assets at fair value through profit or loss and investments in associates		517	–
Acquisition of shares in SPSW		–	–
Proceeds from the disposal of:			
Property, plant and equipment and intangible assets	6.7.1-2	140	268
Financial assets		-163	–
Financial assets at fair value through profit or loss and investments in associates		-410	–
Net cash used in investing activities		**-1.117**	**-936**
Cash flow from financing activities			
Payments received from the issue of new shares		–	–
Payments received from the issue of the convertible bond (equity component)		–	–
Payments received from the issue of the convertible bond (externally financed component)		–	4.509
Transaction costs in connection with the issue of the convertible bond and new shares through cash and non-cash equity issues		–	382
Changes to the net asset value attributable to other limited partners		5.000	-312
Purchase price liability SPSW and Lange		-11.106	-4.741
Repayment of financial liabilities		-2.935	-574
Net cash generated from/used in financing activities		**-9.041**	**-736**
Non-cash change in cash and cash equivalents		–	23
Net increase/decrease in cash and cash equivalents		**9.798**	**-2.598**
Cash and cash equivalents at January 1		6.533	9.131
Changes to the companies consolidated		–	–
Cash and cash equivalents at December 31	6.8.3	**16.331**	**6.533**

* Effective from January 1, 2021, the cash flows from consolidated net profit for the period are calculated before non-controlling interests.

The notes on pages 75 - 109 are an integral part of these consolidated financial statements.

5 Consolidated statement of changes in equity

for the period from January 1 to December 31, 2021

EUR thous.	"Share capital"	"Share premium"	"Retained earnings "	Non-con-trolling interests	Total equity
Amount on January 1, 2020	**13.266**	**17.154**	**7.725**	**3.074**	**41.219**
Total other comprehensive income	–	–	-703	–	-703
Stock option program	–	111	–	–	111
Convertible bond	–	417	–	–	417
First-time consolidation	–	–	–	–	–
Equity issue	–	–	–	–	–
Consolidated net profit attributable to non-controlling interests	–	–	–	1.784	1.784
LAIC Intelligence GmbH option	–	-100	–	–	-100
Amount on December 31, 2020	**13.266**	**17.582**	**7.022**	**4.858**	**42.728**
Amount on January 1, 2021	**13.266**	**17.582**	**7.022**	**4.858**	**42.728**
Total other comprehensive income	–	–	5.151	–	5.151
Stock option program	–	248	–	–	248
Convertible bond	60	240	–	–	300
Consolidated net profit attributable to non-controlling interests	–	–	–	1.481	1.481
Compensation payment for non-controlling interests	–	–	–	-1.240	-1.240
Withdrawals from share premium account	–	-243	–	–	-243
Equity issue	–	–	–	–	–
LAIC Intelligence GmbH option	–	-63	–	–	-63
Amount on December 31, 2021	**13.326**	**17.764**	**12.173**	**5.099**	**48.362**

The notes on pages 75 - 109 are an integral part of these consolidated financial statements.

6 Notes to the consolidated financial statements

6.1 General information

Lloyd Fonds AG (hereinafter also referred to as the "Parent Company") and its subsidiaries (hereinafter referred to as the "Lloyd Fonds Group") are engaged in the development, arrangement, initiation and marketing of investment products for private and institutional investors via sales partners. In 2021, Lloyd Fonds AG operated as a listed, bank-independent wealth manager and active asset manager. Lloyd Fonds AG has additionally enhanced the brand positioning for the Group and the three business segments LLOYD FONDS LIQUID ASSETS, LLOYD FONDS REAL ASSETS and LLOYD FONDS GROUP under its strategy 2023/25. The LLOYD FONDS LIQUID ASSETS business segment includes the LLOYD FONDS, LLOYD WEALTH and LLOYD DIGITAL businesses. The LLOYD FONDS REAL ASSETS business segment includes real estate, shipping and other assets. The LLOYD FONDS GROUP business segment particularly includes general other expenses attributable to the Lloyd Fonds Group.

The Parent Company is a joint stock corporation (Aktiengesellschaft) established in accordance with German law with registered offices in Hamburg. The Company's address is Lloyd Fonds AG, An der Alster 42, 20099 Hamburg. Lloyd Fonds AG is registered with the Local Court of Hamburg under the number HRB 75 492 and has been listed in Deutsche Börse's "Scale" segment in Frankfurt since March 2017.

These consolidated financial statements were approved for issue by Lloyd Fonds AG's Management Board on March 28, 2022.

6.2 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the reporting periods presented, unless otherwise stated.

The consolidated financial statements have been prepared in thousands of euros as this does not result in any loss of information. This may result in rounding differences between the individual parts of the financial statements. To improve the clarity of presentation, individual items of the income statement and balance sheet have been combined. The items are explained in these notes. The income statement has been prepared using the nature-of-expense method.

6.2.1 Basis of preparation

The consolidated financial statements for 2021 have been prepared voluntarily in accordance with international accounting standards. Lloyd Fonds AG's consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) adopted and published by the International Financial Reporting Standards (IFRS) as endorsed by the European Union (EU) on or before December 31, 2021.

In preparing the consolidated financial statements, the going-concern assumption has been applied.

6.2.1.1 New standards and interpretations applied for the first time

New standards and interpretations that must be applied for the first time in 2021:

- Reform of Reference Interest Rates – Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16) (applied for the first time from January 1, 2021)
- COVID-19-Related Rent Concessions Amendments to IFRS 16 after June 30, 2021 (applied for the first time from January 1, 2021)

The first-time application of the amendments mentioned above did not have any material effects on the consolidated financial statements.

6.2.1.2 Outlook for future standards

This section describes the new IFRS standards and revisions to existing standards and interpretations, which are to be applied in accounting periods commencing on or after January 1, 2021. Earlier adoption is recommended. The Lloyd Fonds Group did not early-adopt this new guidance.

- IFRS 17, Insurance Contracts (to be applied for the first time from January 1, 2023)
- IFRS 4, Insurance Contracts (to be applied for the first time from January 1, 2023)
- Amendments to IAS 1, Presentation of Financial Statements: Classification of Liabilities as Current or Non-Current (to be applied for the first time from January 1, 2023)
- Disclosure of Accounting Methods (Amendments to IAS 1 and IFRS Practice Statement 2) (to be applied for the first time from January 1, 2022)
- Definition of estimates (Amendment to IAS 8) (to be applied for the first time from January 1, 2022)
- Deferred Taxes Related to Assets and Liabilities Arising from a Single Transaction (Amendments to IAS 12) (to be applied for the first time from January 1, 2022)
- Onerous Contracts – Costs of Fulfilling a Contract (Amendments to IAS 37) (to be applied for the first time from January 1, 2022)
- Annual Improvements to IFRS Standards 2018–2020 (to be applied for the first time from January 1, 2022)
- Property, plant and equipment: Proceeds before Intended Use (Amendments to IAS 16) (to be applied for the first time from January 1, 2022)
- Reference to the Conceptual Framework (Amendment to IFRS 3) (to be applied for the first time from January 1, 2022)

The first-time application of the amendments mentioned above will not have any material effects on the consolidated financial statements.

6.2.2 Consolidation

6.2.2.1 Subsidiaries

Subsidiaries are all entities over which the Group has the power to govern the financial and operating policies generally accompanied by a shareholding of more than 50 % of the voting rights. Under IFRS 10 "Consolidated Financial Statements" the companies consolidated are determined on the basis of the exercise of control as well as the variable returns. In addition, it must be possible for the variable returns to be influenced by the exercise of control.

Subsidiaries are included in the consolidated financial statements (full consolidation) as of the date on which control is transferred to the Group. They are deconsolidated as of the date on which control is extinguished.

Companies in which Lloyd Fonds holds a stake of more than 50% are not classified as subsidiaries in cases in which the Group does not have any scope for exerting influence on their business and financial policies on account of the specific provisions of their articles of association despite having a voting majority. Accordingly, the criterion of control is not satisfied. Even so, Lloyd Fonds exerts a material influence on these companies, meaning that they are accounted for as associates. Not included in the consolidated financial statements are 24 (previous year: 26) subsidiaries which are of immaterial importance in their entirety for the Group's net assets, financial condition and results of operations.

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date irrespective of the extent of any minority interest. If the acquisition costs exceed the Group's share in the net assets measured at fair value, this difference is recognized as goodwill. If the acquisition costs are less than the fair value of the net assets of the acquired subsidiary, the difference is recorded directly in profit and loss.

The hidden reserves and charges disclosed when the assets and liabilities are recognized at fair value during initial consolidation are amortized, depreciated or released in subsequent periods in line with the development of the assets and liabilities. Inter-company transactions and balances between group companies are eliminated. Eliminations of inter-company gains and losses were not necessary within the Group due to the absence of any relevant transactions.

6.2.2.2 Companies consolidated

The consolidated financial statements as of December 31, 2021 include the Parent Company as well as the following 16 (previous year: 14) entities.

Entity	Share held by Group	Brief description of activities
SPSW Capital GmbH, Hamburg	90.0 %	Investment advice, investment and acquisition brokerage and financial portfolio management Section 1 (1a) of the German Banking Act (KWG); the entity is not authorized to obtain ownership rights to or possession of customer funds or securities when providing financial services. A further purpose of the entity is to engage in strategic and other consulting of companies as well to perform management duties for other entities
LAIC AIF GmbH	100.0 %	The acquisition and management of the entity's own assets, particularly investments in limited partnerships, as well as the acceptance of personal liability and the management and representation of such limited partnerships.
LAIC AIF KVG GmbH	100.0 %	1. Collective asset management of special AIFs as a registered AIF capital management company within the scope of Section 44 of the Capital Investment Code in conjunction with Section 2 (4) of the Capital Investment Code exclusively for the management of closed-ended special AIFs ("special AIFs") without any license. This also includes holding and managing equity interests in entities whose business purpose is essentially geared towards business which they are permitted to conduct themselves (e.g. assumption of the position of general partner of a managed special AIF) and where the entity's liability is limited due to the legal form of the investee, and the assumption of management and administrative tasks and the provision of organizational services. 2. The entity may conduct all business and related activities that it deems necessary or expedient in order to achieve its purpose. The entity does not conduct any business requiring a license under the German Banking Act and/or the German Trade Code. No services and related activities pursuant to Section 20 (3) of the Capital Investment Code are provided.
LAIC AIF Token GmbH & Co. KG	100.0 %	The object of the entity is to use and manage its own assets for its own account. It may not engage in any business that requires government or public-law registration/approval.
LAIC TOKEN MITARBEITER GmbH & Co. KG	100.0 %	The object of the entity is to use and manage its own assets for its own account. It may not engage in any business that requires government or public-law registration/approval.
LAIC Capital GmbH, Hamburg	100.0 %	Investments in other entities as well as the provision of consulting, IT and other services not requiring a license within the scope of digital asset management by third parties, as well as activities as an insurance broker in accordance with Section 34d (1) Sentence 1 No. 2 of the Trade Code and as a financial investment broker in accordance with Section 34f (1) of the Trade Code.
LAIC Intelligence GmbH, Hamburg	80.0 %	Provision, operation, maintenance, licensing and development of IT and software products

Entity	Share held by Group	Brief description of activities
LAIC Vermögensverwaltung GmbH, Hamburg	100.0 %	Management of individual assets invested in financial instruments on behalf of others with decision-making powers (financial portfolio management); Brokering of transactions involving the acquisition and sale of financial instruments or corresponding documentary evidence (investment brokerage); Acquisition and sale of financial instruments in the name of third parties for the account of third parties (acquisition brokerage); investment advice; the brokerage and management of shares in corporations and partnerships as well as shares in closed-end and open-end funds. This does not include legal and tax advice or activities that come within the scope of the Investment Act or constitute banking or insurance transactions as well as other activities requiring a license, unless such license has been obtained for these activities. In providing these financial services, the entity is not authorized to obtain ownership rights to or possession of customers' funds or financial instruments or to acquire and dispose of financial instruments for its own account.
Lloyd Fonds Real Estate Management GmbH, Hamburg	100.0 %	Management function for real estate funds that have already been initiated; arrangement of contracts for land and equivalent rights, commercial or residential real estate
Lloyd Fonds Consulting GmbH, Hamburg	100.0 %	Management of own assets and financial and business consulting, except activities for which a permit is required under the German Banking Act
Lloyd Fonds Special Assets GmbH, Hamburg	100.0 %	Development, structuring and management of investment entities
TradeOn GmbH, Hamburg	100.0 %	Valuation, acquisition, holding, management, structuring and sale of units in closed-end funds organized as limited partnerships; arrangement of contracts for land and equivalent rights, commercial or residential real estate
Lloyd Token GmbH	100.0 %	The object of the entity is to advise and support companies in the issuance of (tokenized) financial instruments. The services particularly include provision of consulting services on the structure and marketing of (tokenized) financial instruments as well as investor relations support. A further object of the entity is to arrange transactions relating to the acquisition and sale of financial instruments (investment brokerage, Section 2 (2) No. 3 of the Securities Institution Act); these activities are performed as a contractual broker (Section 3 (2) of the Securities Institution Act) exclusively for the account and subject to the liability of a securities institution that has its registered office in Germany or operates in Germany under Section 70 (1) or Section 71 (4) of the Securities Institution Act.
Lloyd Treuhand GmbH, Hamburg	100.0 %	Management in trust of investments, particularly the assumption of the position of trust limited partners in associates
PPA Beteiligungsgesellschaft mbH, Hamburg	100.0 %	Acquisition, holding, management and sale of shares in limited-partnership entities
2. Lloyd Fonds Shipping Beteiligung GmbH & Co. KG, Hamburg	48.9 %	Acquisition, holding, management and exploitation of shares in closed-end ship funds

LAIC AIF GmbH, Hamburg, was incorporated on May 6, 2021 and entered in the commercial register on June 8, 2021. Its object is the acquisition and management of its own assets, particularly investments in limited partnerships, as well as the acceptance of personal liability and the management and representation such limited partnerships. Initial consolidation did not have any material impact on the Lloyd Fonds Group.

LAIC AIF KVG GmbH, Hamburg, was incorporated on April 8, 2021 and entered in the commercial register on April 27, 2021. Its object is the collective asset management of special AIFs as a registered AIF capital management company within the scope of Section 44 of the Capital Investment Code in conjunction with Section 2 (4) of the Capital Investment Code exclusively for the management of closed-ended special AIFs ("special AIFs") without any license. This also includes holding and managing equity interests in entities whose business purpose is essentially geared towards business which it is permitted to conduct itself (e.g. assumption of the position of general partner of a managed special AIF) and where the entity's liability is limited due to the legal form of the investee, and the assumption of management and administrative tasks and the provision of organizational services. The entity may conduct all business and auxiliary activities that it deems necessary or expedient in order to achieve its purpose. The entity does not conduct any business requiring a license under the German Banking Act and/or the German Trade Code. No services and related activities pursuant to Section 20 (3) of the Capital Investment Code are provided. Initial consolidation did not have any material impact on the Lloyd Fonds Group.

LAIC AIF Token GmbH & Co. KG, Hamburg, was incorporated on May 26, 2021 and entered in the commercial register on June 10, 2021. The object of the entity is to use and manage its own assets for its own account. It may not engage in any business that requires government or public-law registration/approval. Initial consolidation did not have any material impact on the Lloyd Fonds Group.

LAIC TOKEN MITARBEITER GmbH & Co. KG, Hamburg, was incorporated on May 31, 2021 and entered in the commercial register on June 10, 2021. The object of the entity is to use and manage its own assets for its own account. It may not engage in any business that requires government or public-law registration/approval. Initial consolidation did not have any material impact on the Lloyd Fonds Group.

