Evolving for growth

allfunds

2022 Annual Report

Introduction

Strategic Report

Corporate Governance

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Additional Information

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

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

Allfunds is one of the world's leading WealthTech companies. Our service offering includes data & analytics, portfolio & reporting tools, research and regulatory services. Created in 2000, today Allfunds offers what we believe is the largest fund distribution network globally and access to the world's largest universe of mutual fund and Exchange Traded Funds (ETFs).

Visit allfunds.com for more information

Evolving for growth

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

Our open architecture platform provides a digital ecosystem that unlocks new knowledge and creates true value. In today's increasingly fast and changing world and including the ever increasing importance of ESG to investors, we have expanded and evolved to offer a service offering tailored for our clients.

We have completed several strategic and focused acquisitions over the past year to further support our growth and technological advancement. The Company is progressing to its next stage of growth.

"At Allfunds, we believe in innovation as the driver for our growth. Our ambition is to continue strengthening our world-class offering to our clients, while also advancing to a more sustainable world."

Juan Alcaraz
CEO – Executive Director

FY 2022 Key financial highlights

AuA	€1.3tn	(13% down in 2022)
Adjusted EBITDA margin	70.8%	(3% down in 2022)
Net revenues	€494.7m	(2% down in 2022)
EBITDA margin	54.2%	(6% up in 2022)
EPS (Earnings per share)	€0.078	(54% down in 2022)*
Normalised Free cash flow	€217.8m	(14% up in 2022)
PAT (Profit after tax)	€49.2m	(54% down in 2022)

FY 2022 Non-financial and operational highlights

FH – Client retention rate	98.2%	(98.8% in 2021)
New funds set up	74,750	(108.3% up in 2022)
D – Client retention rate	99.5%	(99.9% in 2021)
STP orders	96.7%	(95.8% in 2021)
Employee retention rate	87.2%	(92.8% in 2021)
IT CAPEX over total CAPEX	73%	(17.8 p.p. down in 2022)
Trades placed successfully	34.3m	(15.9% up in 2022)
Security rating	800	(800 in 2021)

* Read more on note 34 to the consolidated financial statements

Who we are

Through the Allfunds platform we offer one of the largest variety of funds globally across active and passive strategies, including equity funds, fixed income funds, multi-asset funds, alternative funds and ETFs. There are approximately 139,000 funds from 3,000 different Fund Houses available for distribution and/or trading. We connect to a network of approximately 860 Distributors domiciled in 62 countries, including retail banks, private banks, investment banks, insurance companies, pension funds, stockbroking houses, custodians and independent financial advisers. We administer what we believe is the largest distribution network globally.

In addition to one of the widest fund offering, Allfunds offers a comprehensive digital tool suite - Allfunds Connect - which is equipped with a variety of features designed to improve our clients' capacity to boost operational efficiency and ultimately better service their customers. Presently, Allfunds Connect offers a variety of tools that aid in keeping up with compliance and regulation tasks, ESG screening, timely product literature and insights, all operating under a single administrative hub. Additionally, Fund Houses and Distributors have access to timely data on flows, assets and trends that help them increase their sales efficiency and expand their wealth advisory capabilities, respectively. One of the goals of Allfunds' roadmap is to continuously improve Allfunds Connect and make it the most comprehensive marketplace and ecosystem for the wealth management industry.

We provide Fund Houses with a single point of access to what we believe is the largest global fund distribution network. This means Fund Houses can secure geographical and customer diversification with a secure and low-risk operational set-up, all through a single access point. Fund Houses also benefit from our wide range of ancillary services, which are designed to help lower internal costs and operational complexity as well as to provide distinct data to gain insight on business performance and opportunities.

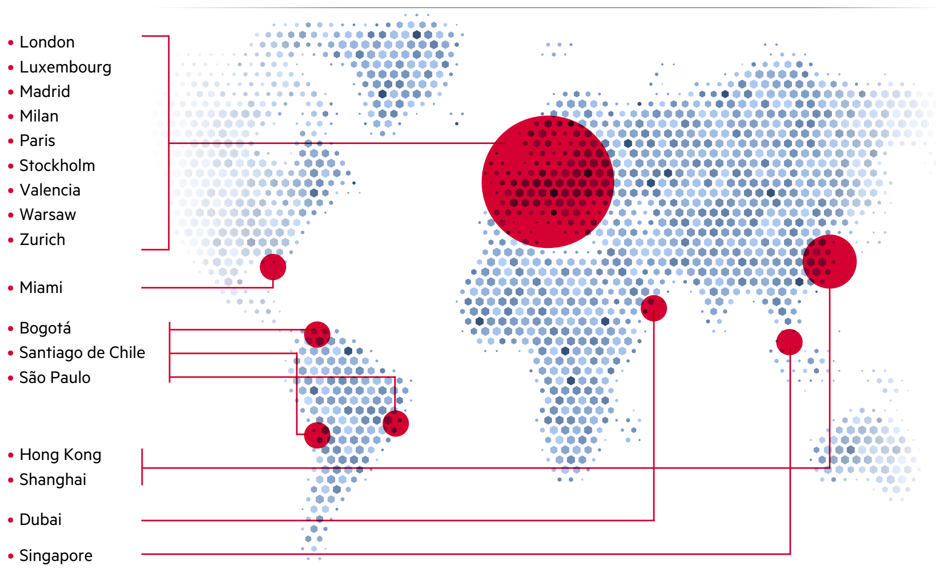
In turn, Distributors benefit from one-stop shop access to what we believe is the largest open architecture fund offering with global distribution agreements. We reduce operational costs and risks for Distributors by maintaining distribution agreements that are consistently and fully compliant thus outsourcing administrative, reporting and regulatory compliance tasks. Although we offer global scale we support Distributors with local service from one of our 17 offices across four continents. Distributors gain access to our core services under a buy-free model which favours strong loyalty and has resulted in negligible client churn in recent years.

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

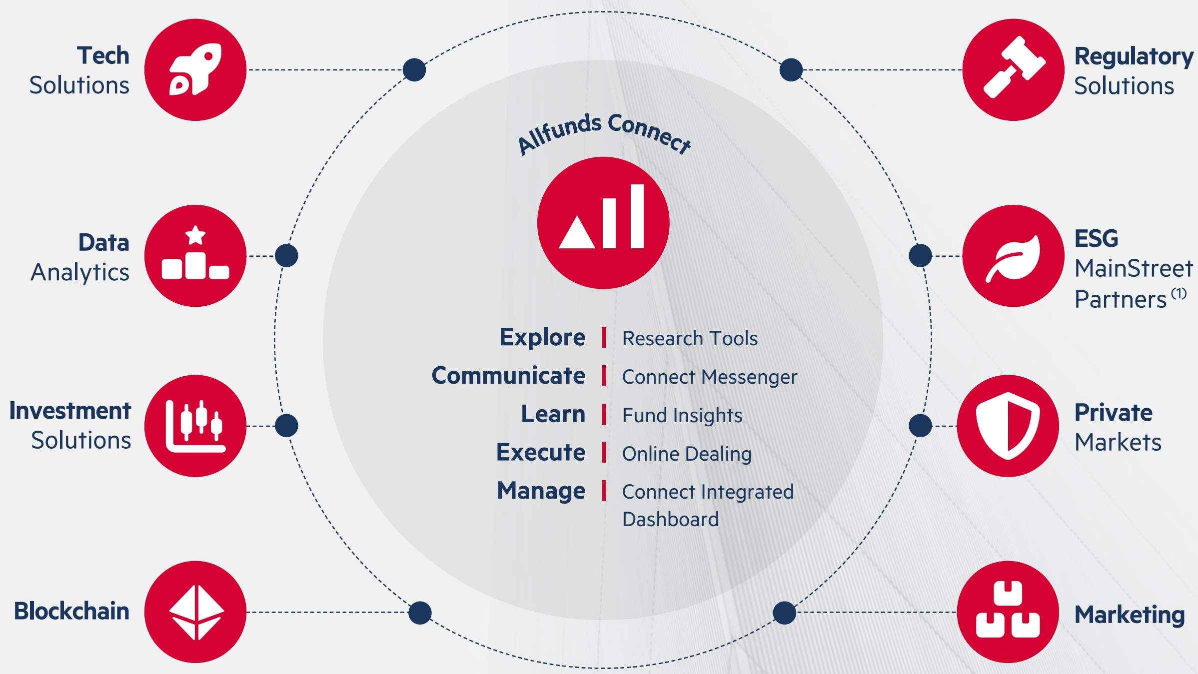
Global scale coupled with local knowledge

We offer a global reach to our clients (access to Distributors in 62 countries) through the Allfunds Platform, paired with a local presence thanks to our 17 offices across four continents

Our global locations



One-stop shop



1. ESG services are provided since MainStreet Partners acquisition, closed in February 2023

Allfunds Tech Solutions

The new division Allfunds Tech Solutions offers to our customers, both Distributors and Fund Houses, a wide variety of digital tools and solutions to meet specific clients' business needs and help them boost their businesses. For Distributors, our value proposition consists in becoming a technology provider for any type of wealth solution:

- Multiasset: offering integration of any and all asset types in the market
- Multivendor: by connecting with leading data vendors
- Multilanguage: providing global language support
- Multiformat: with SaaS, API, widgets and end-to-end deployment available

For Fund Houses, the offering consists of digitalising the channels to better interact with end-investors.

The team of Allfunds Tech Solutions has the digital expertise and the international reach in working with top leading financial institutions globally.

Allfunds Data Analytics

The new division Allfunds Data Analytics has been exclusively designed to offer Fund Houses data-driven solutions to optimise their sales process. Taking into account our proprietary data, our team can provide smart selling by making use of comprehensive information and insights about market assets and flows across different geographical markets and asset classes.

We have recently launched the new product *Distribution Optimizer*, a best-in-class tool that will allow our Fund Houses to identify where the investor appetite for funds, or specific asset classes where the Fund House has expertise, might be. Once again, we combine the demand for certain products with the offering by Fund Houses.

Who we are: A leader in our field

We solve problems and uncover opportunities for clients.

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

Allfunds prides itself on superior customer service and long-standing relationships with its clients, some for over two decades. This customer-focused approach means that Allfunds benefits from a satisfied, loyal client base. Allfunds actively listens and understands the needs, wants, struggles and bottlenecks Fund houses and Distributors experience in their daily activity and develops solutions to meet those needs. Increased efficiency benefits all parties and insight into these opportunities gives Allfunds a unique advantage to develop its business to match demand and meet expectations while developing long-standing relationships with its clients

Our client focus has always been to provide best service, to remain close and anticipate their needs through innovation. This has yielded good results: we have gained 71 new agreements in 2022 – in addition to our digital agreements with existing clients. Several significant clients have joined us and our business has expanded, proving once again that our service offering is one of the most compelling in the market.

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

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

Why stop there though? We also go the extra mile and think about what prevents our customers from growing. This might be administrative burden, small scale, limited headcount, uncertainty in entering new markets, lack of market intelligence or limited technology. Whatever the challenges are, Allfunds continuously adds features to its ecosystem to propel clients' businesses forward. When needed, we can tailor-make technology to overcome specific challenges.

Allfunds' ambition to exceed expectation is what sets it apart and ahead. By streamlining compliance and legal requirements in a hub, Fund Houses can set up operations and deploy their go to market strategy in no time. Our Connect Integrated Dashboard (CID) hub supports them in this.

Our market intelligence and sophisticated flow analysis maximise our clients' commercial efforts. It is these insights into trends and market behaviour that put them a step ahead when planning and decision-making. Alternatives, portfolio monitoring, ESG screening, live market data, comprehensive product literature, outsourcing of administrative processes, hosting services and distribution support via sub-advisory are just some of the pieces of the Allfunds roadmap already in place, with more milestones to come in the coming months.

Looking forward, many obstacles remain in the fund distribution value chain, but Allfunds is already taking them on. We are also on the lookout for the next challenge to achieve our vision of becoming a fully digital client service provider. This is what makes Allfunds special - and a leader in its field.

Our purpose is to transform the WealthTech industry

Allfunds is achieving this through a deep commitment to quality and outstanding human capital, by providing the best service for our clients, and by creating value for all our stakeholders.

For our **clients**. We aim to be the fund industry's first and most trusted partner in the WealthTech space. And we'll continue to enrich our offering by developing leading digital tools within a seamless, secure user experience throughout the Allfunds offering.

> *Read more about our clients on page 41*

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

> *Read more about our shareholders on pages 42 and 172*

For our **employees**. We believe that our people's talent is what creates our world-class service. Allfunds' employees are high performers and team players who live our core values. We encourage them to grow professionally and personally, and to stretch themselves in order to achieve their goals.

> *Read more about our employees on page 40 and 48*

For **Environmental, Social, and Governance** principles. We apply these to our day-to-day operations and business development. To progress and champion these policies, we aim to integrate the maximum external standards while taking into account our stakeholders' demands.

> *Read more about our ESG on pages 32 to 39*

Read more in our ESG Report ***www.allfunds.com/en/esg/reports/***

Our values

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

ALL for Excellence

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

ALL for Accountability

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

ALL for Empowerment

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

ALL for Inspiration

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

Evolving through acquisitions

M&A activity has been one of the highlights of 2022 for Allfunds. One of our key strategic pillars is to pursue strategic, value-accretive acquisitions by finding opportunities that will strengthen Allfunds' value.

The WealthTech sector is undergoing both concentration and acceleration, with organisations aiming to consolidate their position in the leaderboards and expand the scope of their services. Allfunds has pursued the one-stop shop approach for some time, and understands that a growing offering is instrumental to acquiring new clients as well as retaining existing ones. As one of the leading distribution platforms, Allfunds has chosen to acquire companies that have deep expertise and a solid track record in the fields of digital transformation and data analysis.

The largest acquisition this year has been Web Financial Group, closed in May 2022, a company that delivers bespoke digital solutions for the financial services industry and ensures a flexible, scalable journey towards digital transformation. Allfunds, with its leading position in fund distribution and extensive contact network, can penetrate its customer base prone to digital upgrade. The integration into the newly formed Allfunds Tech Solutions division has been a success: its team will encompass the entire digital product cycle; from development to sales to IT deployment and enhancements. Allfunds' client support capabilities will also benefit from this structure, allowing extension to new global markets, thus driving the Company's international growth pipeline. Finally, as clients and their needs evolve, Allfunds Tech Solutions, with its blended collaborative network of developers and sales talent, will be best positioned to anticipate and respond to those needs as the unit continues to grow and refine its technology, and digital offering.

The acquisition of instiHub Analytics, closed in May 2022, complements Allfunds' data and analytics proposition by integrating instiHub's expertise in delegated funds and approach to market intelligence delivery. The newly launched Allfunds Data Analytics division expands on the market coverage of the former Telemetrics solution and offers advanced data and analytics of market flows and assets distribution as well as commercial optimisation tools.

All two acquisitions have been speedily integrated into the Allfunds structure and before the end of 2022 were already delivering on cross-selling and upselling opportunities with a healthy pipeline for 2023.

Lastly, Allfunds decided to acquire a majority stake in MainStreet Partners, advisers on sustainable investment. ESG has become increasingly relevant – and for some, challenging – due to increased regulation that entails research, reporting and delivery. This need is growing and not likely to decrease in the future, so Allfunds sought out a partner with a solid track record in ESG advisory and that is at the forefront of the sustainability way.

Each of these acquisitions marks a step towards building strength in areas that are most likely to gain traction and attract future business opportunities. They have also helped to accelerate the expansion of the digital subscription-based business, another key fundamental of our strategy. The talent, technology and experience that Allfunds has gained via these value-accretive acquisitions will boost commercial offering and allow Allfunds to deepen its commercial reach in more mature markets and be ahead of the curve in service offering.

Our M&A strategy proved successful and further opportunities are ahead

3
acquisitions announced in 2022

97
new employees from acquisitions closed in 2022

113%
additional annual revenues in 2022

more than
€150m
investment in M&A in 2022

Evolving our digital ecosystem

It has always been clear that digitalisation is key to Allfunds' continued success and that open architecture's natural evolution would be towards a comprehensive product universe provided with digital tools. Key to this is a comprehensive, evolving product range – along with understanding how to harness data and leverage the insights it provides.

Connect, our digital ecosystem, is the foundation upon which Allfunds continues to build its digital offering and further its overall proposition. Increasingly comprehensive modules and refined functionalities make Connect a powerful ally for those that seek to cut through the noise and extract that information most relevant to them. This year we have accelerated the expansion of the digital subscription-based business in Connect through the acquisitions carried out. Through the new enhanced business lines – Allfunds Tech Solutions and Allfunds Data Analytics – Allfunds has created a more responsive and global approach to our IT development as well as a coordinated sales approach to not just selling one product but selling the full product offering, thus allowing for more cross selling opportunities, as well as full coordination of the sales initiatives across geographies.

In the past year alone there have been new iterations of the portfolio monitoring tool, Nextportfolio 3.0, fund screener and Connect Integrated Dashboard hub. Each unit is consistently revised to be up to speed with new market developments, trends and regulations that keep our existing users engaged and attract new joiners.

These upgrades run alongside the new developments that drop throughout the year, boosting momentum and helping to drive sales across our existing and prospective customer base. The rollout of the alternatives platform in partnership with a key alternatives provider has drawn a lot of attention to Allfunds' expanded capabilities and has confirmed the market's interest in accessing illiquid strategies.

The new Live Market Data tool is a free feature that reflects the success of our integrations – Allfunds Tech Solutions, in this case – and serves as a display case for the digital solutions that Allfunds can develop.

Connect has opened direct and indirect communication channels between users that can be used for answering queries, product solving updates and insight delivery through Fund Insights. Interaction between the overall Allfunds platform and its users is also a powerful source of data, which can be translated to added value in other ecosystem features.

With more and better data, Connect's performance and potential will increase, spurring new opportunities for depth and breadth of its tools. This in turn will translate to more engagement and, ultimately, sales and subscriptions.

An evolving accessible universe of >2,160[1] clients

34.3m
trades placed successfully by our Distributors

Approximately
7,813
average monthly users

28%
of Allfunds Distributors pay for value added services

29%
of Allfunds Fund Houses pay for value added services

1. Takes only into consideration 860 Distributors and 1,300 Fund Houses covered by Global Distribution Agreements (GDAs)

Evolving through people

A true reflection of our values can be seen in our people, who are at the heart of Allfunds. During 2022 we were grateful to keep expanding our knowledge and leadership thanks to their hard work.

The acquisition of Web Financial Group (now integrated in Allfunds Tech Solutions) and instiHub Analytics (now integrated in Allfunds Data Analytics), saw the addition of 97 new colleagues, bringing the total number of employees to over 1,000 in our 17 offices.

The integration of the two acquisitions was completed in less than four months allowing our people to do what they do best – provide the fund distribution sector with the most comprehensive and innovative digital solutions in the market. Thanks to our experience in acquiring and integrating businesses, Allfunds welcomes different new organisational cultures into one collective unique Allfunds. We believe in diversity as a way of enriching the workplace, and becoming more productive and more competitive in our industry.

By reinforcing our digital capabilities, Allfunds is well placed through the knowledge and expertise of our people to lead the next generation of solutions to the market. The same can be said for our data analytics capabilities. Our team of data experts is passionate about their work and helping clients find insights that will make a difference to their sales & marketing strategy. As a business, we pride ourselves on having a diverse and talented team across all disciplines.

By collaborating and sharing ideas, across different countries, cultures and experiences, we are able to grow as professionals which we hope in turn helps us become more agile and creative thus providing more value for our clients. This is why investing in our people remains a core part of our strategy moving forward. Whether through acquisitions, recruiting from other top-tier companies or fostering and growing existing talent – our people are what sets us apart.

> ***Read more about our people on pages 48 to 50***

This has been part of our DNA since the beginning, and after investing in our people for over 20 years, our hard work paid off when in early 2023 we were given a Top Employers' Spain certification. The criteria* were based on an HR Best Practices Survey that evaluated Allfunds' people practices based on key Human Resources themes: Steer, Shape, Attract, Develop, Engage, Unite.

Being awarded this certification by Top Employers is another example of our commitment to people and confirms that Allfunds is a recognised leader worldwide in terms of human resources policies and practices, all values that are key to our business.

Top Employers is a leading global employer certification company in terms of human resources policies and practices. This certification is awarded to companies that demonstrate a strong commitment to the development and well-being of their employees and a positive and stimulating work environment.

* based on 2022 qualitative and quantitative data provided by Human Resources

Attracting and retaining talent is a critical step in strengthening our overall service to clients

1,031
employees in 2022

87.2%
employee retention in 2022

Diversity
42.2%
females

27.3%
STEM employees

Our Business Model

Fund Houses[1]
>3,000

AuA
€1.3tn

Distributors
>860

Efficient, scalable, resilient and capital-light

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

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

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

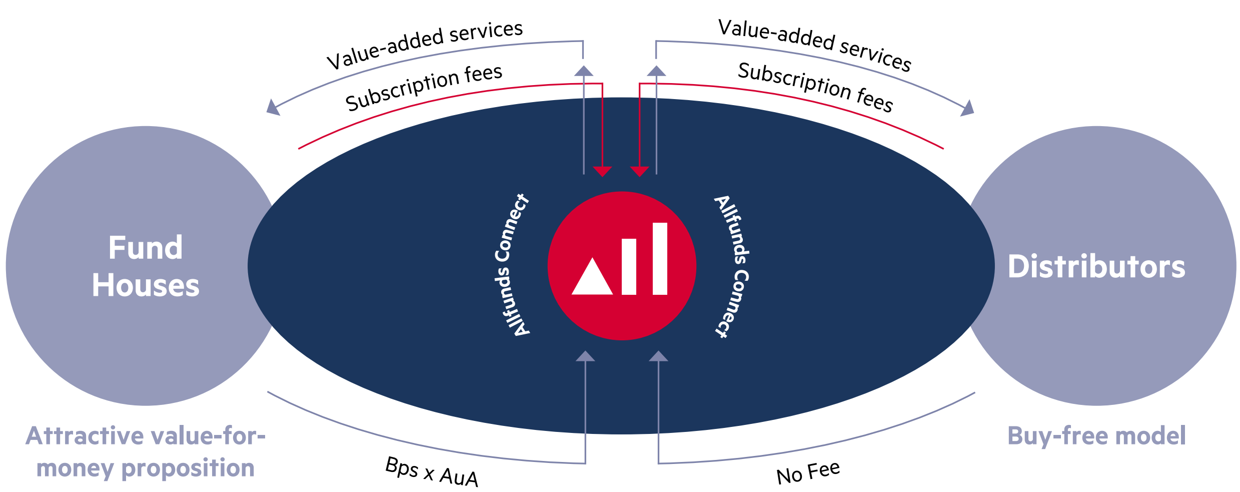
Allfunds believes that it has a simple and attractive business model. Distributors benefit from a buy-free model of core services related to trading, dealing, custody, settlement and administration while paying for other value-added services. Fund Houses benefit from an attractive value-for-money proposition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

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

Allfunds generates the majority of its net revenue in the form of fees that are calculated and accrued daily as a margin on the outstanding AuA on the Allfunds Platform. Thanks to our low churn rates, recurring revenue streams therefore constituted approximately 99% of total net revenue for the year ended 31 December 2022. This includes 100% of platform revenues and 83% of subscription and other revenues.

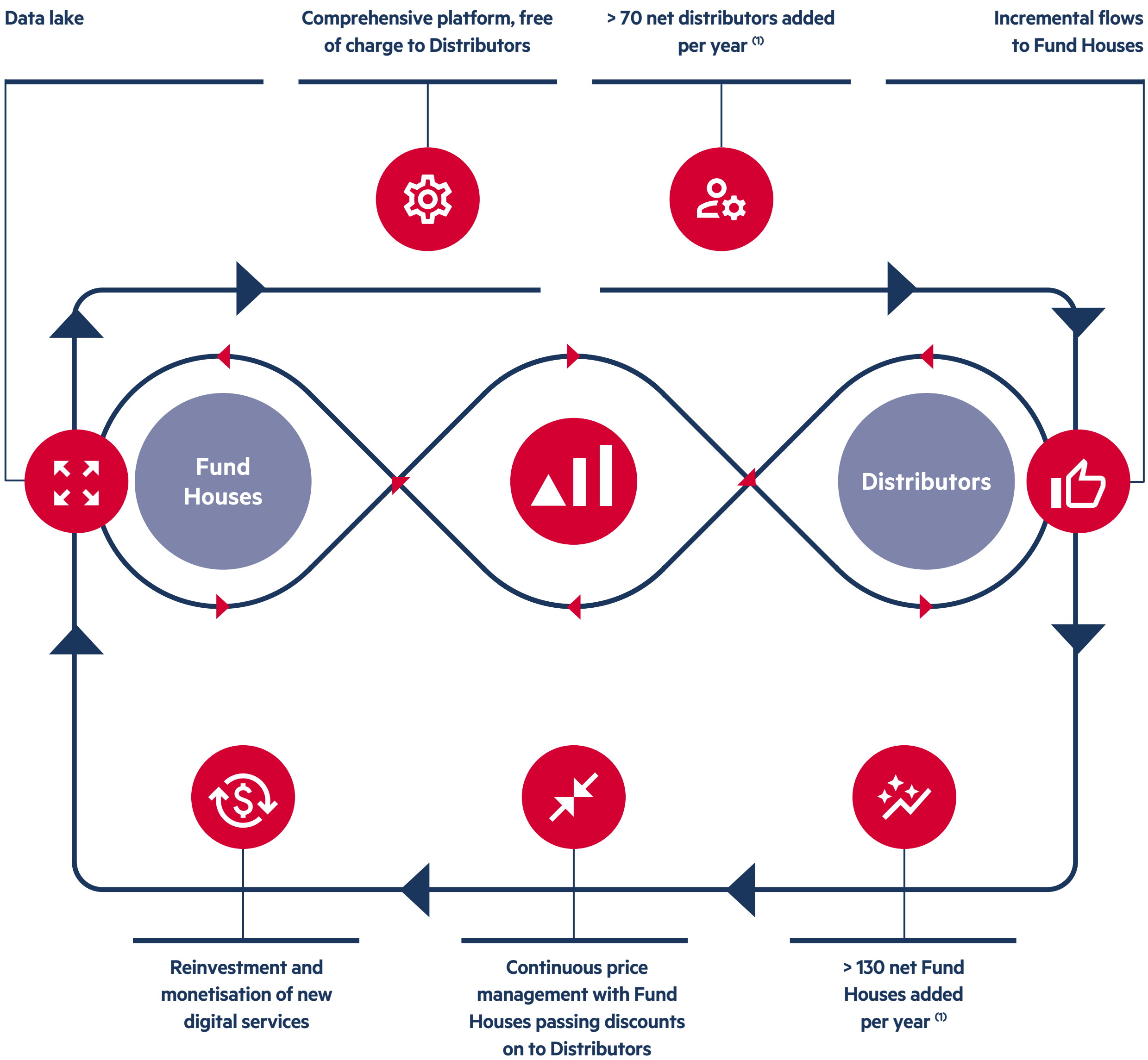
Allfunds has limited capital expenditure needs as a result of its well-invested and asset-light business model, with capital expenditures representing an average of 7% of the Group's net revenue from 2017 to 2022. This means our business model has proven its resilience to economic cycles, including during the recent COVID-19 pandemic.

A simple and attractive revenue model



1. Total number of Fund Houses included on the platform as of December 31, 2022, of which approximately 1,300 have Global Distribution Agreements

Allfunds Flywheel effect



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

Our comprehensive suite of services, plus our ability to achieve better terms in our distribution agreements with Fund Houses, are what attracts new Distributors to join the Allfunds Platform. This provides incremental flows to Fund Houses, which incentivises more Fund Houses to join us to capture the increased sales from a growing base of Distributors. Leveraging this network effect provides us with a clear competitive advantage. As Fund Houses and Distributors join the Allfunds Platform and make increasing use of our digital services, more data is available to us, which in turn enables us to continue to improve our service offerings.

1. As of 31 December 2022

Our value creation model

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

Our resources and relationships

Financial

AuA

Adj. EBITDA

Free cash flow

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

Clients

More than 860 Distributors

Collaboration with clients

More than 1,300 Fund Houses with Global Distribution Agreements (GDAs) in place

Fostering responsible investment

Human capital

1,031 employees

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

Technology and innovation

Innovative technical assets

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

Data-centric platform

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

Our strategy

- **Continued market share gain**
- **Perpetuating the flywheel effect**
- **Further expansion and monetisation of digital value-added proposition**
- **Margin resilience**
- **Realisation of operating efficiencies through scale effects**
- **Pursue strategic, value-accretive acquisitions**

> *Read more on page 22*

How we do it

A one-stop shop

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

> Read more on page 3 and 12

Benefits of scale

We have been focusing strategically on growing globally through international expansion. We have also grown through transformational M&A, acquiring and integrating different businesses. This has led us to operate the largest open architecture integrated marketplace ecosystem in the market with €1.3 trillion AuA across more than 62 countries.

> Read more on pages 2 and 3

An attractive and simple revenue model

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

> Read more on page 12

Keeping close to our clients globally

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

> Read more on page 2

Operational excellence

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

> Read more on page 4

Innovating through new initiatives

Allfunds has been unique in anticipating client needs and adapting its offering to market trends. Clear examples of that innovation have been the launch in 2022 of FAST, our blockchain solution for investment transfers, as well as our undertaking to favour and promote ESG investment decisions.

> Read more on page 6

Value created in 2022

For our employees

Our priority is to have our colleagues motivated and develop their careers so they can perform their activities efficiently and effectively. We offer an attractive compensation package according to experience and a training development programme. Balance is important so we offer flexible working hours and implemented digital disconnection measures.

For our clients

We provide our clients with a better understanding of common clients' distribution activities.We are committed to transform the WealthTech world by empowering our clients with a unique combination of scale, experience and a digital mindset. It is of our understanding the security threats they face, so we provide them with an Information Security System that strives to ensure the continuity of their activities.

For our investor community

We aim to reward our investors with a progressive dividend policy and provide them with long-term sustainable return through attractive Adj. EBITDA margin and share price appreciation.

For our regulators

We are committed to foster strong regulatory relationships at all levels of the organisation and across all business areas. We have developed The Risk Management System that identifies, measures, controls, mitigates and communicates financial and non-financial risks.

For our business partners

We have developed partnerships that aim to transform the WealthTech industry and enhance the distribution chain. We have managed to develop this community through excellence, accountability, empowerment and inspiration with our partners by following our code of conduct and promoting human and labour rights.

For our society

Our community plays a key role in our daily business so we are committed to contributing in as many ways as possible through multiple awareness campaigns, crowdfunding, charitable donations and a clear communication protocol throughout all our offices.

Five reasons to invest with Allfunds

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

We are one of the largest B2B WealthTech platforms, with close to €1.3 trillion of AuA. We match fragmented demand for asset management products from Distributors with fragmented supply of those products from Fund Houses. We are present on four continents and have leading market share positions in Europe, the Middle East, Latin America and Singapore. We have experienced strong AuA growth in recent years across all geographies.

We believe in the importance of being close to our clients to understand their needs. We have a network of global services supported through 17 local offices in Madrid, Valencia, Paris, Milan, London, Zurich, Luxembourg, Warsaw, Stockholm, Dubai, Hong Kong, Singapore, Shanghai, Miami, Bogotá, São Paulo and Santiago de Chile. Thanks to this network, we have built long-lasting relationships with Distributors and Fund Houses. The Allfunds Platform also creates powerful network effects that benefit both Fund Houses and Distributors and represents a clear competitive advantage. This has contributed to our success in capturing market share across the territories in which we operate.

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

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

2 A one-stop shop with a unique value proposition

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

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

Fund Houses and Distributors gain access to industry-leading functionality through Allfunds Connect, a subscription-based SaaS-enabled offering of data-centric services. Through different application programming interfaces, Allfunds Connect is able to develop bespoke solutions that are fully integrated into Fund Houses' and Distributors' IT systems. These are end-to-end systems tailored precisely to suit their needs. Once in place, these systems tend to remain and we retain 98% - 99% of Fund Houses and Distributors year on year.

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

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

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

3 A simple and attractive pricing model

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

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

> Read more about our business model on page 12

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

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

There are several compelling elements to our growth: double-digit AuA growth, net revenue growth and adjusted EBITDA growth. On top of this and reflecting our efficiency as a business, our adjusted EBITDA of €350 million (IFRS EBITDA of €268 million) implies an adjusted EBITDA margin of a remarkable 71%. This high margin allows us to also benefit from high cash conversion.

We were able to translate this strong growth in AuA into high top-line growth, with net revenues growing at a CAGR of 29% from 2019 to 2022. Our business model has proven resilience to economic cycles, and we continue to improve operating efficiencies, leveraging our technology and operations infrastructure as the business grows.

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

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

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

5 A founder-led visionary management team fostering an entrepreneurial culture

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

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

> Read more about our People on page 48

Preparing the path for future growth

The year 2022 has been dominated by the global economic downturn and market turbulence. Against this backdrop, it is pleasing to report that Allfunds has shown financial resilience, growth and momentum.

The market environment

Global markets have experienced one of the most turbulent years since the Company was created – and the most bearish in almost five decades. Global equities have been down almost 20%, while debt capital markets have suffered the worst sell-off in 20 years. The European UCITS (undertakings for collective investment in transferable securities) industry was not immune to these events, with net outflows and asset declines not seen since the global financial crisis in 2008.

Central banks are weighing decisions about how fast to raise rates to control inflation. They face a new challenge they haven't faced in decades, which has been worsened by geopolitical conflict and the resulting new energy transition model. Furthermore, people are experiencing difficulty and uncertainty due to the impact of price rises on their lives.

Turning to Allfunds' own performance over the past year, it's important to put it into the context of our overall history. Despite being a young company, we have already experienced periods of market turmoil, and I am proud to say that, this year too, Allfunds has shown financial resilience, growth and momentum.

Allfunds' repeated ability to emerge stronger from hard times is largely thanks to clients who, during these times, have accelerated the outsourcing of wealth distribution services to third parties. But also to our ability over the years to reach a diversification of the Company: by type of services, by geography and by type of clients.

All of the above has allowed us to continuously gain market share, representing as of December 2022 a 12.6% market share when taking into consideration only the European fund industry. We continue to outperform the markets as a result of our diversification (regional, by asset class, by type of Distributor). Further opportunities exist due to open architecture penetration, outsourcing trend and potential to win share from other legacy infrastructure providers. We have also benefited from maintaining long-standing, deeply embedded relationships resulting in very high retention rates that remain at 99.5% for Distributors and 98.2% for Fund Houses.

"The challenging economic environment has been a major theme throughout this year; but our commitment to helping our customers respond to developments across markets, business and investments remains as strong as ever."

In our effort to better serve our clients, we have continuously improved Allfunds and ,in doing so, disrupted the industry. We did this by building and enhancing the Allfunds Platform as the foundation of our offering. Additionally, we did it by continuing to grow our traditional business lines and pipeline, and by expanding our digital capabilities and tools. We look to constantly improve our value proposition, which is a driver naturally embedded in our WealthTech DNA, through innovation and remaining a client-centric business. We go beyond fulfilling our clients' needs. We have to recognise their priorities and fast-track them there. This constant concern for our clients' needs is what keeps us close to them and allows us to adapt our solutions to cover those needs, demonstrating a paramount understanding and flexibility in our offering.

Our first main focus has been in bringing new clients onto our platform. This year we managed to onboard 71 new Distributors, continuing the strong momentum experienced during 2021, and 132 new Fund Houses – with significant growth in the UK & Ireland, Central Europe and France.

The key to our success is in the execution of our strategy:

- We have experienced strong new business activity and momentum. We tend to experience this flight-to-quality effect in periods of heightened volatility and this time was no exception. The flywheel effect has remained strong in this difficult period and we keep on diversifying our client base: by region, size and origin.
- Despite increasing competition, we continue to capture market share in the fund industry thanks to our compelling value proposition.
- Our digital ecosystem has evolved fast. Our subscription-based revenues already represented 8% of total revenues by the end of 2022 but we have disclosed our new target to reach 30% of total revenues in the mid-term. This underlines the increasing importance the subscription-based business represents for the future of Allfunds.
- We also keep on investing in organic long-term growth initiatives such as blockchain, new ManCo services or our new alternatives proposition:
  - As a trusted collaborator for regulators, Allfunds Blockchain is an active participant in regulatory sandboxes. It continues to build strong relationships in France, Italy and Spain, advancing its FAST solution;
  - Our new ManCo in Luxembourg commenced operations in August and is growing its offering with new business lines. These include fund hosting for Fund Houses, and private labelling mandates, having a healthy pipeline of business ahead.

And finally, we have made significant progress in value-added M&A. I am especially excited by the fast integration of the two deals already closed – Web Financial Group and instiHub Analytics – into the new Allfunds Tech Solutions and Allfunds Data Analytics. In addition, in February 2023, we acquired a majority stake in MainStreet Partners, a specialist in ESG analytics and advisory.

2022 highlights

Global Scale

€1,296bn

Assets under administration as of December 2022

High Growth

16%

CAGR in Net revenue since December 2020

97%

Growth in subscription-based revenues since 2021

High Profitability

€350m

Adjusted EBITDA 2022

€268m

EBITDA 2022

All of these acquisitions are bringing high-quality, recurring and growth accretive subscription-based revenues. And we are very excited about the significant upselling and cross-selling potential they represent, which is the backbone of our strategy for the digital opportunity.

"Every day since our creation, we have listened to our clients. We have tried to anticipate the impact of market trends on their businesses and we have constantly evolved to stay ahead of their needs."

Financial review and key highlights

When reviewing 2022, we can be particularly proud of what we have achieved. The Group has generated solid financial results despite the significant market volatility we have seen this past year.

Assets under administration were down 13% year-on-year, from €1,494 billion to €1,296 billion compared to the 15% decline in the industry for the same period. Platform service reported a negative market performance of €(146) billion or (9.8)% since December 2021 and platform service negative organic flows of €(45) billion or (3.0)% since December 2021 have been practically compensated by new client migrations.

We delivered stable revenues (€495 million or (2)% year-on-year) despite lower level of average assets and a more normalized level of transaction revenues, thanks to the contribution of subscription revenues.

Our platform revenue margin has remained resilient and stands at 3.4bps, at the mid-range of our FY2022 guidance.

We have experienced a continued uptake of subscription revenues with a remarkable 97% growth vs previous year.

We are actively pushing the revenue diversification of the business, which is reflected in the strong growth of subscription revenues associated with pre-existing services and products, the addition of subscription revenues of acquired businesses, and the combined effect of bringing both together. We continue to look for acquisitions such as MainStreet Partners that we closed in February 2023. This strategy will help broaden our revenues as we broaden our product range.

In addition to new clients and new acquisitions, we continue with our discipline on costs while we keep investing in the future growth and revenue diversification of the company. I would like to reaffirm our commitment to investing in our people, as they are core to our business.

Our adjusted EBITDA decreased 5% year-on-year and stood above the 70% guidance we provided during the year; while the reported EBITDA increased 6% year-on-year.

Our strong 71% adjusted EBITDA margin demonstrates the operating leverage of the business despite continued growth investments.

Net profit results show a 54% decrease compared to 2021, due to the impact of the tax step-up regime in our Italian branch that had a positive tax impact in 2021. However, our Adjusted Net profit has increased 16% year-on-year.

These figures prove that our business model has shown resilience during one of the worst periods of market turmoil.

Technology

We made a total of €40 million in new investments to develop our proprietary technologies and extended product offering:

- Blockchain has expanded the capabilities of its FAST solution to digitise the process of switching mutual fund portfolios between financial providers. FAST was launched in 2021 with the aim of improving the experience of end investors and financial institutions when executing Spanish Tax Free Transfers. This solution will deliver greater efficiencies for fund transfers in Spain and in Italy
- Continued enhancement of Data Analytics products, especially to our best-in-class tool *Distribution Optimizer* recently launched, to deliver comprehensive market data and intelligence resources to support clients' new business growth and meet their increasingly data-driven needs
- Upgrade of Nextportfolio to its version 3.0, led by our new Allfunds Tech Solutions department, the only portfolio monitoring and reporting tool with the capacity to deliver discretionary portfolios at scale, to facilitate optimisation by asset allocation and the analysis of fund performance contribution

We also welcome Luis Carmona as our new Chief Technology Officer, and thank Mariano Blanchard for his contribution in achieving the successful integration of BNPP assets, which is practically over. With 25 years of industry experience in banking and IT, Luis will strengthen our executive leadership team and reinforce our commitment to delivering the transformation of the WealthTech industry.

People

Being one of the individuals who helped build this company from the ground up, it goes without saying that I am actively involved. I am constantly seeking new, effective and talented ways to advance and stay one step ahead of the competition. Additionally, I am proud of how, in a demanding environment, we nurture flexibility and open communication to encourage idea exchanges and collaboration.

I would like to welcome our new colleagues coming from the recent acquisitions we carried out in 2022, into this Allfunds culture. As a business founder, it is essential for me to also count with the CEOs and founders of the businesses we have acquired: this is ultimately a people's business and bringing talented management that has proven successful in developing their own solution is a strong testament to our commitment to both innovation and talent.

This year also we made significant progress by taking part in the Top Employer audit. This audit assessed our Human Resources best practices and the level of our long-term efforts in setting exemplary managerial and people practices within the Company in Spain.

Advancing in the transition to a sustainable world

The investment industry has a purpose beyond profit and investment returns. It is about securing a better future for all stakeholders. In climate change, the world faces an enormous challenge around decarbonisation. Rather than being part of the problem, the financial services industry is becoming part of the solution.

In November 2022, we finalised the double materiality analysis, which is going to be the roadmap to unfold our new ESG strategy. One of the things that I value the most is our commitment to becoming carbon-neutral, and I feel strongly that we must do this for both our business and our investments. We are working on determining our carbon footprint, as a first step to elaborate our plans to how we, as a corporate entity, will reach neutral-carbon position. We have a fundamental role to play in decarbonising the economy.

Looking ahead

Our business model is naturally well-positioned to capitalise on a market recovery, and typically demonstrates significant growth outperformance during periods of market turmoil. This applies on the way down and, especially, on the way up as risk appetite might improve, cash savings will be reinvested into investment products.

This recovery will be supported by our unalterable unique selling points:

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

In this context, our strategy has always been to remain close to our clients and offer them everything they might need, paired with a revolutionary free pricing model. Short-term decisions may affect our clients and they must trust Allfunds regardless of the moment in the cycle in which we are. To them, we are a trusted and long-term partner; therefore, volatility in the markets cannot affect the level and quality of the service we provide to them globally. This company and its management team have inevitably have a long-term vision which will lead to our clients' success and value creation for our stakeholders.

I would like to thank Blake Kleinman for his enormous contribution to the firm for the last four years as Chairman of the Board. The Company evolved under his leadership, and I am personally hugely grateful for his contribution. I wish him every success for the future. I am also pleased to welcome David Bennett, who joined the Board as Chair last April. David brings a wealth of experience, especially in the asset management industry. I am truly looking forward to continuing to work with him, to continue building on Allfunds' success and to keep creating sustainable value for all stakeholders.

Juan Alcaraz
Founder and CEO

Allfunds 3.0

Our strategy will help us deliver "Allfunds 3.0".

> See our Strategy on page 22

This year we have made a significant progress in what we believe Allfunds should be in the future: a 100% digital service company. We have expanded our ecosystem through the three acquisitions carried out and we continue to work hard to develop the digital side by building on or creating various initiatives.

It remains our goal to leverage Allfunds' competitive strengths to remain at the forefront of innovation. Opportunities are mostly based on the following strategic pillars, which support the 'Allfunds 3.0' vision of becoming a fully digital service provider:

- Fully digital interaction internally and with clients: become a fully digital platform where not only employees and providers but mainly clients, both Fund Houses and Distributors, directly interact digitally through the Connect Integrated Dashboard.
- Global footprint: as a global player, we will continue to analyse our expansion by entering new markets. We confirm our commitment to key regions such as the US and Asia, where we opened our third local office in 2022 in the city of Shanghai
- Big data science on customer behaviour: the Group combines the large quantity of data on trading and execution with the data available on Allfunds Connect. Through Allfunds Data Analytics, this combination of historical data and Connect decision-making data generates real-time insights on investors and client appetite that enables advanced, predictive, investment behaviour models
- B2B marketplace: Allfunds Connect comprises in-house proprietary services and best-of-breed tools. These form part of a marketplace offering that keeps on evolving by adding new initiatives such as giving our clients access to alternative investments
- Full blockchain implementation: we have long recognised that blockchain innovations have the potential to disrupt the global asset management value chain. Since 2018, we have been developing an Allfunds blockchain offering that, as of December 2022, has resulted in real solutions. One of these includes FAST, the initiative to reduce time in investment fund transfers in Spain and in Italy, that has also expanded its capabilities to digitise the process of switching mutual fund portfolios between financial providers.

Our strategy and growth plans

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

Our strategic priorities

Strategic pillar

Continued market share gain

Allfunds has a solid track record in developing business activities in its existing markets and outside its core markets, leading to successful growth of its international market share

Progress in 2022

We have captured a share of the existing addressable market, despite the challenging market conditions, with our superior offering and this means 2022 has been a strong year in onboarding Distributors and Fund Houses

How we measure it

- Total market share
- Market appreciation in 2022
- AuA growth in 2022

Future priorities

- Continue gaining market share, especially in new markets we have just entered
- Expansion to new markets

Strategic pillar

Perpetuating the flywheel effect

The Allfunds flywheel is at the core of the Group's strategy: as the number of Fund Houses increases, so does the value of the Allfunds Platform proposition to Distributors, and vice versa

Therefore, Allfunds is focused on supporting and perpetuating the flywheel effect through several strategies

Progress in 2022

We have captured new flows and new clients as a result of secular market growth

We maintain strong client relationships, and develop and expand product offerings to current clients

How we measure it

- New flows
- Number of new clients added – both Fund Houses and Distributors
- Client retention rate for Distributors and Fund Houses

Future priorities

- Continue adding Fund Houses to the platform
- Onboarding of key specific large Distributors when possible

Strategic pillar

Further expansion and monetisation of digital value-added subscription-based proposition

Allfunds' digital value-added proposition is a key pillar of its strategy to build a fully integrated, one-stop shop B2B wealth management marketplace

Progress in 2022

We have increased the penetration of our digital services:

- In our existing client base
- By intensifying our cross-selling efforts via selling Allfunds Connect to our existing Distributors and Fund Houses

How we measure it

- Net revenue share of digital proposition represents 8% of total revenues in 2022

Future priorities

- Monetise Connect and strengthen it with acquisitions. Net revenue share of digital proposition to represent 30% of total revenues in 2028

Strategic pillar

Margin resilience

Allfunds believes that it is naturally well positioned to compensate margin fee pressure given its global scale and reach, the strength of its relationships with both Distributors and Fund Houses, its ability to negotiate prices with them, and its independence

Progress in 2022

We have finalised the second phase of the Fund Harmonisation programme to ensure margin resilience

We also started selling alternative investments as a new asset class. This is expected to drive additional growth and margin resilience

In addition, we have launched new initiatives such as new ManCo services, which includes sub-advisory and blockchain

How we measure it

- Evolution of net platform revenue margin

Future priorities

- Continue with the Fund Harmonisation initiative
- Launch the alternative investments offering
- Lead blockchain transformation and gather assets for All Solutions, our sub-advisory platform

Strategic pillar

Realisation of operating efficiencies through scale effects

Allfunds' focus on operating efficiency and associated cost optimisation will remain an integral part of its strategy

Progress in 2022

Thanks to its scalable platform, and continued investments to improve it, Allfunds is able to onboard new Distributors at very low marginal costs

How we measure it

- Cost per operation (€)
- Adjusted EBITDA margin (%)
- IT Capex over total Capex (%)

Future priorities

- To maintain its operational efficiency and high-quality service, Allfunds will continue to invest in its platform to maintain best-in-class capabilities and standards

Strategic pillar

Pursue strategic, value-accretive acquisitions

Allfunds has proven M&A capabilities with a demonstrable track record of successful acquisitions that have helped accelerate its growth and enhance its platform

We expect that there will be further consolidation in the wealth management market and we intend to continue to focus on selected M&A opportunities that will strengthen our value proposition to clients

Progress in 2022

Allfunds' M&A strategy has been focused on enhancing scale, expanding its geographical footprint and accessing technologies, products and expertise that enhance its solutions

Allfunds is highly disciplined and has a well-defined set of evaluation criteria that it follows in order to maximise value from any acquisition

This year we have progressed successfully with the completion and integration of two acquisitions (both in May 2022), realising revenue synergies, and, with the integration of the BNP deal, realising meaningful scale economies as part of this process

How we measure it

- Subject to the type of M&A pursued: product vs scale/consolidation

Future priorities

- Allfunds will evaluate opportunities that would expand its global footprint in order to gain access to new markets
- Allfunds' M&A strategy will complement its organic growth ambitions
- Finalise the integration of recently acquired businesses

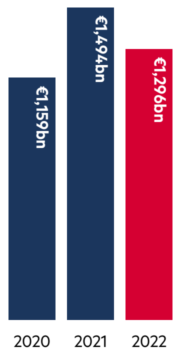
Measuring our progress

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

Financial measures

AuA €bn

€1,296bn



Description
Assets under administration through our platform

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

Link to strategy

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

Adjusted EBITDA margin %

70.8%

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

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

Link to strategy

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

Net revenue €m

€495m

Description
Revenues from sales

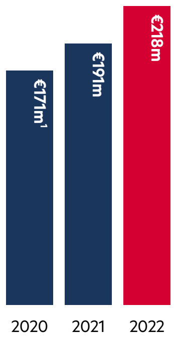
Definition
Net revenue represents the Allfunds Group's fee, commission and service revenues less fee, commission and service expenses. Net revenues is comprised of net platform revenue and net subscription and other revenues

Link to strategy

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

Normalised free cash flow €m

€218m



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

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

Link to strategy

EBITDA margin

54.2%

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

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

Link to strategy

1. Pro-Forma figures for 2020 are shown to illustrate the impact on the Group of a portion of the BNPP acquisition, specifically the acquisition from BP2S of its Banca Corrispondente, or local paying agent, (the BNPP LPA Business), completed on 2 October 2020 as part of the BNPP Acquisition, as if it had been completed on 1 January 2020. The purpose is to achieve a comparability of the businesses that Allfunds has today, between the 2020 and the 2021, 2022 figures.

Pro Forma net revenue is derived from the unaudited Pro-Forma financial information. Pro-Forma net platform revenue for the year ended 31 December 2020 is therefore calculated as 2020 net platform revenue (derived from the 2020 Financial Statements), plus net revenue resulting from the BNPP LPA Business for the period to 2 October 2020.

Pro-Forma normalised free cash flow is defined as Pro-Forma profit /(loss) for the year after tax, excluding net interest expense, tax credit / (expense), and depreciation and amortisation, adjusted to exclude separately disclosed items, impairment losses, losses on disposal and amortisation of intangible assets acquired as a result of business combinations, net of underlying capital expenditures, Pro-Forma rental expenses, Pro-Forma net interest expense and Pro-Forma illustrative taxes (assuming a 27% cash tax rate in 2020 and 29.5% cash tax rate in 2021).

Key Performance Indicators *continued*

Non-financial measures

FH – Client retention rate %

98.2%

Description

High retention rate measures client satisfaction and recurring business

Definition

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

Link to strategy

D – Client retention rate %

99.5%

Description

High retention rate measures client satisfaction and recurring business

Definition

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

Link to strategy

Employee retention rate %

87.2%

Description

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

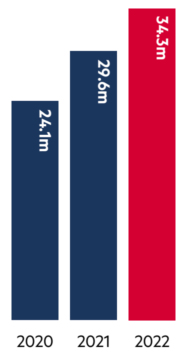
Definition

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

Operational measures

Trades placed successfully (millions)

34.3m



Description

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

Definition

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

Link to strategy

Operational measures *continued*

STP orders %

96.7%

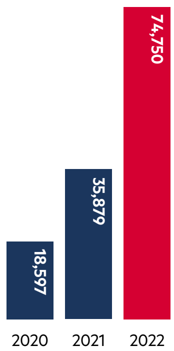
Description
% of Straight-through Processing (STP) trades placed by our Distributors

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

Link to strategy

New funds set up

74,750



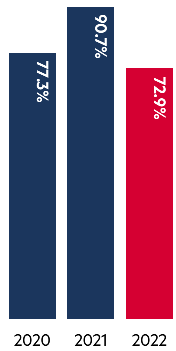
Description
Number of new funds set up annually within the system by Fund Houses

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

Link to strategy

IT CAPEX over total CAPEX %

72.9%



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

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

Link to strategy

Security rating

800

Description
Security rating provided by a third party (BitSight)

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

Link to strategy

Our addressable market

Despite a challenging year for the fund industry, Allfunds continues to benefit from secular growth trends that will support the Company's growth going forward. These trends include increases in household wealth, financial assets penetration, open-architecture penetration and outsourcing.

