Seizing Opportunities

allfunds

2023 Annual Report

Strategic Report

Corporate Governance

Financial Statements

Additional Information

Our Annual Report for 2023

This report combines all aspects of Allfunds Group's performance and reflects how we are addressing areas which we believe have the potential to have a material impact on the delivery of our strategic objectives.

Our approach to sustainability

Allfunds recognises that we seek to integrate the maximum ESG standards into our day-to-day operations and business development, while collaborating and working closely with our stakeholders' groups. For that purpose, we have launched this year our new ESG Strategic Plan 2026. To achieve this, Allfunds is an active participant in several leading industry initiatives and memberships including:

Signatory of: PRI Principles for Responsible Investment

spainsif

WE SUPPORT UN Global Compact

Cyber Green Proof

See pages 32 to 39 for more information or visit our ESG Report 2023:

www.allfunds.com/en/esg/reports/

Visit allfunds.com for more 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***

Singapore, Asia

Seizing Opportunities

Allfunds´ aim is to become the most comprehensive one-stop shop for the wealth management industry. We want to offer the most complete set of functionalities, dealing services, technology solutions and digital tools available – all under one ecosystem.

In a constantly changing world, we have always excelled at identifying opportunities and taking advantage of them to grow our business, strengthen our competitive advantages and transform the WealthTech industry.

> Since our creation, Allfunds has taken advantage of opportunities when they arise by staying alert, acting quickly and remaining flexible. Collaboration with our clients has been key to achieving this – and to achieving our ultimate goal of delivering sustainable value to our stakeholders.

Juan Alcaraz
CEO – Executive Director

FY 2023 Key financial highlights

AuA
€1.4tn
(7% up in 2023)

Net revenues
€545.5m
(10% up in 2023)

Migrations[1]
€60bn
Including €11bn from Iccrea LPA acquisition

Adjusted EBITDA margin
65.8%
(5 p.p. down in 2023)

PAT (Profit after tax)
€85.7m
(74% up in 2023)

EPS (Earnings per share)
€0.139
(74% up in 2023)

▷ ***Read more on Note 35 to the consolidated financial statements***

1. Refers to flows from new clients

Allfunds is a global, integrated fully-digital platform for the wealth management industry.

Our offering includes data & analytics, portfolio & reporting tools, research, ESG and regulatory services. We are uniquely positioned to continue expanding within a large and growing addressable market.

Created in 2000, Allfunds offers what we believe is the largest fund distribution network globally and access to the world's largest universe of mutual fund and also Exchange Traded Funds (ETFs).

London, UK

Our Purpose

To transform the WealthTech industry.

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

Our Values

ALL for Excellence

ALL for Accountability

ALL for Empowerment

ALL for Inspiration

Our People

1,031

employees

from 46 nationalities

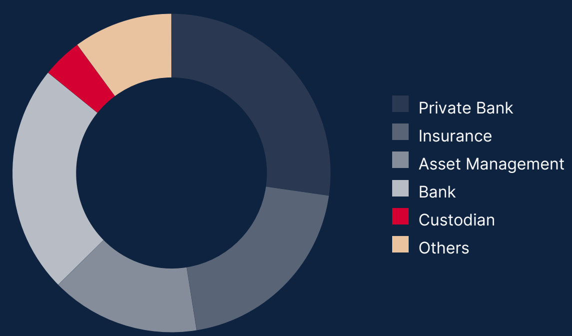
Sustainability

We are committed to becoming carbon neutral by

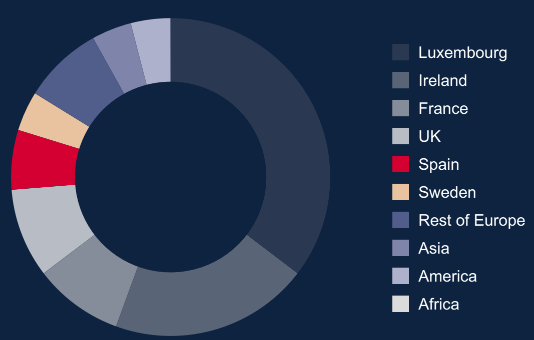
2030

Our Clients

890 Distributors[1]



1,351 Fund Houses[2]



1. Number of Distributor contracts as of 31 December 2023
2. Number of Fund Houses that have Global Distribution Agreements in place as of 31 December 2023

Who we are

Allfunds is one of the world's leading B2B WealthTech companies. We connect Fund Houses and Distributors to match supply and demand for asset management products, offering one of the largest variety of funds globally. Across active and passive strategies, these include equity funds, fixed income funds, multi-asset funds, alternative funds and ETFs.

FUND HOUSES

Access to the largest distributor network, benefiting from leading digital tools to empower sales approach

One of the world's leading B2B WealthTech companies with

€1.4tn AuA

DISTRIBUTORS

Access to the world's most comprehensive universe of mutual funds, ETFs and alternative assets, as well as core services under a 'buy-free' model

>150,000 funds from **>3,100 Fund Houses**[1] available:

- Active and passive strategies
- Equity funds
- Fixed income funds
- Multi-asset funds
- ETFs
- Alternative funds

~890 Distributors'[2] contracts in **63 countries**

- Retail banks
- Private banks
- Investment banks
- Insurance companies
- Pension funds
- Stockbroking houses
- Custodians
- Independent financial advisers

An integrated fully-digital offering that includes data & analytics, portfolio & reporting tools, research, ESG and regulatory services

1. Total number of Fund Houses included on the platform as of 31 December 2023, of which approximately 1,351 have Global Distribution Agreements
2. Total number of Distributor contracts as of 31 December 2023

Global scale coupled with local knowledge

We offer a global reach to our clients (access to Distributors in 63 countries) through the Allfunds platform, paired with a local presence thanks to our 17 offices across four continents.

Our global locations

A leader in our field

Committed to client experience, innovation and digital solutions

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

We pride ourselves on superior customer service and long-standing relationships with our clients, some spanning more than two decades. We actively listen, so we understand the struggles and bottlenecks that Fund Houses and Distributors experience in their daily activity. This means we can develop efficiency enhancing solutions that are tailored to their needs. Developing our business to match demand and meet expectations leads to a satisfied and loyal client base, which in turn benefits us.

Our primary goal has always been to deliver a top-notch service to our clients, maintain a close relationship with them, and meet their needs through innovative solutions. This approach has been successful: we secured 53 new contracts in 2023, in addition to 80 digital agreements with our existing clients. We have also welcomed 81 new Fund Houses this year and our business growth reaffirms the strength of our services.

Building on our strong organic growth

Allfunds operates in a large and high-growth market. As a consequence, the Company has managed to grow consistently in the last 10 years, reaching a 26% market share in the European cross-border UCITS (Undertakings for Collective Investments in Transferable Securities), based on Morningstar data. This track record of consistent market share gain has been achieved off the back of structural drivers, which include: outsourcing penetration by banks and wealth managers; the penetration-led growth of open architecture; and the continuous gain of client migrations (in 2023, we onboarded €48bn of AuA and €11bn from the Iccrea's Local Paying Agent business acquisition). These gains, plus our capacity to lead in breadth and quality of services, are cementing our reputation as the gold standard.

Our unique and integrated value proposition delivers constant client wins globally, with ongoing geographical and client diversification. This allows us to consolidate leadership positions while tapping into new markets around the globe.

In our ongoing quest to strengthen Allfunds' position in the evolving financial services landscape, we continually adapt our offerings to meet our clients' needs. The integration of MainStreet Partners, acquired in February, further strengthens our offerings by providing a comprehensive solution for sustainability-rated requirements – all seamlessly embedded into the Allfunds Connect platform.

This last integration and the launch of a new version of Nextportfolio spurred the next iteration of our ecosystem: a new Connect with a more user-friendly platform and a record number of more than 9,700 active monthly users. This has significantly contributed to our organic growth through cross-selling initiatives.

Uncovering opportunities for clients through technology advancements

In a constantly-evolving environment, Allfunds has demonstrated its ability to adapt and to seek continuous improvements. A prime example of this is the successful launch of the Allfunds Alternatives Solutions, our own platform for private markets. The private markets offer a significant investment opportunity for individual investors, with alternatives players focused on growing the distribution for individual investors to capture the long-term growth potential of this asset class. We are ideally positioned to lead the alternatives opportunity, both on the operational side and on the distribution of these products in the private wealth segment.

In line with this growing appetite to allocate more assets into alternatives, we established the Allfunds Private Partners programme. This programme has two aims: supporting and facilitating clients' access to private market funds; and providing fund managers with a unique opportunity to make their products available through the Allfunds distribution network. This represents a large growth and value creation potential for Allfunds.

This addition underscores our commitment to being a one-stop solution, catering to the diverse needs of our clients in an ever-evolving financial landscape.

Capitalizing on our strong cash generation

Our strong cash generation capacity has provided Allfunds with the flexibility to support ongoing investments and growth. As a result, the Company has funded the investment in the platform needed to support future growth. At the same time, we are growing opportunistically through acquisitions like Iccrea's LPA business in Italy, which we closed in December.

What we do

At Allfunds we establish connections between financial institutions along the complete fund distribution value chain. We provide digital solutions to Fund Houses and Distributors – solutions that are designed to streamline, enhance efficiency and foster collaboration.

Our goal is to evolve into the most comprehensive one-stop shop for all our partners, striving to provide them with a full range of functionalities that address their needs. These include dealing services to facilitate transactions, technology solutions to drive innovation and tools to enhance productivity - all in a single ecosystem to provide a smooth experience.

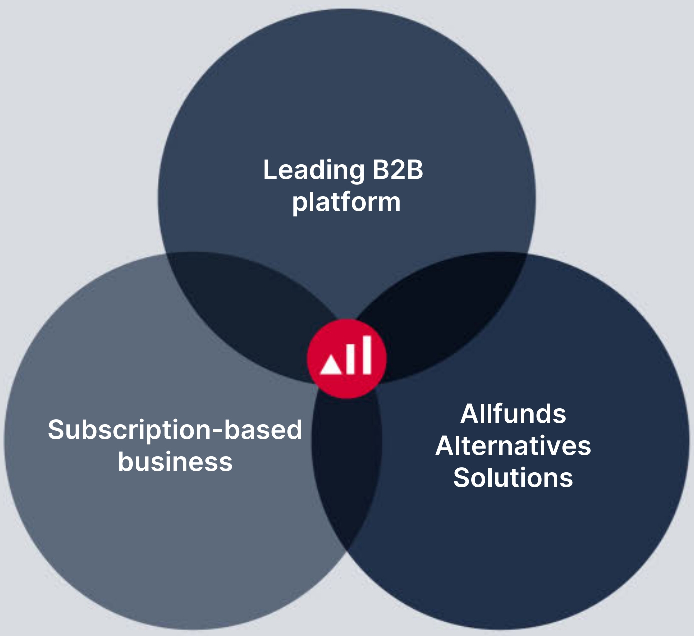
We believe that by providing a comprehensive suite of services and tools, we can empower our clients to navigate the fund distribution landscape and succeed in this dynamic industry. It's our commitment to continuous improvement and innovation for our clients that ensures we stay at the forefront of the industry.

Our competitive advantages

- **Fully integrated one-stop shop.** A comprehensive hub offering data-driven tools and insights with access to tailor-made services
- **Global approach.** Allfunds offers a global reach to its clients in 63 countries, paired with a local presence thanks to our 17 offices across 4 continents
- **A unique pricing model for Distributors.** Distributors gain access to services under a 'buy-free' model which favours strong loyalty and has resulted in negligible client churn in recent years
- **Scale.** A growing, loyal and high-quality customer base of both Fund Houses and Distributors
- **Innovation and transformation.** Allfunds has shown it can anticipate and adapt to upcoming trends, so leading the way in transforming the WealthTech industry

Positioning for the future

How we are positioned



Looking to the future

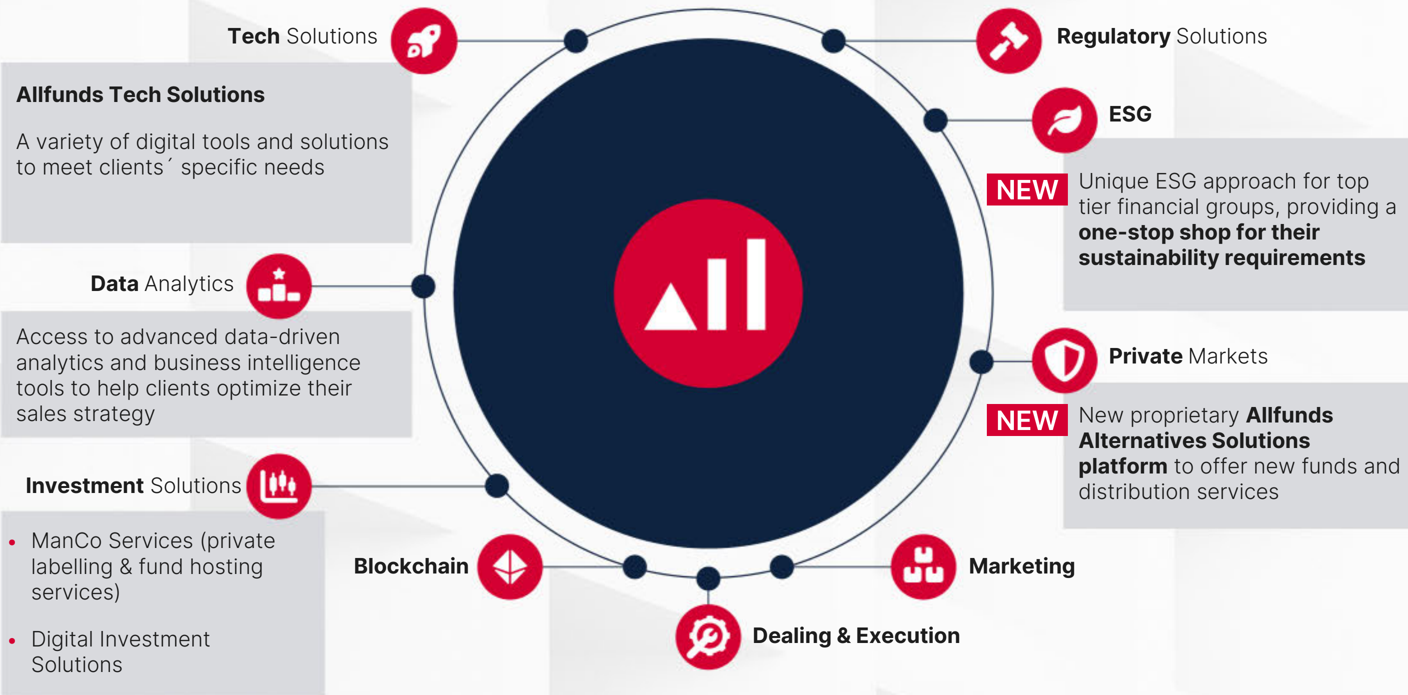
In recent years, Allfunds has demonstrated resilience by rebounding from turbulence stronger and better. This propelled us to consider our future trajectory and define strategic growth pillars to achieve our medium- and long-term ambitions. We are committed to expanding our subscription-based revenues, which are primed for significant organic growth due to the cross-selling opportunities presented by our completed mergers and acquisitions. Our appetite for inorganic growth remains undiminished, and we are constantly on the lookout for new opportunities.

The rapid evolution of our industry drives our growth and diversification efforts, and has led to new revenue streams such as Blockchain. Similarly, this rapid evolution is what inspired us to set up our alternatives platform through Allfunds Alternatives Solutions and the Allfunds Private Partners programme.

▷ ***Read more about our outlook on page 19***

A unique enhanced value proposition

Our evolving ecosystem covers the entire fund distribution value chain and investment cycle, making it the only fully integrated one-stop shop in the industry.



Allfunds Alternatives Solutions

Launched in March 2023, our new platform for private markets aims to replicate and reinforce our successful 'buy-free' model approach (*see next page*) and one-stop shop for private capital markets. Allfunds' leading full service offering on its traditional platform can be extended at scale across the Alternatives platform. This platform offers:

- **Distribution:** a single global distribution agreement to reach 890 Distributors from 63 countries through an instant, go-to-market strategy
- **Technology:** a single point of entry for a fully integrated platform (both UCIs and Alternatives) that digitalises and automates the trading process, and the handling of pre-trade, trade and post-trade
- **Multi-connectivity approach:** a single point of entry for any fund, simplifying the operational burden for Fund Houses

Allfunds Alternatives Solutions is managed by a dedicated team of around 30 professionals and has been fully operational since March 2023.

ESG solutions - MainStreet Partners

ESG is one of the main drivers of flows and investment decisions among wealth managers and Fund Houses, and institutions are struggling to implement the regulatory requirements or launch the suitable funds. In addition, regulators keep developing the ESG agenda for the coming years and this affects both Fund Houses and Distributors.

Our unique ESG approach for financial groups focuses on providing a one-stop shop for their sustainability requirements, with MainStreet's goal being to become the primary 360º ESG partner for all our clients. We offer an ESG analytics platform that provides SaaS solutions to access a comprehensive ESG rating and data product offering. And we offer portfolio and advisory services for those clients demanding specific help with their model portfolio, bespoke reporting, fund selection and regulatory implementation.

Madrid, Spain

The Allfunds business model

Allfunds operates in the wealth management sector and faces competition from other service providers and fund platforms. The competition is based on various factors such as the range of services offered, scale, technology, speed, performance, quality, reliability, brand reputation, customer service, and price. These wide-ranging, top-tier solutions are provided through our ecosystem, Connect. Launched in 2018, it fully digitalises our processes with both Fund Houses and Distributors.

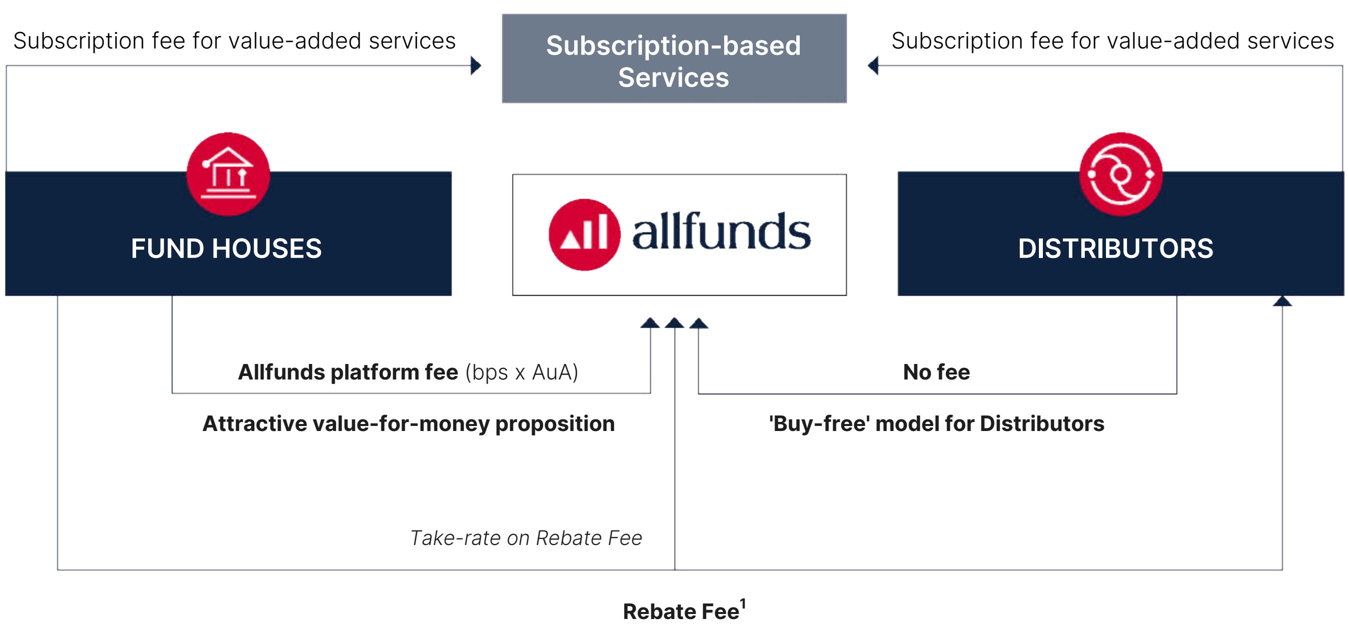
The business model of Allfunds is elegantly simple. Distributors can access core services related to trading, dealing, custody, settlement and administration at no cost, while paying for additional value-added services. Fund Houses, on the other hand, pay a fee to Allfunds for the assets they manage and distribute, plus other value-added services. This is seen as an attractive value-for-money proposition by the Fund Houses.

The Allfunds platform is supported by Allfunds Connect, a Software as a Service (SaaS-) enabled, subscription-based portal. Through this portal, Distributors and Fund Houses can access a variety of modular, digital tools. It is a fully integrated ecosystem that gives us an edge over our competitors, who typically offer fewer services than the Allfunds platform provides.

The majority of Allfunds' net revenue comes from fees. These are calculated daily as a margin on the outstanding Assets under Administration (AuA) on the Allfunds platform. Due to low churn rates, recurring revenue streams made up approximately 99% of the total net revenue for the year ended 31 December 2023. This includes 100% of platform revenues and 86% of subscription and other revenues.

A simple and attractive revenue model

Distributors gain access to services under a 'buy-free' model which has resulted in strong loyalty and negligible client churn in recent years



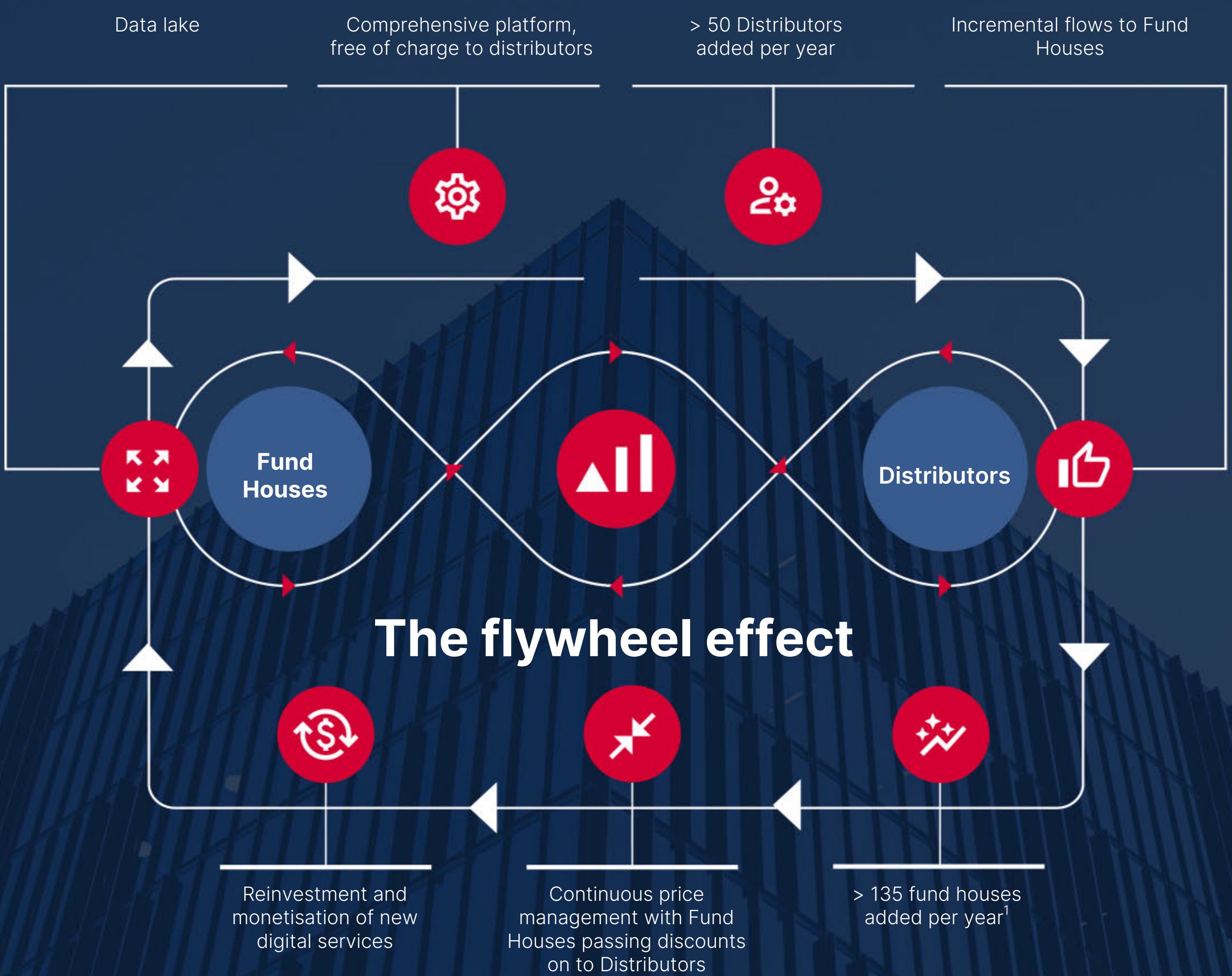
For illustrative purposes. Simplified revenue model. 'Buy-free' revenue model refers to Distributors.
1. Refers to inducements paid by Fund Houses to Distributors.

Our platform

The Allfunds platform has an extensive range of services, plus advantageous distribution agreements with Fund Houses, both of which make it an attractive choice for new Distributors. The resulting increase in the flow of funds attracts more Fund Houses to join the platform who will in turn benefit from increased sales opportunities thanks to the expanding Distributor base. This cyclical process, known as the network effect, not only gives Allfunds a unique competitive advantage but also drives its growth.

As the platform grows with the addition of more Fund Houses and Distributors, the utilisation of Allfunds' digital services also increases. This accumulation of a vast amount of data means we can continually enhance and tailor our service offerings to meet the evolving needs of our clients.

In essence, the Allfunds business model is a virtuous cycle of growth and improvement. This model positions Allfunds as a leader in the wealth management sector, capable of meeting the diverse needs of its clients while also anticipating and adapting to future trends in the industry.



1. Based on the average number of new Fund Houses onboarded in the last 4 years (period 2019-2023)

Santiago, Chile

Our value creation model

Our business model has proven to be successful and resilient, largely due to its highly diversified nature. This diversification is evident in our extensive global reach, with clients spread across 63 countries and offices in 17 locations worldwide.

Thanks to our client base spanning so many cultures, and markets, we have gained a thorough understanding of numerous financial landscapes. This geographical diversity not only enhances our global insights, but reduces our dependence on any single market, so mitigating regional economic risks.

Furthermore, this global presence puts us in a strong position to capitalise on emerging opportunities in different markets, further strengthening our resilience and capacity for growth. It's a proven model that supports our current operations while providing a solid foundation for our future expansion.

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

890 Distributors

Collaboration with clients

1,351 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 63 countries
- Employees in our global sales and marketing team, with 10 languages spoken
- 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
- 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 20

How we do it

A one-stop shop

We offer a comprehensive suite of best-in-class solutions powered by smart data through our ecosystem, Connect. Launched in 2018 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 7***

Benefits of scale

Our strategic focus has been 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 what we believe is the largest open architecture, integrated ecosystem in the market with €1.4 trillion AuA across more than 63 countries.

▷ ***Read more on pages 4 and 5***

An attractive and simple revenue model

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

▷ ***Read more on page 8***

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 can offer global access to our distribution network.

▷ ***Read more on page 4***

Operational excellence

We have built a proprietary and independent European fund distribution platform for our clients, with best-in-class capabilities in core business, which is robust, simple to use and efficient.

▷ ***Read more on pages 6 and 8***

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 2023 of Allfunds Alternative Solutions, our private markets solution, and the acquisition of MainStreet, to offer our ESG advisory services. All of this while we keep investing on Blockchain and digital subscription services.

▷ ***Read more on page 7***

Value created in 2023

For our employees

Our priority is to keep our colleagues motivated so they can work efficiently and effectively. We offer a training development programme, plus an attractive compensation package based on experience. Balance remains important, so we have introduced new policies to further improve flexibility on maternity and parental leave. We have also introduced new DEI training sessions to further sensitize our managers.

For our clients

We provide our clients with a better understanding of common clients' distribution activities. More broadly, we are committed to transforming the WealthTech world by empowering our clients with a unique combination of scale, experience and digital mindset. We also understand the security threats they face, so we provide all our clients with an Information Security System to protect 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 returns through attractive Adj. EBITDA margin and share price appreciation. Capital return is also an important pillar, and this year took the form of our first share buyback programme, amounting to €100m. Launched in July, the first tranche of €50m was completed by December.

For our regulators

We are committed to fostering strong regulatory relationships across all levels and business areas of our organisation. To this end, we have achieved an international certificate on our Compliance Management Systems, which confirms the alignment to best practices and international standards. We have continued to enhance our internal procedures to provide transparent, regular reports to internal and external stakeholders and comply with the law and regulators´expectations.

For our business partners

Our partnerships aim to transform the WealthTech industry and enhance the distribution chain. We have managed to develop this community through excellence and accountability, 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.

Delivering long-term growth

Our resilient business model, global scale and cutting-edge platform mean we are confident we can continue to create long-term sustainable 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.