Lloyd Token GmbH, Hamburg, was incorporated on November 8, 2021 and entered in the commercial register on December 2, 2021. Its object is to advise and support companies in the issuance of (tokenized) financial instruments. The services particularly include consulting on the structure and marketing of (tokenized) financial instruments as well as support with investor relations. A further object of the entity is to arrange transactions relating to the acquisition and sale of financial instruments (investment brokerage, Section 2 (2) No. 3 of the Securities Institution Act); these activities are performed as a contractual broker (Section 3 (2) of the Securities Institution Act) exclusively for the account and subject to the liability of a securities institution that has its registered office in Germany or operates in Germany Under Section 70 (1) or Section 71 (4) of the Securities Institution Act. Initial consolidation did not have any material impact on the Lloyd Fonds Group.

Profit and loss transfer agreements are in force with SPSW Capital GmbH, Hamburg, Lloyd Treuhand GmbH, Hamburg, and Lloyd Fonds Real Estate Management GmbH, Hamburg.

2. Lloyd Fonds Shipping Beteiligung GmbH & Co. KG is fully consolidated in accordance with IFRS 10 due to the availability of a majority of the voting rights at the shareholder meetings notwithstanding the fact that a share of less than 50% is held in it.

In the year under review, Lloyd Shipping GmbH, Hamburg, Lloyd Fonds Management GmbH, Hamburg, and Lloyd Wohnwert Verwaltung GmbH, Hamburg, were deconsolidated effective August 31, 2021 due to the merger with Lloyd Fonds AG and Lloyd Fonds Real Estate Management GmbH.

The reporting date of the financial statements of the Lloyd Fonds Group is identical to those of the individual financial statements of the subsidiaries (namely December 31).

6.2.2.3 Associates

Associates are all entities over which the Group has significant influence but not control, generally accompanied by a shareholding of between 20% and 50% of the voting rights. The 51 (previous year: 61) associates are accounted for using the equity method of accounting and initially recognized at cost. The Group's investment in associates includes goodwill (net of any accumulated impairment loss) identified on acquisition.

The Group's share of its associates' post-acquisition profits or losses is recognized in the income statement and its share of post-acquisition movements in reserves is recognized in reserves. The accumulated post-acquisition movements are adjusted against the carrying amount of the investment. If the Group's share of losses in an associate equals or exceeds its interest in such associate, including any other unsecured receivables, the Group does not recognize any further losses unless it has incurred obligations or made payments on behalf of the associate.

Any unrealized gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

The reporting date of the financial statements of the Lloyd Fonds Group is identical to the reporting dates of the individual financial statements of all entities accounted for using the equity method of accounting (namely December 31). The financial statements of Lloyd Fonds AG and of the material entities accounted for using the equity method of accounting have been prepared using uniform accounting policies. If the final single-entity financial statements of the entities concerned are not yet available as of the date on which the consolidated financial statements are prepared, provisional financial statements are used.

In exceptional cases, the Lloyd Fonds Group may exert a material influence on an associate due to the specific provisions of its articles of incorporation notwithstanding the fact that it holds a share of less than 20% in its capital. In the year under review, two (previous year: two) entities in which the Group holds an interest of less than 20% were therefore classified as associates.

In the case of insolvent entities, significant influence ceases to exist upon the insolvency administrator assuming management of the entity in question, with the result that such entities are no longer classified as associates. This currently applies to 28 Group companies.

6.2.3 Property, plant and equipment

Property, plant and equipment are recognized at historical cost and depreciated on a straight-line basis over their useful lives. Historical cost includes the directly attributable transaction costs. Gains or losses from the disposal of non-current assets are reported within other net operating profit or loss.

Scheduled depreciation is calculated on a uniform Group-wide basis. Fittings in leased office premises are written down on the basis of an expected rental period of ten years. Useful lives of between three and 19 years are assumed for other equipment, operating and business equipment. In other cases, they are depreciated over the shorter of the useful life of the asset or the term of the lease. The useful lives and any residual values are reviewed annually to ensure that they are adequate. For the purposes of subsequent measurement, the right-of-use asset is amortized on a straight-line basis over the term of the lease or the period of use of the leased asset, whichever is the shorter, and adjusted for any impairment losses.

In accordance with IFRS 16, a right-of-use asset and a corresponding lease liability are recognized for all leases and therefore result in an increase in total assets. However, IFRS 16 provides for the option of not recognizing a right-of-use asset and a corresponding lease liability in the case of leases with a term of less than twelve months (short-term leases) and for leases of low-value assets. The Lloyd Fonds Group makes use of this option. The lease liability is discounted upon initial recognition in accordance with IFRS 16.27 on the basis of the present value of the future lease payments using the lessee's incremental borrowing rate and is recognized under financial liabilities. The weighted average incremental borrowing rate applied by the Lloyd Fonds Group stands at 4.79%. For the sake of simplicity, the right-of-use assets are recognized at an amount equaling the corresponding lease liability, adjusted for lease payments made in advance or deferred. The lease payment is divided into payments of principal and interest. Payments of interest are recognized through profit and loss for the duration of the lease.

The right-of-use assets with respect to land and buildings relate to rental properties. Motor vehicles include company vehicle leases, while operating and office equipment comprises office equipment. Payments made under short-term and low-value leases are recognized in the income statement on a straight-line basis. Three real estate leases include extension options, which were not recognized in the balance sheet as of the reporting date. There are options to extend the contracts beyond 2022, 2024 and 2029 for five years each.

6.2.4 Intangible assets

Other than goodwill, the Lloyd Fonds Group does not have any intangible assets with an indefinite useful life. Intangible assets acquired for good consideration are recognized at cost and amortized using the straight-line method over their useful lives. The useful economic life is three to 25 years.

Internally generated intangible assets include expenses for the development of software and for the website, arising through contracts with external third parties as well as internally. The research expenses incurred for this purpose are recognized as expenses. The useful life of the software and the website is three to ten years. They are reported under prepayments made if they have not yet gone into operation as of the reporting date.

6.2.5 Goodwill

Goodwill is measured at cost less any impairment losses. It is not subject to systematic amortization but is tested for impairment at least once a year.

6.2.6 Impairment of non-monetary assets

Intangible assets which have an indefinite useful life or which are not yet in a condition in which they are capable of operating as well as goodwill are not amortized; instead, they are subjected to an annual impairment test. Assets which are subject to depreciation or amortization undergo an impairment test if corresponding events or changes in circumstances indicate that the carrying amount may no longer be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of the fair value of the asset less the costs of disposal and the value in use. For the purpose of impairment testing, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

6.2.7 Financial assets

Financial assets are classified and measured on the basis of the business model used and the structure of the cash flows. On initial recognition, a financial asset is measured either at amortized cost, at fair value through other comprehensive income or at fair value through profit or loss.

Financial assets measured at amortized cost are held within a business model whose objective is to collect contractual cash flows. The cash flows generated by these assets comprise solely payments of principal and interest.

Debt instruments that are held for the short term to realize price gains or whose cash flows do not relate solely to payments of principal and interest are measured at fair value through profit or loss.

Financial assets that are debt instruments are measured at fair value through other comprehensive income if they are held to collect the contractual cash flows and for sale and the cash flows represent solely payments of principal and interest.

Financial assets are subject to credit risks, which are accounted for by recognizing a credit loss or, if losses have already been incurred, by recognizing an impairment loss. The credit loss resulting from receivables and loans is taken into account by recognizing individual and portfolio-based expected credit losses.

Specifically, credit losses are recognized for these financial assets in an amount equaling the expected loss in accordance with uniform Group-wide standards. The actual loss allowances for defaults incurred are then derived from this credit loss. A potential loss allowance is assumed not only in the event of various facts such as late payment over a certain period, impending insolvency or overindebtedness, filing for or the commencement of insolvency proceedings or failure of restructuring measures, but also for receivables that are not overdue.

To determine portfolio-based loss allowances, non-significant receivables and significant individual receivables without any evidence of impairment are grouped into homogeneous portfolios based on comparable credit risk characteristics and broken down by risk class. Average historical probability of default in conjunction with forward-looking parameters for the respective portfolio are used to determine the amount of loss allowance. Credit losses must be determined for all financial assets that are measured at amortized cost or at fair value through comprehensive other income (debt instruments).

The expected credit losses approach uses a three-stage process for allocating loss allowances.

Stage 1: 12-month expected credit losses without any significant increase in credit risk

This stage includes all contracts with no material increase in credit risk since initial recognition and regularly includes new contracts and those with payments that are less than 31 days past due. The portion of the lifetime expected credit loss of the instrument that is attributable to a default within the next twelve months is recognized.

Stage 2: life-time expected credit losses – not credit-impaired

If a financial asset has had a significant increase in credit risk since initial recognition, but is not credit-impaired, it is assigned to Stage 2. The expected credit losses measured over the entire term of the financial asset on the basis of possible payment defaults are recognized.

Stage 3: life-time expected credit losses – credit-impaired

If a financial asset is credit-impaired, it is assigned to Stage 3. The expected credit losses measured over the entire term of the financial asset are recognized. Objective evidence that a financial asset is impaired is if it is 91 days past due or other information is available about significant financial difficulties on the part of the debtor. The determination of whether a financial asset has experienced a significant increase in credit risk is based on an assessment of the probability of default performed at least quarterly, which takes into account both external rating information and internal information about the credit quality of the financial asset. In the case of debt instruments other than receivables from financial services, a significant increase in credit risk is determined primarily on the basis of the payment history. A financial asset is transferred to Stage 3 if there has been a significant increase in credit risk since initial recognition. Credit risk is assessed on the basis of the probability of default.

The approach is applied to trade receivables, in which case lifetime expected credit losses are recognized upon initial recognition. In Stages 1 and 2, the effective interest income is determined on the basis of the gross carrying amount. As soon as a financial asset has become credit-impaired and is assigned to Stage 3, the effective interest income is determined on the basis of the net carrying amount (gross carrying amount less loss allowance).

6.2.8 Trade receivables and other receivables

Trade receivables and other receivables are initially recognized at the transaction price and subsequently measured at amortized cost using the effective interest method, less any impairment. In this connection, the effective interest method is used only if the receivable is not due for settlement in less than twelve months. Impairments are recognized on trade receivables when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables. Indicators of possible impairment particularly include delayed payments and any deterioration in the debtor's credit rating. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The impairment loss is taken to the income statement and allocated to other operating income/expenses. If a receivable is deemed irretrievable, it is derecognized and allocated to the impairment account for trade and other receivables. Any subsequent payments received towards derecognized receivables are reported in the income statement within other operating income.

The calculation of expected future loss allowances in connection with IFRS 9 is generally based on historical probabilities of default supplemented by future parameters relevant for credit risk. The loss allowances take sufficient account of expected future credit risks; specific defaults result in the derecognition of the receivables concerned. For the purpose of calculating loss allowances, financial assets with similar credit risk characteristics are grouped together and jointly tested for impairment.

It is assumed that the fair value of trade and other receivables equals their nominal value less impairments.

6.2.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less. For the purposes of the cash flow statement, bank overdraft facilities are netted against cash and cash equivalents. Bank balances which are subject to drawing restrictions are not included in cash and cash equivalents in the cash flow statement.

As cash and cash equivalents are held exclusively with investment-grade financial institutions in Germany and are therefore not subject to any significant credit risk, they are assigned to Stage 1 under the credit loss model in accordance with IFRS 9.

6.2.10 Equity

Incremental costs which are directly attributable to the issue of new shares or options are recognized in equity as a deduction net of tax from the proceeds of the issue. Taxes are included provided that they are expected to have any impact. Costs relating to the issue of new shares as well as the stock-market listing of shares already issued are split and assigned to the individual transactions. Transaction costs arising in connection with the stock-market listing of shares already issued are taken to the income statement.

6.2.11 Liabilities and financial liabilities

Financial liabilities measured at amortized cost and borrowings are initially measured at fair value less transaction costs, which regularly equals the value of the consideration received. In subsequent periods, liabilities and borrowings are stated at amortized cost; any difference between the proceeds and the redemption value is recognized in profit or loss over the period of the liability or borrowing using the effective interest method. They are reported within current liabilities unless they are due for settlement in more than twelve months after the reporting date, in which case they are recorded as non-current liabilities.

It is assumed that the fair value of trade payables equals their nominal value. The fair value of non-current financial assets is derived by discounting the future contractual payment flows with the current market interest rate granted to the Group for comparable financial instruments.

The net asset value attributable to the other limited partners is due to the right of termination provided for in the articles of incorporation in favor of the subscribers of the "Premium Portfolio Austria" fund. These rights may be exercised for the first time as of December 31, 2025 and constitute a right to put back the financial instrument as defined in IAS 32.18 (b). IAS 32.AG29A states that the exceptions referred to in paragraphs 16AD of IAS 32 do not apply to the consolidated financial statements, which means that the capital commitments must be classified as borrowings. The amount of the settlement entitlement is governed by the respective articles of incorporation and is based on the fair value of the net assets. The value of this item was measured at fair value in connection with the first-time consolidation (present value of settlement claim). In subsequent periods, the resulting liabilities are amortized over time using the effective interest method and, where applicable, adjusted in the light of the modified distribution forecasts. Furthermore, the non-controlling interests in the consolidated companies LAIC AIF Token GmbH & Co. KG and LAIC TOKEN MITARBEITER GmbH & Co. KG were added to the net asset value attributable to the other limited partners in the year under review.

6.2.12 Employee and management benefits

6.2.12.1 Profit participation

Allocations of profit, based on certain profit-sharing arrangements for the members of the Management Board and the Supervisory Board and certain employees, are either recognized through other comprehensive income as an increase in equity or stated as a liability in the balance sheet. The Group recognizes an accrued liability in the balance sheet where contractually obliged or where a past business practice has created a constructive obligation

6.2.12.2 Share-based and performance-based compensation

The shareholders of Lloyd Fonds AG have agreed to establish a share- and performance-based remuneration plan with three components:

Stock option program (SOP)

Part of the remuneration of the members of the Management Board and individual employees of Lloyd Fonds AG, LAIC Capital GmbH, LAIC Vermögensverwaltung GmbH, SPSW Capital GmbH and Lange Assets & Consulting GmbH may consist of stock options under the SOP. Under the SOP, these employees receive options on shares issued by the Company. This means that the SOP comes within the scope of IFRS 2. The stock options may be settled with shares. To this end, the shareholders of Lloyd Fonds AG approved contingent capital, which was duly entered in the commercial register on August 29, 2018. At the annual general meeting held on August 31, 2020, the shareholders of Lloyd Fonds AG approved an adjustment to Contingent Capital 2018 II, which was duly entered in the commercial register on September 7, 2020. At the annual general meeting held on August 31, 2021, the shareholders of Lloyd Fonds AG approved a further adjustment to Contingent Capital 2018 II, which was duly entered in the commercial register on September 13, 2021 (see also Contingent Capital 2018 II in Note 6.7.9.1).

In accordance with IFRS 2.41, the SOP is classified as an equity-settled plan and recognized accordingly in equity. Lloyd Fonds AG has the option of settling the stock options in cash (share-based payments with cash alternatives). However, there is no obligation to pay cash and there is no historical data on exercise preferences or other circumstances that would give rise to any obligation to pay cash. Against this backdrop, the SOP is classified as an equity-settled plan and is duly recognized within equity.

In the case of equity-settled plans, the fair value is determined as of the grant date. The reference dates for the SOP during the reporting period are January 1, 2021, January 18, 2021, March 26, 2021, April 1, 2021, September 13, 2021 and December 1, 2021 due to contractual obligations.