Addressable market

According to Allfunds' estimates, using underlying data from independent third parties, the total fund platform distribution market was estimated to be €14.9 trillion at the end of 2019 based on AuA. Of this €14.9 trillion, €8.5 trillion refers to the captive fund platform market, €6.0 trillion to B2B open architecture platforms, and the remaining €0.4 trillion pertains to D2C platforms. The figures for Allfunds' addressable market are limited to the captive and B2B business, and the geographies in which it currently has Distributors including Europe, Asia, the Middle East, the United States offshore market and Latin America. This results in a total addressable market of €14.5 trillion AuA for the B2B platform market.

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

For 22 years, Allfunds has set out to fundamentally change the industry by building a single fully integrated global platform, providing Fund Houses with a single point of access to the largest global distribution network.

Household wealth

While it is too early to assess the impact of the Russia-Ukraine war, wealth growth may be hampered by inflation and the impact of higher interest rates on investment and asset price levels. As we look ahead towards a period of more elevated inflation than in the past two decades, the comparison of real and nominal wealth trends grows in relevance.

Financial assets penetration

The year 2022 paused the recent growth of the European fund industry with the largest AuM decline since the global financial crisis. Assets under management in UCITS funds declined by 15% during the year according to market data.[(1)]

The penetration of financial assets amongst European households continues to be low in comparison to other developed regions such as the US. The European Commission has publicly recognised the importance of making progress in this context, and is expected to present its new retail investments strategy during the first half of 2023.

Open–architecture penetration

In the last 20 years there has been an impressive growth in the distribution of third-party funds by financial institutions, private banks, insurers, wealth managers and other Distributors. Investors have become used to having access to a wide range of funds from international Fund Houses and are becoming more selective in their choices as their profile becomes more sophisticated. Distributors have had to respond accordingly.

As a result, the proportion of cross-border AuM funds out of the total AuM funds held in Europe – which the management considers to be a good proxy for open–architecture penetration – has been growing steadily over the years, according to market data.[(2)]

Outsourcing

Our clients, both Fund Houses and Distributors, have started to shift towards lower-cost operating models by outsourcing more activities (for example, back-office, portfolio tools and analytics, regulatory and legal services) to fund platforms. Increased levels of outsourcing and relying more on open architecture models have allowed our clients not only to deal with increasing regulatory pressure, but also to help accommodate higher investor demand for performance and diversification.

Allfunds market share

Allfunds has grown its AuA at a 32% CAGR over the last decade. As of 31 December 2022, our global market share is 10.8% of the AuM in regulated open-ended funds, based on market data, considering just the countries in which we operate.[(3)]

In the European UCITS market, Allfunds holds a 12.6% market share at the end of 2022. Our diversified AuA profile and strong commercial activity helped us increase our market share also during 2022, adding to a decade of uninterrupted market share growth.

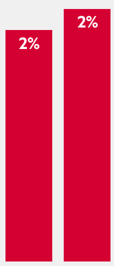
At a local level, Allfunds has Distributor clients in more than 62 countries and has built a strong market presence in some key markets for third-party fund distribution. Our top three markets at the end of 2022 were Italy, Spain and Central North Europe, where we hold a significant market share of their respective fund markets including local and cross-border funds based on market data.

1. Source: Morningstar
2. Source: EFAMA
3. Regions included in the data are Europe, Bahrain, Brazil, Chile, Colombia, Hong Kong, Kuwait, Malaysia, México, Oman, Philippines, Qatar, Saudi Arabia, Singapore, South Africa, Taiwan, Thailand and United Arab Emirates.
Source: Morningstar and management analysis

Penetration-led market growth drivers

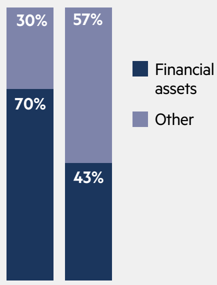
Household wealth

20-24E % CAGR



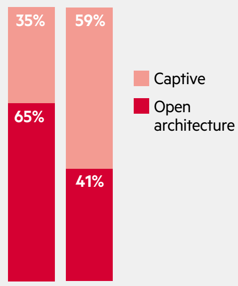
- Accelerating economic growth
- Expansionary monetary and fiscal policies
- Change in demographics and population growth

Financial assets penetration



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

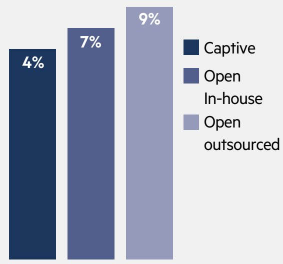
Open-architecture penetration (1)



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

Outsourcing penetration

19-24E AuA TAM CAGR

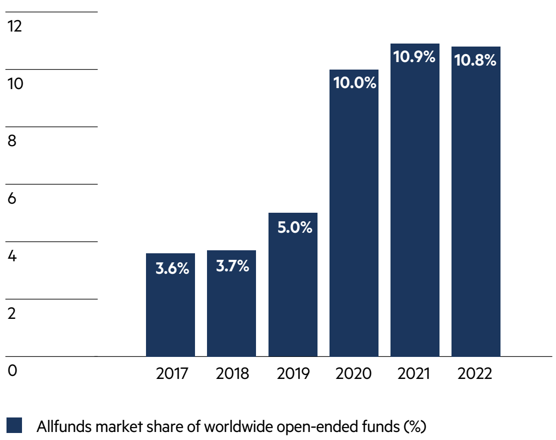


- Cost pressure
- Strength of third-party platform value proposition
- Increasing administrative, compliance and data requirements

1. Excludes D2C business

Source: Management sizing of the market based on third-party market data

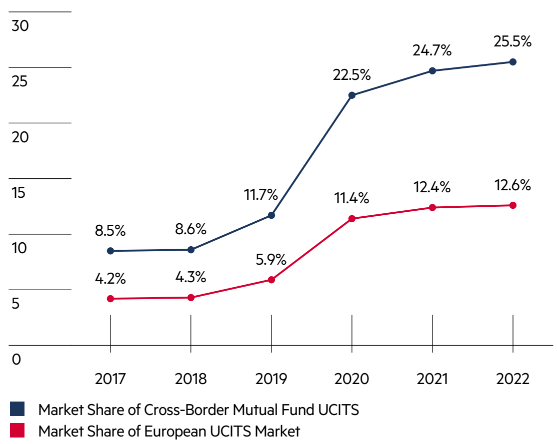
Allfunds market share of worldwide investment funds



Note: Market share calculated as Allfunds total AuA over worldwide investment funds. Investment funds including Money Market and ETFs but excluding Fund-of-Funds in countries in which we operate

Source: Morningstar and management analysis

Allfunds market share of European UCITS



Note: Market share calculated as Allfunds total AuA over European UCITS. UCITS including Money Market and ETFs but excluding Fund-of-Funds

Source: Morningstar and management analysis

Market trends

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

Increasing wealth and savings

Rises in interest rates in 2022 have already had an adverse impact on bond and share prices and are also likely to hamper investment in non-financial assets. Inflation and higher interest rates could slow household wealth growth in the near term even if nominal gross domestic product (GDP) rises at the relatively rapid pace predicted. Nevertheless, global wealth has proven its resilience in weathering crises, as personal financial wealth globally has nearly tripled over the last 20 years – and is expected to continue growing in the coming years.

According to market data, despite 2022 growth having slowed down, the global wealth management market is expected to continue to grow, reaching a total market size of $169 trillion by 2026.

Outsourcing and preference for open architecture

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

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

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

Preference for passive vs active investment

The industry has been experiencing a shift in consumer preferences to passive funds and exchange-traded funds (ETFs). This shift has put some pressure on fund management fees. These passive funds are understood as UCIs where the portfolio mirrors the components of a specified index or similar pool of assets that are not actively managed by a Fund House.

Despite the increasing trend we are seeing in some regions such as the United States or the United Kingdom, the amount of assets under administration on the Group's platform attributable to passive asset classes and ETFs remains relatively small compared to total AuA on the Group's platform (at approximately 7% of AuA as of 31 December 2022). This is mainly due to the majority of our clients being private banks, who are therefore more inclined to sell the active stock picking. Nevertheless, this trend may increase in the future so may place downward pressure on the size of management fees accepted in the market.

ESG focus

Sustainable funds have represented a growing trend for the past year. With this fast-paced growth comes regulation such as SFDR that has derived in a high flow concentration towards funds compliant with article 9 of such regulation. Allfunds offers more than 4,000 products categorised as Article 9, this represents around 5% of AuA as of 31 December 2022.

An increased pressure from investors to include more ESG criteria into their investments is leading the Fund Houses to incur additional work and costs to consider, and report on, ESG criteria. Conversely, demand from end investors to de-carbonise their investment portfolios has given the ability to asset managers to trade both active and passive "green funds", giving them a unique opportunity to promote and accelerate a change in the industry for a better and more responsible investment.

Allfunds has demonstrated once again its capacity to respond to our clients' needs and, thanks to the latest acquisition of MainStreet Partners, Allfunds is currently working on developing new tools that will help Distributors and Fund Houses meet their ESG regulatory needs.

> Read more on page 32

Access to private markets

Activity in private markets (private equity, real estate, infrastructure, private debt, hedge funds) has slowed down in 2022 but it is expected to continue its growth in the long term, as traditional asset managers move into the space and facilitate the access to their retail investors. Alternative assets also represent an opportunity to diversify and defend themselves from the growth seen in passive investments. According to market data, the industry has shown a growth of 14% over the last six years.

With low-interest rates and government bond yields at the lowest levels, investors started looking at more illiquid assets such as private equity and real estate markets. This is helped by the perception of higher returns, higher dispersion in returns and greater persistency in returns in private assets vs. public markets.

For the last few years we have been developing an alternative proposition on our platform. Alternative UCIS have been offered on the platform on a on-demand basis and we have experience in this area: in 2021, to strengthen our value proposition we partnered with a leading alternative provider so that we can give Distributors access to private market strategies.

Increased regulation

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

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

Consolidation in the sector

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

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

Technology trends

Technology is disrupting the wealth industry, primarily in terms of how services and products are bundled and offered. Functions across the value chain used to be clearly defined, but with new technology and data – for example blockchain – that is no longer the case.

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

The Allfunds strategy is to remain at the forefront of the evolution of the industry. Allfunds is in a good position to do so, given its track record of anticipating clients' changing needs and adapting to emerging technological trends. The latter has already been proven by Allfunds Connect, Allfunds Blockchain and the sub-advisory platform.

In response to this demand, our newly formed Allfunds Tech Solutions and Allfunds Data Analytics areas will focus on helping our clients obtain the most efficient, relevant and impactful solutions. Thus they can stay ahead of the competition by providing a flexible modular approach to meet their client-specific needs – through software, widgets and custom solutions. This new approach will enable our clients to repurpose and combine existing assets, and will offer better response times and adaptive negotiation. It will improve their client acquisition funnel, improve cyber security resilience, and offer straight-through processing and search engine optimisation.

Blockchain

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

There are several initiatives supporting the use of blockchain across the fund distribution value chain. Allfunds continues to develop its blockchain-based solutions working alongside Distributors, Fund Houses and regulators to bring efficiencies into the fund distribution space.

Allfunds' Blockchain team has become a key member of pilot regimes and a trusted collaborator for regulators, and continues to build strong relationships in France, Italy and Spain, advancing its FAST solution in the market.

As of December 2022, the Group has started to generate revenues from Allfunds Blockchain.

Our response to market trends

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

We have the capabilities to benefit from a large and high-growth market underpinned by open-architecture, penetration and outsourcing. We have demonstrated that we can adapt quickly to evolving demand or regulatory trends, while maintaining a resilient business model. Not least, our innovative approach gives us the flexibility to capture the zeitgeist of client demand trends and can drive step-changes in business contribution.

Our ESG approach

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

In order to progress and to be at the forefront of the industry, we seek to integrate the maximum ESG standards into our day-to-day operations and business development, while taking into account our stakeholders' demands.

The year 2022 saw significant progress in our ESG contribution and impact. We adapted to the new regulatory framework, and to new trends, while meeting stakeholders' expectations.

Over four months, a third-party consultant conducted a double materiality analysis for us, which involved key stakeholders. They consulted Allfunds' stakeholders via surveys, interviews and workshops for their views on the relevance, risk and performance of a selected number of ESG material topics. The results enabled us to prioritise these topics, identify our strengths and certain areas for improvement. Based on these results, we are shaping our overall ESG strategy which will be approved during the first quarter of 2023.

In addition, and based on the SDG Compass methodology that is well known in sustainability performance, we have identified where, within our Sustainable Development Goals, Allfunds is having the most impact. This exercise reinforces our commitment to achieve the 2030 Agenda.

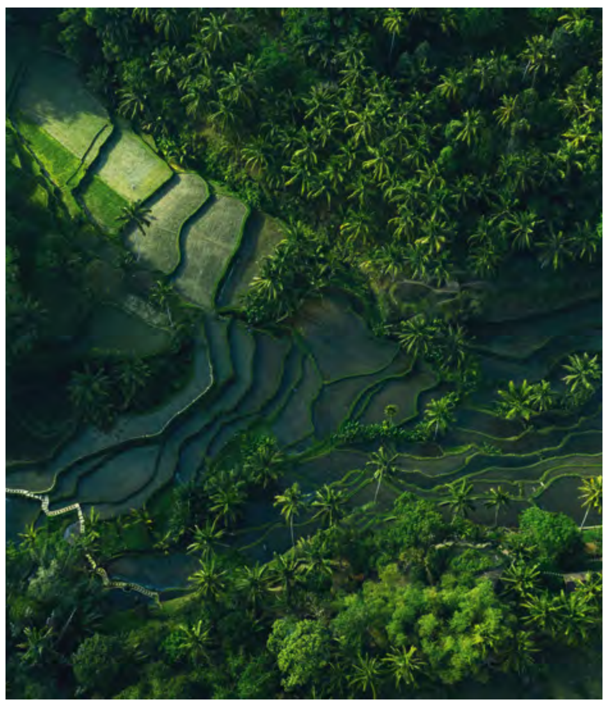
Thanks to this work, we have deepened and revalidated our six ESG strategic pillars. They are now based on three drivers (Empowerment, Innovation and Footprint).

As a listed company, Allfunds has gone through several assessments by ESG rating agencies and proxy advisors. All the scores obtained in the ratings outperformed the average score of the sector, being ranked among the top 15 positions.

Another area we wanted to strengthen this year was internal communication in terms of ESG. Our employees are key to achieving our objectives and fostering a sustainable culture that creates a sense of pride and belonging.

We have increased the number of internal communication campaigns by 14% since last year. All of these campaigns were endorsed by the top senior management as the Company's firm commitment to ESG.

Rating Agencies	Score	Ranking/Percentil
S&P Global	55/100	94%
ISS ESG	C	Top 10%
SUSTAINALYTICS ESG Risk rating	22.8 Medium risk (20-30)	89%



Allfunds contribution to the SDGs

ESG Empowerment

Empowering our people and leaders to make the changes needed

ESG PILLAR	SDG TARGET	ALLFUNDS' COMMITMENT
1 Ethics & Governance	Target 16.5 “Significantly reduce corruption and bribery in all its forms.”	As part of its activities and organisation, Allfunds has solid policies and procedures to prevent corruption and bribery.
2 Talent management	Target 8.5 “Decent work for all women and men, including young people and persons with disabilities, as well as equal pay for work of equal value.”	Allfunds commits to creating added value for all employees on equal terms, ensuring the highest levels of technical competence and employability.

ESG Innovation

Applying Innovation to deliver the best ESG solutions and contribute to channelling responsible investment

ESG PILLAR	SDG TARGET	ALLFUNDS COMMITMENT
3 Digitalisation & innovation	Target 9.4 “Promote the adoption of environmentally sound technologies and processes.”	Allfunds contributes to transforming the investment industry with digital solutions such as Blockchain.
4 Responsible investment	Target 12.6 “Adopt sustainable practices that incorporate sustainability information into their reporting cycle.”	Allfunds provides comprehensive data to its clients, facilitating investment decisions based on ESG criteria.

ESG Footprint

Having a positive footprint on society and the planet

ESG PILLAR	SDG TARGET	ALLFUNDS COMMITMENT
5 Social commitment	Target 1.5 “Build the resilience of the poor and people in vulnerable situations and reduce their exposure and vulnerability to climate-related extreme events and other economic, social and environmental disasters.”	Allfunds' Charity Fund allocates part of its funds to projects whose purpose is to mitigate people’s exposure to poverty and vulnerability.
	Target 3.b “Support research and development of vaccines and medicines for diseases ... and facilitate access to affordable essential medicines and vaccines.”	Allfunds' Charity Fund contributes to the do out bit to fight against cancer, autism, visual and psychosensory disability, ALS, Koolen-de Vries syndrome, cerebral palsy, and Dravet syndrome.
	Target 4.5 “Eliminate gender disparities in education and ensure equal access to all levels of education and vocational training for vulnerable people, including persons with disabilities, indigenous peoples and children in vulnerable situations.”	Allfunds' Charity Fund contributes to ensuring training for vulnerable collectives, including people with disabilities and children.
	Target 10.2 “Empower and promote the social, economic and political inclusion of all people, regardless of age, sex, disability, race, ethnicity, origin, religion or economic status or other status.”	Allfunds' Charity Fund collaborates with NGOs and associations in different projects for better labour inclusion and education.
	Target 17.3 “Mobilize additional financial resources from multiple sources for developing countries.”	Allfunds engages its stakeholders in different charity activities to increase our social footprint.
6 Environment protection	Target 13.3 “Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning.”	In addition to environmental policies and procedures, Allfunds implements internal engaging awareness campaigns to address key environmental issues.

1 Ethics and Governance

"Act with integrity and transparency, complying with the highest standards and applicable regulations at all levels of the organisation."

Policies and procedures

- General Code of Conduct
- Whistleblowing channels
- Criminal Risk Prevention and Compliance Policy
- Compliance Monitoring Programme
- Anti-Corruption and Gifts and Entertainment Policy
- Manual for the Prevention of Money Laundering and Terrorism Financing
- Privacy Policy
- Conflict of Interest Management Policy
- Related Party Transactions Monitoring Procedure
- Insider Trading Policy
- Tax Strategy
- Board Diversity Policy
- Non-Executive Directors' Profile
- CSR Policy (Human Rights specific section)

Milestones

- The Board of Directors approved the map of key stakeholders and Allfunds' value proposition for each of them. During a strategic day session they reviewed the Group's ESG pillars and the outcome of the ESG materiality assessment conducted during the year.
- Adaptation of our ESG risks and in particular environmental and climate-related risks in accordance with Task Force on Climate-related Financial Disclosures (TCFD).
- Achievement of a Compliance Management Certification based on the international standard ISO 37301:2021.
- Monthly review of new ESG regulatory obligations coming into force in 2022/2023 through the Compliance Monitoring Programme.
- All new clients were approved by the Clients Acceptance Committee (CAC), considering AML/CFT compliance, risk and legal perspective. Ongoing due diligence carried out with high-risk clients, The AML/CFT Unit reported relevant data to the Board's Risk and Audit Committee on a quarterly basis.
- Approval of a global tax strategy aligned with the international guidelines and recommendations of the OECD.
- Harmonisation and adaptation of the Group's main ESG policies to new regulations and material topics for the Company that will conclude during 2023:
  - General Code of Conduct
  - ESG Policy
  - Human Rights Policy
  - Diversity Policy
  - Climate Change Management and Environmental Policy
  - Allfunds' Charity Fund Policy
  - Supplier Selection Procedure and Supplier Code of Conduct

ESG Empowerment

KPI 2022

96.5%

Compliance with the applicable Best Practice Provisions of the Dutch Corporate Governance Code

96%

Employees trained in AML and CFT

0

Complaints received through the whistleblowing channel

0

Incidents of corruption

2 Talent management

"Seek the personal and professional development of our employees in a diverse and safe working environment."

Policies and procedures

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

Milestones

- The new updated Human Resources digital management tool (Cornestone) has enabled the integration of employees from two acquisitions - WebFG and InstiHub in less than four months.
- Continued to progress on the Human Capital Management Strategic Road Map.
- Awarded the Top Employer certification in Spain, which recognises excellence in the conditions employers create for their people.
- Approval of the new Flexible Work Policy that gives the employees the opportunity to decide whether they prefer to come to the office daily or to opt for a hybrid work schedule that combines on-site and remote work each week. This policy has included positive exceptions for employees who are seven months pregnant or more, or suffering domestic violence. Both groups are allowed to work fully remotely from any place.
- Adaptation of the Global Health, Safety and Wellbeing Policy to new legislation to be approved during 2023.
- Occupational and environmental risk prevention audits have been carried out by the external company Bureau Veritas, in most of our offices.
- Launch of the new People Digital Suggestion Box, a channel where employees can share ideas and opinions directly with team confidentially.

KPI 2022

Total employees
1,031
(19.7% increase)

Nationalities
46

Employees with permanent contract
93%

Employees between 30 and 50 years old
704

Women
435
(42% total employees)

Hours of training
> 9,460

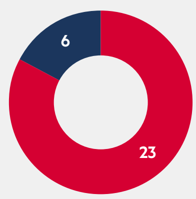
Turnover rate
14.32%

People with internal development opportunities
93

Accidents or illness related to activity
0

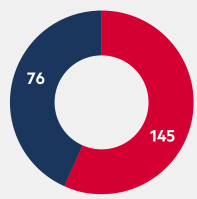
Total women by professional category

Executives



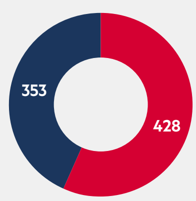
Male	79%
Female	21%

Managers



Male	66%
Female	34%

Rest of professionals at Allfunds



Male	55%
Female	45%

ESG Empowerment

3 Digitalisation and innovation

"Stand for innovative digital technologies to offer products and services to our clients that are more agile, efficient and secure."

Policies and procedures

- Information Security System
- A Crisis Management Plan
- Business Continuity Plan
- Cybersecurity Insurance

Milestones

- Allfunds Connect has included "Fund Insights", a premium feature that allows Fund Houses to publish their research and analysis, in a streamlined and simple way, to differentiate their proposition and product offering in a highly competitive market.
- Allfunds Blockchain has expanded the capabilities of its FAST solution to digitise the process of switching mutual fund portfolios between financial providers.
- Allfunds Blockchain and Renta 4 have participated in the first executed orders on the first tokenised Spanish fund.
- In terms of IT Security:
  - We renewed the certification of our financial and technology processes through the ISAE 3402 (SOC 1 Type 2) certification, to trying to guarantee the quality of outsourced managed hosting solutions.
  - Compliance with technical exercises for financial institutions in compliance with TIBER-EU.
  - Deployed our Information Security Master Plan (ISMP) based on NIST CSF, with a three-year plan, which includes all the actions required to continuously improve our information systems and processes

ESG Innovation

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

KPI 2022

Recovery Time Objective (RTO)

4 hours

BitSight rating

800

(we are part of the top peer group of a total of 26,798 financial institutions analysed)

Endpoint Detection and Response (EDR)

4 Responsible investment

"Promote and integrate ESG criteria into investment services to encourage more sustainable capital markets."

Policies and procedures

- Responsible Investment Policy

Milestones

- Renewed our commitment to the Principles of Responsible Investment of the United Nations.
- Adaptation to the new EU regulations to incorporate ESG criteria in investment funds: Implementation on the Allfunds platform of the European ESG Template (EET) and updating of the European MiFID Template (EMT).
- Redesigned our ESG proposal, expanded our capabilities throughout different tools and services, responding to the new regulation, giving a 360º ESG solution to Fund Houses and Distributors.
- Launch of Nextportolio3, Allfunds' advanced portfolio solution, has also increased its capabilities to make ESG-related investment advice thorough, efficient and compliant.
- Strengthen the development of ESG-related business solutions, as evidenced by the announcement of our acquisition of MainStreet Partners, a platform offering a full suite of ESG products including ESG investment portfolios, and scoring & reporting.
- Participation in forums and membership in associations that promote responsible investment, such as Spainsif, an associate member of the European Sustainable Investment Forum (Eurosif), the leading European association for sustainable and socially responsible investment (SRI), whose mission is to promote sustainability in European financial markets.

ESG Innovation

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

KPI 2022

Over

120,000 EETs

are available in Allfunds' database, positioning Allfunds as one of the largest providers in the market.

AuA of Allfunds' platform related to ESG

(article 8 & 9 SFDR)

56%

5 Social commitment

"Contribute to positive change in the communities where we operate."

Policies and procedures

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

Milestones

- Measuring the impact of social projects according to the B4SI, in order to improve the management, measurement and transparency of social investment.
- Allfunds promotes volunteering activities at a global level in the communities in which we operate. This programme offers activities to encourage personal and team involvement in social causes.
- Improving the efficiency of the approval and control processes of new suppliers.
- Allfunds is committed to promote labour inclusion of vulnerable people. A training programme has been created for young people with intellectual disabilities, sixteen young people attend the Madrid office every week to receive a master class from employees on diverse topics.
- All the 49 new suppliers fulfilled our ESG requirements during the due diligence processes of onboarding that includes among others: (a) Respect for human rights, (b) Labour practices, (c) Slavery and human trafficking, (d) Anti-bribery and anti-corruption, (e)Anti-Money Laundering and Counter Terrorist Financing, (f)Conflict of interest, (g) Safety and health, (h) Environmental practices, (i) Risk Management.

KPI 2022

Investment in the community

€217,546

Employees involved in volunteer activities

268

Supported foundations/ non-profit associations

40

Suppliers

1,012

(91% local suppliers)

Supplier expenses

€39.9m

Average days payable supplier ratio

28.28

ESG Footprint

1 No Poverty; 3 Good Health and Well-Being; 4 Quality Education; 10 Reduced Inequalities; 17 Partnerships for the Goals

6 Environmental protection

"Work towards a more efficient and environmentally friendly way of doing business."

Policies and procedures

- Environmental and Climate Change Management Policy
- Environmental Management System Manual
- Certificate Environmental Management System Manual
- ISO 14001 Certification (HQ)
- ISO 14064 Certification (Global)
- Allfunds Environmental Programme
- LEED Certification (HQ)

Milestones

- The baseline year for our emissions reduction targets will be 2022. We have calculated and certified the whole carbon footprint of the Group (Scope 1, Scope 2 and Scope 3) according to the ISO 14064:2018. Based on this, we will prepare our decarbonisation plan with the aim of being certified as a carbon neutral company according to PAS2060.
- In parallel we are adapting our Environmental Management System globally, based on the international standard ISO 14001:2015, with the aim to be verified during 2023.
- We have renewed the whole recycling system at Allfunds' premises.

KPI 2022

T CO_2e emissions of Scope 1

2.49

(0 in UK)

T CO_2e emissions of Scope 2

288.75

(0 in UK)

T CO_2e emissions of Scope 3

1,277.46

(66.44 in UK)

The energy intensity ratio (Scope 1+2) t CO2 e/ employee*

0.31

*Note: It is calculated on the basis of the average number of employees (949).

Water consumption

3,655.77 m^3

Paper consumption

417,485 sheets

Electricity consumption

1,364 MWh

Energy consumption coming from renewal sources

36.6%

ESG Footprint

13 CLIMATE ACTION

Stakeholder engagement

Our engagement with stakeholders

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

This section contains a description of the main decisions and actions taken during 2022 as part of Allfunds' continuous engagement with each group of key stakeholders, and it forms part of the Board's Section 172(1) statement contained in this Annual Report.

Stakeholders Who are they?

Employees

- Direct employees (full time and part time)
- External employees (trainees, interns, subcontractors, temporary agencies)

Expectations
What do they expect from Allfunds?

- Stable employment and fair compensation
- Professional development and the correct undertaking of their work through training activities
- Equal opportunities and treatment
- Work/life balance
- Safe and healthy work environment

Active dialogue
How do we communicate with them?

- Allfunds intranet
- Cornerstone
- Whistleblowing channel
- Digital Suggestion Box
- Continuous feedback model
- Face-to-face meetings
- Internal Committees
- ESG Double materiality survey and workshop
- Video/audio conferences
- Allfunds website
- Allfunds Charity rowdfunding Platform
- Internal engagement events and conferences
- Volunteering programme
- Collaborative tools
- Social media
- Surveys

Value creation proposition
What value do we seek to create for them?

- Attractive compensation package that ensures non-discrimination and recognises experience and level of responsibility
- Training and Development to upskill employees and foster individual development, to leverage and expand competencies and roles creating opportunities for growth within the organisation
- Performance management process and feedback culture
- Definition of Allfunds' Talent and Talent Identification process
- Diversity and Inclusion working environment in which all people are treated with respect, dignity and equal conditions
- Work/life balance. Flexible working hours and digital disconnection measures are in place to improve the quality of life of its employees and their families
- Global Health, Safety and Wellbeing Policy that aims to ensure adequate resources, equipment and training for employees' health and safety work practices and activities according to applicable local legislations

Engagement action
What were our key engagement actions during 2022?

- Continued to progress on the Human Capital Strategic Roadmap.
- LTIP implementation and review of variable remuneration system
- Internal Mentoring Programme (expert managers as mentors/high potential employees as mentees)
- Leadership Programmes to reinforce Allfunds' leadership style, mostly in middle management and new managers
- Implementation of a learning platform that offers a great variety of training that employees can deploy "à la carte" with autonomy
- Introduction of the gamification methodology in order to better engage employees in the learning paths
- Talent management: offering internal development opportunities within the organisation and acknowledging them through our intranet (vacancies covered internally and promotions)

Stakeholders Who are they?

Clients

- Fund Houses
- Distributors

Expectations
What do they expect from Allfunds?

- Excellent service (transparency and traceability)
- Cybersecurity and data protection
- Support on compliance & regulatory framework
- Drive efficiency
- Improve sales
- Integration of ESG criteria in investments

Active dialogue
How do we communicate with them?

- Connect platform
- Face-to-face meetings
- Video/audio meetings
- Webinars/digital events
- Events and conferences
- Emails
- Surveys
- Advertising
- Customer service
- ESG Double materiality survey and workshop

Value creation proposition
What value do we seek to create for them?

- Provide Fund Houses with a better understanding of common clients' distribution activities
- Connect businesses with international markets through digital solutions, increasing control and reducing risks thanks to a global network
- Continuously working to innovate and develop digital solutions adapted to clients' needs
- Contribution to the 'democratisation' of investment opportunities by providing access to premium products
- Information Security System that supports against possible threats, reducing the damage caused by incidents, ensuring the continuity of its services, and preserving the basic components of its security (confidentiality, integrity, availability, traceability and resilience)
- Transform the WealthTech world, empowering with a unique combination of scale, experience and a digital mindset

Engagement action
What were our key engagement actions during 2022?

- Net Promoter Scoring survey on Connect, addressed to both Fund Houses and Distributors
- Net Promoter Scoring survey on Telemetrics, only addressed to Fund Houses
- Webinars to enhance knowledge of digital solutions
- Presential events to share market experience and innovation
- ESG Materiality Analysis participation

Stakeholder engagement *continued*

Stakeholders Who are they?

Investor community

- Shareholders
- Investors
- Rating agencies
- Analysts
- Proxy advisers

Expectations

What do they expect from Allfunds?

- Accessible and transparent information
- Deliver on Allfunds' investment case
- Good financial performance with a return on their investment
- Creation of long-term value

Active dialogue

How do we communicate with them?

- Allfunds website – Investor section
- Reports and conference calls on the semi-annual and annual financial results
- Trading update and conference calls each quarter
- Investor Relations communication area: mailing list, telephone and email
- Full flexibility for 1-to-1 meetings and ad-hoc calls
- Investor conferences, sales force meetings and fireside chats
- Selected feedback post event (conference, roadshow) or any meeting
- Roadshows during the year on the back of results

Value creation proposition

What value do we seek to create for them?

- Long-term sustainable returns through attractive Adj. EBITDA margin and share price appreciation
- Progressive dividend policy

Engagement action

What were our key engagement actions during 2022?

- Results presentation for FY 2022, 1H and quarterly trading updates in Q1 and Q3
- Management roadshows on the back of preliminary FY 22 and 1H 22 results
- Attendance at investor conferences throughout the year (1-to-1 meetings, group calls, fireside chats, etc.)
- Ongoing dialogue through IR department: mailing, 1-to-1 meetings, telephone, email correspondence, etc.
- Shareholders Annual General Meeting in London

Stakeholders Who are they?

Regulators

- Public authorities and supervisors
- Policymakers and legislators
- Industry forums and working groups

Expectations

What do they expect from Allfunds?

- Compliance with applicable regulations and best standards
- Constructive relationships with regulators and responsiveness to authorities' requests
- Quality, transparency and timeliness in reporting
- Robustness of internal governance systems and documentation
- Tone from the top culture of integrity and accountability
- Proactive follow-up of regulatory agenda and contribution to industry policy-making
- Payment of applicable taxes and social security contributions

Active dialogue

How do we communicate with them?

- Allfunds website
- Allfunds periodic public reporting
- Regulators' official and informal communication channels
- Face-to-face and virtual meetings
- Webinars
- Events and conferences

Value creation proposition

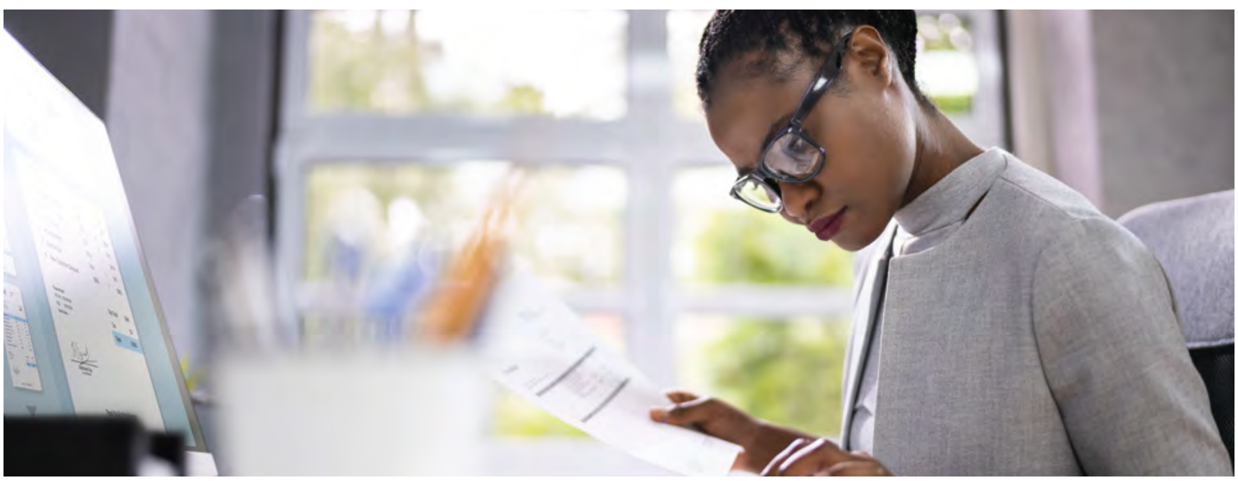
What value do we seek to create for them?

- Allfunds' governance framework reflects applicable regulations and best standards and seeks to ensure excellence, robustness and prudence in business management
- Allfunds' governing bodies monitor and foster strong regulatory relationships at all levels of the organisation and across all business areas
- Regulatory Compliance Monitoring System aims to ensure compliance with regulations and internal policies
- Internal Audit function provides the Board of Directors and senior management with a reliable and independent assessment of the effectiveness of controls designed to mitigate the significant risks affecting the business
- The Risk Management System identifies, measures, controls, mitigates and communicates Allfunds' financial and non-financial risks, including legal and regulatory
- Allfunds participates in public and private industry forums and working groups that support the development of appropriate regulatory frameworks
- Tax strategy is in line with the principles of integrity, transparency and prudence, and fosters a relationship with the tax authorities based on trust, good faith, professionalism, collaboration, loyalty and reciprocity

Engagement action

What were our key engagement actions during 2022?

- Close interaction with supervisors and agile and transparent response to regular routine inspections conducted by several authorities
- Enhanced transparency through the first Annual Report published as a listed company
- Increase in the level of compliance with the Dutch Corporate Governance Code
- Progress in the objective to achieve the review target by 2025



Stakeholder engagement *continued*

Stakeholders Who are they?

Business partners

- Strategic business and technological partners
- General suppliers
- Advisers and consultants

Expectations

What do they expect from Allfunds?

- Mutually beneficial and impactful partnerships
- Reciprocal and balanced agreements
- Loyalty and long-term relationships
- Ongoing communications and cultivated trust
- Flexible and innovative mindset
- Respect for laws and regulations
- Fulfilment of obligations and on-time payments

Active dialogue

How do we communicate with them?

- Allfunds website
- Face-to-face and virtual meetings
- Webinars
- Events and conferences
- Emails
- Surveys
- Full flexibility for 1-to-1 meetings and ad-hoc calls
- ESG Double materiality survey

Value creation proposition

What value do we seek to create for them?

- The Group core values of excellence, accountability, empowerment and inspiration drive all relationships with partners
- Allfunds' partnerships are aimed at transforming the WealthTech industry and thus enhancing the entire distribution chain for the benefit of all parties
- The Group gives public recognition to partners and their contributions
- The Group promotes respect and protection of human and labour rights
- Allfunds' Code of Conduct seeks to ensure that suppliers are chosen with transparency and equal treatment and based on objective, weighted and ethical criteria

Engagement action

What were our key engagement actions during 2022?

- Revised Outsourcing Policy and Supplier Selection Procedure
- Average payment term to suppliers of 28.28 days

Stakeholder Who are they?

Society

- Non-governmental organisations (NGOs)
- Media
- Opinion leaders
- Civil society
- Environment

Expectations
What do they expect from Allfunds?

- Contributing to the sustainable development of local communities and vulnerable groups in the countries where Allfunds operates and in developing countries
- Clear and transparent communication
- Protect the environment: preventive approach, risk management, responsible use of natural resources and waste

Active dialogue
How do we communicate with them?

- Allfunds website
- Allfunds' Charity Crowdfunding Platform
- Face-to-face meetings
- Video/audio meetings
- Charity events and conferences
- Corporate Charity Fund (Fondo Solidario) mailbox
- Surveys
- Advertising
- ESG Double materiality survey

Value creation proposition
What value do we seek to create for them?

- Charity Fund Investment Policy supervised by the Charity Fund Committee, which ensures objectivity and maximisation of the impact of the investments made. Focused on:
  - Crowdfunding platform
  - Raising awareness among employees and other stakeholders within the Company's scope of influence and control
  - Ensure equal opportunity of access to the Charity Fund and report transparently on the results and positive impacts on society
  - Give Allfunds employees the opportunity to propose social projects to which they are locally committed
- Communication Protocol and Marketing and Communication Department to ensure clarity and consistency in corporate communication across the organisation and establishing quality checks for external communications
- Climate Change and Environmental Management Policy to ensure well-defined principles, criteria, rules and procedures that fortify the prevention and reduction of the environmental impact of Allfunds' business

Engagement action
What were our key engagement actions during 2022?

- Annual fundraising events for Ukraine war and support NGOs
- Organised awards competitions together with the media to recognised the best players of the industry
- Reinforce the partnership with NGOs to promote labour inclusion of people with intellectual disabilities, such as a group of 14 young students that spent 1 day a week at Allfunds' headquarters.
- Increase in environmental awareness campaigns
- Calculating Allfunds Carbon Footprint globally scope 1,2 and 3 according to
- ISO 14064
- Adapting the Environmental Management System in order to be certified at a Group level under ISO 14001 standard

Board Section 172(1) statement

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

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

The likely consequences of any decision in the long term

The Board is committed to deliver Allfunds' purpose and acknowledges that the long-term success of the business depends on it creating a positive impact on a wide variety of stakeholders. Accordingly, Directors have set a long-term oriented strategy and have taken decisions they believe best support its delivery. The Strategic Report contains a description of Allfunds' strategy and business model and how they contribute to long-term value creation for our stakeholders. Subsection 'Key focus areas in 2022' in section 'Corporate Governance – Board of Directors' of this report further describes the main activities of the Board carried out during the year and is incorporated by reference into this Section 172(1) statement. It reflects that long-term considerations drive all Board decisions, such as the Value Creation Plan, the Human Capital Strategic Roadmap, or the Long-Term Incentive Plan.

The interests of the Company's employees

The Board considers Allfunds' employees to be its most important asset and vital to the delivery of the Group's purpose. In supervising the general state of corporate affairs, directors pay special attention to people and seek to ensure that Allfunds remains a responsible employer where employees can reach their full potential and, in turn, ensure the long-term success of the Group. The Chief People Officer is a member of the Executive Committee and regularly reports to the Remuneration and Appointments Committee, with onward escalation to the Board where appropriate to ensure its adequate supervision of people matters. Subsection 'Key focus areas in 2022' in section 'Corporate Governance – Board of Directors' further describes the main activities of the Board carried out during the year with regard to Allfunds' people. These include continuously monitoring the Human Capital Strategic Roadmap with a focus on talent management, developing appropriate reward systems, discussing the senior management's engagement channels with the wider workforce and the outcome of the Employee Engagement Survey launched in 2022.

The need to foster the Company's business relationships with suppliers, customers and others

The Board is aware that Allfunds' business cannot succeed without robust relationships with Fund Houses and Distributors, who are at the heart of its strategy, as well as with suppliers and other strategic partners. In particular, the consideration of Fund Houses and Distributors current and future needs drives the Group's action. Allfunds' teams have developed direct, long-term relationships with these stakeholders and there is ongoing engagement. Directors receive periodic updates on the evolution of these relationships and so supervise our engagement with them. Moreover, the Code of Conduct sets out the principles that should govern each of such relationships, which are based on Allfunds acting with professionalism, honesty, integrity and independence.

The impact of the Company's operations on the community and the environment

The Board seeks to ensure that environmental and social issues are integrated in the corporate strategy and business model. Creating a positive impact on wider society is inherent to our purpose of transforming the WealthTech world. The Board monitors that this is given effect in the day-to-day management of the business. The Strategic Report describes our approach to ESG matters and our engagement action during the year with society, as influenced by Board discussion and decision-making. During the period under review, a materiality assessment was conducted to help Allfunds develop its ESG strategy on the basis of its main ESG pillars. The outcome was shared with Board members. Likewise, the Board was updated on the evolution of Allfunds' Charity Fund. In line with our corporate purpose, education is now at the heart of the Fund's activities with a focus on Tech and Financial Investment.

The desirability of the Company maintaining a reputation for high standards of business conduct

The Board promotes robust culture and values encouraging that all actions, attitudes and behaviours at Allfunds meet the highest standards of business conduct. Our corporate governance framework is periodically reviewed by directors to monitor that legal and ethical standards are achieved, and that Allfunds' reputation reflects this. The Board is provided with regular information on investors' and analysts' feedback to keep up to date on third parties' impressions and perception of our business. Directors also receive periodic updates from internal control functions, which include feedback on the use of our whistleblowing channels, so they are informed of material business misconduct on a regular basis. Specific decisions made by the Board during the past year in this area are further described in subsection 'Key focus areas in 2022' in section 'Corporate Governance – Board of Directors'.

The need to act fairly as between members of the Company

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

In discharging its Section 172(1) duties, directors recognise that having a good understanding of the views and interests of the Group's key stakeholders will help them to deliver the Group's strategy in line with its purpose and to operate the business in a sustainable way. To that end the Board has identified six groups of key stakeholders: employees, clients, the investor community, regulators, business partners and wider society. The importance of each stakeholder group may differ in each decision to be made by the Board. Directors acknowledge the importance of considering the impact on each of those stakeholders, in order to balance their interests while promoting the success of the Group's business

Stakeholder engagement is therefore embedded in all aspects of the Board's discussions and decision-making. The Board adopts a variety of methods for engagement with different stakeholder groups. The Board will sometimes engage directly with stakeholders on certain issues, but stakeholder engagement is continual and often takes place at an operational level. The broader business engages with stakeholders regularly throughout the year, and in the build-up to or during many projects or activities. The Board regularly receives reports and considers and discusses information from across the organisation to understand the impact of the Group's operations on, and the interests and views of, the Group's key stakeholders. As a result of these activities and the information it receives, the Board has an overview of engagement with stakeholders, and other relevant factors, which enables directors to comply with their duty under Section 172(1) of the UK Companies Act 2006.

Empowering our talent

Allfunds people are the true competitive advantage of the company. Their expertise is a key factor for Allfunds´ resilient growth.

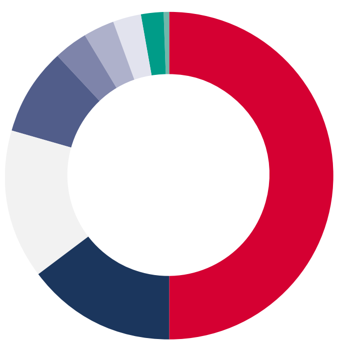
Employee overview

Our employee distribution looks as follows

By Department

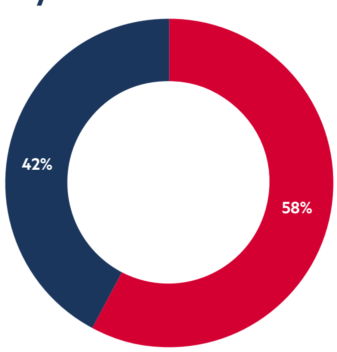
Trading and Execution	33%
Product (Allfunds Tech Solutions, Allfunds Data Analytics, etc..)	16%
Sales Team	12%
IT Systems	11%
Fund Groups	7%
Finance	5%
Human Resources	3%
Risk & Compliance	3%
Business Process Management	2%
Others*	8%

By Country of origin



Spain	50%
Italy	15%
Poland	15%
Rest of Europe	9%
UK	3%
Asia	3%
France	3%
America	2%
Africa	<1%

By Gender



Male	58%
Female	42%

* Others include Legal, Strategic projects, Investment, Transformation office, Blockchain, Corporate communications and ESG, Internal audit, Strategy, Investor relations and CEO office

At Allfunds, we seek to encourage the personal and professional development of our employees in a diverse and safe work environment. Allfunds is an agile company that operates in a very dynamic environment. When it comes to hiring, we look for the right skills, the passion and the drive to help us build the industry of the future. Our people is the most important asset in creating value for our stakeholders. Capable of leading change every day, our teams grow and are the main driver of our company's pride.

Another year of success in integration

This year we have proven, once again, our capacity to integrate new organizational cultures into the Allfunds DNA. Also thanks to our fully developed Human Resource Systems we have integrated, in a more dynamic and agile way, new teams from the acquisitions of 2022.

Engagement and open communication

Employee engagement and open communication are essential to our organizational development and the management of day-to-day challenges. Our management team plays a critical role in our engaged team by working closely with our employees to identify areas where they can grow and providing them with the resources and support they need to succeed. One way in which our management team helps our employees go the extra mile is by encouraging them to take on new challenges and stretch assignments. By providing opportunities for growth and development, we enable our employees to build new skills, gain valuable experience, and push themselves to achieve more.

Our corporate intranet serves as a central hub for communication and it plays a crucial role in helping us build a culture of transparency, collaboration, and innovation. The intranet is key in M&A processes to integrate employees into our company’s culture and helping them feel connected to our mission, values, and ways of working. We also enhance dynamic communication channels with employees to facilitate global interaction on demand. One of the intranet’s feature is our People's Suggestion Box that enables more open dialogue with employees, which has been well-received, and we are seeing a gradual increase in suggestions.

People in motion

We have created four new areas in the company that we have nurtured with internal talent. This proves that Allfunds' highly skilled professionals can adapt to a market in constant movement. We combine the needs of the business with the internal development of our talent and the hiring of new professionals, who enrich our culture and knowledge.

Innovation in the future of work

We offer flexibility to our employees at different levels so they can grow with us

1. Hybrid working model: 100% of our staff can work up to 2 days from home. For the digital employees, remote work can be applied 5 days a week.
2. Internal mobility: We offer opportunities for employees to move within the company and take on new roles. We provide them with a chance to gain new skills and experiences, broaden their knowledge, and expand their networks. This helps them develop professionally and prepare for future career opportunities within our company.
   Internal mobility also helps employees explore different areas of the company and find the roles that are the best fit for their skills and interests. This leads to greater engagement, as employees are able to pursue work that is meaningful and fulfilling to them.
3. Flexibility for “key risk” employees: allow 100% remote work in circumstances that might include from the 7th month of pregnancy for our female employees, and for anyone who has suffered gender-based violence from any location.

Diversity, equity and inclusion

For Allfunds, Human Capital is at the heart of the company’s strategy and results. In terms of inclusion, Allfunds creates a working environment in which any individual can be and feel welcomed, respected, supported, and valued. As regards Diversity, Allfunds fosters diversity includes ways in which people differ, encompassing the different characteristics that make one individual different from another. To ensure equity, Allfunds encompasses the policies and practices used to ensure the fair treatment, opportunity, and advancement for all employees. Through Diversity, equity and inclusion, Allfunds fosters a culture that recognises and minimises bias.

Our focus on building a diverse and inclusive workforce has brought more than 45 nationalities into our workforce. This year we have seen a slight drop in gender diversity to 42% due to the increase in digital/technological profiles added. However, we remain committed in increasing this % back to a parity as we had in 2021 for 2024. Around 27% of our employees have a STEM profile which fosters their analytical and critical thinking, plus their research ability. Allfunds employees can transform society with innovation and sustainable solutions.

This year, we have created an Equality Committee in which different areas of the company participate, where we analyze our position in terms of gender equality, in which measures are proposed and agreed to reduce any deviation and KPIs are set to ensure that the proposed measures are satisfied in the future.

Talent development and career development

At Allfunds, we are committed to supporting the professional growth and development of our employees. To achieve this, we developed a robust learning and development framework that is designed to transfer knowledge and build skills in a variety of ways. Our framework is based on the 70-20-10 model, which emphasizes experiential learning (70%), social or peer-to-peer learning (20%), and formal training (10%).

Through our experiential learning approach, we encourage employees to learn from Allfunds’ development measures and initiatives and take on new challenges or positions to build their skills and knowledge. Our social learning programs developed provide opportunities for employees to share knowledge and best practices with their colleagues.

Our talent and career development is designed to support our employees in achieving their full potential and building meaningful and impactful roles at Allfunds.

There are more than

45

nationalities working at Allfunds

90%

of the respondents declares they have someone at Allfunds that care for them as a person

Almost

70%

response rate at the Annual Engagement Survey

Average score of

3.68

out of 5 on the Annual Engagement Survey

87%

of the respondents declares they consider their job at Allfunds is a valuable career asset

27.3%

of Allfunds employees have a STEM profile

Healthy and balanced work environment

Due to the impact in our lives of recent pandemic and a growing interest in health issues, we have invested more deliberately in wellbeing initiatives in 2022. Initiatives include:

- A well-being campaign in Poland and in the UK
- In Poland, a seminar was held aimed at raising awareness of mental health, with the aim of giving workers tools to facilitate the search for support in case of risk, as well as proposing day-to-day strategies to improve self-care and emotional well-being
- In the UK, two people have been trained and appointed as "First Aiders in Mental Health". This circumstance has been publicized to the staff so that they can use them as a first point of contact and that they can give them that first orientation or guide. We will roll out similar campaigns in Spain and Italy.
- Voluntary flu vaccine campaign in all our offices globally
- Social benefits: almost 100% of our employees have medical insurance for themselves and their direct relatives (except in Chile and in the US), as well as life risk and accidents insurance. [1]

Acknowledgments

With this recognition, today at a local level for Spain, we make it clear that our People practices are among the best companies

This recognition follows Allfunds' new Employee Value Proposition (EVP), which was built in close cooperation between several departments across the organisation. The new EVP was defined in response to employee feedback, the business and the market. It also incorporated Allfunds´ purpose and ambitions as a business at the heart of the WealthTech industry. The EVP aims to further attract candidates by sharing information about the employee journey they can expect.