▷ ***Read more about our clients on page 44***

For our **shareholders**. We are committed to delivering sustainable returns via responsible business practice. We want an active role in fostering an ethical, accountable and competitive Financial Services industry.

▷ ***Read more about our shareholders on page 46 and 214***

For our **employees**. Our people's talent is what creates our world-class service. Our employees are high performers and team players who live our core values. We encourage them to grow, professionally and personally.

▷ ***Read more about our employees on page 42***

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

▷ ***Read more about our commitment to ESG on pages 32 to 39***

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

Our updated sustainability strategy

This year we have approved our new sustainability strategy, the 'ESG Strategic Plan 2026' that seeks to:

	Key target
Environment Adopt efficiency measures to become one of the first of our industry to achieve carbon neutrality by 2030	• Zero emissions scope 1 & 2 by 2028 Carbon neutral by 2030
Social Invest in human capital to champion leadership, development and diversity	• 40% of senior managers to be women • 30% of internal promotion vs recruitment
Governance Develop a culture of trust, integrity, and transparency at all levels of the organization to foster strong stakeholder relationships	• Higher independence in Board Committees • Adapt our non-financial reporting internal controls to the CSRD

Allfunds conducted a double materiality analysis whose key topics are the basis of our new sustainability strategy and Allfunds sustainability pillars, which are all aligned with SDGs.

▷ ***See more on page 32 of this Report***

A strong investment case

A leading global-scaled WealthTech

- Global reach and local presence
- Ideally positioned to keep capturing market share (x3 gain in 5 years)
- Large and high-growth market underpinned by open-architecture penetration and outsourcing

A one-stop shop

- Compelling end-to-end wealth management value proposition
- Sticky customer base of blue-chip clients (~98% Fund House and Distributor retention)
- Game-changing digital tools and proprietary technology
- Private markets platform

Unique and attractive revenue model

- 'Buy-free' model for Distributors, paired with powerful flywheel effect
- Scaled and recurrent revenue model widely diversified
- Continuous innovation to enhance productivity
- Focus on operating efficiencies

Superior financial profile and capital returns

- Best-in-class growth (+14% CAGR 20-23 in net revenues)
- High margin and cash flow conversion (Adj. EBITDA 66% and average L4Y 85% pre-tax cash conversion)
- Ambition to drive incremental value tapping into M&A opportunities
- Shareholder returns, more than €100m distribution in 2023

Committed to delivering value to our stakeholders

At Allfunds, we believe that creating long-term shareholder value requires taking into account the interests of all our stakeholders as well. Our commitment to deliver value has been highlighted in 2023 through our focused and disciplined capital allocation, consistent since our IPO:

- Ordinary dividend policy: 20% to 40% progressive pay-out ratio
- Strategic M&A, carried out in 2023:
  - Closing of MainStreet in February: completion of a fully integrated product suite offering to our WealthTech platform
  - Acquisition of Local Paying Agent business of Iccrea Banca in Italy which consolidated Allfunds' increase in customer service and strengthened our position in Italy
- Shareholder distributions: launch of our first share buyback programme of up to €100m in July which is divided into two tranches of €50m

As a result, the first tranche was completed on 16 December 2023 and 9.37m shares were cancelled accordingly. This successful execution of the first tranche evidences Allfunds' strong and recurrent organic cash flow generation capacity as well as the Board and management teams' strong conviction on the future of the Company. The Board will reassess in due course if, given how the share price evolves, the second tranche will be launched and when.

Luxembourg, Luxembourg

Generating shareholder value

Our investment case is driven by our clear strategy to deliver long-term growth

We have a clear and differentiated strategy to grow our business, organically and inorganically...

Large addressable market

€14-€15 trillion of AuM in the B2B Fund platform segment

Read more about our Total Addressable Market on page 26

Organic growth

Continued market share gain
- Flywheel effect
- Expansion to new markets

Strategic growth initiatives
- Allfunds Alternatives Solutions
- Digital subscription services
- Blockchain

Inorganic growth

Platform M&A
- In 2023, acquisition of Iccrea Local Paying Agent business

Product M&A
- In 2023, acquisition of ESG advisory boutique MainStreet Partners

We have a highly professional team, leading market positions and we benefit from secular market growth trends. Combined with our long-term strategy to drive sustainable growth, we are confident in our ability to deliver value for our stakeholders.

. . . to deliver on our financial performance . . .

Recurring and diversified revenue

High operating leverage

Adj. EBITDA margin 65%+

Strong cash generation

Pre-Tax Cash Flow conversion 80%+

Talented and dedicated team

Progressing in sustainability

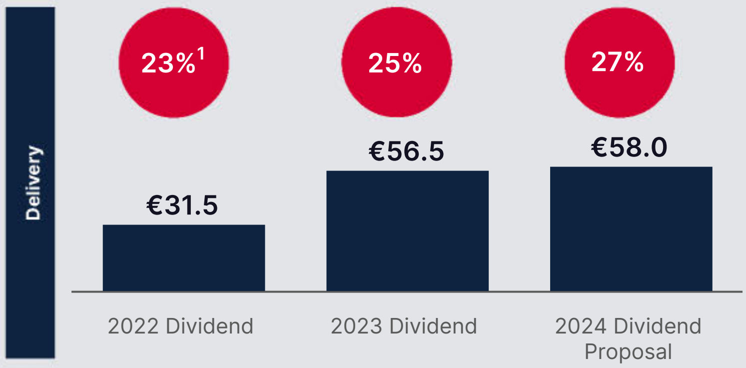
New ESG Strategic Plan 2026 in place

Carbon Neutral by 2030

. . . which underpins our sustainable capital allocation.

Ordinary dividend policy

Pay-out ratio on Adj. PAT



1. Based on 2021 Adjusted profit after tax accounted since the IPO (April 2021)

Strategic M&A

Track Record of Acquisitions	
2018	Finametrix
2019/2020	Credit Suisse InvestLab; Nasdaq Nordic Fund Market; BNP Paribas Banca Correspondente
2022	instiHub by allfunds; WebFG
2023	Mainstreet Partners; BCC Banca Iccrea

Shareholder distributions

Special dividends

Share buyback

€100m programme launched in July

"In an increasingly complex economic landscape, Allfunds is uniquely positioned to continue growing thanks to our resilience, our ability to adapt and our growing revenue diversification.

Juan Alcaraz
CEO – Executive Director

London, UK

Global Scale

€1,384bn

Assets under administration as of December 2023

High Growth

14%

CAGR in Net revenue since December 2020

47%

Growth in subscription-based revenues since 2022

High Profitability

€359m

Adjusted EBITDA 2023

€319m

EBITDA 2023

Seizing opportunities for growth

Geopolitical and economic uncertainty continued throughout 2023, but thanks to diversification and an enhanced value proposition for our clients, we delivered strong results and progressed in the execution of our strategy.

The market environment

The tightening global macroeconomic environment was uncertain throughout 2023, amplified by tensions in the banking market and geopolitical risks. Allfunds has been confronted with an exceptionally complex environment. However, we need to acknowledge that some of these shocks are starting to unwind, and therefore we are starting to see some signs of potential recovery that points to a better outlook for the capital markets.

As stock markets rallied at the end of the year and inflation began to ease, investor confidence recovered during 2023. As a result, the European cross-border UCITS industry, which measures the cross-border distribution capacity by third-party asset management companies of mutual funds in Europe, increased by 4% in 2023 according to Morningstar.

Business review

The last 12 months have also been positive for Allfunds as we have continued to capitalise on favourable industry tailwinds, thanks to our scale and diversification, which have enabled us to capture opportunities in this complex environment. Our assets (AuA) have grown by 7% to end near the €1.4 trillion mark, higher than the industry.

As a result, we have captured market share: Allfunds reached 26% of the European cross-border UCITS segment as of December 2023. We continue to outperform the markets thanks to our diversification (regional, by asset class and by type of Distributor). We have also continued to benefit from the outsourcing done by our clients and have grown our potential to win share from other legacy infrastructure providers. This is despite the temporary reduction in open architecture penetration in Europe, which has been driven by the current market sentiment and volatility, combined with high base interest rates.

We have continued to evolve our client offering, making even stronger and more compelling our one-stop shop for our clients. We have also reached deeper into our client base and strengthen our market footprint through the successful execution of our growth strategy.
A further key strategic initiative has been enhancing our platform, which includes the launch of the Alternatives Solutions platform.

Platform business

Our client wins keep on consolidating our place as market leader in Europe and globally. Thanks to our flywheel effect, this year, we managed to onboard 53 new Distributors, continuing 2022's strong momentum, and 81 new Fund Houses. We have also benefited from maintaining long-standing, deeply embedded relationships resulting in outstanding retention rates for both Distributors and Fund Houses.

Consequently, migrations from new clients have continued to be strong, and these underpin the strength of our franchise: up to €60 billion AuA of flows from new clients, including the Iccrea Banca acquisition.
More importantly, we continue to make new client wins globally, while capturing significant share from competitors, helping us to diversify our Distributor base.

In Asia, there has been significant progress with over 20 new clients, representing 40% of total new clients in 2023, demonstrating the attractiveness of Allfunds´ unique value proposition in one of the fastest-growing wealth management markets.

Subscription-based business

This year, our digital services have experienced strong growth and globalisation. Allfunds´ subscription-based business has delivered good momentum, with an increase in client wins year-on-year and an acceleration in the pipeline, which is completely diversified by region and product.

Our digital ecosystem is supported by best-in-class proprietary technology that supports our subscription-based revenues. These represent 11% of total revenues to the end of 2023. We have been focusing heavily on expanding this subscription revenue-based pool, implementing a double strategy of organic growth and selective M&A. This underlines the increasing importance that the subscription-based business represents for the future of Allfunds.

Continued expansion of our offering

Over the last year we have developed opportunities with long-term growth potential:

- We built a new Treasury department to extract a new revenue line, the net treasury income. This provides a sustainable contribution to revenues that will act as a natural hedge against the impact from asset rotation into low risk or lower margin assets.
- We launched two initiatives in the private markets space. Allfunds Alternatives Solutions (AAS) division was created in March 2023 to provide clients in the wealth management sector with better access to alternative investments and private markets, and driven by a dedicated, industry-leading team. And we also created the Allfunds Private Partners (APP) programme in July 2023, in partnership with some of the top global houses in this segment, who consider Allfunds their ideal partner to access a large and untapped growth opportunity in Europe. The APP aims to promote, educate and distribute the products of this emerging asset class in Europe.
- We continue leading in innovation by promoting the adoption of our Allfunds Blockchain technology by the industry, and by promoting our fund hosting services within our ManCo, which is gaining good traction.

Active capital allocation between growth and shareholder distributions

In addition, this year we launched our first share buyback programme of €100m to repurchase ordinary shares. Investing in our own shares creates excellent value for shareholders and is in line with our commitment to return capital to shareholders as part of our capital allocation framework, which was communicated at the time of our IPO. Allfunds´share price closed 2023 at €6.43, resulting in a 1.5% decrease by end of 2023; however, we believe there is a very material value upside at Allfunds' current valuation levels. The share buy-back evidences Allfunds' strong and recurrent organic cash flow generation capacity, as well as our strong conviction in the Company, its future and the fact that our fundamentals are not currently priced in.

And finally, our strong cash generation has also enabled us to continue to make significant but targeted investments. This year, we acquired a majority stake in MainStreet Partners, a specialist in ESG analytics and advisory. We also bought the local paying agent business of Iccrea Banca, which consolidates our leading position in *Banca Corrispondente* in Italy.

All of these acquisitions accelerate our strategy and bring recurring and growth accretive revenues. We are very excited about the significant upselling and cross-selling potential they represent, because these form the backbone of our digital growth strategy.

“We are a long-term business, so we take a long-term view when building for future growth.”

Financial review and key highlights

In 2023, we delivered strong financial results with continued revenue diversification.

Assets under administration were up 7% year-on-year, from €1,296 billion to €1,384 billion, supported by positive market performance (€73 billion or 8% since December 2022), and positive net flows (including Iccrea´s AuA) of €3 billion or 0.4% since December 2022.

Net revenues increased to €546 million (10% year-on-year), implying an historic record figure for the Company, thanks to the contribution of subscription revenues and net treasury income that amounted to €59 million and €76 million respectively.

Our platform revenue margin has remained resilient and stands at 3.6bps, which stood at the upper range of our FY2023 guidance.

We remain committed to diversifying our revenues across clients and geographies too. This is reflected in the contribution of the net treasury income and the strong growth of subscription revenues, which increased a remarkable 47% versus the previous year. We continue to pursue acquisitions that will foster our mid-term target of subscription-based revenues (30% of our total revenues). This inorganic strategy will also help us broaden our revenues as we broaden our product range.

In addition to new clients and new acquisitions, we are staying disciplined on costs, but I would like to reaffirm our commitment to investing in our people, who remain absolutely at the core of our business.

Our adjusted EBITDA margin reached 66% (€359 million), in line with the guidance provided during the year and given the consolidation of lower margin subscription businesses acquired in 2022 and 2023. The reported EBITDA increased 19% year-on-year to €319 million.

We maintain our expectations to recover the 70% adjusted EBITDA margin over the mid-term, as we scale the acquired businesses and reach the operating leverage of the platform business, despite continued growth investments.

Net Profit amounted to €86 million and shows a 74% increase compared to 2022, due to strong results and the decrease of amortisations. However, our Adjusted Net Profit has temporarily decreased 4% year-on-year, slightly affected by financing costs and incremental amortisations.

Technology and Operations

We made a total of €50 million in new investments mainly to fund growth initiatives, while maintaining best-in-class platform services. In the medium to long term, these investments will deliver a more scalable and efficient business and enhance our customer offering. These initiatives include:

- The 360º digitalisation of Allfunds, internally and in the relationship with our clients, through the continued enhancement of our Connect Integrated Dashboard (CID) hub. This CID initiative aims to streamline compliance and legal requirements, in order to ease fund set-up operations so that Fund Houses and Distributors can quickly deploy their go-to-market strategy
- We are actively expanding our Blockchain offerings. FAST, in particular, has achieved remarkable success in facilitating efficient funds transfer and commercialization mainly across Italy and Spain, working closely with transfer agents. Additionally, Allfunds Business Smart Contracts leverage Blockchain technology within a fully digital ecosystem
- Since 2018, we have been working on hyper automation, starting with Robotic Process Automation, and have achieved tangible results. Immediate next steps include embarking on Generative AI in 2024 with specific use cases in information extraction and intelligent search engines offered on our data & analytics platform

We also welcome Antonio Varela as our new Chief Operating Officer. He has more than 30 years of industry experience in international banking and operations and will strengthen our executive leadership team. He will also reinforce our commitment to delivering the transformation of the WealthTech industry.

Sustainability and People

We succeed thanks to our people and our approach to sustainable growth. This means we develop long-term, close relationships to deliver sustainable value for shareholders, clients and employees.

The investments we have made in our people in recent years are meaningful, especially in welcoming and integrating new colleagues from recent acquisitions. The number of Group permanent employees remained stable during 2023 at 1,031. In 2024, we expect to continue to invest in our platform, in particular in growing our Alternatives and subscription-based teams.

As I mentioned last year, our approach to sustainability looks to bring long-term value to our stakeholders. Our achievements in the areas of Sustainability and ESG are recognised in our public ESG ratings. As a result of our assessment by Standard and Poor's (S&P) Global CSA, Allfunds received an ESG Score of 58, 3 points higher than last year and 33 points higher than the average score of the Diversified Financial Services industry. This year, we made significant progress by establishing a new ESG Strategic Plan for 2026. Our ambition is to be carbon neutral by 2030. This commitment is supported by achieving zero emissions (Scope 1 and 2) by 2028 and 100% renewable energy consumption by 2026.

We look forward to achieving further progress on these important matters.

Looking ahead

I am incredibly proud of the results the Allfunds team has achieved this year. My focus will be to ensure Allfunds continues to deliver against strategic objectives, reinforcing our position as a leading WealthTech platform.

The investments we have been making, both organically and inorganically, since IPO will translate into meaningful benefits for our clients and for our stakeholders as a whole.

From a financial perspective, our business model will be reinforced by:

- Our best-in-class retention rates with increasing diversification
- Our push for a stable and resilient platform margin, thanks to the transition to the fee-based model and the new margin-accretive initiatives
- The net treasury income that represents a stable revenue stream
- The scalability of our platform that results in best-in-class EBITDA margin
- Our continuous focus on value-accretive M&A

Considering the outlook for rates in 2024, I am convinced that Allfunds is poised for growth, given that we have historically benefited from a low interest rate environment. We expect the return of retail investor appetite after a period of lower activity driven by market volatility. Following the strong deceleration of outflows seen in December, we are near the point of inflection for flows from existing clients to turn positive. We remain optimistic about the prospects for 2024.

While this happens, our business model will be supported by our strong competitive advantages:

- A "global" approach: we are a global player, that has grown in scale strategically through international expansion, while keeping a local presence to be closer to our clients
- Fully integrated one-stop shop: Allfunds is probably the only truly integrated fully-digital end-to-end one-stop shop, that covers the entire value chain for the distribution of funds
- 'Buy-free' model: Allfunds has a differentiated pricing model, with Distributors being able to gain access to services under a 'buy-free' model which favours strong loyalty and has resulted in negligible client churn in recent years
- Scale: largest, growing and high-quality customer base, of c.900 Distributors and more than 1,350 Fund Houses

We have exceptional people, a powerful client base and a track record of growth. With these elements, I am confident in our ability to deliver sustainable growth and value for our stakeholders.

Juan Alcaraz
Founder and CEO

Our strategy and growth plans

We have six strategic pillars, which enable us to focus on priorities and react quickly to changes in our operating environment.

Our strategic priorities

Continued market share gain

Allfunds has a solid track record in developing business activities both in its existing markets and outside its core markets. This has fuelled the successful growth of its international market share.

Progress in 2023

Our superior offering has enabled us to maintain our share of the existing addressable market, despite challenging market conditions. In 2023 we achieved continuous onboarding of Distributors and Fund Houses.

How we measure it

- Total market share
- Market appreciation in 2023
- AuA growth in 2023

Future priorities

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

Perpetuating the flywheel effect

The Allfunds flywheel is at the core of the Company's strategy: as the number of Fund Houses increases, so does the value of the Allfunds platform proposition to Distributors, and vice versa. Allfunds is focused on supporting and perpetuating the flywheel effect through several strategies.

Progress in 2023

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

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 2023

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 11% of total revenues in 2023

Future priorities

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

Our strategic priorities continued

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 2023

We have increased our revenue margin thanks to active margin management and the natural hedge of net treasury income.

We also launched Allfunds Alternative Solutions and Allfunds Private Partners for our proprietary private capital markets platform.

Our platform leads in breadth and width of services and continues to be the gold standard.

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

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 2023

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

How we measure it

- Cost per transaction (€)
- 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

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 2023

Allfunds' M&A strategy has been focused on enhancing scale, expanding and consolidating 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 to maximise value from any acquisition.

This year, we completed and integrated two acquisitions. One of these acquisitions has resulted in a fully integrated product suite, and through the integration of the Iccrea deal, we have achieved meaningful accretion for our shareholders.

How we measure it

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

Future priorities

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

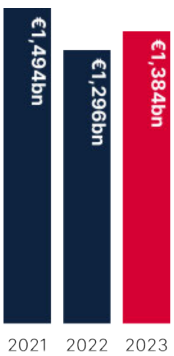
Measuring our progress

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

Financial measures

AuA

€1,384bn



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

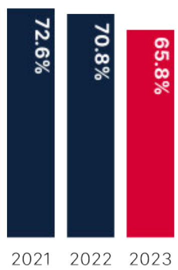
Link to strategy

Link to remuneration

Total AuA is not a direct target within any remuneration package

Adjusted EBITDA margin

65.8%



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

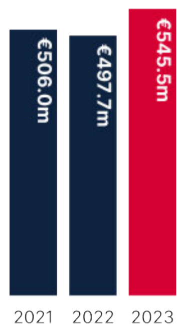
Link to strategy

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

€546m



Description

Revenues from sales

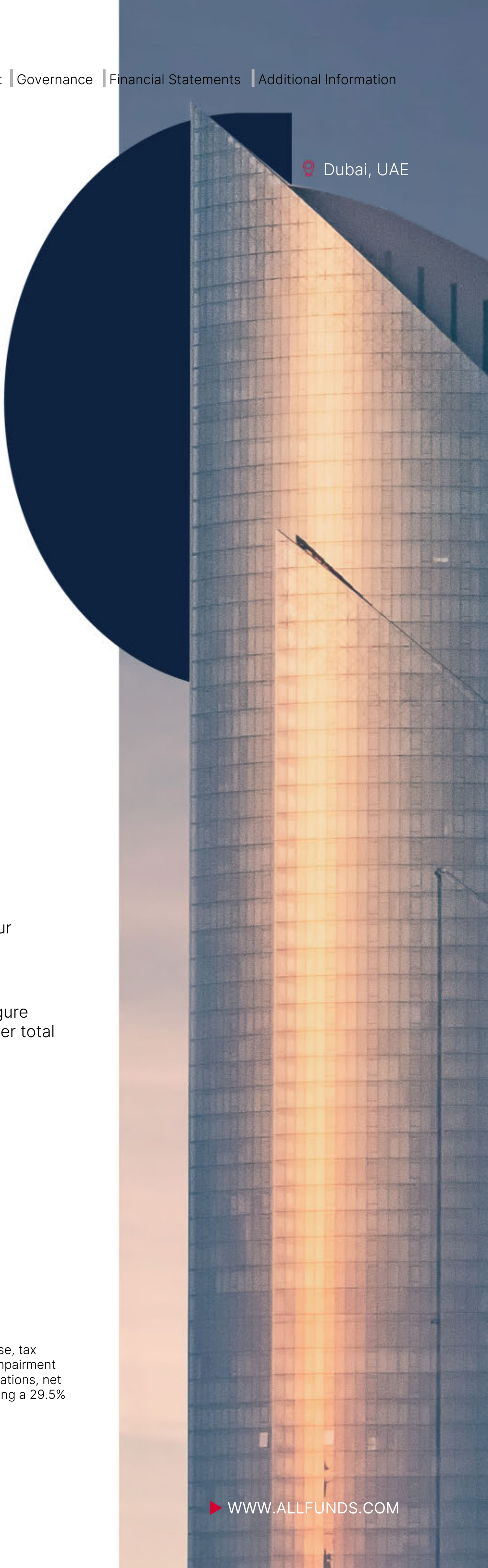
Definition

Net revenue represents the Allfunds Group's fee, commission and service revenues less fee, commission and service expenses, plus the net interest income from treasury activities. Net revenues comprised of net platform revenue, net subscription revenues and other revenues

Link to strategy

Link to remuneration

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



Financial measures *continued*

Normalised free cash flow

€203m

Description

FCF is a measure of operating performance and underlying cash generation

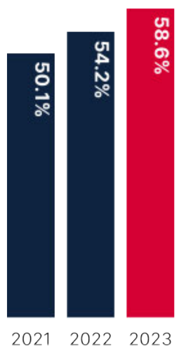
Definition

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

58.6%



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. Normalised free cash flow is defined as profit /(loss) for the year after tax, excluding net interest expense, tax credit /(expense), and depreciation and amortisation, adjusted to exclude separately disclosed items, impairment losses, losses on disposal and amortisation of intangible assets acquired as a result of business combinations, net of underlying capital expenditures, rental expenses, net interest expense and illustrative taxes (assuming a 29.5% cash tax rate in 2021, a 26.5% cash tax rate in 2022 and a 27.9% cash tax rate in 2023).

Non-financial measures

FH – Client retention rate

97.4%

Description

High retention rate signifies 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

Link to remuneration

Retention rate of Fund Houses is Included as a metric within the Group bonus scheme.

D – Client retention rate

99.8%

Description

High retention rate signifies 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

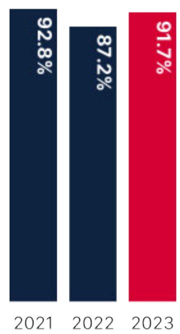
Link to strategy

Link to remuneration

Retention rate of Distributors is included as a metric within the Group bonus scheme.

Employee retention rate

91.7%



Description

Employee retention rate is a metric that measures the capacity of the Group 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

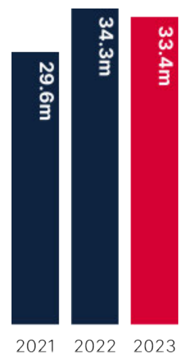
Link to remuneration

Employee engagement is a performance element within the Group bonus scheme. Employee retention rate is a KPI linked to employee experience.

Operational measures

Trades placed successfully (million)

33.4m



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

Link to remuneration

Operational excellence is a performance element within the Group bonus scheme.

Non-financial measures *continued*

STP orders

95.7%

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

Link to remuneration

STP orders is not a direct target within any remuneration package. However, operational excellence is a performance element within the Group bonus scheme.

New funds set up

14,350

Description

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

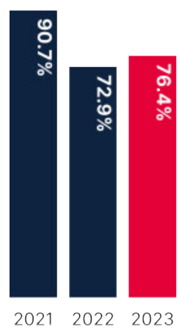
Definition

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

Link to strategy

IT CAPEX over total CAPEX

76.4%



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 rating serves 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

1. Figures for 2022 have been restated, to reflect accurate new funds set up in the year. Fund set up is 100% linked to client activity

Our addressable market

We operate in a large and high-growth market underpinned by 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 refers to D2C platforms. The figures for Allfunds' total addressable market are limited to the captive and B2B business, along with the geographies in which it currently has Distributors. These include 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 we operate, 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 ('TAM'), based on management sizing of the market using third-party data, is expected to be c.9% from 2019 to 2024. For 23 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

We are still going through a sequence of global shocks that are disrupting economies around the world. Over the past three years, we have seen a pandemic, severe supply chain disruptions, the Russia-Ukraine war, an energy crisis, tensions in banking markets and now additional geopolitical shocks such as the armed conflict between Israel and Hamas. The resulting swings in activity and prices have caused significant challenges to the economy and financial sector as a whole. Authorities, policymakers and central banks have taken strong action to contain the turbulence in the US, in Europe and globally through a tightened monetary policy. According to the International Monetary Fund in its World Economic Outlook, the baseline forecast is for global growth to slow from 3.5% in 2022 to 3.1% in 2023 and 3.1% in 2024 – all well below the historical (2000–2019) average of 3.8%. As a result, wealth growth as one of our secular market growth trends has been hampered.

With disinflation and steady growth, the likelihood of a hard landing has receded, and risks to global growth are broadly balanced. On the upside, faster disinflation could lead to further easing of financial conditions. Looser fiscal policy than necessary, and than assumed in the projections, could imply temporarily higher growth, but at the risk of a more costly adjustment later on. Stronger structural reform momentum could bolster productivity with positive cross-border spillovers. On the downside, new commodity price spikes from geopolitical shocks – such as the attacks in the Red Sea – and consequent supply disruptions could prolong tight monetary conditions. These conditions could also be prolonged by more persistent underlying inflation. Meanwhile, deepening property sector woes in China or elsewhere, disruptive tax hikes and spending cuts could also cause growth disappointments. If those persist, this might have a material impact on investors' willingness to invest in capital markets, as happened in 2022.

Financial assets penetration

Over the years, and boosted by a favourable regulatory framework, there were significant trends in the European financial industry. These trends highlighted the role of asset managers in serving investors, funding European companies and aiding the transition to a greener economy. Financial assets outpaced non-financial wealth during the 2020–21 pandemic period, but non-financial assets narrowed the gap in 2022 when household financial assets declined in value. According to market data, forecasts suggest that financial and non-financial wealth will continue to rise in tandem over the next five years.

Open architecture penetration

Over the past two decades, there has been remarkable growth in the distribution of third-party funds by financial institutions, private banks, insurers, wealth managers and other Distributors. Investors now expect access to a diverse array of funds from international Fund Houses, and their discernment has increased as their investment profiles evolve. In response, Distributors have adapted their strategies. The European fund industry is becoming more international, with growing importance for cross-border funds. Consequently, the proportion of cross-border Assets under Management (AuM) funds within the total AuM held in Europe, considered a reliable gauge of open architecture adoption has steadily risen over the years. As indicated by market data[1], the share of cross-border funds domiciled in the European Union increased from 49% in 2012 to 56% in 2023.

Outsourcing

Our clients, including Fund Houses and Distributors, are proactively adopting cost-efficient operating models. They achieve this by strategically outsourcing various functions – such as back-office operations, portfolio tools & analytics, regulatory compliance and legal services – to fund platforms. This shift toward outsourcing, combined with a greater reliance on open architecture models, empowers our clients. Not only do they effectively navigate mounting regulatory pressures, but they also meet the rising investor demand for enhanced performance and diversified investment options. According to market data, the share of assets outsourced to European B2B fund platforms has increased from 19% in 2017 to 30% in 2022[2].

Allfunds market share

Allfunds has grown its AuA at a 29% CAGR over the last decade. As of 31 December 2023, our global market share is 10.6% 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 2023, and a 26% market share in the European cross-border UCITS based on Morningstar data. Our diversified AuA profile and strong commercial activity helped us maintain our market share during 2023, adding to a decade of uninterrupted market share growth. At a local level, Allfunds has Distributor clients in more than 63 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 2023 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.