The SOP beneficiaries may exercise the stock options granted to them, provided that the vesting period of five years, which starts on the issue date of the options, has expired, the stock options are exercised during a maximum term of eight years (i.e. within three years of expiry of the vesting period) outside certain blocking periods and two performance targets are met:

- Performance target 1 (market condition): The share price doubles within five to eight years (period from the end of the vesting period until the end of the term): The volume-weighted average price of the Company's no-par bearer ordinary shares (no-par shares) in the electronic Xetra trading system operated by Deutsche Börse AG in Frankfurt am Main or a comparable successor system during the last 30 (thirty) trading days prior to the date on which the subscription rights are exercised ("reference period") equals at least 200% of the exercise price. Only the reference periods ending on the last day of the vesting period or later are relevant.
- Performance target 2 (non-market condition): EBITDA increases threefold from 2018 until 2024: Reported EBITDA at the Group level as shown in the consolidated financial statements prepared as of the last reporting date before expiry of the vesting period exceeds the reported EBITDA as shown in the consolidated financial statements prepared as of the penultimate reporting date before the expiry of the subscription rights by at least 200%.

The SOP also provides for a cap that limits the profit achievable under the SOP to eight times the exercise price.

The stock options for the members of the Management Board may be exercised upon the expiry of a vesting period of five years, provided that they are still in active employment at the end of the vesting period.

If the eligible member of the Management Board receives a stock option commitment through an extension of his service contract as a result of reappointment, the SOP must be accounted for as an equity-settled plan. Equity-settled plans are recognized in equity (IFRS 2.10) over the period during which the Company receives the agreed services (vesting period). The vesting period is generally the period between the grant date and the vesting date (IFRS 2.15). The grant date is the date on which the eligible members of the Management Board are reappointed. Upon the expiry of the vesting period, no further expense is recognized. Expenses are therefore recognized on a straight-line basis from the date of reappointment or renewal until the end of the vesting period.

Phantom stock plan (PSP)

As an additional form of remuneration, the members of the Management Board of Lloyd Fonds AG may receive a tranche of phantom stocks under the PSP for each year of service on July 1 of each year, entitling them to receive variable remuneration from the Company after the expiry of a two-year period.

A new tranche was issued in the reporting year. As of December 31, the phantom stock tranches from 2020 and 2021 thus exist.

As the phantom stocks are settled in cash and there is no option to settle them in shares, the PSP is classified as a cash-settled plan (IFRS 2.30). The provisions for cash-settled plans are recognized through profit and loss. Unlike equity-settled plans, the provisions are adjusted on the basis of the current fair value on each reporting date, meaning that in the present case the fair value of the phantom stocks as of December 31, 2021 was determined for recognition through profit and loss. The phantom stock bonus payout is linked to two performance targets:

- Performance target 1 (market condition): The share price increases by 15% within two years (until June 30 of the year after next): A payout is made only if a certain price target (performance target 1) is reached on the reference date. Performance target 1 is deemed to have been achieved if the relevant share price on the reference date is at least 115% of the basic amount.

- Performance target 2 (non-market condition): Reported EBITDA before the reference date is equal to or greater than 90% of the budgeted EBITDA. Furthermore, settlement of the phantom stock bonus is conditional on the Company's EBITDA in the two quarters prior to the respective reference date being at least 90% of EBITDA in accordance with the business plan approved by the Supervisory Board.

	Grant date					
EUR thous.	1/1/2021	1/18/2021	3/26/2021	4/1/2021	9/13/2021	12/1/2021
Share price at grant date (EUR)	6.20	6.95	6.20	6.95	9.86	12.10
Exercise price (EUR)	6.21	6.29	6.51	6.60	9.26	10.89
Term (from reference date)	8 years	8 years	8 years	8 years	8 years	8 years
Risk-free interest	0%	0%	0%	0%	0%	0%
Dividend return	2%	2%	2%	2%	2%	2%
Stock volatility	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%
EBITDA volatility	50%	50%	50%	50%	50%	50%
Fair value per stock option (in EUR)	**1.88**	**2.29**	**1.81**	**2.22**	**3.16**	**4.01**

	(Tranche 2020)	(Tranche 2021)
Measurement date	Dec. 31, 2021	Dec. 31, 2021
Share price at grant date (EUR)	15,15	15,15
Basic value (EUR)	3,86	7,46
Term (from reference date)	0.5 years	1.5 years
Risk-free interest	0%	0%
Dividend return	0%	0%
Share volatility	40,0%	40,0%
EBITDA volatility	50%	50%
Fair value per phantom stock (EUR)	**3,00**	**2,55**

Flagship bonus (FSB)

From 2019, an FSB is also awarded to the CIO and individual employees. This is derived from the performance of a fund managed by the Lloyd Fonds Group over a period of two years.

6.2.13 Taxes

Current income tax expense is calculated on the basis of national tax legislation. In addition, current tax expense for the year under review includes adjustments for any tax payments or refunds for years for which final tax assessment notices have not yet been received, meaning that assessment changes are possible. In addition, there are tax refund claims for deductible taxes that have not yet been refunded as well as changed assessment notices.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements (liability method). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the reporting date and are expected to apply when the related deferred income tax asset is realized, or the deferred income tax liability is settled.

Deferred income tax assets are recognized on temporary differences to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

Deferred income tax assets on unused tax losses are recognized to the extent that it is probable that future taxable profit will be available against which the unused tax losses can be utilized. The planning horizon as of the reporting date is five years. The change in the planning horizon is due to the realignment of the business model. In 2021, deferred income tax assets of EUR 10,192 thousand (previous year: EUR 9,150 thousand) were recognized.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates if the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are netted if there is a legally enforceable right to set off current tax assets against current tax liabilities and the deferred taxes are payable to the same tax authority.

6.2.14 Provisions

Provisions are recognized if the Group has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be necessary to settle the obligation and a reliable estimate can be made of the amount of the obligation. Non-current provisions are recognized at the present value of the expenditure expected to be required to settle the obligation discounted at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Where discounting is used, the carrying amount of a provision increases in each period to reflect the passage of time. This increase is recognized as borrowing cost.

Non-current provisions include, among other things, the PSP for the members of the Management Board. Provisions that must be adjusted to match the current fair value on reach reporting date have been recognized (see also 6.2.12.2).

6.2.15 Revenue recognition

Revenues comprise the fair value received for the sale of services excluding value added tax, discounts and rebates and after eliminating transactions within the Group. Income from the provisions of services of all kinds is recognized only if the service has been provided, legal entitlement to consideration has arisen, the amount of the income can be reliably estimated and it is sufficiently probable that an economic benefit will flow to the Company. In addition, individual income is accounted for in accordance with the following principles:

Lloyd Fonds provides investment management, arrangement, structuring and advisory services and project funding structures for fund entities and external third parties. Depending on the wording of the contract in question, income is realized either upon the service in question being completed or on a percentage-of-completion basis reflecting the progress made in the execution of the service in question.

In addition to management activities, Lloyd Fonds also provides management support services for the fund entities. As these services are performed continuously over the term of entity, Income is recognized on a time-proportionate basis.

In addition, Lloyd Fonds provides trusteeship services entailing the management of limited-partner shares held for third parties or managed following entry in the commercial register as well as the preparation and dispatch of invitations for and the organization of shareholder meetings. Trusteeship fees arising in following years are recognized on each reporting date as a share of the applicable value of the capital under management.

IFRS 15, Revenue from Contracts with Customers was applied for the first time from January 1, 2018. In accordance with IFRS 15, a five-step model is applied to determine the amount of revenues and whether they are to be recognized at a specific point in time or over time:

- Step 1: Identify contracts with customers
- Step 2: Identify distinct performance obligations
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price
- Step 5: Recognize the income from the satisfaction of the performance obligation

Significant revenues from management services and revenues from trustee activities are over-time services as defined in IFRS 15. The application of IFRS 15 did not result in any changes to revenue recognition. In contrast, revenues from arrangement and structuring services are mainly point-in-time. Two performance obligations have been identified in connection with investment advisory services with respect to investment funds initiated in 2019, 2020, and 2021. These are investment advisory services regarding the purchase and sale of financial instruments for the funds on the one hand and the marketing of the funds on the other. Compensation for investment advisory services is subject to uncertainty during the accounting period and the revenue from this performance obligation cannot be recognized until it is settled. The remuneration for marketing services is settled on a monthly basis. Accordingly, the service may be considered to be performed and recognized as revenue on a monthly basis.

Interest income is recorded using the effective interest method on a time-proportionate basis. Dividend income is recognized when the right to receive payment is established, i.e. the date on which the corresponding resolution is passed.

6.2.16 Currency translation

The consolidated financial statements are presented in euros, which is Lloyd Fonds AG's functional and presentation currency. Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Gains and losses from the settlement of such transactions as well as the transaction-date translation of monetary assets and liabilities held in a foreign currency are recognized through profit and loss.

The following exchange rates were applied in 2020 and 2021:

EUR thous.	End-of-year exchange rate		Average exchange rate	
	2021	2020	2021	2020
US-Dollar (US-$)	1,1326	1,2271	1,1325	1,1422

6.3 Financial risk management

6.3.1 Risks from financial instruments

The Group's activities expose it to a variety of risks from financial instruments. These entail liquidity, market price and credit risks. Market risk involves interest, currency and price risks.

6.3.1.1 Liquidity risk

Liquidity risk is managed by the Finance department on the basis of procedures and measures complying with the risk management policy issued by the Management Board. Short-term liquidity is managed by means of rolling liquidity planning covering a forward-looking range of up to one year. It is supplemented by medium-term forecasts for the following five years. This is an integrated planning model comprising a forecast income statement. Both the short and medium-term forecasts are derived from the Group's business planning and are mutually aligned to each other.

6.3.1.2 Market risk

Interest risk, which is one aspect of market risk, arises from possible fluctuations in the fair value of a financial instrument and the cash flows which it is expected to yield on account of changes in market interest rates. This affects the Group's future interest income and expense and may also influence the fair value of its financial instruments.

Normally, loans granted or utilized are subject to a fixed interest rate reflecting standard market conditions. They are subsequently measured at amortized cost using the effective interest method in accordance with IFRS 9. Accordingly, no material adjustments to fair value are likely.

In these consolidated financial statements, foreign-currency risks primarily relate to the translation of US-$-denominated assets and liabilities into euro. To minimize these effects, Lloyd Fonds AG regularly analyzes the Group's foreign-currency assets and liabilities and forecasts future trends. The focus here is on risks affecting the Group's liquidity. If any significant risks to the Group's financial condition arise from foreign-currency exposure, appropriate hedges are transacted. At present, this does not result in any open positions.

The Finance department is responsible for managing interest and foreign-currency risks in consultation with other Group departments. Due to possible negative trends in exchange rates, foreign-currency holdings currently not required are converted to euros with minimum delay.

Price risk relates in particular to the measurement of financial assets at fair value through profit or loss. The shares held by the Group in its own funds in the LLOYD FONDS REAL ASSETS segment come within this category and chiefly comprise shares which the Lloyd Fonds Group has retained as the original initiator of the funds.

Lloyd Fonds measures the fair value of all investments in material associates at the end of half-year period. This is performed by the Group's fund management in the LLOYD FONDS REAL ASSETS segment in close consultation with Group Accounting to ensure that any changes are correctly reflected in the balance sheet. Under IFRS 9, all changes in fair value are recognized within other net finance income/expense.

Like the entire financial services sector, Lloyd Fonds Group is affected by the economic consequences of the COVID 19 pandemic. The duration and intensity of the impact are uncertain at this time and therefore cannot be estimated.

6.3.1.3 Credit risk

The credit risk refers to the threatened non-recoverability of outstanding receivables. In the wake of the economic and financial crisis, there was a general increase in this risk. This particularly concerned receivables from distressed investment funds. As part of efforts to restructure these entities, the Lloyd Fonds Group granted respites on these receivables and, in some cases, agreed to waivers in return for debtor warrants. The resultant credit risks are provided for by means of individual impairments. As receivables are viewed individually, it is assumed that their fair value equals their nominal value less loss allowances in accordance with IFRS 9. IFRS 9 contains guidance according to which the credit risk increases if financial assets become past due. This situation does not arise in Lloyd Fonds AG's business. A case-by-case approach continues to be applied. The maximum credit risk is valued at EUR 6,206 thousand.

In addition to ongoing impairment testing of receivables, Lloyd Fonds AG is responding to the heightened credit risk by means of steady and sustained improvements in its receivables management. This particularly focuses on swift collection of outstanding amounts in an effort to reduce the volume of receivables due for immediate settlement.

6.3.2 Disclosures on financial instruments

The following table analyzes the financial instruments broken down by the categories defined in IFRS 9 as well as the classes selected by the Lloyd Fonds Group in accordance with IFRS 7. The remaining balance sheet items classified as financial instruments are not subject to the IFRS 9 measurement categories. The carrying amount equals the fair value:

EUR thous.	IFRS 9 measurement category Dec. 31, 2021	IFRS 9 measurement category Dec. 31, 2021	Carrying amounts in accordance with IFRS 9 Jan. 31, 2021
Non-current assets			
Financial assets at fair value through profit and loss	-	2.719	2.719
	-	**2.719**	**2.719**
Current assets			
Trade receivables and other receivables	6.177	-	6.177
Receivables from related parties	29	-	29
Financial assets at fair value through profit and loss	-	9.908	9.908
Cash and cash equivalents	16.331	-	16.331
	22.537	**9.908**	**32.445**
Assets	**22.537**	**12.627**	**35.164**
Non-current liabilities			
Net assets attributable to other limited partners	5.151	-	5.151
Trade payables and other liabilities	35	9.169	9.204
Liabilities to related parties	-	2.560	2.560
Financial liabilities	10.630	-	10.630
	15.816	**11.729**	**27.545**
Current liabilities			
Trade payables and other liabilities	7.857	8.266	16.123
Liabilities to related parties	62	8.439	8.501
Financial liabilities	7.217	-	7.217
	15.136	**11.705**	**26.841**
Liabilities	**30.952**	**23.434**	**54.386**

EUR thous.	IFRS 9 measurement category Dec. 31, 2020	IFRS 9 measurement category Dec. 31, 2020	Carrying amounts in accordance with IFRS 9 Jan. 31, 2020
Non-current assets			
Financial assets at fair value through profit and loss	-	1.373	1.373
	-	**1.373**	**1.373**
Current assets			
Trade receivables and other receivables	20.005	-	20.005
Receivables from related parties	35	-	35
Financial assets at fair value through profit and loss	-	1.855	1.855
Cash and cash equivalents	6.533	-	6.533
	26.573	**1.855**	**28.428**
Assets	**26.573**	**3.228**	**29.801**
Non-current liabilities			
Net assets attributable to other limited partners	151	-	151
Trade payables and other liabilities	50	11.460	11.510
Liabilities to related parties	-	3.308	3.308
Financial liabilities	17.666	-	17.666
	17.867	**14.768**	**32.635**
Current liabilities			
Trade payables and other liabilities	13.153	5.547	18.700
Liabilities to related parties	1.244	3.158	4.402
Financial liabilities	1.285	-	1.285
	15.682	**8.705**	**24.387**
Liabilities	**33.549**	**23.473**	**57.022**

6.3.2.1 Receivables at amortized cost

The Group's receivables at amortized cost (AC) decreased by a total of EUR 13,835 thousand from EUR 20,040 thousand to EUR 6,205 thousand. The maturity structure in the year under review as well as in the previous year breaks down as follows:

EUR thous.	2021	2020
Not yet due for settlement	253	594
overdue by 1-30 days	2.326	16.442
overdue by 31-365 days	2.948	2.304
overdue by more than one year	678	700
	6.205	**20.040**

As of December 31, 2021, receivables of a nominal EUR 5,627 thousand (previous year: EUR 6,805 thousand) were impaired in part or in full by a total of EUR 5,397 thousand (previous year: EUR 6,575 thousand), resulting in a carrying amount of EUR 1,178 thousand (previous year: EUR -230 thousand). Details of the underlying estimates and assumptions can be found in Note 6.4.3.