1. Companies acquired in 2022 and 2023 are in the process of finalising these social benefits

Financial wellbeing

At Allfunds, we believe that paying fair wages is also part of our corporate sustainability and our care for our local communities and society as a whole. We understand that a living wage is a baseline for an income level that allows a worker to achieve an acceptable standard of living through employment, without reliance on third-party assistance programs. The cost-of-living crisis in 2022 has caused concerns for many people and during the year we have sought to help our employees navigate these challenging times.

Comparative analysis of Fixed salary: Allfunds vs. Market data (€)

Country	Allfunds Average Fixed salary	Average Fixed salary[1]
Switzerland	€ 157,384	€ 65,254
United Kingdom	€ 131,053	€ 47,295
Singapore	€ 101,913	€ 60,573
Luxembourg	€ 94,654	€ 72,247
Italy	€ 50,588	€ 29,951
Spain	€ 50,531	€ 28,184
Poland	€ 23,907	€ 14,431
Total general average	**€ 55,597**	**€ 45,419**

1. Refers to average fixed salary by country according to OECD Employment and Labour Market Statistics data for Switzerland and United Kingdom; Eurostat data for Luxembourg, Italy, Spain and Poland and World Bank data for Singapore. Exchange rate USD/EUR of 1.07 as of 31 December 2022

A robust approach to risk

Risk management

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

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

Risk management approach

Risk management consists in identifying and measuring direct and indirect risks, as well as potential and emerging risks. This determines the Group's appetite for the identified risks – and whether to accept, avoid, mitigate or transfer them. Risk management entails the ability to gain resilience, gain competitive advantage and identify new business opportunities too. It also enables the creation of a modus operandi for assessing and preventing risks identified within the Group. Allfunds has a general risk management and control model, which is adapted to its business model, its organisation, the countries where it operates and its corporate governance system. This model allows the Group to implement the risk management and control strategy and policies defined by the Board – and to adapt itself to a changing economic and regulatory environment. The model is updated at least annually and is fully applied across the Group. It comprises the following elements: risk management framework, risk management strategy and objective, risk appetite framework and risk reporting.

The Group promotes the development of a risk culture that ensures a consistent application of this model across the Group. This ensures the Risk Management function is understood and internalised at all levels of the organisation.

Risk management framework

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

1

First line of defence

Business and support functions (other than control functions)

Providing day-to-day risk management and control for the Group

Implements and manages the risk indicators or first level controls to identify potential risks and ensure an effective answer to mitigate them

2

Second line of defence

Compliance and risk management teams

Act autonomously and independently of each other and with respect to the first line of defence

Providing independent oversight of challenges to the risk management of the business

Supports the first line of defence by defining and monitoring compliance with rules and limits needed for the business to stay within the overall Risk Appetite defined by the Allfunds Bank Board.

3

Third line of defence

Internal audit function

Has the maximum level of independence and objectivity within the Group

Ensuring the effectiveness of the Group's control systems

Carries out independent reviews of the first two lines of defence to verify compliance with the Group's risk management framework and provides assurance to the Risk and Audit Committee of Allfunds Bank on the effectiveness of the Group's risk management

Risk management strategy and objective

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

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

Risk appetite framework

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

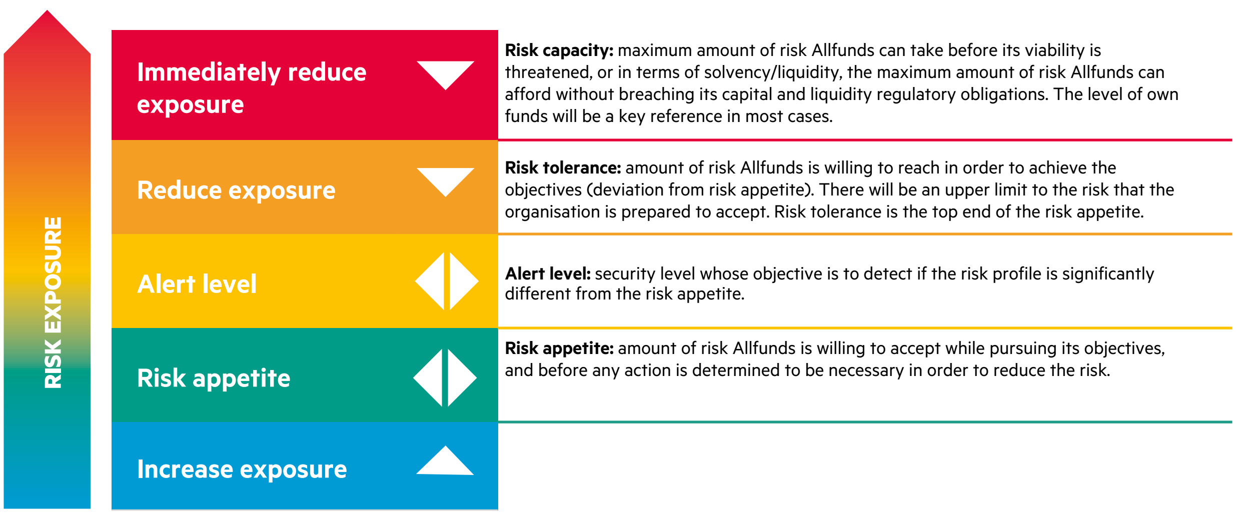
The RAF aims primarily to strengthen profitability, enhance risk management and promote transparency in the overall risk-taking policy for capital allocation and profit maximisation. This is supported through the setting, communication and oversight of risk appetite, as well as the optimisation and speed-up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

The Board of Directors annually approves the risk strategy and in particular the RAF to promote a good internal governance, the establishment of limits and objectives and the implementation of monitoring and surveillance mechanisms for the different types of risk. The last update was performed in December 2022 and the Board has established that the Group's risk appetite is low. This risk appetite level provides the foundation for the development of calculation and control methodologies for the risks incurred by the Group, which are implemented through its risk unit.

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

Risk exposure

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



Risk reporting

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

The main reports necessary for the risk unit to fulfil its duties include: progress reports regarding execution settlement risk exposure limits; progress reports for overdraft limits; progress reports about liquidity and market risk; statistical reports and stress test results.

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

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

Principal risks and uncertainties

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

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

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

Risk and potential impact	Mitigation	Comments for 2022
Operational risk Risk of losses resulting from deficiencies or failures of internal processes, human resources or systems, or derived from external circumstances, which can lead to increased operational losses. Operational risk is inherent to all activities, processes and systems and is generated by all business and support areas.	• Operational risk limits are approved annually by the Board of Directors to monitor losses. • Risk and Control Self Assessments (RCSAs) in those areas most exposed to operational risk. • Identification, reporting and tracking of operational risk events. • Dedicated resources to the integration of the businesses acquired from BNP in 2020. • Availability of a detailed Business Continuity Management (BCM) programme across the Group. • Existence of insurance policies against fraud, cybersecurity incidents and professional liability.	• The Board has reviewed and approved the update of the Group's operational risk limits as well as its operational risk policy. • Ongoing work to increase the scope of RCSAs. • Ongoing improvements to the BCM programme.
Information and Communication Technology (ICT) risk Risk associated with insufficient or faulty hardware and software of technical infrastructures that may compromise the availability, integrity, accessibility and security (including cybersecurity) of infrastructures and data. This could lead to reduced operational efficiency and increased costs, or to data vulnerability, amongst other things.	• Existence of a Group IT Security and Cybersecurity framework. • Internal and external assessments of the ICT risk framework. • Existence of a Business Continuity Plan (BCP) and a Disaster Recover Plan (DRP) that are tested annually. • Identification, reporting and tracking of technological risk events (TKIs).	• Satisfactory testing of the BCP and DRP. • Increased testing of our cybersecurity framework. • Reinforcement of the team through the appointment of a fully dedicated IT Risk function within the Risk Management Unit.
Credit and counterparty risk (including execution and overdraft settlement risk) Credit risk quantifies the losses derived from the potential failure of customers or counterparties to meet their financial obligations, which could impact our ability to settle trades with Fund Houses and Distributors in a timely fashion.	• Ex-ante and ex-post controls to monitor trades and settlements. • Ongoing monitoring of large exposures limits. • Approval of credit risk limits for each counterparty and use of alarms to prevent risk limit breaches.	• The Board has reviewed and approved the update of the Group's credit risk limits as well as its credit and counterparty risk policy. • No defaults from our counterparties in the history of Allfunds.

Risk and potential impact	Mitigation	Comments for 2022
Liquidity risk Liquidity risk is the possibility of incurring losses when there are not sufficient cash or liquid resources to comply with the obligations assumed.	• Daily monitoring of short-term liquidity to ensure that all trades can be funded. • Ongoing analysis of net cash flows. • Regular liquidity stress testing to simulate potential defaults by Distributors or Fund Houses. • Existence of a liquidity risk management procedure aimed at ensuring compliance with the liquidity risk limits approved by senior management. • Strict compliance with regulatory obligations in terms of liquidity management (LCR, NSFR, ALMM) under the close supervision of Bank of Spain.	• Allfunds has continued to have strong liquidity levels throughout 2022. • Stress test shows strong buffer to cope with severe scenarios.
Regulatory and reputational risk Compliance risks are defined as the risks of regulatory breaches of the obligations defined by the applicable regulatory framework and the risks of breaches of ethical codes, codes of conduct and internal policies and procedures, which may result in sanctions, material or financial losses or damage to the company's reputation.	• Existence of a Compliance Monitoring Plan across the Group that is approved by the Board Risk and Audit Committee. • Advise senior management on the measures to be taken to ensure compliance with applicable laws, rules, regulations and standards. • Implementation of an Anti-Money Laundering (AML) and Counter-Terrorism Financing (CTF) framework.	• Analysis of new regulatory requirements from the Market Abuse Regulation (following the listing of Allfunds on Euronext). • Monitoring of new ESG regulations. • Analysis of the new regulatory framework in different jurisdictions as needed, including for the branches of Paris, Warsaw and Hong Kong.
Climate-related and environmental risk Allfunds identifies the environmental aspects and impacts associated with the services provided in accordance with the organisation's environmental assessment procedure.	• The Group has an environmental precautionary approach articulated through the Environmental Management System, Environmental and Climate Change Management Policy, Corporate Social Responsibility Policy and the commitment to the environment in the General Code of Conduct. • ESG criteria (including environmental topics) have been established in the selection of suppliers, the onboarding of new Fund Houses and the procedure of approval of new services. • Regular environmental training and awareness campaigns are conducted throughout the organisation.	• Implementation of the ISO 14001 at the headquarters in Madrid, and extending to other centres that have the management control. • The energy supplied to the centres in Spain, London and Zurich in 2022 is of 100% renewable origin. • Allfunds has not received any environmental fines or sanctions during last years.

Directors' statement

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

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

Strategic report sign-off

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

On behalf of the Board of Directors

Marta Oñoro
General Counsel and Company Secretary

30 March, 2023

Corporate Governance

Governance framework

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

Board of Directors

Responsible for the overall leadership of the Group, with direct oversight of the corporate purpose and strategy, business activities and engagement with stakeholders

More information on page 60

Risk and Audit Committee

Supports the Board in its duty to oversee the integrity and quality of the Company's financial reporting and the effectiveness of its internal and external control systems

More information on page 77

Remuneration and Appointments Committee

Assists the Board in its duties to define and monitor the balance of skills and experience and the diversity of its members, to ensure and assess its effectiveness and organise its succession, and to design appropriate remuneration schemes

More information on page 81

Chief Executive Officer

Responsible for the executive leadership of the Group in accordance with the Board-approved strategic objectives

Executive Committee

Assists the CEO in managing the day-to-day business of the Group

More information on page 75

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

Chair's introduction

Dear Shareholders,

I was honoured to be appointed as Director and Board Chair of Allfunds at our 2022 AGM. I would like to thank you for all your support and my fellow directors for their warm welcome to the Board. My thanks also to Blake Kleinman for all he achieved in his four years of dedicated service.

As new Chair, I am pleased to introduce our Corporate Governance Report for the year ended 31 December 2022. This report provides an overview of the Group's governance framework and the activities of the Board and its Committees during the period under review, and shows how they ultimately promote and support the Group's long-term success.

Since my appointment in April 2022, I have been delighted to witness the Company's and directors' commitment to sound corporate governance. The Company voluntarily applies the Dutch Corporate Governance Code (the 'Dutch Code'). Our Corporate Governance Statement describes our high level of compliance with the 2016 Dutch Code during the period under review. You may read more on how we have applied its principles throughout the Corporate Governance Report.

This year the Board will ensure that our corporate governance structure and arrangements are reviewed in light of the amendments to the Dutch Code applicable as from 1 January 2023 so that we keep up to the best standards.

Board changes

During the period under review, in addition to my appointment the Board witnessed the resignation of three directors: Amaury Dauge, the former CFO who left Allfunds on 31 March 2022, and Julian Abraham and Fabian Shey, both of them nominee directors who stepped down from their positions on 26 October 2022 after their nominating shareholder, Credit Suisse AG, fully divested from Allfunds. Their resignations were submitted in accordance with the Relationship Agreement signed by the Company's principal shareholders at the time of the IPO, which is further described in the 'Shareholder Information' section of this report on page 172. I would like to reiterate, on behalf of the Board, our gratitude to each of them for their contribution during their time of service.

In 2022 the gender balance of the Board improved with the female directors' ratio increasing from 27% as of 31 December 2021 to 31% as of 31 December 2022. The number of independent directors also increased from 40% to 54% on the same dates. This progress is in line with the objectives set out in our Board Diversity Policy and the principles outlined in the Dutch Code. I also believe the new size of the Board enhanced its efficiency and effectiveness.

Furthermore, for the sake of good organisation and succession planning, in 2022 the Board appointed Lisa Dolly as Deputy Chair to the Board.

As a result of all these changes, Allfunds has taken even further its level of compliance with the Dutch Code and now complies with 96.5% of the applicable Best Practice Provisions. More information is available in the 'Compliance with the Dutch Code' section of this report.

Strategic oversight

Oversight of our strategy and its implementation is a key responsibility of the Board. In 2022, we held our first Board Strategy Day where directors had the chance to discuss a broad set of strategic topics affecting Allfunds' business, its impact on key stakeholders and the Board ambitions for the future. You may find an insight into the Group's strategy in the Strategic Report and a summary of the Board activities during the year later in this Corporate Governance Report.

Stakeholder engagement

In last year's Annual Report we mapped for the first time our key stakeholders, our value creation proposition for each of them and our main engagement activities and dialogue channels. This year we conducted a materiality analysis based on internal and external stakeholders' feedback to help us shape our ESG strategy and improve our lines of engagement.

The Board believes that nurturing our relationship with stakeholders is vital to the Group achieving its purpose of transforming the WealthTech industry. On the Board Section's 172(1) Statement included in the Strategic Report you may read more on the actions and decisions taken by the Board as part of Allfunds' continuous engagement with stakeholders. In 2023, in line with the latest amendments to the Dutch Code, Allfunds will draw up an outline policy for effective dialogue with stakeholders to ensure that their interests are considered when the sustainability aspects of the strategy are determined.

Effective Committees

I am grateful to the Board Committees for all the work they have ably performed and to their Chairs; namely, David Pérez Renovales, Chair of the Risk and Audit Committee, and Lisa Dolly, Chair of the Remuneration and Appointments Committee, for their active leadership during the year. In each Committee's report you will find an overview of their hard work throughout the year. I would like to highlight the Risk and Audit Committee's monitoring of operational resilience and business integrations and the tender process they carried out to select a new statutory auditor for 2024; as well as the Remuneration and Appointments Committee's role in the implementation of our principle to promote success through people and in developing performance-driven remuneration systems.

David Bennett
Chair

30 March 2023

The Board of Directors

David Bennett
Chairman – Independent Non-Executive Director

Initially appointed: 22 April 2022

Term of office: 4 years

Born: 1962

Nationality: British

Professional experience: David joined Allfunds' Board in 2022. Throughout his career, he has worked in Alliance & Leicester Group (Abbey National Plc following its acquisition by Banco Santander), the Lloyds TSB Group, Cheltenham & Gloucester, Chemical Bank and Grindlays Bank. David also has extensive experience in board roles, having served as Chairman of Ashmore Group plc and HomeServe Membership Ltd and Non-Executive Director at Together Personal Finance, easyJet, Pacnet, Bank of Ireland UK, CMC Markets and Clarity Commerce Solutions.

Education: David holds an MA in Economics from Cambridge University.

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

Other relevant appointments: Board Chair at Virgin Money UK plc, Non-Executive Director and Chair of the Audit and Risk Committee at PayPal (Europe) S.à r.l. et Cie., S.C.A., and Non-Executive Director at the Department of Work and Pensions of the British Government.

Juan Alcaraz
CEO – Executive Director

Initially appointed: 29 March 2021

Term of office: 4 years

Born: 1969

Nationality: Spanish

Professional experience: Juan is the founder and CEO of Allfunds. Before launching Allfunds in 2000, he spent five years as the head of investment funds at BSN, Santander Group's private bank. From 2009 until 2016 he held a dual role as both CEO of Santander Asset Management and CEO of Allfunds.

Education: Juan holds a degree in Business Administration from Cox Business School, Southern Methodist University in Dallas, Texas.

Main skills: Juan has an extensive knowledge of the financial services industry, with a focus on asset management and wealth management. He is a highly qualified and talented leader who inspired Allfunds' purpose of transforming the WealthTech world and led the Group's transformation and growth strategy from its foundation to the present day. Throughout his career, Juan has gained an established reputation in the industry. He is deeply involved in Allfunds' philanthropic activities and contributes valuable insight to Allfunds' sustainability strategy.

Other relevant appointments: Director of Allfunds Investment Solutions, S.A.

Lisa Dolly
Vice Chair - Independent Non-Executive Director

Initially appointed: 29 March 2021

Term of office: 4 years

Born: 1966

Nationality: US citizen

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

Education: Lisa holds a Bachelor of Arts from Rutgers University.

Main skills: Lisa has held the highest executive positions in banking and finance in her career. She brings to the Board outstanding managerial skills and her extensive operating experience, as well as a profound understanding of the global markets, especially the US. Lisa also possesses strong capabilities in people and talent management that she uses in her membership to the Remuneration and Appointments Committee.

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

Sofia Mendes
Independent Non-Executive Director

Initially appointed: 29 March 2021

Term of office: 4 years

Born: 1975

Nationality: Portuguese

Professional experience: Sofia joined Allfunds' Board in 2021. She is a partner at Arcano Partners. Prior to that, she was a partner in the FIG Corporate Finance team at KPMG in Madrid for five years and a year before she served as investment director at Private Equity ECS in Lisbon. From 2000 to 2009 she worked in the JPMorgan European Financial Institutions team from the London and Madrid offices as Senior Vice President, carrying out mergers and acquisitions (M&A) and capital markets operations for all segments of the financial sector, and as Head of the Business of Bancassurance in Europe. Before joining JPMorgan, Sofia worked as an auditor for KPMG in Lisbon.

Education: Sofia holds a degree in Management and Business Administration from the Portuguese Catholic University of Lisbon.

Main skills: Sofia has more than 20 years of professional experience advising financial institutions on mergers and acquisitions and capital market transactions. Her career has provided her with remarkable skills with regard to strategic development, business growth and corporate transactions that highly benefit the Board. Her industry knowledge and her financial acumen are also reflected in her insightful contributions.

Other relevant appointments: Partner at Arcano Partners.

David Pérez Renovales
Independent Non-Executive Director

Initially appointed: 29 March 2021

Term of office: 4 years

Born: 1965

Nationality: Spanish

Professional experience: David joined Allfunds' Board in 2021. He worked for 18 years at Bankinter, where he occupied various roles (Managing Director of Capital Markets, Managing Director of Products and SME Divisions, Investor Relations Officer, Chief Financial and Risk Officer, General Deputy Director and member of the Steering Committee). David was also formerly the CFO of Línea Directa Aseguradora, before shifting roles to launch that company's health business. Until mid-March 2022 he was also a member of the Línea Directa Aseguradora Steering and Investment Committees. David is currently a member of the Board of Directors of Harvard Club in Spain and of the Executive Committee of ICADE Business Club. He is also a professor of Corporate Finance at Universidad Pontificia Comillas-ICADE.

Education: David holds a degree in Law and Business Economics at the Universidad Pontificia Comillas-ICADE, a PMD from Harvard Business School and an Executive Program from Singularity University.

Main skills: David's career in banking spans 22 years. Having served in several top executive roles related to finance and risk management, he is a financial literate and contributes meaningfully to the matters within the Risk and Audit Committee's remit. He also brings to the Board a deep understanding of the investor community and is earnestly engaged with sustainable development.

Other relevant appointments: CFO at MásMóvil.

JP Rangaswami
Independent Non-Executive Director

Initially appointed: 29 March 2021

Term of office: 4 years

Born: 1957

Nationality: British and Indian

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

Education: JP holds a degree in Economics and Statistics from St. Xavier's College, University of Calcutta.

Main skills: JP has an excellent knowledge of technology and digital transformation, having performed the highest IT executive roles throughout his extensive career. He has remarkable analytical skills and significant experience in data management and innovation that highly benefit the Board, especially when supervising that Allfunds' technology effectively supports its business and strategy. JP is also an experienced Board member with broad governance and top-management skills.

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

Delfín Rueda
Independent Non-Executive Director

Initially appointed: 29 March 2021

Term of office: 4 years

Born: 1964

Nationality: Spanish

Professional experience: Delfín joined Allfunds' Board in 2021. He also serves as CFO and partner at Mundi Ventures and Chairman of the Audit and Risk Committee of the Supervisory Board of Adyen. Previously, Delfín worked as CFO and vice-chair of the Executive Board and Management Board at NN Group and ING Insurance, as CFO and CRO of Atradius, as Senior Vice President in the Financial Institutions Group of the Corporate Finance Department of JPMorgan, as an Executive Director at UBS, and as Senior Consultant at Andersen Consulting.

Education: Delfín holds a Master of Science degree in Economics from Universidad Complutense de Madrid (Spain) and an M.B.A. in Finance from The Wharton School (US).

Main skills: Delfín has a profound financial acumen as well as a high knowledge of risk management and internal controls. Having spent most of his career in financial services, insurance and banking, he brings to the Board an extensive knowledge of the financial industry. His experience as executive and supervisory board member in listed companies also gives him a deep insight of investor expectations and valuable governance skills.

Other relevant appointments: CFO and partner at Mundi Ventures and Chairman of the Audit and Risk Committee of the Supervisory Board of Adyen.

Ursula Schliessler
Independent Non-Executive Director

Initially appointed: 29 March 2021

Term of office: 4 years

Born: 1958

Nationality: German

Professional experience: Ursula joined Allfunds' Board in 2021. Previously, she worked at Citigroup, Morgan Stanley and Legg Mason. Prior to assuming her current independent Non-Executive Director positions and trustee position, Ursula was Chief Administrative Officer of Legg Mason until July 2019.

Education: Ursula holds a Master's of Commerce degree in Business Economics from the University of the Witwatersrand in Johannesburg, South Africa.

Main skills: Ursula brings to the Board vast senior executive experience in asset management and wealth management. She has led global teams across multiple functional areas and her experience spans product development and management, sales strategy, business process design and implementation, change/project management and overseeing risk, operations, technology and data. Ursula is also an experienced board member, which has given her a deep insight to corporate governance.

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

Corporate Governance The Board of Directors *continued*

Blake Kleinman
Non-Executive Director

Initially appointed: 24 March 2017

Last appointed: 25 March 2021

Term of office: 4 years

Born: 1976

Nationality: British and US citizen

Professional experience: Blake joined Allfunds' Board in 2017. He joined Hellman & Friedman in 2001 and is now a partner. He is currently a Director of AutoScout24 and TeamSystem. Blake was formerly a Director of Gartmore, IRIS, Scout24, SSP and Wood Mackenzie and was active in H&F's investments in Arch Capital, Axel Springer, Mondrian, Nielsen, and ProSieben. Prior to H&F, Blake worked in the Mergers, Acquisitions and Restructurings Department at Morgan Stanley & Co. in New York.

Education: Blake is a graduate of Harvard College.

Main skills: Blake brings to the Board excellent strategy and high-level management skills from his international experience at privately held entities. He has been involved in a broad range of industries, although he is now focused on software, internet & media, and financial services, and so enhances the Board digital and technological capabilities. Blake has also gained important governance skills in his various positions as a Director that he wisely used when serving as Board Chair.

Other relevant appointments: Partner at Hellman & Friedman and Director of AutoScout24 and TeamSystem.

Zita Saurel
Non-Executive Director

Initially appointed: 24 March 2017

Last appointed: 25 March 2021

Term of office: 4 years

Born: 1977

Nationality: Spanish and US citizen

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

Education: Zita is a graduate of Georgetown University.

Main skills: Zita brings expertise in the areas of capital markets financing, investor engagement and talent management. Over her lengthy career in private equity, she has led numerous debt and equity raisings in both public and private markets. She brings a deep understanding of investor expectations and effective investor engagement. She also has strong expertise in talent management and remuneration schemes having held non-executive roles in international businesses across a range of sectors. She leverages strategic thinking and governance skills to elevate the debate on the Remuneration and Appointments Committee. Through her leadership role at H&F, Zita has a strong foundation in sustainability topics and enriches ESG-related debates in the boardroom.

Other relevant appointments: Partner at Hellman & Friedman.

Johannes Korp
Non-Executive Director

Initially appointed: 24 March 2017

Last appointed: 25 March 2021

Term of office: 4 years

Born: 1984

Nationality: Austrian

Professional experience: Johannes joined Allfunds' Board in 2017. He joined Hellman & Friedman in 2014 and is now a partner, focusing on the financial services, software and consumer & retail sectors. Johannes has been active in H&F's investments in Action, Allfunds and Nets/Nexi, where he was formerly a Director. Prior to H&F, Johannes worked in the financial services and retail investment groups at Warburg Pincus and in the financial services M&A group at Goldman Sachs in London.

Education: Johannes is a graduate of the University of St. Gallen (Switzerland) and earned an MBA from Stanford Graduate School of Business.

Main skills: Johannes brings extensive experience in the financial services industry. He leverages his knowledge of financial management, growth strategies and risk control to broaden and deepen discussions at both the Board and the Risk and Audit Committee. Johannes maintains a strategic-oriented and straightforward approach that enhances effective debate and decision-making.

Other relevant appointments: Partner at Hellman & Friedman and Non-Executive Director at Windmill Bidco.

David Vaillant
Non-Executive Director

Initially appointed: 25 March 2021

Term of office: 4 years

Born: 1976

Nationality: French

Professional experience: David joined Allfunds' Board in 2021. He is also the Global Head of Finance, Strategy and Participations at BNP Paribas Asset Management. Previously, David worked in BNP Paribas' Corporate and Institutional Banking / FIC division as Head of Banking for EMEA. David started his career as a lawyer with Skadden, where he advised a wide range of French and international companies on their expansion strategy, in the financial and industrial sectors. He then joined the French central bank (Banque de France), where he took part in the analysis of significant transactions in the financial sector.

Education: David holds a Master's in Management from HEC, a Master's in Political Sciences and Public Affairs from Sciences Po, and a Master's in Analysis and Policy in Economics (applied mathematics) from EHESS / Ecole Normale Supérieure. He also holds a Master's in Communications/Intellectual Property law from Paris I Sorbonne and a Master's in Business Law from Paris II Assas. He is a member of the Paris Bar.

Main skills: David has significant knowledge of the asset management industry based on his current and past executive experience. His legal and economic background, along with his experience in the public sphere, give him a valuable perspective of the financial industry and a solid understanding of the increasingly complex regulatory framework applicable to financial services.

Other relevant appointments: Global Head of Finance, Strategy and Participations at BNP Paribas Asset Management, permanent Director and Vice Chairman at Bancoestado Administradora General de Fondos, Non-Executive Director at Aquis Exchange Plc, Chairman of the Supervisory Committee of Aquis Exchanges Europe, Board observer at INNOCAP Investment Management Inc and Director and Chairman of Gambit.

Andrea Valier
Non-Executive Director

Initially appointed: 2 October 2020

Term of office: 4 years

Born: 1971

Nationality: Italian

Professional experience: Andrea joined Allfunds' Board in 2020. He is also the Head of Corporate Development and Strategy at BNP Paribas Securities Services. Previously, he served in senior positions within BNP Paribas Corporate and Institutional Banking (CIB).

Education: Andrea holds a Master's in Economics from Università Bocconi – Milan.

Main skills: Andrea has an extensive career in banking and finance. He has a profound understanding of capital markets and the funds industry and uses his expertise to promote robust discussions, particularly with regard to strategic initiatives and operational resilience. Andrea also provides sound top-management insight gained in his senior executive positions.

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

Marta Oñoro
Company Secretary and General Counsel

Initially appointed: April 2021

Professional experience: Marta joined Allfunds in 2007 and was appointed General Counsel in 2009. Prior to joining Allfunds, she worked at the law firm Uria Menendez within the Capital Markets and Fund Regulatory teams in its Madrid and London offices.

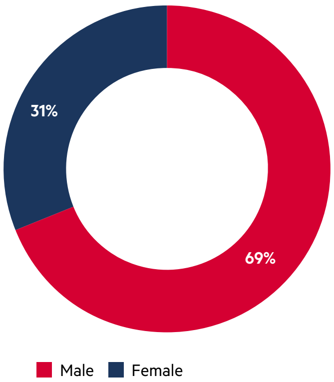
Education: Marta holds a degree in law from Universidad Complutense of Madrid and a Master's in Stock Exchange and Financial Markets from Instituto de Estudios Bursátiles IEB (sponsored by the Madrid Stock Exchange).

Resignations in 2022

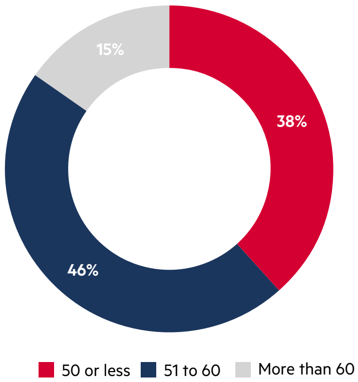
Amaury Dauge resigned from his position as Executive Director of Allfunds with effect from 31 March 2022, and Julian Abraham and Fabian Shey resigned from their positions as Non-Executive Directors of Allfunds with effect from 26 October 2022.

Board profile as of 31 December 2022

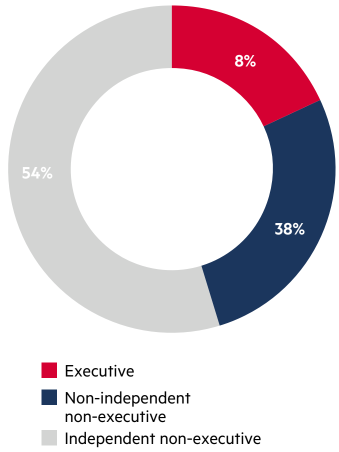
Gender balance



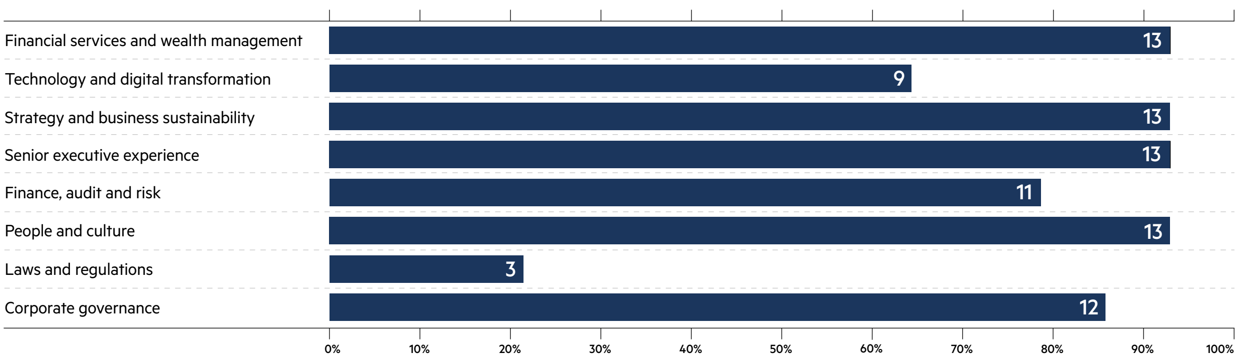
Age diversity



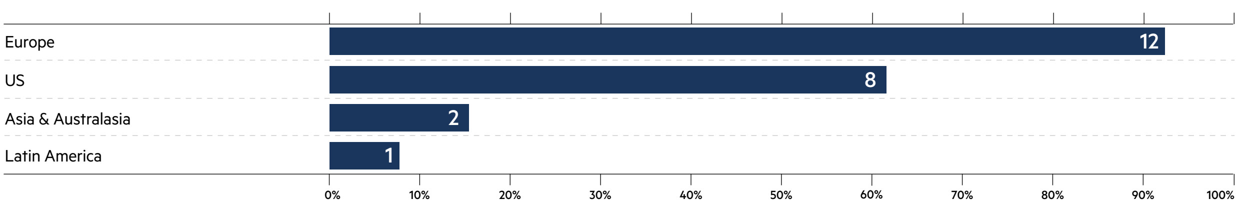
Level of independence



Skills and experience



International background or education



Board Diversity Policy

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

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

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

As of 31 December 2022, the Company already met the Parker Review target in terms of ethnic diversity. The female ratio, however, amounted to 31% (4/13). This ratio has increased by 4% during the period under review (27% as of 31 December 2021) following the Board changes that occurred during the year. The Remuneration and Appointments Committee and the Board keep committed to attaining the intended female ratio in the next cycle of Board appointments and note that gender diversity in the boardroom will improve as significant shareholders keep divesting. In this line, there is gender balance among independent directors (with a 43%-57% ratio) and the female ratio excluding nominee directors appointed by shareholders amounts to 38%, therefore exceeding the Hampton-Alexander Review target. At the Board of the subsidiary Allfunds Bank, S.A.U., female directors already account for 33%, which is the target to be achieved at the level of the Company by 2025.

In 2021, the Board of Directors also approved a Profile for Non-Executive Directors that aims to provide a guide to the membership and work of non-executive directors. Ultimately, the Profile seeks that directors' combined experience, expertise and independence allow them to engage in relevant, informed, expert and efficient discussion and decision-making. A Retirement Schedule for Non-Executive Directors was also approved by the Board to achieve a staggered refreshment of the Board in the mid-to-long-term future.

In 2022 these internal rules were implemented in several internal processes. Firstly, the diversity and balanced composition of the Board of Directors was assessed during the Board's annual effectiveness review. The Board profile and diversity rates are disclosed in section 'Board profile as of 31 December 2022' of this Annual Report and the outcome of the review, including in terms of diversity, is further disclosed in section 'Board effectiveness review'.

Secondly, the Board Diversity Policy and the Profile for Non-Executive Directors were observed throughout the new independent Chair's and the new CFO's recruitment processes. In both cases Russell Reynolds, a search firm compliant with the Voluntary Code of Conduct for Executive Search Firms, was engaged and a brief on the desired profile of the new candidates was produced, which placed due emphasis on diversity matters. The search firm was asked to produce an inclusive list of diverse candidates, a number of whom were interviewed by the Company. As a result of these processes, David Bennett was appointed as new Director and Board Chair at the 2022 AGM and Alvaro Perera was appointed as CFO and member of the Executive Committee on 1 April 2022.

Finally, the Remuneration and Appointments Committee and the Board applied the Board Diversity Policy in the development of directors' succession plans.

Based on the outcome of these processes, at the end of the period under review, the Board, assisted by the Remuneration and Appointments Committee, concluded that the Board Diversity Policy and the Profile for Non-Executive Directors operate effectively. The Profile was amended to expressly refer to the independence target set out in Best Practice Provision 2.1.7 of the Dutch Code, and the Retirement Schedule for Non-Executive Directors was updated to reflect the changes to the Board that occurred in 2022.

During 2023, the Board Diversity Policy will again be reviewed along with the Group-wide Diversity and Inclusion Policy to ensure that both of them comply with the best practice provisions of the revised Dutch Code applicable as from 1 January 2023, and that a good balance in gender diversity and other company-relevant D&I aspects are achieved within the different levels of the organisation.

Board role and responsibilities

Board role and purpose

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

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

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

Division of responsibilities

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

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

Given the one-tier governance structure of the Company, non-executive directors oversee the general state of affairs within Allfunds. As recommended by principle 1.1 of the Dutch Code, they supervise and advise on the implementation of the long-term value creation strategy. Non-executive directors contribute a wide range and balance of skills and experience and are expected to bring critical and independent judgement to Board discussions and decisions. It is the Board's view that independent directors meet the independence requirements set out in the Dutch Code. Non-executive directors also play leading roles in the Board Committees, bringing an independent view to discussions.

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

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

Board meetings and attendance in 2022

During 2022, there were six Board meetings. All the meetings were held physically in London with directors being able to attend either in person or by electronic means.

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

	Attendance rates	
Directors	Meetings attended	% of attendance
David Bennett	4 / 4	100%
Blake Kleinman	6 / 6	100%
Zita Saurel[1]	5 / 6	83.3%
Johannes Korp	6 / 6	100%
Andrea Valier	6 / 6	100%
David Vaillant[2]	5 / 6	83.3%
Lisa Dolly	6 / 6	100%
Sofia Mendes	6 / 6	100%
David Pérez Renovales	6 / 6	100%
JP Rangaswami	6 / 6	100%
Delfín Rueda	6 / 6	100%
Ursula Schliessler	6 / 6	100%
Juan Alcaraz	6 / 6	100%

1. Zita was absent from the Board meeting held on 24 February 2022 but gave voting instructions to her proxy in respect of all items in the agenda.
2. David was absent from the Board meeting held on 24 February 2022 but gave voting instructions to his proxy in respect of all items in the agenda.

Key focus areas in 2022

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

Corporate purpose and strategy

Purpose and strategy	• Held an Annual Board Strategy Day where directors dived into the 2022-2023 value creation plan and 2023 strategic objectives • Received regular updates on business performance and progress of strategic initiatives • Supervised M&A activity and ongoing business integrations • Discussed Allfunds' geographical footprint
External business environment	• Received updates on business environment and market performance • Dived into the evolution of the fund industry • Received regular updates on the share price evolution • Discussed investors' feedback, brokers' coverage and consensus and general expectations from the market
Sustainability	• Approved the map of key stakeholders and Allfunds' value proposition for each of them • Reviewed the Group's ESG strategic pillars and the outcome of the ESG materiality assessment conducted during the year

Financial matters

Financial results	• Received regular updates on financial results • Approved the 2021 annual accounts and the 2022 interim results, along with the going concern statement • Approved the 2023 financial calendar
Financial planning	• Supervised the evolution of results against budget • Supervised the launch and implementation of a share buyback programme • Approved the 2023 annual budget
Dividends	• Proposed the final dividend distribution against 2022 results that is being submitted for shareholders' approval at the 2023 AGM

Board composition, succession and evaluation

Board profile and succession	• Supervised the recruitment process of David Bennett, proposed his appointment as a director to the AGM and appointed him as Board Chair • Appointed Lisa Dolly as Vice Chair • Discussed progress made on diversity targets • Reviewed the Board Diversity Policy and the Profile for Non-Executive Directors • Reviewed directors' tenure and updated the Non-Executive Directors' Retirement Schedule
Board and Committees' effectiveness	• Monitored progress made against the lines of action set following 2021 effectiveness review • Examined the outcome of the 2022 review of the Board's and its Committees' effectiveness, and approved an action plan for 2023

People and culture	
Employee engagement	• Discussed senior management's engagement channels with the wider workforce • Oversaw the launch and outcome of Allfunds' first Employee Engagement Survey
Talent and succession planning	• Oversaw the recruitment process of, and appointed, a new CFO and a new CTO • Supervised the implementation of the Human Capital Strategic Roadmap • Received regular updates on people headcount, hires, leavers and transfers • Received feedback on Allfunds' talent and future leaders • Monitored the development of succession plans
Remuneration	• Proposed the Directors' Remuneration Policy that was approved at the 2022 AGM • Granted the second award of the Long-Term Incentive Plan for key talented employees

Risk, audit and compliance	
Risk management and internal control	• Received regular updates from internal control functions • Monitored the effectiveness of risk management and control systems and progress on identified issues • Approved the Group's risk appetite framework (RAF) and supervised the risk profile evolution • Approved the Group's tax strategy
Internal audit	• Reviewed performance of the Internal Audit function and outcomes of internal audits • Approved the Group's 2023 internal audit plan
External audit	• Assessed the effectiveness, objectivity and independence of the external auditor • Supervised the audit plan drafted by the external auditor, the management letter and the audit report • Supervised the tender process led by the Risk and Audit Committee to appoint a new statutory auditor for 2024
Compliance and AML	• Supervised the Compliance Monitoring Programme, existing controls and progress on action plans • Approved or amended several Group policies such as the Related Party Transactions Monitoring Procedure, the Outsourcing Policy, the Conflict of Interest Policy, and the Regulatory Compliance Policy • Monitored AML-related activities, including new clients' acceptance and progress on own due diligences

Key stakeholders

Business partners
Clients
Employees
Investor community
Regulators
Society

Board functioning

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

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

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

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

Appointment, re-election and dismissal of directors

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

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

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

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

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

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

Conflicts of interest

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

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

Directors' training and development

The Board of Directors is committed to lifelong learning and continuous improvement. The approach to directors' development is therefore to provide collective training on topics of interest for the Board as a whole, without prejudice to any individual specific needs that may be raised from time to time. Directors' training and development needs are also identified as part of the Board's effectiveness evaluation and based on the Board's desired profile. The Board Chair and the Company Secretary are responsible among others for ensuring that directors follow their training and induction programmes.

Training programmes may include a combination of periodic deep dive presentations and updates; tailored sessions as may be required to address specific topics; and directors' opportunity to receive external training at Allfunds' expense if needed for the proper performance of their duties. Directors who belong to the Board Committees or serve as directors of Group companies may also receive training relevant to those roles.

During 2022, collective sessions were scheduled either following Board meetings or at the Board Strategy Day covering topics such as business developments, updates on the competing landscape and the market, IT and cybersecurity matters, and Allfunds' governance framework and regulatory pipeline (the latter being offered by an external counsel).

Moreover, newly appointed directors receive an extensive induction to give them a clear understanding of the Group's general affairs, financial reporting, business, culture and governance rules. These inductions are tailored to each director's specific needs identified during the suitability assessment process based on their background, knowledge, experience and tenure, and allow them to contribute meaningfully from appointment. David Bennett, the sole director having joined Allfunds in 2022, received such induction during the period under review.

For 2023, a development programme has been designed that consists in periodic deep dive sessions into the Company's new strategic areas and new companies acquired; its full product / service offering; a demo and overview of its technology and the application of blockchain to its business; and evolving topics as regulatory updates and ESG. The programme foresees the possibility to receive training from external experts as needed.

Succession planning

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

In 2021, the Board approved a Retirement Schedule for its Non-Executive Directors that is published on the corporate website (www.allfunds.com). It was further amended in 2022 to reflect the changes to the Board occurred during the period under review. In this document, directors expressly state their view that a differentiated term of appointment is desirable to ensure continued experience on the Board and their intention to strive to get in a position that not all non-executive directors retire at the same time.

During the year under review, focus was placed on the succession of the Board's Chair by an independent director. At the time of the IPO in April 2021, the Company announced its intention to appoint an independent director as Chair of the Board, be it either a newly appointed director or an already existing one. In response to that announcement, the Remuneration and Appointments Committee assessed the Board's profile and diversity and initiated an internal and external search process with the assistance of the external search firm Russell Reynolds. The Committee agreed what qualities, skills and attributes the future Chair should possess, and considered and interviewed multiple candidates. After a robust search process, the Board, based on the previous proposal of the Remuneration and Appointments Committee, agreed that David Bennett should be appointed as a director of the Company in order to further appoint him as the Board's Chair. His appointment was approved by shareholders at the 2022 AGM held on 21 April 2022. David Bennett's professional profile is available in section 'Board of Directors' of this report, and the AGM resolution and minutes are available at the corporate website (www.allfunds.com).

Likewise, Lisa Dolly was appointed as Vice Chair for the sake of proper organisation and succession planning, and in line with the provisions of the Dutch Code.

At management level, in 2022 the Board also conducted two search processes to identify and appoint successors to the former CFO and CTO, in both cases with the assistance of an external search firm. Based on a description of the qualities, skills and attributes that each candidate should combine and on the existing succession plan, an internal and external search process began that was completed with the selection of the internal candidate Alvaro Perera as CFO and the external candidate Luis Carmona as CTO. Alvaro was appointed as CFO and member of the Executive Committee as of 1 April 2022 and Luis was appointed as CTO and member of the Executive Committee as of 28 February 2023. Their professional profiles are available in section 'Executive Committee' of this report.

Board effectiveness review

The Board and its Committees undergo an annual review of their effectiveness. In 2022, this review was conducted internally, led by the Remuneration and Appointments Committee.

Process

The in-house review is based on directors' responses to a questionnaire covering a wide range of topics, including the Board's and its Committees' composition, size and leadership; their dynamics and organisation; performance of their duties; the division of roles among directors and their interaction with the management team; and each director's own contribution to each body's collective performance.

Results

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

i. Directors' diverse skill set, knowledge, experience and international background, as well as the progress made in gender balance

ii. The thoughtfulness of the agendas, the level and quality of the materials and information shared with the Board, the collegiate and supportive atmosphere and the leadership of the new Chair

iii. The effectiveness of the Board decision-making process, directors' commitment to promote Allfunds' success, progress made on the mapping and consideration of stakeholders, and effectiveness of the development programme

iv. The availability, proactivity and level of interaction with senior management team and the robustness of their periodic updates

With regard to the achievement of the lines of action set for 2022, which were disclosed in last year's Annual Report, directors are satisfied with the progress made in gender balance and the ongoing work in mapping directors' skills and developing succession plans; they believe the integration of the Chair has been very smooth and fast; they find significant improvement in terms of time allotment and appreciate the return to in-person meetings; and they believe directors' training needs have been adequately satisfied through the collective sessions organised during the year.

2023 plan

Going forward, the Board agreed on an action plan for 2023 aimed, on the one hand, to foster those features that have been identified as the Board and its Committees' best strengths in line with Allfunds' commitment to lifelong learning and continuous improvement, and, on the other hand, to address those needs or refresh those areas where directors believe there is room for improvement or gaps. As a result, the Board resolved that in the coming year focus should be placed on:

i. In terms of Board composition, directors wish to maintain the focus on having sound succession plans and a solid pipeline of candidates

ii. With respect to Board dynamics, directors wish to promote in-person meetings as much as possible to enhance effective dialogue and emphasize the importance of early sight of the materials related to most relevant topics

iii. In relation to Board duties and activities, directors wish to devote some additional time to discuss the Company's stakeholders and the impact of the business on each of them, which can be made along with the design of the ESG strategy, and to ensure appropriate follow-up on open items

iv. As for training and development, directors propose to maintain the Board Strategy Day, to cover their specific training requests through the annual development programme and to formalise directors' onboarding and induction procedure

The Executive Committee

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

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

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

Juan Alcaraz
CEO – Executive Director

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

Gianluca Renzini
Chief Commercial Officer

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

Borja Largo
Chief Fund Groups Officer

Joined Allfunds since inception
Borja serves as Chief Funds Group Officer at Allfunds. He leads the business and manages the Group's relationships with Fund Houses. Previously Borja was the Group's CIO and developed analysis and fund selection, asset allocation, risk management, operational due diligence and R&D solutions. Borja began his career in 1999 as an analyst of international investment funds at Santander Private Banking. He holds a degree in Business Administration from the Universidad del País Vasco.

Alvaro Perera
Chief Financial Officer

Joined Allfunds in 2017
Alvaro joined Allfunds in 2017 as Head of Financial Planning & Analysis (FP&A) and M&A. In April 2021 he was appointed as Chief Financial Officer. Before joining Allfunds, he worked at Banco Santander, where he also served as Head of FP&A and M&A in Santander Asset Management UK and as Vice President in M&A at the Global Investment Banking division of Banco Santander. Previously, he was a consultant at the Transaction Advisory Services of PwC and Deloitte. Alvaro holds a degree in Business and Management Administration from Universidad Pontificia Comillas.

Corporate Governance The Executive Committee *continued*

Marta Oñoro
General Counsel and Board Secretary

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

Juan de Palacios
Chief Strategy and Product Officer

Joined Allfunds in 2018
Juan joined Allfunds in 2018 as Chief Transformation Officer. He was appointed Chief Strategy Officer in 2020 and expanded his role to Chief Product Officer in 2022. Prior to joining Allfunds, he worked at Santander Asset Management as Strategic Planning Director and later Chief of Staff. He holds a degree in economics from Universidad San Pablo-CEU and an Executive MBA from ESADE Business School.

Jorge Calviño
Chief People Officer

Joined Allfunds in 2019
Jorge is Chief People Officer at Allfunds. He joined the firm in January 2019. He has a vast experience with international companies and he has held different HR roles at Gillette, Amadeus, L'Oréal and Microsoft. Prior to joining Allfunds, Jorge was Corporate Human Resources Director at Beiersdorf and Director of Human Resources at Alain Afflelou España. He holds a degree from Universidad Carlos III de Madrid and he also studied Human Resources Management at INSEAD.

Luis Carmona
Chief Technology Officer

Joined Allfunds in 2023
Luis serves as Chief Technology Officer. He joined Allfunds in January 2023. Prior to that, Luis served as CTO at CaixaBank Tech and as System Development Director and later CIO at Bankia. He was formerly a partner of IBM Global Business Services. Luis holds a degree in chemical sciences from Universidad Complutense de Madrid and a Program for Executives' Development at IE Business School.

Risk and Audit Committee Report

Committee composition

David Pérez Renovales
Committee Chair

Independent Non-Executive Director

Ursula Schliessler
Member

Independent Non-Executive Director

Johannes Korp
Member

Non-Executive Director

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

As Chair of the Risk and Audit Committee, I am pleased to present the Committee's report for the year ended 31 December 2022.

During the year, the Committee closely monitored the Group's operational resilience due to the extreme volatility in the financial markets, the ongoing war in Ukraine and the impact of rising inflation and interest rates.

Another important area of focus for the Committee was the M&A activity conducted during the year, which resulted in three M&A transactions carried out in order to continue enhancing our digital ecosystem and our ESG strategy. Additionally, the Committee monitored the completion of the business integration of the businesses acquired to BNP Paribas Group in 2020.

In 2022 the Committee also devoted significant efforts to external audit-related matters. Firstly, the Committee continued to assess the effectiveness, objectivity and independence of the Group's auditor, Deloitte. And secondly, the Committee launched an external audit tender to appoint a new statutory auditor whose appointment will be submitted to the approval of shareholders at the 2024 AGM. Their first annual audit of the Company will be for the year ended 31 December 2024 so that during 2023 they may comply with the one-year mandatory cooling off period prior to their appointment as the statutory auditor.

Going forward, our priorities for 2023 include:

- Receiving assurance of the integrity of financial reporting and the effectiveness of internal and external audit
- Monitoring the transition process to the new auditor
- Overseeing progress made by management with the integration of companies acquired in 2022
- Supporting ongoing improvements by internal control functions to further build the Group's operational resilience and
- Continuing to oversee the quality of internal control systems and keep progressing in the embedding of non-financial risks into strategy and business processes

I would like to thank my fellow members of the Committee for their commitment and dedication during this demanding year.

David Pérez Renovales
Chair of the Risk and Audit Committee

30 March 2023

Committee role and responsibilities

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

Its key responsibilities include:

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

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

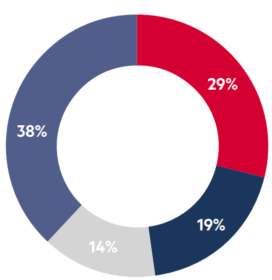
Meetings and attendance in 2022

In 2022, the Risk and Audit Committee met seven times. The level of attendance of its members is detailed in the table below.

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

Key activities in 2022

The main activities carried out by the Committee throughout the year are described below. The percentage of time spent by the Committee on key areas, based on its meetings' agendas, is as follows:



Financial statements

The Risk and Audit Committee is responsible for monitoring the integrity of the Group's financial statements, including its interim and full-year results. In light of this duty, the Committee reviewed this Annual Report and associated Financial Statements, as well as the interim financial results for the six-month period ended 30 June 2022. In performing this review, the Committee considered and, where appropriate, challenged the application of significant accounting policies across the Group that feed into its financial statements.

The most significant accounting policies applied during 2022 were related to revenue recognition and the accounting of new business combinations.