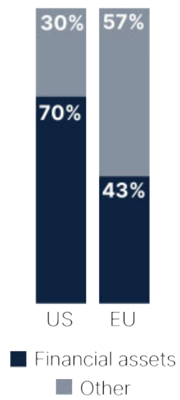
1. Source: EFAMA
2. Source: Platforum
3. Regions included in the data are Europe, Bahrain, Brazil, Chile, Colombia, Hong Kong, Kuwait, Malaysia, Mexico, Oman, Philippines, Qatar, Saudi Arabia, Singapore, South Africa, Taiwan, Thailand and United Arab Emirates.
   Source: Morningstar and management analysis

Penetration-led market growth drivers

Household wealth
20-24E % CAGR

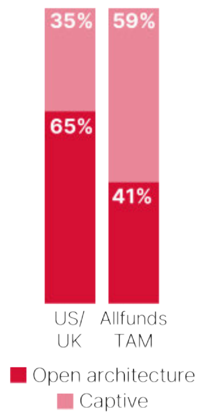
- Accelerating economic growth
- Expansionary monetary and fiscal policies
- Change in demographics and population growth

Financial assets penetration



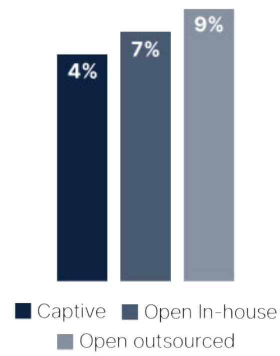
- Wealth effect
- Attractiveness of financial assets vs real estate
- Shift to pensions/savings

Open architecture penetration[1]



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

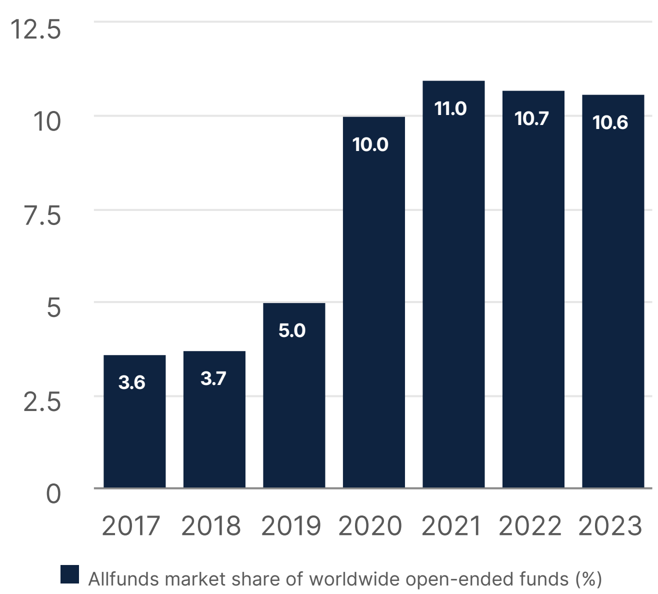
Outsourcing penetration
19-24E AuA TAM CAGR



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

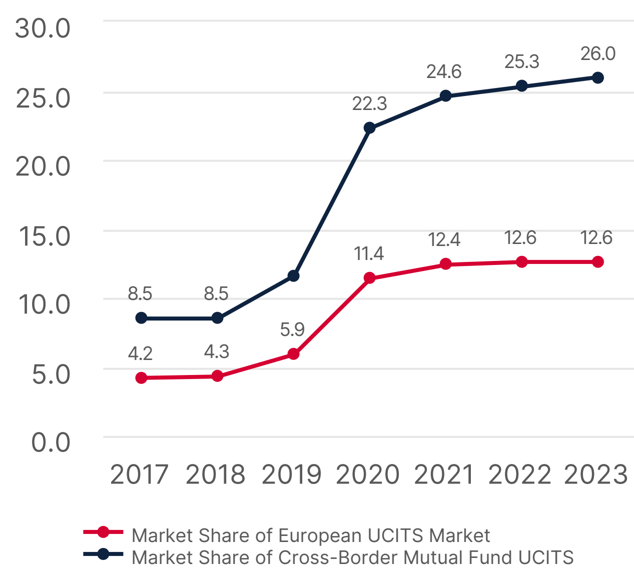
1. Excludes D2C business
Source: Management sizing of the market based on third-party market data

Allfunds market share of worldwide open-ended 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



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

Capitalising on favourable industry trends is what keeps us at the forefront of innovation.

Increasing wealth and savings

2023 has marked a significant milestone: the largest increase in consumer prices in decades. This surge in inflation carries profound implications for household wealth. As prices escalate, the purchasing power of households diminishes, impacting their ability to save and invest effectively. The surge in global inflation is now expected to persist for much longer than previously anticipated. However, global inflation is expected to drop to 5.2% in 2024, from a high of 8.7% in 2022, as per the IMF. At the same time, central banks will be fine-tuning their monetary policies through 2024. The European Central Bank is expected to begin reducing interest rates; in August 2023, the ECB policy rate stood at 3.75%, matching the peak in 2001.

There is room for hope: the global economy is healing and poised for further recovery. Over the past two decades, personal financial wealth across the globe has nearly tripled. Despite crises, economic shifts and uncertainties, wealth continues to grow. This trajectory is expected to persist, fostering financial well-being for individuals worldwide.

According to market data, despite the adversity seen in 2022 and 2023, global financial wealth is expected to rise by 38% over the next 5 years, reaching USD 629 trillion by 2027.

Outsourcing and preference for open architecture

Our clients, which include Fund Houses and Distributors, are progressively embracing more cost-effective operating models. This shift involves outsourcing a variety of activities to fund platforms and includes areas such as back-office operations, portfolio tools, analytics, regulatory and legal services.

By leaning more heavily on open architecture levels, our clients are better equipped to navigate the increasing pressures of regulation. This approach also enables them to meet the rising expectations of investors for performance and diversification. The reliance on open architecture is not merely a trend, but a strategic move that allows our clients to stay agile and responsive in a dynamic market environment.

Furthermore, end investors are expressing a growing demand for more access to open architecture fund products. These products offer a wide range of options, allowing investors to choose the ones that best align with their financial goals and risk tolerance. The demand for high performance at the lowest possible cost is a driving force behind this change, with regulation also playing a significant role.

The adoption of lower-cost operating models and the shift towards open architecture are transforming the way our clients operate. This transformation is enhancing their operational efficiency and enabling them to deliver greater value to end investors. As we move forward, we expect these trends to continue shaping the future of the fund platform industry.

Preference for passive vs active investment

Over the past year, the industry has observed a shift in consumer preferences towards passive funds and exchange-traded funds (ETFs). This trend has exerted some pressure on fund management fees. Passive funds, also referred to as UCIs, are characterized by portfolios that mirror the components of a specified index, or a similar pool of assets, without active management by a Fund House.

Despite the growing popularity of passive funds in regions like the United States and the United Kingdom, the proportion of assets under administration (AuA) on the Group's platform attributable to passive asset classes and ETFs remains relatively small. As of 31 December 2023, it accounted for approximately 8.4% of the total AuA on the Group's platform. This is primarily because the majority of our clients are private banks, which tend to favour active stock picking.

However, it's important to note that this trend towards passive funds and ETFs may continue to rise in the future, potentially leading to a reduction in the market-accepted size of management fees.

ESG focus

ESG (Environmental, Social, and Governance) factors are becoming more important for investors when they allocate capital. Companies that have a strong ESG policy are more likely to attract investments because they show transparency and accountability. This fast-paced growth also brings regulations such as the Sustainable Finance Disclosure Regulation (SFDR), which has led to a high demand for funds that comply with its Article 9 and Article 8.

Allfunds offers more than 60,000 products that are categorised as Article 8 and Article 9, which account for around 57% of AuA as at 31 December 2023. Investors are putting more pressure on Fund Houses to include more ESG criteria in their investments.

It entails additional work and costs for the Fund Houses to report on ESG criteria. On the other hand, end investors want to decarbonise their investment portfolios. This allows asset managers to trade both active and passive 'green funds', which can help them promote and accelerate a change in the industry for a better and more responsible future.

We have shown our ability to respond to our clients' needs again. Thanks to the acquisition and integration of MainStreet Partners, we are developing new tools that will help Distributors and Fund Houses meet their ESG regulatory needs.

Access to private markets

Private markets (private equity, real estate, infrastructure, private debt and hedge funds) are becoming increasingly more attractive to companies because of the benefits they provide in terms of flexibility, access to patient capital and reduced short-term pressures. There is growing demand for broader access for retail investors to achieve better portfolio diversification. This transition has resulted in a dramatic growth in private markets activity and its share of business and asset finance. According to market data, the global industry of private markets AuM has grown at a 19% CAGR over the last 4 years[1] and assets invested in Private Market funds are expected to grow by 8% -12% annually over the next few years.

Some fintechs are now venturing into private markets to meet this growth in appetite. However, significant hurdles must be overcome for this to become mainstream for suitable retail investors. Technology needs to play a vital role in helping to broaden access, improve the investor experience and help standardise a scaled solution.

At Allfunds, our newly launched specialized team and department, Allfunds Alternative Solutions, aims to make alternative funds more accessible to Distributors. The AAS team has been developing technology that will simplify the operational aspects of private asset investments, making them as easy as conventional funds. In addition, our Allfunds Private Partners programme has been established to help our clients build unified and cohesive solutions for the distribution of these products. This function provides an intermediary between the supply created by managers and the demand from retail investors and their advisers.

Increased regulation

Over recent years, tremendous efforts have been made by policymakers, regulators and industry to improve the current framework governing retail investing – and to enhance the offer to end investors, especially in the European Union.

This means that our clients are facing continued regulatory pressure to increase transparency, particularly concerning fees charged to investors and/or received from third parties. These fees can affect the performance and returns of the investments, so investors need to be aware of them.

The increased costs of regulatory compliance are putting pressure on the cost-income ratios of banks, which measure how efficiently they use their resources. In addition, greater transparency regarding fees is driving investor demand away from higher-cost captive, or closed-architecture funds, towards lower-cost open-architecture funds. Captive funds are those that are managed by the same entity that sells them, while open-architecture funds are those that are selected from a range of different providers. 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, such as fund platforms, that can offer them more services and products.

In this context, the European Commission published the Retail Investment Strategy (RIS) in May 2023. Is a comprehensive package that seeks to better equip European citizens with the safeguards and confidence needed to become capital markets investors. A key element of the RIS is to strengthen product governance rules and regulate the pricing process to improve value for money for investors. New proposed draft regulation also bans inducements for execution-only services.

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. Negotiated rebates are fees that are paid by fund managers to Distributors for selling their funds. Although they previously created conflicts of interest, they are essential for remunerating the distribution effort.

Some jurisdictions, such as the United Kingdom, the Netherlands and Switzerland, have imposed bans or caps on these negotiated rebates, following the principles of investor protection and fair competition.

Due to the implementation of MiFID II in the European Economic Area, the majority of Allfunds' business has already shifted away from fees based on negotiated rebates. Allfunds was already ahead of the curve because since 2017, due to anticipated changes to regulation, we have been actively reducing the rebate-earning AuA (from 29% of AuA to only 12% as of December 2023). Allfunds continues to shift its business mix and apply its new pricing model, reducing the exposure to rebate-earning AuA.

1. Source: Preqin

Consolidation in the sector

Over the past three years, the fund platform industry in Europe has experienced an obvious metamorphosis. A smaller number of players have managed to consolidate their positions, thereby amplifying their market share.

This trend of mergers and consolidations is not just a passing phase but a likely indicator of the future landscape of the European fund platform services industry. As the industry gears up for more competition and strives for increased efficiency, we can expect to see a continuation of this consolidation trend.

In the face of these industry dynamics, our strategic vision is clear and focused. We aim to identify and seize selected opportunities that align with our goals and values. These opportunities enhance our competitive edge and also foster growth and diversification in our range of products and services.

Our ambition extends beyond just improving our offerings. We are committed to building on our value proposition to our clients. This involves understanding our clients' needs, delivering a high-quality service and constantly innovating to stay ahead of the curve.

We are keen to expand our global footprint. By venturing into new and emerging markets, we aim to broaden our reach and tap into diverse market dynamics. As well as geographical growth, this expansion is about enriching our global perspective and understanding different market trends.

The transformation of the fund platform industry in Europe is a testament to the dynamic and evolving nature of the financial markets. As we navigate through these changes, our strategic vision guides us towards growth, diversification and global expansion. We remain committed to delivering value to our clients and staying at the forefront of industry innovation.

Technology trends

Technology is transforming the wealth industry, mainly in how services and products are combined and delivered. The value chain used to have distinct functions, but new technology and data – such as blockchain – have changed that. This has created more competition across all services and products.

However, Allfunds sees disruption as an opportunity rather than a threat. This is because we cover the entire value chain and continue to enhance our offering – including sub-advisory, artificial intelligence and blockchain technology. The Allfunds strategy is to lead the industry's evolution. Allfunds has the advantage of being able to foresee clients' changing needs and adapt to new technological trends.

This is demonstrated by Allfunds Connect, Allfunds Blockchain, Allfunds Alternatives Solutions, Allfunds Private Partners programme and the sub-advisory platform. To meet this demand, our Allfunds Tech Solutions and Allfunds Data Analytics areas will help our clients achieve the most efficient, relevant and impactful solutions. They will provide a flexible modular approach to meet their specific needs – through software, widgets and custom solutions.

This new approach will allow our clients to reuse and integrate existing assets and will improve response times and adaptive negotiation. It will enhance their client acquisition funnel, cyber security resilience, and straight-through processing via search engine optimization.

Blockchain

Blockchain innovations have the potential to disrupt the global asset management value chain by reducing risks and streamlining and speeding up processes – as well as simplifying the supply chain. Allfunds recognized this some time ago and has been developing blockchain-based solutions in collaboration with Distributors, Fund Houses and regulators to bring more efficiency and transparency to the fund distribution space.

Allfunds' Blockchain division has not only emerged as a crucial participant in pilot programs but also as a dependable collaborator for regulatory bodies. This is a testament to our deep-rooted expertise and innovative approach to blockchain technology. We have successfully cultivated strong partnerships in France, Italy and Spain, further solidifying our presence in the market. Our relentless pursuit of advancement is evident in our FAST solution, Digital Assets-Tokenization, and active market collaborations. These solutions are meticulously designed to offer an elevated level of security, unparalleled adaptability and superior convenience to all entities involved in the fund distribution value chain. This commitment to enhancing stakeholder experience underscores our dedication to revolutionizing the industry.

Our response to market trends

As a pioneering force in the B2B WealthTech sector, Allfunds is agile in responding to market trends. Meanwhile, our strength is rooted in our capacity to access a broad and swiftly growing market, fortified by open architecture, extensive market penetration and strategic outsourcing. Our demonstrated success proves our adaptability in navigating changes in demand or regulatory environments, all while preserving a resilient business model. Moreover, our dedication to innovation means we can identify the essence of client demand trends, potentially initiating significant shifts to business contributions.

Our ESG approach

We believe in balancing economic, social, ethical and environmental dimensions to foster enduring business sustainability.

And as we strive to lead the industry, we actively embed the highest ESG (Environmental, Social and Governance) standards into our daily operations and strategic growth – all while remaining attuned to the needs of our stakeholders.

Sustainability is an evolving commitment. In 2023, we created our **ESG Strategic Plan 2026** with the aim of transitioning from our sustainable commitment and vision to tangible, measurable targets and actions – across the short, medium and long term. This plan, which also addresses the Global Compact Sustainable Development Goals (SDGs), lays out our aims:

- **Environmental:** Our primary objective is to embrace eco-efficient practices and achieve carbon neutrality by 2030.
- **Social:** We recognize the importance of investing in our human capital, fostering leadership, professional growth and diversity as well as local communities.
- **Governance** Upholding a culture of integrity and transparency at every organizational level is essential. This commitment allows us to cultivate trust and robust relationships with stakeholders, especially with employees, clients and investors.

To put this plan into action, we **approved a series of ESG-related policies** in 2023 that emphasize our commitment and define our approach to responsible business. These include:

1. **ESG Policy:** At the core of our transformation lies a new ESG policy, guiding ethical and responsible business practices for the benefit of our company and the broader community.
2. **Climate Change Management and Environmental Policy:** Recognizing the challenges posed by climate change, the policy drives efforts to reduce our carbon footprint, minimize waste and contribute to a healthier planet for current and future generations.
3. **Dialogue with Stakeholders' Policy:** Emphasising transparent, open and collaborative engagement with employees, customers, investors, regulators, business partners and the communities where we operate.
4. **Diversity and Inclusion Policy:** Reaffirming our commitment to fostering a workplace where everyone is valued, respected and given equal opportunities to thrive. Recognizing diversity as a fundamental strength.
5. **Human Rights Statement:** Underscoring our dedication to protecting the fundamental rights of our employees, partners and all those affected by our business activities.

Consequently, we have reaffirmed our ESG pillars and they have gained greater significance.

1 Ethics and governance

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

SDG commitment

2 Talent management

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

SDG commitment

3 Digitalisation and innovation

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

SDG commitment

4 Responsible investment

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

SDG commitment

5 Social commitment

"We contribute to positive change in the communities where we operate."

SDG commitment

6 Environmental protection

"We work to operate more efficiently and respectfully towards environment."

SDG commitment

▷ *More information on ESG Report 2023*

ESG Strategic Plan

Environmental dimension

Topic		Target
Environmental management	1.	Global ISO 14001 Environmental Management System certification
	2.	100% Allfunds' offices with external audit by 2025
	3.	100% employees trained on environmental management by 2025
Suppliers' environmental management	4.	100% of crucial suppliers with environmental impact reviewed
Climate change strategy	5.	Compliance with Paris Agreement to keep warming to 1ºC, according to SBTi by 2024
	6.	100% renewable energy consumption by 2026
	7.	Zero emissions scope 1&2 by 2028
	8.	Carbon neutral in 2030
Climate-related risk and opportunities	9.	Publication of TCFD of 2024

Social dimension

Topic		Target
Human Resources		
Human Capital Management	1.	Succession Plans for 1st and 2nd level
	2.	25 hours (average) training per year per employee
	3.	30% of internal promotion vs recruiting
Diversity, equity and inclusion (DEI)	4.	25% women in Executive Committee
	5.	40% senior managers women
	6.	All managers annually attend DEI training sessions
	7.	Gender Pay Gap < 5%
Health, Safety and Wellbeing	8.	Towards safe working environments with zero accidents
	9.	ISO 45001 Health and Safety certification globally by 2025
Human rights	10.	Maintain zero human rights breaches
Social Commitment		
Corporate Philanthropy	11.	Increase by 10% the number of employees in volunteer activities

Governance dimension

Topic		Target
Corporate Governance	1.	40% female directors
	2.	Higher % independence in Board Committees
	3.	Ongoing ESG training for Board members
	4.	Bonus linked to E&S
Ethics and Integrity	5.	Reinforce the ESG-related policies to the new commitments and legislation
	6.	100% employees trained on Ethical issues
Risk monitoring and compliance	7.	Adapt our non-financial reporting internal controls to the CSRD
	8.	At minimum, an annual review of the ESG risk controls
Corporate transparency	9.	ESG Report according to CSRD by year 2025
Stakeholders' management	10.	Monitoring procedure of Stakeholders' Dialogue by 2024
	11.	Double materiality analysis according to CSRD by FY 2024

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

- Code of Conduct
- Reporting channel
- 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
- ESG Policy
- Human Rights Statements
- Stakeholders Dialogue Policy

Milestones

- Strengthen Allfunds' governance of ESG-related matters:
  - Allotted specific duties to the Board of Directors and each of the Board Committees with regard to sustainability and ESG topics
  - Approved an ESG Strategic Plan by 2026
  - Reviewed a number of existing ESG-related corporate policies and approved new ones
  - Directors received an intensive, customised ESG training programme
- Re-evaluation of our ESG risks and in particular environmental and climate-related risks in accordance with Task Force on Climate-related Financial Disclosures (TCFD).
- Re-validation of Compliance Management Certification based on the international standard ISO 37301:2021.
- Reinforcement of the content of the Code of Conduct.
- Updating the procedure and giving greater visibility to the Reporting Channel to report any irregularities, especially those that might constitute improper practices, law breaches or allegedly illegal acts.
- Monthly review of new ESG regulatory obligations coming into force in 2023/2024 through the Compliance Monitoring Programme.

KPI 2023

96.6%

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

99.9%

Employees trained about AML and CFT

2

Complaints received through the Reporting channel

0

Incidents of corruption

SDG commitment

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.

▷ *More information on ESG Report - Ethics and Governance section*

2 Talent management

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

Policies and procedures

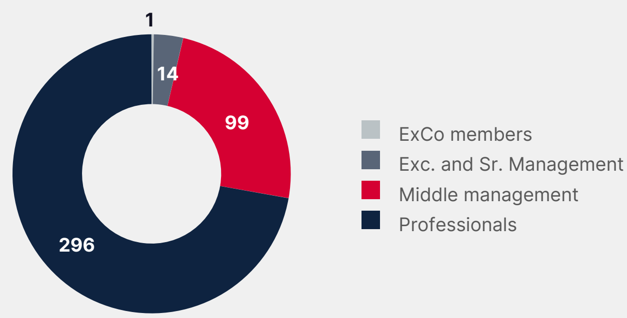
- Remuneration Policy
- Flexible Work Policy
- Learning and Development Policy
- Professional Career Plan
- Gender Equality Plan, a Diversity and Inclusion Policy and Protocol for Prevention and Action against harassment
- Global Health, Safety and Wellbeing Policy and Workplace Accident Procedure
-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

Milestones

- Continued to progress on the Human Capital Management Strategic Road Map.
- Integration of employees from Mainstreet Partners and Iccrea Banca into our workforce.
- Awarded the Top Employer certification in Spain, which recognises excellence in human resources management. It emphasises employee satisfaction, engagement and growth opportunities.
- Updated our Diversity & Inclusion Policy, which establishes the framework to fully embrace diversity and inclusion and sets the targets for 2026 at all levels of the organization.
- Implementation of tailored unconscious bias training sessions designed for our recruiting managers.
- Increased the average hours of training per year per employee by 31%.
- Extension of rights regarding maternity and paternity leave.
- Constitution of two Working Councils in Spain and Poland.
- Introduction of Gympass benefit in selected offices gives employees flexible access to gyms, studios, classes, training and wellness apps.

KPI 2023

Women by professional category



1,031
Total employees (4.6% decrease)

> 12,510
Hours of training (in 2022 9,460)

95%
Employees with permanent contract

15%
People with internal development opportunities

410
Women (40 % total employees)

13%
Turnover rate

46
Nationalities

661
Employees between 30 and 50 years old

SDG commitment

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.

▷ ***More information on ESG Report- Talent management section***

3 Digitalisation and innovation

"Pursue innovative digital technologies to offer our clients products and services 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 way, in order to differentiate their 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. First FAST has been growing in Spain, expanding its functionality after a new ideation process with 18 local and international financial institutions, but also geographically with FAST for the Italian market, again after an ideation process with main financial institutions and international players.
- Italian asset manager Azimut tokenized fund units as part of a project with Allfunds Blockchain and BNP Paribas Securities Services that enables parties to trace all connected operations in real time, increasing transparency and effectiveness.
- In terms of IT Security:
  - Allfunds defined a Security Director Plan NIST CSF based on 2021 to 2023, establishing a maturity level in 5 domains (Identify, Protect, Detect, Response and Recover). Additionally, it establishes a Zero Trust security model ("never trust, always verify").
  - IT Security Director Plan has been extended to 2025 including DORA, Zero Trust and Cloud strategy.
  - We renewed our certification of our financial and technology processes through the ISAE 3402 (SOC 1 Type 2) certification, to guarantee the quality of outsourced managed hosting solutions.
  - Compliance with technical exercises for financial institutions in compliance with TIBER-EU.
  - Allfunds is one of the founding companies adhering to the Pact for Sustainable Cybersecurity in Spain. This pact is based on 8 specific pillars of action: Responsible Governance, Transparency and Accountability, Energy Efficiency, Circular Economy, E-Waste Management, Collaboration and Disclosure, Sustainable Standards and Collaboration in the Supply Chain.

KPI 2023

4h

Recovery Time Objective (RTO)

BitSight rating

800

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

No phishing incidents for 2023

Endpoint Detection and Response (EDR)

SDG commitment

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.

▷ ***More information on ESG Report - Digitalisation and innovation section***

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).
- Reinforced our ESG proposal, expanded our capabilities through different tools and services, responding to the new regulation and giving a 360º ESG solution to Fund Houses and Distributors thanks to the integration of MainStreet Partners (MSP).
- Fund tools: providing advanced ESG search criteria and comparison tools
  - Unique ESG Funds Ratings: going above and beyond your typical fund rating, offering a trusted solution for ESG due diligence and regulatory compliance powered by MSP.
  - Portfolio Solutions: increasing capabilities to make ESG-related investment advice with the use of efficient and compliant tools.
  - Reporting: providing a set of reporting possibilities at fund and portfolio level, now with an in-depth financial and ESG analysis with client's branding and style.
  - Direct access to ESG everything platform (MSP' proprietary database) with the same access credentials, to facilitate the use and analysis of information.
  - Green, Social, Sustainability (GSS) Bonds Database: providing ratings of green, social and sustainability bonds in the market based on MSP´s unique rating model. The rating relies on the ESG score of the issuer and on issuance-specific information gathered by analysts on the sustainability of the bond framework and on the additional proceeds financed.
- Participation 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. In 2023, we sponsored the GSG Summit 2023 in Malaga, a globally recognized event focusing on innovation, impact transparency and factors that address challenges faced by leaders in the realms of business, politics and society.

KPI 2023

Over 150,000

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

57%

AuA of Allfunds' platform related to ESG (article 8 and 9 SFDR)

SDG commitment

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.

▷ *More information on ESG Report - Responsible investment section*

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

- Updated our Charity Fund Policy to align it with our corporate strategy and best practices. In addition, it sets new requirements for the selection of projects and prioritises the lines of action and beneficiaries of donations.
- Measured the impact of social projects according to the B4SI, in order to improve the management, measurement and transparency of social investments.
- 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 promoting the 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.

KPI 2023

€268,141

Investment in the community

50

Supported foundations/non-profit associations

Supplier expenses:

€86.3m

(78.34% invested in local suppliers)

370

Employees involved in volunteering activities

1,012

Suppliers

29.8

Average days payable supplier ratio

SDG 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 enables us to the do our 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, 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.

▷ ***More information on ESG Report - Social commitment section***

6 Environmental protection

"Work to operate more efficiently and respectfully towards the environment"

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

- Obtained Carbon footprint ISO14064 for the first time in March 2023 (based on 2022 data).
- Obtained Environmental Management System ISO 14001 for the first time at a global level in July 2023.
- Board approval of a revised Climate Change Management and Environment Policy, including the commitment to become carbon neutral in 2030, and of a Decarbonisation Plan as part of the ESG Strategic Plan that includes specific emission reduction targets.
- Amendment of elecricity contracts for Allfunds' headquarters to use renewable energy. As a result, 75% of our energy consumption in 2023 came from renewable energy sources.
- Completed the first employee survey to calculate CO2 emissions of employee commuting.
- Renewed the whole recycling system at Allfunds' headquarters.

KPI 2023

0

CO_2eq Tn emissions of **Scope 1**
(0 in UK)

147

CO_2eq Tn emissions of **Scope 2**
(0 in UK)

1,214.9

CO_2eq Tn emissions of **Scope 3**
(116.1 in UK)

5,024m^3

Water consumption

6,288 Kg

Paper consumption

1,610 MWh

Electricity consumption

75%

Energy consumption coming from renewal sources

SDG commitment

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.

▷ ***More information on ESG Report - Environmental protection section***

Our stakeholders

Allfunds' long-term success depends on our business creating value for a wide variety of stakeholders. We therefore seek to embed stakeholders' views on the sustainability aspects of our strategy and business model in order to align our priorities.