6.3.2.2 Assets at fair value through profit and loss

In measuring financial instruments at fair value, three different hierarchy levels are used:

- Level 1: Prices quoted in active markets for identical assets or liabilities (such as share prices).
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: Inputs for the asset or liability that are not based on observable market data.

As in the previous year, the Group's financial assets at fair value through profit and loss comprise solely investments in associates as of December 31, 2021. These are measured at fair value through profit and loss. The fair value of these investments is calculated using the discounted cash flow method, meaning that they are assigned to Level 3 of the hierarchy. Allocation to the individual levels of the hierarchy is reviewed regularly and adjusted if necessary. See Note 6.4.2 for details.

6.3.2.3 Financial liabilities

As of December 31, 2021, the Group's financial liabilities totaled EUR 54,662 thousand (previous year: EUR 57,021 thousand). Financial liabilities are due for settlement as follows:

EUR thous.	2021	2020
Less than one year	26.840	24.386
One to five years	22.671	32.484
More than five years	5.151	151
	54.662	**57.021**

Please refer to Notes 6.7.10, 6.7.11, 6.7.12 and 6.7.13 for explanations of significant developments in financial liabilities.

6.3.2.4 Impairment losses

EUR thous.	2021	2020
AC measurement category		
Trade receivables and other receivables		
Amount on January 1	6.575	6.374
Adjustments in accordance with IFRS 9 as of January 1	–	–
Added	-	230
Utilized	-1.178	-
Reversed		-29
Amount on December 31	**5.397**	**6.575**
Receivables from related parties		
Amount on January 1	-	-
Added	-	-
Utilized	-	-
Reversed	-	-
Amount on December 31	-	-
Impairment losses on December 31	**5.397**	**6.575**

6.3.2.5 Other disclosures

Net gains (or losses) on financial instruments break down as follows:

EUR thous.	2021	2020
Measured at amortized cost		
AC measurement category		
Trade receivables and other receivables	-	-315
	-	**-315**
Financial liabilities at residual carrying amount		
Trade payables and other liabilities	86	184
	86	**184**
Net gains/losses from financial instruments	**86**	**-131**

The net gains/losses on financial instruments measured at amortized cost comprise unrealized currency translation gains, income from the derecognition of liabilities, the recognition and reversal of impairments on receivables, further loss allowances in accordance with IFRS 9 and expense in connection with irretrievable receivables. As a result of the application of IFRS 9, no financial instruments are measured at fair value through other comprehensive income.

Net interest on the financial assets measured at amortized cost in accordance with IFRS 9 breaks down as follows:

EUR thous.	2021	2020
Amortized cost (AC) measurement category		
Interest income from other limited partners	-	24
Interest income from interest cost of receivables		
Other interest and similar income	-	1
	-	**25**
Amortized cost (AC) measurement category		
Interest expenses on borrowings	-	-6
Interest expenses due to limited partners	-2	-
Other interest expenses	-1.261	-1.095
	-1.263	**-1.101**
	-1.263	**-1.076**

6.3.3 Capital management

The objectives of the Lloyd Fonds Group with regard to capital management are to maintain an adequate level of equity on a sustained basis and to generate an appropriate return on the capital employed. In this connection, top priority is given to the Group's credit rating.

The Group monitors its capital on the basis of absolute amounts in the light of the equity ratio. Future movements in capital and possible capital requirements are identified on the basis of an integrated planning model for the coming five years.

The dividend policy is an element in the management of Lloyd Fonds AG's capital structure. The realignment of the Group and the associated planned investments meant that no dividend was distributed for the 2020 financial year. Similarly, no dividend is being proposed for the 2021 financial year in order to stabilize equity.

As of December 31, 2021, the Lloyd Fonds Group's equity stood at EUR 48,362 thousand, up from EUR 42,728 thousand at the end of the previous year. The equity ratio came to 41.35% as of the reporting date (December 31, 2020: 37.6%). More details on changes in equity can be found in the statement of changes in equity and in Note 6.7.9.

6.4 Use of estimates and assumptions and changes to estimates and discretionary decisions

All estimates and assumptions are continually evaluated and are based on historical experience and other factors including expectations of future events which are believed to be probable under the circumstances. The Group makes estimates and assumptions concerning the future. The amounts derived from such estimates may by definition vary from the later actual circumstances. The material estimates and assumptions entailing a significant risk in the form of a material adjustment to the carrying amounts of assets and liabilities within the next financial year are detailed below. Deviations from these estimates and assumptions may occur over the next year, thus necessitating substantial changes to the carrying amounts.

6.4.1 Recoverable value of investments in associates

Lloyd Fonds AG holds investments in a total of 51 associates, which are accounted for using the equity method of accounting. In most cases, these are fund management entities as well as project entities. The management entities receive fixed annual remuneration from the funds.

Lange Assets & Consulting GmbH has been included as an associate with a carrying amount of EUR 5,009 thousand since December 2, 2019. Added to this are the pro rata earnings of EUR 442 thousand, resulting in a carrying amount of EUR 5,306 thousand as of December 31, 2021 (see Note 6.2.2.3).

In the year under review, the share of profit of associates recorded through profit and loss were adjusted through profit and loss by EUR 327 thousand (previous year: EUR 400 thousand) allowing for dividend distributions. As of the reporting date, the aggregate carrying amount of these investments stood at EUR 6,360 thousand (previous year: EUR 6,295 thousand).

6.4.2 Measurement of financial assets at fair value through profit and loss

In the previous years, individual investment funds in the LLOYD FONDS REAL ASSETS segment became distressed as a result of the economic and financial crisis and insolvencies arose in individual cases. Ship funds were exposed to risks when, for example, it was not possible to achieve a follow-up charter upon the expiry of the existing one or when such follow-up charter was possible only on terms substantially below those allowing the fund to break even and to service its debt. Under its risk management system, Lloyd Fonds AG monitors the financial condition of all funds so that any countermeasures which may be necessary can be implemented in good time. Although the losses sustained by the fund entities do not have any direct effect on Lloyd Fonds AG's consolidated income statement, they may be evidence of an impairment of the receivables and carrying amount of the investment. The fair value of the investments is normally calculated using the discounted cash flow method in accordance with IFRS 9. As of the reporting date, the aggregate carrying amount of these investments stood at EUR 11,526 thousand (previous year: EUR 2,420 thousand).

The fair value measurements for the Group's ship investments are based on forecast charter rates and steel price data provided by Clarkson Research. In the addition, the following main criteria are applied:

- Forward range: 25 years after going into operation
- Forecast exchange rate: US-$/€ 1.20
- Capitalization rate: 7.0%
- Increase factor for ship operating costs: 3% p.a.
- Increase factor for management costs 2% p.a.

The fair values of real estate and aircraft investments in particular as well as traded endowment policies are calculated on the basis of the payout forecasts issued by the fund management (see Note 6.2.7). Payment flows are discounted using the internal rate of return for the fund in question. Under IFRS 9, all changes in value are reported within other net finance income/finance expense.

If the capitalization interest rates were increased to 8%, this would result in net finance income of EUR 11 thousand, which would lead to an increase of EUR 11 thousand in the carrying amounts of the investments. Similarly, an assumed exchange rate of US$/€ 1.25 would result in a positive change of EUR 17 thousand.

Conversely, a capitalization rate of 6% would result in net finance expense and a reduction of EUR 10 thousand in the carrying amounts of the investments. Similarly, an assumed exchange rate of US$/€ 1.15 would result in a positive change of EUR 3 thousand.

6.4.3 Recoverable value of trade receivables and other assets

The recoverable value of receivables is calculated on the basis of an analysis of the individual default risks. A large part of the Group's receivables are due from fund entities in the LLOYD FONDS REAL ASSETS segment and result from services provided by the Group. This particularly includes arrangement and structuring services, fund management and trusteeship business. Credit risks particularly arise if the funds' earnings deviate from forecasts. Ship funds in particular were again affected by this in the year under review (see Note 6.4.2). In response to this, Lloyd Fonds AG recognized further impairments. All told, impairment expense on receivables came to EUR 0 in 2021 (previous year: EUR 201 thousand). Receivables are generally considered individually and impairments recognized on a case-by-case basis . Further credit losses are recognized as a result of the credit loss model provided for by IFRS 9 (see also Note 6.2.7). As of the reporting date, these receivables had a carrying amount of EUR 6,206 thousand (previous year: EUR 20,040 thousand).

6.4.4 Measurement of risks from pending litigation

There is a risk of Lloyd Fonds AG being held liable for the actions of third parties acting on its behalf and for its account. However, external partners are monitored closely to avoid any liability-relevant activity and to reduce Lloyd Fonds AG's potential liability.

As of December 31, 2021, a total of 202 (previous year: 213) prospectus liability disputes for damages involving nominal capital of EUR 10.59 million (previous year: EUR 10.9 million) and US$ 0.37 million (previous year: US$ 0.4 million), in which Lloyd Fonds AG or Lloyd Treuhand GmbH were parties, were pending. Lloyd Fonds AG or Lloyd Treuhand GmbH prevailed in 231 (previous year: 221) out of the 313 (previous year: 299) court proceedings conducted between 2013 and the end of 2021 in which they were defendants or respondents. Settlements were reached in 59 cases and were fully covered by insurance (previous year: 55). Since 2013, only three funds (12 proceedings) have been subject to judgments against Lloyd Fonds AG or Lloyd Treuhand GmbH. Of these, the rulings on one fund were based on an error in the prospectus. The other judgments concerned another two funds. In these cases, it was assumed that there was no error in the prospectus but that incorrect advice for which Lloyd Fonds AG or Lloyd Treuhand GmbH were accountable in accordance with Section 278 of the German Civil Code had been given. In all cases, the costs incurred were covered by insurance. A total deductible of EUR 63 thousand (previous year: EUR 61 thousand) was payable by Lloyd Fonds AG and Lloyd Treuhand GmbH in respect of all judgments upheld and settlements reached, in each case up to EUR 10 thousand per fund.

In addition, 54 (previous year: 93) court proceedings initiated by a bank against Lloyd Fonds AG were pending as of December 31, 2021. These relate to subscriptions totaling a nominal EUR 0.01 million (previous year: EUR 0.01 million) and a nominal US$ 2.07 million (previous year: US$ 3.3 million). These proceedings are primarily being settled between the plaintiff and the bank (Lloyd Fonds AG is merely an intervenor of the bank).

Accordingly, an outcome cannot be ruled out in this or future litigation in which damages may be awarded against Lloyd Fonds AG or its subsidiary under its liability for the prospectus on account of errors or omissions in the contents of past or future prospectuses. Lloyd Fonds AG has suitable insurance cover for these cases and holds merely a small deductible. At the present time, Lloyd Fonds AG considers it likely on the whole that it will prevail in court with its arguments and succeed in defending itself against the actions.

6.4.5 Estimates regarding tax risks

There are no other material tax risks.

6.5 Segment report

6.5.1 Business segments

The segment report as of December 31, 2021 has been prepared in accordance with IFRS 8, Operating Segments. IFRS 8 stipulates the use of the "management approach", i.e. the reportable segments are identified and presented on the basis of the entity's internal reporting system. The chief operating decision maker as defined in IFRS 8 is the Management Board of Lloyd Fonds AG. The relevant earnings-based management parameter is EBT as well as earnings after tax. The following reportable segments can be identified on the basis of the Lloyd Fonds Group's internal reporting system:

LLOYD FONDS LIQUID ASSETS

- (Digital) financial portfolio management
- Investment advisory services
- Investment brokerage
- Arrangement of contracts
- Arrangement and management of shares in corporations and partnerships as well as shares in closed-end and open-end funds.

LLOYD FONDS REAL ASSETS

- Purchase and sale of assets for third parties in the real estate, shipping and secondary-market ship fund segments
- Structuring of investment products
- Debt and equity financing of assets
- Asset management and related other services
- Provision of management services for associates
- Fund management and investor reporting
- Preparation of business continuity plans and performance of pool management

The segment report reflects the results of the Lloyd Fonds Group's operating segments. Lloyd Fonds AG has additionally enhanced the brand positioning for the Group and the three business segments LLOYD FONDS LIQUID ASSETS, LLOYD FONDS REAL ASSETS and LLOYD FONDS GROUP under its strategy 2023/25. The LLOYD FONDS LIQUID ASSETS segment includes LLOYD FONDS, LLOYD WEALTH and LLOYD DIGITAL. The LLOYD FONDS REAL ASSETS segment includes real estate, shipping and other assets. The LLOYD FONDS GROUP business segment includes the general other expenses attributable to the Lloyd Fonds Group.

The “LLOYD FONDS GROUP” segment is primarily composed of staff costs for the administrative and corporate units such as accounting, legal, communications (IR/PR) including marketing and the Management Board as well as general other operating expenses, e.g. rental, office and IT expenses.

Segment results break down as follows:

2021 EUR thous.	LLOYD FONDS LIQUID ASSETS	LLOYD FONDS REAL ASSETS	LLOYD FONDS GROUP	Total
External sales	20.211	3.449	2.461	26.121
Cost of sales	-615	-1	-2.086	-2.702
Staff costs	-6.993	-1.726	-2.622	-11.341
Other operating income/expenses	-4.807	-1.187	-1.802	-7.796
Share of profit of associates	443	-116	-	327
Segment EBITDA	**8.239**	**419**	**-4.049**	**4.609**

Reconciliation of segment earnings (EBITDA) with consolidated earnings after allocation of non-controlling interests

Segment EBITDA	**4.609**
Amortization/depreciation	-3.938
EBIT	**672**
Net finance income/expenses	5.747
EBT	**6.419**
Income taxes	213
Consolidated net profit before non-controlling interests	**6.632**
of which **attributable to non-controlling interests**	**1.481**
of which **Consolidated net profit after allocation of non-controlling interests**	**5.151**

2020 EUR thous.	LLOYD FONDS LIQUID ASSETS	LLOYD FONDS REAL ASSETS	LLOYD FONDS GROUP	Total
External sales	22,348	4,595	796	27,739
Cost of sales	-58	-301	-713	-1,072
Staff costs	-7,230	-1,785	-2,711	-11,726
Other operating income/expenses	-5,170	-1,276	-1,939	-8,385
Share of profit of associates	-	400	-	400
Segment EBITDA	**9,890**	**1,633**	**-4,567**	**6,956**

Reconciliation of segment earnings (EBITDA) with consolidated earnings after allocation of non-controlling interests

Segment EBITDA	**6,956**
Amortization/depreciation	-3,750
EBIT	**3,206**
Net finance income/expenses	-6,156
EBT	**-2,950**
Income taxes	3,964
Consolidated net profit before non-controlling interests	**1,014**
of which **attributable to non-controlling interests**	**1,717**
of which **Consolidated net profit after allocation of non-controlling interests**	**-703**

Lloyd Fonds' internal reporting system does not include any provision for breaking down assets and liabilities by segment as the Management Board does not consider this data to be relevant for managing the Group. Accordingly, these disclosures have been dispensed with.