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

Going concern basis

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

External audit

The Risk and Audit Committee is responsible for overseeing the work and performance of Deloitte LLP, who is the external auditor of the Company and the Group since 2017. During the year, the Committee monitored the end-to-end audit process, from the engagement of the auditor at the beginning of the year until completion of the audits and delivery of the audit report at the end. The Committee assessed regular reports from Deloitte on the progress of the audit plan and on the key audit and accounting issues identified. As a result, the Committee approved the 2022 audit plan.

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

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

With respect to audit and non-audit services, the Committee received information on all the services provided by Deloitte to the Group during the period under review. Fees for the statutory audit amounted to €1,437 thousand, fees for other audit-related services amounted to €337 thousand (totaling €1,774 thousand), and fees for non-audit services amounted to nil as Deloitte did not render non-audit services during the year under review. Therefore, total fees in 2022 amounted to €1,437 thousand. The provision of these services and their cost were approved by the Board. In each case, the rationale for retaining Deloitte over alternative suppliers was the knowledge, skills and experience they possess, and in particular their in-depth understanding of the Group's business.

Regarding the auditor's tenure, Deloitte LLP has audited the Company's individual and consolidated accounts for six years, while Deloitte, S.L. (Spain) has audited the individual and consolidated accounts of the Spanish subsidiary Allfunds Bank, S.A.U. for 23 years, as the Company was incorporated later. The tenure of Ignacio Gutiérrez, the senior audit partner of Deloitte, S.L. since 2017, ended in 2021, and a new lead audit partner of the Spanish subsidiary, Virginia Martín, was appointed for the audit process of the year ended 31 December 2022. The tenure of John Clacy, the senior audit partner at Deloitte LLP, was still in force in the period under review and he will be replaced for the audit of the year ended 31 December 2023.

Having considered all the above, the Risk and Audit Committee concluded that the external audit process was effective, that the performance of the external auditor was satisfactory and that there were policies and procedures in place to adequately preserve its independence and objectivity. Accordingly the Committee recommended to the Board that the re-election of Deloitte LLP as external auditor be submitted to shareholders' approval at the 2023 AGM.

Looking ahead, according to applicable regulatory requirements for rotation, Deloitte's tenure will end following the audit of the year ended 31 December 2023. Therefore, in 2022 the Committee launched a competitive tender process to appoint a new statutory auditor for the Company and its Group. During this process, the Committee reviewed the proposals of several audit firms and applied top-down requirements to assess their independence. Following this review, the Committee recommended to the Board that the appointment of Ernst & Young as external auditor be submitted to shareholders for their approval at the 2024 AGM. Amarjit Singh will be the senior audit partner in charge at the Company's level while Hector Martin Díaz shall be the audit partner responsible at the Spanish subsidiary's level. If shareholders approve the appointment, the Board, assisted by this Committee, will be responsible for approving the terms of the engagement with the new auditor.

Internal control

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

Specific areas of focus during 2022 were business integrations, status of issues and action plans identified in regulatory inspections, annual reports to regulators regarding capital and liquidity, implementation of business continuity and disaster recovery plans, results of the ongoing external cyber-security assessments, management's oversight of critical outsourced activities and controls on reconciliations of assets under custody and settlements of transactions. Reporting to the Committee also included updates on progress against actions identified over preceding periods, and developments of the compliance monitoring programme. The Committee also monitored on a regular basis the risk profile and risk appetite statement of the banking group.

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

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

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

Specifically, the following objectives are set:

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

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

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

The main IT systems and applications involved in generating financial information used by Allfunds are centralised and interconnected. There are procedures and controls that ensure the proper development and maintenance of these systems, as well as their correct operational readiness, continuity and security. In 2022 the Company implemented a new IT reporting tool that allows for collaborative work and automates a significant number of tasks required to prepare financial and non-financial information, which has notably enhanced the efficiency and effectiveness of the process.

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

Internal audit

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

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

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

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

The Risk and Audit Committee monitors the effectiveness of the Internal Audit function and reviews the reports submitted by the Global Head of Internal Audit. These cover audit reports issued, the status of the Audit Plan, the number of open and overdue audit issues and the results of the follow-up of issues raised in previous audits. During the period under review, 20 audits were conducted and completed.

Committee functioning

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

The Risk and Audit Committee meets at least four times a year and normally ahead of any Board meeting, coinciding with key dates in the financial reporting and audit cycle. In 2022, the Committee met seven times.

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

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

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

Committee effectiveness review

The Board Committees undergo an annual review of their effectiveness. Like the Board's own review, in 2022 this process was conducted internally, led by the Board's Chair with the assistance of the Remuneration and Appointments Committee.

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

The results of the Risk and Audit Committee review suggested that directors are highly satisfied with the activities of the Committee, and they believe it operates effectively and reports properly to the Board.

On behalf of the Risk and Audit Committee

David Pérez Renovales
Chair of the Risk and Audit Committee

30 March 2023

Remuneration and Appointments Committee Report

Committee composition

Lisa Dolly
Committee Chair
Independent Non-Executive Director

JP Rangaswami
Member
Independent Non-Executive Director

Zita Saurel
Member
Non-Executive Director

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

As Chair of the Remuneration and Appointments Committee, I am pleased to present the Committee's report for the year 2022.

During the period, the Committee has overseen a number of high calibre appointments that have strengthened the overall skill set and diversity of the Board and the senior management. At the boardroom, Allfunds honoured its commitment to appoint an independent Board Chair within 12 months from the IPO. David Bennett was appointed as a director and Board Chair at the 2022 AGM with enormous support from shareholders. I was also appointed as Vice Chair in line with the principles of the Dutch Code. This Committee believes that the Board achieved a successful and orderly transition of leadership to the new Chair and thanks all of its members for their contribution. At the executive level, Alvaro Perera was appointed as Chief Financial Officer and member of the Executive Committee as of 1 April 2022, in line with the Group's succession plans, and Luis Carmona was appointed as Chief Technology Officer and member of the Executive Committee as of 28 February 2023. During the year, the Committee kept monitoring succession plans for key executive positions, and progress on the Human Capital Strategic Roadmap, which is focused on recruiting and retaining best-in-class talent across the organisation.

In terms of remuneration, at the beginning of the year the efforts were focused on the Directors' Remuneration Policy approved by shareholders at the 2022 AGM, as well as on the launch of the 2022 Award under the Long-Term Incentive Plan (LTIP). Following the AGM, the Committee carefully reviewed the voting results and feedback received from investors as to the AGM agenda. In response thereto, several changes to executive compensation were proposed, including a holding period for forthcoming LTIP Awards, starting with the award granted in March 2023; new deferral arrangements; and enhanced disclosure on variable remuneration. The Committee will keep engaging with shareholders and investors going forward.

Looking ahead, our priorities for 2023 are:

- To continue diving into people strategy, with a focus on D&I
- To keep building strong succession plans and
- To ensure that Allfunds' remuneration systems keep driving performance and supporting our strategy

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

Lisa Dolly
Chair of the Remuneration and Appointments Committee

30 March 2023

Corporate Governance Remuneration and Appointments Committee Report *continued*

Committee role and responsibilities

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

Its key responsibilities include:

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

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

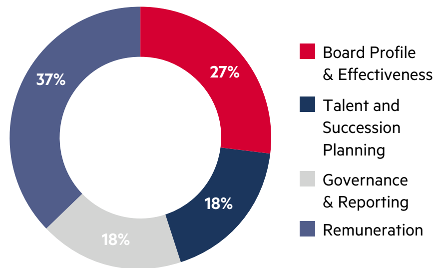
Meetings and attendance in 2022

In 2022, the Remuneration and Appointments Committee met five times. The level of attendance of its members is detailed in the table below.

	Attendance rates	
Directors	Meetings attended	% of attendance
Lisa Dolly	5 / 5	100%
JP Rangaswami	5 / 5	100%
Zita Saurel	5 / 5	100%

Key activities in 2022

The main activities carried out by the Committee throughout the year are described below. The percentage of time spent by the Committee on key areas, based on its meetings' agendas, is as follows:



Board profile and composition

The Remuneration and Appointments Committee is responsible for monitoring the balance of skills, knowledge, experience and diversity in the boardroom. The Committee regularly reviews the existing Board composition, comparing it to the desired profile laid down in Allfunds' internal framework, such as the Board Diversity Policy or the Profile for Non-Executive Directors. These reviews provide assurance on the Board's ability to perform its duties, and they give an opportunity to consider additional capabilities or experience that might complement the Board's collective skill set.

In 2022, the Board welcomed David Bennett as new independent director and Board Chair. His recruitment process was led by the Remuneration and Appointment Committee with the assistance of Russell Reynolds as independent external adviser. The Committee, supported by the senior management and the external adviser, agreed what qualities, skills and attributes the future Chair should possess. The search firm was asked to produce an inclusive list of diverse candidates, a number of whom were interviewed by the Company. As a result of this process, the Committee concluded that David Bennett should be appointed as new director and Board Chair of the Company and submitted this proposal to the Board, which after due consideration agreed on the proposal and approved its submission to shareholders at the 2022 AGM.

In addition, Amaury Dauge (former CFO and executive director), Julian Abraham and Fabian Shey (former nominee directors appointed by Credit Suisse AG) stepped down from their positions as Company directors in March and October 2022, respectively.

Without prejudice to the significant contribution of each of the resigning directors during their time of service, the Remuneration and Appointments Committee notes a number of positive consequences resulting from these Board changes. First, the size of the Board decreased from 15 to 13 members, which enhances efficiency in debate and decision-making. Second, the female ratio among directors increased from 27% to 31% as of 31 December 2022. Third, independent non-executive directors now account for more than half of non-executive directors, and more than half of the Board. The Committee highlights that these changes improve the Company's level of compliance with the Dutch Code and represent progress against the diversity targets set in the Board Diversity Policy.

Moreover, the Remuneration and Appointments Committee regularly reviews the desired Board profile and targets to ensure they remain adequate and up to the best standards. These reviews also consider directors' tenure. During the period under review, the Committee reviewed the Board Diversity Policy and the Profile for Non-Executive Directors and concluded they operate effectively. The Profile was amended to expressly include the target proportion of independent directors that is recommended by the Dutch Code. In 2022 the Committee also updated the Retirement Schedule for Non-Executive Directors to reflect the changes to the Board occurred during the year.

Succession planning

Throughout the year, the Remuneration and Appointments Committee oversaw the development of succession plans for key roles, including not only the highest executive positions but also other commercial and less senior roles that have been identified as critical for the organisation. The Committee's approach to succession planning is based on proactively anticipating succession demands and building a pipeline of internal talent to strengthen the Company's resilience from the inside.

At the beginning of the period, the Committee's focus was placed on identifying and appointing a successor to the former CFO. With the assistance of Russell Reynolds, a selection process began that ended with the selection of Alvaro Perera, Allfunds' internal candidate identified in the former CFO's succession plan. Later on, and again with the assistance of an external search firm, a new process was launched to recruit a new candidate for Chief Technology Officer that ended with the appointment of Luis Carmona as new CTO and member of the Executive Committee effective as from 28 February 2023.

At Board level, the Remuneration and Appointments Committee proposed the appointment of a Vice Chair and a Vice Secretary to ensure the proper functioning of the Board should deputising be needed.

People and talent

In 2022, the Remuneration and Appointments Committee dived into the Group's Human Capital Strategic Roadmap, ultimately aimed to promote business success through people. The Roadmap is based on four pillars driven by Allfunds' core values and aligned with its strategic business priorities. Each pillar contributes to create a unique employee experience. Under each pillar, different areas of focus are identified, specific goals and due dates are set, their status is measured and KPIs to monitor their progress are defined.

The Committee also monitored the general state of human resources at Allfunds throughout the year and received periodic information on a broad range of topics, including (i) headcounts, hires and strategies to "fight for talent", (ii) leavers, turnover trends, general overview of exit interviews; (iii) the overall composition of Allfunds' workforce and diversity ratios, including splits by age, gender, geographies and business areas; (iv) the outcome of the global performance evaluation and the employee engagement survey conducted in 2022; and (v) insight into Allfunds' leadership model, which is ultimately aimed to ensure sustainability.

Board and Committees' effectiveness review and training monitoring

In 2022, the Remuneration and Appointments Committee launched the effectiveness review of the Board and its Committees. The Committee decided that the review would be made in-house by means of a questionnaire to be sent to directors for them to rate a wide range of topics. The questionnaire was sent to directors in December. The Committee then aggregated directors' feedback and, based on it, prepared an action plan for 2023 aimed, on the one hand, to foster those features that had been identified as the Board and its Committees' best strengths, in line with Allfunds' commitment to lifelong learning and continuous improvement, and, on the other hand, to address those needs or refresh those areas where directors believed there was room for improvement. This action plan was submitted to the Board for its review and approval. The main outcomes of the review as well as the key lines of action identified for 2023 are described in section 'The Board of Directors' above.

The questionnaire also included several sections aimed to identify potential training needs of directors, either individually or as a whole. The Committee included these questions to ensure the directors' collective ability to understand the Group's activities and risks and to properly discharge their duties. Based on the answers to the questionnaire, the Committee outlined a training plan for 2023 that mainly consists in periodic deep dive sessions into the Company's new strategic areas and new companies acquired; its full product / service offering; a demo and overview of its technology and the application of blockchain to its business; and evolving topics as regulatory updates and ESG. The programme foresees the possibility of receiving training from external experts as needed.

Remuneration

In 2022, the Remuneration and Appointments Committee carried out extensive activities in terms of remuneration. With respect to directors, the Committee proposed the new Directors' Remuneration Policy, which was approved by shareholders at the 2022 AGM. Following the AGM, the Committee carefully reviewed the feedback provided by investors to the Company and made several proposals to the Board in order to address specific concerns raised in respect of some remuneration items included in the approved Directors' Remuneration Policy. The major decisions adopted in this regard are described in detail in the Directors' Remuneration Report.

As for the overall employee population, in 2022 the Remuneration and Appointments Committee launched the second award under Allfunds' LTIP, a plan aimed to reward and incentivise employees' performance and engagement with Allfunds. At the time of the IPO, Allfunds had committed to approve such a plan in order to promote long-term value creation and foster talent retention. It was granted to over 15% of the Group employees and covers two types of awards: (i) a performance-based award, where beneficiaries were granted an award in respect of a target number of shares at no cost whose vesting is contingent on pre-set long-term performance measures being achieved throughout the relevant performance period; and (ii) a time-based award, where beneficiaries were granted an award in respect of a number of shares at no cost whose vesting will occur in 2025 with no link to any performance measures. The executive director was granted the performance-based award. Further details of the performance-based award are provided in the Directors' Remuneration Report.

Committee functioning

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

The Remuneration and Appointments Committee meets at least twice a year, although meetings are called whenever needed for the Committee to perform its duties. In 2022, the Committee met five times.

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

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

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

Committee effectiveness review

The Board Committees undergo an annual review of their effectiveness. Like the Board's own review, in 2022 this process was conducted internally, led by the Board's Chair with the assistance of the Remuneration and Appointments Committee.

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

The results of the Remuneration and Appointments Committee review suggested that directors are content with the Committee, and they believe it operates effectively and reports properly to the Board.

On behalf of the Remuneration and Appointments Committee

Lisa Dolly
Chair of the Remuneration and Appointments Committee

30 March 2023

Compliance with the Dutch Code

Neither the UK Corporate Governance Code nor the Dutch Code mandatorily apply to the Company, UK-based and listed on Euronext Amsterdam. Nevertheless, Allfunds strongly believes that compliance with a recognised governance code contributes to stakeholders' confidence in the good and responsible management of the Company and its integration in society. Therefore, at the time of its IPO Allfunds voluntarily adopted the Dutch Code. Ever since, the Company voluntarily complies with its principles and best practice provisions, except for the deviations explained below under the Code's comply or explain principle. When Allfunds deviates from the Code, it adheres as much as possible to its spirit. An English translation of the Code is available on the website of the Dutch Corporate Governance Code Monitoring Committee at https://www.mccg.nl/publicaties/codes/2016/12/8/corporate-governance-code-2016-en.

The Company has a one-tier governance structure with a single Board of Directors comprising both executive and non-executive directors. Therefore Chapter 5 of the Dutch Code is applicable, and this statement should be read accordingly.

As anticipated last year, during 2022 Allfunds has enhanced even further its level of compliance with the Dutch Code. After the appointment of David Bennett as independent director and Board Chair, the appointment of Lisa Dolly as Vice Chair and the stepping-down of three directors, we now comply with: (a) paragraph (ii) of Provision 2.1.7, which provides that the total number of independent directors should account for more than half of the total number of non-executive directors (seven out of 12 as of 31 December 2022); (b) Provisions 2.1.9 and 5.1.3 relating to the independence of the Board Chair; and (c) Provisions 2.3.6(ii), 2.3.7 and 2.4.3, referring to the appointment of a Board Vice Chair responsible for deputising for the Chair as needed and to act as contact regarding the functioning of the Chair.

Provision 2.1.7(iii) (Independence of the Board)

Allfunds endorses Principle 2.1 on the composition and size of the Board and complies with the resulting provisions except for paragraph (iii) of Provision 2.1.7, which recommends that for each shareholder, or group of affiliated shareholders, who directly or indirectly hold more than 10% of the Company shares, there be at most one non-executive director who can be considered as affiliated with or representing them within the meanings of the Dutch Code. As of 31 December 2022, shareholders LHC3 Limited (holding 34.3% of the shares) and the BNP Paribas Entities (jointly holding 12.1% of the shares) had three and two non-executive directors, respectively, who can be considered affiliated with or representing them. The Company considers this deviation reasonable (i) for the sake of continuity of a Board that has proven effective and conducive to the Group success, as the relevant directors have been fulfilling their roles for years now, and (ii) in view of its shareholding structure and as a show of continued support by its major shareholders. However, major shareholders' rights to appoint directors are subject to them maintaining specific levels of shareholdings and nominee directors must resign as soon as these levels are crossed in accordance with the Relationship Agreement which is further described in section 'Shareholder Information' below.

Provision 3.1.2 (Remuneration Policy)

The Remuneration Policy approved by shareholders at the 2022 AGM was compliant with this Provision except for the second part of paragraph (vi), as it did not provide for a holding period in respect of conditional awards to be granted to executive directors under Allfunds' LTIP. The Company deemed this decision appropriate for retention purposes and in view of the competitive landscape. Nevertheless, in response to shareholder feedback received at the time of the AGM, the Board decided to introduce a holding period in the LTIP awards to be granted to the executive directors going forward, starting with the 2023 LTIP Award granted in March 2023. Further detail can be found in the Annual Report on Directors' Remuneration.

Provision 3.2.3 (Severance payments)

The Company partially deviates from this Provision because the amount of the CEO's severance payment exceeds the fixed component of his annual salary. The CEO's severance rights are described in the Directors' Remuneration Report. The Board notes that the terms of Juan Alcaraz's severance payment were defined according to, and are compliant with, Spanish regulations, as last amended. These regulations set out that (i) the severance payment in circumstances that are not considered to be a bad leaver shall be calculated as a given number of days' earnings; (ii) the earnings shall include base salary, benefits and annual bonus paid in the last 12 months; and (iii) the number of days shall be calculated as a number of days per year effectively employed by the company up to a day's cap. The severance payment agreed with the CEO is the result of applying the foregoing rules to his labour seniority and remuneration package, save for the nuance that the earnings might include the target annual bonus amount if higher. The right to receive this severance payment was maintained when the CEO was relocated from Spain to London to keep his remuneration package as competitive, considering especially that this payment would only accrue in the event of a good leaver. The Board also notes that this was agreed before Allfunds voluntarily adhered to the Dutch Code, which is stricter in this matter than Spanish standards applicable in Spain where the CEO was based when these rights were granted.

Provision 3.4.2 (Agreement of executive directors)

The main elements of the agreement with the executive director are described in the IPO prospectus and in the existing Directors' Remuneration Policy, which is fully copied in the 2021 Annual Report. Both documents are available on the corporate website (www.allfunds.com). Therefore, although they are not disclosed as a separate document, the Company believes it does comply with the transparency purpose of this Provision.

Corporate Governance Statement

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

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

Other statutory information

This section of the Annual Report contains the remaining information which the directors are required to report on each year and for the year ended 31 December 2022.

Incorporation by reference

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

- The particulars of important events affecting the Company which have occurred since the end of 2022
- An indication of likely future developments in the business of the Company
- Our engagement with employees
- Our engagement with suppliers, customers and others in a business relationship with the Company
- The Board of Directors' section 172(1) statement
- In relation to the use of financial instruments, the Company's financial risk management objectives and policies and its exposure to financial risk (information on which may also be found in Note 6 to the financial statements)

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

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

Branches outside the United Kingdom

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

The Group operates in Spain through Allfunds Bank and several subsidiaries, and outside Spain through other subsidiaries, branches and representation offices. There are eight branches located in the UK, France, Italy, Luxembourg, Poland, Singapore, Sweden and Switzerland, five representation offices located in Brazil, Chile, Colombia, Miami and United Arab Emirates, three subsidiaries of Allfunds Bank based in Luxembourg, Hong Kong and Shanghai, two indirect subsidiaries of Allfunds Bank based in UK, and five subsidiaries of Allfunds Tech Solutions (an indirect subsidiary of Allfunds Bank) located in the UK, France, Germany, Sweden and Switzerland.

Political donations

During 2022 the Group did not make any political donation to any UK, non-UK, EU or non-EU political party or other political organisation or to any independent election candidate, nor did it incur any political expenditure.

Allfunds' Code of Conduct expressly establishes that the Group neither contributes to election campaigns nor makes donations to political parties.

Research and development

There were no activities in the field of research and development during 2022.

Policy on employment of disabled persons

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

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

Effectiveness and compliance with the Code of Conduct

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

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

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

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

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

Significant agreements subject to change of control provisions

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

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

From a remuneration perspective, if Juan Alcaraz's employment is terminated by Allfunds, including upon a change of control, other than (i) in circumstances justifying his summary dismissal without compensation; (ii) on the grounds of his capability or conduct; or (iii) for some other substantial reason that would be a fair reason for dismissal under English law, he will (subject to any overriding regulatory requirements) be entitled to a severance payment of 798.75 days' earnings, including base salary, contractual benefits and the higher of his target bonus amount and the bonus amount paid to him in the preceding 12 months (in each case converted into a daily figure). The payment will be conditional upon Juan Alcaraz signing a settlement agreement waiving any legal claims against Allfunds Bank and will be inclusive of any payment in lieu of notice made to him. Other than that, the Company has not entered into any agreement with its directors or employees providing for compensation for loss of office or employment (whether through resignation, purported redundancy or otherwise) that occurs because of a takeover bid.

Anti-takeover measures

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

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

Related party transactions

Material significant transactions carried out between the Company and its shareholders holding at least 10% of the shares in the Company are described in Note 37 to the financial statements, which is incorporated by reference hereto. These transactions were completed in customary market terms. No material transactions were carried out with Board members during the period under review.

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

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

Furthermore, the Board approved in 2022 a Related Party Transaction Monitoring Procedure that requires that material transactions between the Company and its directors that are deemed to be concluded in the ordinary course of business and on normal market terms (and thus, are not subject to Board approval) be reported to the Board for the Board to ensure, with the abstention of affected directors, that the transactions were actually concluded in the ordinary course of business and on normal market terms.

Disclosure of information to auditors

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

Going concern

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

In making the going concern assessment, directors have considered a wide range of information, including the current economic climate at the time of approving the financial statements, as well as the expected working capital requirements that the Company and the Group will have for the coming year. See Note 39 to the financial statements.

Directors' indemnities

The Articles of Association entitle the Company's directors to be indemnified out of the assets of the Company against any liability incurred or to be incurred by them in performing their duties and/or exercising their powers in relation to the affairs of the Company, to the extent permitted by law. Accordingly, on 23 April 2021 Allfunds entered into individual deeds of indemnity with each individual then serving as a Board member that constitute qualifying third-party indemnity provisions as defined in section 234 of the UK Companies Act 2006. In 2022, Allfunds entered into a deed with David Bennett in these same terms. These indemnities remained in force throughout 2022 and are in force as at the date of this Annual Report. The deeds are available for inspection at the Company's registered office.

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

Directors' report sign-off

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

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

On behalf of the Board of Directors

Marta Oñoro
General Counsel and Company Secretary

30 March 2023

Non-Executive Directors' Report

Role of non-executive directors

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

In 2022, they oversaw the implementation of the strategy and the general state of corporate affairs by participating in all the meetings of the Board and at the Board Strategy Day. At each Board meeting, non-executive directors are updated on business performance and strategy progress and are invited to debate, which enables them to discharge their monitoring responsibilities. Furthermore, management team members can be invited to their meetings and directors may request information as needed to perform their duties.

During the year, there were six Board meetings. Sub-section 'Key focus areas in 2022' of section 'Board of Directors' of this Annual Report describes the specific matters discussed and decisions made at the Board level in this regard during the year and is incorporated by reference hereinto. In particular, in terms of strategy and corporate purpose, during the year under review the Board discussed market trends in the funds industry and Allfunds' response to its main challenges; followed up on the progress made against the strategic pillars and objectives of the 2022-2023 value creation plan, and monitored the evolution of Allfunds' digital ecosystem, the subscription-based opportunity and M&A activity.

In 2022, non-executive directors met three times without the presence of executive directors. Independent non-executive directors further met another time during the year without neither nominee nor executive directors.

Non-executive directors' profile

The Board of Directors currently comprises 12 non-executive directors: David Bennett, Lisa Dolly, Sofía Mendes, David Pérez Renovales, JP Rangaswami, Delfín Rueda, Ursula Schliessler, Blake Kleinman, Zita Saurel, Johannes Korp, Andrea Valier and David Vaillant. Their profile and personal information, including their gender, age, nationality, principal position and other relevant positions, date of initial appointment and current term of office, are disclosed in sub-section 'Board composition' of section 'Board of Directors' of this Annual Report, which is incorporated by reference hereinto.

The desired Board profile and diversity standards are laid down in the Profile for Non-Executive Directors and the Board Diversity Policy approved by the Board of Directors in 2021 with the favourable vote of non-executive directors.

Non-executive directors are of the opinion that the Board has a balanced and diverse composition in terms of skills and experience, age, and international background and education. This was further assessed during the Board's annual effectiveness review and the results showed that directors were satisfied with the Board composition.

Non-executive directors note that, in the future, the Board should tend towards gender balance. The Board Diversity Policy includes gender as a diversity criterion to be considered in selection processes and sets a target of 33% of the Board seats to be held by women by 2025. Non-executive directors highlight that progress was made during the year under review, with the overall female ratio having increased from 27% to 31% following the resignation of Amaury Dauge, Julian Abraham and Fabian Shey from their positions as Company directors. In addition, there is gender balance amongst independent directors (with a 43%-57% ratio) and the female ratio excluding nominee directors appointed by shareholders amounts to 38%, therefore exceeding the Hampton-Alexander Review target.

Board of Directors' independence

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

Currently, seven out of the 12 non-executive directors qualify as independent in accordance with Best Practice Provision 2.1.8 of the Dutch Code: David Bennett, Lisa Dolly, Sofia Mendes, David Pérez Renovales, JP Rangaswami, Delfín Rueda and Ursula Schliessler. David Bennett was appointed as a director at the 2022 AGM and as Board Chair thereafter.

It is the view of non-executive directors that independent directors meet the independence requirements set out in said provision and that Best Practice Provisions 2.1.7 and 2.1.9 of the Dutch Code have been fulfilled, except for the below.

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

Board and Board Committees' effectiveness review

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

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

Non-executive directors are satisfied with the process undergone and endorse the lines of action set by the entire Board to enhance its effectiveness in 2023, which are summarised as follows.

In terms of Board composition, Directors wish to maintain the focus on having sound succession plans and a solid pipeline of candidates.

With respect to Board dynamics, directors wish to promote in-person meetings as much as possible to enhance effective dialogue and emphasize the importance of early sight of the materials related to most relevant topics.

In relation to Board duties and activities, directors wish to devote some additional time to discuss the Company's stakeholders and the impact of the business on each of them, which can be made along with the design of the ESG strategy, and to ensure appropriate follow up on open items.

As for training and development, directors propose to maintain the Board Strategy Day, to cover their specific training requests through the annual development programme and to formalise directors' onboarding and induction procedure.

Board Committees' reports

The Board Committees are exclusively composed of non-executive directors and chaired by independent directors.

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

Each of the Board Committees' Reports included in this Annual Report contains detailed information on how the Board Committees carried out their duties during 2022. In particular, each report describes the relevant Board Committee's composition, its role and responsibilities, the number of meetings held and the main items discussed in 2022, its functioning rules and the conclusions of its annual effectiveness review.

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

Attendance at the meetings of the Board and its Committees

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

	Meetings attended		
Directors	Board of Directors	Risk and Audit Committee	Remuneration and Appointments Committee
David Bennett	4 / 4	—	—
Blake Kleinman	6 / 6	—	—
Zita Saurel[(1)]	5 / 6	—	5 / 5
Johannes Korp	6 / 6	7 / 7	—
Andrea Valier	6 / 6	—	—
David Vaillant[(2)]	5 / 6	—	—
Lisa Dolly	6 / 6	—	5 / 5
Sofia Mendes	6 / 6	—	—
David Pérez Renovales	6 / 6	7 / 7	—
JP Rangaswami	6 / 6	—	5 / 5
Delfín Rueda	6 / 6	—	—
Ursula Schliessler	6 / 6	7 / 7	—

1. Zita Saurel was absent from the Board meeting held on 24 February 2022 but gave voting instructions to her proxy in respect of all items in the agenda.
2. David Vaillant was absent from the Board meeting held on 24 February 2022 but gave voting instructions to his proxy in respect of all items in the agenda.

Non-Executive Directors' report sign-off

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

On behalf of the Non-Executive Directors

Marta Oñoro
General Counsel and Company Secretary

30 March 2023

Annual statement of the Remuneration and Appointments Committee Chair

This Directors' Remuneration Report is composed of three sections:

- Annual statement of the Remuneration and Appointments Committee Chair (pages 92 to 94)
- Directors' Remuneration Policy (page 95)
- Annual Report on Directors Remuneration (pages 96 to 107)

Committee composition

Lisa Dolly
Committee Chair
Independent Non-Executive Director

JP Rangaswami
Member
Independent Non-Executive Director

Zita Saurel
Member
Non-Executive Director

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

Dear shareholders,

On behalf of the Board, I am pleased to present the Directors' Remuneration Report for the financial year ended 31 December 2022.

This year the Remuneration and Appointments Committee has worked hard to put in place an executive remuneration framework up to the standards of listed companies, to ensure it keeps driving performance and supporting the corporate strategy while reflecting best practices and stakeholders' expectations.

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

Directors' Remuneration Policy and shareholder feedback

During the first months of the year, the Remuneration and Appointments Committee devoted great effort to shape the Directors' Remuneration Policy that was subject to a binding vote and approved by shareholders at the 2022 AGM held on 21 April 2022.

The full Policy is set out on pages 93 to 101 of the 2021 Annual Report.

The Committee drafted this Policy with the assistance of external advisers and in consultation with Allfunds' then three largest shareholders and directors themselves. In preparing the proposal, the Committee considered different factors, including the performance of directors and the Group, remuneration scenario analyses, market positioning against appropriate international comparators, as well as applicable regulations mainly arising from the condition of the Company as parent undertaking of a Spanish credit institution supervised by the Bank of Spain.

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

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

The Directors' Remuneration Policy defines executive directors' total compensation as a combination of fixed remuneration, variable remuneration, pension and other benefits. The total compensation was proposed by the Remuneration and Appointments Committee to the Board of Directors. As for non-executive directors, the Policy defines their remuneration as fixed compensation for their responsibilities, and not dependent on Allfunds' results.

Following the AGM, the Remuneration and Appointments Committee carefully analysed the voting results obtained at the meeting, as well as feedback received from investors with regard to directors' remuneration. The Policy was passed with the favourable vote of 81.46% of the votes cast, and the 2021 Directors' Remuneration Report was approved (advisory vote) by 81.63% of votes cast. The Committee was pleased with the level of support obtained from shareholders.

Nevertheless, to further align remuneration with their interests and expectations, during the year under review the Committee proposed to the Board the changes to executive remuneration that are described below, which include deferral arrangements and holding periods. The Committee is convinced that shareholders will welcome these changes and thanks all of those who engaged with the Company for their constructive feedback.

Changes in directors' remuneration

In April 2022 the Bank of Spain introduced new regulatory requirements on partial deferral and payment in securities of variable remuneration for specific employees of financial institutions. These regulatory requirements apply to the Company's indirect subsidiary Allfunds Bank, S.A.U., which holds the banking licence, given its classification as a small but complex entity. Accordingly, they apply to the CEO and would apply to any other executive director too.

The rules on payment in securities require that at least 50% of any variable remuneration component of employees bound by these regulations (including the CEO) be paid in securities, which in turn shall be subject to a holding period of at least one year.

The requirements on deferral involve that any variable remuneration granted to employees bound thereby (including the CEO) shall be deferred according to the following schedule: (i) 60% of the variable remuneration shall be paid during the first months of the year following the year to which the annual variable remuneration relates ("First Payment Date"); and (ii) the remaining 40% of variable remuneration shall be paid as follows: (a) one fourth within thirty days from the first anniversary of the First Payment Date, (b) one fourth within thirty days from the second anniversary of the First Payment Date, (c) one fourth within thirty days from the third anniversary of the First Payment Date and (d) one fourth within thirty days from the fourth anniversary of the First Payment Date. When the amount of a variable remuneration component is especially high, the percentage to be deferred shall raise to 60%, being payable in fourths according to the same schedule.

These requirements have been applied to the CEO's annual bonus receivable in respect of 2023 and the 2023 LTIP Award. Further detail on how these arrangements have been set up is available in the following pages of this report. In practice, they result in the entire 2023 LTIP Award being disposable no sooner than 2031 and, because of the nature of the LTIP as a component fully payable in shares, in the increase of the proportion of variable remuneration payable in instruments to approximately 75% of total variable remuneration. During 2023 the Remuneration and Appointments Committee will review the total rewards scheme to ensure it allows Allfunds to keep paying competitively and so attracting and retaining talent while meeting all requirements and stakeholder expectations.

It is the view of the Remuneration and Appointments Committee that these arrangements could be implemented under the existing Directors' Remuneration Policy without the need for shareholder approval as the Policy expressly authorises this Committee to make amendments in order to comply with new laws, regulations or regulatory guidance and where the Committee believes it is in the best interests of the Company to do so, which the Committee does believe.

No further changes to directors' remuneration were approved during the period under review. For clarification purposes, this Committee notes that the CEO's base salary increase was approved in 2021 with effect from 1 January 2022, and that the 2022 annual bonus and 2022 LTIP Award had already been granted before the 2022 AGM and before the enactment of the regulations described above.

Grant of 2022 LTIP Award

In 2021, the Board of Directors approved the Allfunds Long-Term Incentive Plan (LTIP). The first LTIP award was launched in 2021 (the 2021 LTIP Award) and the second award was launched on 1 April 2022 (the 2022 LTIP Award).

During the period under review, the 2022 LTIP Award was granted to over 15% of the Group employees and covers two types of awards: (i) a performance-based award, where beneficiaries were granted an award in respect of a target number of shares at no cost whose vesting is contingent on pre-set long-term performance measures to be achieved throughout a performance period ending on 31 December 2024; and (ii) a time-based award, where beneficiaries were granted an award in respect of a number of shares at no cost whose vesting will occur in 2025 with no link to any performance measures.

Juan Alcaraz was granted a performance-based 2022 LTIP Award, whereas Amaury Dauge was not granted any award in view of his resignation and end of service.

Further information on the 2022 LTIP Award, including the vesting period, performance measures, payout levels and the value of the award granted to the CEO, can be found on the next pages of this report.

Performance in the year and vesting of 2022 annual bonus and 2021 LTIP Award

The Remuneration and Appointments Committee places great importance on ensuring that pay is aligned with performance and reflects both the Group's and each individual's underlying achievements.

In 2022 Allfunds faced challenging market conditions that led to a slowdown in its activity, which has had an impact on the variable remuneration of the Group's overall population. Further information on Allfunds' results may be found in the Strategic Report of this Annual Report.

With respect to the annual bonus, which depends on corporate and individual performance as measured by several quantitative and qualitative metrics, in February 2023 the Board, assisted by the Remuneration and Appointments Committee, determined that the global bonus payout linked to the achievement of pre-set corporate goals would amount to 41%. The Committee further decided that the CEO's total bonus payout, considering also his individual performance, would amount to 48.9% of his target opportunity for financial year 2022. Details on performance scales, payout ratios and factors considered in making this decision as well as the discretion exercised by the Committee in determining the final outcomes are available on the following pages of this report.

As for the first tranche of the performance-based 2021 LTIP Award, whose performance period ended on 31 December 2022, the Board, assisted by the Remuneration and Appointments Committee, determined that the performance award had vested at 90.9% with respect to the adjusted EBITDA portion and at 0% with respect to the total shareholder return (TSR) portion. No discretion was exercised by the Board or the Committee in measuring the level of achievement of these quantitative metrics. Further information may be found later in this report. The first tranche of the time-based 2021 LTIP Award that had been granted to a broader population vested in January 2023 as planned.

Review of annual bonus' corporate metrics

At the beginning of 2023 the Remuneration and Appointments Committee reviewed the corporate goals of the group-wide annual bonus, which are the same as the CEO's. As a result of this review, the Committee proposed to the Board new corporate metrics for the 2023 annual bonus that, in its view, better align remuneration with stakeholder experience and introduce more explicit ESG criteria. The new corporate metrics combine financial, business (commercial and operations) and ESG metrics weighting 50%, 30% and 20%, respectively, and contain a mix of quantitative and qualitative metrics weighting 80% and 20%. A description of each metric, their relative weight and their purpose and contribution to sustainable long-term value creation can be found in the following pages of this report.

Looking ahead

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

Lisa Dolly
Chair of the Remuneration and Appointments Committee

30 March 2023

Directors' Remuneration Policy

The existing Directors' Remuneration Policy was subject to a binding vote and approved by shareholders at the 2022 AGM held on 21 April 2022. It is intended to apply for three years until the AGM to be held in 2025, unless amendments to the Policy are required.

The full Directors' Remuneration Policy is set out on pages 93 to 101 of the 2021 Annual Report, which is publicly available on our corporate website at https://allfunds.com/en/investors/financial/financial-reports/#annual_report.

During the period under review, there were no changes to the Directors' Remuneration Policy.

In 2023, the Policy is intended to be implemented as described in the Annual Report on Remuneration set out below.

As anticipated in the Annual statement of the Remuneration and Appointments Committee Chair, new arrangements on deferral and payment in instruments apply to the 2023 annual bonus and the 2023 LTIP Award, and will apply to any subsequent variable remuneration granted thereafter.

It is the view of the Remuneration and Appointments Committee that these changes could be implemented under the existing Directors' Remuneration Policy without the need for shareholder approval as the Policy expressly authorises this Committee to make amendments in order to comply with new laws, regulations or regulatory guidance and where the Committee believes it is in the best interests of the Company to do so, which the Committee does believe.

Annual report on directors' remuneration

This section sets out how the Directors' Remuneration Policy operated for the year ended 31 December 2022, and how we plan to implement it during the coming year. This Annual report on directors' remuneration will be put to an advisory vote at the 2023 AGM.

During the period under review, the Policy was implemented as intended, except for the deferral of the CEO's annual bonus payment introduced pursuant to new Spanish regulations as further described in this report.

Executive directors' remuneration

The executive directors' total compensation for 2022 was defined as a combination of fixed remuneration, including base salary, pension and other taxable benefits, and variable remuneration, as set out below.

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

Single total figure for executive directors (audited)

	Juan Alcaraz (CEO) (£ thousand)		Amaury Dauge (former CFO) (€ thousand)	
	2022	2021	2022[5]	2021
Base salary (A)	1,000.0[3]	735.0	118.7	387.5[6]
Taxable benefits (B)	435.8	422.5	83.6	300
Pension (C)	60.0	60.0	0[7]	0[7]
Total fixed remuneration (A + B + C)	1,495.8	1,217.5	202.3	687.5
Bonus (D)	609.9[4]	1,803.2[4]	0	350[8]
Vested LTIP Awards (E)[1]	102.0	0	0	0
Total variable remuneration (D + E)	711.9	1,803.2	0	350
Total remuneration (A + B + C + D + E)[2]	**2,207.7**	**3,020.7**	**202.3**	**1,037.5**

Notes to the table:

1. Relates to LTIP Awards whose vesting was contingent on performance measures where the performance period ended during the year under review. Up to the date of this report, two LTIP Awards have been granted, both contingent on the achievement of specific performance measures: (i) the 2021 LTIP Award granted on 8 October 2021, which was divided into a first tranche vesting in relation to a performance period ending on 31 December 2022 and a second tranche vesting in relation to a performance period ending on 31 December 2023; and (ii) the 2022 LTIP Award granted on 1 April 2022 vesting in relation to a performance period ending on 31 December 2024. So far, only the first tranche of the 2021 LTIP Award has vested. The second tranche as well as the 2022 LTIP Award remain subject to the achievement of performance measures in future financial years. In accordance with applicable regulations, the value of the vested shares shown in the table have been calculated by multiplying the number of vested shares (14,349) by the closing price at the date on which the shares vested (€8.00) converted to GBP at the exchange rate of that same date.
2. Remuneration of executive directors is paid by the Group company Allfunds Bank, S.A.U. in its capacity as employer.

Juan Alcaraz:

3. Juan Alcaraz's base salary increase from £735,000 to £1,000,000 was approved in 2021 with effect from 1 January 2022.
4. The bonus awarded to Juan Alcaraz in respect of 2021 included the annual bonus ordinarily granted and calculated as a percentage of the base salary (£1,259,606), as well as an extraordinary incentive linked to key milestones occurred in 2021 (£543,643). No extraordinary bonus was awarded in respect of 2022. Both in 2021 and 2022, Juan Alcaraz was paid the previous year's bonus partial amounts that had been deferred according to the Company's former deferral policy, but these amounts are not shown in the table as they are not receivable in respect of 2021 or 2022.

Amaury Dauge:

5. Amaury Dauge stepped down from his position as CFO and Board member with effect from 31 March 2022. The 2022 figures shown in the table refer to his remuneration up to that date, including vacation accrued according to applicable Spanish laws.
6. Amaury Dauge's base salary was increased from €350,000 to €425,000 with effect from 1 July 2021.
7. In line with the corporate policy applying to all employees, pension benefits only start accruing after two years of employment at Allfunds, and are then granted retroactively with effect from the date of commencement of the employment. Given Amaury Dauge's period of service with Allfunds and resignation submitted in November 2021, he was not entitled to any pension contribution for 2021 or 2022.
8. The bonus awarded to Amaury Dauge in 2021 included the ordinary annual bonus (€175,000), as well as an extraordinary incentive linked to key milestones occurred in 2021 (€175,000). In 2021 Amaury Dauge was paid a sign-on bonus by an indirect shareholder of the Company, LHC1 Limited, which is not shown in the table as it was not receivable in respect of 2021.

Notes in respect of each remuneration component:

Base salary

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

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

Taxable benefits

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

Juan Alcaraz's benefits during the period under review included housing allowance (£378 thousand), car allowance (£34 thousand), private medical practitioner allowance, healthcare and other miscellaneous allowances.

His housing allowance was granted when it was decided it would be in the best interest of the Group's business to expatriate the CEO to London, one of the oldest and largest financial centres in the world. At that time the Company had not yet been incorporated and its Spanish subsidiary Allfunds Bank, headquartered in Madrid, was the main centre of activity of the Group. As Juan Alcaraz had his own house in Madrid, the housing allowance was granted to keep his remuneration package as competitive as before moving. It was purposefully designed as a taxable benefit rather than an increase to the base salary to enable the Company to remove it should the CEO be relocated in Madrid in the future.

Amaury Dauge benefits in 2022 included housing allowance (€70 thousand), car allowance, life insurance, health care, disablement and survivors insurance and subsidised meals.

Pension entitlements

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

Amaury Dauge did not receive any pension contribution in 2021 or 2022 as the corporate policy for all employees is that pension contributions are only payable after two years of service have been accrued (at which point a retroactive contribution is made covering the first two years of service). Given Amaury Dauge's period of service with Allfunds and his resignation submitted in November 2021, he was not be entitled to any pension contribution.

Annual bonus

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

Accordingly, the bonus' annual performance measures contribute to Allfunds' strategy and purpose. They contain a mix of corporate and individual performance indicators weighted as shown in the table below. The performance measures are proposed by the Remuneration and Appointments Committee and approved by the Board of Directors at the beginning of each financial year. For each performance measure, a threshold, target and maximum performance level is set along with a bonus payout.

In 2022, Juan Alcaraz was awarded an on-target annual bonus opportunity of 125% of his base salary and a maximum annual bonus opportunity (in the event of maximum performance) of 180% of his base salary in line with the Directors' Remuneration Policy approved by shareholders at the 2022 AGM. Amaury Dauge was not entitled to any annual variable remuneration given his resignation effective from 31 March 2022.

The performance measures set for the 2022 annual bonus were the following:

Performance measures	Weight (%)	Threshold	Target	Maximum	Actual	2022 outcome (% of target bonus)
Corporate metrics	90%					
Adjusted EBITDA (€ million)[1]	45%	382.0	424.4	466.8	350.4	0%
New asset-driven run-rate (€ million)[2]	18%	7.2	14.5	19.3	8.8	62%
Non-asset-driven annual recurring revenue (€ million)[3]	9%	24.8	28.3-29.1	38.8	27.2	86%
Qualitative leadership and delivery capacity	18%	Assessed by the Board at the end of the year based on strategic goals' achievements				100%
Individual metrics	10%					
Personal contribution	10%	Assessed by the Board at the end of the year based on individual goals' achievement				120%
					Total outcome	**48.9%**

1. Adjusted EBITDA allows to measure the overall performance of the Company's business and incentivises management to keep creating value for shareholders.
2. New asset-driven run-rate measures the onboarding of recurring revenues and motivates the team to keep increasing migrations and growing the platform business.
3. Non-asset-driven annual recurring revenues measures new subscription revenues and incentivises the pursue of the subscription opportunity to enhance the business' resilience over time.

At the beginning of 2023, the Board, based on the proposal of the Remuneration and Appointments Committee, assessed each performance measure according to the scorecard shown in the table above.

With respect to the quantitative corporate metrics (adjusted EBITDA, new asset-driven run-rate and non-asset-driven annual recurring revenue), the payout ratios amount to 100% at the target level, 50% at the threshold level and 150% at the maximum level. Payout in between these levels is calculated on a straight-line basis. Below the threshold level the payout is zero and above the maximum level the payout is capped. No discretion was exercised to adjust these formulaic outcomes.

As for qualitative leadership and delivery capacity, three levels of performance were set, threshold, target and outstanding, with payout ratios of 50%, 100% and 120%, respectively. Performance of this metric was assessed by the Board in its absolute discretion by analysing the achievements in three main strategic goals:

- Successful business integrations: This year was very demanding in terms of integrating the new companies acquired during the period. Moreover, at the date of this report the integration of BNP business is nearly completed. The Board considered that the effort made by all teams involved in these workstreams, ultimately led by the CEO, was enormous and that the outcome of their effort was satisfactory
- Delivering 2022-2023 value creation plan milestones: The Board assessed delivery of each strategic pillar under the value creation plan. Further detail on each pillar, progress made on each of them during the year and how Allfunds measures it may be found in the Strategic Report. Based on these results, it was considered that this goal reached the target level of performance
- Maintaining robust governance: In 2022 great effort was devoted to ensure Allfunds maintained a robust governance framework up to best standards and in accordance with all the applicable regulations, including banking regulations applicable to the Group company Allfunds Bank, S.A.U. The outcome of these efforts was measured by several metrics such as the increase of Allfunds' level of compliance with the Dutch Code from 92% to 96.5%, progress made on the targets set in the Board Diversity Policy, and the absence of significant shareholder dissent to the resolutions proposed at the 2022 AGM. In light of this, achievement of this corporate goal was rated as outstanding

In view of the above, the Board determined that the overall pay-out for this metric of qualitative leadership and delivery capacity should be 100%.

As for individual performance, the Board acknowledges the fundamental role of the CEO's vision in these particularly challenging circumstances. Allfunds tackled the market downturn by continuously gaining market share, achieving a new record number of clients and strategically increasing non-subscription revenues through the enhancement of its value proposition. Juan Alcaraz played a critical role in guiding the Company through this journey and reinforcing its overall resiliency. During the year Allfunds also completed three successful acquisitions that have helped accelerate its growth and enhance its platform. Allfunds' results were also underpinned by discipline on expenditure and cost optimisation. On the operational side, Juan Alcaraz continued to build a culture of excellence and has overseen that this culture is embraced by all teams and embedded in all operational processes. The Board concluded that the CEO had highly contributed to corporate performance throughout the year and believed that he has demonstrated strong leading capabilities and talent in a markedly unfavourable context. Therefore his individual performance was considered outstanding and granted a 120% of pay-out.

Overall, based on the achievement of corporate metrics and on the assessment of the CEO's personal contribution to the Group's success, the Board determined that the outcome of Juan Alcaraz's annual bonus for 2022 should be 48.88% of his target bonus, that is, 60.89% of his annual base salary.

As approved at the time of grant in early 2022, the 2022 annual bonus is fully payable in cash and is not subject to any deferral arrangements. These arrangements will apply to the variable remuneration receivable in respect of 2023 and thereafter.

Long-Term Incentive Plan

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

Vesting of the first tranche of the 2021 LTIP Award

On 8 October 2021, Juan Alcaraz and Amaury Dauge were granted an LTIP award (the 2021 LTIP Award). Amaury Dauge's award lapsed on the termination of his employment with the Company.

Juan Alcaraz's LTIP opportunity was established as a number of shares with a monetary value equal to 125% of his annual base salary at target level and 250% at maximum level, based on his annual salary of 2021. The resulting number of shares was 63,142 shares at target level and 126,284 shares at maximum level. This number was calculated on the date of grant by dividing the monetary value of the award by the average middle market quotation in the 20 dealing sessions preceding the date of grant obtained from the official list of Euronext Amsterdam (€17.01 per share).

Vesting of these shares would occur in halves in two tranches: a first tranche vesting in relation to a performance period ending on 31 December 2022, and a second tranche vesting in relation to a performance period ending on 31 December 2023, both contingent on the achievement of two performance measures, equally weighted:

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

The first tranche of the 2021 LTIP Award vested on 31 December 2022 as described below.

The TSR portion did not vest given Allfunds' TSR during the performance period was below par compared to the comparator's group TSR. The EBITDA portion vested in 90.9% given the actual adjusted EBITDA during the performance period amounted to 96.3% of the budgeted adjusted EBITDA. No discretion was exercised to adjust these formulaic outcomes.

For Mr Alcaraz, 14,349 shares vested. The value of the vested shares, calculated at their market price as of the date of vesting, is shown in the single total figure table above.

Grant of the 2022 LTIP Award

On 1 April 2022, the second LTIP award (the 2022 LTIP Award) was granted to Juan Alcaraz. Given Amaury Dauge's resignation effective from 31 March 2022, he was not entitled to this award.

The 2022 LTIP Award is payable in Allfunds' shares.

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

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

The Board believes that these metrics are adequate as the TSR portion allows to align directors' and shareholders' interests by linking pay to shareholders' return, and the EBITDA portion allows to best align pay with performance.

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

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

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

For each performance level, an LTIP payout is set:

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

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

The target LTIP opportunity approved for Juan Alcaraz in the event of target performance is a number of shares with a monetary value equal to 125% of his base salary per annum, that is £1,250,000. His maximum LTIP opportunity would be twice the target opportunity.

The equivalent number of shares was calculated on the date of grant (1 April 2022) by dividing the monetary value of the award by the average middle market quotation in the 20 dealing sessions preceding the date of grant obtained from the official list of Euronext Amsterdam (€10.4). Given Juan Alcaraz's base salary is set in GBP, the exchange rate applied was the average exchange rate during that same period as officially disclosed by the European Central Bank. The resulting number of shares is 143,626 shares at target level and 287,252 shares at maximum level.

The 2022 LTIP Award does not carry dividends.