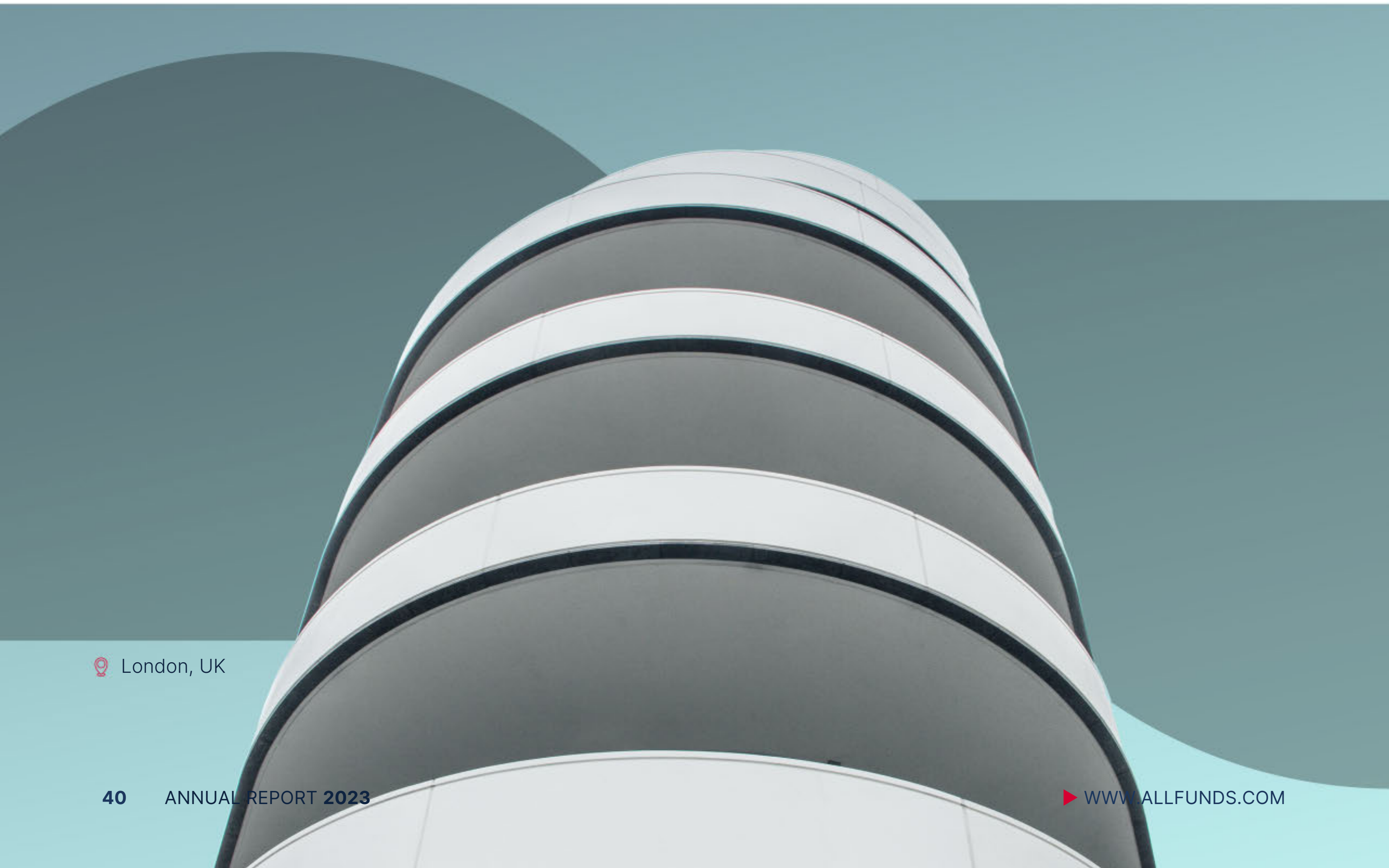
In 2023, we advanced our commitment to our stakeholders through the approval of the Dialogue with Stakeholders' Policy, which was endorsed by the Board of Directors.

This Policy provides a framework to engage in meaningful and inclusive dialogue with key stakeholders. It also guides our employees and representatives in fostering positive relationships, promoting transparency and making decisions based on diverse perspectives and inputs.

Principles

Stakeholder engagements are based on the following five principles:

- **Inclusivity:** Allfunds is committed to engaging in dialogue with its stakeholders in an inclusive manner, respecting diversity, and ensuring that all relevant voices are heard and considered.
- **Transparency:** When Allfunds deems it relevant and appropriate, Allfunds will provide stakeholders with accurate and relevant information to facilitate open and transparent dialogue – and will strive to share information in a timely and accessible manner.
- **Respect:** Allfunds will treat all stakeholders with respect, regardless of their background, position or perspective. Diverse opinions and feedback will be acknowledged and considered without discrimination or bias. This stakeholder's classification is irrespective of the fact that Allfunds' business is primarily driven by its regulatory framework, and irrespective of Allfunds' firm commitment to legal and regulatory compliance. Allfunds Group plc - Policy on Dialogue with Stakeholders(73764.3)
- **Engagement:** Allfunds will actively seek input from stakeholders. We will strive to create opportunities for meaningful engagement, such as through surveys, focus groups, public consultations and other appropriate methods.
- **Collaboration:** Allfunds will foster collaborative relationships with stakeholders, aiming to work together to find mutually beneficial solutions. We will seek to build long-term partnerships based on trust, shared values and common goals.



London, UK

Stakeholder groups

We have identified six groups of key stakeholders, and divided them into primary and secondary. Primary stakeholders are those who have a direct interest in the organisation, whereas secondary stakeholders have an indirect association or benefit. Both primary and secondary stakeholder are equally important for the company. Employees, clients and the investor community are our primary stakeholders. Regulators, business partners and wider society are our secondary stakeholders.

Primary stakeholders

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

Clients
- Fund Houses
- Distributors

Investor Community
- Shareholders[1]
- Investors
- Rating agencies
- Analysts
- Proxy advisors

Secondary stakeholders

Regulators[2]
- Public authorities and supervisors
- Policymakers and legislators
- Industry forums and working groups

Business Partners
- Strategic business & technological partners
- General suppliers
- Advisors & consultants

Society
- Non-Govermental Organisations (NGOs)
- Media
- Opinion leaders
- Civil society
- Environment

1. See our Policy on Bilateral Contacts with Shareholders and our Related Party Transactions Monitoring Procedure here
2. This stakeholder's classification is irrespective of the fact that Allfunds' business is primarily driven by its regulatory framework and of Allfunds' firm commitment to legal and regulatory compliance.

London, UK

Primary stakeholders

Employees

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

Expectations What do they expect from Allfunds?	Active dialogue How do we communicate with them?	Value creation proposition What value do we seek to create for them?
• 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	• Allfunds intranet • Cornerstone • Reporting 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 Crowdfunding Platform • Internal engagement events and conferences • Volunteering programme • Collaborative tools	• Attractive compensation package that tries to ensure 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 our 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 legislation

Engagement action

Our key engagement actions during 2023

At Allfunds, we believe that it is crucial for us to have a fluid engagement with our employees. We understand it brings better communication and leads to a higher satisfaction level. We prioritize employee engagement to ensure that our employment practices and policies meet the highest quality standards, favouring the attraction and retention of talent while fostering a work environment where each employee can develop their full potential.

Onboarding sessions

The goal is to provide the 101 new employees of 2023 with all the necessary information to have a smooth transition into their new role. We want them to fully understand the Allfunds business and how their role is part of our Company's mission. We believe that successful onboarding is a key part of making our new hires engaged and part of the team.

Employees *continued*

Engagement action *continued*

Intranet

Our intranet is where all employees can stay informed about important company news, communicate with HR, request holiday time, access training resources and more. It is a central hub for all communication matters and the main channel we use to stay closer to our employees.

- We have published more than 175 **posts** where we keep employees updated about every interesting or important thing happening in Allfunds.
- Our **CEO corner** gets published twice a week, with the goal of fostering a closer relationship between our CEO and employees.
- The **people and community** sections allow employees to reach out and get to know their coworkers.
- In our **wellness centre**, employees find a range of content designed to help them become a healthier and more balanced version of themselves. Our main goal is to provide employees with tools, tips and tricks to improve their daily well-being.
- We received 18 questions on the **Digital suggestion box**, which is useful for HR to have feedback and continue improving.
- In 2023, we incorporated **Odilo**, Allfunds' unlimited lifelong learning tool. This platform provides employees with a diverse range of resources to enhance their personal and professional development. Options include learning digital skills, prioritising wellbeing or learning a new language. There are more than 100 resources for employees to enjoy and learn from.

Volunteer activities

The Charity Fund provided for **several volunteering** activities throughout the year with 370 employees participating. This year, employees had the chance to participate in multiple activities such as the **Christmas Campaign**, our biggest charity event of the year. Employees took part in the selection process of the charities that would receive a donation. Once they were cleared, we published 28 NGOs on the Allfunds intranet, where the employees could vote and decide the destination of the funds. This year, employees raised €13,272.50, 19% more than last year.

Events

We celebrated the end of a year of hard work with an **End of the Year dinner** for each of the 17 Allfunds offices. By organizing these dinners, we aim to create a relaxed space for our employees to do some networking, strengthen friendships that have developed in the workplace and unwind after providing excellent results.

Surveys:

- During 2022 and 2023, we carried out an **employee satisfaction** survey where we had an almost 70% response rate and an average score of 3.68 out of 5 on the survey as a whole.
- To calculate our carbon footprint, we asked our employees about their **commuting practices** to better understand the impact of our actions, and to implement effective measures to reduce our environmental impact.
- With the goal of having a robust and efficient cybersecurity, we conducted an **IT security service.**

Primary stakeholders

Clients

- Fund Houses
- Distributors
- Other future clients

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 into 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 protects against possible threats, reduces the damage caused by incidents, ensures the continuity of its services and preserves the basic components of its security (i.e. confidentiality, integrity, availability, traceability and resilience)
- Transform the WealthTech world with a unique combination of scale, experience and a digital mindset

Engagement action

What were our key engagement actions during 2023?

Beyond our commercial activities, we engaged with our clients in order to secure a strong relationship with them and provide the best possible service. We informed them about market trends while also being open to their feedback and opinions about us.

Events:

- **All Connected:** The 'All Connected' series is designed to keep clients informed about Allfunds, providing insights into our current and future projects. This year, we hosted four 'All Connected' events in Santiago (Chile), Cartagena de Indias (Colombia), Milan (Italy) and Madrid (Spain). The All-Connected events embody the Allfunds philosophy of innovation, connectivity and a commitment to excellence in the financial world. We believe in the power of connection and idea exchange, and these events are the ideal platform.
- **Fund Insights:** We hosted an event at our Madrid office where we unveiled the value proposition, innovative features and the enhanced Fund Insights and Allfunds Connect services. This gathering served as an ideal scenario to introduce these offerings to a diverse group of 20 fund managers in the Spanish market. We demonstrated how our digital tools, available through Allfunds Connect, can facilitate seamless connections with potential clients, thereby creating an exclusive community of professional investors.
- **Allfunds Private Partners programme (APP):** The programme comprises workshops focused on the world of Alternatives and Private Markets. In total, we hosted six workshops in our Hong Kong, UK, Chile, UAE and Italy offices. These are perfect gatherings for giving attendees key insights and visibility into the potential of our alternatives offering. This programme also aims to respond to strong demand among our clients, especially those from the wealth management segment, for better access to alternative assets and private markets.

ESG events:

- Following our commitment to sustainability, this year we had four events regarding Green Social Sustainable Bonds. Hosted by Allfunds and Mainstreet, they brought together industry experts, leading companies and stakeholders dedicated to driving positive change in sustainable finance.
- Moreover, we were once again proud sponsor of the annual Expansión awards that recognize achievements in fund management. This is a landmark sponsorship for Allfunds, because the event gathers the best of the funds industry in Spain.
- Our colleagues at the Milan office organized the panel "Navigating the Digital and ESG Transition in the New Era of Fund Distribution," hosted in Il Salonne del Risparmio at Milan. This event provided invaluable insights into the current state and the evolution of the sector, with exceptional speakers and attendance, and reached an audience of more than 120 leaders from major industry entities.

Clients *continued*

Engagement action *continued*

- Allfunds Luxembourg held a special event to update existing clients and potential prospects on our global performance, with a strong emphasis on ESG.
- We hosted the webinar *ESG Barometer 2023 – A deep dive into the European fund market* where the main findings and insights on ESG and sustainable strategies, assessed by asset class, sub-asset class and size of asset managers, were discussed.

Social Events:

- For the 17th year, we hosted our annual *Allfunds Golf Tournament*. The tournament was notable not only for its longstanding tradition and venue but also for the attendees representing prominent companies and brands in the financial sector. The golf tournament was highly competitive, aiming to foster friendly competition and strengthen corporate relationships with friends and clients from the industry. Following the tournament, we organised a dinner with a trophy presentation and charitable raffles that supported the social initiatives of the Allfunds Charity Fund.
- The Madrid office organised a 7-a-side football tournament where we gathered eight major clients from the financial sector in the Spanish market.

CEOs Conference:

- This year, we hosted our first CEOs Conference in Miami. This exclusive event brought together the most prominent executives from leading private banks in the industry, making it a remarkable gathering of influential minds. With a line-up of speakers being some of the most influential from the financial world, the conference left an impact on all the attendees, garnering very positive feedback.

Client due diligences:

During 2023, we conducted 93 due diligence processes with clients. Of these, 88 were via questionnaires and 5 were conducted in person at our offices. We found that our clients care principally about:

- Allfunds credentials (Group structure, strategy, performance)
- Our services (Asset Safety, Operations, Accounts, Segregation, Reconciliation, Settlements)
- Legal, Audit and Compliance Framework
- Risk Management
- IT Security (Business Continuity & Disaster Recovery Plan, Cybersecurity, Cloud Services, Operational Resilience, Security Controls, System Protection, System Development)
- Data Protection
- ESG. **70 – 80% of the clients asked about ESG subjects, specifically:**
  - ESG Report
  - Environmental Policy
  - Initiatives Allfunds participates in
  - Training for employees
  - Carbon Emissions
  - Equal Opportunities and Fair Treatment Policy
  - Modern Slavery Act
  - Discrimination and Harassment Policy
  - Gender Diversity across the group
  - Health and Safety Policy
  - Board of Directors

Client Care channel:

Our clients and users are entitled to ask for help with technical or operational matters, leave formal complaints and claims or leave any type of questions or feedback through our Client Care channel available at our website.

The procedure is regulated by the Complaints Information And Client Complaint's Handling Procedure.

In 2023, we received seven claims and 18 complaints, of which 5 complaints and 4 claims were dismissed.

Primary stakeholders

Investor community

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

Expectations What do they expect from Allfunds?	Active dialogue How do we communicate with them?	Value creation proposition What value do we seek to create for them?
• Accessible and transparent information • Deliver on Allfunds' investment case • Good financial performance with a return on their investment • Creation of long-term value	• Investor section on Allfunds' website • 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 • Roadshows during the year on the back of results • Selected feedback post event (conference, roadshow) or following any meeting	• Long-term sustainable returns through attractive Adj. EBITDA margin and share price appreciation • Progressive dividend policy • Share buyback programme (launched in July) or special dividends

Engagement action

What were our key engagement actions during 2023?

At Allfunds, we conduct an active Investor Relations programme, engaging with shareholders, investors, analysts and rating agencies throughout the year using a variety of channels. We believe that fostering a supportive investor base is key to achieving our long-term goals.

Our main engagement is via the communication of our performance and prospects, which is achieved through regular reporting to the market.

During 2023, we also held one-on-one and group meetings, shareholder roadshows following results and on off-cycle interactions in various locations, as well as site visits to our London and Madrid offices. We also attended more than 10 investor conferences, where we had two-way dialogue with shareholders, analysts and investors interested in the long-term prospects of the Group.

The Board and management receive feedback on our shareholder and investor community`s views directly from our shareholders, rating agencies, analysts, our Investor Relations function and from third parties such as our corporate brokers or investment banks.

As a result of this engagement, we share all of these perspectives with the Board and the management so that these can be factored in when taking decisions. Thanks to this, in 2023, we refined some of our policies, agreed some changes to the governance of the Group, launched a share buyback programme and upgraded our S&P ESG rating.

Investor community *continued*

Engagement action *continued*

Investor section on Allfunds' website

We have a section at our website for our investors, where we provide relevant information such as share price evolution, capital shareholding, financial information and reports, news updates, press releases and our financial calendar. The financial calendar provides an overview of events in connection with engagement with our shareholders, and in connection with the publication of financial information for the current and past financial years.

Results Presentations

We regularly disclose our financial and operational results to the market. Through presentation results, we share information about our revenue, expenses, profitability, business evolution and ability to meet our short-term and long-term financial obligations.

In FY 2023, we had two results presentations and two trading updates:

- February: Preliminary FY 2022 Results
- April: Q1 Trading update
- July: 1H 2023 Interim Results
- October: Q3 Trading update

Annual General Meeting (AGM)

For the first time since our IPO, we hosted the first in-person Annual General Meeting (AGM) of Allfunds Group plc at our London office, held on 9 May, 2023. Some of our shareholders attended and voted on resolutions that, as proposed in the AGM Notice, were decided on a poll.

Analyst coverage

We continued to make progress in the research analyst community to increase Allfunds´ visibility and investor's knowledge of us. This has led the share coverage to increase from 10 analysts during the IPO to 17 analysts by the end of 2023.

ESG Ratings

As a listed company, Allfunds has gone through several assessments by ESG rating agencies and proxy advisors. We have gone from being evaluated under these criteria by 5 rating agencies in 2022 to 10 in 2023. All the scores obtained in the ratings outperformed the average score of the sector.

Share buyback programme

Allfunds announced the launch of a share buyback program of up to €100 million, divided into 2 tranches of €50 million each. The share buyback programme was executed on Euronext Amsterdam. The first tranche was completed on 16 December 2023. As a result, the shares were cancelled. We provided weekly updates on the progress of the program via weekly press releases and reports in the Investor section of our website.

Secondary stakeholders

Regulators

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

Expectations What do they expect from Allfunds?	Active dialogue How do we communicate with them?	Value creation proposition What value do we seek to create for them?
• 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 • A culture of integrity and accountability • Proactive follow-up of regulatory agenda and contribution to industry policy-making	• Allfunds website • Allfunds periodic public reporting • Regulators' official and informal communication channels • Face-to-face and virtual meetings • Webinars • Events and conferences	• 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 organization 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 2023?

- 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 towards the objective to achieve the review target by 2025

Business partners

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

Expectations What do they expect from Allfunds?	Active dialogue How do we communicate with them?	Value creation proposition What value do we seek to create for them?
• 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	• 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	• 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 according to transparent, fair, objective and ethical criteria

Engagement action

What were our key engagement actions during 2023?

- Revised Outsourcing Policy and working to improve the Supplier Selection Procedure
- Average payment term to suppliers of 29.82 days

Secondary stakeholders

Society

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

Expectations What do they expect from Allfunds?	Active dialogue How do we communicate with them?	Value creation proposition What value do we seek to create for them?

• To contribute 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: preventative approach, risk management, responsible use of natural resources and waste
	• Allfunds website
	• Allfunds' Charity Crowdfunding Platform
	• Face-to-face meetings
	• Video/audio meetings
	• Charity events and conferences
	• Corporate Charity Fund (*Allfunds Fondo Solidario*) mailbox
	• Surveys
	• Advertising
	• ESG Double materiality survey
		• Charity Fund Investment Policy supervised by the Charity Fund Committee, which tries to ensure objectivity and maximise the impact of investments made.
		• Focused on:
		  • Crowdfunding platform
		  • Raising awareness among employees and other stakeholders within the Company's scope of influence and control
		  • Trying to ensure equal opportunity of access to the Charity Fund and reporting transparently on the results and positive impacts on society
		  • Giving Allfunds employees the opportunity to propose social projects to which they are locally committed
		• Communication Protocol and Marketing and Communication Department to try to ensure clarity and consistency in corporate communication across the organisation, establishing quality checks for external communications
		• Climate Change and Environmental Management Policy to try 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 2023?

- We contributed with more than €268,000 to 50 different charities, foundations and initiatives via the Charity Fund
- We collaborated with travel agencies to track and reduce the carbon footprint related to business travel
- We were sponsors in the Global Impact Summit (GSG) in Malaga, the main global event of the impact movement.
- We achieved a 7% engagement rate in social media (LinkedIn), versus the industry rate of 3%
- We had 217 mentions in Tier 1 Media, the media with the highest national and regional audience. This represented a 25% increase compared to the previous year
- We adapted to 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 delivering Allfunds' purpose and acknowledges that the long-term success of the business depends on creating a positive impression on a wide variety of stakeholders. Accordingly, Directors have set a long-term 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.

The subsection 'Key focus areas in 2023' in the report section 'Corporate Governance – Board of Directors' further describes the main activities of the Board carried out during the year and is incorporated by reference into this Section 172(1) statement. It reflects the long-term considerations that drive all Board decisions, such as the 2024-2028 Business Plan, the 2024-2026 ESG Strategic Plan, the Human Capital Strategic Roadmap and 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, Appointments and Governance Committee, with onward escalation to the Board where appropriate to ensure its adequate supervision of people matters.

The section 'Stakeholder engagement' above describes the engagement actions with employees conducted in 2023. The subsection 'Key focus areas in 2023' 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, receiving regular updates on people headcount and turnover, and reviewing the Group-wide remuneration policy and the total rewards scheme for identified staff.

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. Section 'Stakeholder engagement' above describes the engagement actions in 2023, with Fund Houses and Distributors on one hand, and suppliers and other business partners on the other hand. 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, and the Board monitors this in the day-to-day management of the business. The Strategic Report describes our approach to ESG matters and our engagements during the year with society, as influenced by Board discussion and decision-making.

During the period under review, the Board approved an ESG Strategic Plan for the next three years, along with a set of ESG-related policies that strengthen the Group's governance of sustainability matters: the ESG Policy, the Policy on Dialogue with Stakeholders, the Policy on Climate Change Management and Environment, the Human Rights Statement and the Modern Slavery Statement for 2023. Likewise, the Board allotted specific duties relating to sustainability to each of the Board Committees. See subsection 'Key focus areas in 2023' in the section 'Corporate Governance – Board of Directors'.

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 ensure 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 2023' 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.

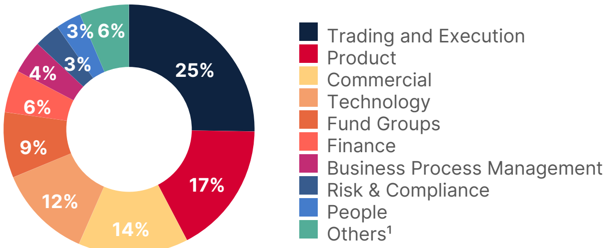
Stakeholder engagement is therefore embedded in all aspects of the Board's discussions and decision-making. The Board adopts a variety of methods for engagement with different stakeholder groups. The Board will sometimes engage directly with stakeholders on certain issues, but stakeholder engagement 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.

Our people, our strength

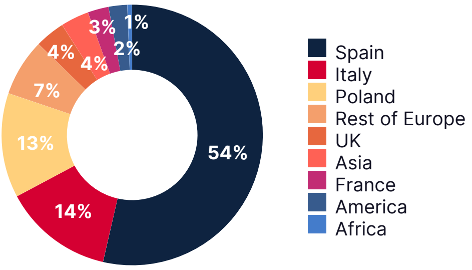
Employee overview

Our employee distribution looks as follows

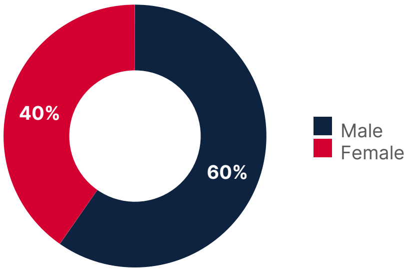
By Department



By Country of origin



By Gender



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

> At Allfunds, our Human Capital plays a pivotal role in driving sector transformation and achieving our goals. We wish to become the WealthTech company of choice for top talent, channelling their exceptional abilities to fulfill Allfunds' strategic objectives.

Jorge Calviño Pérez
Chief People Officer

Our journey transcends mere transactions. It is a combination of purpose, innovation, and impact. As a global leader in WealthTech and fund distribution, we navigate the intricate currents of finance with unwavering commitment. This year we have focused on three subjects that pulse at the heart of our Human Capital:

Dynamic Talent

Our diverse, agile and adaptable team, ranging from experts to keen newcomers, are the architects of Allfunds' success and future.

Cultivating Connections Allfunds' Culture

Allfunds recognizes that a strong culture, rooted in values and ethical behaviour, is essential for sustainable success. We continuously evaluate and adapt our practices to enhance long-term value creation.

Growing the 'S' in ESG

Sustainability is our moral compass. We aim to achieve social impact. From fostering our employees wellbeing to empowering underserved communities, we nurture the "S" in ESG.

Dynamic Talent

At **Allfunds**, our commitment to employees begins from day one. In a mobile-first world, we have streamlined our **application process**, ensuring it's **100% mobile friendly**. This accessibility reflects our dedication to creating a seamless experience for candidates. Our robust onboarding process ensures that new hires are equipped with the knowledge and tools needed to thrive. Our employees wholeheartedly attest to the effectiveness of this process.

Allfunds, continues to ascend as an employer of choice. Our recognition as **Top Employers in 2023** has been reaffirmed, securing our position as industry leaders in 2024.

At Allfunds, we have established a **dynamic internal talent marketplace** that connects our employees with growth opportunities and fosters a culture of collaboration and continuous learning based on our competency model.

Our competency model is not just a framework. It is a strategic roadmap designed to cultivate and harness the core values, skills and competencies required to excel in the world of financial services. It serves as a bridge that links our corporate vision, values and long-term objectives with the practical skills our employees need.

Our commitment to these competencies and skills, based on our core values, fosters a culture of continuous improvement and innovation. We believe that skills are the currency of our industry and by investing in their development and application, we ensure not only individual growth but also the collective strength of our organization.

Each competency directly correlates with the values and skills that empower our employees to thrive in their roles, deliver exceptional value to our clients, and drive the continued success of Allfunds.

The Allfunds Academy proves our commitment to professional development. Here, we embrace a culture of perpetual learning and personal evolution through the competency model we use. It provides clear pathways for annual growth, and carefully crafted development programs that cater to a diverse range of professional aspirations and individual interests. Whether our employees are seeking to hone their skills, explore new avenues, or ignite their passion, we stand ready to empower their journey.

Some of the programs developed within this ecosystem include:

Boost your Skills Programme: Designed to enhance the core competencies of our team members. The curriculum focuses fundamental skills that are crucial in the financial industry, such as analytical thinking, problem-solving and decision-making.

Bridging Cultures through Languages: Designed to foster Language learning among our team members. We promote cultural understanding, enhancing communication skills and preparing our team members for success in the global marketplace.

Leaders Mastering Critical Conversations: Designed to empower managers with the skills to master efficiency and to have timely conversations with their teams. It provides them with the tools needed to navigate complex scenarios when giving feedback, fostering development, managing conflict and offering recognition.

ESG BoD & Executive Committee: (Jan-Feb 2024) ESG Programme for the Board of Directors and Executive Committee, tailor made by the prestigious Business School Esade. This programme is a strategic investment in the Group's future and equips Directors with robust and practical knowledge about ESG and key trends.

Allfunds' Culture

Culture Within Allfunds: Allfunds prides itself on being a highly valued international provider in the WealthTech industry. We are committed to a purpose-driven, values-based culture, to enhancing employee satisfaction and attracting top talent, all of which contribute to our sustained success.

Sustainable Long-Term Value Creation:

Our People strategy is intertwined with our commitment to sustainable long-term value creation. It has to be, because our most valuable asset is our people, and we strive to foster an environment that encourages growth, innovation and mutual respect. We design our People initiatives accordingly, to attract, develop and retain the best talent.

1. **Underlying Values:** Our culture emphasizes excellence and we strive for quality in everything we do. We empower our people and encourage their growth, autonomy, creativity, accountability and innovation, all of which propel us forward.
2. **Conduct and Behaviour:** Our conduct is guided by ethical principles. By adhering to these principles, we contribute to sustainable value creation.
3. **Initiatives for Value Enhancement:**
   a. **Continuous Learning:** We invest in our employee's development to ensure they stay abreast of industry trends. Well-informed employees contribute significantly to Allfunds' long-term success.
   b. **Innovation:** We encourage a culture of innovation. By fostering creativity and exploring new solutions, we enhance our value proposition.
   c. **Client-Centric Approach:** Our relentless focus on client needs drives product enhancements and service improvements.
   d. **Diversity and Inclusion:** We celebrate diversity and promote an inclusive workplace. Diverse teams bring fresh perspectives and lead to better outcomes.

Unite, Purpose, Values, and Integrity:

We **Unite** our diverse workforce under a common **Purpose**, fostering a sense of belonging and shared vision. Our organizational **Values** are embedded in every People policy and practice, guiding our actions and decisions. We prioritize **Integrity**, to ensure respect in all our interactions. By aligning individual goals with our business objectives, we make sure that every team member contributes to our success. This holistic approach to HR not only drives our business forward but also strengthens our reputation as an employer of choice.

1. **Alignment with Purpose:** Our commitment to purpose-driven work resonates throughout the organization. By fostering a sense of shared purpose, we empower employees to contribute meaningfully to our mission.
2. **Values-Driven Culture:** Upholding our core values – Excellence, Accountability, Empowerment and Inspiration – ensures ethical conduct and trust. These values guide decision-making and lead to sustainable outcomes.
3. **Employee Engagement:** The focus on team cohesion and values enhances employee engagement. Our team comprises dedicated professionals whose unwavering commitment forms the cornerstone of our success.
4. **Employee Listening:** Our commitment to listening to employee feedback fosters a culture of openness. By actively addressing concerns and implementing improvements, we create a positive work environment.
5. **Rewards and Recognition:** Recognizing employee contributions reinforces their sense of value. Whether through awards or bonuses, we motivate high performance and loyalty.
6. **Offboarding Process:** Even during offboarding, we maintain a respectful and supportive approach. By ensuring a smooth transition for departing employees, we preserve our reputation and encourage positive referrals.