As in the previous year, no intrasegment sales were recorded. The expenses and income in other operating income/expenses arising from transactions between the individual segments are, if necessary, eliminated. These are solely recharged items recorded at cost.

Finance income/expense is netted in segment reporting to reflect the internal reporting structure.

6.5.2 Reconciliation statement

The recognition and measurement methods applied to segment information correspond to those applied to the consolidated financial statements of the Lloyd Fonds Group. For this reason, the sales, post-tax profits and losses of the reportable segments, including "LLOYD FONDS GROUP", tally with consolidated sales and consolidated earnings after taxes.

6.5.3 Disclosures at the company level

6.5.3.1 Information on products and services

Note 6.6.1 disaggregates sales from external customers by products and services.

6.5.3.2 Information on geographical regions

As in the previous year, the sales of EUR 26,122 thousand (previous year: EUR 27,739 thousand) in 2021 were generated entirely in Germany.

The sum total of non-current assets held by the Lloyd Fonds Group, excluding financial instruments and deferred income tax assets, amounted to EUR 71,066 thousand in Germany (previous year: EUR 74,020 thousand). Non-German non-current assets had a carrying amount of a total of EUR 417 thousand (previous year: EUR 417 thousand).

6.6 Notes on the consolidated income statement

6.6.1 Sales

Breakdown:

EUR thous.	2021	2020
Income from fund and asset management	26.122	26.522
Income from arrangement and structuring services	-	1.198
Other income	-	19
Sales	**26.122**	**27.739**

Compared to the previous year, sales decreased by a total of EUR 1,617 thousand to EUR 26,122 thousand in 2021 due to the lower performance fees generated from fund management in the LLOYD FONDS LIQUID ASSETS business segment. No income arose from arrangement and structuring services in the year under review.

6.6.2 Cost of materials

Breakdown:

EUR thous.	2021	2020
Cost of services purchased	2.702	1.055
Commission	-	16
Other cost of materials	-	1
Cost of sales	**2.702**	**1.072**

The cost of materials rose by EUR 1,630 thousand over the previous year to EUR 2,702 thousand due to trailing sales commissions.

6.6.3 Staff costs

Zusammensetzung:

Breakdown:	2021	2020
Salaries	10,018	10,774
Social security	912	826
Stock option program	352	123
Retirement benefit expenses	2	3
Voluntary social security costs	41	–
Other staff costs	16	–
Staff costs	**11,341**	**11,726**

Staff costs came to EUR 11,341 thousand in 2021, compared with EUR 11,726 thousand in the previous year. The average number of employees was 67 in the year under review (previous year: 64).

In addition, expenses of EUR 352 thousand were incurred in the year under review (previous year: EUR 123 thousand) for the stock option program (SOP) for individual employees and for the phantom stock plans (PSP) for the members of the Management Board.

The employer contributions to the statutory pension scheme as well as contributions to direct insurance cover are classified as defined-contribution plans in accordance with IAS 19.38. In the year under review, these expenses came to EUR 388 thousand (previous year: EUR 388 thousand).

6.6.4 Amortization/depreciation

Breakdown:

EUR thous.	Note	2021	2020
Depreciation/amortization			
Property, plant and equipment	6.7.1	1,628	1,766
Intangible assets	6.7.2	2.,310	1,984
Depreciation and amortization		**3,938**	**3,750**

Compared with the previous year, amortization/depreciation increased by EUR 188 thousand to EUR 3,938 thousand. In the period under review, systematic depreciation of property, plant and equipment dropped by EUR 138 thousand from EUR 1,766 thousand to EUR 1,628 thousand. This item also includes depreciation of EUR 1,088 thousand on right-of-use assets resulting from the application of IFRS 16 (comparison period: EUR 1,174 thousand) (see Note 6.2.1.1). The increase in amortization of intangible assets from EUR 1,984 thousand to EUR 2,310 thousand is mainly due to the recognition as assets of the fund management contracts held by SPSW Capital GmbH. Reference should be made to Notes 6.7.1 and 6.7.2 for details of the changes in property, plant and equipment and intangible assets.

6.6.5 Net other operating income/expenses

Breakdown:

EUR thous.	2021	2020
Other operating income		
Income from the reversal of impairments of receivables	175	28
Rentals	–	–
Income from the derecognition of liabilities	887	184
Remuneration in kind	74	58
Income from the reversal of provisions	–	289
Income from sale of shares	–	4
Other income	283	198
	1,419	**761**
Other operating expenses		
Financial statement, legal and consulting costs	-2,687	-3,250
Office supplies, IT costs and communications	-2,458	-1,954
Rentals, ancillary rental costs, cost of premises and maintenance	-331	-719
Sales and marketing support and subscriber relations	-1,860	-1,302
Impairment losses on receivables and unrecoverable receivables	-	-227
Motor vehicle and travel costs	-214	-230
Other staff costs	-371	-160
Insurance and levies	-416	-395
Other expenses	-878	-909
	-9,215	**-9,146**
Net other operating income/expenses	**-7,796**	**-8,385**

The decrease in net other operating income from EUR 8,385 thousand to EUR 7,796 thousand is mainly due to the strategic realignment of the Lloyd Fonds Group, which has now been largely completed. This has a particular impact on legal and consulting costs, which were reduced by EUR 563 thousand compared with the previous year.

6.6.6 Share of profit of associates

Breakdown:

EUR thous.	2021	2020
Share of profit of associates	327	400
Share of profit/loss of associates	**327**	**400**

The share of profit of associates primarily entails net investment income earned and the share of the net profit/loss of associates.

6.6.7 Net finance income/expenses

Breakdown:

EUR thous.	2021	2020
Finance income		
Investment income	1,834	738
Net income from financial investments	13,421	–
Gains from foreign-currency transactions	107	39
Interest income on bank balances	-	–
Interest on tax refund	47	26
Interest income from other limited partners	-	24
Other interest income	3	143
Other net finance income/finance expense (IFRS 9)	170	559
	15,582	**1,529**
Finance expenses		
Other net finance income/finance expense (IFRS 9)	-118	-
Losses from foreign-currency transactions	-24	-154
Expenses from derivative financial instruments	-	-
Interest expenses on bank borrowings	-	-6
Interest expenses due to limited partners	-	-
Other interest expenses	-9,693	-7,525
	-9,835	**-7,685**
Net finance income/expenses	**5,747**	**-6,156**

Net finance income/expenses came to EUR 5,747 thousand, compared with EUR -6,156 thousand in the previous year. The change in net investment income amounting to EUR 14,517 thousand is due to the fair value measurement of two investments held by Lloyd Fonds AG, which had been reported as associates until December 31, 2020. The necessary significant influence exercised by Lloyd Fonds AG ceased in 2018, while the inclusion of the two investments in net finance income/finance expense has no effect on the previous years. The net interest expense of EUR -9,835 thousand (comparison period: EUR -7,685 thousand) results from interest expenses in connection with the purchase price liabilities of SPSW Capital GmbH and Lange Assets & Consulting GmbH (EUR -1,629 thousand), the adjustment for the purchase price liability of SPSW Capital GmbH (EUR -6,405 thousand), interest expenses on the convertible bond issued (EUR -390 thousand) and the discount factor unwind on lease liabilities in connection with IFRS 16 (EUR -378 thousand).

The remaining net finance income/finance expense of EUR 170 thousand includes the fair value measurement of financial assets in accordance with IFRS 9 and is particularly influenced by the measurement of security deposits.

6.6.8 Income taxes

Income taxes comprise income taxes paid or owed as well as deferred income taxes. Current taxes comprise corporate tax plus the solidarity surcharge and trade tax.

Breakdown:

EUR thous.	Note	2021	2020
Current income taxes	6.7.15	-1.287	-766
Deferred income taxes	6.7.5	1.500	4.730
Income tax expenses		**213**	**3.964**

Deferred income tax assets were recognized in 2021 on unused tax losses of EUR 1,042 thousand (previous year: EUR 4,174 thousand). Based on the underlying Group budget with a forward range of five years, future Group profits will benefit from tax advantages derived from unused tax losses (see Note 6.7.5).

Current tax expense in the year under review results from Lloyd Fonds' taxable income arising in 2021.

No further tax expenses arose in the year under review due to the income tax group established between Lloyd Fonds AG (dominant company), Lloyd Treuhand GmbH and Lloyd Fonds Real Estate Management GmbH.

Income taxes can be reconciled as follows with the expected income tax expenses/income which would have arisen on IFRS consolidated net profit before tax on the basis of an average tax rate of 31.8% (previous year: 31.8%) for the Group parent (Lloyd Fonds AG):

EUR thous.	2021	2020
Consolidated profit before tax	6.419	-2.950
Tax rate (Lloyd Fonds AG) in %	31,80%	31,80%
Constructive tax income/expense	2.041	847
Tax-free income	13.015	-
Non-deductible operating expenses/accounting corrections	155	130
Non-recognized deferred income taxes on unused tax losses	-	-
Non-taxable share of profits of associates	-	-
Back tax payments/refunds for previous years	-	-
Trade tax reductions	-15.531	12
Other	-967	-1.755
Income tax expenses	**-1.287**	**-766**
Current tax rate	20,05%	25,97%

As an incorporated entity, the Parent Company is subject to corporate tax of 15% plus the solidarity surcharge of 5.5% of the corporate tax owed plus trade tax of 16.45% at an assessment rate of 470% applicable in Hamburg, where the corporate headquarters are located. Slight deviations in the assessment rate of the two new locations in Munich and Frankfurt result in an overall tax rate of 20.05%.

The tax rate is also influenced by external tax audits as well as taxes for earlier years. It is not possible to derive income taxes directly from consolidated profit before tax on the basis of the result. In addition, the profit and loss transfer agreements between some subsidiaries and Lloyd Fonds AG mean that no current taxes accrue for the subsidiaries at the Group level.

The external tax audits for Lloyd Fonds Real Estate Management GmbH, TradeOn GmbH, Lloyd Fonds Special Assets GmbH and Lloyd Fonds Verwaltungs- und Beteiligungs GmbH i.L. were completed in the year under review. The external tax audits of Lloyd Fonds AG and Lloyd Treuhand GmbH have been completed in the current year.

Deferred income taxes mainly include deferred income tax assets of EUR 1,042 thousand on unused tax losses (previous year: EUR 4,174 thousand). Deferred income tax liabilities were also recognized in profit or loss on the carrying amounts of financial assets measured at fair value through profit or loss, as well as for different carrying amounts due to recognition differences under IFRS compared with the tax base (see Note 6.7.5).

6.6.9 Earnings per share

Basic earnings/loss per share are calculated by dividing profit or loss attributable to the ordinary equity holders by the average number of ordinary shares outstanding during the year: Basic earnings per share come to EUR 0.39 (previous year: EUR -0.05) based on the average number of shares issued in the year under review (13,325,914; previous year: 13,265,914).

EUR thous.	2021	2020
Net profit attributable to equity holders of the parent company (EUR thous.)	5.151	-703
Average number of shares issued (in thousands)	13.326	13.266
Earnings per share (EUR per share)	**0,39**	**-0,05**

6.6.10 Dividend per share

Amounts available for payment as dividends are based on the net profit/loss for the year of Lloyd Fonds AG, which is calculated in accordance with German GAAP (HGB).

No dividend was distributed for the 2020 financial year due to the realignment of the Group. The Management Board of Lloyd Fonds AG will be asking the shareholders to approve the omission of a dividend for 2021 in order to stabilize the Company's equity base.

6.7 Notes on the consolidated balance sheet

6.7.1 Property, plant and equipment

Breakdown of carrying amounts:

EUR thous.	Note	Buildings on leasehold land	Other equipment, operating and business equipment	Prepayments made	Right-of-use assets	Total
Amount on January 1, 2020						
Historical cost		2.312	1.545	32	10.062	13.951
Cumulative depreciation and amortization		-192	-335	-	-626	-1.153
Net carrying amount		**2.120**	**1.210**	**32**	**9.436**	**12.798**
2020						
Opening net carrying amount		2.120	1.210	32	9.436	12.798
Additions		-	676	-	129	805
Consolidation		-	-		-	-
Disposals		-35	-167	-	-260	-462
Amortization/depreciation	6.6.4	-232	-360	-	-1.174	-1.766
Changes to companies consolidated		-	32	-32		-
Cumulative depreciation of disposals		-	160	-	-	160
Closing net carrying amount		**1.853**	**1.551**	**-**	**8.131**	**11.535**
Amount on January 1, 2021						
Historical cost		2.277	2.054	32	9.931	14.294
Cumulative depreciation and amortization		-424	-503	-32	-1.800	-2.759
Net carrying amount		**1.853**	**1.551**	**-**	**8.131**	**11.535**
2021						
Opening net carrying amount		1.853	1.551	-	8.131	11.535
Additions		-	221	43	-	264
Consolidation		-32	32	-	-	-
Disposals		-	-13	-	-25	-38
Amortization/depreciation	6.6.4	-196	-344	-	-1.088	-1.628
Changes to companies consolidated			-	-	-	-
Cumulative depreciation of disposals		-	-68	-	-130	-198
Closing net carrying amount		**1.625**	**1.379**	**43**	**6.888**	**9.935**
Amount on December 31, 2021						
Historical cost		2.245	2.294	43	9.906	14.488
Accumulated amortization		-620	-915	-	-3.018	-4.553
Net carrying amount		**1.625**	**1.379**	**43**	**6.888**	**9.935**

Alongside the additions to assets in the reporting period, property, plant and equipment is particularly affected by right-of-use assets in accordance with IFRS 16. The right-of-use assets were valued at EUR 6,888 thousand as of the reporting date (December 31, 2019: EUR 8,131 thousand). The additions of EUR 221 thousand to assets in the year under review (December 31, 2020: EUR 676 thousand) mainly relate to purchases of IT hardware and office equipment at Lloyd Fonds AG.

6.7.2 Intangible assets

Breakdown of carrying amounts:

in TEUR	Note	Intangible assets	Goodwill	Advance payments made	Total
Amount on January 1, 2020					
Historical cost		50.333	14.650	394	65.377
Cumulative depreciation, amortization and impairment losses		-7.744	-	-	-7.744
Net carrying amount		**42.589**	**14.650**	**394**	**57.633**
2020					
Opening net carrying amount		42.589	14.650	394	57.633
Additions		928	-	174	1.102
Disposals		-	-	-	-
Consolidation		-245	-	-568	-813
Amortization/depreciation		-1.969	-	-	-1.969
Reclassified		-	-	-	-
Changes to companies consolidated	6.6.4	-	-	-	-
Cumulative depreciation of disposals		237	-	-	237
Closing net carrying amount		**41.540**	**14.650**	**-**	**56.190**
Amount on January 1, 2021					
Historical cost		51.016	14.650	-	65.666
Cumulative depreciation, amortization and impairments		-9.476	-	-	-9.476
Net carrying amount		**41.540**	**14.650**	**-**	**56.190**
2021					
Opening net carrying amount		41.540	14.650	-	56.190
Additions		891	-	-	891
Consolidation		-	-	-	-
Disposals		-	-	-	-
Reclassified		-	-		-
Amortization/depreciation	6.6.4	-2.310	-	-	-2.310
Changes to companies consolidated		-	-	-	-
Cumulative depreciation of disposals		-	-	-	-
Closing net carrying amount		**40.121**	**14.650**	**-**	**54.771**
Amount on December 31, 2021					
Historical cost		51.907	14.650	-	66.557
Accumulated amortization		-11.786	-	-	-11.786
Net carrying amount		**40.121**	**14.650**	**-**	**54.771**

Intangible assets declined by EUR 1,419 thousand to EUR 54,771 thousand (December 31, 2019: EUR 56,190 thousand). This is due, on the one hand, to the systematic depreciation of the fund management contracts and DAP 4.0 of EUR 2,310 thousand and, on the other hand, to the recognition as assets of the new websites of LAIC Capital GmbH and Lloyd Fonds AG.