It is subject to malus and clawback clauses under which the Remuneration and Appointments Committee may: (i) reduce (including to nil) the number of shares or notional shares in respect of which any future LTIP award is granted to a participant; (ii) reduce (including to nil), as the Remuneration and Appointments Committee considers appropriate, the cash amount payable under an unvested 2022 LTIP Award or the number of shares under an unvested 2022 LTIP Award; or (iii) in relation to a vested 2022 LTIP Award, require a participant to pay to the Company, as the Remuneration and Appointments Committee considers appropriate, such number of shares or such monetary amount no greater than the net value of the vested shares. The circumstances in which the Remuneration and Appointments Committee can exercise its discretion under (i) to (iii) are: (a) material financial misstatement of the Company's audited financial accounts; (b) conduct by a participant which results in or is reasonably likely to result in significant reputational damage to the Company; (c) the negligence or gross misconduct of a participant; or (d) fraud effected by or with the knowledge of a participant. There are robust mechanisms in place to ensure that these provisions are enforceable.

Summary of outstanding LTIP Awards

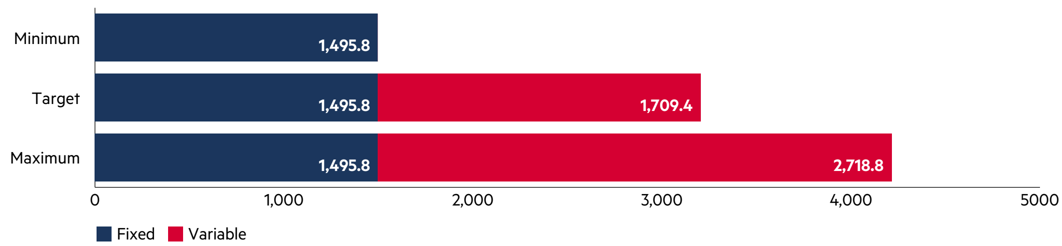
	Main conditions of the LTIP Awards					Information for the year ended 31 December 2022					
						Opening balance	During the year		Closing balance		
Director	Award	End of performance period	Award date	Vesting date	End of holding period	Shares awarded at the beginning of the year	Shares awarded	Shares vested	Shares subject to performance condition	Shares awarded and unvested at year end	Shares subject to a holding period
Juan Alcaraz	2021 LTIP Award Tranche 1	31 Dec 2022	8 Oct 2021	March 2023	N/A	63,142	0	14,349	0	48,793	0
	2021 LTIP Award Tranche 2	31 Dec 2023	8 Oct 2021	March 2024	N/A	63,142	0	0	63,142	0	0
	2022 LTIP Award	31 Dec 2024	1 April 2022	March 2025	N/A	0	287,252	0	287,252	0	0
Total						126,284	287,252	14,349	350,394	48,793	0

Malus and clawback clauses

In 2022 the Company did not apply any clawback or malus clause with respect to executive directors' variable remuneration. The LTIP Awards are subject to the malus and clawback clauses described above.

Scenario analyses

The scenario analyses prepared with respect to Juan Alcaraz's remuneration receivable in respect of 2022 are as follows:



- Minimum: consists of base salary, taxable benefits and pension (£1,495.8 thousand), and results in 100% of the total compensation being fixed
- On-target: consists of base salary, taxable benefits and pension (£1,495.8 thousand), plus on-target annual bonus (£1,250 thousand) and on-target vesting of the first tranche of the 2021 LTIP Award (£459.375 thousand), and results in 46.7% of the total compensation being fixed and 53.3% being variable
- Maximum: consists of base salary, taxable benefits and pension (£1,495.8 thousand), plus maximum annual bonus (£1,800 thousand) and maximum vesting of the first tranche of the 2021 LTIP Award (£918.75 thousand), and results in 35.5% of the total compensation being fixed and 64.5% being variable

The LTIP Awards' monetary value considered to prepare these scenarios was the value at the date of grant.

No scenario analyses were conducted for Amaury Dauge given the lack of variable remuneration for the year 2022.

No outstanding loans

Juan Alcaraz does not have, and Amaury Dauge does not have and has not had, any outstanding loans towards the Company or any of the Group companies in accordance with the meaning of section 2:383e of the Dutch Civil Code.

Planned implementation of the Directors' Remuneration Policy in 2023 for executive directors

Below is a summary of how the Directors' Remuneration Policy approved by shareholders at the 2022 AGM is planned to be implemented in 2023 with respect to the CEO.

Base salary

Juan Alcaraz's base salary will be maintained at 2022 levels.

Pension arrangements

Juan Alcaraz's annual pension contributions will be maintained at 2022 levels.

Other benefits

Juan Alcaraz's flexible benefits will be maintained at 2022 levels.

Annual variable remuneration

The Board, advised by the Remuneration and Appointments Committee, resolved that Juan Alcaraz's annual variable remuneration for 2023 will be linked to the achievement of the following performance measures:

Performance measures	Weight (%)
Corporate metrics	**90%**
Financial metrics	***50%***
Adjusted EBITDA margin	25%
Revenue growth	15%
Subscription revenue growth	10%
Business metrics (commercial and operations)	***30%***
Client retention rate (Fund Houses and Distributors)	10%
New clients	10%
Operational excellence and client satisfaction	10%
ESG metrics	***20%***
ESG rating	10%
Leadership and culture	10%
Individual metrics	**10%**
Personal contribution	10%
Total	100%

This bonus structure encompasses a mix of corporate and individual performance measures and includes both financial, business and ESG criteria:

- Financial metrics, weighting 50%, focus on improving efficiency (measured through adjusted EBITDA margin), growth (measured through revenue growth) and stability (measured through subscription revenue growth). The three metrics combined should lead to shareholder value creation
- Business metrics, weighting 30%, include both commercial and operational factors that align remuneration with client experience and, ultimately, with Allfunds' strategic pillars of continuously gaining market share and perpetuating the flywheel effect
- ESG metrics, weighting 20%, promote the development of a leadership model and culture focused on sustainability and link remuneration with sustainability from both an external (ESG ratings) and an internal perspective

For each measure, the Board approved different performance levels and the corresponding pay-out opportunities. In the case of qualitative criteria, the Board defined the basis on which they will be assessed following year-end. The target measures and performance levels are considered to be commercially sensitive, but they will be disclosed in the next Directors' Remuneration Report along with details of the Remuneration and Appointments Committee's assessment.

For 2023, Juan Alcaraz's annual bonus opportunity is 120% of his base salary in the event of target performance (125% in 2022) and 172.4% of his base salary in the event of maximum performance (180% in 2022). Going forward the plan is to keep progressively lowering these percentages down to 100% at target level and 144% at maximum level by 2025.

40% of the CEO annual bonus shall be paid in 2024 and the remaining 60% shall be deferred in four equal parts payable in 2025, 2026, 2027 and 2028. If the amount is lower than EUR 1 million, only 40% will be deferred according the applicable regulations. In each installment, 50% shall be paid in cash and 50% in shares of the Company. All the shares will be subject to a holding period of one year from the date of delivery.

The annual bonus shall be subject to the same malus and clawback clauses applicable to the 2022 LTIP Award (for further details see above).

Long-Term Incentive Plan

The third LTIP award was approved in March 2023 and will be effectively granted in April 2023 (the 2023 LTIP Award).

The shares will vest in 2026 contingent on the achievement of the following performance measures (equally weighted), which have been approved by the Remuneration and Appointments Committee:

1. Allfunds' TSR compared against the TSR of a pre-defined comparator group, in each case calculated over the period starting on 1 January 2023 and ending on 31 December 2025; and
2. actual adjusted EBITDA (as appearing in the final annual accounts to be approved for each relevant financial year) compared against the budgeted adjusted EBITDA (as approved by the Board of Directors in the budget for each relevant financial year), cumulated in 2023, 2024 and 2025.

The comparator group will be composed of five European wealth platforms weighting 60% (Hargreaves Lansdown, Avanza, Envestnet, AJ Bell and Integrafin), and nine global asset managers weighting 40% (BlackRock, Amundi, Franklin Templeton, Schroders, Invesco, DWS Group, Aberdeen, Janus Henderson and Jupiter). In 2021 and 2022 the benchmark for TSR performance was Eurostoxx 600 Financial Services, but the Remuneration and Appointments Committee believes the mix of institutions in this index was too broad and different from Allfunds and therefore not representative to measure Allfunds' market performance. The peer group selected for the 2023 LTIP Award is, in the opinion of the Committee, subject to similar structural and market dynamics to Allfunds and represents the most likely investment opportunities for an Allfunds investor if Allfunds were not available, and the relative performance of Allfunds against this group should be a fair indication of value generation for Allfunds investors.

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

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

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

For each performance level, an LTIP payout is set:

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

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

The target LTIP opportunity approved for Juan Alcaraz in the event of target performance is a number of shares with a value equal to 130% of his base salary per annum, that is £1,300,000. His maximum LTIP opportunity would be twice the target opportunity.

The equivalent number of shares will be calculated on the date of grant by dividing the monetary value of the award by the average middle market quotation in the 20 dealing sessions preceding the date of grant obtained from the official list of Euronext Amsterdam. For Juan Alcaraz, whose base salary is set in GBP, the exchange rate applied will be the average exchange rate during that same period as officially disclosed by the European Central Bank. The share value and the resulting number of shares at target level and at maximum level will be disclosed in the 2023 Annual Report.

The 2023 LTIP Awards do not carry dividends.

40% of the vested shares shall be delivered to the CEO in 2026 upon vesting and the remaining 60% shall be deferred in four equal parts deliverable in 2027, 2028, 2029 and 2030. If the amount is lower than EUR 1 million, only 40% will be deferred according the applicable regulations. Each of these shares shall be subject to a holding period of one year from the date of delivery.

The 2023 LTIP Award is subject to the same malus and clawback clauses as the 2022 LTIP Award (for further details see above).

Non-executive directors' remuneration

Non-executive directors' total compensation for 2022 was defined as annual fees, as well as reimbursement of expenses reasonably incurred by them in fulfillment of their roles.

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

	Board fees		Committee fees		Allfunds Bank board fees		Allfunds Bank board committee fees		Total remuneration	
Director	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
David Bennett[(1)]	138,461.54	-	0	-	128,571.43	-	0	-	267,032.97	-
Blake Kleinman	0	0	0	0	0	0	0	0	0	0
Johannes Korp	0	0	0	0	0	0	0	0	0	0
Zita Saurel	0	0	0	0	0	0	0	0	0	0
David Vaillant	0	0	0	0	0	0	0	0	0	0
Andrea Valier	0	0	0	0	0	0	0	0	0	0
Julian Abraham	0	0	0	0	0	0	0	0	0	0
Fabian Shey	0	0	0	0	0	0	0	0	0	0
Lisa Dolly	47,500	47,500	17,500	17,500	47,500	47,500	17,500	17,500	130,000	130,000
Sofia Mendes	47,500	47,500	0	0	47,500	47,500	0	0	95,000	95,000
David Pérez Renovales	47,500	47,500	17,500	17,500	47,500	47,500	17,500	17,500	130,000	130,000
JP Rangaswami	47,500	77,500[(2)]	12,500	12,500	47,500	47,500	12,500	12,500	120,000	150,000
Delfin Rueda	47,500	47,500	0	0	47,500	47,500	0	0	95,000	95,000
Ursula Schliessler	47,500	47,500	12,500	12,500	47,500	47,500	12,500	12,500	120,000	120,000

1. David Bennett was appointed as a director of the Company with effect from 22 April 2022 and as a director of Allfunds Bank with effect from 10 May 2022.
2. JP Rangaswami's annual board fees amount to €47,500, as the other directors. The additional €30,000 was paid in 2021 for his services rendered during the period preceding the Company's IPO, where, among others, he temporarily undertook the chairmanship of the Allfunds Bank board committees upon the death of Jaime Carvajal.

Notes in respect of each remuneration component:

Annual fees

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

- A €47,500 annual fee for membership of the Board of Directors (excluding the Board Chair)
- A €200,000 annual fee for chairing the Board of Directors
- A €12,500 annual fee for membership of each Board Committee (excluding Committee chairs)
- A €17,500 annual fee for performing the role of Board Committee Chair
- Independent directors are also entitled to the same fees for performing the roles of members of Allfunds Bank's Board of Directors and its committees.
- Non-independent non-executive directors are not entitled to said fees.

Other arrangements

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

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

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

Planned implementation of the Remuneration Policy in 2023 for non-executive directors

Non-executive directors' remuneration is planned to be maintained as in 2022.

Other remuneration disclosures

Total pension entitlements (audited)

No person having served as a director of the Company during 2022 has a prospective entitlement to defined benefits or cash balance benefits.

Payments to former directors

No remuneration was paid to former directors of Allfunds in 2022 other than the payments made to Amaury Dauge in 2022 that are shown in the single total figure table of this Annual report on directors' remuneration.

Payments for loss of office

No payment for loss of office to directors of Allfunds was made in 2022.

Directors' shareholdings and share interests

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

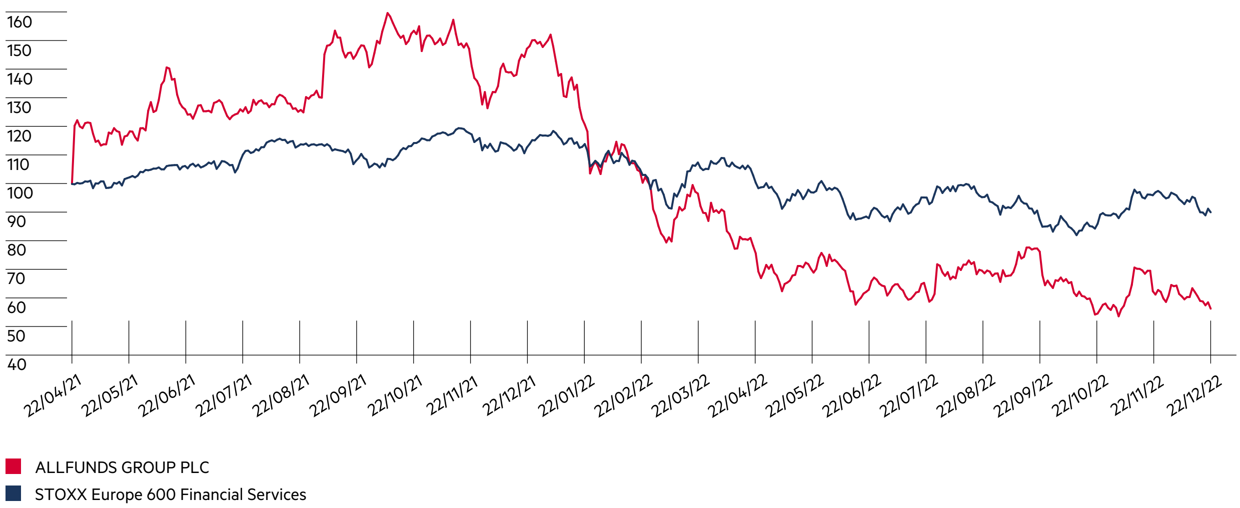
The interests in shares of the Company held as of the date of this report by directors in office during the year, including any interests of their connected persons, are set out in the table below:

Directors	Shares held	Shares unvested and subject to performance conditions[1]
Executive directors		
Juan Alcaraz[2]	14,349	350,394
Amaury Dauge[3]	0	0
Non-executive directors		
David Bennett	7,000	0
Blake Kleinman	0	0
Johannes Korp	0	0
Zita Saurel	0	0
David Vaillant	0	0
Andrea Valier	0	0
Julian Abraham	0	0
Fabian Shey	0	0
Lisa Dolly	10,000	0
Sofia Mendes	0	0
David Pérez Renovales	5,000	0
JP Rangaswami[4]	0	0
Delfin Rueda	0	0
Ursula Schliessler	0	0

1. Refers to the maximum number of shares granted under the second tranche of the 2021 LTIP Award and the 2022 LTIP Award. For details of these awards, including performance conditions, see above.
2. In addition to the direct shares in the Company shown in the table, as of the date of this report Juan Alcaraz had an indirect interest of 0.121% as a result of his interests in LHC Manco Limited, an indirect shareholder of LHC3 Limited, which in turn is a direct shareholder of the Company. As of the date of this report the shares vested under the first tranche of the 2021 LTIP Award have not yet been delivered, but they are expected to be delivered in April 2023 and are thus included in the table.
3. In addition to the direct shares in the Company shown in the table, as of the date of this report Amaury Dauge had an indirect interest of 0.006% as a result of his interests in LHC Manco Limited, an indirect shareholder of LHC3 Limited, which in turn is a direct shareholder of the Company.
4. In addition to the direct shares in the Company shown in the table, as of the date of this report JP Rangaswami had an indirect interest of 0.001% as a result of his interests in LHC Manco Limited, an indirect shareholder of LHC3 Limited, which in turn is a direct shareholder of the Company.

TSR performance and CEO pay

The graph below shows the value at 31 December 2022 of €100 invested in Allfunds at the IPO price of €11.50 per share on 23 April 2021, the date of admission to trading of its shares on Euronext Amsterdam, compared to €100 invested in the STOXX Europe 600 Financial Services index, on the assumption that dividends are reinvested for additional equity. The STOXX Europe 600 Financial Services was selected as a comparator as Allfunds is a constituent. This allows our performance to be compared against the index as a whole.



The following table shows the CEO's historical pay outcomes starting in 2021, the year of admission to listing of Allfunds' shares:

CEO	2022	2021
Total remuneration	2,207.7	3,020.7
Annual bonus as a % of maximum opportunity	33.83%	96.25%[(1)]
Vested shares as a % of maximum	22.72%	–

1. The bonus awarded to Juan Alcaraz in respect of 2021 (the sum in row (c) of the 2021 single total figure table) included the annual bonus ordinarily granted and calculated as a percentage of the base salary (£1,259,606), as well as an extraordinary incentive linked to key milestones occurred in 2021 (£543,643). No extraordinary bonus was awarded in respect of 2022. The 2021 annual bonus expressed as a percentage of the annual bonus maximum opportunity of 2021 (that is, excluding the extraordinary incentive) amounted to 95.21%.

Executive director's pay ratio

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

Nevertheless, the Company is disclosing the ratio between the total remuneration of the executive director and the average annual remuneration of the Group employees, to comply with Best Practice Provision 3.4.1 of the Dutch Code. As recommended by the Dutch Code Monitoring Committee, the CEO total annual remuneration includes all the remuneration components included in the 2022 annual accounts, and the average annual remuneration of employees has been determined by dividing the total staff cost for 2022 as included in the annual accounts divided by the average number of full-time employees in 2022.

The CEO pay ratio calculated according to the above amounted to 46.47 in 2022 (35.35 in 2021, or 38.94 excluding the amount of the sign-on bonuses paid by an indirect shareholder of the Company to several employees during 2021 that was not representative of actual spend on pay of the Company). This change is mainly due to the decrease in personnel expenses recorded in the Financial Statements in 2022, caused by a downward adjustment of the 2022 annual bonus' accounting provision along with the lower amount of the 2021 annual bonus finally paid compared to the provision recorded in 2021. See Note 27 to the Financial Statements, and for information on the outcome of the 2022 annual bonus see the notes to the CEO single total figure table above, where the level of achievement of each corporate goal is disclosed. These corporate goals were also applicable to all employees eligible for the annual bonus.

The table in subsection 'Change in remuneration of directors and employees' below shows the actual annual change in the base pay, benefits and annual bonus of Juan Alcaraz and of the overall population.

Change in remuneration of directors and employees

The table below shows changes to the base pay (or fees), taxable benefits and annual bonus of each director against the Company's employees as a whole between the year ended 31 December 2021 and the year ended 31 December 2022.

Directors	Salary / fees	Taxable benefits	Annual bonus
Executive directors			
Juan Alcaraz[(1)]	+36.05%	+3.15%	-51.58%
Amaury Dauge[(2)]	0%	+11.47%	-100%
Non-executive directors			
David Bennett[(3)]	–	–	–
Blake Kleinman	–	–	–
Johannes Korp	–	–	–
Zita Saurel	–	–	–
David Vaillant	–	–	–
Andrea Valier	–	–	–
Julian Abraham	–	–	–
Fabian Shey	–	–	–
Lisa Dolly	0%	–	–
Sofia Mendes	0%	–	–
David Pérez Renovales	0%	–	–
JP Rangaswami[(4)]	-20%	–	–
Delfin Rueda	0%	–	–
Ursula Schliesser	0%	–	–
Average employees[(5)]	+3.57%	+24.74%	-59.71%

1. The salary increase of Juan Alcaraz from £735,000 to £1,000,000 was resolved in 2021 and disclosed in the past Annual Report, but it was effective as from 1 January 2022. The increase in taxable benefits is due to the increase of the health insurance premium, which was revised during the year. No salary increase is planned for 2023.
2. Amaury Dauge stepped down from his position as CFO and director with effect from 31 March 2022. The changes to his remuneration components shown in this table have been calculated as if he had remained in office for the full year for comparative purposes. In 2021, his salary was increased from €350,000 to €425,000 effective from 1 July 2021. His 2022 salary has been compared against his 2021 revised salary to reflect that no increases occurred during the year under review. As for the taxable benefits, the increase is due to the increase of the health insurance premium, which was revised during the year, and to the granting of life insurance during 2022 (which Amaury Dauge was already entitled to before, but he only applied for it effective from 2022). Regarding the annual bonus, given his resignation Amaury Dauge was not granted any variable remuneration in respect of 2022.
3. David Bennett was appointed as director of the Company with effect from 22 April 2022 and as director of Allfunds Bank with effect from 10 May 2022. Therefore it is not possible to provide a meaningful comparative figure.
4. In 2021 JP Rangaswami was paid an additional €30,000 for his services rendered during the period preceding the Company's IPO, where, among others, he temporarily undertook the chairmanship of the Allfunds Bank board committees upon the death of Jaime Carvajal.
5. The number of employees is the average FTE excluding the directors.

Relative importance of spend on pay

The table below sets out distributions to shareholders by way of dividends or share buybacks and remuneration paid to or receivable by employees in 2021 and 2022, and the percentage of change between these years.

€ million	2022	2021	Annual change
Dividends[(1)]	31.47	0	+100%
Share buybacks[(2)]	10	0	+100%
Employee remuneration[(3)]	95.55	112.82	-15.31%

1. Dividends paid, which correspond in 2022 to the dividend of €31.47 million (€0.05 per share) approved at the 2022 AGM and paid in April 2022. In January 2022 the Company also paid the dividend of €185 million (€0.2939 per share) that was conditionally granted before the IPO to the then shareholders of the Company, as described in the IPO prospectus. It is not shown in the table as the Board believes it distorts comparability of the figures and does not properly reflect the existing Dividend Policy approved in 2021, which aims to provide stable dividends going forward and targets a pay-out ratio of 20% to 40% of adjusted net income.
2. Under the share buyback programme announced on 8 November 2022.
3. As shown in the approved annual accounts for each relevant financial year. The amount for 2021 includes the amount of the sign-on bonuses paid by an indirect shareholder of the Company to several employees during 2021 that was not representative of actual spend on pay of the Company. The decrease in personnel expenses from 2021 to 2022 is also due to a downward adjustment of the 2022 annual bonus' accounting provision along with the lower amount of the 2021 annual bonus finally paid compared to the provision recorded in 2021. See Note 27 to the Financial Statements, and for information on the outcome of the 2022 annual bonus see the notes to the CEO single total figure table above, where the level of achievement of each corporate goal is disclosed. These corporate goals were also applicable to all employees eligible for the annual bonus.

Severance payments

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

The terms of Juan Alcaraz's severance payment were defined in accordance with Spanish regulations as last amended in 2012. These regulations set out that (i) the severance payment in circumstances that are not considered to be a bad leaver shall be calculated as a given number of days' earnings; (ii) the earnings shall include base salary, benefits and annual bonus paid in the preceding 12 months; and (iii) the number of days shall be calculated as a number of days per year effectively employed by the company up to a given maximum. The severance payment agreed with Juan Alcaraz is the result of applying the foregoing rules to his labour seniority and remuneration package, save for the nuance that the earnings might include the target annual bonus amount if higher. The right to receive this severance payment was maintained when Juan Alcaraz was relocated to London to keep his remuneration package as competitive, considering especially that this payment would only accrue in the event of a good leaver. It is noted that these terms are compliant with Spanish regulations and standards and they were agreed well before the IPO and the decision to voluntarily adhere to the Dutch Code, which is more strict in this matter.

Amaury Dauge's resignation did not entitle him to any severance payment.

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

Governance

The Remuneration and Appointments Committee Report included in this Annual Report contains information in relation to the members of the Committee and the activities carried out in 2022.

During the year, the Committee did not retain any external or independent advice or services with regard to directors' remuneration, without prejudice to the completion, at the beginning of the year, of the services provided by the advisers retained in 2021 as described in the 2021 Annual Report, which is available on the corporate website (www.allfunds.com).

Statement of voting at the 2022 AGM

The Directors' Remuneration Report for the year ended 31 December 2022 submitted for shareholders' approval (advisory vote) at the 2022 AGM was passed with 81.63% of the votes cast in favour, 18.37% of the votes cast against, and 11,205,628 votes withheld.

The Directors' Remuneration Policy submitted for shareholders' approval (binding vote) at the 2022 AGM was passed with 81.46% of the votes cast in favour, 18.54% of the votes cast against, and 10,353,340 votes withheld.

Directors' remuneration report sign-off

This Directors' Remuneration Report has been prepared in accordance with the UK Companies Act 2006, the Dutch Civil Code and the Dutch Code. The Report was approved by the Board of Directors and signed on its behalf.

On behalf of the Directors

Marta Oñoro
General Counsel and Company Secretary

30 March 2023

Financial statements

Preparation of financial statements and statement of directors' responsibilities

The directors are responsible for preparing this Annual Report, including the Directors' Remuneration Report and the Corporate Governance Statement, and the Financial Statements in accordance with applicable law and regulations. These require that directors prepare the financial statements for each financial year. As such, the directors have prepared the Group's consolidated financial statements in accordance with international accounting standards in conformity with the requirements of the Dutch Financial Supervision Act (*Wet op het financieel toezicht*) and the Dutch Civil Code (*Burgerlijk Wetboek*), and therefore in conformity with United Kingdom adopted international accounting standards and International Financial Reporting Standards (IFRSs) as adopted by the EU. The directors have prepared the Company's stand-alone financial statements in accordance with the requirements of the UK Companies Act 2006, and therefore in conformity with UK adopted international accounting standards.

Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the Company and of their profit or loss for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether the financial statements have been prepared in accordance with United Kingdom adopted international accounting standards and IFRS as adopted by the EU; and
- adopt the going concern basis unless it is inappropriate to do so.

Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy the financial position of the Company and the Group and which enable them to ensure that the accounts comply with the applicable regulations. They are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps to prevent and detect fraud and other irregularities.

A copy of the Annual Report and the Financial Statements is available on the corporate website (www.allfunds.com). Directors are responsible for the maintenance and integrity of information on the Company's website.

Legislation in the UK and the Netherlands governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Statement of directors' responsibilities

Each of the directors in office as at the date of this Annual Report, whose names and functions are listed in section 'Board of Directors', confirms that to the best of his or her knowledge:

- the Financial Statements, prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Allfunds Group and the undertakings included in the consolidation as a whole; and
- the Directors' Report includes a fair review of the development and performance of the business and the course of events during 2021 and of the position of the Group at year end, together with a description of the principal risks and uncertainties that it faces.

The directors consider that the Annual Report and the Financial Statements, taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders to assess the Group and the Company's performance, business model and strategy.

On behalf of the directors

Marta Oñoro
General Counsel and Company Secretary

30 March 2023

Independent auditor’s report to the members of Allfunds Group plc

Report on the audit of the financial statements

1. Opinion

In our opinion:

- the financial statements of Allfunds Group plc (the ‘parent company’ or the "company") and its subsidiaries (the ‘group’) give a true and fair view of the state of the group’s and of the parent company’s affairs as at 31 December 2022 and of the group’s profit for the year then ended;
- the group and parent company financial statements have been properly prepared in accordance with United Kingdom adopted international accounting standards a and International Financial Reporting Standards("IFRSs") as adopted by the European Union; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the consolidated statement of financial position;
- the consolidated statement of profit and loss and comprehensive income;
- the consolidated statement of changes in equity;
- the consolidated statement of cash flows;
- the notes to the consolidated financial statements;
- the company statement of financial position;
- the company statement of profit and loss and comprehensive income;
- the company statement of changes in equity;
- the company statement of cash flows: and
- the notes to the company financial statements.

The financial reporting framework that has been applied in their preparation is applicable law United Kingdom adopted international accounting standards and IFRSs as adopted by the European Union.

2. Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor’s responsibilities for the audit of the financial statements section of our report.

We are independent of the group and the parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council’s (the ‘FRC’s’) Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. The non-audit services provided to the group company for the year are disclosed in note 28 to the financial statements. We confirm that we have not provided any non-audit services prohibited by the FRC’s Ethical Standard to the group or the parent company.

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

3. Summary of our audit approach

Key audit matters	The key audit matters that we identified in the current year were: • Goodwill recognised as part of business combinations may be impaired • Accounting for goodwill and intangible assets recognised as part of business combinations; and • Risk of fraud in revenue recognition – calculation of commission income. Within this report, key audit matters are identified as follows: Newly identified Increased level of risk Similar level of risk Decreased level of risk
Materiality	The materiality that we used for the group financial statements was £13 million which was determined on the basis of 5% of projected earnings before interest, tax, depreciation and amortisation ("EBITDA") for the year ended 31 December 2022.
Scoping	The group audit work was focused on two significant components being Liberty Partners, S.L.U., and the parent company, both of which were subject to full scope audits. For Liberty Partners, S.L.U., we instructed our component audit team in Deloitte Spain to perform the full scope audit work. Both these components account for 100% of the Group's total assets, revenue and the group's profit before tax.
Significant changes in our approach	In comparison to our prior year audit, we have identified an additional key audit matter related to accounting for goodwill and intangible assets recognised as part of business combinations. Furthermore, we have changed our benchmark for determining materiality for the group from revenue to projected EBITDA. For the parent company audit we have changed our benchmark for determining materiality from a net asset basis to profit before tax.

4. Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Our evaluation of the directors' assessment of the group's and parent company's ability to continue to adopt the going concern basis of accounting included:

- Evaluating management's method to assess going concern, including mathematical integrity of the financial information presented in their assessment;
- Evaluating the relevance and reliability of the financial information presented by tracing amounts included within management's assessment to underlying accounting data and supporting documents;
- Evaluating the assumptions on which the assessment is based particularly in relation to the use of the Revolving Credit Facility ("RCF") to support cash flow needs of the group by obtaining third-party confirmations;
- Evaluating plans for future actions by reviewing the business plan of the group particularly in relation to perpetual growth rate as part of our goodwill impairment testing;
- Considered whether any additional facts or information have become available since the date management made its assessment as it relates to disclosures in the financial statements.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

5. Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

5.1. Goodwill recognised as part of business combinations may be impaired

Key audit matter description	During the prior years, the Group has acquired through business combinations a number of businesses. These include the acquisitions of: • Allfunds Bank, S.A.U. ("Allfunds Bank") on 21 November 2017; • Fintech Partners, S.L.U. ("Fintech Partners") on 17 January 2018; • Nordic Fund Market ("Allfunds Sweden") on 31 October 2019; • Credit Suisse Investlab AG ("Allfunds Investlab") on 26 March 2020; and • BNPP LPA Business ("BNPP LPA") on 2 October 2020. In addition, during the current year, the group acquired two new businesses, InstiHub Analytics Limited and Web Financial Group, S.A. The group has treated each of these acquisitions as a separate cash generating unit ('CGU') for the purposes of impairment testing. The group identified the fair value of the net assets acquired as at the acquisition date in accordance with the requirements of IFRS 3 'Business Combinations'. This resulted in recognising goodwill on acquisition of €1.5 billion (accumulatively) as the difference between the consideration paid and the fair value of the net identifiable assets as at the acquisition date. Management has applied the 'value in use' method to assess the recoverable amount of the various CGUs mentioned above. This method considers expected future cash flows and requires the selection of suitable discount rates and forecast of perpetual growth rate. The value in use of a CGU is sensitive to changes in underlying assumptions and is therefore inherently subjective. As explained in notes 4 and 10 of the consolidated financial statements, use of the valuation models involves significant judgements and high degree of estimation uncertainty around market and business assumptions. As a result of the impairment assessment performed, no impairment loss was recognised on goodwill. We have determined goodwill recognised as part of business combinations may be impaired to be a key audit matter due to the relative size of the goodwill to total assets of the Group as at 31 December 2022, and the involvement of significant judgement by management on the valuation of the CGUs.
How the scope of our audit responded to the key audit matter	Our audit procedures included obtaining an understanding of relevant controls relating to the goodwill impairment analysis. We challenged the identification of the Group's various CGUs, by assessing the CGU reflected the lowest aggregation of assets that generate largely independent cash flows. In relation to the 'value in use' methodology we: • Assessed management's forecast of future cashflows prepared by comparing them to the latest board approved business plan; • Tested historical budgeting accuracy by comparing current year results with the equivalent figures included in the prior year forecasts; • With the assistance of our internal valuations specialists we derived a range of discount rates which were then compared to the ones used by the managements; and • Assessed the reasonableness of the Group's assumptions used in the annual impairment review, including the perpetual growth rate and the cash flow projections. Additionally, we assessed the adequacy of the disclosure in the consolidated financial statements as per the requirements of IAS 36 'Impairment'.
Key observations	We concur with the Group´s assesment that goodwill recognised as part of business combinations is not impaired.

5.2 Accounting for goodwill and intangible assets recognised as part of business combinations

Key audit matter description	As described in Note 11 to the accompanying consolidated financial statements in May 2022, the Group acquired InstiHub Analytics Limited for an amount of €9 million and Web Financial Group, S.A. for an amount of €130 million, resulting in a business combination. In accordance with IFRS 3 the acquisitions made were subject to fair value measurement and resulted in the recognition of goodwill amounting to €7 million and €108 million on InstiHub Analytics Limited and Web Financial Group, S.A., respectively. In this context, determining the fair value of the assets acquired and liabilities assumed, and the goodwill arising on acquisition date, involves the employment of valuation techniques. These valuation techniques include the use of comparable market data and the estimation of discounted future cashflows, which require significant judgments and estimates to be made with respect to the assumptions considered (for example, the discount rates used and terminal value) and therefore, the Group was assisted by experts to perform a Purchase Price Allocation (“PPA”) for this purpose. Based on the aforementioned circumstances, we have determined the accounting for goodwill and intangible assets recognised as part of the business combinations of InstiHub Analytics Limited and Web Financial Group, S.A. to be a key audit matter due to the involvement of significant judgement by management on fair valuation..
How the scope of our audit responded to the key audit matter	In response to this key audit matter, our procedures included: • Obtaining and reviewing the PPA reports prepared by management’s expert in relation to both acquisitions; • Evaluating management’s expert's competence, capability and objectivity and the adequacy of the expert's work for use as audit evidence; • Evaluating the reasonableness of the valuation methodologies used by benchmarking against industry standards and the alignment thereof with the applicable accounting standards; • Assessing the clerical accuracy of the calculations made by management’s expert; • Evaluating the reasonableness of the projected future cash flows considered in the financial budgets of the businesses acquired, comparing them with external data and historical information; • Evaluating, with the support of our component valuation specialists, the reasonableness of the discount rates considered, as well as the other key assumptions used to determine the fair value of the assets acquired and liabilities assumed and of the goodwill arising in the business combinations, together with the performance of a sensitivity analysis of those key assumptions; and • Evaluating whether the disclosures included in the notes to the accompanying consolidated financial statements in connection with this matter were in conformity with the requirements of the applicable accounting standards.
Key observations	Overall, we concluded that the goodwill and intangible assets on acquisition have been appropriately recognised and valued.

5.3. Risk of fraud in revenue recognition – calculation of commission income

Key audit matter description	As disclosed in note 25 of the accompanying consolidated financial statements, the Group recognised commission income, which for the purposes of financial reporting is referred to as platform revenue (hereinafter, "revenue") of €2,702 million (2021: €2,649 million) in connection with the marketing of the investment funds during the year. As explained in note 3(f), this revenue is calculated by applying the agreed-upon contractual percentage to the daily volume of those ownership interests held for the account of the group's customers. This income represents 99% (2021: 99%) of the total revenue earned by the group for the year ended 31 December 2022. There is a risk that the revenue can be materially misstated due to an incorrect accounting of the amount related to revenue arising from marketing of investment funds. This revenue is also susceptible to fraud as it is one of the key performance indicators for the group. In view of the above, we consider this a key audit matter.
How the scope of our audit responded to the key audit matter	Our audit procedures included obtaining an understanding and testing of the relevant controls (including information system controls) supporting the completeness of revenue, as well as the related accounting and recognition procedures. In addition, our work also included the following substantive procedures: • Circularisation of third-party confirmation letters to customers to confirm revenue earned during 1 January 2022 - 30 September 2022. Where responses have not been received, we have reviewed documents evidencing receipt of revenue from the customers; • Performing an analytical review of revenue for the period 1 October 2022 to 31 December 2022; • With the support of our component IT specialists we recomputed revenue earned for the full year ended 31 December 2022; and • Based on a sample of investment agreements entered into during the year, we assessed the revenue to the terms and conditions and obligations established with customers to asses whether revenue had been recognised appropriately.
Key observations	Overall, we concluded that the revenue has been appropriately recognised.

6. Our application of materiality

6.1. Materiality

We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality both in planning the scope of our audit work and in evaluating the results of our work.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

	Group financial statements	Parent company financial statements
Materiality	€13.1 million (2021: €20.6 million)	€1.8 million (2021: €10.3 million)
Basis for determining materiality	We have used 5% of 12-month projected EBITDA. In the prior year, we have used 0.8% of revenue as a benchmark.	We have used 5% of income before tax. In the prior year, we have used 3% of net assets as a benchmark and then capped to 50% of group materiality.
Rationale for the benchmark applied	We consider the EBITDA benchmark to be appropriate as the EBITDA numbers are a key metric monitored by stakeholders of the group.	We consider the Income before tax benchmark to be appropriate as it is a key metric monitored by stakeholders of the parent company.

6.2. Performance materiality

We set performance materiality at a level lower than materiality to reduce the probability that, in aggregate, uncorrected and undetected misstatements exceed the materiality for the financial statements as a whole.

	Group financial statements	Parent company financial statements
Performance materiality	70% of group materiality (2021: 70%)	70% of parent company materiality (2021: 70%)
Basis and rationale for determining performance materiality	In determining performance materiality, we considered the following factors: • the quality of the control environment and whether we were able to rely on controls for certain financial statement line items, in particular revenue; and • the low number of corrected and uncorrected misstatements in the prior periods.	

6.3 Error reporting threshold

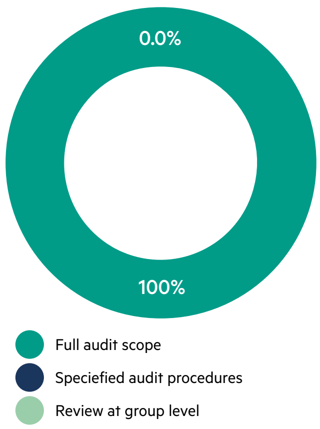
We agreed with the Risk & Audit Committee that we would report to the Committee all audit differences in excess of €0.65 million (2021: €0.98 million),, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also report to the Audit Committee on disclosure matters that we identified when assessing the overall presentation of the financial statements.

7. An overview of the scope of our audit

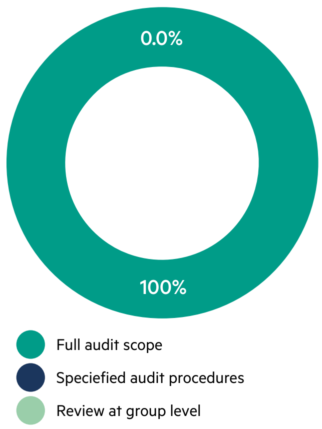
7.1. Identification and scoping of components

Our group audit was scoped by obtaining an understanding of the group and its environment, including group-wide controls, and assessing the risks of material misstatement at the group level. Audit work to respond to the risks of material misstatement was performed by the group audit engagement team and component auditor as determined by the group audit engagement team. The group audit was focused on two significant components being Liberty Partners, S.L.U., and the parent company, which were both subject to full scope audits. Combined, these components account for 100% of the group's Revenue, Profit before tax and Total Assets. Our audit work at these components was executed at materiality levels between €7 million and €12 million.

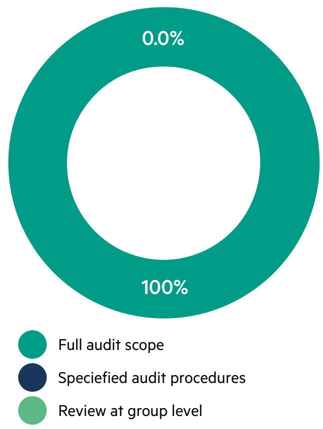
Revenue



Profit before tax



Net assets



7.2. Our consideration of the control environment

Our audit scope included understanding of relevant accounting processes and controls in place at the group. We performed the audit using substantive approach without placing reliance on controls over financial reporting.

At Liberty Partners, S.L.U. component level, we took a control reliance approach on commission income and commission expense, as the component makes up 100% of the commission revenue and expense. We obtained an understanding of and tested the relevant controls over calculation and recording of commission income and were therefore able to rely upon these controls. In addition, we involved our component IT specialists to test General IT Controls related to the component.

7.3. Our consideration of climate-related risks

In planning our audit, we have gained an understanding of management's process to address climate-related risks. The company sets out its response on the climate-related financial risk as disclosed in 'Our ESG Approach' section of the Strategic Report.

Our audit work involved reading the climate related disclosures in the Strategic Report to consider whether they are materially consistent with the financial statements and our knowledge obtained in the audit.

7.4. Working with other auditors

The group's largest component, Liberty Partners, S.L.U., is audited by a member firm of Deloitte in Spain and we issued group audit instructions to component auditors outlining the key areas of focus for us at group level and the key timelines and reporting requirements. The significant balances tested by the component auditors were Fee, Commission and Service Revenue and Expense; Goodwill; Intangible Assets; Cash and Cash Equivalents; and Financial Liabilities held at amortised cost. The component audit team were also involved in the key audit matters covered in Section 5 above.

There was frequent oversight of component auditor work through regular meetings and on-site visits from planning through to completion stage of the audit, where we discussed the status of their work, areas of judgement and estimation uncertainty and review of their working papers, including but not limited to their communications with those charged with the governance.

8. Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated.

If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

9. Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

10. Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

11. Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

11.1 Identifying and assessing potential risks related to irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the industry and sector, control environment and business performance including the design of the group's remuneration policies, key drivers for directors' remuneration, bonus levels and performance targets;
- results of our enquiries of management, the directors and the risk and audit committee about their own identification and assessment of the risks of irregularities, including those that are specific to the Group's sector;
- any matters we identified having obtained and reviewed the group's documentation of their policies and procedures relating to:
  - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
  - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
  - the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;
- the matters discussed among the audit engagement team including significant component audit teams and relevant internal specialists, including tax, valuations, pensions and IT specialists regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in revenue recognition - calculation of commission income (rebates). In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory frameworks that the group operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the UK Companies Act.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the group's ability to operate or to avoid a material penalty.

11.2. Audit response to risks identified

As a result of performing the above, we identified revenue recognition - calculation of commission income (rebates) as a key audit matter related to the potential risk of fraud. The key audit matters section of our report explains the matter in more detail and also describes the specific procedures we performed in response to that key audit matter.

In addition to the above, our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- enquiring of management, the risk and audit committee and legal counsel concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance, reviewing internal audit reports and reviewing correspondence with relevant regulatory authorities; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members including internal specialists and significant component audit teams, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Report on other legal and regulatory requirements

12. Opinions on other matters prescribed by the Companies Act 2006

In our opinion the part of the directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the group and the parent company and their environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

13. Matters on which we are required to report by exception

13.1 Adequacy of explanations received and accounting records

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns.

We have nothing to report in respect of these matters.

13.2. Directors' remuneration

Under the Companies Act 2006 we are also required to report if in our opinion certain disclosures of directors' remuneration have not been made or the part of the directors' remuneration report to be audited is not in agreement with the accounting records and returns.

We have nothing to report in respect of these matters.

14. Other matters which we are required to address

14.1. Auditor tenure

Following the recommendation of the audit committee, we were appointed by the shareholders in 2017 to audit the financial statements for the year ending 31 December 2017 and subsequent financial periods. The period of total uninterrupted engagement including previous renewals and reappointments of the firm is six years, covering the years ending 31 December 2017 to 31 December 2022. It is important to note that due to audit rotation requirements at Liberty Partners, S.L. component level, the 31 December 2023 financial statement audit will be our last year as auditors of the group and parent company.

14.2. Consistency of the audit report with the additional report to the audit committee

Our audit opinion is consistent with the additional report to the audit committee we are required to provide in accordance with ISAs (UK).

15. Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

We have provided assurance on whether the annual financial report has been prepared using the single electronic format specified in the ESEF RTS and have reported separately to the members on this.

John Clacy, FCA (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor

St.Helier, Jersey

30 March 2023

Consolidated statement of financial position

As at 31 December 2022

	Notes	31 Dec 22 EUR ('000s)	31 Dec 21 EUR ('000s)
Assets			
Non-current assets			
Goodwill	10	**1,128,862**	1,008,159
Intangible assets	10	**1,130,751**	1,194,977
Property, plant and equipment	9	**25,844**	28,046
Financial assets held at amortised cost	12	**795**	957
Deferred tax assets	14	**110,169**	125,416
Total non-current assets		**2,396,421**	2,357,555
Current assets			
Financial assets at fair value through profit or loss	35	**3,054**	1,041
Financial assets held at amortised cost	12	**452,642**	245,250
Contract assets	13	**622,880**	713,562
Tax assets	14	**20,544**	23,228
Other assets	15	**8,228**	12,784
Cash and cash equivalents	16	**1,623,341**	2,192,630
Total current assets		**2,730,689**	3,188,495
Total assets		**5,127,110**	5,546,050
Equity and Liabilities			
Non-current liabilities			
Deferred tax liabilities	19	**204,148**	223,219
Financial liabilities held at amortised cost	17	**193,977**	47,250
Lease liabilities	36	**11,155**	12,728
Provisions	20	**916**	1,890
Total non-current liabilities		**410,196**	285,087
Current liabilities			
Financial liabilities at fair value through profit or loss	35	**759**	396
Financial liabilities held at amortised cost	17	**1,771,997**	2,210,140
Contract liabilities	18	**522,095**	601,710
Lease liabilities	36	**5,689**	7,116
Tax liabilities	19	**29,109**	52,104
Other liabilities	21	**32,761**	65,162
Total current liabilities		**2,362,410**	2,936,628
Total liabilities		**2,772,606**	3,221,715
Equity			
Share capital	22a	**1,574**	1,574
Share premium	22a	**2,060,156**	2,060,156
Retained earnings		**263,348**	246,141
Treasury shares	22b	**(10,000)**	—
Other reserves	22c	**39,426**	16,464
Total equity		**2,354,504**	2,324,335
Total equity and liabilities		**5,127,110**	5,546,050

The consolidated Financial Statements were approved and authorised by the Directors of the Company on 30 March 2023 and were signed on its behalf by:

Alvaro Perera
Chief Financial Officer

Allfunds Group plc
Company registration number 10647359

(The Notes form an integral part of these Financial Statements.)

Consolidated statement of profit and loss and comprehensive income

For the year ended 31 December 2022

	Notes	31 Dec 22 EUR ('000s)	31 Dec 21 EUR ('000s)
Fee, commission and service revenue	25	**2,742,012**	2,668,888
Fee, commission and service expense	26	**(2,247,361)**	(2,163,199)
Net Revenue*	5	**494,651**	505,689
Employee compensation and benefits	27	**(95,547)**	(112,824)
Other expenses	28	**(130,174)**	(146,094)
Other operating income/(expenses)	29	**(770)**	6,804
Amortisation and depreciation relating to other intangible assets and property, plant and equipment	9, 10	**(31,139)**	(23,065)
Amortisation of intangible assets acquired as a result of business combinations	10	**(139,925)**	(138,753)
Profit before net interest expense, impairment loss, provisions and tax expense		**97,096**	91,757
Interest income	30	**8,145**	3,853
Interest expense	31	**(12,475)**	(12,042)
Net interest expense		**(4,330)**	(8,189)
Impairment losses	32	**(9,041)**	(6,773)
Provisions	20	**—**	(1,443)
Profit before tax		**83,725**	75,352
Tax (expense)/credit	33	**(34,542)**	32,383
Profit after tax		**49,183**	107,735
Basic and diluted earnings per share (EUR)	34	**0.0781**	0.1712
Items that may or may not be reclassified subsequently to profit or loss			
Exchange differences on translation of foreign entities and pension commitments**		**15,036**	13,963
Total		**15,036**	13,963
Total comprehensive income for the period		**64,219**	121,698

* Net revenue is comprised of fee, commission and service revenue recognised under IFRS 15 less fee, commission and service expense. Net revenue is a gross profit measure. The Group labels this gross profit subtotal as Net revenue because the Directors believe it reflects the integral interrelationship between revenue generated and the expenses concurrently incurred, while also being comparable to measures used by peers.

** No tax effect has been registered related to the exchange differences on translation of foreign entities,

(The Notes form an integral part of these Financial Statements.)

Consolidated statement of changes in equity

For the year ended 31 December 2022

	Notes	Attributable to the owners of Allfunds Group plc					
		Share capital EUR ('000s)	Share premium EUR ('000s)	Retained Earnings EUR ('000s)	Treasury Shares EUR ('000s)	Other reserves EUR ('000s)	Total equity EUR ('000s)
Balance as at 31 Dec 2020		1,574	2,060,156	312,998	—	532	2,375,260
Adjustment to prior year balances in relation to the re-measurement of net assets acquired as a result of a business combination*		—	—	8	—	—	8
Re-presented balance as at 31 Dec 2020		1,574	2,060,156	313,006	—	532	2,375,268
Profit for the year		—	—	107,735	—	—	107,735
Total other comprehensive income for the year		—	—	—	—	13,963	13,963
Transactions with owners of the Company							
Dividends	23	—	—	(185,000)	—	—	(185,000)
Shareholders contribution	37	—	—	10,400	—	—	10,400
Employee share scheme	3g, 22c, 27	—	—	—	—	1,969	1,969
Balance as at 31 Dec 2021		1,574	2,060,156	246,141	—	16,464	2,324,335

	Notes	**Attributable to the owners of Allfunds Group plc**					
		Share capital EUR ('000s)	**Share premium EUR ('000s)**	**Retained Earnings EUR ('000s)**	**Treasury Shares EUR ('000s)**	**Other reserves EUR ('000s)**	**Total equity EUR ('000s)**
Balance as at 1 Jan 2022		**1,574**	**2,060,156**	**246,141**	**—**	**16,464**	**2,324,335**
Profit for the year		—	—	49,183	—	—	**49,183**
Total other comprehensive income for the year	22c	—	—	—	—	15,036	**15,036**
Transactions with owners of the Company							
Dividends	23	—	—	(31,471)	—	—	**(31,471)**
Treasury shares	22b	—	—	—	(10,000)	—	**(10,000)**
Employee share schemes	3g, 22c, 27	—	—	—	—	7,926	**7,926**
Other		—	—	(505)	—	—	**(505)**
Balance as at 31 Dec 2022		**1,574**	**2,060,156**	**263,348**	**(10,000)**	**39,426**	**2,354,504**

(The Notes form an integral part of these Financial Statements.)

Consolidated statement of cash flows

For the year ended 31 December 2022

	Notes	31 Dec 22 EUR ('000s)	31 Dec 21 EUR ('000s)
Operating activities			
Profit/(loss) after tax for the period		**49,183**	107,735
Adjustment for:			
Depreciation and amortisation	9, 10	**171,064**	161,818
Net loss on financial assets and liabilities at fair value	29	**701**	19
Net exchange differences	29	**2,211**	(1,758)
Impairment losses	32	**9,041**	6,773
Provisions	20	**—**	1,443
Interest income	30	**(8,145)**	(3,853)
Interest expense	31	**12,475**	12,042
Tax expense / (credit)	33	**34,542**	(32,383)
Other adjustments		**7,926**	—
Profit adjusted for non-cash items		**278,998**	251,836
Net decrease/(increase) in operating assets			
Financial assets held at amortised cost		**(199,718)**	(24,590)
Financial assets at fair value through profit or loss		**(2,714)**	(736)
Other operating assets		**91,447**	(262,339)
		(110,985)	(287,665)
Net increase/(decrease) in operating liabilities			
Financial liabilities at fair value through profit or loss		**363**	183
Financial liabilities held at amortised cost		**(270,538)**	273,096
Other operating liabilities		**(140,718)**	197,007
		(410,893)	470,286
Payments of corporation taxes		**(64,612)**	(116,911)
Net cash flows (used in) / generated from operating activities		**(307,492)**	317,546
Investing activities			
Purchase of property, plant and equipment	9	**(2,242)**	(795)
Purchase of intangible assets	10	**(37,475)**	(22,715)
Cash consideration paid on acquisition of subsidiaries	11	**(127,064)**	—
Net cash flow used in investing activities		**(166,781)**	(23,510)

(The Notes form an integral part of these Financial Statements.)