Our values

ALL for Excellence

Our experience and expertise, together with the passion we put into everything we do, are brought to our clients, employees and partners. They count on us for the best services, technology and professional help.

ALL for Accountability

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

ALL for Empowerment

We work to continuously enhance our tools and services – and make them accessible to our clients – enabling them 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 a key motivator. That is why we aim to adapt to our employees' needs, accompany them on their journey and inspire them to achieve their dreams.

Growing the 'S' in ESG

ESG is part of our Corporate Objectives with concrete KPIs. All initiatives reflect Allfunds' dedication to creating a supportive and inclusive workplace for all our employees.

D&I Goals	To be achieved
At least 40% women in the Board of Directors of Allfunds and Allfunds Bank	30/06/2026
At least one director from an ethnic minority background at Allfunds and Allfunds Bank	2025
Women in the Executive Committee of Allfunds	At least 25% by 2026 At least 30% by 2030
At least 40% women in senior manager positions within the Group	By 30/06/2026
At least 70% of the employees indicated that they felt they fitted in	By 2026
All the countries where Allfunds operates are represented in the workforce's nationalities	Ongoing process
All managers and above to annually attend a D&I training session	Ongoing process

Diversity, Equity & Inclusion ('DEI')

In addition to Allfunds DEI policy, Allfunds has introduced new DEI training sessions to further sensitize its managers about the importance of diversity and inclusion in the workplace.

To ensure fair and consistent recruitment practices, Allfunds has adopted a new Recruitment Guide for Bias Mitigation. This guide is designed to promote a more diverse and inclusive workforce. These initiatives underline Allfunds' commitment to creating an equitable work environment where everyone is valued and respected.

Wellbeing

Allfunds is dedicated to promoting the wellbeing of its employees. As part of this commitment, the Group has introduced monthly workshops on mental health that run throughout the year. In addition, Allfunds has implemented a partnership with Gympass and established a wellbeing corner. Furthermore, Allfunds has introduced new policies to improve flexibility before and after maternity leave. The Group has also standardized a minimum period of paid maternity and paternity leave across all countries, demonstrating its commitment to supporting its employees during these important life events.

Social Dialogue

Allfunds is committed to fostering an open and inclusive work environment. To improve social dialogue, the company has set up commissions that serve as platforms for consultation and information sharing on a variety of topics. These topics range from employee wellbeing and benefits to gender equity.

Allfunds is enhancing its internal communication and creating a more inclusive and equitable workplace.

A robust approach to risk

Risk management

The Board of Directors, supported by the Risk and Audit Committee, is responsible for defining the risk strategy, risk appetite and 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 further entails the ability to gain resilience, gain competitive advantage and identify new business opportunities.

Allfunds has a general risk management and control model adapted to its business model, its organization, 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.

We promote 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, AML 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

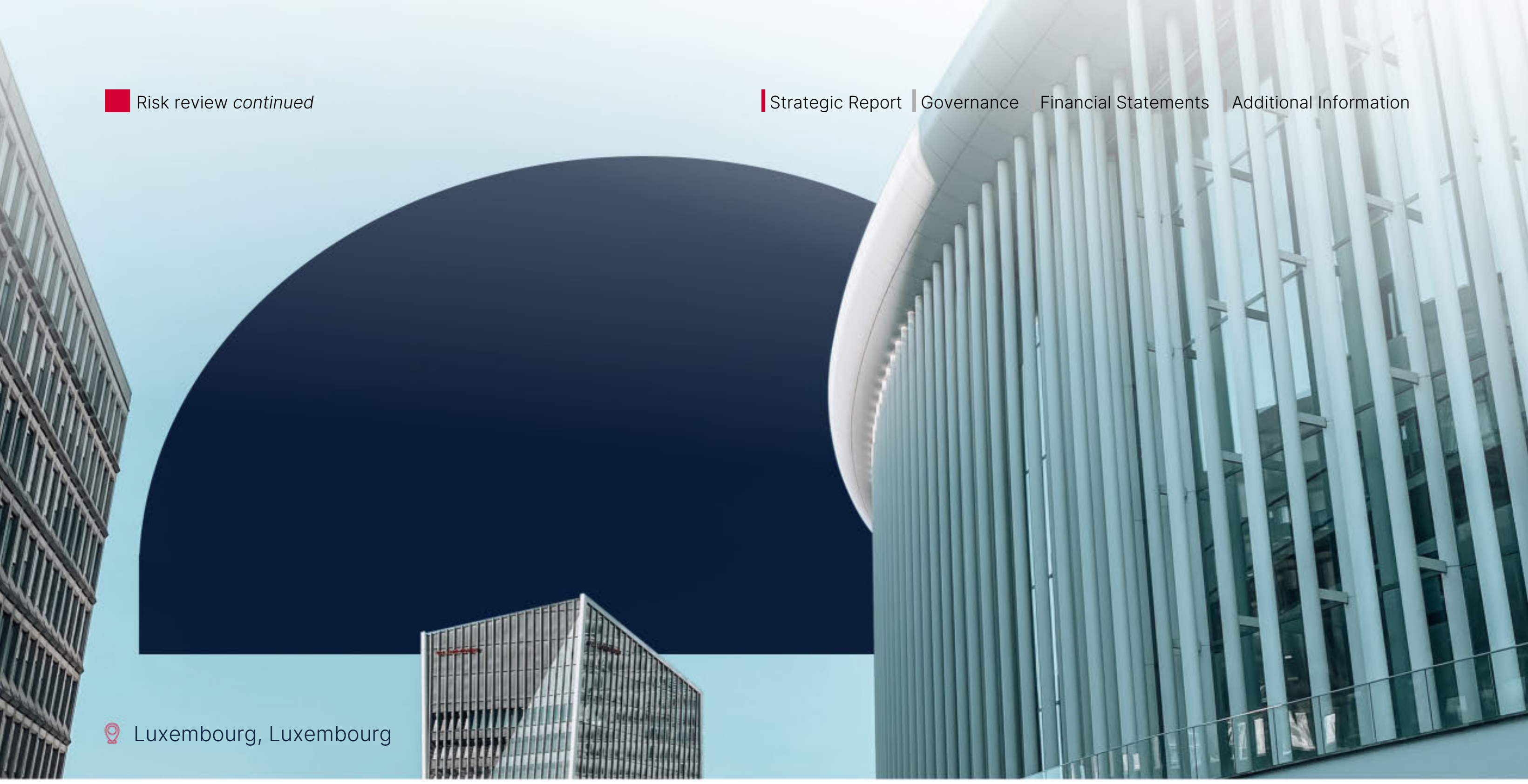
Third line of defence

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 and Allfunds Bank on the effectiveness of the Group's risk management



Risk management strategy and objective

Prudence applied by the Group in risk management is a basic pillar in our activities and services. In turn, the Group's organisational structure represents a system of clearly defined delegations for such risk management. The general principles that guide the definition, monitoring and management of risks are as follows:

a. The risks assumed must be compatible with the assets of the Group and in accordance with the target 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
    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

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.

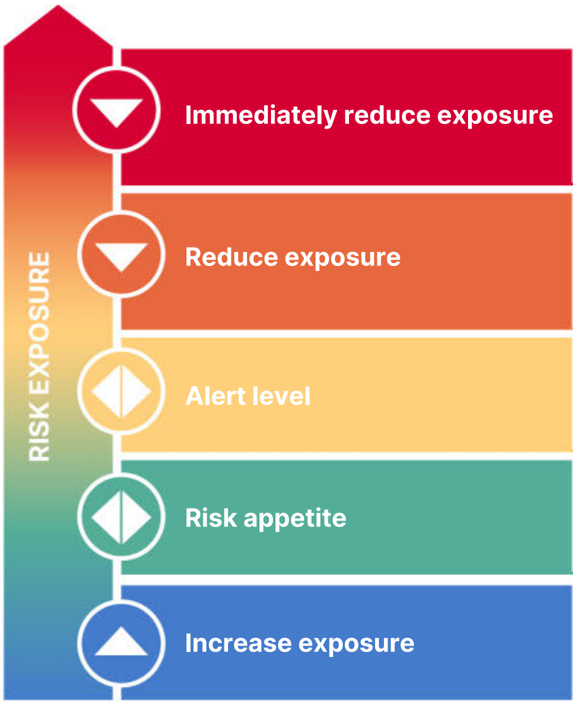
The RAF aims primarily to strengthen profitability, enhance risk management and promote transparency in the overall risk-taking policy for capital allocation and profit maximisation. This is supported through the setting, communication and oversight of risk appetite, as well as the optimisation and speed-up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

The Board of Directors annually approves the risk strategy and in particular the RAF to promote 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 2023 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 Group 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 capacity: maximum amount of risk Allfunds can take before its viability is at risk, or in terms of solvency/liquidity, the maximum amount of risk Allfunds can afford without breaching its capital and liquidity regulatory obligations. The level of own funds will be a key reference in most cases.

Risk tolerance: amount of risk Allfunds is willing to reach in order to achieve the objectives (deviation from risk appetite). There will be an upper limit to the risk that the organisation is prepared to accept. Risk tolerance is the top end of the risk appetite.

Alert level: security level whose objective is to detect if the risk profile is significantly different from the risk appetite.

Risk appetite: amount of risk Allfunds is willing to accept while pursuing its objectives, and before any action is determined to be necessary in order to reduce the risk.

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 information included in these reports supports the Group's control of the operating limits defined for each counterparty, and its control of other operating aspects related to 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.

Principal risks and uncertainties

The Group's financial risks are credit/counterparty risk (including execution and overdraft settlement risk), market risk, interest rate risk, exchange rate risk, liquidity risk and concentration risk. Non-financial risks relate to operational risk, information and communication technology ICT risk (including cybersecurity risk), third-party risk (outsourcing) and regulatory compliance risks, that involve regulatory risks, conduct risks, reputational risks, criminal risks and money laundering and financing of terrorism risks. Allfunds also incorporates 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 Group is working to increase measures to control and monitor them within its scope of influence.

Risk and potential impact	Mitigation	Comments for 2023
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	• The Board of Directors annually approve Operational risk limits to monitor losses • Risk and Control Self Assessments (RCSAs) to identify relevant exposures to Operational risk • Identification, reporting and tracking of operational risk events • Dedicated resources for the integration of new businesses acquired in the previous year • Availability of a detailed Business Continuity Management (BCM) programme across the Group • Existence of insurance policies against fraud	• The Board has reviewed and approved the Group's operational risk limits as well as its operational risk policy • The Group has continued to expand the scope and maturity of the RCSAs, including new businesses acquired in previous years • The BCM programme has seen significant improvements and robustness
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 e.g. reduced operational efficiency and increased costs, or to data vulnerability	• Existence of a Group IT Security and Cybersecurity framework • Internal and external assessments of the ICT risk framework • Existence of a Business Continuity Plan (BCP) and a Disaster Recovery Plan (DRP) that are tested annually • Defining and Operating Resilience Strategy • Identification, reporting and tracking of technological risk events (TKIs)	• Increased testing on technology contingency scenarios and operating resilience • Satisfactory testing of the BCP and DRP • Renewal of Security Director Plan with DORA, Zero Trust and Security Cloud Strategy • Our cybersecurity framework is above the average benchmark for financial institutions
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	• 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 Group's credit risk limits as well as its credit and counterparty risk policy • No defaults from our counterparties in the history of Allfunds
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 • Additional controls have been implemented during the year to monitor daily inflows-outflows as well as concentration risk • 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 2023 • Stress test shows strong buffer to cope with severe scenarios • The Board has reviewed and approved the Group's liquidity risk policy

<table>
<tr><th>Risk and potential impact</th><th>Mitigation</th><th>Comments for 2023</th></tr>
<tr><td>Compliance risks
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 Group’s reputation</td><td>• Existence of a comprehensive, risk-based Compliance Monitoring Programme to assess the effectiveness of the controls implemented to mitigate regulatory, conduct and reputational risks as well as the risk of criminal liability, and to promote the necessary improvement actions. The results of the Compliance Monitoring Programme are reported to the management body
• 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</td><td>• Over 2023, the programme has been updated and reinforced with:
– In terms of regulation: the inclusion of controls related with the protection of persons who report breaches, remuneration gender pay gap, ESG and disclosure information, beneficial ownership register, as well as specific local applicable regulation for the Allfunds branches, mainly the New Consumer Duty in the UK, and the Data Protection Act in Switzerland
– In terms of organisational changes: with adjustment to the current structure of Allfunds Digital and with CASS Rules (following the authorisation of the London Branch as a third country branch)
• Allfunds Compliance model has the international standard ISO 37301:2021 awarded by AENOR in 2022 and maintained in 2023. This ISO establishes the requirements of a compliance management system to identify the main obligations affecting organisations and perform a risk assessment exercise for non-compliance</td></tr>
<tr><td>Climate-related and environmental risk
Allfunds identifies the environmental aspects and impacts associated with the services provided in accordance with the organisation’s environmental management system</td><td>• The Group has an environmental precautionary approach articulated through the Environmental Management System, Environmental and Climate Change Management Policy, ESG 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</td><td>• Obtained Carbon footprint ISO14064 certification
• Obtained Environmental Management System ISO 14001 certification at a Group level
• Board approval of a revised Climate Change Management and Environment Policy, including the commitment to become Carbon Neutral in 2030, and of a Decarbonisation Plan as part of the ESG Strategic Plan that includes specific emission reduction targets
• 74.27% of total electricity as of 31 December, 2023 came from renewable sources</td></tr>
</table>

Directors’ statement

In accordance with Best Practice Provision 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 with regards to strategic, operational, compliance and reporting risks
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
IV. This report states the material strategic, operational, compliance and reporting risks and the uncertainties to the extent they 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

26 March, 2024

Corporate Governance

London, UK

Governance structure

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, values and culture, the strategy and business activities, and engagement with stakeholders

Risk and Audit Committee

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

Remuneration, Appointments and Governance Committee

Assists the Board in its duties to define and achieve its aspired composition, to assess its effectiveness and organise its succession, to design appropriate remuneration schemes and to monitor the Group's governance arrangements

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

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 am pleased to introduce our Corporate Governance Report for the year ended 31 December 2023. This report provides an overview of the Group's governance framework and the activities of the Board and its Committees during the year under review, which show how they ultimately promote and support the Group's long-term success.

Adapting our framework to the revised Dutch Code

From a corporate governance perspective, 2023 was marked by the review of the Dutch Corporate Governance Code (the 'Dutch Code') that the Company has voluntarily applied since the IPO.

During the year, the Board focused its efforts on ensuring that Allfunds' governance structure and arrangements were reviewed and adapted as needed to maintain our high level of compliance with the Dutch Code and, more broadly, to keep up with the best international governance standards. Our Corporate Governance Statement details the decisions we took and how we complied with the Dutch Code as revised from 1 January 2023. The way we apply the principles of the Dutch Code is further reflected throughout the Corporate Governance Report.

We remain committed to the highest standards of corporate governance and this report provides an insight into how our arrangements support our business and the decisions we make.

Sustainability governance

In addition to the changes arising from the Dutch Code's review, during 2023, the Board adopted other governance decisions mainly aimed at strengthening Allfunds' governance of ESG-related matters and continuing to progress in its commitment to sustainable value creation. You may find an insight into the Group's strategy and its sustainability aspects in the Strategic Report.

Among all the decisions made and actions implemented during the year, I would like to highlight the following:

- We allotted specific duties to the Board of Directors and each of the Board Committees with regard to sustainability and ESG topics in order to ensure adequate oversight and full integration of these matters in the Group's governance framework. Those new duties were specifically introduced in the Board rules and each of the Board Committees' terms of reference, and subsequently integrated into their respective meeting agendas and working calendars
- We reviewed a number of existing corporate policies and approved new ones to outline our commitment to, and the basis for our actions in terms of, sustainable value creation. All the policies approved by the Board are available in the Governance section of the corporate website, namely:
  - the ESG Policy, which formalises Allfunds' intention to have a positive impact on society, and outlines the principles endorsed to boost Allfunds' sustainable development as well as its key commitments in each of the E, S and G dimensions
  - the Policy on Climate Change Management and Environment, which develops Allfunds' commitment to the environment and defines the principles to improve its environmental performance
  - the Policy on Dialogue with Stakeholders which, as newly recommended by best practice provision 1.1.5 of the Dutch Code, outlines principles for engaging in meaningful dialogue with stakeholders to embed their views on the sustainability aspects of strategy and business model, and
  - the Human Rights Statement, which sets out our commitment to champion human rights and the key results of a human rights saliency assessment that we conducted internally in 2023 in line with the UN Guiding Framework to assess our salient issues (based on each risk's likelihood, scale, scope and remediability) across our value chain, in our role as employer, service provider, buyer of goods and services, corporate issuer and member of the civil society
- We approved at Board level an ESG Strategic Plan for the period 2024-2026, with specific targets to be achieved and actions to be implemented in each of the E, S and G dimensions while doing business. The plan includes a Decarbonisation Plan whereby we seek to be carbon neutral by 2030
- As part of their general development programme, directors received an intensive customised ESG programme from ESADE, a leading executive education school, and were certified at the beginning of 2024

Diversity and Inclusion

As recommended by new best practice provision 2.1.5 of the Dutch Code, and in line with our stakeholders' expectations, in 2023, the Board approved a new group-wide D&I Policy that subsumes the former Board Diversity Policy approved in 2021. The new D&I Policy applies to the entire Group and sets ambitious D&I targets at Board, Executive Committee and senior management level. These targets are aligned with the EU Directive on improving gender balance in the boardroom as well as with other international standards and stakeholders' expectations. You can read more about our approach to D&I across our workforce in the Strategic Report, and at Board level, in the Corporate Governance Report.

Board membership

Allfunds' non-executive directors are appointed for a 4-year period and may then be re-elected for a second term of up to 4 years and 2 subsequent terms of up to 2 years each. Accordingly, each non-executive director must retire at the AGM held in the fourth calendar year after their initial appointment. This practice is aligned with best practice provision 2.2.2 of the Dutch Code and with market practice in the Netherlands where Allfunds' shares are admitted to trading.

Best practice provision 2.2.4 of the Dutch Code further recommends that the Board draws up a retirement schedule in order to avoid, as much as possible, supervisory board members retiring simultaneously. As all non-executive directors of the Company were appointed at the time of the IPO in 2021, except for Andrea Valier who joined the Board in 2020, and I, who joined in 2022, all of them would have to retire at the 2025 AGM. In anticipation of this circumstance and for the sake of Board continuity, in addition to Andrea Valier, Sofia Mendes and David Pérez Renovales will also be retiring at the 2024 AGM and subject to re-election by shareholders. Likewise, Axel Joly, who was nominated by BNP Paribas to replace David Vaillant pursuant to the Relationship Agreement and was subsequently appointed as a director by the Board on 28 February 2024, will also be retiring at the 2024 AGM and subject to re-election by shareholders. I would like to thank David Vaillant for his significant contribution to the Allfunds' Board during his office.

Effective Board and Board Committees

I am very grateful to all Board members for the work they ably performed during the year. I thank especially the Board Committees and their Chairs, David Pérez Renovales as Chair of the Risk and Audit Committee, and Lisa Dolly as Chair of the Remuneration, Appointments and Governance 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.

In line with market practice, as 2023 was the third year since the IPO where we conducted an evaluation of the Board and its Committees, we retained an external expert to assist and supervise the process. The evaluation was based on a self-questionnaire and individual interviews with directors, led by the external expert. You will find a summary of the work done and of the key action points defined for 2024 in this Corporate Governance Report.

The year ahead

In 2024, the Board will monitor progress against the Group's strategy and will keep it under review to anticipate and respond to opportunities or challenges that may arise. The Board will also track the progress of the new ESG Strategic Plan. Ultimately, the Board will seek to drive shareholder returns and to ensure that Allfunds achieves its purpose while creating a positive impact on the WealthTech industry and society as a whole.

David Bennett
Board Chair

26 March 2024

The Board of Directors

David Bennett

Chairman – Independent Non-Executive Director

Initially appointed: 22 April 2022

Term of office: 4 years

Board Committee membership: N/A

Born: 1962

Nationality: British

Professional experience: David joined Allfunds' Board in 2022. During 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 as Non-Executive Director at Together Personal Finance, easyJet, Pacnet, Bank of Ireland UK, CMC Markets and Clarity Commerce Solutions.

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 along with 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.

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

Other relevant appointments: Board Chair at Virgin Money UK plc, Non-Executive Director and Chair of the Board of Directors of PayPal UK Limited, 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

Board Committee membership: N/A

Born: 1969

Nationality: Spanish

Professional experience: Juan is the CEO of Allfunds. Before launching Allfunds in 2000, he spent 5 years as the head of investment funds at BSN, Santander Group's private bank. From 2009 until 2016, he held a dual role as CEO of both Santander Asset Management and Allfunds.

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 has 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.

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

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

Board Committee membership: Chair of the Remuneration, Appointments and Governance Committee

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.

Main skills: Lisa has held the highest executive positions in banking and finance. 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 of the Remuneration, Appointments and Governance Committee.

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

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

David Pérez Renovales
Independent Non-Executive Director

Initially appointed: 29 March 2021

Term of office: 4 years

Board Committee membership: Chair of the Risk and Audit Committee

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.

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 financially 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.

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 Programme from Singularity University.

Other relevant appointments: CFO at MásMóvil.

Sofia Mendes
Independent Non-Executive Director

Initially appointed: 29 March 2021

Term of office: 4 years

Board Committee membership: N/A

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 5 years, and a year before that she served as investment director at Private Equity ECS in Lisbon. From 2000 to 2009, she worked in the JPMorgan European Financial Institutions team in 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.

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.

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

Other relevant appointments: Partner at Arcano Partners.

JP Rangaswami
Independent Non-Executive Director

Initially appointed: 29 March 2021

Term of office: 4 years

Board Committee membership: Member of the Remuneration, Appointments and Governance Committee

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 and the National Bank of Greece. 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).

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.

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

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

Delfín Rueda

Independent Non-Executive Director

Initially appointed: 29 March 2021

Term of office: 4 years

Board Committee membership: N/A

Born: 1964

Nationality: Spanish

Professional experience: Delfín joined Allfunds' Board in 2021. He also serves as managing director at the private equity firm Squircle Capital Advisory, consultant for 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.

Main skills: Delfín has a profound financial acumen as well as an advanced 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 finance industry. His experience as executive and supervisory board member in listed companies also gives him a deep insight into investor expectations and valuable governance skills.

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).

Other relevant appointments: Managing Director at Squircle Capital Advisory, consultant for 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

Board Committee membership: Member of the Risk and Audit Committee

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 and trustee positions, Ursula was Chief Administrative Officer of Legg Mason until July 2019.

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.

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

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

Blake Kleinman
Non-Executive Director

Initially appointed: 24 March 2017

Last appointed: 25 March 2021

Board Committee membership: N/A

Term of office: 4 years

Born: 1976

Nationality: British and US citizen

Professional experience: Blake joined Allfunds' Board in 2017. He joined Hellman & Friedman ('H&F') 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.

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's digital and technological capabilities. Blake also gained important governance skills in his various positions as a Director that he wisely used when serving as Board Chair.

Education: Blake is a graduate of Harvard College.

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

Board Committee membership: Member of the Remuneration, Appointments and Governance Committee

Term of office: 4 years

Born: 1977

Nationality: Spanish and US citizen

Professional experience: Zita joined Allfunds' Board in 2017. She joined Hellman & Friedman ('H&F') 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 is a Governor of The Royal Ballet School.

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, Appointments and Governance Committee. Through her leadership role at H&F, Zita has a strong foundation in sustainability topics and enriches ESG-related debates in the boardroom.

Education: Zita is a graduate of Georgetown University.

Other relevant appointments: Partner at Hellman & Friedman.

Johannes Korp

Non-Executive Director

Initially appointed: 24 March 2017

Last appointed: 25 March 2021

Board Committee membership: Member of the Risk and Audit Committee

Term of office: 4 years

Born: 1984

Nationality: Austrian

Professional experience: Johannes joined Allfunds' Board in 2017. He joined Hellman & Friedman ('H&F') 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.

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 strategy-oriented and straightforward approach that enhances effective debate and decision-making.

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

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

Andrea Valier

Non-Executive Director

Initially appointed: 2 October 2020

Term of office: 4 years

Board Committee membership: N/A

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).

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.

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

Other relevant appointments: Head of Corporate Development and Strategy at BNP Paribas SA, Securities Services division and non-executive director at Uptevia.

Axel Joly

Non-Executive Director

Initially appointed: 28 February 2024

Term of office: 4 years

Board Committee membership: N/A

Born: 1976

Nationality: Belgian

Professional experience: Axel joined Allfunds' Board in 2024. He is also the Co-Head of Corporate Development at BNP Paribas Asset Management. Previously, he served as senior M&A counsel at BNP Paribas and, formerly, at Louis Dreyfus Commodities group. Axel started his career as a lawyer at Brussels Bar at Bertone, Boels, Van den Broeck.

Main skills: Axel has more than 20 years of advisory experience in M&A, with a strong focus on financial institutions. He has a proven ability to structure complex transactions. His legal and economic background provide him with a valuable perspective on the financial industry and a strong understanding of the increasingly complex regulatory framework applicable to financial services. His non-executive experience also gives him solid governance skills.

Education: Axel holds a Master's Degree in Law from the University of Brussels and an MBA - RSM, majoring in Finance, from Erasmus University.

Other relevant appointments: Co-Head of Corporate Development at BNP Paribas Asset Management division and non-executive director at FCPE BNP Paribas Actionnariat Monde (French-domiciled mutual fund managing the employees' equity in BNP Paribas).

Marta Oñoro

Company Secretary and General Counsel

Initially appointed: March 2021

Board Committee secretariat: Marta is also the Secretary to each Board Committee.

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 2023 and 2024

David Vaillant resigned from his position as a director effective from 7 February 2024. His vacancy was filled by the Board on 28 February 2024 through the appointment of Axel Joly, who was nominated by BNP Paribas pursuant to the provisions of the Relationship Agreement dated 16 April 2021. Mr Joly will be retiring at the 2024 AGM and subject to re-election by shareholders.

Board role and leadership

Board role and purpose

The Board of Directors is collectively responsible for the success of Allfunds and seeks to deliver sustainable 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 of maintaining 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 roles of the Chair, the Chief Executive Officer, the non-executive directors, the Board Committees and the Company Secretary are separate and there is a clear division between their responsibilities.

The Chair plays a non-executive role and leads the Board. He is responsible for setting its agenda and for its proper functioning and ensures, among other things, that directors receive all information required for the performance of their duties in a timely fashion and that there is sufficient time for consultation and decision-making. The Chair promotes a culture of openness and constructive challenge between directors. He holds meetings with non-executive directors without the presence of executives and he regularly meets with the CEO and other senior management members to stay informed. He also promotes high standards of corporate governance and is responsible for Board responsiveness to signs of misconduct or irregularities.

In turn, the Chief Executive Officer, supported by the management team, is entrusted with the day-to-day management of Allfunds’ business. He chairs the Executive Committee and is responsible for developing and implementing Group objectives and strategies and managing the Group's risk profile. He represents Allfunds to its stakeholders and ensures there are effective processes to engage.

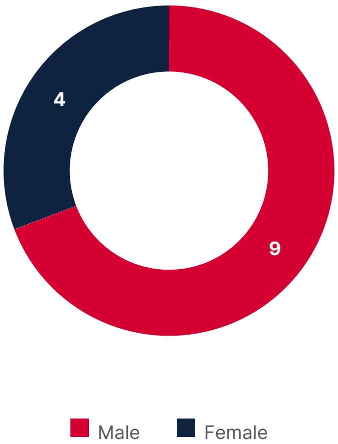
Given the one-tier governance structure of the Company, non-executive directors oversee the general state of affairs within Allfunds. As recommended by principle 1.1 of the Dutch Code, they are responsible for the continuity of the Group and for sustainable long-term value creation, taking into account the effect of Allfunds' actions on people and environment and weighting stakeholder interests that are relevant in this context. Non-executive directors contribute a wide range and balance of skills and experience and are expected to advise management and to bring critical and independent judgement to Board discussions and decisions. It is the Board’s view that all the Company's 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 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. The Secretary is also a member of the Executive Committee.

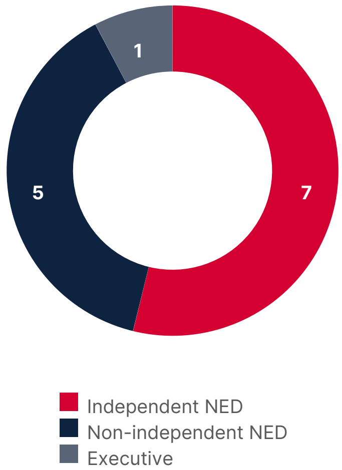
The interaction of the Board with the executive management team is very fluid, partially thanks to the fact that there is an Executive Committee formed by the CEO along with the most senior managers of the Company. The CEO periodically updates the Board on strategic and business matters so that directors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

Board profile and succession
Board profile as of the date of this report

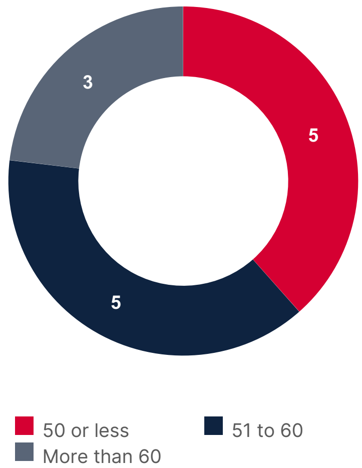
Gender balance



Independence



Age diversity



Skills and experience

International background or education

NED Tenure

Board diversity: the new D&I Policy

Pursuant to best practice provision 2.1.5 of the Dutch Code as revised from 1 January 2023, in 2023 the Board of Directors, based on the proposal of the Remuneration, Appointments and Governance Committee, approved a group-wide Diversity and Inclusion Policy. This Policy subsumes the former Board Diversity Policy that had been approved in 2021 in accordance with the former recommendation of the Dutch Code.