6.7.3 Investments in associates

Analysis of investments in associates:

EUR thous.	Dec. 31, 2021	Dec. 31, 2020
Beginning of year	6.295	6.584
Additions	-	-
Disposals	-118	-
Shares of profit assigned	300	373
Dividends	-117	-662
End of year	**6.360**	**6.295**

The proportionate earnings comprise the ongoing earnings of the general partner entities which are partially based on provisional financial statements. The distributions of the general partner entities came to EUR -117 thousand in the year under review (previous year: EUR 662 thousand).

Please refer to Notes 6.4.1 and 6.6.6 for further details of the investments accounted for using the equity method of accounting.

6.7.4 Financial assets at fair value through profit and loss

Breakdown:

EUR thous.	Dec. 31, 2021	Dec. 31, 2020
Anteile Fonds LAIC (31.12.2019: LF-Linie und LF-System)	1.102	808
Affiliated companies and associates	11.526	2.420
	12.628	**3.228**

As of the reporting date, Lloyd Fonds AG held shares in five retail investment funds initiated by LAIC Vermögensverwaltungsgesellschaft GmbH in 2020. These are the equity funds LAIC - Defensive Digital Selection, LAIC - Balanced Digital Selection, LAIC - Dynamic Digital Selection, LAIC - Sustainable Digital Selection AC and LAIC - Sustainable Digital Selection EM. The shares held by Lloyd Fonds AG in these investment funds were valued at EUR 586 thousand as of the reporting date (previous year: EUR 578 thousand). In addition, a new equity fund (Lloyd Fonds - European Emerging Champions) was launched in June 2021. Lloyd Fonds AG's shares in the aforementioned fund are measured at fair value through profit or loss and amount to EUR 244 thousand as of the reporting date. Furthermore, the securities account of Lloyd Fonds AG has a market value of EUR 272 thousand (previous year: EUR 230 thousand).

The shares in the funds and the securities accounts are classified as current assets. Shares in affiliated companies and associates comprise current assets of EUR 8,807 thousand and non-current assets of EUR 2,719 thousand.

	Dec. 31, 2021		Dec. 31, 2020	
	Number	EUR thous.	Number	EUR thous.
Subsidiaries	24	9.852	26	602
Associates	117	1.674	136	1.818
	141	**11.526**	**162**	**2.420**

The number of financial assets measured at fair value totaled 141 investments as of the reporting date. The non-consolidated affiliated companies are shelf companies as well as limited liability companies acting as general partners for investment funds. The investments comprise 87 shares which Lloyd Fonds holds as the initiating shareholder of existing funds, 28 shares in insolvent entities previously recognized as associates and one share in secondary market funds to be held in the short term.

Performance of financial assets at fair value through profit and loss:

Investments in affiliated companies	2021	2020
EUR thous.		
Beginning of year	602	949
Additions	550	-
Disposals	-259	-
FVTPL	8.959	-347
Impairment losses	**-**	**-**
End of year	**9.852**	**602**

Associates	2021	2020
EUR thous.		
Beginning of year	1.817	1.407
Additions	958	-
Disposals	-	-
Changes to liabilities arising from liquidity distributions	-1.101	410
FVTPL	**-**	**-**
End of year	**1.674**	**1.817**

Financial assets at fair value are recognized through profit and loss in accordance with IFRS 9.

6.7.5 Deferred income taxes

Deferred income tax assets and liabilities arise from temporary differences as follows:

EUR thous.	Dec. 31, 2021 Deferred income tax assets	Dec. 31, 2021 Deferred income tax liabilities	Dec. 31, 2020 Deferred income tax assets	Dec. 31, 2020 Deferred income tax liabilities
Financial assets at fair value through profit and loss	-	11	-	11
Intangible assets	-	12.103	-	12.561
Prepayments made for intangible assets	-	-	-	-
Investments in associates	-	41	-	41
Prepayments made for investments in associates	-	-	-	-
Unused tax losses	10.192	-	9.150	-
Total	**10.192**	**12.155**	**9.150**	**12.613**

Deferred income tax assets were recognized in 2021 on unused tax losses of EUR 1,042 thousand (previous year: EUR 9,150 thousand).

The deferred income tax liabilities for financial assets at fair value through profit and loss are measured in accordance with IFRS 9.

The other deferred income tax liabilities relate to differences in the carrying amounts of balance sheet items.

On the basis of current knowledge, the temporary differences will be reversed as follows:

EUR thous.	Dec. 31, 2021	Dec. 31, 2020
Deferred income tax assets		
to be settled within 12 months	-	-301
to be settled after more than 12 months	-10.192	-8.849
	-10.192	**-9.150**
Deferred tax liabilities		
to be settled within 12 months	686	686
to be settled after more than 12 months	11.469	11.927
	12.155	**12.613**
	1.963	**3.463**

Deferred income tax assets on unused tax losses will for the most part be realized after more than 12 months. The deferred income tax liabilities that will be realized within 12 months mainly comprise deferred income tax liabilities of EUR 780 thousand on the intangible assets originally acquired as part of the acquisition of SPSW Capital GmbH and on the recognition of an intangible asset of EUR 29 thousand. The deferred tax liabilities realized after more than 12 months mainly include the acquired intangible assets of EUR 11,469 thousand.

Changes in deferred income tax liabilities in the current year including netting of open items due to the same tax authority are as follows:

Deferred income tax liabilities EUR thous.	Amount on January 1	Taken to profit and loss	Acquisition of subsidiaries	Realized	Reclassified	Amount at December 31
2020						
Prepayments made for intangible assets	-13.020	-	-	459	-	-12.561
Prepayments made for investments in associates	-41	-	-	-	-	-41
Financial assets at fair value through profit and loss	-107	-	-	96	-	-11
	-13.168	**-**	**-**	**555**	**-**	**-12.613**
2021						
Intangible assets	-12.561	-	-	458	-	-12.103
Prepayments made for intangible assets	-		-	-	-	-
Investments in associates	-41	-	-	-	-	-41
Prepayments made for investments in associates	-	-	-	-	-	-
Financial assets at fair value through profit and loss	-11	-	-	-	-	-11
	-12.613	**-**	**-**	**458**	**-**	**-12.155**

As of the reporting date, preliminary calculations indicate the existence of unused corporate tax losses of around EUR 46.7 million (previous year: EUR 49.0 million, adjusted) and unused trade tax losses of around EUR 52.5 million (previous year EUR 57.5 million, adjusted) for which deferred income tax assets have been recognized in some cases.

6.7.6 Trade receivables and other receivables

Breakdown:

EUR thous.	Dec. 31, 2021	Dec. 31, 2020
Current receivables		
Trade receivables	2.326	18.903
Other receivables and other assets	3.850	1.102
Receivables	**6.176**	**20.005**

There are no non-current receivables as of the reporting date.

6.7.8 Cash and cash equivalents

Reference should be made to Note 6.8.3 for the breakdown of the cash and cash equivalents of EUR 16,331 thousand (previous year: EUR 6,533 thousand).

6.7.9 Equity

Movements in the Lloyd Fonds Group's consolidated equity are set out in the statement of changes in equity.

6.7.9.1 Share capital

As of December 31, 2021, the fully paid-up share capital consists of 13,265,914 ordinary bearer shares with no par value entered in the commercial register on December 20, 2019, each with a nominal value of EUR 1.00. As a result of conversions of the 2020/24 convertible bond in 2021, subscribed capital increased by EUR 60 thousand to EUR 13,325,914. The Articles of Incorporation are dated January 11, 2022.

Lloyd Fonds AG stock is traded under the ISIN number DE000A12UP29. In March 2017, the Company switched to the "Scale" segment newly created by Deutsche Börse to replace the previous "Entry Standard".

Authorized Capital 2020

At the annual general meeting on August 31, 2020, Authorized Capital 2018 and the related rules were cancelled, and a resolution passed to create Authorized Capital 2020.

The Management Board is authorized subject to the Supervisory Board's approval to increase the Company's share capital by a total of up to EUR 6,632,957.00 by issuing up to 6,632,957 new no-par-value bearer shares on a cash or non-cash basis once or repeatedly on or before August 30, 2025. The Management Board is authorized subject to the Supervisory Board's approval to exclude the shareholders' preemptive subscription rights in full or in part.

Contingent Capital 2018 / I
The Management Board is authorized subject to the Supervisory Board's approval to issue bearer option and/or convertible bonds in a total amount of up to EUR 6,500,000 with or without restricted terms once or repeatedly on or before June 11, 2024. For this purpose, a pro rata amount of the share capital of up to EUR 1,000,000 in total, divided into up to 1,000,000 no-par value bearer shares, may be granted.

Contingent Capital 2018 II
At the Annual General Meeting on August 31, 2021, a resolution was passed amending the authorization to issue stock options with subscription rights to shares in the Company under the stock option program and increasing Conditional Capital 2018 II together with corresponding amendments to the Articles of Association.

The Management Board is also authorized subject to the Supervisory Board's approval to issue to members of the Management Board and employees option rights for no-par value bearer shares in the Company of a total of up to EUR 1,220,000 (increase of EUR 45,000 over the previous amount) once or repeatedly on or before August 30, 2026. For this purpose, the share capital has been increased contingently by the corresponding amount.

Contingent Capital 2020
At the Annual General Meeting on August 31, 2020, Contingent Capital 2019 and the related rules were cancelled, and a resolution passed to create Contingent Capital 2020.

The Management Board is authorized subject to the Supervisory Board's approval to issue bearer option and/or convertible bonds, profit-participation rights and/or participating bonds (or combinations of these instruments) in a total amount of up to EUR 4,457,957.00 once or repeatedly on or before June 11, 2024.

6.7.9.2 Share premium
The share premium stands at EUR 17,764 thousand as of the reporting date (previous year: EUR 17,582 thousand). The increase is presented in the statement of changes in equity and arises from the convertible bond issued in 2020 as well as the stock option program.

The stock option program for selected employees is classified as an equity-settled plan and results in an increase of EUR 248 thousand (December 31, 2020: EUR 111 thousand) in the share premium. A put option was agreed upon in connection with the sale of 20% of the shares in LAIC Intelligence GmbH. As of the reporting date, EUR 163 thousand (previous year: EUR 100 thousand) of this amount had been recognized as a liability and deducted from equity.

6.7.9.3 Retained earnings
The consolidated net profit for the year of EUR 5,151 thousand (previous year: EUR -703 thousand) is to be retained.

6.7.9.4 Non-controlling interests
Non-controlling interests in the equity of the consolidated companies SPSW Capital GmbH and LAIC Intelligence GmbH amounted to EUR 5,099 thousand as of the reporting date.

6.7.10 Net asset value attributable to other limited partners
This item results from the inclusion of the "Premium Portfolio Austria" fund in Lloyd Fonds' consolidated financial statements. It comprises the shares of those limited partners which are not part of the Lloyd Fonds Group. As these are puttable financial instruments, they are reported under non-current financial liabilities.

The net asset value has been assessed on the basis of a fixed effective interest rate. This is calculated as an internal interest rate on the disbursements originally forecast for the respective fund companies and ranges from 5.9% to 6.1% p.a., depending on the fund in question. Thereupon, the present values of payments to the limited partners are discounted at the effective interest rate. The remeasurement of net asset values using the effective interest rate method and adjustments to the payout forecasts gave rise to net interest income of EUR 2 thousand in 2021 (previous year: EUR 24 thousand).

Furthermore, the non-controlling interests in the consolidated companies LAIC AIF Token GmbH & Co. KG and LAIC TOKEN MITARBEITER GmbH & Co. KG have been added to the net asset value attributable to the other limited partners, which has thus increased by EUR 5,000 thousand.

6.7.11 Trade payables and other liabilities
Breakdown:

EUR thous.	Dec. 31, 2021	Dec. 31, 2020
Non-current liabilities		
Other liabilities	9.204	11.510
	9.204	**11.510**
Current liabilities		
Trade payables	3.740	3.739
Liabilities arising from operating taxes and levies	180	915
Other liabilities	12.203	14.047
	16.123	**17.749**
Liabilities	**25.327**	**29.259**

Non-current other liabilities are mainly attributable to the discounted liability arising from the purchase price installments due to external third parties in the years 2020 to 2027 for the acquisition of SPSW Capital GmbH. Of this, an amount of EUR 7,476 thousand (previous year: EUR 7,744 thousand) is classified as current and an amount of EUR 7,495 thousand (previous year: EUR 9,293 thousand) as non-current. In addition, the discounted purchase price liability for the years 2020 to 2026 in connection with the acquisition of Lange Assets & Consulting GmbH is included in non-current liabilities in an amount of EUR 1,510 thousand (previous year: EUR 2,068 thousand) and in current other liabilities in an amount of EUR 790 thousand (previous year: EUR 461 thousand). A put option was agreed upon in connection with the sale of 20% of the shares in LAIC Intelligence GmbH. As of the reporting date, this is recognized as a non-current liability in an amount of EUR 163 thousand (previous year: EUR 100 thousand). The aforementioned liabilities are to be adjusted in subsequent years in accordance with the applicable parameters.

This also includes liabilities towards employees of EUR 2,560 thousand (previous year: EUR 3,065 thousand) such as vacation entitlement, termination benefits and outstanding bonus payments.

6.7.12 Financial liabilities

Breakdown:

EUR thous.	Dec. 31, 2021	Dec. 31, 2020
Non-current financial liabilities		
Lease liability IFRS 16	6.396	7.520
Convertible bond	4.234	10.146
	10.630	**17.666**
Current financial liabilities		
Lease liability IFRS 16	1.075	1.140
Convertible bond	6.142	145
Current loans	-	-
	7.217	**1.285**
Financial liabilities	**17.847**	**18.951**

Non-current financial liabilities include convertible bonds 2020/24 of EUR 4,234 thousand (previous year: EUR 10,146 thousand). Current financial liabilities include the convertible bonds issued in 2019/22 of EUR 6,142 thousand (previous year: EUR 145 thousand) and outstanding interest accruing in connection with the convertible bond and not yet paid out as of the reporting date.

Furthermore, lease liabilities are reported under non-current and current financial liabilities in accordance with IFRS 16.

6.7.13 Liabilities to related parties

Breakdown:

EUR thous.	Dec. 31, 2021	Dec. 31. 2020
Non-current liabilities		
Liabilities to shareholders, members of the Management Board and the Supervisory Board	2.561	3.308
	2.561	**3.308**
Current liabilities		
Liabilities to associated companies	62	62
Liabilities to non-consolidated subsidiaries	-	-
Liabilities to shareholders, members of the Management Board and the Supervisory Board	3.439	4.340
	3.501	**4.402**
Liabilities	**6.062**	**7.710**

Liabilities to associates came to EUR 62 thousand as of the reporting date (previous year: EUR 62 thousand) and comprise solely outstanding limited-partnership capital.

The liabilities of EUR 3,439 thousand (previous year: EUR 4,340 thousand) to shareholders, members of the Management Board and the Supervisory Board mostly relate to Plate & Cie. GmbH primarily in connection with the acquisition of SPSW Capital GmbH. The liabilities arising from the acquisition are to be adjusted in subsequent years in accordance with the applicable parameters.