Consolidated statement of cash flows *continued*

For the year ended 31 December 2022

	Notes	31 Dec 22 EUR ('000s)	31 Dec 21 EUR ('000s)
Financing activities			
Dividend payments	23	**(216,471)**	—
Proceeds from borrowings on revolving credit facility, less fees incurred	17	**146,000**	46,700
Payment of treasury share capital acquired	22b	**(10,000)**	—
Loan interest paid		**(4,403)**	(1,786)
Cash payments on lease liabilities	36	**(7,931)**	(7,383)
Shareholder contributions	37	**—**	10,400
Net cash flow (used in) / from financing activities		**(92,805)**	47,931
Effect of exchange rate changes on cash and cash equivalents	29	**(2,211)**	1,758
Net (decrease) / increase in cash and cash equivalents		**(569,289)**	343,725
Cash and cash equivalents at the start of the year		**2,192,630**	1,848,905
Cash and cash equivalents at the end of the year	16	**1,623,341**	2,192,630

Non-cash disclosures

No non-cash equity contributions were made during the year from 1 January 2022 to 31 December 2022 (none in the period 1 January 2021 to 31 December 2021).

Method used

The direct method has been used in the preparation of the cash flows for both the years ended 31 December 2022 and 31 December 2021.

(The Notes form an integral part of these Financial Statements.)

Notes to the consolidated financial statements

For the year ended 31 December 2022

1. General Information

Allfunds Group plc, (the "Company") is a public limited company domiciled in England and Wales, United Kingdom. The address of the registered office is at 2 Fitzroy Place, 8 Mortimer Street, London, United Kingdom, W1T 3JJ.

The Company was formerly named Allfunds (UK) Limited, until 14 April 2021 when the name was changed to Allfunds Group Limited. Following the admission to listing and trading on Euronext Amsterdam on 23 April 2021, the Company was converted into a public company with limited liability with the name Allfunds Group plc.

The activities that the Company (the ultimate parent company) and its subsidiaries (the "Allfunds Group") ultimately undertake are as follows:

- The performance of all kinds of activities, transactions and services of the banking business in general, related thereto or permitted under current legislation and financial reporting framework applicable to the Bank of Spain;
- The acquisition, holding, use, administration, and disposal of Spanish and foreign marketable securities, shares and equity interests in companies, in accordance with current legislation; and
- The provision of investment services and any applicable supplementary activity under current legislation.

As at 31 December 2022, the Company is 34.3% owned by LHC3 Limited (formerly LHC3 Plc), 5.8% by BNP Paribas S.A., 6.30% by BNP Paribas Asset Management Holding ("BNPP AM"), 0.2% by the Company through Treasury Shares, while the remaining 53.4% of the ordinary shares of the Company are listed on the Euronext Amsterdam exchange. During the year to 31 December 2022 Credit Suisse AG sold its 8.56% interest in the Company.

The largest shareholder, LHC3 Limited, is in turn wholly owned by LHC2 Limited having its registered address at Third Floor, 37 Esplanade, St. Helier, Jersey, JE1 1AD. Similarly LHC2 Limited is wholly owned by LHC1 Limited which indirectly holds its share of the Company through LHC2 Limited and LHC3 Limited. LHC1 Limited is ultimately jointly controlled by Hellman & Friedman LLC and its affiliates ("H&F"), and Eiffel Investment Pte Ltd, a nominated investment vehicle of GIC Special Investments Pte Ltd, a direct subsidiary of GIC (Ventures) Pte Ltd ("Eiffel"), with a minority holding held by LHC Manco Limited, a company owned by certain members of senior management of the Allfunds Group.

2. Basis of Accounting

2.a. Statement of compliance

The consolidated and individual financial statements for the year ended 31 December 2022 (the "Financial Statements") have been prepared on a going concern basis and in accordance with International Accounting Standards in conformity with the requirements of the United Kingdom (UK) Companies Act 2006 and International Financial Reporting Standards (IFRS) as adopted by the European Union (EU).

2.b. Basis of preparation

The financial statements have been prepared on the historical cost basis, except for the revaluation of financial assets and liabilities at fair value through profit and loss.

The financial statements are presented in Euros, which is the currency of the primary economic environment in which the Group operates (the "functional currency"), rounded to the nearest thousand.

The Directors have made enquiries and, having considered the current economic climate at the time of approving the consolidated financial statements, as well as the expected working capital requirements that the Group will have for the 12 months from the date that these financial statements are signed and issued, they have a reasonable expectation that the Group will have adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the consolidated financial statements.

2.c. Basis of Consolidation

Subsidiaries are all entities over which the parent company has control (see Note 41). The investor (parent company) controls an investee if and only if the investor has all of the following: a) power over the investee; b) exposure, or rights, to variable returns from its involvement with the investee; and c) the ability to use its power over the investee to affect the amount of the investor's returns. Subsidiaries are fully consolidated from the date on which control is transferred to the parent company. They are derecognised from the date that control ceases. The acquisition method is used by the Group to account for business combinations.

When the parent company has less than a majority of the voting rights of an investee, they consider that they have power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally.

Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between the members of the Group are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction process evidence of an impairment of the transferred asset.

2.d. New standards interpretations and amendments adopted by the Group

The following amendments and interpretations became effective during the year. Their adoption has not had any significant impact on the Group:

	Effective from
IFRS 3 – Reference to the Conceptual Framework	1 January 2022
IAS 37 – Amendments regarding onerous contracts	1 January 2022
Annual improvements to IFRS Standards 2018 – 2020	1 January 2022
IAS 16 – Amendments regarding proceeds before use	1 January 2022

The following amendments and interpretations became effective after the 31 December 2022:

	Effective from
IFRS 17 – "Insurance contracts"	1 January 2023
IAS 8 – "Accounting policies, changes in accounting estimates and errors" - Amendments	1 January 2023
IFRS 16 –"Leases" - Amendments	1 January 2023
IAS 12 – "Income Taxes" - Amendments	1 January 2023
IAS 1 – "Presentation of financial statements" - Amendments	1 January 2023

The Group has not early adopted any of these or any other standard, interpretation or amendment that has been issued but is not yet effective. Management believe that any early adoption of these standards would not have a significant impact on the Group.

3. Significant Accounting Policies

The Group's accounting policies have been applied consistently by all Group entities and for all periods presented herein.

3.a. Foreign currency translation

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date, with the foreign currency difference recognised in other operating income/(expense).

Differences arising on the translation of investments measured at fair value through OCI are recognised in other comprehensive income.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated into the Euro functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items in a foreign currency that are measured based on historical cost are translated using the exchange rate at the date of the transaction.

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into euros at the exchange rates at the reporting date. The income and expenses of foreign operations are translated to euros at the exchange rates at the dates of the transactions.

Foreign currency differences are recognised in other comprehensive income and presented in the other reserves (translation reserve) of equity.

3.b. Financial Instruments

Financial assets and financial liabilities are recognised in the consolidated statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

i. Financial assets

Financial assets are classified according to the business model within which the asset is held and the contractual cash-flow characteristics of the asset.

ii. Financial assets at amortised cost

The Group’s financial assets at amortised cost comprise time deposits from credit institutions, receivables from customers, the balances required to be held at central banks, and debt securities.

Financial assets at amortised cost are initially recognised at fair value including any directly attributable costs. They are subsequently measured at amortised cost using the effective interest method, less any impairment. No interest income is recognised on financial assets measured at amortised cost, with the exception of cash and cash equivalents, as all financial assets at amortised cost are short-term receivables and the recognition of interest would be immaterial. Financial assets are derecognised when the contractual right to the cash flows from the asset expire.

iii. Trade and other receivables

Trade and other receivables are initially recorded at the fair value of the amount receivable and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Other receivables also represent client money required to meet settlement obligations.

iv. Cash and cash equivalents

Cash and cash equivalents include cash in hand, on-demand deposits with banks and other short-term highly-liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and subject to an insignificant risk of changes in value. Where appropriate, bank overdrafts are shown within borrowings in current liabilities in the consolidated statement of financial position.

v. Impairment of financial assets

The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and number of days past due. The Group considers a trade receivable to be in default when it is past due by more than 90 days since agreement reached. The carrying amount of the financial assets is reduced by the use of a provision, in general terms two years past due. When a trade receivable is considered uncollectable, it is written off against the provision. Subsequent recoveries of amounts previously written off are credited against the provision. Changes in the carrying amount of the provision are recognised in the income statement.

vi. Financial liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into.

vii. Financial liabilities at amortised cost

The Group’s financial liabilities at amortised cost comprise of cash held in demand accounts from both credit and non-credit institutions, amounts owed regarding the revolving credit facility, which is classified as a long-term liability, as well as other financial liabilities. These other financial liabilities include funds temporarily held on behalf of Distributors due to orders of transfers of investments in UCIs received, which were yet to be settled at the period end, tax collection accounts due in 30 days, and other payment obligations.

Financial liabilities are measured at fair value, net of transaction costs. They are subsequently measured at amortised cost using the effective interest rate. Financial liabilities at amortised cost are derecognised when the Group's contractual obligations are discharged, cancelled or they expire.

viii. Lease liabilities

Lease liabilities consist of amounts payable by the Group measured at the present value of lease payments to be made over the lease term.

ix. Trade and other payables

Trade and other payables consist of amounts payable to clients and other counterparties and obligations to pay suppliers for goods and services in the ordinary course of business, including amounts recognised as accruals. Trade and other payables are measured at amortised cost using the effective interest method.

x. Derivative financial instruments

The Group enters into derivative financial instruments, mainly for foreign exchange spot and forward contracts, to manage its exposure to foreign exchange rate risk.

Derivatives are initially recognised at fair value at the date the contract is entered into and are subsequently remeasured to fair value at each statement of financial position date, with the resulting gain or loss being recognised in comprehensive income.

A derivative with a positive fair value is recognised as a financial asset whereas a derivative with a negative fair value is recognised as a financial liability. A derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than 12 months and it is not expected to be realised or settled within 12 months from the reporting date. Other derivatives are presented as current assets or current liabilities.

3.c. Goodwill

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the excess is recognised immediately in comprehensive income as a bargain purchase gain.

Goodwill is not amortised but is reviewed for impairment, as part of the cash-generating unit ("CGU") to which it belongs, at least annually. The cash-generating unit is the smallest group of assets that includes the goodwill and generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. Identification of an asset's cash-generating unit involves judgement. For the purpose of impairment testing, goodwill acquired as part of a business combination is allocated to each of the Group's cash-generating units expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill cannot be reversed in a subsequent period.
On disposal of a cash-generating unit, the attributable amount of goodwill is included in the determination of the gain or loss on disposal.

3.d. Property, Plant and Equipment

Items of property, plant and equipment are stated at historical cost less accumulated depreciation. Historical cost includes expenditures that are directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

The Group depreciates property, plant and equipment on a straight-line basis for both years ended 31 December 2022 and 2021, over the following periods:

Furniture and fixtures	3-10 years
Computer hardware	3-4 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

3.e. Intangible Assets (other than goodwill)

Intangible assets are identifiable non-monetary assets without physical substance which arise as a result of a legal transaction or which are developed internally by the Group, where applicable. Only assets whose cost can be reasonably estimated objectively and from which the Group considers it probable that future economic benefits will be generated are recognised.

Intangible assets comprise IT developments, IT technological platforms, current relations with clients, current relations with clients through cooperation agreements, current relations with clients through exclusivity agreements, brand name, and sub-distribution agreement. These are stated at cost less amortisation or fair value less any recognised impairment loss. Amortisation is provided on all intangible assets excluding goodwill at rates calculated to write off the cost or valuation, less estimated residual value, of each asset evenly using a straight-line method over its estimated useful economic life for both years ended 31 December 2022 and 2021, as follows:

IT developments	3-10 years
IT technological platform	5-5.1 years
Current relations with clients	13.6-20 years
Current relations with clients through cooperation agreements	12-16.5 years
Current relations with clients through exclusivity agreements	12-14.7 years
Brand name	16.5 years
Sub-distribution agreement	10 years

The assets' estimated useful lives, amortisation rates and residual values are reviewed, and adjusted if appropriate at the end of each reporting period. An asset's carrying value is written down immediately to its recoverable amount if its carrying value is greater than the recoverable amount.

Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the software so that it will be available for use;
- management intends to complete the software and use or sell it;
- there is an ability to use or sell the software;
- it can be demonstrated how the software will generate probable future economic developments;

- adequate technical, financial and other resources to complete the development and to use or sell the software are available; and
- the expenditure attributable to the software during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the software include employee costs and an appropriate portion of relevant overheads.

Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is ready for use.

An intangible asset is derecognised upon disposal (that is at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss.

3.f. Revenue recognition

Fee, commission and service revenue

The Group identifies revenue to be recognised in accordance with the provisions of the agreements signed with customers. The services can be differentiated according to the type of service, as detailed further below. The Group recognises contract assets and liabilities in accordance with IFRS 15 as a result of the balances generated for accrued fee, commission and service revenues. See Notes 13 and 18 for further information regarding the contract assets and liabilities, respectively.

Platform revenue:

Includes those directly related to the total market value of the volume of administrated assets ("AuA"). Platform Revenues can be divided into Asset-Based Revenues and Transaction-Based Revenues. The Group considers that the service is provided (and the performance obligation satisfied) when subscription and redemption of UCIs are settled and accordingly the positions are allocated in the clients' securities accounts, or when the services is rendered and completed in the case of Transaction- Based Revenues.

Asset-Based Revenues: Revenue is recognised in the period in which the performance obligation is being satisfied, in accordance with the volume of activity and the contractual price, according to two models, described below:

- Non-Rebate Model: Under the Non-Rebate Model, a Platform Service Fee is charged to the Fund House as a fee margin on the volume of the Fund House's AuA on the Allfunds Platform in exchange for bundled services provided by Allfunds to the Fund House, comprising of, but not limited to, intermediation and execution services, distribution channel access and the provision of digital services.
- Rebate Model: Under the Rebate Model (applicable primarily for retail share classes), Allfunds similarly receives a Platform Service Fee for the services it provides, in line with the Non-Rebate Model. In addition, Allfunds, in certain circumstances, retains a percentage of the gross rebate paid to the Distributor, based on agreements in place with each Fund House and individual Distributor. The gross rebate is calculated based on the Fund House's annual management charge for each UCI.

In both the Rebate Model and the Non-Rebate Model, the Group charges fees on a quarterly basis for all the services it provides. The Group calculates and accrues these fees daily based on daily AuA.

Transaction-Based Revenues: consists of transaction charges related to number of transactions. While correlated with AuA, these fees are charged on a transactional basis and are driven by both the volume and the value of the transactions. Transaction-based net platform revenue includes, but is not limited to, fees earned from the Group's local paying agent services, its foreign exchange services, and ETF services.

Subscription and other revenues:

- Financial, legal or banking services: the service is provided (and the performance obligation satisfied) at a point in time. The commissions and fees are invoiced at the time the service is rendered in accordance with the economic terms fixed in the agreement. The performance obligation is satisfied once the service has been performed, and revenue is recognised accordingly.
- Information delivery services: the service is provided (and the performance obligation satisfied) over a period of time in accordance with the contract. The service is invoiced according to the conditions and fixed pricing included in the contract (monthly, quarterly or annually). The performance obligation is satisfied over a period of time as defined in the contract, and the revenue is recognised pro-rata over this same period.

Fee, commission and service expenses

Fee, commission and service expenses comprise expenses for third parties, Distributors, and other parties. These expenses are generated as a result of a type of fee contract generally referred to as the rebate model. Under this model, the Fund houses pay a portion of the management or distribution fee of the CIU, which is calculated as a margin on the volume of AuA, as a distribution fee, or rebate, to Allfunds. Allfunds then passes this rebate on to the Distributor. The expense is recognised in the same accounting period as the income associated with the assets under intermediation/distribution (see above).

The Group assesses whether it acts as a principal or an agent with regard to income earned from its platform and Allfunds has concluded that it acts as a principal for this income. This conclusion is primarily based on the fact that Allfunds controls the services and goods (that is, financial products) due to its primary responsibility for the services rendered through the platform, through the risk it assumes through executing transactions, and having discretion in establishing pricing (see IFRS 15.B37). Based on these facts and the analysis, the Group has concluded that it acts as principal and, furthermore, this being the manner in which Allfunds Management runs the business.

Net revenue

Net revenue is comprised of fee, commission and service revenue recognised under IFRS 15 less fee, commission and service expense. Net revenue is a gross profit measure. The Group labels this gross profit subtotal as net revenue because the directors believe it reflects the integral interrelationship between revenue generated and the expenses concurrently incurred, while also being comparable to measures used by peers.

3.g. Employee Benefits

3.g. i. Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits and accumulated sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service, are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented within other liabilities in the consolidated statement of financial position, as long as there in no right to deferral.

3.g. ii. Post-employment obligations – defined contribution plans

The Group's post-employment obligations to its employees are deemed to be "defined contribution plans" where the Group makes pre-determined contributions to a separate entity and will have no legal or effective obligation to make further contributions if the separate entity cannot pay the employee benefits relating to the service rendered in the current and prior periods.

The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

3.g. iii. Post-employment obligations – defined benefit plans

As of 31 December 2022, the Group maintains pension commitments with respect to certain employees of the Italian and Swiss branches of the Group's indirect subsidiary, Allfunds Bank, S.A.U. which, in accordance with the provisions of the applicable regulations, meet the conditions to be considered defined benefit. The Group records within provisions in the consolidated balance sheet the present value of these post-employment defined benefit obligations.

3.g. iv. Long-Term Incentive Plan ("LTIP")

In 2021 and 2022, the Board of Directors of the Company approved the launch of a Long-Term Incentive Plan (LTIP) as a share-based payment scheme of Allfunds Group plc applicable to executive directors, senior management, and other employees of the Group. Two cycles of the LTIP are granted (one in October 2021 and the other in April 2022), and both are divided into two types of incentives:

a. A share incentive granted to executive directors, senior management and key employees, linked to the beneficiary's permanence in Allfunds until the payment date and the degree of achievement of two metrics:

    a. The evolution of the Total Shareholder Return (TSR) of Allfunds Group plc compared to the evolution of the TSR of a group of comparable companies, and

    b. The ratio of the Group`s Adjusted EBITDA compared to the budgeted Adjusted EBITDA over an agreed performance period.

    The first incentive has been divided into two equal tranches, the first of which will be executed, if applicable, at the beginning of 2023, and the second tranche at the beginning of 2024 (for the second incentive the date is at the beginning of 2025).

b. A share incentive granted to other LTIP beneficiaries, linked solely to the employee's permanence in Allfunds until the date of payment of the incentive, which will also be executed in two equal instalments at the beginning of 2023 and 2024 for the first cycle and the beginning of 2025 for the second one.

The incentives are subject to standard malus and clawback clauses normal in this type of remuneration plan.

As of 31 December 2022, both cycles of the LTIP are pending execution as no shares had either been acquired by the Company or granted to any individual member of the scheme.

Included in these consolidated financial statements for the year ending 31 December 2022 is an accrual of EUR 7,926 thousand (EUR 1,969 thousand for the year ending 31 December 2021) for the estimated costs of the share-based payment schemes in acquiring the required shares at a future date. This calculation has been made assuming that 100% of the performance targets will be met, for both the TSR and the Adjusted EBITDA, and in addition to reflect any leavers of the Group during the period from grant dates to 31 December 2022. The estimated cost will be reviewed in subsequent reporting periods.

Post the year end the Company delivered 96,029 ordinary shares to the beneficiaries of the 2021 Employee share scheme that had vested on 1 January 2023. These shares were delivered at no cost for the receiving beneficiaries.

In addition, in February 2023 the Company approved a LTIP award applicable to executive director, senior management and other employees of the Group. The grant date will be 11 April 2023. The award will vest in early 2026.

3.g. v. Termination Benefits

Termination benefits are payable when employment is terminated by the Group before the nomal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits at the earlier of the following dates: (a) when the Group can no longer withdraw the offer of those benefits; and (b) when the entity recognises costs for a restructuring that is within the scope of IAS 37 and involves the payment of terminations benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

3.h. Income Tax

Current tax expense or benefit is based on the taxable profit for that year. Taxable profit differs from the profit as reported in the consolidated statement of comprehensive income because it excludes items of income or expenses that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. Furthermore, the accrual for current tax includes provisions for uncertain tax positions which require estimates for each matter and the exercise of judgement in respect of the interpretation of tax laws and the likelihood of challenge of historical tax positions.

Current tax assets and liabilities are measured as the amount expected to be paid to tax authorities, net of recoveries based on the tax rates and laws enacted or substantively enacted at the date of the statement of financial position. The Group periodically evaluates positions taken in the tax returns for situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax liabilities are provided for using the liability method on temporary differences between carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that, at the time of the transaction, affects neither accounting nor taxable profit or loss.

Deferred tax assets are recognised for all deductible temporary differences and are carried forward as unused tax losses, to the extent that it is probable that the deductions and tax losses can be utilised. The carrying amount of deferred tax assets is reviewed at each date of the statements of financial position and reduced to the extent it is no longer probable that the deferred or current tax assets will be recovered. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable income will allow the deferred tax asset to be recovered. Deferred tax assets and liabilities are measured at the tax rates that are expected to prevail in the period when the asset is realised or the liability settled, based on the tax rates and laws that have been enacted or substantively enacted at the dates of the statements of financial position.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

3.i. Leases

The Group assesses at contract inception whether a contract is, or contains, a lease, that is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. In accordance with IFRS 16, the Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group applies the short-term lease recognition exemption to its short-term leases (that is, those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

In all other cases the lessee is required to recognise a right-of-use asset representing its right to use the leased asset under “Property, plant and equipment” in the consolidated statement of financial position (see Note 9), and a lease liability representing its obligation to make lease payments under “Lease liabilities” in the consolidated statement of financial position (see Note 36). The depreciation of the right-of-use asset is recognised under “Amortisation and depreciation relating to other intangible assets and property, plant and equipment" (see Notes 9 and 10), and the finance cost associated with the lease liability under “Interest expense" (see Note 31).

The Group recognises right-of-use assets at the commencement date of the lease, that is, the date the underlying asset is available for use. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the initial amount of lease liabilities recognised, adjusted for any initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets for both the year ended 31 December 2022 and 2021, as follows:

Vehicles	4 years
Computer hardware	5 years
Buildings	2–10 years

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease liabilities also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. There are no variable lease payments or expected payments under residual value guarantees.

The lease liabilities are measured at amortised cost using the effective interest method.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. The incremental borrowing rate has been constructed as the country risk-free rate for a period similar to the term of the lease, plus an adjustment for the lessee's credit risk (spread), plus an adjustment for the exchange rate, in the event that the currency of the lease contract is different from the reference currency of the country in which the lessee operates, and finally the possibility of making an adjustment for the risk associated with the type of asset being leased is analysed.

The Group has established individual fees for each jurisdiction, following this methodology. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term as a result of a change in the Group’s assessment of whether it will exercise an extension or termination option, a change in the future lease payments arising from a change in an index or rate or if there is a revised in-substance future lease payment, or a change in the assessment of an option to purchase the underlying asset.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in comprehensive income if the carrying amount of the right-of-use asset has been reduced to zero.

3.j. Business Combinations

Acquisitions of subsidiaries and businesses are accounted for using the acquisition method of accounting pursuant to IFRS 3. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interest issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in comprehensive income as incurred and included in "Technical reports" in other expenses (see Note 28).

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (being no longer than one year from the acquisition date), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

3.k. Provisions

Provisions are recognised when the Group has a present obligation, legal or constructive, as a result of a past event, and it is probable that the Group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the statement of financial position date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows, where the effect of the time value of money is material.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received, and the amount of the receivable can be measured reliably.

3.l. Treasury Shares

Own equity instruments that are reacquired (treasury shares) are recognised at cost and deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group`s own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognised in the share premium.

No own shares were disposed of during 2022. In January 2023, the Company delivered 96,029 own shares to the beneficiaries of the 2021 LTIP Award that had vested on 1 January 2023. These shares were delivered at no cost for the receiving beneficiaries.

4. Critical Accounting Judgements and Key Sources of Estimation Uncertainty

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also exercises judgement in applying the Allfunds Group's accounting policies. Detailed below is an overview of the areas that involve a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions being revised based on actual experience.

4.a. Critical judgements in applying the Group's accounting policies

- Useful lives of property, plant and equipment and intangible assets with finite lives – The determination of the useful economic life of these assets, as well as the determination of the most appropriate method for depreciation/amortisation, is considered a management judgment. Adjustments to the financial statements could occur as a result of changes in the expected useful life or the expected pattern of consumption of future economic benefits of the asset. See further information in Notes 9 and 10.

- The Group has cooperation agreements with certain counterparties which allow the Group access to their underlying clients. These agreements expire in 2023 and have an option to be extended for an additional period subject to certain terms and conditions. The Group amortises the relationships with the underlying customers over a useful economic life based on an initial lock-in period which is then followed by a period to which an applicable churn rate is applied. Management has made judgements in considering these useful economic life periods and the churn rate. Please see Note 10.
- The Group has exclusivity agreements with certain counterparties, which have an extension option, which allows the Group access to their underlying clients. The Group amortises the relationships with the underlying customers over a useful economic life whereby an applicable churn rate is applied. Management has made judgements in considering these useful economic life periods and the churn rate. Please see Note 10.
- Taxes – Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits, together with future tax planning strategies. See Note 14.
- Provisions, contingent liabilities and assets – When required, the Group records accruals for provisions and loss contingencies in accordance with IAS 37, Provisions, Contingent Liabilities and Contingent Assets. Such determinations are subject to interpretations of current facts and circumstances, forecasts of future events and estimates of the financial impacts of such events affecting the Allfunds Group and the need to recognise accruals thereon. For further information see Notes 20 and 38.
- Management Investment Plan – LHC Manco Limited, a company owned by senior management of Allfunds Group, also holds a minority interest in LHC1 Limited. Those managers purchased shares which have certain conditions attached. The determination that these shares were purchased at an amount representative of fair value is considered a significant management judgement. See Note 37.

4.b. Key sources of estimation uncertainty

- Business Combinations – The Company accounts for business combinations under the acquisition method. The cost of an acquired company is assigned to the tangible and intangible assets acquired and the liabilities assumed on the basis of their fair values at the date of acquisition. Any excess of purchase price over the fair value of net tangible and intangible assets acquired is allocated to goodwill. The determination of fair values of assets acquired and liabilities assumed requires management to make estimates and use valuation techniques when market values are not readily available. See further information in Note 11.
- Impairment of non-financial assets – Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm’s length, for similar assets or observable market prices less incremental costs of disposing of the asset. The value in use calculations are based on the Discounted Cash Flow ("DCF") and Dividend Discount Model ("DDM"), depending on the CGU, and the methodology used to calculate the fair value less cost of disposal was the income approach. Forecast performance figures do not include future investments that will enhance the performance of the assets of the CGU being tested. The recoverable amount is sensitive to the discount rate used to calculate the present terminal value of the investment and the growth rate used for extrapolation purposes. These estimates are most relevant to goodwill and other intangibles with indefinite useful lives recognised by the Group. The key assumptions used to determine the recoverable amount for the different CGUs, including a sensitivity analysis, are disclosed and further explained in Note 10.
- Provision for expected credit losses ("ECL") of financial assets at amortised cost (mainly trade receivables and contract assets) – As the Allfunds Group's receivables have short maturities, and the simplified method under IFRS 9 has been applied, credit losses and other forward-looking information are not considered to have a significant impact. The Allfunds Group uses a provision matrix to calculate ECL: this estimate was made on the basis of industry-specific information and accumulated experience and it is based in the combination of past-due days and the credit quality of counterparties . However, the assessment of the correlation between historical observed default rates and the ECL is a significant estimate. The Allfunds Group’s historical credit loss experience may also not be representative of customers' actual default in the future, although no significant deviations between real impairment losses and estimated losses have been identified.

5. Operating Segments

The Allfunds Group's revenues are generated through its global operations, primarily in Europe and Asia. The Allfunds Group reports its results of operations through the following two reportable segments: net platform revenue and net subscription and other revenues.

- Net platform revenue is generated from commission-based and transaction-based revenues. Commission-based revenues are generated based on a daily fee calculated on the amount of each Fund House's outstanding AuA in UCIs on the platform, according to the Service fee model or the Rebate Commission fee model. Transaction-based revenues are related to AuA, but are charged on a per-transaction basis rather than based on the underlying AuA volume.
- Net subscription and other revenues include Allfunds Connect (including both annual licence fees and annual membership fees) and digital add-on solutions through among others Allfunds Tech Solutions and Allfunds Data Analytics, as well as the Allfunds Group’s fund research and investment services and legal and compliance services. Allfunds generates income from subscription and other services based on fixed membership fees and licences and charges for its digital solutions and tools and other investment and legal solutions.

The chief operating decision makers (the Executive Committee), regularly review the performance of each of these distinct revenue-generating services, and the Company has determined that these represent the operating segments of the Group. On a segment basis, the Executive Committee is solely reviewing net revenue in order to steer each of the operating segments. Interest expense, interest income, segment assets and segment liabilities are consistent with those included in these financial statements and no adjustments are required to arrive at the relevant totals for the segments; it is impracticable to split these amounts and balances between the two segments. No additional profitability or balance sheet metrics are reviewed at the segment level by the chief operating decision makers. The operating segments have not been aggregated; thus, the reportable segments are equivalent to the operating segments. Revenues, and their associated expenses for each segment, are recognised in accordance with the same accounting principles and policies as those used to prepare the consolidated financial statements.

The information in the following tables is derived from the Allfunds Group's internal financial reporting used for corporate management purposes:

	For the year ended	
	31 December 2022 EUR ('000s)	31 December 2021 EUR ('000s)
Platform revenue	**2,701,905**	2,648,557
Asset-based revenue	**2,603,596**	2,534,510
Transaction-based revenue	**98,309**	114,047
Platform expense	**(2,247,361)**	(2,163,199)
Asset-based expense	**(2,247,361)**	(2,163,199)
Transaction-based expense	**—**	—
Net platform revenue	**454,544**	485,358
Subscription and other revenues	**40,107**	20,331
Subscription and other expenses	**—**	—
Net subscription and other revenues	**40,107**	20,331
Total Net Revenue	**494,651**	505,689

No single customer contributed 10% or more to the Allfunds Group's revenue in either the year to 31 December 2022 or 31 December 2021.

6. Financial Risk Management

This Note explains the Group's exposure to financial risks and how these risks could affect the Group's future financial performance. Current year profit and loss information has been included where relevant to add further context.

The Group's risk management is carried out by the Directors of the Company and each of the Company's subsidiaries. As such, this risk management function has been delegated to the relevant department within a specific Group company. The Directors or the relevant department identify, evaluate and hedge financial risks.

6.a. Market risk

Market risk is defined as the risk to which the Group is exposed in terms of a potential adverse impact on its consolidated statement of comprehensive income due to fluctuations in interest rates, currency exchange rates and the market prices of instruments included in the Group's trading portfolio, where they exist.

The Group does not have positions on or off the consolidated statement of financial position that might be affected by fair value risk relating to interest rate and price risks, except those that are strictly necessary for compliance with regulatory requirements in connection with liquidity and currency exchange derivative hedging to mitigate the risk in the main currencies to which it is exposed.

6.a.i. Foreign exchange risk

Foreign currency risk is defined as the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

As the Group operates internationally and is exposed to foreign exchange risk arising from foreign currency transactions, foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the functional currency of the relevant Group entity. The risk is measured through the Risk Control Unit of Allfunds Bank Group which forecasts likely foreign currency expenditure. In addition, the management of Allfunds Bank Group receive daily reports on the exposure and impact on the statement of comprehensive income of Allfunds Bank Group due to currency fluctuations and any measures implemented to mitigate open risks.

In order to mitigate the aforementioned foreign exchange risk, Allfunds Bank Group, which has the largest exposure to non-reporting currencies within the Group, have set a cap on the net positions in foreign currencies.

The Group's exposure to foreign currency risk at the end of the reporting period, expressed in Euros, was as follows:

	2022				2021			
	EUR ('000s)				EUR ('000s)			
	USD	GBP	CHF	Other	USD	GBP	CHF	Other
Assets								
Cash, and cash equivalents	**303,147**	**77,838**	**68,690**	**40,162**	309,939	115,114	75,760	102,370
Financial assets held at amortised cost	**165,672**	**5,928**	**3,581**	**65,678**	61,835	21,442	2,011	9,635
Other assets	**95,867**	**13,277**	**375,046**	**67,981**	116,552	16,605	399,529	81,020
Liabilities								
Financial liabilities at amortised cost	**(447,404)**	**(100,478)**	**(22,310)**	**(72,253)**	(334,269)	(129,050)	(17,984)	(87,696)
Other liabilities	**(80,226)**	**(10,541)**	**(52,849)**	**(41,795)**	(98,272)	(12,682)	(66,064)	(48,672)
	37,056	**(13,976)**	**372,158**	**59,773**	55,785	11,429	393,252	56,657

As shown in the table above, the Group is exposed to USD, GBP and several other currencies which result in a foreign currency risk.This can be seen through a number of different asset and liability types that are held in currencies other than Euros.

Should the net asset value subject to currency risk be subject to a 1% increase/decrease, a movement deemed reasonably possible, the impact on the Statement of Financial Position and Statement of Comprehensive Income would be an increase/decrease in the value of EUR 4,550 thousand (2021: EUR 5,171 thousand).

6.a.ii. Interest rate risk

Interest rate risk is defined as the risk that the value or the future cash flows of a financial instrument will fluctuate due to changes in interest rates.

The Group does not deem its exposure to interest rate risk to be significant as its main balance sheet aggregates are either repayable on demand or have a short maturity. As a result, no sensitivity analysis is provided.

6.a.iii. Price risk

The Group is exposed to equity securities price risk which arises from investments held by the Group and classified in the statement of financial position as financial assets at fair value through profit or loss.

As the Group's exposure to equity securities is not material or its core business, the Group does not manage its price risk as it does not deem the exposures to be significant.

6.b. Credit risk

Credit risk is the possibility of loss stemming from the failure of customers or counterparties to meet their payment obligations to the Group. Given the type of business conducted by the Allfunds Bank Group, namely the distribution and intermediation of third-party collective investment schemes, the Group does not perform any active lending activity, and nor is that its purpose.

The Group's exposure to credit risk is through its cash, cash balances with Central Banks and other demand deposits and financial assets at amortised cost balances. Specifically, the material exposure is to regulated institutions (which are the only authorised customers of Allfunds Bank Group) to which the Group has granted credit lines tied to the settlement of brokerage transactions.

The entity follows a criterion of reducing the exposure to concentration risk, diversifying the counterparts so as to mitigate the additional risk. The Group evaluates and monitors credit risk by geographical distribution and by type of exposure. The Risk Control Unit has implemented a system of counterparty limits by the counterparty based on an internal rating assignment methodology which results in a probability of default for each counterparty. This assigned probability is reviewed and measured at least once a year, so that the limits can be adjusted to each customer's risk profile. Counterparty limits are controlled through an integrated system operating in real time, enabling the Group to be aware at all times of the unused credit line for each counterparty.

Expected Credit Loss Model

Per IFRS 9, the expected credit loss model has been applied to the relevant receivables as at 31 December 2022 and 2021. The expected credit loss model measures the pattern of improvement or deterioration in the credit quality of the instruments. Financial assets at amortised cost (mainly trade receivables and contract assets) are grouped into three categories based on the impairment methodology applied, in accordance with the following structure:

- Stage 1 - Standard risk: this category includes transactions for which credit risk has not increased significantly since initial recognition. The impairment loss allowance will be equal to the 12-month expected credit losses.
- Stage 2 - Performing exposures under special monitoring: this category includes transactions for which credit risk has increased significantly since initial recognition, although no default event has occurred. The impairment loss allowance will be equal to the lifetime expected credit losses.

- Stage 3 - Non-performing exposure: this category includes transactions that are credit impaired, i.e., a default event has occurred or receivable with past-due of more than 90 days after closing amounts to be invoiced. The impairment loss allowance will be equal to the expected credit losses.

The Allfunds Group uses a provision matrix to calculate ECL: this estimate was made on the basis of industry-specific information and accumulated experience and it is based in the combination of past-due days and the credit quality of counterparties. The Group has applied the simplified approach for trade receivables under IFRS 9, which eliminates the need to calculate a 12-month expected credit loss or to measure increases in credit risk for the instrument.

For financial instruments at amortised cost, the loss allowance is measured at initial recognition and is equal to lifetime expected credit losses. Impairment losses are recognised in the consolidated statement of comprehensive income. Receivables for which an impairment provision was recognised are written off against the provision when there is no expectation of recovering additional cash. Subsequent recoveries of amounts previously written off are credited in the consolidated statement of comprehensive income.

Individual receivables which are known to be uncollectable (or with more than two years past-due) are written off by reducing their carrying amount directly; however, the Group recognised no individually impaired trade receivables during the year.

6.c. Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities.

The Risk Control Unit has developed a methodology to dynamically calculate the exposure to liquidity risk through static and dynamic ratios and set a limit in terms of a liquidity buffer. The Group also periodically performs stress scenario analysis and uses back-testing to measure these scenarios. Additionally, Allfunds Bank, S.A.U.'s Board of Directors have established a contingency procedure to cater for possible losses from this type of risk.

To supplement the monitoring performed by the Allfunds Group Risk Control Unit, the Settlement Department of the Transaction Area of Allfunds Group performs ongoing follow-up of order settlement processes in each of the currencies in which the Group operates, thus providing a twofold control of the Group's liquidity.

7. Capital Management

The Group's objectives when managing capital are to:

- safeguard its ability to continue as a going concern, so that it can continue to provide returns for its shareholders and benefits for other stakeholders; and
- maintain an optimal capital structure to reduce its cost of capital.

In order to maintain or adjust its capital structure, the Group may vary the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets.

The capital structure of the Group consists of equity attributable to equity holders of the ultimate parent, comprising issued capital, share premium, retained earnings and other reserves as disclosed in the consolidated financial statements.

Subsidiaries within the Group have capital adequacy requirements imposed primarily by the Bank of Spain along with other regulatory bodies. Group entities are required to report on certain capital adequacy ratios on a periodic basis. The ratio is calculated as being the percentage of capital to assets, based on the regulators' definitions of capital and assets. This ratio is required at all times to be above a benchmark percentage provided by each of the regulators. The subsidiaries of the Group have been in compliance with the capital adequacy requirements in respect of the period ended 31 December 2022 and 31 December 2021.

8. Taxation

8.1 Significant Tax Event

As described in the audited annual consolidated financial statements and herein in Note 8, on 2 October 2020, BP2S contributed its BNPP LPA business to Allfunds Bank, S.A.U. in exchange for the issuance of new shares. Such BNPP LPA business was automatically attributed to its Milan branch.

The BNPP LPA business contribution qualified as a tax neutral transaction. As a result, the BNPP LPA business goodwill and its intangibles that were identified in the frame of the PPA process were treated as if not existing for tax purposes, meaning that their tax base was equal to zero and, therefore, could not be tax-amortised.

However, the Italian tax laws provide for an optional tax step-up regime whereby (i) the taxpayer can opt to pay a substitute tax at a reduced rate and (ii) the tax base of the asset is increased up to its fair value as emerging from the PPA process. Thus, by making this election, the taxpayer is entitled to amortise the relevant stepped-asset for tax purposes.

In particular, Allfunds Bank Milan branch made the following elections:

- Ordinary step-up election for the BNPP LPA business intangibles (Article 176(2-ter) of the Italian income tax code approved with Presidential Decree No. 917 of 22 December 1986), under which:

   a. Allfunds Bank Milan branch is required to make the step-up tax payment in three instalments (with a 2.5% interest accruing on the second and third instalment): (i) EUR 11,000 thousand in June 2021 (already paid); (ii) EUR 15,000 thousand by the end of June 2022 also currently paid; and (iii) EUR 11,600 thousand by the end of June 2023; and

   b. Allfunds Bank Milan branch is entitled to amortise the BNPP LPA business intangible assets for tax purposes over their useful lives and starting from 1 January 2021.

- Special step-up election for the BNPP LPA business goodwill (Article 15(10) of the Italian Law Decree No.185/2008), under which:

   a. Allfunds Bank Milan branch was required to make a step-up tax payment amounting to EUR 35,000 thousand in one single instalment by June 2021 (already paid); and

   b. Allfunds Bank Milan branch is entitled to amortise the BNPP LPA business goodwill for tax purposes over five years starting from 1 January 2022.

On 7 June 2021, the Italian tax authorities confirmed Allfunds Bank Milan branch's entitlement to apply for the step-up rules in a positive answer to a ruling application filed in March 2021.

From an accounting perspective, for FY2021, the above elections have triggered:

a. The full recognition of EUR 71,650 thousand step-up tax expense (with the exception of interest that will be due) as a charge in the statement of comprehensive income of Allfunds Bank Milan branch.

   ii. The accounting registration of EUR 72,281 thousand credit in the statement of comprehensive income of Allfunds Bank Milan branch, with the corresponding recognition of a deferred tax asset (DTA), to reflect the future tax deductions of the BNPP LPA business goodwill (not amortised for accounting purposes).

   iii. The release of the deferred tax liability (DTL) booked in 2020 in relation to the BNPP LPA business intangibles (whose amortisation was considered non tax-deductible before the tax step-up election) and the corresponding registration of EUR 76,270 thousand credit in the statement of comprehensive income of Allfunds Bank Milan branch.

As a result, for the year ended 31 December 2021, the Allfunds Group recognised a positive impact in the statement of comprehensive income (tax credit/(expense) line item) of EUR 76,901 thousand (expense of EUR 71,650 thousand plus credits of EUR 72,281 thousand and EUR 76,270 thousand).

Additionally, Allfunds Bank Milan Branch registered a gain in its 2021 statement of comprehensive income, due to the recognition of a deferred tax asset reflecting the future tax amortization of the BNPP LPA Business goodwill. Over the tax amortization period of the BNPP LPA Business goodwill, from 2022 to 2026, the deferred tax asset is being partially released by an annual amount of EUR 14,456 thousand.

8.2 Other contributions

On 28 December 2022, the Law for the establishment of the temporary tax on credit institutions and financial credit establishments was published in the Official State Gazette (Boletin Oficial de Estado de España).

This law establishes an obligation to pay a non-taxable benefit of public nature during the years 2023 and 2024 to those credit institutions that operate in Spain whose aggregate amount of interest income and fee and commission income generated corresponding to the year 2019, equals or exceeds €800 million. The amount of the benefit to be paid will be the result of applying a 4.8% percentage to the sum of the net interest income and fee and commission income and expense derived from the activity corresponding to the calendar year prior to the year in which the obligation to pay arose. The payment obligation arises on the first day of the calendar year of fiscal years 2023 and 2024. The estimated impact for 2023 is €7.2 million.

9. Property, Plant and Equipment

	31 Dec 2022			
	Furniture and fixtures EUR ('000s)	Computer Hardware EUR ('000s)	Right-of-use Assets* EUR ('000s)	Total EUR ('000s)
Cost:				
Brought forward 1 Jan 2022	**12,668**	**3,512**	**37,951**	**54,131**
Additions	**1,698**	**544**	**5,167**	**7,409**
Incorporated by business combinations	**1**	**195**	**187**	**383**
Disposals	**(1,086)**	**(918)**	**(1,164)**	**(3,168)**
Other	**(550)**	**715**	**(343)**	**(178)**
Carried forward 31 Dec 2022	**12,731**	**4,048**	**41,798**	**58,577**
Accumulated depreciation:				
Brought forward 1 Jan 2022	**(5,203)**	**(2,839)**	**(18,043)**	**(26,085)**
Charge for the year	**(1,510)**	**(838)**	**(7,597)**	**(9,945)**
Disposals	**1,086**	**918**	**1,164**	**3,168**
Other	**—**	**—**	**129**	**129**
Carried forward 31 Dec 2022	**(5,627)**	**(2,759)**	**(24,347)**	**(32,733)**
Net Book Value	**7,104**	**1,289**	**17,451**	**25,844**
Fully depreciated assets	**5,539**	**—**	**—**	**5,539**

	31 Dec 2021			
	Furniture and fixtures EUR ('000s)	Computer Hardware EUR ('000s)	Right-of-use Assets* EUR ('000s)	Total EUR ('000s)
Cost:				
Brought forward 1 Jan 2021	12,575	2,991	30,473	46,039
Additions	274	521	8,408	9,203
Disposals	(181)	—	(930)	(1,111)
Carried forward 31 Dec 2021	12,668	3,512	37,951	54,131
Accumulated depreciation:				
Brought forward 1 Jan 2021	(3,956)	(1,490)	(11,292)	(16,738)
Charge for the year	(1,247)	(1,349)	(7,026)	(9,622)
Disposals	—	—	275	275
Carried forward 31 Dec 2021	(5,203)	(2,839)	(18,043)	(26,085)
Net Book Value	7,465	673	19,908	28,046
Fully depreciated assets	4,218	—	—	4,218

* Right-of-use assets are further detailed in Note 36

Depreciation is calculated using the straight-line method to allocate the cost, net of the residual values, over the estimated useful lives of the assets.

There were no impairment losses for property, plant and equipment for the year ended 31 December 2022 (Nil for year ended 31 December 2021).

10. Goodwill and Intangible Assets

The following acquisitions by the Group resulted in goodwill upon the purchase:

Business Acquired	Acquisition Date	Percentage Holding	CGU	Goodwill on purchase EUR ('000s)	Impairment EUR ('000s)	Goodwill 31 Dec 21 EUR ('000s)	**Goodwill 31 Dec 22 EUR ('000s)**
Allfunds Bank, S.A.U.	21 Nov 2017	100%	Allfunds Bank	962,412	(362,000)	600,412	**600,412**
Fintech Partners, S.L.U.	17 Jan 2018	100%	Fintech Partners	6,704	—	6,704	**6,704**
CS - Investlab AG	26 March 2020	100%	Allfunds Investlab	158,264	—	163,432	**171,467**
Nordic Fund Market	31 Oct 2019	100%	Allfunds Sweden	18,155	—	19,041	**17,548**
BNPP LPA Business	2 Oct 2020	100%	BNPP LPA Business	232,447	—	218,570	**218,570**
InstiHub Analytics Limited	4 May 2022	100%	InstiHub Analytics Limited	6,616	—	—	**6,439**
Web Financial Group	31 May 2022	100%	Web Financial Group	107,722	—	—	**107,722**
Total				1,492,320	(362,000)	1,008,159	**1,128,862**

Presented in the table below is an analysis of Goodwill and Other Intangible Assets as at 31 December 2022 and 31 December 2021.

	Goodwill EUR ('000s)	IT developments EUR ('000s)	IT technological platform EUR ('000s)	Current relations with clients EUR ('000s)	Current relations with clients through cooperation agreement EUR ('000s)	Brand name EUR ('000s)	Sub-distribution agreement EUR ('000s)	Current relations with clients through Exclusivity agreement EUR ('000s)	Total EUR ('000s)
Cost:									
Brought forward 1.1.22	**1,370,159**	**86,877**	**208,633**	**486,102**	**579,216**	**47,603**	**161,000**	**104,056**	**3,043,646**
Additions	**—**	**37,408**	**—**	**—**	**—**	**—**	**—**	**—**	**37,408**
Incorporated by business combinations	**114,338**	**15,917**	**1,917**	**35,752**	**—**	**—**	**—**	**—**	**167,924**
Translation differences and others	**6,365**	**67**	**—**	**5,832**	**4,937**	**—**	**—**	**—**	**17,201**
Carried forward 31.12.22	**1,490,862**	**140,269**	**210,550**	**527,686**	**584,153**	**47,603**	**161,000**	**104,056**	**3,266,179**
Accumulated amortisation:									
Brought forward 1.1.22	**—**	**(37,544)**	**(154,506)**	**(110,578)**	**(132,949)**	**(11,863)**	**(20,797)**	**(8,965)**	**(477,202)**
Charge for the year	**—**	**(22,367)**	**(40,728)**	**(32,814)**	**(38,459)**	**(2,885)**	**(16,772)**	**(7,094)**	**(161,119)**
Translation differences and others	**—**	**—**	**—**	**—**	**(4,937)**	**—**	**—**	**—**	**(4,937)**
Carried forward 31.12.22	**—**	**(59,911)**	**(195,234)**	**(143,392)**	**(176,345)**	**(14,748)**	**(37,569)**	**(16,059)**	**(643,258)**
Impairment losses:									
Brought forward 1.1.22	**(362,000)**	**(7)**	**(1,301)**	**—**	**—**	**—**	**—**	**—**	**(363,308)**
Charge for the year	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**
Carried forward 31.12.22	**(362,000)**	**(7)**	**(1,301)**	**—**	**—**	**—**	**—**	**—**	**(363,308)**
Net book value	**1,128,862**	**80,351**	**14,015**	**384,294**	**407,808**	**32,855**	**123,431**	**87,997**	**2,259,613**
Fully amortised	**—**	**10,439**		**—**	**—**	**—**	**—**	**—**	**10,439**

	Goodwill EUR ('000s)	IT developments EUR ('000s)	IT technological platform EUR ('000s)	Current relations with clients EUR ('000s)	Current relations with clients through cooperation agreement EUR ('000s)	Brand name EUR ('000s)	Sub-distribution agreement EUR ('000s)	Current relations with clients through Exclusivity agreement EUR ('000s)	Total EUR ('000s)
Cost:									
Brought forward 1.1.21	1,364,105	61,758	208,633	485,858	571,946	47,603	175,636	104,056	3,019,595
Additions	—	25,119	—	—	—	—	—	—	25,119
Translation differences and others	6,054	—	—	244	7,270	—	(14,636)	—	(1,068)
Carried forward 31.12.21	1,370,159	86,877	208,633	486,102	579,216	47,603	161,000	104,056	3,043,646
Accumulated amortisation:									
Brought forward 1.1.21	—	(24,100)	(113,778)	(78,232)	(94,490)	(8,978)	(4,391)	(1,871)	(325,839)
Charge for:									
Charge for the year	—	(13,444)	(40,728)	(32,814)	(38,459)	(2,885)	(16,772)	(7,094)	(152,196)
Disposals	—	—	—	—	—	—	—	—	—
Other movements	—	—	—	467	—	—	366	—	833
Carried forward 31.12.21	—	(37,544)	(154,506)	(110,578)	(132,949)	(11,863)	(20,797)	(8,965)	(477,202)
Impairment losses:									
Brought forward 1.1.21	(362,000)	(7)	(750)	—	—	—	—	—	(362,757)
Charge for the year	—	—	(551)	—	—	—	—	—	(551)
Carried forward 31.12.21	(362,000)	(7)	(1,301)	—	—	—	—	—	(363,308)
Net book value	1,008,159	49,326	52,826	375,524	446,267	35,740	140,203	95,091	2,203,136
Fully amortised	—	10,018	—	—	—	—	—	—	10,018

Impairment Testing

At least once per year (or whenever there is any indication of impairment), the Group reviews goodwill for impairment (that is, a potential reduction in its recoverable amount to below its carrying amount) (see Note 3c). The first step that must be taken in order to perform this analysis is to identify each separate CGU, that is, the Group's smallest identifiable group of assets that generate cash inflows that are largely independent of the cash inflows from other assets or other group of assets. The carrying amount of each CGU is determined taking into consideration the carrying amount (including any fair value adjustment arising on the business combination) of all the assets and liabilities of all the independent legal entities composing the CGU, together with the related goodwill. The carrying amount of the CGU to be recovered is compared with its recoverable amount in order to determine whether there is any impairment.

The carrying amount of goodwill acquired through business combinations has been allocated to each CGU below, which are all included within the Platform Revenue operating and reportable segment.

The Group's directors assess the existence of any indication that might be considered to be evidence of impairment of the CGU by reviewing information including the following: (i) certain macroeconomic variables that might affect its investment (political situation and economic situation, among others) and (ii) various microeconomic variables comparing the Group's investment with the financial services industry of the country in which the CGU conducts most of its business activities (off-balance-sheet intermediated funds, net fees and commissions, earnings, among others). Regardless of whether there is any indication of impairment, every year the Group calculates the recoverable amount of each CGU to which goodwill has been allocated and, to this end, it uses internal estimates and appraisals performed by independent experts. The Group performed its annual impairment test as at 31 December 2022.