The D&I Policy establishes the framework to fully embrace diversity and inclusion at Allfunds and its group entities. People are at the heart of Allfunds. Fully embedding D&I within the organisation is inherent to Allfunds' commitment to people and fully aligned with the core values that its people are expected to work and live by. Under the D&I Policy, the Board recognises that diversity is a key driver to deliver its strategy, that diversity of ideas and openness towards diversity correlate with greater innovation and better performance, and that mirroring within the workforce the diversity of the communities where Allfunds operates allows its employees to create deeper connections with all stakeholders and better understand their needs. Allfunds further acknowledges that having a diverse workforce starts with a truly inclusive environment where all employees feel they belong and are granted with equal treatment and equal opportunities to progress.

In this context, the Policy outlines the three principles that Allfunds' D&I strategy is based on:

- **conscious inclusion:** raising awareness and nurturing a culture of inclusivity, openness, respect and active listening
- **leading by example:** building leaders who create space for everyone equally and act as catalysts in the acceleration of D&I, thereby enhancing Allfunds' capacity to attract and retain diverse talent
- **meritocracy:** basing all decisions and actions on merit against objective criteria, including with regard to recruitment and selection of candidates, performance evaluation, promotions, development opportunities, compensation, demotions, terminations and disciplinary actions

As recommended by best practice provision 2.1.5 of the Dutch Code, the D&I Policy sets different D&I goals at different levels across the organisation: Board level, Executive Committee level, senior management level and overall workforce level. The Board believes that the D&I goals included in the Policy are specific, appropriate and ambitious as recommended by the Dutch Code.

In setting these objectives, the Board of Directors considered not only applicable regulations, namely the EU Directive on gender balance in the boardroom as expected to be transposed in Spain, which will be applicable to the group key subsidiary Allfunds Bank; but also governance practices and international standards generally accepted by the market, including investors, proxy advisers and rating agencies; as well as other factors intrinsic to Allfunds' structure and business.

At **Board level**, both for the Company and its key subsidiary Allfunds Bank, the D&I Policy sets two quantitative targets relating to gender and ethnic diversity: having at least 40% female directors by 30 June 2026 as set out in EU Directive (applicable only to Allfunds Bank) and at least one director from an ethnic minority background by 2025 as recommended by the Parker Review. This gender diversity target goes beyond the Hampton Alexander target of 33% previously approved by Allfunds.

As of 31 December 2023, both the Company and Allfunds Bank already met the Parker Review target in terms of ethnic diversity. The female ratio as of that date amounted to 31% (4/13) at the Company's Board and 33% at Allfunds Bank's Board, and the Company's ratio remained 31% following the replacement of Mr Vaillant by Mr Joly in 2024. The Remuneration, Appointments and Governance Committee and the Board remain 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, in both the Company and Allfunds Bank 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%, nearly reaching the new 40% target.

At the **Executive Committee level,** the D&I Policy sets a new target to achieve at least 25% women by 2026 and 30% by 2030.

As of 31 December 2023, the female ratio amounted to 12.5%. In spite of this starting point, the Board, the Remuneration, Appointments and Governance Committee and the Executive Committee itself are fully conscious of the importance of making ongoing progress and remain fully committed to attaining this ambitious but achievable new goal as the Executive Committee evolves in the future.

At **senior management level**, the new target included in the D&I Policy consists in having least 40% women in senior manager positions within the Group by 30 June 2026.

As of 31 December 2023, women in senior management positions accounted for 23.7%. Further details are available in the Strategic Report.

Finally, D&I targets **across the workforce** include all the countries where Allfunds operates being represented in the workforce's nationalities, and at least 70% of the employees stating they feel they fit in by 2026 (to be measured through employee surveys). You can read more about our approach to D&I across our workforce in the Strategic Report.

In addition to these quantitative targets, the Board recognises in the D&I Policy that gender and ethnicity are not the sole diversity factors and that they should not compromise the calibre of candidates. Therefore, all appointments shall be based on merit against objective criteria, and they shall all aim to ensure that directors, executives and senior managers comprise a good balance of expertise, experience, competencies, knowledge, nationality, other personal qualities, sex or gender identity, age, and cultural or other backgrounds, and that directors are able to perform their duties with independence of mind.

In this regard, Allfunds also has in place 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 the directors' combined experience, expertise and independence allow them to engage in relevant, informed, expert and efficient discussion and decision-making. The Profile for Non-Executive Directors was last revised by the Remuneration, Appointments and Governance Committee, and subsequently by the Board, in 2023, along with the approval of the D&I Policy to ensure their full alignment.

The new D&I Policy defines the action points to be implemented across the Group in order to achieve Allfunds' D&I strategy and goals in practice. These action points seek to cover the full cycle of people management, from recruitment, promotion and development opportunities, to remuneration, culture and working environment, and, finally, transparency and reporting.

Below is a non-exhaustive description of the measures and actions set out in the D&I Policy and taken during the year with regard to the Board and/or the Executive Committee. For further detail on our approach to D&I across the Group please see the Strategic Report and the 2023 ESG Report.

In terms of measures during recruitment, Allfunds only engages search firms who are signed up to the Voluntary Code of Conduct for Executive Search Firms. It encourages search firms and the people department to produce long lists of candidates that are inclusive according to the widest definition of diversity and ensures that, when recruiting senior managers and above, at least one third of the interviewed candidates are women. In 2023, training was provided to relevant staff engaged in recruiting to prevent unconscious bias. This was fully observed when recruiting the new Chief Operating Officer, who was finally recruited based on merit against objective criteria. At Board level there were no recruitments in 2023. Nevertheless, the Board composition was assessed during the Board evaluation process, which in 2023 was conducted under the supervision of an external expert as recommended by the Dutch Code. You will find a summary of this process on page 81 of this Corporate Governance Report.

Regarding promotion and development, Allfunds fosters diversity within the Company's staff in order to facilitate an appropriately diverse pool of internal candidates. It establishes an individual appraisal system based on objective performance criteria and grants access to training and development opportunities based on positions, not on the people filling them. Alfunds also considers the D&I Policy when building succession plans, to ensure the pipeline meets the expectations set for the relevant positions. The new targets of the D&I Policy have been considered during the year by the Remuneration, Appointments and Governance Committee when assessing Board refreshment and succession.

In terms of culture and environment, Allfunds has several measures to facilitate work-life balance in order to support a more diverse workforce. It also creates D&I awareness and promotes a no tolerance approach towards any form of discrimination or lack of respect. In 2023, the Board approved a new Policy on Internal Information Systems and Reporting Channel, which covers potential discrimination abuses and sets out a strict non-retaliation policy. At Board level, the customised ESG programme that directors received included specific training on D&I topics.

Both the D&I Policy and the Profile for Non-Executive Directors are available on the corporate website (https://allfunds.com/en/investors/governance/group/).

Rules for the 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 the above mentioned Profile for Non-Executive Directors, which addresses its desired composition, structure, size and level of independence, considering the nature of the Group and its activities. This profile is annually reviewed by the Remuneration, Appointments and Governance Committee to ensure it is appropriate and remains effective and it 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.

The Board may also 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 4 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 4 years and 2 subsequent terms of up to 2 years each if still suitable for the office and upon a favourable evaluation of their previous performance. These rules are aligned with best practice provisions 2.2.1 and 2.2.2 of the Dutch Code followed by the Company.

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. In February 2024, David Vaillant resigned from his position and the BNP Paribas Entities nominated Axel Joly to replace him. Mr Joly was appointed as a director by the Board on 28 February 2024, and he will be retiring at the 2024 AGM and subject to shareholder re-election pursuant to the provisions of the articles of Association.

Succession planning

The Board of Directors, supported by the Remuneration, Appointments and Governance Committee, is developing succession plans for its own members 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.

Pursuant to best practice provision 2.2.4 of the Dutch Code, 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 subsequently amended in 2022, to reflect the changes to the Board that occurred during that period. 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 into a position whereby not all non-executive directors retire at the same time.

As all non-executive directors of the Company were appointed at the time of the IPO in 2021, except for Andrea Valier who joined the Board in 2020 and David Bennett who joined in 2022, all of them would have to retire at the 2025 AGM. In anticipation of this circumstance and for the sake of Board continuity, as announced in the Retirement Schedule, in addition to Andrea Valier whose term expires and Axel Joly who was appointed by the Board and must be ratified by shareholders, Sofia Mendes and David Pérez Renovales will also be retiring at the 2024 AGM and subject to re-election by shareholders.

Board functioning

Board meetings and resolutions

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

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

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

Key rules to manage 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.

Board activities during 2023

Board meetings and attendance

During 2023, there were 13 Board meetings. The table shows the number of meetings attended against the number of meetings each director was eligible to attend according to their appointment or resignation dates.

	Attendance rates	
Directors	Meetings attended	% of attendance
David Bennett	12/12	100%
Lisa Dolly[1]	9/12	75%
Sofia Mendes[2]	11/12	91.7%
David Pérez Renovales	12/12	100%
JP Rangaswami[3]	9/12	75%
Delfín Rueda[4]	11/12	91.7%
Ursula Schliessler	12/12	100%
Blake Kleinman[5]	8/12	66.7%
Zita Saurel	12/12	100%
Johannes Korp	12/12	100%
David Vaillant[6]	11/12	91.7%
Andrea Valier	12/12	100%
Juan Alcaraz	12/12	100%

1. Lisa Dolly was absent from the Board meetings held on 22 February and 15 and 28 November 2023 but gave voting instructions to her proxy in respect of all voting items in the agendas.
2. Sofia Mendes was absent from the Board meeting held on 30 March 2023 but gave voting instructions to her proxy in respect of all voting items in the agenda.
3. JP Rangaswami was absent from the Board meetings held on 16 February, 27 October and 28 November 2023.
4. Delfín Rueda was absent from the Board meeting held on 15 November 2023 but gave voting instructions to his proxy in respect of all voting items in the agendas.
5. Blake Kleinman was absent from the Board meetings held on 20, 22 and 24 February, 27 July and 14 December 2023.
6. David Vaillant was absent from the Board meeting held on 14 December 2023.

Key focus areas in 2023

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.

The Board works based on an annual meeting plan with corresponding agendas, which enables effective consideration and decision-making of the different topics within the Board's remit.

A typical Board meeting comprises the following elements:

- a strategic and business update provided by the CEO, giving details of business performance and insights to areas of particular strategic importance in order to evaluate progress and, where relevant, decide appropriate action
- a review provided by the CFO on the Group's financial results since the last Board meeting and, where relevant, feedback received from the market
- updates from the Chair of each Board Committee, including their activities, findings and proposals, if any, on the matters within their remits
- other updates that come throughout the year from the business and various key functions, including people, legal, governance and ESG.

In addition, during 2023, the Board held its annual Board Strategy Day in London. The event was designed to facilitate engaging and interactive sessions on Allfunds' strategy for the next few years, not only in terms of business but also in terms of technology and cybersecurity, people and ESG-related strategic initiatives.

Topic	Discussion / activity / outcome	Link to stakeholders
Board strategic leadership		
Purpose and strategy	• Received regular updates on the progress of strategic initiatives • Discussed strategic opportunities and challenges for the future • Reviewed organic and inorganic growth alternatives and monitored M&A activity • Approved a business plan for the period 2024-2028 • Discussed Allfunds' geographical footprint • Approved the ESG strategic plan 2024-2026	• Employees • Clients • Investor community • Regulators • Business partners • Society
Business environment and market outlook	• Received regular updates on business, operational and financial performance • Monitored business environment, following up on the fund industry's evolution and the competing landscape • Discussed market outlook, investors' feedback, brokers' coverage and consensus and general expectations from the market	• Employees • Clients • Investor community • Business partners
Financial matters		
Financial performance	• Received regular updates on financial results • Approved the 2023 annual and interim financial statements and discussed the going concern and viability of the Group • Approved the 2024 financial calendar	• Employees • Investor community • Regulators • Business partners
Financial planning	• Monitored financial progress against the annual budget • Reviewed and approved the 2024 budget • Discussed capital allocation and the Group's financing structure	• Employees • Investor community • Regulators • Business partners
Shareholder remuneration	• Approved and monitored the launch of a €100 million share buyback programme • Proposed the distribution of the 2023 dividend to be approved at the 2024 AGM	• Employees • Investor community • Regulators
Internal and external control		
Risk management	• Received quarterly updates on principal and emerging risks • Approved the Group's risk appetite framework and statement and quarterly oversaw progress of the risk profile against it • Monitored the effectiveness of risk management and control systems and progress on identified issues • Monitored cybersecurity activities during the year, evolution of ICT maturity level, and progress made on, and updates to, Allfunds' cybersecurity director plan	• Employees • Clients • Investor community • Regulators • Business partners • Society
Internal audit	• Received regular updates on the activities and findings of the internal audit function • Assessed performance of the internal audit function • Approved the Group's 2024 internal audit plan and revised internal audit charter	• Employees • Investor community • Regulators
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 • Proposed the appointment of the new auditor to be approved at the 2024 AGM	• Employees • Investor community • Regulators

Topic	Discussion / activity / outcome	Link to stakeholders
Compliance and AML	• Supervised the Compliance Monitoring Programme, existing controls and progress on action plans • Approved the new Internal Information System and Reporting Channel Policy and Procedures • Monitored AML-related activities, including new clients' acceptance and progress on own due diligences	• Employees • Clients • Investor community • Regulators • Business partners • Society
Governance		
Sustainability governance	• Approved the 2023 ESG Report • Strengthened sustainability governance by allotting specific duties to the Board and each Board Committee • Approved the ESG Policy, the Policy on Dialogue with Stakeholders, the Policy on Climate Change Management and Environment, the Human Rights Statement and the Modern Slavery Statement for 2023 • Refreshed the tax strategy	• Employees • Clients • Investor community • Regulators • Business partners • Society
Compliance with Dutch Code	• Discussed amendments to the Dutch Code and approved changes to governance arrangements as needed to maintain the level of compliance with the new version	• Investor community • Regulators • Society
Board and Committees effectiveness	• Approved a Procedure for Directors' Induction and Development • Examined the outcome of the 2023 Board and Board Committees evaluation and approved an action plan for 2024	• Employees • Clients • Investor community • Regulators • Business partners • Society
Board refreshment	• Approved the D&I Policy with specific D&I goals at Board level • Reviewed and amended the Profile for Non-Executive Directors • NEDs retirement	• Employees • Investor community
People and culture		
Talent and succession	• Supervised the implementation of the Human Capital Strategic Roadmap • Received updates on people headcount and turnover • Oversaw the recruitment and suitability of the new Chief Operations and Technology Officer	• Employees • Investor community • Society
Remuneration	• Reviewed the group-wide remuneration policy • Set variable remuneration goals and monitored progress against them • Revised the total rewards scheme for the Identified Staff and approved the new combined incentive plan • Launched the third LTIP award for key talented employees	• Employees • Investor community • Regulators

Board effectiveness

Directors' induction and development

The Board is committed to lifelong learning and continuous improvement. In March 2023, the Board, based on a proposal from the Remuneration, Appointments and Governance Committee, approved a Procedure for Directors' Induction and Development to formalise Allfunds' approach and define lines of actions in this topic. The Procedure was drafted in accordance with EBA and ESMA joint guidelines on the assessment of suitability of members of the management body and key function holders, which are applicable to the subsidiary Allfunds Bank, and with best practice provisions 2.4.5 and 2.4.6 of the Dutch Code as revised in 2022.

The ultimate goal of directors' induction and development programmes is to ensure each director's initial and ongoing suitability to perform his or her role.

Specifically, the induction programme seeks to provide a new director with the information that he or she needs to perform his or her duties effectively within the shortest practicable time. The induction process should aim to build a clear understanding of the nature of the company, its strategy and business, its culture and values, its risk profile and control systems, its approach to sustainability, its governance structure, its competing and regulatory landscape, its reporting obligations, and its people. The process should also grant awareness of the new director's role and statutory duties. Induction programmes are tailored as needed according to the new director's specific responsibilities and involvement in Board Committees, and based on potential gaps between the candidate's actual and desired profile that may be identified during the recruitment process. In 2023, there were no director appointments and therefore no director received an induction programme.

As for development programmes, these seek to improve and keep up to date directors' individual and collective knowledge, skills and general qualifications, and to ensure sufficient knowledge of the Company and other evolving topics, ultimately to allow them to continuously deliver high levels of performance. Directors' development programmes are designed annually based on directors' training requests, voiced either in the annual Board evaluation process or otherwise, and based also on recent or upcoming changes to any significant matter within the Board or its Committees' remit. As a general rule, directors' development programmes aim to cover directors' training or education needs in a collective manner by means of collective sessions given to all directors on a regular basis. The need for individual or reduced sessions is assessed case by case in consideration of directors' feedback.

When possible, materials are prepared and sessions are given by Allfunds' team. External training is scheduled on demand at the Company's expense when necessary in view of the complexity, specificity, novelty or sensitivity of the topic.

During 2023, collective sessions were scheduled either following Board meetings or at the Board Strategy Day covering the following topics: the Dutch Code's revision, market abuse and regulatory pipeline (those topics were covered by an external counsel); AML and corporate defence; risks (including an overview of DORA); business developments and updates on the competing landscape and the market; and IT and cybersecurity matters. Directors also received an intensive customised ESG programme from a leading executive education firm and they were certified at the beginning of 2024.

The Board of Directors, assisted by the Remuneration, Appointments and Governance Committee, is responsible for monitoring the design and implementation of these programmes as well as their effectiveness. The Board evaluation process covers them in order for directors to express not only their training needs but also their degree of satisfaction with the programmes implemented. The Board Chair and the Company Secretary are responsible, among others, for ensuring that directors follow their training and induction programmes.

Board evaluation

The Board and its Committees undergo an annual evaluation of their effectiveness.

As recommended by best practice provision 2.2.6 of the revised Dutch Code, in 2023, the evaluation took place under the supervision of an external expert, as it was the third annual evaluation conducted since the IPO of the Company. The evaluation was based on (i) directors' responses to a questionnaire covering a wide range of topics, including the Board's and its Committees' composition, size and leadership, as well as 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; and (ii) directors' additional feedback provided to the external expert through individual interviews.

The results of the evaluation were captured in a report prepared by the external expert and presented to the Remuneration, Appointments and Governance Committee and subsequently to the Board. Results suggested that directors are satisfied with the effectiveness of the Board and its Committees, namely with the items on the agenda, the high quality of the information shared with the Board, the climate of the meetings and the quality of discussions, the role performed by the Chair, the CEO and the Board Secretary, risk oversight and risk culture, and the job performed by the management team.

The action points defined for 2024 as a result of the evaluation process were the following:

- Systematically include deep dive presentations in the agenda covering strategic initiatives and other significant projects or topics relevant to the business
- Increase the presence of strategy in the Board's agenda, including an analysis of competitors, market trends and additional KPIs to monitor strategic initiatives
- Continue to develop succession plans and keep the Board periodically informed
- Seek to align the composition of the Allfunds Bank's board with that of the Company's board to enhance efficiency and time allotment
- Reconsider the Board size in future cycles of appointments

The Executive Committee

The Executive Committee was created with the principal purpose of assisting the CEO in the day-to-day management of the Group. As of the date of this report, the Committee consists of 8 members, including the CEO, and 7 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, technology and operations (including cybersecurity), share price performance, 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 perform their supervisory duties effectively and be duly and timely informed of the corporate affairs.

Juan Alcaraz
CEO – Executive Director

Created 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 5 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

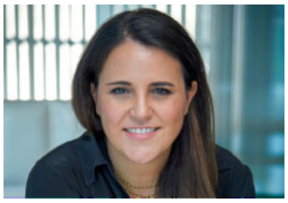
Joined Allfunds in 2003
Luca serves as Chief Commercial Officer. He joined the Group in 2003 and became Country Head of Italy in March 2004. He became Regional Manager of Central Europe, Middle East and Asia in 2006, Managing Director of Global Sales in 2009, and was appointed in 2010 as Deputy General 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 at 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 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, 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.



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 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.

Antonio Varela
Chief Operations & Technology Officer

Joined Allfunds in 2023
Antonio, who joined Allfunds as Chief Operations & Technology Officer in 2023, has a wealth of experience in digital technologies and transformation. He previously held the position of Head of Global Wealth EMEA Technology and Operations at Citi, as well as being the Senior Country Operations Officer for Switzerland. Antonio also worked at Credit Suisse in various capacities within the COO division, including overseeing global Cloud Adoption and serving as the Head of Private Banking Technology for the Americas. In addition, he led teams for Risk & Finance, Corporate Systems Technology, and Operations as the Americas Regional Lead for the Group's CTO in New York. Antonio holds a degree in International Business from Loop College and completed an Advanced Management Programme (AMP) at Duke University.

Risk and Audit Committee Report

As Chair of the Risk and Audit Committee, I am pleased to present the Committee's report for the year ended 31 December 2023.

I begin this report by thanking my fellow members Ursula Schliessler and Johannes Korp for their contributions and dedication as members of the Risk and Audit Committee during another demanding year.

Our annual working programme covers a variety of topics to enable the Committee to properly assist the Board in its duty to oversee the integrity and quality of the Company's financial and sustainability reporting and the effectiveness of its internal control systems.

During the period under review, the Committee devoted significant effort to reviewing the quality and integrity of financial and non-financial reporting, and to overseeing the external audit process. The Committee also followed up on the cooling off period of, and handover to, the new auditor, whose appointment is being submitted for shareholders' approval at the 2024 AGM in accordance with change of auditor requirements.

In terms of risk management, the Committee regularly reviewed and updated the Group's risk appetite framework and statement and oversaw the risk profile against it. The Committee also monitored the integration of the companies acquired during 2022 and 2023, especially with regards to Allfunds' technology and cybersecurity.

As for internal audit, the Committee reviewed the results of the external quality assessment carried out by the Institute of Internal Auditors in 2023. This review, which is now recommended by best practice provision 1.3.2 of the Dutch Corporate Governance Code, was first completed in 2020. The objective is to complete it every three years.

Likewise, the Committee paid close attention to the impact of rising inflation and interest rates, continued volatility in the financial markets and ongoing geopolitical issues on the Group's operational resilience.

The regulatory landscape also continues to evolve and so another area of priority for the Committee has been to oversee the implementation of new regulatory requirements across the Group and to follow up on the recommendations and requirements from competent supervisors and regulators and their implementation across the Group.

In 2023, the Board also expanded the Committee's remit to specifically include duties relating to the oversight of the quality and integrity of sustainability reporting and the choice of an external sustainability framework against which Allfunds wishes to report, and the periodic monitoring of sustainability-related topics such as the ESG strategy, ESG ratings of the Group and engagement with stakeholders. As part of these duties, during the period the Committee reviewed several ESG-related policies, as well as the new ESG Strategic Plan, before their formal approval by the Board of Directors.

You will find additional information on the activities of the Committee in the following pages of this report.

Looking ahead, our priorities for 2024 include:

- Receiving assurance on the integrity of financial and non-financial reporting and continuing to support improvements in internal control systems relating to reporting
- Monitoring the effectiveness of the external audit process conducted by the new auditor as well as its independence and objectivity
- Overseeing Allfunds' risk appetite, risk profile and risk maturity level, with a focus on technology, operations and cybersecurity, and following up on emerging trends and risks
- Supporting ongoing improvements by internal control functions to further build the Group's operational resilience

David Pérez Renovales
Chair of the Risk and Audit Committee

26 March 2024

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 'The Board of Directors' above.

Committee role and responsibilities

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

Its key responsibilities include:

- overseeing the accounting and financial reporting processes, as well as the choice and application of accounting policies, reviewing the Company's financial reports or announcements and assessing their fairness, adequacy and clarity of their contents;
- monitoring sustainability reporting processes, including the choice of external sustainability frameworks against which the Group wishes to report, and the identification, management and reporting of material topics;
- overseeing the operation and effectiveness of the internal control systems and the internal control functions, reviewing reports from these units and monitoring the effectiveness of corrective actions taken by management;
- 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 any other third party involved in verifying the sustainability reporting, monitoring their performance and independence, and reviewing the effectiveness of the audit process;
- reviewing the Group's sustainability strategy, monitoring ESG ratings and engagement with stakeholders;
- advising the Board on the Group's risk appetite, risk profile and future risk strategy, reviewing and supervising risk-related Group policies monitoring the effectiveness of the risk management framework;
- following up on the recommendations and requirements from, and interactions with, competent supervisors and regulators;
- reviewing the design of the Company's financing structure and tax planning policy; and
- monitoring the application of the information and communication technology framework, including cybersecurity risks.

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 4 times a year and normally ahead of any Board meeting, coinciding with key dates in the financial and sustainability reporting and audit cycle.

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

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

The Committee may invite the CEO, the CFO, the Global Head of Compliance, AML & Risk, the Global Head of Internal Audit and 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.

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

Meetings and attendance in 2023

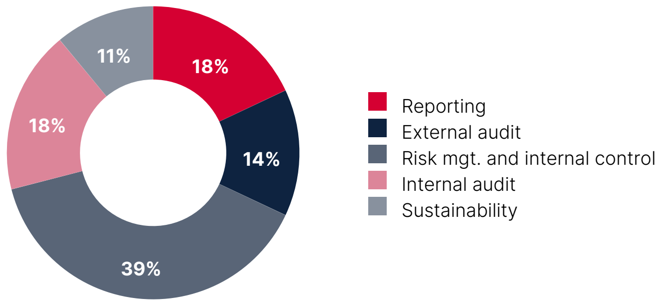
In 2023, the Risk and Audit Committee met 6 times. The rate of attendance of its members is detailed in the table below.

	Attendance rates	
Directors	Meetings attended	% of attendance
David Pérez Renovales	6 / 6	100%
Ursula Schliessler	6 / 6	100%
Johannes Korp	6 / 6	100%

Key activities in 2023

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

The percentage of time spent by the Committee on key areas, based on its meetings' agendas, is as follows:



Reporting

Financial reporting

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, during the period under review the Committee reviewed this Annual Report and associated Financial Statements, as well as the interim financial results for the 6-month period ended 30 June 2023. 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 2023 were related to revenue recognition, the assessment of valuation of intangible assets and goodwill 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 under review, taken as a whole, were **fair, balanced** and **understandable**.

The Risk and Audit Committee also assessed the appropriateness of preparing 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.

In 2023, the Committee concluded and advised the Board that the financial statements should be prepared on a going concern basis as they had a reasonable expectation that the Group had adequate resources to continue in operational existence for the foreseeable future.

Sustainability reporting

The Risk and Audit Committee is also responsible for overseeing the integrity and quality of the Group's sustainability reporting, including the choice of external sustainability frameworks against which the Group wishes to report, and the identification, management and reporting of material topics.

During the period under review, the Committee reviewed the ESG-related information included in the Strategic Report of this Annual Report, as well as the 2023 ESG Report that was approved along with this report. The Committee monitored that the 2023 ESG Report was prepared with reference to the International Standard GRI and in accordance with EU Non-Financial Reporting Directive (NFRD) as implemented in Spain, which is applicable to the Company's sole subsidiary Liberty Partners, S.L.U.. For the year ended 31 December 2024, the ESG Report will be prepared in accordance with the EU Directive on Corporate Sustainability Reporting (CSRD) as implemented in Spain, and the European Sustainability Reporting Standards (ESRS).

During 2023, the Committee also monitored the relationship with, and compliance with recommendations and follow-up of comments by, Deloitte in its role as provider of external assurance to the ESG Report.

External audit

External audit process and auditor's independence

The Risk and Audit Committee is responsible for overseeing the work and performance of Deloitte LLP, the external auditor of the Company and the Group since 2017.

During the year under review, 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. 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 2023 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.

In 2023, this evaluation was conducted at the Committee's periodic meetings, as well as through discussions with senior executives. The Committee concluded that Deloitte has demonstrated challenge and professional skepticism in performing its role over the past years.

Likewise, the Committee 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 about all the services provided by Deloitte to the Group during the period under review. Fees for the statutory audit amounted to €1,649 thousand, fees for other audit-related services amounted to €323 thousand (totalling €1,913 thousand), and fees for non-audit services amounted to €26 thousand. Therefore, total fees in 2023 amounted to €1,998 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 7 years, while Deloitte, S.L. (Spain) has audited the individual and consolidated accounts of the Spanish subsidiary Allfunds Bank, S.A.U. for 24 years, as the Company was incorporated later. The tenure of the audit partner of Deloitte, S.L., Virginia Martín, started in 2022. The tenure of John Clacy, the audit partner at Deloitte LLP, ended in 2022, and a new partner, Marc Cleeve, was appointed 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.