6.7.14 Other provisions

Changes in other provisions

EUR thous.	Jan. 1, 2021	Utilized	Added	Reversed	Dec. 31, 2021
Non-current provisions					
Provisions for share-based payments	-	-	-	-	-
Provisions for dismantling obligations	243	-	34	-	277
	243	**-**	**34**	**-**	**277**
Current provisions					
Other provisions	5	-	-	-5	-
	5	**-**	**-**	**-5**	**-**
	248	**-**	**34**	**-5**	**277**

Non-current provisions include the dismantling obligations for the office space rented in Frankfurt and Hamburg (EUR 277 thousand).

6.7.15 Income taxes

Current income tax assets chiefly comprise investment income tax assets still to be refunded by the tax authorities. Current income tax liabilities comprise the tax liabilities of consolidated companies and of Lloyd Fonds AG.

6.8 Notes on the consolidated cash flow statement

6.8.1 Reconciliation with consolidated net profit for the year

For the purposes of the cash flow statement, consolidated net profit for the year before the share of profit of associates, interest and income tax is calculated as follows:

EUR thous.	Note	2021	2020
Operating earnings/ consolidated net profit before non-controlling interests*		6.632	3.206
Share of profit of associates	6.6.6	-	-400
Gains from foreign-currency transactions	6.6.7		
Losses from foreign-currency translation	6.6.7	-	-
Losses/gains from the disposal of financial assets		-	-885
Consolidation adjustments		-	-70
		6.632	**1.851**

* Effective from January 1, 2021, the cash flows from consolidated net profit for the period are calculated before non-controlling interests

6.8.2 Other non-cash transactions

Breakdown:

EUR thous.	Note	2021	2020
Unrealized currency translation gains / losses		-	-37
Impairment losses on receivables and unrecoverable receivables	6.6.5	-	28
Income from the reversal of provisions	6.6.5	-	289
Income from the derecognition of liabilities	6.6.5		184
Income from the reversal of impairments	6.6.5	-	-
Other non-cash expenses and income		-591	-591
		-591	**-127**

6.8.3 Composition of cash and cash equivalents

Composition for the purposes of the cash flow statement:

EUR thous.	Note	Dec. 31, 2021	Dec. 31, 2020
Cash at banks		16.331	6.533
Cash at banks subject to drawing restrictions		-	-
		16.331	**6.533**

Cash at banks subject to drawing restrictions relates to rental deposits.

6.9 Other disclosures

6.9.1 Related-party transactions

Related parties comprise companies or individuals which control the Lloyd Fonds Group or exert significant influence on it or which are controlled by the Lloyd Fonds Group or on which it exerts significant influence. The conditions prevailing on the balance sheet date are decisive.

6.9.1.1 Associates

The outstanding liabilities to associates referred to in Note 6.7.13 result from outstanding limited-partnership capital contributions.

No interim profit or loss requiring elimination arose from transactions with associates in the periods shown.

6.9.1.2 Affiliated companies

There are no outstanding receivables from affiliated companies.

6.9.1.3 Related persons

The Management Board comprised the following persons in 2021:

- Achim Plate, CEO since January 1, 2020, responsible for the development of corporate strategy 2023/25. In the LLOYD FONDS LIQUID ASSETS business segment he is responsible for the business areas LLOYD WEALTH, LAIC including sales, the LLOYD FONDS REAL ASSETS business segment as well as the corporate departments Finance, Human Resources, IR, PR and IT.

- Michael Schmidt, CIO since April 1, 2019, responsible in the LLOYD FONDS LIQUID ASSETS business segment for the LLOYD FONDS business area, including sales, PR and communications, as well as Legal & Compliance. He is also responsible for the further development of the sustainability strategy.

Remuneration paid to the members of the Management Board breaks down as follows:

2021 EUR thous.	Fixed	Variable	Additional benefits	Total
Achim Plate	360	220	31	611
Michael Schmidt	340	113	12	465
	700	**333**	**43**	**1.076**

2020 in TEUR	Fixed	Variable	Additional benefits	Total
Achim Plate	360	200	30	590
Michael Schmidt	340	281	12	633
Klaus M. Pinter	300	71	28	399
	1.000	**552**	**70**	**1.622**

The total remuneration paid to the members of the Management Board for 2021 came to EUR 1,076 thousand (previous year: EUR 1,622 thousand).

In the year under review, the Supervisory Board comprised the following members:

- Dr. Stefan Rindfleisch, attorney at law (Chairman)
- Oliver Heine, shareholder of Lange Assets & Consulting GmbH (Deputy Chairman)
- Prof. Wolfgang Henseler, Creative Managing Director at Sensory-Minds
- Jörg Ohlsen, tax consultant and accountant
- Peter Zahn, self-employed management consultant

Remuneration breaks down as follows in 2021 and 2020:

2021 EUR thous.	Fixed	Total
Dr. Stefan Rindfleisch	81	81
Prof. Wolfgang Henseler	40	40
Oliver Heine	61	61
Jörg Ohlsen	40	40
Peter Zahn	40	40
	262	**262**

2020 EUR thous.	Fixed	Total
Dr. Stefan Rindfleisch	70	70
Prof. Wolfgang Henseler	35	35
Oliver Heine	53	53
Jörg Ohlsen	35	35
Peter Zahn	35	35
	228	**228**

As in the previous year, remuneration payable to the members of the Supervisory Board is recognized as liabilities to shareholders, members of the Management Board and members of the Supervisory Board.

The following significant transactions were conducted with members of the Supervisory Board, related persons, or companies controlled or influenced by them:

- Lloyd Fonds AG retained Sensory-Minds GmbH in November 2020 to conduct workshops on the alignment of products to “customer centricity”. An amount of EUR 29 thousand was paid as of the reporting date. Among others, the managing director of Sensory-Minds GmbH is Prof. Wolfgang Henseler, who is also a member of the Supervisory Board of Lloyd Fonds AG.

- In the 2nd quarter of 2019, an agreement was entered into with the law firm EHLERMANN RINDFLEISCH GADOW Rechtsanwälte Partnerschaft mbB concerning the reorganization of Lloyd Fonds AG's fund investments with maximum remuneration of EUR 55 thousand. An amount of EUR 1 thousand was paid in 2020. The Chairman of the Supervisory Board of Lloyd Fonds AG, Dr. Stefan Rindfleisch, is a partner in this law firm.

6.9.2 Contingencies

The reported contingencies comprise guarantees for increased liable amounts and potential distribution repayment obligations. Including the settlement claims under joint and severable obligations towards third parties, contingencies come to a total of EUR 0 as of December 31, 2021 (previous year: EUR 0).

As part of trusteeship business, shares valued at EUR 1,346,486 thousand (previous year: EUR 1,437,616 thousand) are managed on the Company's own behalf but for the account of the subscribers.

Lloyd Treuhand GmbH has in some cases been entered in the commercial register as the limited partner in trust for subscribers (trustors) of legacy investment funds with the corresponding liable amount attributable to such subscribers. The trusteeship assets held in this connection stand at EUR 718,797 thousand (previous year: EUR 738,275 thousand). Distributions received under these trusteeship arrangements are forwarded to the trustors. Under Sections 171, 172 IV of the German Commercial Code, Lloyd Treuhand GmbH is fundamentally liable for any liquidity surpluses which have been distributed but are not backed by profits in connection with such distributions. Where applicable, the shortfall in the liable capital caused by the distribution must be repaid by Lloyd Treuhand GmbH. These distributions come to a total of EUR 25,115 thousand as of the reporting date (previous year: EUR 35,992 thousand). Under the trusteeship agreements, Lloyd Treuhand GmbH can recover the same amount from the applicable trustor in the event that any claims are asserted against it. These entail distributions made by the investment entities in the form of loans that were forwarded to the trustors via Lloyd Treuhand GmbH and then terminated and claimed back by the investment entities. In some cases, Lloyd Treuhand GmbH has assigned its recovery claims against the trustors to the investment entities. Of the maximum repayment obligations of EUR 25,115 thousand (previous year: EUR 35,992 thousand), equivalent to the risk-equivalent weighting, distributions of EUR 603 thousand (previous year: EUR 775 thousand) relate to investment entities that are currently in insolvency proceedings or in economic distress as well as investment entities which hold liabilities primarily to banks. A possible liquidity outflow affecting cash flow is considered to be improbable due to the recovery claims held against the trustors.

6.9.3 Other Financial Obligations

There were no other financial obligations as of the reporting date.

6.9.4. Application of the exemption provided for in Section 264 (3) of the German Commercial Code.

Lloyd Treuhand GmbH, Hamburg, and Lloyd Fonds Real Estate Management GmbH, Hamburg make use of the exemption provided for in Section 264 (3) of the German Commercial Code.

6.9.5 Disclosures in accordance with Section 315e of the German Commercial Code

6.9.5.1 Auditors' fees

Fees payable to the auditors of the consolidated financial statements, Baker Tilly GmbH Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft, Hamburg, in accordance with Section 314 (1) No. 9 of the German Commercial Code:

EUR thous.	2021	2020
Audit of annual financial statements	198	178
Other consulting activities	51	54
Tax consulting	7	40
Other services	14	42
	270	**314**

6.9.5.2 Consolidated companies and shares held by the Group (Section 313 (2) of the German Commercial Code)

The disclosures on the consolidated companies are set out in Note 6.2.2.2. Affiliated companies which are not included in the consolidated financial statements (Section 313 (2) No. 1 of the German Commercial Code):

Entity	Share held by Group
Erste Lloyd Portfolio Verwaltung GmbH, Hamburg	100,0 %
Erste Lloyd Fonds TradeOn Portfolio Verwaltung GmbH, Hamburg	100,0 %
2. Lloyd Fonds Portfolio Verwaltung GmbH, Hamburg	100,0 %
Zweite Lloyd Fonds TradeOn Portfolio Verwaltung GmbH, Hamburg	100,0 %
Dritte Lloyd Fonds TradeOn Portfolio Verwaltung GmbH, Hamburg	100,0 %
Verwaltung LloFo Schifffahrtsgesellschaft mbH, Hamburg	100,0 %
Verwaltung LF-Flottenfonds GmbH, Hamburg	100,0 %
Verwaltung Lloyd Fonds Hotel Fleesensee GmbH, Hamburg	100,0 %
Zweite Verwaltung Lloyd Fonds Hotelportfolio GmbH, Hamburg	100,0 %

Entity	Share held by Group
Verwaltung Lloyd Fonds Hotel Leipzig Nikolaikirche GmbH, Hamburg	100,0 %
Verwaltung der Lloyd Fonds Gesellschaft für Immobilien-beteiligungen mbH i. L., Hamburg	100,0 %
Erste Verwaltung Lloyd Fonds Holland GmbH, Hamburg	100,0 %
Zweite Verwaltung Lloyd Fonds Holland GmbH, Hamburg	100,0 %
Fünfte Verwaltung Lloyd Fonds Holland GmbH, Hamburg	100,0 %
Verwaltung Lloyd Fonds Immobilienportfolio Hamburg/Sylt GmbH, Hamburg	100,0 %
Verwaltung Lloyd Fonds Immobilienportfolio Köln GmbH, Hamburg	100,0 %
Verwaltung "Air Fuhlsbüttel/Air Finkenwerder" Flugzeug-fonds GmbH, Hamburg	100,0 %
Verwaltung Lloyd Fonds Air Portfolio 3 GmbH, Hamburg	100,0 %
Verwaltung Lloyd Fonds Britische Kapital Leben VIII GmbH, Hamburg	100,0 %
Verwaltung MS "CCNI ARAUCO" Schiffahrtsgesellschaft mbH, Hamburg	51,0 %
Verwaltung Lloyd Fonds A380 Flugzeugfonds GmbH, Hamburg	100,0 %
Verwaltung Lloyd Fonds Bremen Domshof GmbH, Hamburg	100,0 %
Verwaltung MT "NEW YORK STAR" Schifffahrtsgesell-schaft mbH, Hamburg	100,0 %
Lloyd Fonds UK VIII Limited, Malvern/England	100,0 %

Associates (Section 313 (2) No. 2 of the German Commercial Code):

Entity	Share held by Group
Lange Asset & Consulting GmbH, Hamburg	90,0 %
Air Management GmbH, Offenbach am Main	50,0 %
Beteiligung MS "ANTONIA SCHULTE" Shipping GmbH, Nordenham	50,0 %
Lloyd Fonds Britische Kapital Leben GmbH, Kufstein/Österreich	50,0 %
Lloyd Fonds Britische Kapital Leben II. GmbH, Kufstein/Österreich	50,0 %
Lloyd Fonds Britische Kapital Leben III. GmbH, Kufstein/Österreich	50,0 %
Lloyd Fonds Britische Kapital Leben IV. GmbH, Kufstein/Österreich	50,0 %
Lloyd Fonds Britische Kapital Leben V. GmbH, Kufstein/Österreich	50,0 %
Lloyd Fonds Britische Kapital Leben VI. GmbH, Kufstein/Österreich	50,0 %
Lloyd Fonds Britische Kapital Leben VII. GmbH, Kufstein/Österreich	50,0 %
Verwaltung MS "BAHAMAS" Schifffahrtsgesellschaft mbH, Hamburg	50,0 %
Verwaltung MS "CHICAGO" Schifffahrtsgesellschaft mbH, Hamburg	50,0 %

Entity	Share held by Group
Verwaltung MS "LAS VEGAS" Schifffahrtsgesellschaft mbH, Hamburg	50,0 %
Verwaltung MS "MEMPHIS" Schifffahrtsgesellschaft mbH, Hamburg	50,0 %
Verwaltung MS "MIAMI" Schifffahrtsgesellschaft mbH, Hamburg	50,0 %
Verwaltung "BAVARIAN SUN" Schifffahrtsgesellschaft mbH, Hamburg	50,0 %
Verwaltung "COLONIAN SUN" Schifffahrtsgesellschaft mbH, Hamburg	50,0 %
Verwaltung Global Partnership I GmbH, Aschheim	50,0 %
Verwaltung MS "BERMUDA" Schifffahrtsgesellschaft mbH, Hamburg	50,0 %
Verwaltung MS "BONAIRE" Schifffahrtsgesellschaft mbH, Hamburg	50,0 %
Verwaltung MS "CHRISTIANE SCHULTE" GmbH, Hamburg	50,0 %
Verwaltung MS "COMMANDER" Schiffahrtsgesellschaft mbH, Hamburg	50,0 %
Verwaltung MS "LLOYD DON GIOVANNI" Schifffahrts-gesellschaft mbH, Hamburg	50,0 %
Verwaltung MS "LLOYD DON CARLOS" Schifffahrtsgesell-schaft mbH, Hamburg	50,0 %
Verwaltung MS "LLOYD DON PASCUALE" Schifffahrts-gesellschaft mbH, Hamburg	50,0 %
Verwaltung MS "LLOYD PARSIFAL" Schifffahrtsgesell-schaft mbH, Hamburg	50,0 %
Verwaltung MS "METHAN" Schiffahrtsgesellschaft mbH, Hamburg	50,0 %
Verwaltung MS "NATAL" Schifffahrtsgesellschaft mbH, Hamburg	50,0 %
Verwaltung MS "NELSON" Schifffahrtsgesellschaft mbH, Hamburg	50,0 %
Verwaltung MS "NEWARK" Schifffahrtsgesellschaft mbH, Hamburg	50,0 %
Verwaltung MS "NORO" Schifffahrtsgesellschaft mbH, Hamburg	50,0 %
Verwaltung "MS Sophie" Schifffahrtsgesellschaft mbH, Hamburg	50,0 %
Verwaltung MS "VEGA FYNEN" Schifffahrtsgesellschaft mbH, Hamburg	50,0 %
Verwaltung MS "Wehr Elbe" Schiffahrtsgesellschaft mbH, Hamburg	50,0 %
Verwaltung MS "Wehr Schulau" Schiffahrtsgesellschaft mbH, Hamburg	50,0 %
Verwaltung MS "Wehr Weser" Schiffahrtsgesellschaft mbH, Hamburg	50,0 %
Verwaltung MT "AMERICAN SUN" Schifffahrtsgesellschaft mbH, Hamburg	50,0 %
Verwaltung MT "ATHENS STAR" Schifffahrtsgesellschaft mbH, Hamburg	50,0 %