The recoverable amount of an asset is the higher of the asset's or CGU's fair value less costs of disposal and its value in use. The value in use has been calculated using discounted cash flow projections ("DCF") or the dividend discount model ("DDM"), depending upon the CGU. The purpose of impairment testing is to determine whether the recoverable amount is greater than the carrying amount. If it is greater – based on either fair value less costs of disposal or value in use – then there is no requirement to refine the determination of the recoverable amount to a single number. However, if it is not greater, then more detailed work is required to determine the recoverable amount in order to calculate the impairment loss. Therefore, it is not always necessary to determine both a CGU's fair value less costs of disposal and value in use. In the case of all five of the CGUs tested for impairment, the value in use of the CGU is greater than its carrying amount, thus only the value in use has been calculated.

The dividend discount model was determined to be best suited to valuing the Allfunds Bank, Allfunds Investlab, Allfunds Sweden and BNPP LPA Business CGUs, while the discounted cash flow method was determined to be the best valuation method for the Fintech Partners CGU. The dividend discount model is best suited for financial institutions.

In order to obtain the actual value of the business, the income is discounted to a present date at a discount rate based on the cost of equity. The discounted cash flow method is accepted by valuation experts from both a theoretical and a practical perspective, as it effectively incorporates all the factors that affect the value of a business into the result of the valuation. The discounted cash flow method considers the operating results as well as the capital expenditures and working capital policies to calculate a business capacity of generating free cash flow. In order to obtain the actual value of the business, free cash flows are discounted to a present date at a weight average cost of capital (WACC).

In all cases, the valuation has been performed, following a mid-year discounting assumption as it is considered that there is no special seasonality in the business. Furthermore, although limitations in comparability exist, value in use calculated is within the range of comparable listed companies and comparable transactions analysed.

Following the PPA analysis performed for both Web Financial Group and Instihub Analytics Limited, there were no indications of any impairment required for the period from date of acquisition to 31 December 2022.

See below for further details on the impairment testing methodology performed for each CGU:

2022

CGU	Value in Use	Discount Rate	Ke / WACC	Growth Rate
Allfunds Bank	Dividend discount model (DDM)	Cost of equity (Ke)	**9.80%**	**2.80%**
Allfunds Investlab	Dividend discount model (DDM)	Cost of equity (Ke)	**7.80%**	**2.80%**
Fintech Partners	Discounted cash flow method (DCF)	Weighted average cost of capital (WACC)	**13.10%**	**2.10%**
Allfunds Sweden	Dividend discount model (DDM)	Cost of equity (Ke)	**10.50%**	**2.80%**
BNPP LPA Business	Dividend discount model (DDM)	Cost of equity (Ke)	**11.50%**	**2.80%**

2021

CGU	Value in Use	Discount Rate	Ke / WACC	Growth Rate
Allfunds Bank	Dividend discount model (DDM)	Cost of equity (Ke)	7.60%	2.80%
Allfunds Investlab	Dividend discount model (DDM)	Cost of equity (Ke)	6.80%	2.80%
Fintech Partners	Discounted cash flow method (DCF)	Weighted average cost of capital (WACC)	12.30%	1.80%
Allfunds Sweden	Dividend discount model (DDM)	Cost of equity (Ke)	9.40%	2.80%
BNPP LPA Business	Dividend discount model (DDM)	Cost of equity (Ke)	9.49%	2.80%

Assumptions

Discount Rate

The present value of the future distributable dividends has been calculated using a discount rate for the cost of capital of the business (Ke). Such rate reflects the yield demanded by investors for investments with a similar risk to the business being valued. For its determination the Capital Asset Pricing Model ("CAPM") has been used. When discounting future distributable dividends, only a post-tax discount rate could be used.

In determining value in use, projected future cash flows are discounted using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. The WACC shown above and applied to the DCF model has been determined specific to projected future cash flows to be generated by the relevant CGU and it has been considered that this discount rate is one that a market participant would use.

Perpetual Growth Rate

The determination of the perpetual growth rate for the calculation of the terminal value in the DDM and DCF has been prepared based on market data. Management's experts have reviewed broker reports of listed comparable companies belonging to the asset management industry, which have been issued close to the valuation date, in order to obtain a market consensus of the perpetuity growth rates assumed by analysts on their valuations.

Other Business Assumptions

Business plans

Annually business plans are prepared, normally for a duration of four year periods, and which are approved by management. These business plans are used to calculate both future profitability and projected cash flow movements for each separate CGU.

AuA evolution

The volume flows have been estimated by the Company according to its best estimate of its capacity to capture assets under management, both from migrations of other clients and from organic growth of current clients (including former shareholders). The market effect has been estimated by the Company in line with the rest of AFB's branches, based on their best understanding of the overall expected performance evolution of the equities and fixed income.

Fee and commission income

The fee evolution has been forecast by the Group based on their best estimate of the margin and remunerated AuA. In addition, this takes into account the movement in some CGUs from a revenue model based on set-up fees toward a new model based on recurring revenue.

Expenses

Expenses have been projected by the Group considering the current cost structure of the Group and are expected to evolve considering the Group's needs, improved efficiency driven by the digitalisation of services offered and forecast inflationary scenarios.

The Company's capital requirements are only applicable to the CGU where the DDM model has been applied.

Allfunds Bank CGU – The Company's capital necessities and the target Common Equity Tier ("CET") ratio has been projected to be 17.5% plus the required counter cyclical buffer, which is in line with the Company's commitment and the consensual agreement with the Bank of Spain.

Recoverable Amount

The carrying amount of a CGU should be determined in a way that is consistent with the way that the recoverable amount of the CGU is determined. For Allfunds Bank, Allfunds Investlab, Allfunds Sweden and BNPP LPA Business, the recoverable amount of the CGU has been determined using the DDM, based on income statement projections, and the carrying amount of all the assets and liabilities allocated to the cash-generating unit should be used in determining the cash-generating unit's carrying amount. For Fintech Partners, the DCF projections include outflows and inflows in respect of tangible assets, intangible assets and working capital. Therefore, the carrying amount of the CGU that is used to determine the recoverable amount includes the related assets and liabilities.

Sensitivity Analysis

The Directors note that the estimations regarding the discount rate (Ke or WACC) and perpetual growth rate (g) factors could move and therefore have deemed it appropriate to consider the below sensitivity analysis for each CGU:

Allfunds Bank	Increase in Ke of 2.2%	Decrease in Ke of 2.8%	Increase in g of 0.2%	Decrease in g of 0.2%
Revised factor	12.0%	7.0%	3.0%	2.6%
Recoverable value (EUR ('000s))	2,568,000	5,733,000	3,490,000	3,320,000
Impairment needed	No	No	No	No

Allfunds Investlab	Increase in WACC of 1.0%	Decrease in WACC of 1.0%	Increase in g of 0.3%	Decrease in g of 0.3%
Revised factor	8.8%	6.8%	3.1%	2.5%
Recoverable value (EUR ('000s))	626,500	921,000	784,500	708,800
Impairment needed	No	No	No	No

Fintech Partners	Increase in WACC of 0.5%	Decrease in WACC of 0.5%	Increase in g of 0.5%	Decrease in g of 0.5%
Revised factor	13.6%	12.6%	2.6%	1.6%
Recoverable value (EUR ('000s))	47,539	51,739	51,183	48,050
Impairment needed	No	No	No	No

Allfunds Sweden	Increase in Ke of 1.5%	Decrease in Ke of 1.5%	Increase in g of 0.3%	Decrease in g of 0.3%
Revised factor	12.0%	9.0%	3.1%	2.5%
Recoverable value (EUR ('000s))	33,900	51,800	42,600	39,700
Impairment needed	No	No	No	No

BNPP LPA Business	Increase in Ke of 1.5%	Decrease in Ke of 1.0%	Increase in g of 0.2%	Decrease in g of 0.3%
Revised factor	13.0%	10.5%	3.0%	2.5%
Recoverable value (EUR ('000s))	773,000	1,018,000	917,000	876,000
Impairment needed	No	No	No	No

As shown below, the recoverable amount exceeded the carrying amount of the investments for each CGU and therefore, no impairment is required.

CGU	31 Dec 2022 EUR ('000s) Carrying value	Recoverable amount	Impairment required on goodwill
Allfunds Bank	**1,519,000**	**3,389,000**	**–**
Allfunds Investlab	**316,966**	**744,364**	**–**
Fintech Partners	**9,678**	**49,545**	**–**
Allfunds Sweden	**13,374**	**41,099**	**–**
BNPP LPA Business	**508,000**	**903,000**	**–**

As referred to earlier, the Group's directors assess the existence of any indication that might be considered to be evidence of impairment of the CGUs by reviewing various macroeconomic and microeconomic data. For the current financial statements, the assessment was carried out as of 31 December 2022. In this regard, and in light of recent events concerning credit institutions in both the United States of America and Europe, the directors will continue to review and assess such indications and the potential effect in the carrying amount of goodwill and intangible assets in future impairment assessments, especially those originated in the business combination of CS- Investlab AG . In this sense, the Group's exclusivity agreements remain in place and are enforceable until their expiration date, regardless of any potential changes in the ownership structure of the customers with whom these agreements were signed. In addition, as stated in note 5, no single customer contributed 10% or more to the Allfunds Group´s revenue.

11. Business Combinations

Acquisitions in 2022

InstiHub Analytics

Description of the transaction

On 4 May 2022, the Group, through its fully owned subsidiary Allfunds Digital, S.L.U., obtained control over InstiHub Analytics Limited, now renamed Allfunds Data Analytics Limited, purchasing all of its shares from a third party for a total of EUR 12,391 thousand. Allfunds Digital, S.L.U. acquired 100% of the share capital of InstiHub Analytics Limited.

InstiHub Analytics Limited provides bespoke data solutions to derive distribution focused commercial insights for stakeholders of the asset management industry globally in two areas:

(i) sales led generation and planning and

(ii) actual transacted pricing institutional and sub-advisory mandates.

An initial payment amounting to EUR 7,643 thousand was made on 4 May 2022 and according to the share purchase agreement signed on that date the following payment schedule was established.

	Thousands of Euros				
	31 December 2022	31 December 2023	31 December 2024	31 December 2025	Total
Chief Executive Officer (*)	**653**	**653**	**653**	**653**	**2,612**
Other shareholders	**534**	**534**	**534**	**534**	**2,136**
Total	**1,187**	**1,187**	**1,187**	**1,187**	**4,748**

(*) Also, shareholder of InstiHub Analytics Limited.

The Group has considered payments to the Chief Executive Officer as a separate transaction under IFRS 3.51 due to the fact the remuneration is forfeited if the Chief Executive Officer leaves. Payments to the other shareholders are part of the consideration transferred and measured at fair value except for the 2025 payments whose performance obligation and KPIs are estimated as remote to be fulfilled by the Management. The assets and liabilities of InstiHub Analytics Limited recognised on the acquisition date were provisionally accounted for as follows:-

	4 May 2022 Eur Thousand Unaudited
Assets	
Cash, cash balances at Central Bank and other demand deposits	692
Financial assets at amortised cost	164
Tangible assets	5
Intangible assets	455
Tax assets	1
Other assets	14
Total Assets	1,331
Liabilities	
Financial liabilities at amortised cost	(29)
Tax liabilities	(2)
Other liabilities	(734)
Total Liabilities	**-765**
Net Assets	**566**

Assets arising from the business acquisition

In this business acquisition, different assets were revealed as a consequence of the higher price paid on the net assets acquired. In this sense, as of 31 December 2022, the Group had completed the process of assigning the purchase price of the business of InstiHub Analytics Limited, taking into consideration the report made by an independent expert. Consequently, as of 31 December 2022, the following provisional assets have been disclosed at the acquisition date:

	4 May 2022 Thousands of Euros
Consideration transferred	9,204
Less: Fair value of the net assets acquired	(566)
Emerged goodwill arising in this business combination	**8,638**
Current relations with clients	(1,157)
Technological platform	(1,339)
Deferred tax liabilities	474
Goodwill	**6,616**

Acquisition related costs are expensed as incurred and included in other expenses. During the year to 31 December 2022 EUR 1,066 thousand was expensed.

The results of the acquired business contributed from the date of acquisition to 31 December 2022 were not significant. Similarly the results of the acquired business from 1 January 2022 to 31 December 2022 were not significant.

Web Financial Group

Description of the transaction

On 31 May 2022, Allfunds Bank, S.A.U., through its subsidiary Allfunds Digital, S.L.U., entered into an agreement with third parties to acquire Web Financial Group, S.A. (the Company), now renamed Allfunds Tech Solutions, S.A.U., a European financial technology company and provider of software solutions to the wealth management sector. Allfunds Digital, S.L.U. obtained control of the Company on that date and the aggregate fair value consideration to be paid for the acquisition was an amount equal to the closing price of EUR 129,713 thousand, of which was agreed to be retained by the Group due to potential contingencies of an amount of EUR 5,676 thousand.

The assets and liabilities recognised on the acquisition date were provisionally accounted for as follows:

	31 May 2022 Eur Thousand Unaudited
Assets	
Cash, cash balances at Central Bank and other demand deposits	5,111
Financial assets at amortised cost	8,604
Tangible assets	378
Intangible assets	15,462
Other assets	1,325
Total Assets	30,880
Liabilities	
Financial liabilities at amortised cost	(14,569)
Other liabilities	(20,700)
Total Liabilities	(35,269)
Net Liabilities	(4,389)

Assets arising from the business acquisition

In this business acquisition, different assets were revealed as a consequence of the higher price paid on the net assets acquired. In this sense, as of 31 December 2022, the Group had completed the process of assigning the purchase price of the business of Web Financial Group, S.A. , taking into consideration the report made by an independent expert. Consequently, as of 31 December 2022, the following provisional assets have been disclosed at the acquisition date:

	31 May 2022 Thousands of Euros
Consideration transferred	129,713
Less: Fair value of the net assets acquired	4,389
Emerged goodwill arising in this business combination	**134,102**
Current relations with clients	(34,595)
Technological platform	(578)
Deferred tax liabilities	8,793
Goodwill	**107,722**

Acquisition related costs are expensed as incurred and included in other expenses. During the year to 31 December 2022 EUR 3,702 thousand were expensed.

The results of the acquired business from the date of acquisition to 31 December 2022 were not significant. Similarly the results of the acquired business from 1 January 2022 to 31 December 2022 were not significant.

Acquisitions in 2021

There were no business combinations arising in 2021.

12. Financial Assets held at Amortised Cost

	31 Dec 2022 EUR ('000s)	31 Dec 2021 EUR ('000s)
Non-current assets		
Receivables from customers	**795**	957
	795	957
Current assets		
Time deposits from credit institutions	**153,928**	61,051
Receivables from customers	**280,877**	169,524
Balances required to be held at Central Banks	**12,871**	14,675
Debt securities	**4,966**	—
	452,642	245,250
Total	**453,437**	246,207

The time deposits from credit institutions are all of a short-term nature with the majority due in a period of three months or less.

The receivable balances due from customers is also of a short-term nature with the majority due on demand derived from the intermediation business.

The balances required to be held with Central Banks refer to regulatory minimum cash balances which must be held at the Central Banks for a period of at least 30 days.

The debt securities are treasury bills held for short-term purposes with maturity in May 2023.

Financial assets classified as financial assets at amortised cost and collectively estimated to be impaired due to credit risk on 31 December 2022 amounted to EUR 15,916 thousand (EUR 15,916 thousand at 31 December 2021), relating entirely to the commissions of shares from Collective Investment Undertakings pending collection at that date, all of which had maturities of more than 90 days after closing agreements.

In the year ended 31 December 2022 the expense incurred by the Group in relation to impairment losses amounted to EUR 9,040 thousand (year to 31 December 2021 EUR 6,043), (see Note 32). All the impairment losses are assigned to receivables as the rest of financial assets at amortised cost are composed of short-term deposits with Central Banks and high quality Credit Institutions.

On 31 December 2022 and 31 December 2021, the Group did not hold any financial assets classified as loans and receivables and considered to be written-off assets.

13. Contract Assets

Contract assets represent accrued fees, commissions, and service revenues pursuant to IFRS 15. Accrued fees relate to UCIs distribution services rendered to Fund Houses and the amounts that were pending to be invoiced as at 31 December 2022 were EUR 622,880 thousand (31 December 2021: EUR 713,562 thousand).

The accrued amount of EUR 713,562 thousand as at 31 December 2021 was included in the invoiced amounts which were received during the year ended 31 December 2022 (31 December 2020 EUR: 435,606 thousand invoiced during the year to 31 December 2021).

14. Tax Assets

Included within the tax assets are the below balances:

	31 Dec 2022 EUR ('000s)	31 Dec 2021 EUR ('000s)
Current tax assets:		
Allfunds Bank, S.A.U.	**167**	6,695
Allfunds Bank, Milan branch	**18,915**	—
Allfunds Bank S.A. Singapore branch	**6**	7,275
Allfunds Bank Stockholm branch	**9**	1,197
Allfunds Bank Luxembourg branch	**—**	4,890
Allfunds Bank Paris branch	**930**	2,793
Other	**517**	378
	20,544	23,228
Deferred tax assets:		
Non-deductible depreciation and amortisation (Allfunds Bank)	**426**	188
Non-tax-deductible provisions (Allfunds Bank)	**1,304**	474
Deferred tax assets – Business combinations CS InvestLab (*)	**48,512**	51,263
Deferred Tax assets – Business combinations BNP Italian tax step-up (**)	**57,824**	72,281
Other related to Allfunds Bank subsidiaries and branches	**1,255**	1,210
Other related to Allfunds Tech Solutions	**848**	—
	110,169	125,416
Total	**130,713**	148,644

(*) "Deferred Tax Assets – Business combinations CS InvestLab acquisition" includes the tax asset of EUR 48,512 thousand arising in the business combination through which the distribution business of Credit Suisse was acquired. This tax asset amounted to EUR 64,915 thousand. In the year to 31 December 2022 EUR 4,788 thousand has been amortised (year to 31 December 2021 EUR 4,925) and there has been a net valuation adjustment for foreign exchange differences of EUR 2,037 thousand.

(**) "Deferred Tax Assets – Business combination BNP - BC (Italian tax step-up)" includes the tax assets arising as a consequence of the tax step-up election made by Allfunds Bank Milan branch and its entitlement, as from 2022, to amortise for tax, not for accounting purposes, the BC goodwill over a five-year period. The tax asset amounted to EUR 72,281 thousand of which EUR 14,456 thousand has been amortised in the year to 31 December 2022.

	Balance as at 1 Jan 2022	Impact in SOFP	Impact in SOCI	Acquisition for the year	Balance as at 31 Dec 2022
Non-deductible depreciation and amortisation (Allfunds Bank)	188	—	(62)	300	**426**
Non-tax-deductible provisions (Allfunds Bank)	474	—	830	—	**1,304**
Tax assets – Business Combination CS Investlab (*)	51,263	2,433	(5,184)	—	**48,512**
Tax assets – Business Combination BNP Italian tax step up	72,281	—	(14,456)	—	**57,824**
Other tax credits of Allfunds Bank subsidiaries and branches	1,180	(90)	166	—	**1,255**
Allfunds Tech Solutions	—	—	—	848	**848**
Other	30	(30)	—	—	**—**
Total	125,416	2,313	(18,708)	1,148	**110,169**

	Balance as at 1 Jan 2021	Impact in SOFP	Impact in SOCI	Acquisition for the year	Balance as at 31 Dec 2021
Non-deductible depreciation and amortisation (Allfunds Bank)	251	—	(63)	—	**188**
Non-tax-deductible provisions (Allfunds Bank)	182	—	35	257	**474**
Tax assets – Business Combination CS Investlab (*)	54,388	1,800	(4,925)	—	**51,263**
Tax assets – Business Combination BNP Italian tax step up	—	—	—	72,281	**72,281**
Other tax credits of Allfunds Bank subsidiaries and branches	291	—	(199)	1,088	**1,180**
Other	—	—	—	30	**30**
Total	55,112	1,800	(5,152)	73,656	**125,416**

(*) Valuation adjustments made in application of IAS 21

The Group has not recognised a deferred tax asset for tax losses in Singapore of EUR 20,672 thousand as at 31 December 2021 (EUR 18,267 thousand as of 31 December 2020); Spain – Liberty Partners, S.L.U. EUR 59,930 thousand as of 31 December 2021 (EUR 62,138 thousand as of 31 December 2020); UK EUR 0 thousand as of 31 December 2021 (EUR 499 thousand as of 31 December 2020) and Switzerland EUR 179,140 thousand as of 31 December 2021 (EUR 110,817 thousand as of 31 December 2020).

Tax losses can be carried forward indefinitely, except in the case of Switzerland, where there is a 7 year limitation period for their use.

15. Other Assets

	31 Dec 2022 EUR ('000s)	31 Dec 2021 EUR ('000s)
Sundry accounts	**6,793**	9,908
Prepaid expenses	**1,435**	2,876
Total	**8,228**	12,784

16. Cash and Cash Equivalents

	31 Dec 2022 EUR ('000s)	31 Dec 2021 EUR ('000s)
Cash at bank and in hand	**15**	12
Cash balances at Central Banks	**948,234**	1,306,516
Other demand deposits	**675,092**	886,102
Total	**1,623,341**	2,192,630

Cash and cash equivalents comprise cash all available on demand. There are no restricted cash amounts and the carrying amount of these assets is approximately equal to their fair value.

17. Financial Liabilities held at Amortised Cost

	31 Dec 2022 EUR ('000s)	31 Dec 2021 EUR ('000s)
Non-current liabilities		
Revolving credit facility	**193,977**	47,250
	193,977	47,250
Current liabilities		
Demand accounts from credit institutions	**573,423**	706,015
Demand accounts from non-credit instiutions	**786,531**	925,265
Other financial liabilities	**412,043**	578,860
	1,771,997	2,210,140
Total	**1,965,974**	2,257,390

The revolving credit facility ("RCF") is included in the non-current liabilities and was entered into by the Company during 2021 and has a total capacity of EUR 550,000 thousand and is valid until 2025. As at 31 December 2022, the total amount drawn on the facility was EUR 196,000 thousand (31 December 2021: EUR 50,000 thousand). Interest expense incurred on the RCF during the year ended 31 December 2022 was EUR 5,778 thousand (31 December 2021: EUR 2,341 thousand).

All other balances included within current demand accounts from credit institutions, and non-credit institutions, are regarding platform activities, and both are a short-term nature being due on demand.

Other financial liabilities contain funds temporarily held on behalf of Distributors due to orders of transfers of investments in UCIs received, which were yet to be settled at the period end, tax collection accounts due in 30 days, and other payment obligations. Also, included in other financial liabilities is the payment obligation in relation to the transitional services agreement with BNP Paribas of EUR 1,951 thousand as at 31 December 2022 (EUR 15,875 thousand as at 31 December 2021). Finally, as at 31 December 2022 nothing is included in other financial liabilities in respect of pending dividend payments (31 December 2021: included EUR 185,000 thousand pending dividend payment due to the former shareholders).

18. Contract Liabilities

Contract Liabilities represent accrued expenses and unexpired costs at year-end related to a type of fee contract generally referred to as the rebate model. The accrued liability represents the net amount to be paid to the Distributors, after the Allfunds Group has kept a margin on the gross amount paid by the Fund Houses. The amounts pending to be settled to the Distributors as at 31 December 2022 were EUR 522,095 thousand (31 December 2021: EUR 601,710 thousand).

The amount accrued of EUR 601,710 thousand as at 31 December 2021 was included in the invoiced amounts paid during the year ended 31 December 2022. (EUR 352,159 thousand accrued as at 31 December 2020 was invoiced and and paid during the year ended 31 December 2021).

19. Tax Liabilities

	31 Dec 2022 EUR ('000s)	31 Dec 2021 EUR ('000s)
Current tax liabilities	**29,109**	52,104
Deferred tax liabilities		
Arising in business combinations (Notes 10 and 11)		
Allfunds Bank, S.A.U.	**167,909**	194,028
Allfunds Digital, S.L.U.	**698**	859
CS Investlab	**26,351**	28,031
Nordic Fund Market	**249**	293
Allfunds Tech Solutions Group	**8,523**	—
Allfunds Data Analytics Limited	**411**	—
Other	**7**	8
	204,148	223,219
Total	**233,257**	275,323

The balance of "Tax Liabilities – Current Tax Liabilities" in the accompanying consolidated statement of financial position includes mainly the income tax payable generated in Spain, Italy, Luxembourg, and the UK.

20. Provisions

The breakdown of the provisions recognised in the consolidated statement of financial position at year-end and the main changes during the year:

Provisions	Thousands of Euros					
	Opening balance	Other adjustments due to business combinations	Charge for the year	Decrease due to interest cost	Amounts used	Closing balance
Pension and other post-employment defined benefit obligations	**1,690**	**—**	**—**	**(974)**	**—**	**716**
Other long-term employee remuneration	**—**	**—**	**—**	**—**	**—**	**—**
Outstanding tax court proceedings and lawsuits	**—**	**—**	**—**	**—**	**—**	**—**
Commitments and guarantees given	**—**	**—**	**—**	**—**	**—**	**—**
Other provisions	**200**	**—**	**—**	**—**	**—**	**200**
Total	**1,890**	**—**	**—**	**(974)**	**—**	**916**

Provisions	Thousands of Euros					
	Opening balance	Other adjustments due to business combinations	Charge for the year	Unwind of discount	Amounts used	Closing balance
Pension and other post-employment defined benefit obligations	—	601	1,243	89	(243)	1,690
Other long-term employee remuneration	—	—	—	—	—	—
Outstanding tax court proceedings and lawsuits	—	—	—	—	—	—
Commitments and guarantees given	—	—	—	—	—	—
Other provisions	—	—	200	—	—	200
Total	—	601	1,443	89	(243)	1,890

Long-term defined benefit remuneration

The breakdown of the present value of the commitments assumed by the Group with respect to post-employment and other long-term remuneration, of the plan assets held to cover those obligations and of unrecognised past service cost at year-end 2022 is provided in the table below:

	31 Dec 2022 EUR ('000s)	31 Dec 2021 EUR ('000s)
Present value of obligations	**10,760**	12,185
Less: Fair value of plan assets	**(10,044)**	(9,252)
Less: Unrecognised prior service cost	**—**	(1,243)
Non-current provisions – Non-current employee benefit obligations (asset)	**716**	1,690

The present value of the commitments was determined by qualified independent actuaries, who used the following criteria for valuation purposes:

- Calculation method: the "projected credit unit" method, which contemplates each year of service as generating an additional unit of right to the benefits and values each unit separately.
- Actuarial assumptions made: unbiased and mutually compatible.

The most significant actuarial assumptions used in the experts' calculations were the following:

Actuarial assumptions	2022	
	Switzerland	Italy
Discount rate (*)	3%	3.77%
Mortality and life expectancy tables	BVG 2020. 2017 Mortality Tables	RG48
Rate of growth in social security tax limit	0,94%	2.50%
Expected return on plan assets	1,75%	n.a

(*) Discount rate based on the yield curve on a pool of corporate bonds denominated in Euros carrying AA ratings from the three main ratings agencies (Standard & Poor's, Moody's and Fitch) with maturities as of the valuation date equal to or longer than the duration of the commitments assumed.

The rates used to discount the future cash flows were determined using high-quality corporate bonds denominated in each currency.

The expected return on the plan assets is in line with the chosen discount rates.

The retirement ages for the various commitments are set at the earliest date to which employees become entitled to retire, the contractually stipulated date in the case of early retirements or using retirement tables.

Changes in the key assumptions could affect the measurement of the Group's obligations. The table below provides an analysis of how sensitive the measurement is to changes in the key inputs:

Sensitivity analysis (thousands of Euros)

	Change in basis points	2022	
		Increase	Decrease
Discount rate	0,25%	**(391)**	**434**
Wage growth rate	0,25%	**52**	**(49)**
Increase in obligation per year of effective service	1 year	**(393)**	**400**

The sensitivity analysis was performed as of the date of the consolidated financial statements and provides the individual impact of changes in each of the assumptions, keeping all other variables constant, such that it excludes potential combined effects.

Below is a summary of the movements in the commitments that affected the amounts recognised on the consolidated statement of financial position in respect of the post-employment commitments assumed with current and former employees and other long-term remuneration obligations in 2022:

2022:

	Post-employment commitments		
	Defined benefit obligations	Plan assets	Net obligation/ (asset)
Balance at 1 January 2022	**10,942**	**(9,252)**	**1,690**
Amounts recognised with a balancing entry in profit or loss.			
Staff costs - Ordinary expense for the year	**821**	**—**	**821**
Finance costs	**67**	**—**	**67**
Change in value recognised in equity	**(1,982)**	**1,032**	**(950)**
Exchange differences and other	**424**	**(424)**	**—**
Contributions	**344**	**(1,143)**	**(799)**
Payments made	**144**	**(257)**	**(113)**
Balance at 31 December 2022	**10,760**	**(10,044)**	**716**

	Post-employment commitments		
	Defined benefit obligations	Plan assets	Net obligation/ (asset)
Balance at 1 January 2021	8,858	(8,858)	—
Amounts recognised with a balancing entry in profit or loss.	601	—	601
Staff costs - Ordinary expense for the year	852	—	852
Return on plan assets	—	(334)	(334)
Addition to provisions (net)	1,149	—	1,149
Adjustments in equity	219	(200)	19
Other	(884)	1,145	261
Contributions	296	(1,005)	(709)
Payments made	(149)	—	(149)
Balance at 31 December 2021	10,942	(9,252)	1,690

The Switzerland pension fund has invested into equity instruments 47%, real estate 30%, debt instruments 10%, cash 5% and others 8%.

21. Other Liabilities

	31 Dec 2022 EUR ('000s)	31 Dec 2021 EUR ('000s)
Accrued variable remuneration costs	**14,413**	30,111
Trade payables	**12,570**	24,110
Other payables	**5,778**	10,941
Total	**32,761**	65,162

Accrued variable remuneration costs represent the accrual for the portion of employee compensation which is dependent upon performance during the year and is paid in a lump sum on an annual basis, subsequent to calendar year-end.

Trade payables are unsecured and are usually paid within 30 days of recognition. The carrying values of trade and other payables are considered to be the same as their fair values, due to their short-term nature.

22. Share Capital

22.a. Share capital and share premium

	31 Dec 2022 EUR ('000s)	31 Dec 2021 EUR ('000s)
Share Capital		
At 1 January	**1,574**	1,574
Issued during the year	**—**	—
At 31 December	**1,574**	1,574
Share Premium		
At 1 January	**2,060,156**	2,060,156
Premium arising on equity share issuance	**—**	—
Premium reallocation to reserves	**—**	—
At 31 December	**2,060,156**	2,060,156

The Company's total share capital was EUR 1,574 thousand as at 31 December 2022 (31 December 2021: EUR 1,574 thousand) comprising 629,426,348 ordinary shares of EUR 0.0025 per share (31 December 2021 comprised 629,426,348 ordinary shares of EUR 0.0025 per share).

As part of the IPO process that occurred during 2021, each EUR 0.01 share was divided into four EUR 0.0025 shares, with no change to each investor holding in the Company. All of the shares listed on Euronext Amsterdam were previously held by prior shareholders, reducing the ownership percentage of the relevant shareholders, and no new shares were issued as part of the IPO process. Each share has identical voting rights and all of the Company's allotted shares are fully paid up.

22.b. Treasury shares

During the year to 31 December 2022, 1,380,322 ordinary shares were acquired by the Company at a total cost of EUR 10,000 thousand (31 December 2021 no shares had been acquired) which are classified in the consolidated statement of financial position as treasury shares. No treasury shares were disposed of during the year ended 31 December 2022.

In January 2023, the Company delivered 96,029 ordinary shares to the beneficiaries of the 2021 Employee share scheme that had vested on 1 January 2023. These shares were delivered at no cost for the receiving beneficiaries.

22.c. Other reserves

As at 31 December 2022 other reserves were comprised of 1) exchange differences on translation of foreign entities EUR 28,599 (31 December 2021: 14,495 thousand); 2) employee share scheme of EUR 9,895 thousand (31 December 2021: 1,969 thousand); and 3) valuation adjustments related to pension commitments EUR 932 thousand (31 December 2021 nil).

23. Dividends

	31 Dec 2022 EUR ('000s)	31 Dec 2021 EUR ('000s)
First dividend paid during 2022	**185,000**	—
Final dividend paid during 2022	**31,471**	—

During the year to 31 December 2022 the first dividend paid of EUR 185,000 thousand was at EUR 0.2939 per share and the final dividend paid of EUR 31,471 thousand was at EUR 0.05 per share.

On 21 March 2023 Liberty Partners, S.L.U., the direct subsidiary of the Company, agreed to pay an interim dividend of EUR 30,981 thousand from the profits for the financial year ended 31 December 2022. In addition, on the same date Liberty Partners, S.L.U. also agreed to pay an interim dividend of EUR 33,519 thousand from the profits for the financial year ended 31 December 2023. Both dividends, totaling EUR 64,500 thousand were paid to the Company on 22 March 2023.

24. Off-Balance Sheet Items

	31 Dec 2022 EUR ('000s)	31 Dec 2021 EUR ('000s)
Available to third parties:		
Credit Institutions	**85,256**	53,835
Other resident sectors	**2,266**	2,250
Other non-resident sectors	**23,659**	15,242
Total	**111,181**	71,327

Off-balance sheet items as at 31 December 2022 and 31 December 2021 relates to balances representing rights, obligations and other legal situations that in the future may have an impact on net assets, as well as any other balances needed to reflect all transactions performed by the Allfunds Group although they may not impinge on its net assets.

Contingent obligations held by the Allfunds Group which may result in the recognition of financial assets refer in their entirety to credit lines potentially available to third parties which could be drawn up to EUR 111,181 thousand as at 31 December 2022 and EUR 71,327 thousand as at 31 December 2021.

Also, at 31 December 2022 the Allfunds Group held off-balance sheet funds under management relating to units/shares in UCIs amounting to EUR 1,296,038 thousand (31 December 2021: EUR 1,494,464 thousand).

25. Fee, Commission and Service Revenue

Fee, commission and service revenue has been generated by the following segments and recorded by the Group in accordance with IFRS 15:

	2022 EUR ('000s)	2021 EUR ('000s)
Platform revenue: asset based	**2,603,596**	2,534,510
Platform revenue: transaction based	**98,309**	114,047
Subscription and other revenues	**40,107**	20,331
Total revenue	**2,742,012**	2,668,888

Platform revenue includes fees and commissions related with the fund intermediation services, primarily from:

- the marketing of units in collective investments undertakings to asset management houses;
- foreign currency exchange services;
- ETFs intermediation activity;
- correspondent bank services;
- sub-custody services;
- intermediation services to customers where the fees are calculated applying a percentage to the daily assets under administration or distribution held for the account of the Group's customers; and
- transaction fees on subscriptions and redemption orders in units of collective investments undertakings.

Subscription and other revenues is revenue that is not driven by fund intermediation activity, primarily:

- information and research services;
- administration and legal services;
- use of technological financial tools; and
- Digital add-on services including the Web FG business acquired.

26. Fee, Commission and Service Expense

Fee, commission and service expense has been generated by Allfunds Bank, S.A.U. and its subsidiaries and recorded by the Group are as follows:

	2022 EUR ('000s)	2021 EUR ('000s)
Total expenses	**2,247,361**	2,163,199

27. Employee Compensation and Benefits

	2022	2021
Average number of employees during the year:		
Senior	**30**	36
Manager	**198**	128
Technical and general	**721**	707
Total	**949**	871

	2022 EUR ('000s)	2021 EUR ('000s)
Personnel expenses include the following expenses:		
Wages and salaries	**67,415**	94,050
Social security costs	**12,982**	11,618
Expense for defined contributions pension funds	**2,372**	1,794
Termination benefits	**1,298**	325
Employee share schemes	**7,926**	1,969
Training expenses	**411**	550
Other staff costs	**3,143**	2,518
Total	**95,547**	112,824

28. Other Expenses

	2022 EUR ('000s)	2021 EUR ('000s)
Sub-contracted administrative services	**68,626**	65,525
Information technology	**22,757**	19,211
Technical Reports	**10,307**	39,469
Legal and professional	**6,440**	1,991
Communications	**5,754**	6,162
Insurance	**4,859**	3,167
Other	**11,431**	10,569
Total	**130,174**	146,094

Within sub-contracted administrative services included for the year ended 31 December 2022 are EUR 48,585 (EUR 53,409 for the year ended 31 December 2021) that correspond to the transitional services agreements and cooperation agreements with both BNP Paribas and Credit Suisse.

Included within legal and professional costs are M&A transaction related costs of EUR 4,768 thousand for the year ended 31 December 2022 relating to the two acquisitions made in the year as referred to in Note 11 Business Combinations.

The IPO listing costs of the Company are within the Technical reports category and for the year ended 31 December 2021 amounted to EUR 20,916 thousand. Included in these listing costs are EUR 1,155 thousand related to IPO comfort letter services performed by the auditors of the Group.

In addition, included in Technical reports are, amongst others, the fees for audit and other services. The breakdown of these which is included below:

	2022 EUR ('000s)	2021 EUR ('000s)
Audit of financial statements services	**1,528**	1,494
Other assurance services	**303**	177
Other services	**—**	7
Total audit and related services	**1,831**	1,678

29. Other Operating Income/(Expense)

	2022 EUR ('000s)	2021 EUR ('000s)
Other operating income	**8,743**	7,064
Other operating expenses	**(6,601)**	(1,999)
Net (losses) on financial assets and liabilities at FVTPL	**(701)**	(19)
Net exchange differences	**(2,211)**	1,758
Other operating income / (expense)	**(770)**	6,804

Other operating income relate mainly to income from capitalisation of internal staff costs and from proceeds related to operational incidents which were favorably resolved.

Other operating expenses relate mainly to expenses from operational incidents which were not resolved favorably, foreign exchange losses, losses on financial assets and liabilities at fair value, and from contributions to the Single Resolution Board, the Central Resolution Authority within the banking union.

30. Interest Income

	2022 EUR ('000s)	2021 EUR ('000s)
Loans and advances to credit institutions	**6,312**	1,078
Loans and advances to customers	**1,475**	1,758
Other finance income	**358**	1,017
Total	**8,145**	3,853

31. Interest Expense

	2022 EUR ('000s)	2021 EUR ('000s)
Deposits and loans from credit institutions	**7,587**	3,998
Cash balances from central banks	**4,223**	7,803
Lease liabilities	**339**	265
Other	**326**	(24)
Total	**12,475**	12,042

32. Impairment Losses

	2022 EUR ('000s)	2021 EUR ('000s)
Impairment loss on non-financial assets	**1**	730
Impairment loss on financial assets held at amortised cost	**9,040**	6,043
	9,041	6,773

33. Tax Expense

The tax expense recognised by the Group for the year is as follows:

	2022 EUR ('000s)	2021 EUR ('000s)
Allfunds Bank	**24,908**	22,859
Allfunds Bank – Milan branch*	**24,481**	(45,143)
Allfunds Bank – Paris branch	**3,005**	3,847
Allfunds Bank – Luxembourg branch	**6,864**	6,526
Allfunds Bank – Swiss branch**	**273**	541
Allfunds Bank – UK branch	**2,786**	3,649
Liberty Partners	**316**	1,987
Allfunds Group plc	**(2,329)**	(451)
Other	**860**	244
less:		
Deferred tax on intangible assets Allfunds Bank Group	**(192)**	(192)
Deferred tax on intangible assets Liberty Partners Group	**(26,119)**	(26,250)
Deferred tax on intangible assets Digital Group	**(311)**	—
Tax expense / (credit)	**34,542**	(32,383)

* AFB Milan branch has registered a tax income in 2021 to the accounting impact of the tax step-up election
** Upstream cross-border merger of Allfunds Bank International, S.A. into Allfunds Bank, S.A.U. with simultaneous allocations of Luxembourg and Swiss assets and liabilities to new Allfunds Bank Luxembourg and Swiss branches, respectively.

2022	Current tax expense/ (income) EUR ('000s)	Adjustment in respect of current income tax of prior years EUR ('000s)	Deferred tax relating to origination and reversal of temporary differences (*) EUR ('000s)	Total Tax (credit)/expense EUR ('000s)
Allfunds Bank	**22,669**	**55**	**2,184**	**24,908**
Allfunds Bank – Milan branch	**11,301**	**(1,276)**	**14,456**	**24,481**
Allfunds Bank – Paris branch	**3,005**	**—**	**—**	**3,005**
Allfunds Bank – Luxembourg branch	**6,864**	**—**	**—**	**6,864**
Allfunds Bank – Swiss branch	**327**	**(54)**	**—**	**273**
Allfunds Bank – UK branch	**3,214**	**(41)**	**(387)**	**2,786**
Liberty Partners, S.L.U.	**316**	**—**	**—**	**316**
Allfunds Group plc	**(1,075)**	**(1,254)**	**—**	**(2,329)**
Other	**5**	**385**	**470**	**860**
less:				
Deferred tax on intangible assets at Allfunds Bank Group	**—**	**—**	**(192)**	**(192)**
Deferred tax on intangible assets at Liberty Partners Group	**—**	**—**	**(26,119)**	**(26,119)**
Deferred tax on intangible assets at Digital Group	**—**	**—**	**(311)**	**(311)**
Tax expense / (credit)	**46,626**	**(2,185)**	**(9,899)**	**34,542**

* Main input derived from the Italian tax step-up (release of DTL associated to the BC intangibles and recognition of DTA associated to BC goodwill).

2021	Current tax expense/ (income) EUR ('000s)	Adjustment in respect of current income tax of prior years EUR ('000s)	Deferred tax relating to origination and reversal of temporary differences (*) EUR ('000s)	Total Tax (credit)/ expense EUR ('000s)
Allfunds Bank, S.A.U.	20,384	527	1,948	22,859
Allfunds Bank, S.A.U. – Milan branch	31,491	277	(76,911)	(45,143)
Allfunds Bank, S.A.U. – Paris branch	3,853	(6)	—	3,847
Allfunds Bank, S.A.U. – Luxembourg branch	6,815	(289)	—	6,526
Allfunds Bank – Swiss branch	402	139	—	541
Allfunds Bank – UK branch	2,362	1,377	(90)	3,649
Liberty Partners, S.L.U.	1,987	—	—	1,987
Allfunds Group plc	—	(451)	—	(451)
Other	713	(105)	(364)	244
less:				
Tax relief from Liberty Partners, S.L.U. to Allfunds Bank, S.A.U.	—	—	(192)	(192)
Deferred tax on intangible assets	—	—	(26,250)	(26,250)
Tax expense / (credit)	68,007	1,469	(101,859)	(32,383)

* Related mainly to the decrease in the DTAs and DTLs arising at a consolidating level as a result of the PPA in the business combinations performed.

	2022 EUR ('000s)	2021 EUR ('000s)
Consolidated Profit/(loss) before tax	**83,725**	75,352
Consolidation adjustments	**83,092**	154,076
Tax income / expense at UK tax Rate 19%	**31,695**	43,591
Effect on Income by different tax rate by countries	**15,587**	24,664
Prior year adjustments	**(2,185)**	1,469
Deferred expense/(income) tax	**(9,899)**	(101,859)
Others	**(656)**	(648)
Tax expense/(income)	**34,542**	(32,783)

The effective tax rate is as follows:

	2022 EUR ('000s)	2021 EUR ('000s)
Profit/(loss) before tax	**83,725**	75,352
Tax expense/(income)	**34,542**	(32,383)
Effective tax rate	**41.26%**	(42.98%)

34. Earnings per Share

	2022 EUR ('000s)	2021 EUR ('000s)
Profit attributable to ordinary holders	**49,183**	107,735

	31 Dec 2022 Thousands	31 Dec 2021 Thousands
Number of ordinary shares at year end	**629,426**	629,426
Weighted average number of ordinary shares per IAS 33	**629,285**	629,426
EPS (EUR)	**0.0781**	0.1712

Basic EPS is calculated by dividing the profit for the year attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the year, excluding the Treasury Shares acquired by the Company. The EPS as per the Statement of Comprehensive Income for the comparative period has been calculated retroactively, using the number of shares post the share split in accordance with IAS 33.

As the Company has mainly ordinary shares issued with no dilutive potential, diluted EPS equates to basic EPS.

35. Recognised Fair Value Measurement

The methodology used to calculate fair value for each class of financial assets and liabilities is as follows:

- Cash, cash balances at central banks and other demand deposits: relate to financial assets convertible into cash on demand and, accordingly, their fair value was considered to coincide with their carrying amount.
- Trading derivatives (assets and liabilities): the fair value of the trading derivatives was obtained by discounting estimated cash flows based on the forward curves of the respective underlying, quoted in the market.
- Financial assets not designated for trading compulsorily measured at fair value through profit or loss: the amount recognised in this line item relates to equity instruments not listed on organised markets and for which no other valid references for the estimation of fair value were available, as a result of which the Bank recognised them at cost in the consolidated statement of financial position since it was not possible to estimate their fair value reliably. In these cases, the Bank estimated the potential impairment of these instruments on the basis of the equity of the investee, adjusted by the amount of the unrealised gains existing at the date of measurement.
- Financial assets at amortised cost: the fair value of financial assets at amortised cost was obtained using the present value model, which discounts future cash flows to the present, using interest rates based on directly or indirectly observable market data to calculate the discount rate.
- Financial liabilities at amortised cost: these include short-term demand accounts at a fixed interest rate and the revolving credit facility, classed as a long-term financial liability at a variable Euribor interest rate. It was considered that their fair value coincided with their carrying amount since there were no significant differences.

To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under the accounting standards issued by the International Accounting Standards Board. An explanation of each level is as follows:

- Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading and held at fair value through profit or loss securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in Level 1.
- Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on equity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.
- Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3. This is the case for unlisted equity securities.

The following table summarises the valuation of the Group's financial instruments by the fair value hierarchy as detailed above:

	31 Dec 2022		
	Level 1 EUR ('000s)	**Level 2 EUR ('000s)**	**Level 3 EUR ('000s)**
Financial assets at FVTPL	**—**	**2,038**	**674**
Derivative financial assets	**—**	**342**	**—**
Sub-total	**—**	**2,380**	**674**
Derivative financial liabilities	**—**	**(759)**	**—**
Total	**—**	**1,621**	**674**

	31 Dec 2021		
	Level 1 EUR ('000s)	Level 2 EUR ('000s)	Level 3 EUR ('000s)
Financial assets at FVTPL	—	664	—
Derivative financial assets	—	377	—
Sub-total	—	1,041	—
Derivate financial liabilities	—	(396)	—
Total	—	645	—

During the years ended 31 December 2022 and 31 December 2021, the Group did not transfer any financial instruments between Levels 1, 2 or 3.

Financial assets at fair value through profit and loss are comprised of Group equity investments.

36. Leases

The Group has lease contracts for buildings, vehicles, and computer hardware. The Group's obligations under its leases are secured by the lessor's title to the leased assets.

The Group also has leases with lease terms of 12 months or less and leases of office equipment with low value. The Group applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

The carrying amounts of right-of-use assets recognised as at 31 December 2022 comprised of office building EUR 14,798 thousand, vehicles EUR 501 thousand and computer hardware EUR 1,270 thousand. (31 December 2021 comprised office buildings EUR 17,311 thousand, vehicles EUR 627 thousand and computer hardware EUR 1,960 thousand).

Set out below are the maturities of the lease liabilities:

	31 Dec 2022 EUR ('000s)	31 Dec 2021 EUR ('000s)
6 months or less	**3,017**	3,732
6-12 months	**2,672**	3,384
Total current liabilities	**5,689**	7,116
1-5 years	**9,755**	11,549
Over 5 years	**1,400**	1,179
Total non-current liabilities	**11,155**	12,728
Total Liabilities	**16,844**	19,844

The following are the amounts recognised in the consolidated statement of comprehensive income:

	2022 EUR ('000s)	2021 EUR ('000s)
Depreciation expense of right-of-use assets	**7,597**	7,026
Interest expense on lease liabilities	**339**	265
Expenses relating to short-term and low value leases	**664**	731
Total	**8,600**	8,022

The Group had cash outflows for leases of EUR 7,611 thousand for principal payments and EUR 320 thousand of interest payments for the year ended 31 December 2022 (31 December 2021: principal payments of EUR 7,118 thousand and interest payments of EUR 265 thousand).

37. Related Party Transactions

Balances and transactions between the Company and other subsidiaries of the Allfunds Group, which are related parties, have been eliminated on consolidation and are not disclosed in this Note.

Relationships

In addition to the public float, the shareholders of the Company are LHC3 Limited, BNP Paribas S.A. and BNP Paribas Asset Management Holding S.A. (BNPP AM). The Company is 34.3% owned by LHC3 Limited as at 31 December 2022. The remaining 12.1% is owned between BNP Paribas SA and BNPP AM, and 0.2% by the Company in the form of Treasury shares, and and with the remainder of free float of 53.4%.

Acquisition-related agreements

As described in the the audited annual consolidated financial statements for the year ended 31 December 2020, Allfunds Group has entered into various cooperation, exclusivity and transitional service agreements with its shareholders, BP2S and BNPP AM. As a result of the agreements entered into, there are revenues, expenses, assets and liability balances generated between the Allfunds Group and these parties. The shareholders BNP Paribas SA and BNPP AM are collectively referred to as "BNP Paribas" below:

	As at			
	Assets		Liabilities	
	31 Dec 2022 EUR ('000s)	31 Dec 2021 EUR ('000s)	31 Dec 2022 EUR ('000s)	31 Dec 2021 EUR ('000s)
Credit Suisse AG	**—**	13,111	**—**	36,026
BNP Paribas (*)	**287,644**	271,830	**58,076**	297,018

* Assets includes 211,954 thousand related to intangibles assets (31 December 2021 234,928 thousand).

	12 months to			
	Commission / Other income		Commission / Other expenses*	
	31 Dec 2022 EUR ('000s)	31 Dec 2021 EUR ('000s)	**31 Dec 2022 EUR ('000s)**	31 Dec 2021 EUR ('000s)
Credit Suisse AG	**—**	23,705	**—**	135,889
BNP Paribas	**46,058**	57,883	**115,292**	129,615

* Additionally, there were employee share scheme costs of EUR 7,926 thousand in the year to 31 December 2022.

Management investment plan

Certain employees of the Allfunds Group have invested in the Management Investment Plan of LHC Manco Limited. Together, these employees through LHC Manco Limited indirectly have interests as at 31 December 2022 of 0.325% of Allfunds Group plc. (31 December 2021 of 0.325%).

Included within the 0.325% are 0.121% for Juan Alcaraz, Chief Executive Officer (CEO) (31 December 2021 0.121%); 0.006% for Amaury Dauge, former Chief Financial Officer (CFO) (31 December 2021 0.006%); 0.001% for J.P. Rangaswami (Director) (31 December 2021 0.001%) and 0.038% for other key management, excluding both CEO and the former CFO (31 December 2021 0.0.35%).

The employees voluntarily bought into the shares at a fair market value. There are a number of conditions attached to the ownership of these shares restricting the ability and price at which these shares can be disposed of.

As the shares have been issued and acquired at fair market value, there was no difference between the value that the employee received, and the value paid by the employees. Consequently, no expense has been accounted for in these financial statements.

During 2021 as part of the IPO process, LHC3 Limited (the company via which LHC Manco Limited indirectly holds its shareholding in Allfunds Group plc) disposed of 29.3% of its shareholdings in Allfunds Group plc. Some of the proceeds were used to repay debt and other costs at LHC3 Limited, such that the net proceeds received by LHC Manco Limited represented 17.6% of the value it held prior to the IPO.

Remuneration of key management personnel

The remuneration of the Allfunds Group's senior executives, who are key management personnel of the Allfunds Group, is set out below:

	12 months to	
	31 Dec 2022 EUR ('000s)	31 Dec 2021 EUR ('000s)
Non-executive directors	**985**	721
Senior management		
Short-term employee benefits	**11,313**	24,777
Post-employment benefits	**495**	360
Termination benefits	**273**	—
Total	**12,081**	25,137

There are 13 Directors of Allfunds Group plc as at 31 December 2022 (15 Directors as at 31 December 2021), and of these 13 Directors, 10 were also Directors of Allfunds Bank, S.A.U. (of the 15 Directors as at 31 December 2021, 12 were also Directors of Allfunds Bank, S.A.U.).