External audit tender process

According to applicable regulatory requirements for rotation, Deloitte's tenure ended following the audit of the year ended 31 December 2023. Therefore, as anticipated in last year's Annual Report, in 2022, the Risk and Audit Committee launched a formal competitive tender process to appoint a new statutory auditor for the Company and its Group. The process was conducted in 2022 to allow sufficient time for a transition period and to enable the incoming auditor to become independent following a due cooling-off period.

During the tender process, the Committee reviewed the proposals of several audit firms and applied top-down requirements to assess their independence. The firms were evaluated on several predefined selection criteria by a technical committee including the Chief Financial Officer and the Global Head of Reporting.

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 of the auditor, the Board, assisted by this Committee, will be responsible for approving the terms of the engagement with the new auditor.

Risk management and internal control

The Risk and Audit Committee is responsible for overseeing the Group's risk management and compliance and AML systems. On an operational level, the Global Head of Compliance, AML & Risk is the highest ranking person of the Group, with dedicated risk management responsibility. He reports functionally to the Risk and Audit Committee and hierarchically to the CEO.

He provides at least quarterly reports on the activities of their respective control functions 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.

Overall, the Committee is satisfied that the Group's internal control and risk management framework comprises adequate arrangements, actions and mitigating controls. The Committee recognises that in order to support the continuing growth and increasing complexity of the Group, Allfunds should continue to invest in strengthening its internal control systems.

Risk management framework and risk profile

Throughout the year, the Risk and Audit Committee reviewed and discussed the Group's risk appetite framework and statement. It received assurance on risk management through quarterly updates on the Group's risk profile by reference to the Group's approved risk appetite. The Committee further monitored the Group's risk maturity level and action plans to continuously enhance it across all areas of the organisation.

The Committee also received quarterly briefings from the Global Head of Compliance, AML & Risk on emerging risks with the potential to impact the business in the next 18-36 months, along with an inherent risk assessment of each of them in terms of likelihood and impact and mitigating actions.

Specific areas of focus during 2023 were business integrations from a cybersecurity perspective, 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 cybersecurity assessments, management's oversight of critical outsourced activities and controls on reconciliations of assets under custody and settlements of transactions.

Additionally, the Group performs stress tests and sensitivity analysis on a regular basis, widely documented in regulatory reports such as the annual ICLAAP or the recovery and resolution plans, as well as for strategic planning and budgets. These exercises include a series of scenarios for which a key financial risk factor (credit, counterparty, liquidity, volatility) or a non-financial risk factor (operational, technological, environmental) is stressed on a stand-alone basis, along with more complex scenarios where several financial and non-financial risks factors are stressed at the same time. All scenarios include both qualitative and quantitative factors and the main purpose is to estimate the possible deviation from the base scenario for each different scenario over a three-year horizon.

The Committee also reviewed and supervised the implementation of risk-related Group policies, including the Liquidity Management Policy and the Pillar III Disclosures Policy, along with the remaining policies on financial (credit, counterparty, settlement, interest rate, market and concentration) and non-financial (operational and technological) risks, which did not require relevant updates, and monitored training received by the Group's workforce with regards to risk management, cybersecurity, compliance and AML.

Cybersecurity

The Risk and Audit Committee oversees the Group's cybersecurity risk management systems and strategy. On an operational level, the Chief Technology Officer is the highest-ranking person responsible for overseeing cybersecurity. He reports directly to the COO, who in turn reports to the CEO.

The Group has an Information Security Unit (ISU) that plays a transversal IT function and reports to the CTO, providing information security services to the Group, including:

- Define and ensure compliance with security standards
- Ensure information protection
- Prevent, identify, detect and fix vulnerabilities
- Respond to security incidents
- Supervise the architecture, security audits, and identity management
- Generate and coordinate business continuity plans

The ISU has implemented a NIST-CSF-based Security Director Plan, which is aligned with both the business and IT strategies. This Plan was updated in 2024, including DORA, Zero Trust and Security Cloud Strategy. This Plan is reported twice a year to the Board of Directors.

Ethics and compliance

During the period under review, the Risk and Audit Committee received quarterly reports from the Global Head of Compliance, AML & Risk as ultimate responsible for the Compliance and AML functions on an operational level. Compliance reports covered the status of the Compliance Monitoring Programme, including existing controls and, where relevant, defined action plans and progress against them. They also cover updates on outsourcing, privacy matters, and the corporate defence model. In turn, AML reports included updates on clients' acceptance, progress of due diligence, and payment screening.

In 2023, the Risk and Audit Committee advised the Board on the approval of a revised Internal Information System and Reporting Channel Policy. The new policy, which is available on the corporate website (www.allfunds.com) is aligned with EU Directive 2019/1937 on the protection of persons reporting breaches of Union law and sets out the principle of non-retaliation against reporting persons. During the year, the Committee received periodic information on the use of the Reporting Channel, further information on which may be found in the Strategic Report.

Internal audit

The Risk and Audit Committee is responsible for monitoring the effectiveness of the internal audit function. On an operational level, the Global Head of Internal Audit is the highest ranking person with responsibility for monitoring and auditing governance, risk management and control on an operational level. He reports functionally to the Risk and Audit Committee and hierarchically to the CEO.

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 regarding 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 by the Board as recommended by best practice provision 1.3.3 of the Dutch Code 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, 21 audits were conducted and completed.

Oversight of sustainability topics

Since 2023, the Risk and Audit Committee has been responsible for overseeing specific ESG- or sustainability-related topics that were allocated to this Committee in an effort to strengthen the Group's governance of sustainability matters. The 'E responsibilities' specifically include the oversight of climate-related issues.

In light of these new duties, during the period under review, the Committee reviewed and discussed the ESG Policy, the Policy on Climate Change Management and Environment, the Human Rights Statement and the Policy on Dialogue with Stakeholders, before their approval by the Board.

The Committee further reviewed the ESG Strategic Plan for the period 2024-2026, including its targets and priority actions, and will be responsible for monitoring its implementation with regard to the matters within its remit.

Supervision of ESG risks was covered during the year as part of ordinary risk management monitoring activities.

Committee effectiveness review

The Board Committees undergo an annual evaluation of their effectiveness. Like the Board's own review, in 2023, this process was conducted under the supervision of an external expert as recommended by best practice provision 2.2.6 of the revised Dutch Code, as it was the third annual evaluation conducted since the IPO of the Company.

The evaluation was based on (i) directors' responses to a questionnaire covering a wide range of topics, including the Board's and its Committees' composition, size and leadership, along with 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; and (ii) directors' additional feedback provided to the external expert through individual interviews.

All directors were invited to answer questions concerning the Risk and Audit Committee irrespective of their membership, with the purpose of effectively assessing the Committee's actual support for the Board.

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

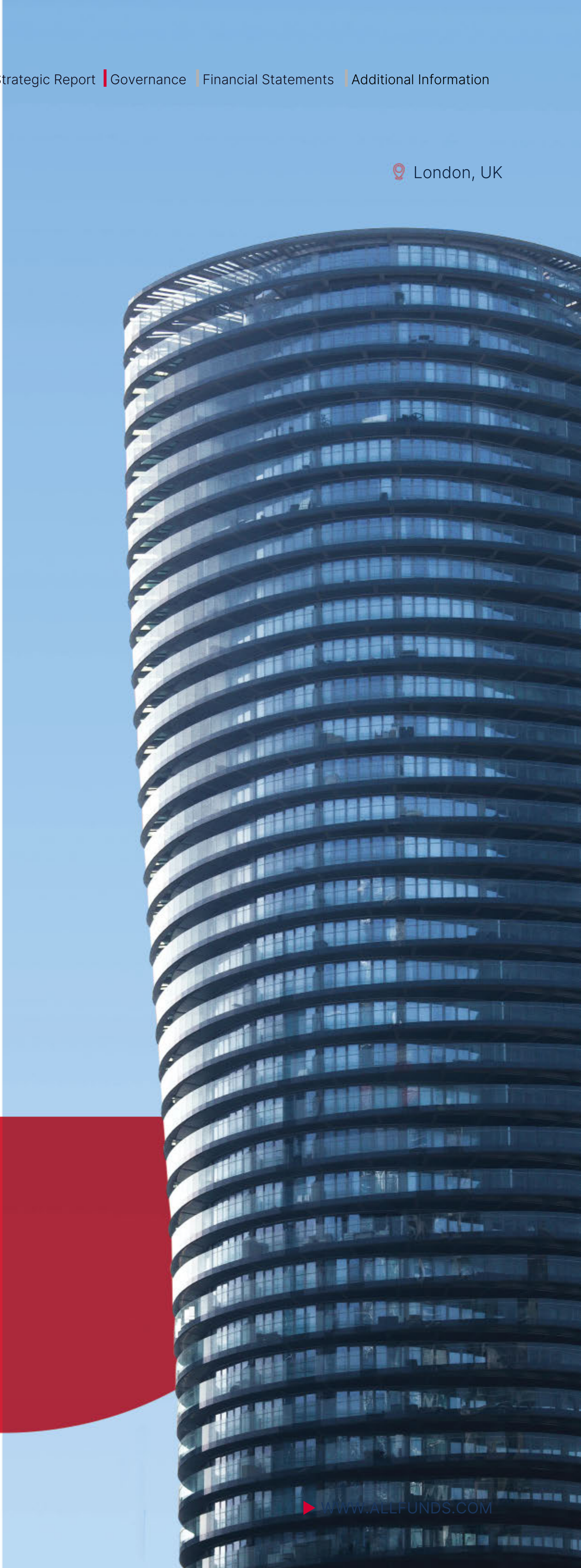
Risk and Audit Committee report sign-off

This Risk and Audit Committee Report was approved by the members of the Committee and signed on their behalf.

On behalf of the Risk and Audit Committee

David Pérez Renovales
Chair of the Risk and Audit Committee

26 March 2024



Remuneration, Appointments and Governance Committee Report

As Chair of the Remuneration, Appointments and Governance Committee, I am pleased to present the Committee's report for the financial year 2023.

During the year, the Board expanded the Committee's remit to add duties regarding the oversight of the Group's governance arrangements and the monitoring of governance trends, initiatives and best practices that may impact Allfunds. In addition, the Board formally allocated to the Committee the oversight of human capital management, which the Committee had already been performing in the past few years.

From an appointments perspective, the Committee devoted its efforts during the year to preparing a Board refreshment plan aimed to avoid, as much as possible, all directors appointed in 2021 retiring simultaneously in 2025. As a result, Sofia Mendes, David Pérez Renovales, Andrea Valier and Axel Joly will be retiring at the 2024 AGM, and subject to re-election by shareholders. At an executive level, the Committee oversaw the recruitment process of Antonio Varela, the new Chief Operating Officer, who joined Allfunds in December 2023.

In terms of remuneration, as anticipated in the previous Annual Report, the Committee's efforts were focused on reviewing the total rewards scheme of the CEO and other Group employees classified as Identified Staff according to banking regulations applicable to the Spanish subsidiary, Allfunds Bank.

The purpose of the review was to ensure that their compensation (i) remains competitive, and therefore capable of attracting and retaining talent, following the application of new regulatory requirements on deferral and payment in instruments and (ii) at the same time meets stakeholder expectations, including, specifically, investor expectations and feedback shared following the 2023 AGM. As a result of this process, Allfunds is submitting to shareholders the approval of a new Directors' Remuneration Policy that includes a new combined incentive plan. Further information is available in the Directors' Remuneration Report.

As for the overall population, in 2023, the Committee received regular updates on progress against the Strategic Human Capital Roadmap, including talent management and well-being initiatives, turnover rates, and appraisals. The Committee reviewed the Group-wide remuneration policy, approved the bonus performance metrics, and measured their outcome at the end of the period. From a D&I standpoint, the Committee validated the new group-wide D&I Policy, which includes specific targets at Board, Executive Committee, senior management and workforce level, before its approval by the Board.

Finally, the Committee launched the 2023 Board and Committees' evaluation under the supervision of an external expert and led discussions with regard to the outcome of the process and the proposed action plan.

Looking ahead, our priorities for 2024 are:

- to keep working on Board refresh and succession plans
- to monitor progress against D&I targets
- and to ensure that remuneration keeps supporting our strategy.

I would like to thank my fellow members JP Rangaswami and Zita Saurel for their dedication during this very demanding year.

Lisa Dolly
Chair of the Remuneration, Appointments and Governance Committee

26 March 2024

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 'The Board of Directors' above.

Committee role and responsibilities

The Remuneration, Appointments and Governance 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:

In terms of appointments:

- assisting in the Board desired profile's design and periodic review, including its composition, skills, experience and diversity targets, and in the development of succession plans
- participating in selection and appointment processes, identifying suitable candidates and making proposals for appointments or re-elections of directors

In terms of remuneration:

- advising on the design of the remuneration policy for directors, ensuring its contribution to sustainable long-term value creation and monitoring its implementation
- reviewing and supervising performance metrics linked to variable remuneration, and assessing beneficiaries' performance in light of those metrics

In terms of governance:

- monitoring governance trends, initiatives and best practices to determine their impact and advising the Board on changes to governance arrangements
- 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, and
- overseeing the Group's initiatives, polices and practices related to human capital management or social factors

Committee functioning

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

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

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

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

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

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

Meetings and attendance in 2023

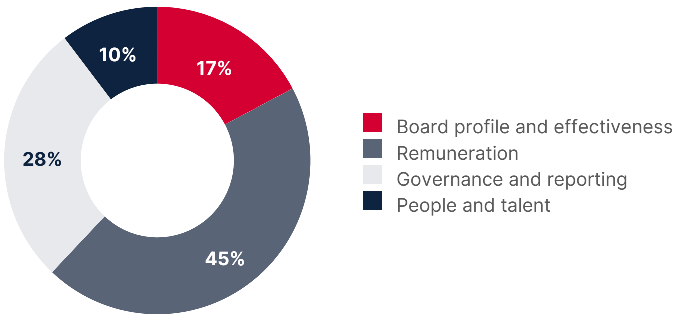
In 2023, the Remuneration, Appointments and Governance Committee met 8 times. The rate of attendance of its members is detailed in the table below.

	Attendance rates	
Directors	Meetings attended	% of attendance
Lisa Dolly	8 / 8	100%
JP Rangaswami	8 / 8	100%
Zita Saurel	8 / 8	100%

Key activities in 2023

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, Appointments and Governance 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 Diversity and Inclusion 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 2023, attention was paid to Board refreshment. As recommended by best practice provision 2.2.4 of the Dutch Code, following the IPO the Board approved a Non-Executive Directors' Retirement Schedule that was prepared based on directors' terms of appointment recommended by the Dutch Code. The Schedule specifically included the Board's commitment to avoid as much as possible all non-executive directors retiring simultaneously.

Given all directors of the Company were appointed or re-elected at the time of the IPO in 2021, except for Andrea Valier who was appointed in 2020, and David Bennett who joined in 2022, they would all have to retire at the 2025 AGM. For the sake of Board continuity, during the period under review the Committee worked on a staggered plan under which some directors would retire in 2024, before the end of their current term of appointment, thereby staggering director elections. As a result of this process, Sofia Mendes and David Pérez Renovales will be retiring at the 2024 AGM and subject to re-election.

Moreover, the 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. In 2023, the Committee reviewed the Profile for Non-Executive Directors and concluded it operates effectively.

From a diversity perspective, as recommended by the new best practice provision 2.1.5 of the Dutch Code, and in line with our stakeholders' expectations, in 2023, the Committee advised the Board on the approval of a new group-wide D&I Policy that integrates the former Board Diversity Policy and the former group-wide policy. This Policy sets, among others, two specific quantitative targets at Board level relating to gender and ethnic diversity: having at least 40% female directors by 30 June 2026 as set out in EU Directive on gender balance in the boardroom (applicable only to Allfunds Bank) and at least 1 director from an ethnic minority background by 2025, as recommended by the Parker Review. This gender diversity target goes beyond the Hampton Alexander target of 33% previously approved by Allfunds.

As of 31 December 2023, both the Company and Allfunds Bank already met the Parker Review target in terms of ethnic diversity. The female ratio amounted to 31% (4/13) on the Company's Board and 33% (4/12) on Allfunds Bank's Board. The Remuneration, Appointments and Governance Committee and the Board remain 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, in both the Company and Allfunds Bank 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%, nearly reaching the new 40% target. See further information on the Board profile and the new D&I Policy in section 'Board of Directors' of this Corporate Governance Report.

Board and Committees' effectiveness

Directors' induction and development

The Remuneration, Appointments and Governance Committee is responsible for overseeing directors' induction and development programmes.

In March 2023, the Remuneration, Appointments and Governance Committee assisted the Board with the approval of a Procedure for Directors' Induction and Development to formalise Allfunds' approach and define lines of actions on this topic. The Procedure was drafted in accordance with EBA and ESMA joint guidelines on the assessment of the suitability of members of the management body and key function holders, which are applicable to the subsidiary Allfunds Bank, and with best practice provisions 2.4.5 and 2.4.6 of the Dutch Code as revised in 2022.

During the period under review, no induction programmes were conducted as no new directors joined the Board.

In terms of development, collective sessions were scheduled either following Board meetings or at the Board Strategy Day, covering the following topics: the Dutch Code's revision, market abuse and regulatory pipeline (those topics were covered by an external counsel); AML and corporate defence; risks (including DORA); business developments and updates on the competing landscape and the market; and IT and cybersecurity matters. Directors also received an intensive customised ESG programme from a leading executive education firm, and they were certified at the beginning of 2024.

See further information on directors' induction and development in section 'Board of Directors' of this Corporate Governance Report.

Board and Board Committees' evaluation

In October 2023, the Remuneration, Appointments and Governance Committee launched the evaluation process of the Board and its Committees. The Committee decided that this year the process would be conducted under the supervision of an external expert as recommended by best practice provision 2.2.6 of the revised Dutch Code, given it was the third evaluation since the IPO.

The Committee also oversaw the external expert's selection process as well as their proposed plan to supervise the Board and Committees' evaluation.

The evaluation was based on (i) directors' responses to a questionnaire covering a wide range of topics, including the Board's and its Committees' composition, size and leadership, as well as 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; and (ii) directors' additional feedback provided to the external expert through individual interviews.

The results of the evaluation were captured in a report prepared by the external expert and presented to the Remuneration, Appointments and Governance Committee, and subsequently to the Board. The outcome of the evaluation and the key action points defined for 2023 are described in section 'The Board of Directors' of this Corporate Governance Report.

The questionnaire also included several sections designed to identify the potential training needs of directors, either individually or as a whole. Based on the answers to the questionnaire, the Remuneration, Appointments and Governance Committee outlined a development plan for 2024 that will cover the following topics, regardless of any evolving needs that may arise during the year: deep dive sessions into strategic initiatives, the competing landscape, cybersecurity, and the regulatory pipeline. The programme foresees the possibility of receiving training from external experts as needed.

Remuneration

In 2023, the Remuneration, Appointments and Governance Committee devoted significant efforts to remuneration issues.

As anticipated in the Directors' Remuneration Report for the year ended 31 December 2022, during the period under review the Committee reviewed the total rewards scheme of the CEO and other Group employees classified as Identified Staff according to banking regulations applicable to the Spanish subsidiary, Allfunds Bank. The review was conducted following the enactment of a new Bank of Spain regulation pursuant to which the remuneration of this group is now subject to rules of (i) deferral of at least 40% of each variable remuneration component and (ii) payment in instruments of at least 50% of each variable remuneration component and holding period of at least one year from the relevant delivery date. The Committee sought to assess whether the compensation of these employees would remain competitive, and therefore capable of attracting and retaining talent, following the application of these new rules and, simultaneously, whether it would meet stakeholder expectations, including, specifically, investor expectations and feedback shared following the 2023 AGM. Full details on the review conducted and the resolutions taken based on it are included in the Directors' Remuneration Report. These consist mainly in the integration of the annual bonus and the LTIP into a single variable remuneration award for this group of employees.

With regard to the overall employee population, in 2023, the Remuneration, Appointments and Governance Committee oversaw the implementation of the group-wide remuneration policy and approved a revised version that included the regulatory changes referred to above. Specifically, the Committee approved the corporate performance metrics for the workforce annual bonus (which are the same as those for the CEO described in the Directors' Remuneration Report of this Annual Report) and assessed their level of achievement at the end of the period. The Committee also assessed the achievement of the second tranche of the 2021 LTIP Award that vested in relation to a performance period ended on 31 December 2023, and monitored general remuneration increases for the overall workforce.

The Remuneration, Appointments and Governance Committee also assisted the Board with the award of the 2023 LTIP Award as part of the LTIP approved at the time of the IPO. As in previous years, this LTIP Award was granted to over 15% of the Group employees and covered two types of awards: (i) a performance-based award for the most senior employees, who 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 2026 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.

Other governance topics

During the year, the Board amended the Terms of Reference of the Remuneration, Appointments and Governance Committee to add the duties on governance described in sub-section 'Committee role and responsibilities' above.

The Committee also assisted the Board in the annual review of non-executive directors' other positions as recommended by best practice provision 2.4.2 of the Dutch Code, which was performed from the perspective of independence and time commitment. Information on directors' external appointments is available in their relevant profiles included in section 'The Board of Directors' above. The Committee also reviewed the Procedure for the Selection and Suitability Assessment of Identified Staff, to ensure it operates effectively.

People and talent

In 2023, the Remuneration, Appointments and Governance Committee oversaw progress against the Group's Human Capital Strategic Roadmap, ultimately designed to promote business success through people. The Committee monitored the general state of human resources at Allfunds throughout the year, and received periodic information on a broad range of topics, including:

- evolution of headcounts, new hires and new positions
- initiatives to attract and retain talent and progress made during the year, including in terms of well-being and flexibility
- leavers, turnover rates and trends, and average tenure of employees
- the overall composition of Allfunds' workforce and diversity ratios, including splits by age, gender, geographies and business areas
- insight into Allfunds' leadership model, which is ultimately aimed to ensure sustainability

Further information on Allfunds' approach to its people may be found in the Strategic Report.

Committee effectiveness review

The Board Committees undergo an annual evaluation of their effectiveness. Like the Board's own review, in 2023, this process was conducted under the supervision of an external expert as recommended by best practice provision 2.2.6 of the revised Dutch Code, as it was the third annual evaluation conducted since the IPO of the Company.

The evaluation was based on (i) directors' responses to a questionnaire covering a wide range of topics, including the Board's and its Committees' composition, size and leadership, as well as 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; and (ii) directors' additional feedback provided to the external expert through individual interviews.

All directors were invited to answer questions concerning the Remuneration, Appointments and Governance Committee irrespective of their membership, with the purpose of effectively assessing the Committee's actual support to the Board.

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

Remuneration, Appointments and Governance Committee report sign-off

This Remuneration, Appointments and Governance Committee Report was approved by the members of the Committee and signed on their behalf.

On behalf of the Remuneration, Appointments and Governance Committee

Lisa Dolly
Chair of the Remuneration, Appointments and Governance Committee

26 March 2024

Compliance with the Dutch Code

At the time of the IPO, the Board of Directors decided that the Company would voluntarily adhere to the Dutch Corporate Governance Code (the 'Dutch Code'). This decision was made given the Company is based in the UK and listed on Euronext Amsterdam and, as a result, it is neither subject to the UK Corporate Governance Code, only applicable to companies listed in the UK, nor to the Dutch Code, only applicable to companies with their registered office in the Netherlands. 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**.

Ever since this decision was made, the Company has voluntarily complied with the Dutch Code's 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 (https://www.mccg.nl/publicaties/codes/2022/12/20/dutch-corporate-governance-code-2022). 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.

Adapting our corporate arrangements to the revised version of the Dutch Code

The Dutch Code was revised and amended in December 2022 by its Monitoring Committee. The updated version is applicable as from 1 January 2023, and therefore this statement shows compliance or deviation with the new version. During the year, the Board of Directors discussed the amendments to the Dutch Code and the action plan needed to adapt Allfunds' governance arrangements, structures and reporting as much as possible to the revised best practice provisions, with the aim being to maintain the level of compliance that had already been achieved in previous years. Below is a brief summary of the main decisions made during 2023:

- **Revised best practice provision 1.1.5:** Approval of the Policy on Dialogue with Stakeholders that outlines the principles and guidelines to engage in meaningful and inclusive dialogue with stakeholders in order to embed their interests and views on the sustainability aspects of the strategy and business model. The Policy is available on the corporate website (https://allfunds.com/es/esg/policies-statements/).

- **Revised best practice provision 1.3.2:** At the beginning of 2024, the Board assessed the way in which the internal audit function had fulfilled its responsibilities during 2023 after consultation with the Risk and Audit Committee. An independent third party had already assessed the performance of this function in 2020 and 2023, and it is Allfunds' intention to retain these services every 3 years to adequately monitor the effectiveness.

- **Revised best practice provision 1.5.1:** The Terms of Reference of the Risk and Audit Committee were amended to include duties and responsibilities concerning sustainability reporting and the relations with the external party involved in auditing or verifying this reporting. The Terms of Reference are available on the corporate website (https://allfunds.com/es/investors/governance/group/).

- **Revised best practice provision 2.1.5:** The Board approved a new D&I Policy that integrates the former Board Diversity Policy and that specifically includes the targets mentioned by the Dutch Code. The Policy is available on the corporate website and further details may be found in section 'The 'Board of Directors' of this Corporate Governance Report.

- **Revised best practice provision 2.2.6:** The Board evaluation conducted in 2023 was supervised by an external expert and the Board Rules were amended to mirror the new recommendation. The amended Board Rules are available on the corporate website (https://allfunds.com/es/investors/governance/group/).

- **New best practice provision 2.6.4:** The Internal Audit Charter, which is annually approved by the Board, was amended to specifically include the obligation of the internal audit function to inform the Board and the Chair of the Risk and Audit Committee (or the Board Chair when it relates to the functioning of directors) without delay if during the performance of its duties it discovers or suspects an instance of material misconduct or irregularity.

- **Revised best practice provisions 1.1.4, 1.5.3, 2.1.2, 2.1.6, 2.5.4 and 3.4.1:** The content of this Annual Report was revised to ensure it addresses the revised best practice provisions and includes all the recommended contents.

In addition, the Company undertook a general review of its key governance rules, namely the Board Rules and each Board Committee's Terms of Reference, to adapt them to the remainder revisions of the Dutch Code. Other than the above and some minor adjustments to address minor updates to the Code, the Board believes that no further changes were needed to comply with best practice provisions amended from 1 January 2023.

Deviations from the Dutch Code in 2023

Best practice 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 best practice provisions 2.1.1 to 2.1.10, except for paragraph (iii) of best practice provision 2.1.7, which recommends that for each shareholder, or group of affiliated shareholders, directly or indirectly holding more than 10% of the Company shares, there be at most 1 non-executive director who can be considered as affiliated with or representing them within the meanings of the Dutch Code. As of 31 December 2023, shareholders LHC3 Limited (holding 34.8% of the shares) and the BNP Paribas Entities (jointly holding 12.3% of the shares) had 3 and 2 non-executive directors, respectively, who can be considered affiliated with or representing them. This level of Board representation was agreed in the Relationship Agreement signed before the IPO between the Company and its then shareholders. Its main content was disclosed in the IPO Prospectus and is further described in section 'Shareholder Information' below. The Board considered that this agreement contributed to the good governance of the Company (i) as it provided continuity of a Board that had proven effective and conducive to the Group success, as the relevant non-executive directors had already been fulfilling their roles for years, and (ii) in view of the Company's shareholding structure and as a show of continued support by its major shareholders. The Board notes that this deviation is temporary in nature to the extent that the right of shareholders to nominate directors is linked to specific levels of shareholdings. Therefore, nominee directors must resign as soon as their nominating shareholders continue to divest from the Company and the relevant shareholding levels are crossed in accordance with the Relationship Agreement.
Best practice provision 3.1.2(vi). Remuneration Policy:	• Allfunds complies with Principle 3.1 and best practice provisions 3.1.1 to 3.1.3 on the remuneration of the executive director except for paragraph (vi) of best practice provision 3.1.2, which recommends that shares should be held for at least five years after they are awarded. As described in the Directors' Remuneration Report, all the shares awarded to the executive director as part of his variable remuneration package are subject to a one-year holding period starting on the date of delivery of the relevant shares. This period adds to (i) the applicable vesting period, which is one year for the annual bonus and three years for the LTIP; and (ii) the deferral period applicable to 60% of each variable remuneration component (40% if the amount does not qualify as significant), which must be deferred in four equal parts over four years from the vesting date. Therefore, only part of the shares awarded to the CEO are held for at least five years after they are awarded. The Board believes that this deviation is in the best interest of the Company from the perspective of attracting and retaining talent and incentivising performance. The Board also notes that the CEO remuneration is subject to Spanish and European banking regulations given he is also the CEO of the Spanish subsidiary Allfunds Bank, and considers that these regulations are stringent enough and contain sufficient measures to encourage sustainable long-term value creation and sound risk management. Therefore, the Board considers that the application of these regulations attains the purpose of principle 3.1 and best practice provision 3.1.2 of the Dutch Code.
Best practice provision 3.2.3. Severance payments:	• Allfunds complies with Principle 3.2 and best practice provisions 3.2.1 to 3.2.3 on the determination of the executive director's remuneration except for the first sentence of best practice provision 3.2.3, which recommends that the remuneration in the event of dismissal does not exceed one year's salary. The amount of the CEO's severance payment exceeds this limit as described in the Directors' Remuneration Report. The Board notes that the terms of the CEO's severance payment were defined according to Spanish regulations, as last amended, applicable before the CEO's relocation to London. 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 under Spanish law 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 well before Allfunds voluntarily adhered to the Dutch Code, which is stricter in this matter than the Spanish labour law that was formerly applicable to the CEO, and that it was then supported by shareholders when they approved the existing Directors' Remuneration Policy at the 2022 AGM.
Best practice provision 3.4.2. Agreement of executive directors:	• Allfunds complies with all the reporting recommendations under Principle 3.4 of the Dutch Code. The main elements of the agreement with the executive director are not separately published on the corporate website but they are described in both the IPO prospectus and 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 that its reporting on this matter attains the transparency purpose of this best practice 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 Diversity Policy applicable to the Board, 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

London, UK

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 2023.