Entity	Share held by Group
Verwaltung MT "CANADIAN SUN" Schifffahrtsgesellschaft mbH, Hamburg	50,0 %
Verwaltung MT "CARIBBEAN SUN" Schifffahrtsgesellschaft mbH, Hamburg	50,0 %
Verwaltung MT "Green Point" Schifffahrtsgesellschaft mbH, Hamburg	50,0 %
Verwaltung MT "HAMBURG STAR" Schifffahrtsgesellschaft mbH, Hamburg	50,0 %
Verwaltung MT "LONDON STAR" Schifffahrtsgesellschaft mbH, Hamburg	50,0 %
Verwaltung MT "MEXICAN SUN" Schifffahrtsgesellschaft mbH, Hamburg	50,0 %
Verwaltung MT "ST. JACOBI" Schifffahrtsgesellschaft mbH, Hamburg	50,0 %
Verwaltung MT "TAPATIO" Schifffahrtsgesellschaft mbH, Hamburg	50,0 %
Verwaltung MT "TEAM JUPITER" Schifffahrtsgesellschaft mbH, Hamburg	50,0 %
Verwaltung MT "TEAM NEPTUN" Schifffahrtsgesellschaft mbH, Hamburg	50,0 %
Zweite Beteiligung MS "SOFIA SCHULTE" Shipping GmbH, Hamburg	50,0 %
Vierte Verwaltung Lloyd Fonds Holland GmbH, Hamburg	49,0 %
Dritte Verwaltung Lloyd Fonds Holland GmbH, Hamburg	49,0 %
MS "BAHIA" Schifffahrtsgesellschaft mbH & Co. KG, Hamburg	0,4 %
MS "BENITO" Schifffahrtsgesellschaft mbH & Co. KG, Hamburg	0,4 %

The disclosures on associates are set out in Notes 6.2.2.3 and 6.9.1.1.

6.9.5.3 Other disclosures

Please refer to Note 6.6.3 for details of the average number of employees. Details of the active and former members of the Management Board and the Supervisory Board can be found in Note 6.9.1.3.

6.9.6 Events after the reporting date

Lloyd Fonds AG's cash equity issue completed

Lloyd Fonds AG issued fresh equity with subscription rights in February 2022 together with a simultaneous private placement entailing a total of 615,000 new shares. Despite very volatile conditions in the global equity markets, all new shares were placed at an issue price of EUR 12.00. The issue generated gross proceeds of EUR 7,380,000.00 for Lloyd Fonds AG. As a result of the equity issue, the Company's share capital increased from EUR 13,325,914.00 to EUR 13,940,914.00 through the issue of 615,000 new no-par value bearer shares. The new shares are dividend-entitled from January 1, 2022.

The vast majority of the cash equity issue was placed with existing shareholders who, in addition to exercising their subscription rights, also acquired further shares. In addition, new shareholders were also acquired in a private placement.

The sole bookrunner for the share placement was futurum bank AG, Frankfurt am Main. The roadshow and the private placement were supported by CapSolutions GmbH, Munich.

The equity issue resulted in an exclusion period for the exercise of the conversion rights held by the holders of the 3.75% convertible bond 2019/2022 (ISIN: DE000A2YNQR7) and the 5.5% convertible bond 2020/2024 (ISIN: DE000A289BQ3) issued by Lloyd Fonds AG. In order to give convertible bondholders the opportunity of exercising their conversion rights despite this, the Company ensured that conversion declarations would still be accepted during a grace period of 21 days from the expiry of the exclusion period. In addition, the conversion price of both bonds was adjusted.

Acquisition of 17.75% stake in FinTech growney GmbH completed

On February 28, 2022, Lloyd Fonds AG completed the cash equity issue in growney GmbH in two tranches. In a preliminary step, Lloyd Fonds AG thus acquired a 17.75% stake in growney GmbH through cash contributions totaling EUR 3 million. BaFin granted the approval required for this step, among other things, on February 17, 2022 as part of the owner control proceedings. In addition, there are option agreements with further growney shareholders governing the possible staggered acquisition of up to 100% of growney GmbH in return for the issue of shares in Lloyd Fonds AG plus cash.

Conclusion of owner control proceedings for BV Holding AG

In a letter from BaFin dated March 15, 2022, the completion of the owner control proceedings was confirmed as a further important precondition for the acquisition of BV Holding AG. With the full closure of the transaction, which is still subject to the completion of the cash capital increase by Lloyd Fonds AG, the value of assets under management within the Lloyd Fonds Group will increase to almost EUR 5 billion.

Covid-19 pandemic

Lloyd Fonds AG, like the entire financial services industry, continues to be affected by the spread of the Covid 19 pandemic and its economic consequences. The financial markets were very volatile in the first quarter of 2022. Accordingly, adverse effects on the Lloyd Fonds Group's business can still not be ruled out and, should they occur, would probably necessitate adjustments to the forecast. The duration and intensity of the impact are subject to uncertainty at this time and therefore cannot be quantified.

War in Ukraine

Lloyd Fonds AG, like the entire financial services industry, is affected by the outbreak of war in Ukraine and its economic consequences. The financial markets were very volatile in the first quarter of 2022. Accordingly, adverse effects on the Lloyd Fonds Group's business cannot be ruled out and, should they occur, would probably necessitate adjustments to the forecast. The duration and intensity of the impact of the war are subject to uncertainty at this time and therefore cannot be quantified.

No other events materially affecting the Group's net assets, financial condition or results of operations occurred after the reporting date.

Hamburg, March 29, 2022

The Management Board

Achim Plate Michael Schmidt

7 Responsibility statement

To the best of our knowledge, and in accordance with the applicable reporting principles for financial reporting, the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group, and the management report of the Group includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group.

Hamburg, March 29, 2022

The Management Board

Achim Plate Michael Schmidt

8 Independent Auditor's Opinion

To Lloyd Fonds AG, Hamburg

Opinions

We have audited the consolidated financial statements of Lloyd Fonds AG and its subsidiaries (the Group), which comprise the consolidated balance sheet as of December 31, 2021, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the financial year from January 1 until December 31, 2021 and the notes to the consolidated financial statements, including a summary of the significant accounting policies. In addition, we have audited the Group management report of Lloyd Fonds AG for the financial year from January 1 until December 31, 2021.

In our opinion based on the knowledge obtained in the audit,

- the enclosed consolidated financial statements comply in all material respects with the IFRSs as endorsed by the EU and the supplementary provisions of German commercial law in accordance with Section 315e (1) and (3) of the German Commercial Code and in the light of these provisions provide a true and fair view of the net assets and the financial position of the Group as of 31 December 2021 and of the results of the Group's operations for the period from 1 January until 31 December 2021, and

- the accompanying Group management report as a whole accurately reflects the Group's position. In all material respects, this Group management report is consistent with the consolidated financial statements, complies with German legal requirements and is a true reflection of the opportunities and risks associated with future development.

Pursuant to Section 322 (3) Sentence 1 of the German Commercial Code, we declare that our audit of the consolidated financial statements and the Group management report has not led to any reservations relating to the legal compliance of the consolidated financial statements.

Basis for the opinions

We conducted our audit of the consolidated financial statements and of the Group management report in accordance with Section 317 of the German Commercial Code, taking into account the accounting principles for the auditing of financial statements promulgated by the Institute of Public Auditors in Germany (IDW). Our responsibilities under those requirements, principles and standards are described in greater detail in the section entitled "Auditor's responsibilities for the audit of the consolidated financial statements and of the Group management report" in our auditor's report. We are independent of the Group entities in accordance with the requirements of German commercial and professional law and have fulfilled our other German professional responsibilities in accordance with these requirements. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinions on the consolidated financial statements and on the Group management report.

Other information

The executive directors and the Supervisory Board are responsible for the other information. This other information comprises the remaining parts of the "Annual Report 2021" but does not include the audited consolidated financial statements and the Group management report and our opinion on these.

Our audit opinion on the consolidated financial statements and the Group management report does not include the other information and, accordingly, we do not express any opinion or draw any other types of conclusion on such information.

In connection with our audit, we are required to read the other information and to determine whether it

- exhibits any material inconsistencies over the consolidated financial statements, the Group management report or the findings of our audit, or

- contains any other material misrepresentations.

Responsibility of the executive directors and the Supervisory Board for the consolidated financial statements and the Group management report

The executive directors are responsible for preparing the consolidated financial statements in material conformance to the IFRSs as endorsed for application in the EU and the additional German statutory provisions to be applied in accordance with Section 315e (1) and (3) of the German Commercial Code and for ensuring that the consolidated financial statements provide a true and fair view of the assets, liabilities, financial position and financial performance of the Group in compliance with these requirements. Moreover, they are responsible for the internal controls that they consider necessary to ensure that the consolidated financial statements are duly prepared free of any material intentional or unintentional misrepresentations.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. As well as this, they are responsible for preparing the consolidated financial statements on the basis of the going-concern assumption unless they intend to liquidate the Group or discontinue its business operation or there is no realistic alternative to this.

Moreover, the executive directors are responsible for preparing the Group management report which provides a true and fair view of the Group's position, is consistent in all material respects with the consolidated financial statements, conforms to the German statutory provisions and suitably presents the opportunities and risks of the Group's future development. In addition, the executive directors are responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a Group management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the Group management report.

The Supervisory Board is responsible for overseeing the Group's financial reporting process for the preparation of the consolidated financial statements and of the combined management report.

Auditor's responsibility for auditing the consolidated financial statements and the Group management report

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the Group management report as a whole provides an appropriate view of the Group's position and, in all material respects, is consistent with the consolidated financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our audit opinions on the consolidated financial statements and on the Group management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Section 317 of the German Commercial Code and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. Misstatements may 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 consolidated financial statements and this Group management report.

We exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the consolidated financial statements and the Group management report, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misre presentations, or the override of internal controls.

- obtain an understanding of internal control relevant to the audit of the consolidated financial statements and of arrangements and measures (systems) relevant to the audit of the Group management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an audit opinion on the effectiveness of these systems.

- evaluate the appropriateness of accounting policies used by the executive directors and the reasonableness of estimates made by the executive directors and related disclosures.

- draw conclusions on the appropriateness of the executive directors' use of the going concern basis of accounting and, based on the audit evidence obtained, on whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the consolidated financial statements and in the Group management report or, if such disclosures are in adequate, to modify our audit opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to be able to continue as a going concern.

- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements present the underlying transactions and events in such a manner that the consolidated financial statements provide a true and fair view of the Group's assets, liabilities and financial performance in compliance with IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to Section 315e (1) and (3) of the German Commercial Code.

- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express opinions on the consolidated financial statements and on the Group management report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our opinions.

- evaluate the consistency of the Group management report with the consolidated financial statements, its conformity with German law and the view of the Group's position it provides.

- perform audit procedures on the forward-looking statements promulgated by the Company's executive directors in the Group management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by management as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate audit opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any deficiencies in internal control that we identify during our audit.

- evaluate the consistency of the Group management report with the consolidated financial statements, its conformity with German law and the view of the Group's position it provides.

- perform audit procedures on the forward-looking statements promulgated by the Company's executive directors in the Group management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by management as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate audit opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any deficiencies in internal control that we identify during our audit.

Hamburg, March 29, 2022

Baker Tilly GmbH
Wirtschaftsprüfungsgesellschaft
Steuerberatungsgesellschaft

Oliver Pegelow	Stefanie Hartmann
- German Public Auditor-	- German Public Auditor-

Financial calendar

2022

Annual report 2022	March 30
Annual General Meeting, Virtual	July 21
Half-year report 2022	August 30
German Equity Forum	November 28

All dates are provisional.
Subject to change without notice.

Image rights

- Title page: Courtesy of Lloyd Fonds AG, BV Bayerische Vermögen GmbH and growney GmbH provided by private persons
- P. 3: LF-Montage/Pixabay (No image credits required, free commercial use, see website)
- P. 4: Pentagram
- P. 6-7: LF photos created internally (Daniel Zerbock)
- P. 8-12: LF photos created internally (Daniel Zerbock)
- P. 14: Jochen Stüber Photography
- P.17: Provided privately with the kind permission of Lloyd Fonds AG
- P. 18: pexels.com
- P. 19: Shutterstock.com
- P. 21: Shutterstock.com
- P. 23: Provided privately with the kind permission of growney GmbH.
- P. 24-26: pexels.com
- P. 28: Pixabay (No image credit required, free commercial use, see website).
- P. 30: istockphoto.com
- P. 32: Shutterstock.com
- P. 33-36: LF photos created internally (Daniel Zerbock)
- P. 67: Provided privately with the kind permission of Lloyd Fonds AG
- P. 68-70: LF photos created internally (Daniel Zerbock)

MIX
Papier aus verantwortungsvollen Quellen
FSC® C146549
FSC www.fsc.org

Publisher

Lloyd Fonds AG
An der Alster 42
20099 Hamburg

Contact

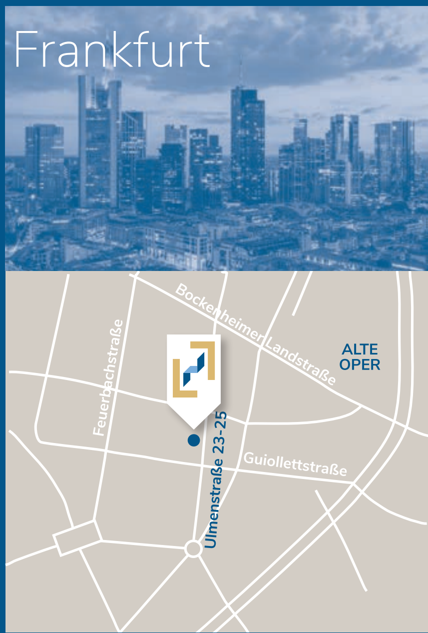
Investor Relations and Public Relation
Phone: +49 (0)40 32 56 78-0
Fax: +49 (0)40 32 56 78-99
Email: ir@lloydfonds.de
www.lloydfonds.ag
WKN: A12UP2
ISIN: DE000A12UP29

Lloyd Fonds AG
An der Alster 42
20099 Hamburg

Tel. +49 (0)40 32 56 78-0
info@lloydfonds.de

Lloyd Fonds AG
Sendlinger Str. 10
80331 München

Tel. +49 (0)89 24 20 84-100
info@lloydfonds.de



Lloyd Fonds AG
Ulmenstraße 23-25
60325 Frankfurt am Main

Tel. +49 (0)69 97 78 27-100
info@lloydfonds.de

Notes

The 2021 Annual Report of Lloyd Fonds AG is available on the internet at www.lloydfonds.ag as a PDF file.

This translation of the German Annual Report has been made to the best of our knowledge and belief. In case of any doubt, the German Annual Report alone shall be authoritative.

Original design: Pentagram

Lloyd Fonds AG
An der Alster 42 – 20099 Hamburg
Tel. +49 (0)40 32 56 78-0
www.lloydfonds.ag