A further amount of EUR 10,400 thousand was paid in the year to 31 December 2021 by an indirect shareholder of the Company to certain employees of Allfunds Bank, S.A.U. for their hiring to the bank.

38. Commitments and Contingencies

Commitments

As at 31 December 2022 the Group and its subsidiaries had the following commitments:

- BNPP TSA with a cost of EUR 2,601 thousand pending as at 31 December 2022 (EUR 37,000 thousand pending 31 December 2021); and
- PAM sub distribution agreement with a cost of EUR 9,800 thousand over a 10-year period.

Contingencies

On 3 March 2011, Fairfield Sentry Limited and Fairfield Sigma Limited (hereinafter, the "Funds"), both in liquidation and affected by the so-called Madoff case, filed before the Court of Bankruptcy of the Southern District of New York of the United States of Amercia, (United States Bankruptcy Court for the Southern District of New York), a lawsuit against a distribution company outside the Group and against Allfunds Bank, as a consequence of the reimbursements made prior to December 2008, through the Bank, following the instructions of the aforementioned distribution company, as the liquidators of the Fund liquidators understood that, among other reasons, there were erroneous payments and unjust enrichment in said reimbursements, in the amount of USD 3,505,471.33 (approximately EUR 3,283 thousand).

In August 2016, the plaintiff also suspended certain claims from the Court of the British Virgin Islands. The Court of the British Virgin Islands denied the request for dismissal (although the Bank is not sued in the British Virgin Islands, there is a possibility that such claims will be reviewed in New York).

On 13 January 2017, the group of defendants, which include Allfunds Bank, S.A.U., filed an application for dismissal of the claim. On 6 December 2018 the Court found in favour of the defendants with respect to their contractual claims, except in the cases which the defendants were aware that the applicable net asset value at the time the redemptions were made was erroneous due to the investments of the funds held through Madoff. In this situation, the plaintiff could take action against the defendants and where the Bank is not included.

After the decision on 6 December 2018, the parties (plaintiffs and defendants) agreed to close the claims in order to execute that decision. After this decision was presented to the Court, on 4 April 2019, the Court accepted the closing of the claims in relation to Allfunds. Subsequently, the plaintiffs have appealed the decision of the Court on 6 December 2018 (including the closing order regarding Allfunds).

On 19 July 2019, the plaintiff submitted an amendment to the claim against Allfunds, where all claims dismissed under the December 2018 decision are eliminated, except the claims related to the British Virgin Islands lawsuit on which it will submit a request for dismissal (although the Bank is not sued in the British Virgin Islands).

On 16 March 2020, the group of defendants filed a new withdrawal action against the claim and the amendment of the claim (renewed motion).

On 20 March 2020, several Spanish defendants filed a supplement to the new withdrawal action seeking to demonstrate that the Spanish defendants, including Allfunds, are financial institutions eligible for the "free port" or safe harbour exemption under U.S. law by providing the necessary documentation.

On 29 May 2020, the plantiffs filed their opposition to defendants' renewed motion and new action to dismiss, filing a joint response on 19 June 2020. The Court determined that it will use two representative complaints (filed against Citibank NA London and HSBC Private Bank (Suisse) SA) to decide certain issues presented in the renewed motion, including whether (i) the majority of redemption payments were paid "to" or "for" the benefit of a covered entity under the "safe harbour defence" under and (ii) whether the Liquidators' claims against Defendants who are parties to the Hague Convention ("Hague Defendants") must be dismissed for insufficient service of process, respectively. The Hague Defendants, including the Bank, did not permit or authorise the Liquidators to serve their complaints by international mail.

On 14 December 2020, the Court issued a favourable decision to the defendants (including dismissal of the British Virgin Annulment Claims against all defendants, including the Bank). However, the claimants intend to appeal. The new appeal will be consolidated with the plantiffs' appeals of Judge Bernstein's previous Fairfield decisions.

On 24 February 2021, the order of implementation of the Court's decision was issued to the Bank and the final judgment of dismissal was issued on 12 March 2021 declaring the Bank out of the case without prejudice to the intention of the platiffs to appeal.

The platiffs subsequently appealed to the same district judge handling the Fairfield II appeal. On 24 August 2022, the United States District Court issued a decision upholding the United States Bankruptcy Court's dismissal of the claims against the Bank.

The liquidators again appealed the decision to the United States District Court. The liquidators filed their initial brief on 27 January 2023. The defendants' opposition brief will be filed on 5 May 2023.

Based on all of the foregoing, the resolution of this issue seems close, although it cannot be confirmed to date whether the final resolution of the lawsuit will finally be favourable. In any case, the Bank and Allfunds Group considers that, ultimately, the Group will not have to bear the possible adverse consequences of the aforementioned proceeding, since it considers that it acted merely as an intermediary without benefiting, on any occasion, from the redemptions made, and without having reliable knowledge that the net asset value applicable at the time of redemptions were made was erroneous, and, accordingly, therefore no provision was recognised in this connection as at 31 December 2022 or 31 December 2021.

39. Going Concern

The directors have made enquiries and having considered the current economic climate, including the impact of COVID-19 and the Ukrainian-Russian War, at the time of approving the financial statements, they have no knowledge of any material uncertainties. Furthermore, there are sufficient resources for at least the next 12 months to cover the expected working capital requirements for both the Allfunds Group individual Company and the consolidated Group.

As a consequence, the Directors have a reasonable expectation that the Allfunds Group and Company have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they have continued to adopt the going concern basis of accounting in preparing the consolidated financial statements.

40. Subsequent Events

Mainstreet Partners Acquisition

On 17 February 2023, an indirect subsidiary company of the Group completed the acquisition of 65% of MainStreet Capital Partners Limited ("MainStreet Partners") for GBP 33,000 thousand (EUR 37,400 thousand).

To provide funding for the acquisition, the Company made a withdrawal on the existing revolving credit facility of Eur 44,000 thousand and on 8 February 2023 the Company increased its investment in Liberty Partners, S.L.U., its direct subsidiary by the same amount of Eur 44,000 thousand. Subsequently, there were other transactions within the Group until the funding arrived at the required destination.

For details of shares delivered post year end regarding the LTIP 1 scheme and the approval of an additional LTIP scheme please refer to Note 3.g.iv and for dividends received please refer to Note 23.

41. Subsidiaries

Name of the entity	Place of business/ country of incorporation	Ownership	Direct / Indirect Subsidiary	Share type	Principal activities
Liberty Partners, S.L.U. C/de los Padres Dominicos 28050, Madrid, Spain	Spain	100%	Direct	Ordinary shares	Asset holding
Allfunds Bank, S.A.U. C/de los Padres Dominicos 28050, Madrid, Spain	Spain	100%	Indirect	Ordinary shares	Banking and investment services
Allfunds Nominee Limited 2 Fitzroy Place, 8 Mortimer Street 6th floor, London, W1T 3JJ	United Kingdom	100%	Indirect	Ordinary shares	Asset holding
Allfunds Bank Brazil Representacoes Ltda. Rua Tabapuâ, 1227, Itaim Bibi, Sâo Paulo, Brazil	Brazil	100%	Indirect	Ordinary shares	Representation services
Allfunds Digital, S.L.U. Edificio Insomnia, Calle de la Travessia, 15B Base 2, 46024 Valencia, Spain	Spain	100%	Indirect	Ordinary shares	Computer programming
Allfunds Blockchain, S.L.U. C/ de los Padres Dominicos 28050, Madrid, Spain	Spain	100%	Indirect	Ordinary shares	Computer programming activities and technology development
Allfunds Hong Kong Limited 30th Floor, One Taikoo Place, 979 Kings' Road, Hong Kong	Hong Kong	100%	Indirect	Ordinary shares	Investment Services
Allfunds Data Analytics Limited (*) 2 Fitzroy Place, 8 Mortimer Street, London, W1T 3JJ, United Kingdom	United Kingdom	100%	Indirect	Ordinary shares	Computer programming and data solutions provider
Allfunds Tech Solutions, S.A.U.(**) Avenida de Bruselas, 20, 28108, Alcobendas, Madrid, Spain	Spain	100%	Indirect	Ordinary shares	Computer programming
Allfunds Investment Solutions, Limited (***) 30 Boulevard Royal, L-2249, Luxembourg	Luxembourg	100%	Indirect	Ordinary shares	Investment Services
Allfunds Information & Technology Services (Shanghai) Co., Ltd (***) Pudong New District, Shanghai, China	China	100%	Indirect	Ordinary shares	Computer programming

* Formerly known as InsitHub Analytics Limited.
** Formerly known as Web Financial Group, S.A. being the principal Company of the Group.
*** Newly created Companies in 2022.

During the year to 31 December 2022, the subsidiary company MyFundMatch S.A.S. was liquidated.

Company statement of financial position

As at 31 December 2022

	Notes	31 Dec 22 EUR ('000s)	31 Dec 21 EUR ('000s)
Assets			
Non-current assets			
Investments held at cost less impairment losses	4	**3,027,124**	2,878,355
Property, plant and equipment		**28**	41
Total non-current assets		**3,027,152**	2,878,396
Current assets			
Financial assets held at amortised cost	5	**2,329**	451
Tax assets		**74**	272
Other assets		**1,908**	3,822
Cash and cash equivalents		**4,034**	187,489
Total current assets		**8,345**	192,034
Total assets		**3,035,497**	3,070,430
Equity and liabilities			
Non-current liabilities			
Financial liabilities held at amortised cost	6	**193,675**	47,250
Total non-current liabilities		**193,675**	47,250
Current liabilities			
Financial liabilities held at amortised cost	6	**1,547**	186,001
Other liabilities	7	**878**	3,129
Total current liabilities		**2,425**	189,130
Total liabilities		**196,100**	236,380
Equity attributable to equity holders of the parent entity			
Share capital		**1,574**	1,574
Share premium		**2,060,156**	2,060,156
Retained earnings		**777,772**	770,351
Treasury shares		**(10,000)**	—
Other reserves		**9,895**	1,969
Total equity		**2,839,397**	2,834,050
Total equity and liabilities		**3,035,497**	3,070,430

The Company Financial Statements were approved and authorised by the Directors of the Company on 30 March 2023 and were signed on its behalf by:

Alvaro Perera
Chief Financial Officer

Allfunds Group plc
Company registration number 10647359

Company statement of profit and loss and comprehensive income

For the year ended 31 December 2022

	Notes	31 Dec 22 EUR ('000s)	31 Dec 21 EUR ('000s)
Fee, commission and service revenue		**—**	—
Fee, commission and service expense		**59**	—
Net Revenue		**59**	—
Employee compensation and benefits	8	**(1,746)**	(4,271)
Other expenses	9	**(4,237)**	(25,757)
Other operating income	10	**48,019**	187,221
Amortisation and depreciation relating to other intangible assets and property, plant and equipment		**(13)**	(12)
Profit before net interest expense, impairment loss and tax expense		**42,082**	157,181
Interest income		**1**	—
Interest expense		**(5,468)**	(2,341)
Net interest expense		**(5,467)**	(2,341)
Reversal of Impairment losses on financial assets held at cost		**—**	—
Profit before tax		**36,615**	154,840
Tax credit	11	**2,328**	451
Profit after tax		**38,943**	155,291
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translation of foreign operations		**—**	—
Total comprehensive income for the period		**38,943**	155,291

Company statement of changes in equity

For the year ended 31 December 2022

	Notes	Share capital EUR ('000s)	Share premium EUR ('000s)	Retained Earnings EUR ('000s)	Other Reserves EUR ('000s)	Treasury Shares EUR ('000s)	Total equity EUR ('000s)
Balance as at 1 Jan 2021		1,574	2,060,156	800,052	—	—	2,861,782
Total other comprehensive income		—	—	155,291	—	—	155,291
Transactions with owners of the Company							
Dividends	8	—	—	(185,000)	—	—	(185,000)
Employee share schemes		—	—	—	1,969	—	1,969
Other		—	—	8	0	—	8
Balance as at 31 Dec 2021		1,574	2,060,156	770,351	1,969	—	2,834,050

	Notes	**Share capital EUR ('000s)**	**Share premium EUR ('000s)**	**Retained Earnings EUR ('000s)**	**Other Reserves EUR ('000s)**	**Treasury Shares EUR ('000s)**	**Total equity EUR ('000s)**
Balance as at 1 Jan 2022		**1,574**	**2,060,156**	**770,351**	**1,969**	**—**	**2,834,050**
Total other comprehensive income		—	—	38,943	—	—	**38,943**
Transactions with owners of the Company							
Dividends		—	—	(31,471)	—	—	**(31,471)**
Employee share schemes		—	—	—	7,926	—	**7,926**
Treasury shares (*)		—	—	—	—	(10,000)	**(10,000)**
Other		—	—	(51)	—	—	**(51)**
Balance as at 31 Dec 2022		**1,574**	**2,060,156**	**777,772**	**9,895**	**(10,000)**	**2,839,397**

* Please see Note 22b of the consolidated financial statements.

The principal difference between the consolidated retained earnings and the Company retained earnings is due to the impairment of goodwill of the investment in its subsidiary Liberty Partners, S.L.U. at the consolidated level.

Company statement of cash flows

For the year ended 31 December 2022

	Notes	31 Dec 22 EUR ('000s)	31 Dec 21 EUR ('000s)
Operating activities			
Profit after tax for the year		**38,943**	155,291
Adjustment for:			
Amortisation on loan facility		**425**	550
Depreciation		**13**	12
Net interest expense		**5,042**	2,341
Net exchange differences		**13**	320
Tax (credit)	11	**(2,328)**	(451)
Adjusted profit		**42,108**	158,063
Net decrease/(increase) in operating assets			
Financial assets held at amortised cost		**—**	—
Financial assets at fair value through profit or loss		**—**	—
Other operating assets		**2,500**	(4,515)
		2,500	(4,515)
Net increase/(decrease) in operating liabilities			
Financial liabilities at fair value through profit or loss		**—**	—
Financial liabilities held at amortised cost		**—**	—
Other operating liabilities		**(2,162)**	(10,974)
		(2,162)	(10,974)
Net cash flows generated from operating activities		**42,446**	142,574
Investing activities			
Increase in equity investment in subsidiaries		**(141,001)**	—
Net cash flows generated from investing activities		**(141,001)**	—
Financing activities			
Loan received		**146,000**	46,700
Dividend paid		**(216,471)**	—
Acquisition of treasury shares		**(10,000)**	—
Loan interest paid		**(4,403)**	(1,786)
Cash payment on lease liabilities		**(13)**	(13)
Net cash flows generated from financing activities		**(84,887)**	44,901
Effect of exchange rate changes on cash and cash equivalents		**(13)**	(320)
Net increase / (decrease) in cash and cash equivalents		**(183,455)**	187,155
Cash and cash equivalents at the start of the year		**187,489**	334
Cash and cash equivalents at the end of the year		**4,034**	187,489

Non-cash disclosures

No non-cash equity contributions were made during the period from 1 January 2022 to 31 December 2022 (none in the period 1 January 2021 to 31 December 2021).

Method used

The method used in the preparation of the cash flows for the years ended 31 December 2022 and 31 December 2021 is the direct method.

Notes to the Company financial statements

For the year ended 31 December 2022

1. Basis of Accounting

1.a. Statement of compliance

The individual financial statements for the year ended 31 December 2022 (the "Financial Statements") have been prepared on a going concern basis and in accordance with International Accounting Standards in conformity with the requirements of the United Kingdom (UK) Companies Act 2006 and International Financial Reporting Standards (IFRS) as adopted by the European Union (EU).

1.b. Basis of preparation

The financial statements have been prepared on the historical cost basis, except for the revaluation of financial assets and liabilities at fair value through profit and loss.

The financial statements are presented in Euros, which is the currency of the primary economic environment in which the Group operates (the "functional currency"), rounded to the nearest thousand.

The Directors have made inquiries and having considered the current economic climate at the time of approving the individual financial statements, as well as the expected working capital requirements that the Company will have for the 12 months from the date that these financial statements are signed and issued, they have a reasonable expectation that the Company will have adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the individual financial statements.

2. Significant Accounting Policies

The standalone financial statements for the Company have been prepared under the same accounting treatments as described in the Group accounting policies in Notes 2 and 3 of the Notes to the Consolidated Financial Statements, where applicable.

3. Critical Accounting Judgements and Key Sources of Estimation Uncertainty

The preparation of the Company financial statements have been prepared using the same accounting treatments as those applied in the Group's accounting policies.

4. Investment in Subsidiary

The Company owns 100% of the share capital of Liberty Partners, S.L.U., a holding company, and therefore, indirectly, its subsidiaries.

The investment in subsidiary is held at cost less accumulated impairment losses.

	31 Dec 2022 EUR ('000s)	31 Dec 2021 EUR ('000s)
Investment at cost	**2,878,355**	2,876,424
Additions	**148,769**	1,931
Total investment in Subsidiary	**3,027,124**	2,878,355

On 23 May 2022, as part of the business combination made by the Group as described in Note 11, the Company further increased its holding in Liberty Partners, S.L.U. by a total of EUR 141,001 thousand through newly issued shares within the Company.

In addition, during the year to 31 December 2022 there was a further increase due to the employee share scheme of EUR 7,768 thousand (year to 31 December 2021 EUR 1,931 thousand).

5. Financial Assets held at Amortised Cost

	2022 EUR ('000s)	2021 EUR ('000s)
Other financial assets	**2,329**	451
Total	**2,329**	451

Notes to the Company financial statements continued

For the year ended 31 December 2022

6. Financial Liabilities held at Amortised Cost

	2022 EUR ('000s)	2021 EUR ('000s)
Non-current liabilities		
Revolving credit facility	**193,675**	47,250
	193,675	47,250
Current liabilities		
Interest owed to credit institutions	**1,297**	649
Other financial liabilities	**250**	185,352
	1,547	186,001
Total	**195,222**	233,251

Included in Deposits and loans from credit institutions is the revolving credit facility ("RCF") entered into by the Company during 2021 which has a total capacity of EUR 550,000 thousand and is valid until 2025. As at 31 December 2022, the total amount drawn on the facility was EUR 196,000 thousand (31 December 2021 EUR 50,000 thousand).

There is nothing included in Other financial liabilities as at 31 December 2022 in respect of pending dividend payments (31 December 2021 included EUR 185,000 thousand pending dividend payment due to the former shareholders).

7. Other Liabilities

	2022 EUR ('000s)	2021 EUR ('000s)
Other liabilities include:		
Accrued variable remuneration costs	**146**	2,364
Other payables	**732**	765
Total	**878**	3,129

8. Employee Compensation and Benefits

	2022	2021
Average number of employees during the year:		
Senior	**2**	3
Manager	**—**	—
Technical and general	**2**	2
Total	**4**	5

	2022 EUR ('000s)	2021 EUR ('000s)
Employee compensation and benefits include the following expenses:		
Wages and salaries	**(913)**	(3,270)
Social security costs	**(226)**	(738)
Expense for defined contributions pension funds	**(74)**	(22)
Termination benefits	**(357)**	—
Long-term incentive plans	**(158)**	(44)
Training expenses	**—**	(176)
Other staff costs	**(18)**	(21)
Total	**(1,746)**	(4,271)

Notes to the Company financial statements continued

For the year ended 31 December 2022

9. Other Expenses

	2022 EUR ('000s)	2021 EUR ('000s)
Other expenses include:		
Insurance	**(1,815)**	(1,337)
Sub-contracted administrative services	**(655)**	(1,350)
Controlling bodies	**(510)**	(397)
Audit fees	**(452)**	(523)
Legal and professional	**(310)**	(21,178)
Rental expenses	**(120)**	(170)
Other	**(375)**	(802)
Total	**(4,237)**	(25,757)

Included in legal and professional fees for the year ended 31 December 2021 of EUR 21,178 thousand was EUR 20,916 associated with the IPO listing of the Company.

10. Other Operating Income

In the year to 31 December 2022 the Company received dividends from Liberty Partners, S.L.U. its direct subsidiary, as shown below:

	2022 EUR ('000s)	2021 EUR ('000s)
Other operating income includes:		
Dividends received	**46,900**	185,000
Other income	**1,119**	2,221
Total	**48,019**	187,221

11. Tax Income

	2022 EUR ('000s)	2021 EUR ('000s)
Profit for the period before tax	**36,402**	154,840
Adjustment for:		
Dividend income	**(46,900)**	(185,000)
Non tax–deductible expenses	**4,066**	22,996
Taxable (loss)	**(6,432)**	(7,164)
Tax rate	**19%**	19%
Tax income derived from surrender of tax losses on current year*	**1,075**	—
Adjustment in relation to prior years**	**1,253**	451
Tax income	**2,328**	451

* Expected surrender of tax losses from Allfunds Group plc to Allfunds Bank, S.A.U. UK branch for the year ended 31 December 2022.

** Allfunds Group plc surrendered tax losses to Allfunds Bank, S.A.U. UK branch for the year ended 31 December 2021. As a result, as at 31 December 2022, Allfunds Group plc is due to receive EUR 1,253 thousand (31 December 2021 451 thousand) from Allfunds Bank, S.A.U. UK Branch, which was settled post year-end.

12. Financial Risk Management

The Company's risk management framework is the same as that applied by the Group. See Note 6 in the consolidated financial statements.

13. Capital Management

The Company's capital management policies are the same as those applied by the Group. See Note 7 in the consolidated financial statements.

14. Subsequent Events

On 21 March 2023 Liberty Partners, S.L.U., a direct subsidiary, agreed to pay to the Company dividends to the value of EUR 64,500 thousand.

Reconciliations from IFRS to non-IFRS measures

For the year ended 31 December 2022

	Year ended 31 December 2022 EUR ('000s)	Year ended 31 December 2021 EUR ('000s)
Profit for the period after tax	**49,183**	107,735
Separately disclosed item[1]		
TSAs and restructuring costs	**48,585**	53,409
Consultancy costs, legal fees and M&A/IPO costs	**18,567**	40,789
Other non-recurring items	**7,188**	19,429
Employee share schemes	**7,926**	1,969
Subtotal	**131,449**	223,331
Impairment losses	**1**	730
Amortisation of intangible assets acquired as a result of business combinations	**139,925**	138,753
Tax (Income)/ Expense	**34,542**	(32,384)
Adjusted Profit before tax	**305,917**	330,430
Interest income	**(8,145)**	(3,853)
Interest expense	**12,475**	12,042
Adjusted Net Interest expense	**4,330**	8,189
Amortisation and depreciation relating to other intangible assets and property, plant and equipment	**31,139**	23,065
Provisions	**9,040**	7,486
Adjusted EBITDA	**350,426**	369,170
Underlying capital expenditures[2]	**(39,650)**	(26,554)
Rental expenses	**(7,611)**	(7,383)
Adjusted net interest expense	**(4,330)**	(8,189)
Adjusted cash tax expense	**(81,062)**	(136,340)
Normalised free cash flow	**217,773**	190,704

1. Separately disclosed items of EUR 82,226 thousand refer to the following adjustments: Employee compensation and benefits of EUR 12,531 thousand, other expenses of EUR 66,983 thousand and other operating net expense of EUR 2,752 thousand.
2. Underlying capital expenditure is comprised of additions as per Notes 9 and 10 of the consolidated financial statements with the exclusion of IFRS 16 non-cash additions.

Figures in EUR thousand, unless otherwise stated	Year ended 31 December 2022 EUR ('000s)	Year ended 31 December 2021 EUR ('000s)
Employee compensation and benefits	**(95,547)**	(112,824)
Separately disclosed items		
M&A consultancy costs	**1,049**	—
Other non-recurring items	**3,556**	18,153
Employee share scheme	**7,926**	1,969
Adjusted employee compensation and benefits	**(83,016)**	(92,702)

Figures in EUR thousand	Year ended 31 December 2022 EUR ('000s)	Year ended 31 December 2021 EUR ('000s)
Other expenses	**(130,174)**	(146,094)
Separately disclosed items		
TSAs and Restructuring Costs	**48,585**	53,409
Consultancy costs, legal fees and M&A/IPO costs	**17,519**	40,985
Other non-recurring items	**879**	1,331
Adjusted other expenses	**(63,191)**	(50,369)

Reconciliations from IFRS to non-IFRS measures *continued*

For the year ended 31 December 2022

Figures in EUR thousand	Year ended 31 December 2022 EUR ('000s)	Year ended 31 December 2021 EUR ('000s)
Profit before tax	**83,725**	75,352
Separately disclosed items		
TSAs and restructuring costs	**48,585**	53,409
Consultancy costs, legal fees and M&A/IPO costs	**18,567**	40,789
Other non-recurring items	**7,188**	19,423
Employee share scheme	**7,926**	1,975
Total separately disclosed items	**165,991**	190,948
Impairment losses	**1**	730
Amortisation of intangible assets acquired as a result of business combinations	**139,925**	138,753
Adjusted cash tax expense	**(81,062)**	(136,340)
Adjusted Profit after tax	**224,855**	194,091

Figures in EUR thousand, unless otherwise stated	Year ended 31 December 2022 EUR ('000s)	Year ended 31 December 2021 EUR ('000s)
Tax credit/(expense)	**(34,542)**	32,384
Up-front tax payment	**(15,039)**	25,676
Non-cash tax deferred adjustments (Allfunds Milan branch)	**14,456**	(148,562)
Non-cash tax deferred adjustments (Allfunds Bank group)	**(192)**	(192)
Non-cash tax deferred adjustments (Allfunds Digital group)	**(311)**	—
Non-cash tax deferred adjustments (Allfunds Group plc)	**(26,119)**	(26,250)
Financial Statements vs. cash tax expense	**182**	3,198
Adjustments re. Separately Disclosed items	**(19,497)**	(22,594)
Adjusted cash tax expense incl. Italian tax step up	**(81,062)**	(136,340)
Adjusted cash tax expense excl. Italian tax step up	**(86,992)**	(96,886)

Alternative performance measures

Within the annual report and condensed financial statements, various Alternative Performance Measures ("APMs") are referred to. APMs are not defined by International Financial Reporting Standards and should be considered together with the Allfunds Group's IFRS measurements of performance. We believe APMs assist in providing greater insight into the underlying performance of the Allfunds Group and enhance comparability of information between reporting periods.

The table below states those which have been used, how they have been calculated.

APMs	How calculated
Assets under Administration (AuA)	Assets under Administration, being the total market value of the volume of units or shares of UCIs which are managed by Fund Houses
AuA EoP	AuA on the Allfunds Group's platform at the end of the relevant financial period (EoP)
AuA Average	Average value of the AuA on the Allfunds Group's platform for the relevant financial period. It is calculated as the sum of the daily value of AuA on the Allfunds Group's platform for the year divided by 365 and is derived from management's internal accounting records
Net flows as a % of BoP AuA	Volumes of AuA from existing and new Distributors in any given year as a percentage of AuA on the Allfunds Group's platform at the beginning of the relevant financial period (BoP). Net flows as a % of BoP AuA is derived from management's internal accounting records
Market performance as a % of BoP AuA	Volumes of AuA from movements in the financial markets in any given year as a percentage of AuA on the Allfunds Group's platform at the beginning of the relevant financial period. Market performance as a % of BoP AuA is derived from management's internal accounting records
Net revenues	Net revenue represents the Allfunds Group's fee, commission and service revenues less fee, commission and service expenses
Net platform revenue margin	Net platform revenue divided by the average AuA for the relevant period and expressed in basis points
Adjusted EBITDA	Profit /(loss) for the year after tax, excluding net interest expense, tax credit /(expense), depreciation and amortisation, provisions and extraordinary items, adjusted to exclude separately disclosed items, impairment losses, losses on disposal and amortisation of intangible assets acquired as a result of business combinations. Such adjustments relate to costs and income that the Allfunds Group believes are not reflective of the ongoing performance of the business and are thus added back
Adjusted EBITDA margin	Adjusted EBITDA as a percentage of net revenue
Adjusted Profit after tax	Profit /(loss) before tax less Adjusted cash tax expenses, adjusted to exclude separately disclosed items, impairment losses, losses on disposal and amortisation of intangible assets acquired as a result of business combinations. Such adjustments relate to costs and income that the Allfunds Group believes are not reflective of the ongoing performance of the business and are thus added back to profit /(loss) before tax
Separately disclosed items	Comprise costs or profits recognised in a given period which, due to their nature or size, are disclosed separately to enable a more comparable view of period-to-period underlying performance. They include TSA and restructuring costs (excluding capital expenditures), M&A consultancy costs, other consulting and legal fees and other non-recurring items (including IT carve-out costs in relation to the BNPP Acquisition integration, double rental costs incurred due to moving to a new office in London and one-off staffing bonuses, redundancy and severance costs relating to the closing off of a redundant business line)
Normalised free cash flow	Profit /(loss) for the year after tax, excluding net interest expense, tax credit /(expense), and depreciation and amortisation, provisions and extraordinary items, adjusted to exclude separately disclosed items (as described above), impairment losses, losses on disposal and amortisation of intangible assets acquired as a result of business combinations, net of Underlying capital expenditures, rental expenses, net interest expense and illustrative taxes (assuming a 27% cash tax rate in 2020, a 29.5% cash tax rate in 2021 and a 26.5% cash tax rate in 2022)
Underlying capital expenditures	Sum of purchase of property, plant and equipment additions and intangible asset additions, less property, plant and equipment disposals and right-of-use asset additions as required by IFRS 16 Leases

Glossary

Adjusted cash tax expenses	Current year cash tax expense (that is excluding non-cash items such as deferred taxes) that would have arisen for the Group if the separately disclosed items, impairment losses, losses on disposal and their associated tax deductions, when applicable, were not reflected. The Group views Adjusted cash tax expense as a helpful measure of the Group's tax liabilities excluding the impacts of M&A activities which can distort the accounting tax rate and tax expense recognised through profit or loss
Adjusted Net Interest Expense	Net Interest income and Net interest expenses adjusted for one-off expenses
Allfunds Group or the Group	Includes the Company and Allfunds Bank, S.A.U. and all of its branches and affiliates
B2B	Business-to-Business
Banca Corrispondente	Local paying agent business division engaged in, amongst others, transfer agency, paying agency, investor relations management and tax and foreign exchange agency activities in Italy
BoP	Beginning of Period
BNPP Acquisition	The contribution by BP2S of the BNPP LPA Business and the contribution by BNPP AM of the BNPP Platform Services Right, in consideration for the issuance to BP2S and BNPP AM Holding of shares in Allfunds Bank, S.A.U., which were ultimately rolled up into shareholdings in the Company of 25,491,756 and 9,913,476, Shares, respectively, such that BP2S and BNPP AM held 16.2% and 6.3%, respectively, of the issued Shares in the Company following the BNPP Acquisition Closing, which Shares held by BNPP AM have since been transferred to BNPP AM Holding as permitted transferee
BNPP LPA Business	The entire Banca Corrispondente, or local paying agent, business division, which was contributed by BP2S to Allfunds Bank, S.A.U. Milan Branch pursuant to the BNPP Acquisition, which was engaged in, amongst others, transfer agency, paying agency, investor relations management and tax and foreign exchange agency activities
bps	Basis points
CAGR	Compound annual growth rate
Clients	References to the Allfunds Group's clients in this document refers to Fund Houses and Distributors
Distributor	A financial institution that buys and sells and/or distributes shares of UCIs on/through a fund platform, either for its own account or with a view to distributing such UCIs to its end investors. If a Distributor has entered into multiple, separate agreements for separate services, they are considered a separate Distributor under each agreement
EBITDA	Earnings Before Tax, Interest, Depreciation and Amortisation
EoP	End of Period
Flows	Net flows as the result of inflows and outflows of AuA into the platform
Flywheel effect	Powerful network effects that benefit both Fund Houses and Distributors, created by Allfunds platform
Fund House	A financial institution that creates, manages or distributes UCITs
GDAs	Global Distribution Agreements in place with Fund Houses
Interim Financial statements	The interim condensed consolidated financial statements for the six month period to 30 June 2021
IPO Prospectus	Document dated 16 April 2021 filed at the Netherlands Authority for the Financial Markets (Stichting Autoriteit Financiële Markten, the AFM), related to the offering of up to 163,650,850 ordinary shares and admission to listing and trading of all ordinary shares of Allfunds Group plc on Euronext Amsterdam (the IPO)
MainStreet Partners	MainStreet Capital Partners Limited, entity acquired in February 2023 (65% shareholding) specialised in delivering proprietary ESG ratings, ESG investment strategies via model portfolios and empowered reporting to top tier financial groups
STP	Straight-through Processing (STP) trades placed by our Distributors as the number of orders reaching Allfunds Platform through an STP process (swift, Fix and files)
UCIs	Undertakings for Collective Investment (global scope)
UCITS	Undertakings for Collective Investments in Transferable Securities (European scope)

Shareholder information

Share capital

Share capital

As of 31 December 2022, Allfunds' issued share capital was divided into 629,426,348 ordinary shares created under and in accordance with English law, fully paid-up and with a nominal value of €0.0025 each.

Since 23 April 2021, the shares are listed on Euronext Amsterdam under the ticker symbol 'ALLFG' and ISIN code GB00BNTJ3546.

Own shares

As of 31 December 2022, the Company owned 1,380,322 ordinary shares with a nominal value of €0.0025 each. They represent 0.22% of the Company's issued share capital. All of these shares were purchased during 2022 for an aggregate consideration of €9,999,993.03. This was the maximum number of own shares held at any time during 2022 by the Company. No other own shares were acquired during the year.

The shares were purchased under a share buyback programme launched on 8 November 2022 in accordance with the authorisation to purchase own shares granted by shareholders at the 2022 AGM. Details on this authorisation may be found in 'Power to acquire own shares' below.

The purpose of the buyback programme was to satisfy the needs of the LTIP Awards for the coming years. Further information on the LTIP is available in the Directors' Remuneration Report of this report.

No own shares were disposed of during 2022. In January 2023, the Company delivered 96,029 own shares to the beneficiaries of the 2021 LTIP Award that had vested on 1 January 2023. These shares were delivered at no cost for the receiving beneficiaries.

Rights attached to the shares

Each share confers its holder the right to cast one vote at the Company's general meeting. There are no restrictions on voting rights other than those applicable to LHC3 Limited pursuant to the Relationship Agreement which is further described in 'Shareholder agreements' below.

The shares carry dividend rights.

The rights attached to any class of shares may only be varied with the consent in writing of the holders of three quarters in nominal value of the issued shares of that class or by a special resolution passed at a general meeting of such holders.

There are no shares without voting rights, shares with limited economic rights or shares with any other special right attached to them (other than the limitations to voting rights as applicable to LHC3 Limited pursuant to the Relationship Agreement, described in 'Shareholder agreements' below).

Form and transfer of the shares

The shares are registered in book-entry form and deposited with Euroclear Nederland, the Dutch central securities depository, whose registered office is as Herengracht 459-469, 1017 BS Amsterdam, the Netherlands.

The shares are transferable through book-entry records on the accounts of investors with intermediaries that are participants in Euroclear Nederland or intermediaries that hold, directly or indirectly, accounts with participants in Euroclear Nederland.

There are no restrictions on the transferability of the shares other than those that may be imposed by law and regulations from time to time (such as market abuse regulations) and those applicable to LHC3 Limited and the BNP Paribas Entities pursuant to the Relationship Agreement.

Shareholding structure

The table below shows our shareholding structure as of 31 December 2022. Only substantial shareholdings in accordance with transparency regulations are disclosed:

LHC3 Limited	34.3%
BNP Paribas S.A.	5.8%
BNP Paribas Asset Management Holding	6.3%
Treasury Shares	0.2%
Free float	53.4%
Total	**100.0%**

Shareholder agreements

At the time of the IPO on 16 April 2021, the Company entered into a Relationship Agreement with its then principal shareholders LHC3 Limited, the BNP Paribas Entities and Credit Suisse AG, along with their controlling entities (the Principal Shareholders). Credit Suisse AG is no longer a Principal Shareholder of the Company following the sale of its entire shareholding in the Company in October 2022.

Pursuant to this agreement, the Principal Shareholders are entitled to nominate for appointment up to given numbers of directors or observers to the Board for so long as they hold specific percentages of the total shares of Allfunds.

In addition, certain actions require the prior approval of each of the Principal Shareholders, such as (a) agreeing to a change of listing venue, additional listing venue or cancellation of any listing; (b) any material reorganisation or similar of the Group; (c) initiating a voluntary dissolution, liquidation or winding up proceeding of any material member of the Group; and (d) acquiring or establishing any subsidiary or branch in the United States or in certain specified tax haven jurisdictions. Moreover, LHC3 Limited undertook, for so long as it holds more than 35.7% of the shares, only to exercise its voting rights in relation to up to a maximum 35.7% of the shares in respect of any merger or acquisition that requires shareholders' approval under article 58(b) of the Articles, with the exceptions set out in the Relationship Agreement.

As for shares' transfers, for so long as a Principal Shareholder holds more than 5% of the shares in the Company, it can only sell them in accordance with an agreed sell-down process (subject to certain exemptions) that entitles all Principal Shareholders to participate in any sell-down pro rata to their holdings in the Company.

Further information on the Relationship Agreement can be found on pages 20-21 and 165-167 of the IPO prospectus available on the corporate website (https://investors.allfunds.com/).

The Company is not aware of any other agreements between holders of shares that may result in restrictions on the transfer of shares or on voting rights.

Powers to issue shares

Subject to the provisions of the UK Companies Act 2006 and without prejudice to any rights attached to any existing shares, shares may be issued with such rights or restrictions as the Company may by ordinary resolution determine or, subject to and in default of such determination, as the Board shall determine.

Powers to allot shares and to disapply pre-emptive rights

Subject to the provisions of the UK Companies Act 2006 and in accordance with section 551 thereof, on the date of this report directors are authorised to:

i. allot shares in the Company, and to grant rights to subscribe for or to convert any securities into shares in the Company, (a) up to an aggregate nominal amount of approximately €525 thousand; and (b) comprising equity securities up to an aggregate nominal amount of approximately €1,050 thousand (including within such limit any shares issued or rights granted under paragraph (a) above), in connection with an offer by way of a rights issue to holders of shares in proportion (as nearly as practicable) to their existing holdings or to people who are holders of other equity securities if this is required by the rights of those equity securities, or if the directors consider it necessary, as permitted by the rights of those equity securities, in each case subject to such exclusions or arrangements as the Board deems necessary or appropriate to deal with treasury shares, fractional entitlements, record dates, legal, regulatory or practical problems in, or under the laws of, any territory or any other matter; for a period expiring at the end of the 2023 AGM of the Company to be held on 9 May 2023 (unless previously renewed, revoked or varied by the Company in general meeting); and

ii. to make an offer or agreement, before this authority expires, which would or might require shares to be allotted, or rights to subscribe for or convert any security into shares to be granted, after expiry of this authority, and the directors may allot shares and grant rights in pursuance of that offer or agreement as if this authority had not expired.

At the 2023 AGM, shareholders will be asked to renew this general and unconditional authority to the directors, under the same terms and conditions as the existing one, and for the same amounts, for a period expiring on the earlier of the end of the following AGM of the Company or the close of business of 9 August 2024 (unless previously renewed, revoked or varied by the Company in general meeting).

The directors are further authorised, pursuant to sections 570 and 573 of the UK Companies Act 2006, for a period expiring at the end of the 2023 AGM of the Company to be held on 9 May 2023 (unless previously renewed, revoked or varied by the Company in general meeting),

i. to disapply pre-emptive rights, with respect to:

   a. the allotment of equity securities for cash in connection with an offer of equity securities to holders of shares in the Company in proportion (or as nearly as practicable) to their existing holdings and to holders of other equity securities if this is required by the rights of those securities, or if the directors consider it necessary, as permitted by the rights of those equity securities, subject to such exclusions or arrangements as the Board deems necessary or appropriate to deal with treasury shares, fractional entitlements, record dates, legal, regulatory or practical problems in, or under the laws of, any territory or any other matter,

   b. the allotment of equity securities for cash (other than as described in the previous paragraph) up to an aggregate nominal value of approximately €79 thousand, and

   c. the allotment of equity securities for cash up to an additional aggregate nominal value of approximately €79 thousand used only for the purposes of financing (or refinancing, if the authority is to be used within six months after the original transaction) a transaction which the Board determines to be an acquisition or other capital investment of a kind contemplated by the Statement of Principles on Disapplying Pre-Emption Rights most recently published by the Pre-Emption Group, and

ii. to make an offer or agreement, before this authority expires, which would or might require equity securities to be allotted after expiry of this authority, and the directors may allot equity securities in pursuance of that offer or agreement as if this authority had not expired.

At the 2023 AGM, shareholders will be asked to generally and unconditionally authorise the directors, for a period expiring on the earlier of the end of the following AGM of the Company or the close of business of 9 August 2024 (unless previously renewed, revoked or varied by the Company in general meeting):

i. to disapply pre-emptive rights, with respect to:

   a. the allotment of equity securities for cash in connection with an offer of equity securities to holders of shares in the Company in proportion (or as nearly as practicable) to their existing holdings and to holders of other equity securities if this is required by the rights of those securities, or if the directors consider it necessary, as permitted by the rights of those equity securities, subject to such exclusions or arrangements as the Board deems necessary or appropriate to deal with treasury shares, fractional entitlements, record dates, legal, regulatory or practical problems in, or under the laws of, any territory or any other matter,

   b. the allotment of equity securities for cash (other than as described in the previous paragraph) up to an aggregate nominal value of approximately €157 thousand,

c. the allotment of equity securities for cash (other than under paragraphs (a) and (b) above) up to the nominal value of 20% of any allotment of securities under paragraph (b), only for making a follow-on offer which the Board determines to be of a kind contemplated by paragraph 3 of Section 2B of the Statement of Principles on Disapplying Pre-Emption Rights most recently published by the Pre-Emption Group,

d. the allotment of equity securities for cash up to an additional aggregate nominal value of approximately €157 thousand used only for the purposes of financing (or refinancing, if the authority is to be used within six months after the original transaction) a transaction which the Board determines to be an acquisition or other capital investment of a kind contemplated by the Statement of Principles on Disapplying Pre-Emption Rights most recently published by the Pre-Emption Group, and

e. the allotment of equity securities for cash (other than under paragraph (d) above) up to the nominal value of 20% of any allotment of securities under paragraph (d), only for making a follow-on offer which the Board determines to be of a kind contemplated by paragraph 3 of Section 2B of the Statement of Principles on Disapplying Pre-Emption Rights most recently published by the Pre-Emption Group, and

ii. to make an offer or agreement, before this authority expires, which would or might require equity securities to be allotted after expiry of this authority, and the directors may allot equity securities in pursuance of that offer or agreement as if this authority had not expired.

Power to acquire own shares

As of 31 December 2022, the Company owned 1,380,322 treasury shares. Further information is available in section 'Own shares' above.

The Articles of Association do not restrict the Company's ability to purchase its own shares. However, English law generally prohibits the Company from purchasing its own shares by way of off-market purchases without the prior approval of shareholders by ordinary resolution, and further prohibits the Company from conducting on-market purchases as its shares are not traded on a recognised investment exchange in the United Kingdom.

At the 2022 AGM, shareholders generally and unconditionally authorised the Company to make off-market purchases of its own ordinary shares pursuant to section 693A of the UK Companies Act 2006, for the purposes of, or pursuant to, an employees' share scheme (as defined in section 1166 of the UK Companies Act 2006), on such terms and in such manner as the directors may from time to time determine provided that the maximum aggregate number of ordinary shares authorised to be purchased is 62,942,634 shares and the minimum price per ordinary share that may be paid is €0.0025 and the maximum price (exclusive of expenses) per ordinary share that may be paid is the higher of: (a) an amount equal to 5% above the average market value of an ordinary share for the five business days immediately preceding the day on which the Company agrees to buy the relevant ordinary share, based on the share price on Euronext Amsterdam; and (b) the higher of the price of the last independent trade and the highest current independent bid on the trading venues where the purchase is carried out.

This authority shall expire at the end of the 2023 AGM of the Company to be held on 9 May 2023 (unless previously renewed, revoked or varied by the Company in general meeting), but without prejudice to the continuing authority of the Company to purchase ordinary shares pursuant to a contract concluded before the expiry of such authority and which might be executed wholly or partly after such expiry.

At the 2023 AGM shareholders will be asked to approve the terms of the buyback contract proposed to be entered into for off-market purchases by the Company of its own ordinary shares, and to authorise the Company to purchase ordinary shares pursuant to such buyback contract provided that (i) the maximum aggregate number of ordinary shares authorised to be purchased is 62,942,634 shares; and (ii) the minimum price per ordinary share that may be paid is €0.0025 and the maximum price (exclusive of expenses) per ordinary share that may be paid is the higher of (a) an amount equal to 5% above the average market value of an ordinary share for the five business days immediately preceding the day on which the Company agrees to buy the relevant ordinary share, based on the share price on Euronext Amsterdam; and (b) the higher of the price of the last independent trade and the highest current independent bid on the trading venues where the purchase is carried out.

If approved, this authority shall expire on the earlier of the end of the following AGM of the Company or the close of business of 9 August 2024 (unless previously renewed, revoked or varied by the Company in general meeting), but without prejudice to the continuing authority of the Company to purchase ordinary shares pursuant to a contract concluded before the expiry of such authority and which might be executed wholly or partly after such expiry.

Employees' share schemes

The Company does not have any employees' share scheme the shares of which have rights with regard to control of the Company that are not directly exercisable by the employees.

Dividends

In 2021, the Company approved a Dividend Policy aimed to provide stable dividends going forward and targeting a payout ratio of 20% to 40% of adjusted net income. The final payout ratio shall be determined based, among others, on the Company's earnings, cash flow, financial condition and capital investment requirements and considering that the Company is the parent undertaking of Allfunds Bank, a consolidating institution subject to Directive 2013/36/EU.

The Dividend Policy is available on the corporate website (www.allfunds.com).

In 2023, the Board of Directors is proposing a final dividend of €0.09 per share which results in a pay-out ratio of 25% of the adjusted net profit after tax. If approved, the dividend will be paid in cash in May 2023.

The Articles of Association do not include any provision as to the allocation of profits.

General meetings

The 2023 Annual General Meeting is expected to be held on 9 May 2023 at 12.00 p.m. (London time) in person.

Information on how to participate and details of the resolutions to be proposed will be available in the notice of the meeting that will be published on the corporate website (www.allfunds.com). A live webcast will also be available on the website. Shareholders should monitor our website and announcements for any updates.

The procedures of the general meetings are described in detail in the Articles of Association available on the corporate website (www.allfunds.com).

Annual general meetings must be held by 30 June each year and require 21 clear days' notice to shareholders, or 28 clear days' notice if special resolutions are proposed, whereas, subject to the UK Companies Act 2006, other general meetings may be convened any time with 14 clear days' notice.

For all general meetings, a quorum of two persons present at the meeting and entitled to vote on the business transacted is required, unless each of the two persons is a corporate representative of the same corporation or is a proxy of the same shareholder.

Every member who is present in person or represented at any general meeting and who is entitled to vote has one vote on a show of hands. On a poll, every member who is present or represented and who is entitled to vote has one vote for every share held.

Amendment of the Articles of Association

The Company's Articles of Association may only be amended by special resolution at a general meeting.

They are available on the corporate website (www.allfunds.com).

Important legal information

The Company has included in this Annual Report and may from time to time include in its public filings, press releases or other public statements, certain forward-looking statements with respect to the business, strategy, operations, performance and financial condition of the Group. Statements that are not historical facts, including statements about the Group's or its directors' and/or management's beliefs and expectations, are forward-looking statements.

Words such as 'achieves', 'aims', 'anticipates', 'believes', 'considers', 'could', 'estimates', 'expects', 'intends', 'likely', 'may', 'plans', 'potential', 'projects', 'seek', 'should', 'targets', 'will', 'would', and variations of these words and similar future or conditional expressions are intended to identify forward-looking statements but are not the exclusive means of identifying such statements.

By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will or may occur in the future. Actual outcomes or results could differ materially from forward-looking statements made by the Group or on its behalf. Factors that could cause actual outcomes or results to differ materially from forward-looking statements include, but are not limited to: the Group's ability to maintain or grow its network of Distributors and Fund Houses and to retain the largest ones; the Group's ability to adapt to new technology and provide new services; the availability and performance of the Group's platform and IT systems; changes to the Group's entrepreneurial culture; the Group's ability to attract and retain senior management and other employees; fee pressure in the asset management industry; potential consolidation in the fund platform industry; general economic, political and market conditions, market risk and investor behaviour in the countries where the Group operates; fluctuation of interest rates and exchange rates; changes in laws, regulations, practices and accounting standards or taxation; changes to regulatory capital or liquidity requirements; natural, pandemic (including but not limited to the COVID-19 pandemic) and other disasters. A number of these influences and factors are beyond the Group's control.

Except as required by any applicable law or regulation, the forward-looking statements contained in this Annual Report speak as at the date on which they are made and the Group expressly disclaims any obligation or undertaking to update or review any forward-looking statements as a result of new information, future events or otherwise. The information, statements and opinions contained in this document do not constitute a profit forecast.

Independent auditor's reasonable assurance report on the compliance of Allfunds Group plc's European Single Electronic Format (ESEF) prepared Annual Financial Report with the European Single Electronic Format Regulatory Technical Standard ('ESEF RTS')

To the Members of Allfunds Group plc

Report on compliance with the requirements for iXBRL mark up ('tagging') of consolidated financial statements included in the ESEF-prepared Annual Financial Report

We have undertaken a reasonable assurance engagement on the iXBRL mark up of consolidated financial statements for the year ended 31 December 2022 of Allfunds Group plc (the "Company") included in the ESEF-prepared Annual Financial Report prepared by the Company.

Opinion

In our opinion, the consolidated financial statements for the year ended 31 December 2022 of the Company included in the ESEF-prepared Annual Financial Report, are marked up, in all material respects, in compliance with the ESEF RTS.

The directors' responsibility for the ESEF-prepared Annual Financial Report prepared in compliance with the ESEF RTS

The directors are responsible for preparing the ESEF-prepared Annual Financial Report. This responsibility includes:

- the selection and application of appropriate iXBRL tags using judgement where necessary;
- ensuring consistency between digitised information and the consolidated financial statements presented in human-readable format; and
- the design, implementation and maintenance of internal control relevant to the application of the ESEF RTS.

Our independence and quality control

We have complied with the independence and other ethical requirements of Financial Reporting Council's (the 'FRC's') Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We apply International Standard on Quality Control 1 and, accordingly, maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our responsibility

Our responsibility is to express an opinion on whether the electronic mark up of consolidated financial statements complies in all material respects with the ESEF RTS based on the evidence we have obtained. We conducted our reasonable assurance engagement in accordance with International Standard on Assurance Engagements (UK) 3000, Assurance Engagements Other than Audits or Reviews of Historical Financial Information ('ISAE (UK) 3000') issued by the FRC.

A reasonable assurance engagement in accordance with ISAE (UK) 3000 involves performing procedures to obtain reasonable assurance about the compliance of the mark up of the consolidated financial statements with the ESEF RTS. The nature, timing and extent of procedures selected depend on the practitioner's judgement, including the assessment of the risks of material departures from the requirements set out in the ESEF RTS, whether due to fraud or error. Our reasonable assurance engagement consisted primarily of:

- obtaining an understanding of the ESEF RTS mark up process, including internal control over the mark up process relevant to the engagement;
- reconciling the marked up data with the audited consolidated financial statements of the Company;
- evaluating the appropriateness of the Company's mark up of the consolidated financial statements using the XBRL mark-up language;
- evaluating the appropriateness of the Company's use of iXBRL elements selected from a permitted taxonomy and the creation of extension elements where no suitable element in the permitted taxonomy has been identified; and
- evaluating the use of anchoring in relation to the extension elements.

In this report we do not express an audit opinion, review conclusion or any other assurance conclusion on the consolidated financial statements. Our audit opinion relating to the consolidated financial statements of the Company for the year ended 31 December 2022 is set out in our Independent Auditor's Report dated 30 March 2023.

Use of our report

Our report is made solely to the Company's members, as a body, in accordance with ISAE (UK) 3000. Our work has been undertaken so that we might state to the Company those matters we are required to state to them in this report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body for our work, this report, or for the conclusions we have formed.

John Clacy, FCA
For and on behalf of Deloitte LLP
Statutory Auditor

St.Helier, Jersey

30 March 2023

allfunds.com

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Allfunds Group plc
2 Fitzroy Place, 8 Mortimer Street
London W1T 3JJ, United Kingdom

www.allfunds.com