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 2023
- An indication of likely future developments in the business of the Company
- Our engagement with employees, 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 a holding company and it 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 thereof, and outside Spain through other subsidiaries, branches and representation offices of Allfunds Bank. There are eight branches of Allfunds Bank 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, six direct subsidiaries of Allfunds Bank based in Spain, the UK, Luxembourg, Hong Kong and Shanghai, two indirect subsidiaries of Allfunds Bank based in the UK, and five indirect subsidiaries located in the UK, France, Germany, Sweden and Switzerland.

See the Group's structure chart in section Shareholder Information of this report.

Political donations

During 2023, the Group did not make any political donations 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 2023.

Policy on employment of disabled persons

At Allfunds we understand diversity as a key driver to deliver our strategy, and we believe that having a diverse workforce starts with a truly inclusive environment where all employees feel they belong and are offered equal treatment and granted equal opportunities to progress. We strive to provide equal opportunities across the full cycle of people management, from recruitment, promotion and development opportunities to remuneration, culture, working environment and transparency. 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, and understanding of, the Code 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, Allfunds has established a reporting channel that allows employees and third parties 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 Allfunds ensures the confidentiality of the complaints and the secrecy of the reporting person's 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 the 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 the CEO'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 38 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 2023.

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 Company's interest 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 40 to the financial statements.

Directors' indemnities

The Articles of Association entitle the Company's directors to be indemnified out of the assets of the Company against any liability incurred or to be incurred by them in performing their duties and/or exercising their powers in relation to the affairs of the Company, to the extent permitted by law. Accordingly, on 23 April 2021, Allfunds entered into individual deeds of indemnity with each 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 on these same terms. These indemnities remained in force throughout 2023 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, the Dutch Royal Decree of 5 April 2006 implementing Article 10 of Directive 2004/25/EC, the 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

26 March 2024

Non-Executive Directors' Report

This report is issued by Allfunds' non-executive directors in accordance with best practice provision 5.1.5 of the Dutch Code to render account of the supervision exercised in the past financial year. Specifically, the referred best practice provision states that the supervisory board or, for companies with a one-tier board system, the non-executive directors, should, as a minimum, report on the items referred to in best practice provisions 1.1.3 (role of non-executive directors), 2.1.2 (personal information of non-executive directors), 2.1.10 (accountability on their independence), 2.2.8 (evaluation accountability), 2.3.5 (Board Committees' reports) and 2.4.4 (non-executive directors' attendance) and, if applicable, the items referred to in best practice provisions 1.3.6 and 2.2.2 (not applicable to Allfunds for the period under review) of the Dutch Code.

Role of non-executive directors

Non-executive directors of the Company are responsible for overseeing the way the management implements the strategy for sustainable long-term value creation. They also supervise the policies carried out and the general affairs of the Group.

They regularly discuss the strategy, its implementation and the risks associated with it 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 under review, there were 7 Board meetings and 1 Board Strategy Day. Sub-section 'Key focus areas in 2023' 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 into this report. In particular, in terms of strategy and corporate purpose, during 2023, the Board received regular updates on the progress of strategic initiatives and discussed strategic opportunities and challenges for the future; it reviewed organic and inorganic growth alternatives and monitored M&A activity; it discussed Allfunds' geographical footprint and approved the ESG strategic plan for the period 2024-2026.

In addition to Board meetings, in 2023, non-executive directors met three times without the presence of executive directors.

Profile for non-executive directors

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 Axel Joly.

Their personal information, including their sex (or gender identity if desired by the person concerned), age, nationality, principal position and other relevant positions, date of initial appointment and current term of office, are disclosed in section 'Board of Directors' of this Annual Report, which is incorporated by reference into this report.

The non-executive directors' desired profile and diversity standards are laid down in the Profile for Non-Executive Directors approved in 2021 and last amended in 2023, and in the Diversity and Inclusion Policy approved in 2023. Both documents were approved by the Board of Directors with the favourable vote of non-executive directors.

In particular, the Profile for Non-Executive Directors sets out that non-executive directors shall meet, separately or in combination, the following elements:

- broad insight into the asset management, distribution and banking industry
- understanding of the platforms' underpinning technology, and experience in business innovation and digital transformation
- understanding of the specific markets (service and geographical) where the Company is active
- financial experience, with relevant knowledge and expertise of financial administration, and accounting for, and financing of, listed companies or other entities similar to the Company
- deep sustainability insight and experience in leading purposeful businesses
- understanding of investor expectations and experience in engaging with stakeholders
- knowledge and experience in talent management, remuneration and people-related matters
- extensive knowledge of corporate governance, ethics and compliance standards for listed companies, with experience in driving corporate culture and values

Allfunds' non-executive directors are of the opinion that the Board has a balanced and diverse composition in terms of competencies, knowledge, experience and expertise, other personal qualities, age, nationality, and cultural and other backgrounds. This was further assessed during the Board's annual effectiveness review and the results showed that directors were satisfied with the Board composition.

Allfunds' non-executive directors note that, in the future, the Board should tend towards gender balance. The Diversity and Inclusion Policy includes gender as a diversity criterion to be considered in selection processes and sets a target of 40% of the Board seats to be held by women by 30 June 2026. Non-executive directors highlight that 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 nearly reaching the target set in the Policy.

Non-executive directors' independence

Allfunds' 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.

The Profile for Non-Executive Directors approved by the Board expressly reflects this principle and sets out that the total number of independent non-executive directors should account for at least half of the total number of non-executive directors as recommended by best practice provision 2.1.7 of the Dutch Code. The Profile also states that independence shall be tested against, at least, the criteria set out in best practice provision 2.1.8 of the Dutch Code.

It is the view of Allfunds' non-executive directors that 7 out of the 12 non-executive directors meet the independence requirements set out in 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.

Non-executive directors further believe that best practice provisions 2.1.7 and 2.1.9 of the Dutch Code have been fulfilled during the period under review, 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 dated 16 April 2021. Therefore, paragraph (iii) of best practice provision 2.1.7 of the Dutch Code is not complied with. The Company considers such deviation reasonable for the sake of continuity of the Board composition, which has proven to be effective and conducive to the success of the Group, as the relevant non-executive directors were already fulfilling roles as members of the Board of the key subsidiary Allfunds Bank before their initial appointment as directors of the Company.

Board and Board Committees' evaluation

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

The evaluation process, as well as the general conclusions of this year's review are described in sub-section 'Board evaluation' 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. The content of these sections is incorporated by reference hereinto.

Non-executive directors are satisfied with the process undergone in 2023, which was conducted under the supervision of an external expert, as recommended by best practice provision 2.2.6 of the Dutch Code as amended in 2022.

Non-executive directors endorse the lines of action set by the entire Board to enhance its effectiveness in 2024, which are summarised as follows:

- Systematically include deep dive presentations in the agenda covering strategic initiatives and other significant projects or topics relevant to the business
- Increase the presence of strategy in the Board's agenda, including an analysis of competitors, market trends and additional KPIs to monitor strategic initiatives
- Continue to develop succession plans and keep the Board periodically informed
- Seek to align the composition of the board with that of the board of Allfunds Bank to enhance efficiency and time allotment
- Reconsider the Board size in future cycles of appointments

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 2023. 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 2023, its functioning rules and the conclusions of its annual evaluation.

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

Attendance at Board and Committee meetings

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

	Meetings attended		
Directors	Board of Directors	Risk and Audit Committee	Remuneration, Appointments and Governance Committee
David Bennett	12/12	—	—
Lisa Dolly[1]	9/12	—	8 / 8
Sofia Mendes[2]	11/12	—	—
David Pérez Renovales	12/12	6 / 6	—
JP Rangaswami[3]	9/12	—	8 / 8
Delfín Rueda[4]	11/12	—	—
Ursula Schliessler	12/12	6 / 6	—
Blake Kleinman[5]	8/12	—	—
Zita Saurel	12/12	—	8 / 8
Johannes Korp	12/12	6 / 6	—
David Vaillant[6]	11/12	—	—
Andrea Valier	12/12	—	—

1. Lisa Dolly was absent from the Board meetings held on 22 February and 15 and 28 November 2023 but gave voting instructions to her proxy in respect of all voting items in the agendas.
2. Sofia Mendes was absent from the Board meeting held on 30 March 2023 but gave voting instructions to her proxy in respect of all voting items in the agenda.
3. JP Rangaswami was absent from the Board meetings held on 16 February, 27 October and 28 November 2023.
4. Delfin Rueda was absent from the Board meeting held on 15 November 2023 but gave voting instructions to his proxy in respect of all voting items in the agenda.
5. Blake Kleinman was absent from the Board meetings held on 20, 22 and 24 February, and 14 December 2023.
6. David Vaillant was absent from the Board meeting held on 14 December 2023.

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

26 March 2024

Annual statement of the Chair of the Remuneration, Appointments, and Governance Committee

Content of the Directors' Remuneration Report:

Dear shareholders,

On behalf of the Board, I am pleased to present the Directors' Remuneration Report for the financial year ended 31 December 2023 and the proposed Directors' Remuneration Policy to be submitted to shareholders' approval at the 2024 AGM.

In 2023, economic and geopolitical uncertainty continued, in spite of which the Group delivered strong results and continued to progress in its strategy thanks to the diversification of its business model.

The Remuneration, Appointments and Governance Committee carefully considered this context and stakeholder perspectives when making remuneration decisions during 2023, with the aim of ensuring that remuneration kept driving performance and supporting the corporate strategy while reflecting best practices and stakeholders' expectations.

This statement summarises the major decisions of the Remuneration, Appointments and Governance Committee during this demanding year, including the context in which they were made. I thank my fellow members Zita Saurel and JP Rangaswami for their contribution to the Committee's work during the year and look forward to keeping working with them in 2024.

Performance during the year and variable remuneration outcomes

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

In 2023, the Committee reviewed the outcome of variable remuneration in light of the Group's performance, as well as shareholders' and the wider employees' experience during the period under review, and concluded that the outcomes were appropriate and no discretionary adjustments were required.

Vesting of the 2023 annual bonus

The annual bonus of the CEO and the overall workforce is linked to several performance metrics that are set by the Board at the beginning of the performance period.

In February 2024, the Remuneration, Appointments and Governance Committee assisted the Board in measuring the degree of achievement of each corporate metric and the payout associated with each of them. The global payout for the corporate metrics of the 2024 annual bonus is 100.8%. Corporate metrics have different weights in the annual bonus of each employee depending on their category, so that the higher the seniority the higher the exposure to corporate performance, whereas the lower the seniority the higher the exposure to individual performance.

The Committee further assisted the Board in assessing the CEO's individual performance during the year, the bonus payout associated with it (100%) and, as a result, his global payout for the 2023 annual bonus (100.72%).

Full details on the CEO's annual bonus scorecard, including performance metrics and scales, proposed payout ratios and actual outcomes, the factors considered in making these decisions and the discretion exercised by the Committee and/or the Board in determining the final outcome of the annual bonus are available on the following pages of this report.

Payment of the CEO's annual bonus will be deferred according to the following calendar: 40% will be paid in 2024, 15% in 2025, 15% in 2026, 15% in 2027 and 15% in 2028. Each instalment will be payable half in cash and half in shares of the Company, and the shares will be subject to a one-year holding period from delivery.

Vesting of the 2021 LTIP Award's second tranche

The 2021 LTIP Award granted in 2021 was divided into two tranches as a transition measure to keep adequate incentives immediately after the IPO. The first tranche already vested in 2022; the second tranche was linked to a three-year performance period starting on 1 January 2021 and ending on 31 December 2023.

In February 2024, the Remuneration, Appointments and Governance Committee assisted the Board in measuring the level of achievement of each performance metric and the payout linked to each of them. It was determined that the second tranche of the 2021 LTIP Award had vested at 96.4% 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 on the vesting of the second tranche of the 2021 LTIP Award may be found on the following pages of this report.

Activities during the year

Grant of the 2023 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 2023 LTIP Award was granted to over 15% of the Group employees. It 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 2025; 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 2026, with no link to any performance measures.

The CEO, Juan Alcaraz, was granted the performance-based 2023 LTIP Award, which will vest following a three-year performance period starting on 1 January 2023 and ending on 31 December 2025, subject to the degree of achievement of two equally weighted performance metrics: Actual Adjusted EBITDA compared to the Budgeted Adjusted EBITDA, and Allfunds' TSR compared to the TSR of a selected comparator group.

Further information on the 2023 LTIP Award, the vesting period, performance measures and scales, proposed payout levels and the value of the award granted to the CEO, can be found on the next pages of this report.

E&S considerations

In setting the 2023 annual bonus performance metrics, the Committee introduced E&S metrics that were specifically selected **to incentivise the achievement of short term milestones in line with Allfunds' sustainability strategy** from both a business and corporate perspective. Full details on the metrics and payouts are included in the Annual Report on Directors' Remuneration.

Review of the peer group

In 2023 the Remuneration, Appointments and Governance Committee reviewed the peer group that Allfunds should select for the purposes of benchmarking executive compensation and, more specifically, of comparing Allfunds' total shareholder return (TSR) relative performance. The Committee sought to verify, following a reasonable period of two years as a listed company, whether the peer group actually included companies similar to Allfunds in terms of industry and size that might compete with the Company for talent, and whether Allfunds' relative performance against this group was actually a fair indication of value generation for an investor of Allfunds.

The performance peer group that was defined at the time of the IPO to compare Allfunds' TSR with was the Euro STOXX Financial Services, which is based on the Industry Classification Benchmark (ICB) classification taxonomy. The Committee concluded that the Financial Services sector of the ICB is too broad as it covers all financial institutions except for pure banks or insurers. Therefore, the mix of institutions included in the Euro STOXX Financial Services index was also too broad and different to Allfunds and not necessarily subject to similar structural and market dynamics.

The Committee concluded that the peer group should be refined to represent the most likely investment opportunity for an Allfunds investor if Allfunds was not available, and to allow for appropriate compensation decision-making.

Following a thorough review, the Committee advised the Board to redefine the peer group as a combination of five European wealth platforms and nine asset managers: Avanza, AJ Bell, Envestnet, Hargreaves Lansdown, Integrafin, Abrdn, Amundi, BlackRock, DWS Group, Franklin Templeton, Invesco, Janus Henderson, Jupiter and Schroders.

In the Committee's view, these European wealth platforms, three of which are based in the UK, as is Allfunds, represent the closest set of peers from a financial and operational perspective, while the asset managers are a more global set of peers operating in the same industry and subject to the same market dynamics as the Company. Likewise, the components either are similar to Allfunds in terms of size (by revenues or market capitalisation) or allow for meaningful comparison as they maintain a correlation between size and CEO compensation similar to the remainder of the group. It is noted that, within this peer group, Allfunds' correlation of CEO compensation to both revenues and market cap is very high.

Following the review of the peer group, the Committee decided that Allfunds' TSR relative performance for the purposes of the 2023 LTIP Award will be measured against the TSR of this group, as further described in the Annual Report on Directors' Remuneration.

New Directors’ Remuneration Policy

Our current Directors' Remuneration Policy was approved by shareholders at the 2022 AGM, where it received 81.63% of the votes cast in favour. Its implementation was supported by shareholders at the 2023 AGM with 80.70% of the votes cast on the Directors' Remuneration Report in favour (advisory vote).

During the year under review, the Remuneration, Appointments and Governance Committee carefully reviewed the operation of the Policy and feedback received from investors, especially at the time of the AGM. In conducting its review, the Committee sought to ensure that the executive director's remuneration is aligned with Allfunds' remuneration philosophy and, where relevant, with the remuneration of the wider workforce; that it keeps supporting the corporate strategy; and that it reflects shareholders' experience.

The Committee believes that the concerns expressed by some shareholders of the Company, namely with regards to deferral and settlement in instruments of variable remuneration, the existence of a post-vesting holding period, and the calculation of the CEO's pension contribution rate, **were addressed during the year under review and thanks all of those who engaged with the Company for their constructive feedback**.

Moreover, as anticipated in the Directors' Remuneration Report for financial year 2022, in 2023 the Committee reviewed the total rewards scheme of the Group's staff whose professional activities have a material impact on the Group's risk profile (the 'identified staff'), which includes the CEO, as this identified staff is defined under applicable banking regulations.

This review was made following the enactment of a new Bank of Spain circular applicable to the Group key subsidiary Allfunds Bank.

For clarification purposes, the Company is a UK-based company whose shares are listed on Euronext Amsterdam and which voluntarily adheres to the Dutch Corporate Governance Code (the UK Corporate Governance Code does not apply). In addition, the Company is the parent undertaking of Allfunds Bank, a Spanish financial institution holding the banking license. The CEO is also an executive director of Allfunds Bank. Therefore, **the CEO's remuneration is subject to EU and Spanish banking regulations (including CRD provisions) and voluntarily subject to the Dutch Code's best practice provisions** (which operate under the comply or explain principle).

The new Bank of Spain circular referred to above is applicable to Allfunds Bank and therefore to the CEO and the remaining identified staff. This circular extends European CRD requirements generally applicable to large institutions to some small- and medium-sized institutions, including Allfunds Bank. As a result, the remuneration of identified staff is now subject to the following rules: (i) payment of at least 40% of each variable remuneration component shall be deferred in equal tranches over at least four years following the vesting period; (ii) at least 50% of each deferred and non-deferred instalment of variable remuneration shall be payable in instruments; and (iii) all the instruments delivered as payment of variable remuneration shall be subject to a holding period of at least one year from the relevant delivery date. These rules are additional to the remaining Spanish and EU banking regulations and the EBA Guidelines on Sound Remuneration Policies.

In its review, the Committee sought to assess whether the existing compensation of identified staff consisting of a variable structure of annual bonus and LTIP would remain competitive and therefore capable of attracting and retaining talent following the application of these new rules and, simultaneously, whether it would meet stakeholder expectations, including, specifically, investor expectations and feedback shared after the 2023 AGM.

The Committee considered especially the following aspects:

- each identified staff member's total rewards structure resulting from applying the new regulations without further change, and how it would compare with the previous structure based on which most of them made the decision to join Allfunds
- the fact that Allfunds does not operate a traditional banking business so, even if holding a banking license, its competing landscape in terms of talent consists mostly of entities that are not subject to EU banking regulations with such stringent requirements in terms of remuneration, which is reflected in the revised peer group described above (most of these entities have a traditional structure of bonus with partial deferral and LTIP with cliff vesting following the performance period)
- the alternative variable remuneration systems that other financial institutions in the European and Spanish landscape have adopted, where it is common to have a single variable remuneration component that encompasses short- and long-term metrics in accordance with article 138 of EBA Guidelines on sound remuneration policies; as well as the consistency of these systems with specific regulations applicable to Allfunds Bank and different stakeholder views on them.

Among all the factors considered, the most determining one was the comparative scenario of identified staff's variable remuneration before and after applying these new rules, which might be summarised as follows:

- Identified staff variable remuneration consisted of two components: (i) an annual bonus payable in cash and (ii) annual LTIP Awards payable in Company shares, each component weighting approximately 50% of total variable remuneration. The new obligation to pay at least 50% of **each** variable remuneration component in instruments involves that 50% of the annual bonus shall be payable in instruments, thereby reducing in half the variable remuneration payable in cash (from ~50% to ~25% of total variable remuneration).
- The LTIP Awards are subject to a three year performance period (see further details in the Annual Report on Directors' Remuneration). The new obligations to defer at least 40% of **each** variable remuneration component in equal tranches over at least four years from the vesting date, and to impose a one-year holding period following delivery, means that the overall period for each LTIP Award, from the grant date to the date on which the entire award is effectively available to the participant, extends to nine years.

The Committee is conscious of the purpose that rules on deferral and payment in instruments seek to achieve in terms of sound risk management, long-term focus and alignment with shareholder interests. Its members fully endorse the underpinning principles and remain committed to design and implement compensation packages that support these principles. However, the Committee also notes that **Allfunds' level playing field is more stringent than that of its peers in terms of remuneration and this involves a real challenge from a talent attraction and retention standpoint**.

As people are at the heart of Allfunds' strategy and business model, based on the aspects described above, the Committee concluded that measures had to be taken to comply with regulations and at the same time remain competitive and manage this risk. In making this decision, the Committee also heard the views of the CEO, the Chief People Officer, and feedback received from affected employees, which agreed on the challenge that the new rules bring from a talent perspective.

As a result of this process and following a comprehensive analysis of existing alternatives, applicable rules and regulations, best practices and standards, market expectations and the feedback received from employees, significant shareholders, main proxy advisers and external counsel, the Board, based on the Committee's proposal, resolved, effective from 2024, to merge the identified staff's annual bonus and LTIP Award into a single component, whose terms are described below and which includes deferral rules, settlement in equity instruments, long-term performance metrics and holding period.

The application of this new variable structure to the CEO, who is the only identified staff member seated at the Board, is included in the proposed Directors' Remuneration Policy and shall have to be approved by shareholders at the 2024 AGM. The Committee believes it is the best option from a talent and compensation perspective to align the CEO's compensation structure with that of the remaining identified staff. If approved, it would apply from 2024, and replace the grant of any annual bonus or LTIP Awards from 2024 onwards. Outstanding LTIP Awards would not be affected.

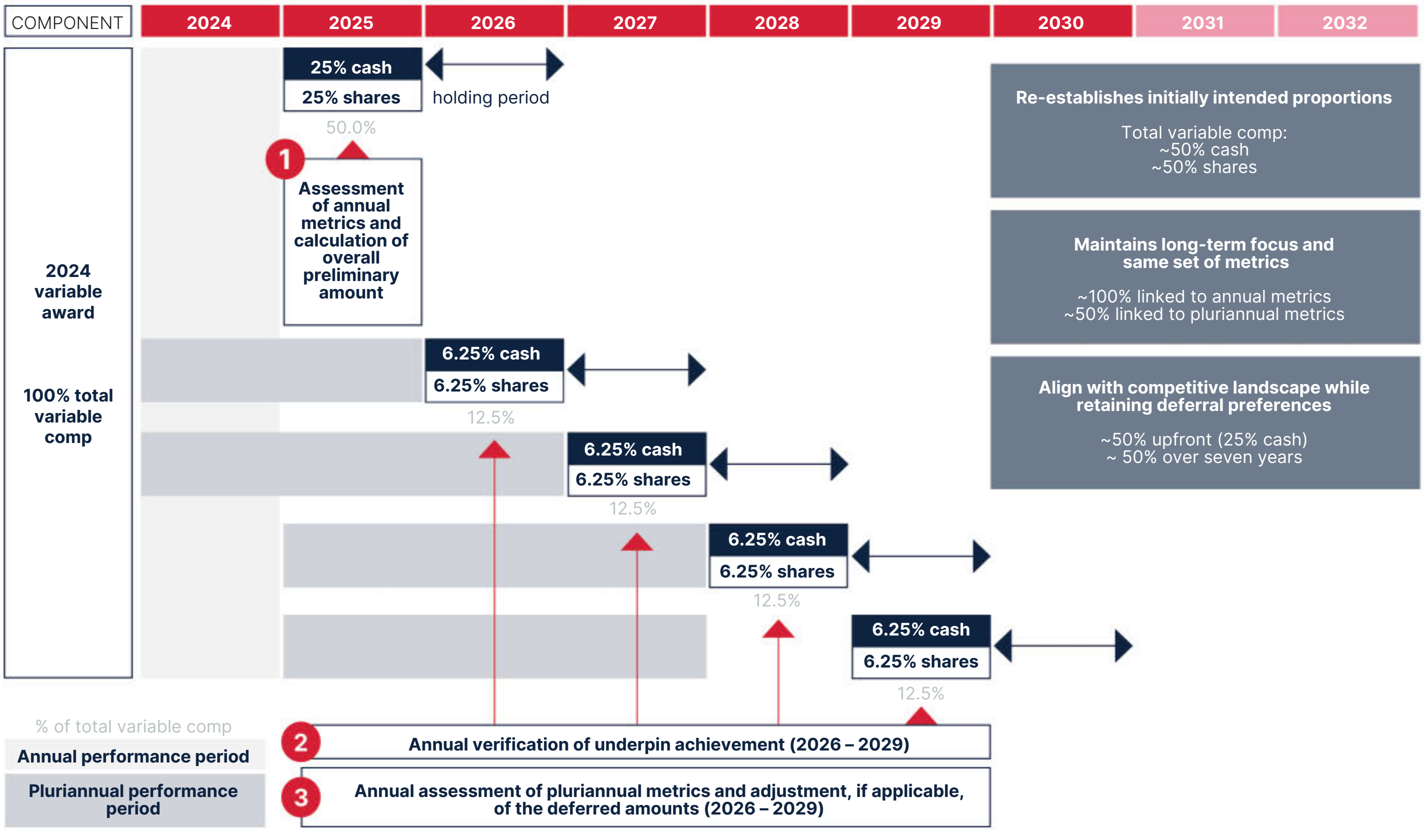
New variable remuneration structure

The table below summarises the key features of the new variable remuneration structure for Allfunds' identified staff. Further details are included in the Proposed Directors' Remuneration Policy on the following pages of this report, and an illustrative scenario for 2024 may be found on the next page:

• **Single component**	It merges the former annual bonus and LTIP.
• **Short-term and long-term focus**	It is linked to a combination of annual and pluri-annual performance metrics that maintain the same proportion between short-term and long-term variable remuneration as in the former structure (50%-50% or up to 40%-60% for amounts over EUR 1 million).
Annual metrics	The total target amount is subject to the achievement of annual performance metrics over the year of grant. The degree of achievement determines the overall preliminary amount awarded in respect of the year of grant. These metrics are determined by the Board in the beginning of the year of grant and measured following the year end. The metrics, performance scales and payout levels shall be the same as those set for the wider workforce's annual bonus (as was the case with the identified staff's annual bonus); and they shall be defined in line with Allfunds' remuneration philosophy with the aim of supporting the agreed corporate strategy, to align compensation with shareholder value creation and to reward excellence.
Pluri-annual metrics	The deferred portion (i.e. at least 50% in aggregate) is subject to: 1. Satisfaction of a binary underpin that will be set by the Board when the initial award is granted and will be measured at the beginning of each year of payment. Failure to achieve the underpin in a given year shall result in the lapse of the deferred amount due that year. 2. Pluri-annual performance metrics linked to a performance period of three years[1], which will be set by the Board when the initial award is granted and will be measured at the beginning of each year of payment. Their degree of achievement may reduce down to nil, but not increase, the final amount to be paid in each deferred instalment. These metrics shall include at least Allfunds' TSR relative performance against its peer group (as was the case with the LTIP Awards) to ensure alignment with shareholder interests, and they may include additional metrics to measure shareholder value creation at the Board's discretion.
• **Deferral over four years**	50% is paid upfront and 50% is deferred in four equal tranches over a period of four years following the upfront payment. If the amount exceeds EUR 1 million, the deferred portion raises to 60%.
• **Settlement in shares**	Each instalment (the upfront amount and each deferred tranche) is payable 50% in cash and 50% in shares of the Company.
• **Holding period**	All the shares are subject to a one year holding period following their relevant delivery date, though sufficient shares may be sold to settle personal tax and social security liabilities.

1. The pluri-annual metrics shall always refer to a performance period of at least three years (ie. the three-year period preceding the year of payment, except for the last instalment where it shall cover the three-year period preceding the previous payment as set out in article 138 of EBA Guidelines). Exceptionally, for the first deferred instalment, the performance period shall necessarily be two years to comply with the mandatory deferral schedule and to avoid setting a performance period that starts before the metrics are set (ie. to avoid a performance period covering 2023-2025, where the metrics are pre-set in 2024). See illustrative chart for 2024 below.

Illustrative scenario for 2024 variable remuneration:



When designing this plan, the Committee worked on the following basis:

- **same total compensation:** the total target compensation of identified staff members should not vary, save for any increases that might be approved in the ordinary course of business or in line with the overall workforce increases
- **same cap to the variable-to-fix compensation ratio:** variable compensation should still be subject to the 2:1 cap applicable to Allfunds Bank's identified staff, that is, variable remuneration in a given year may not exceed twice the amount of fix remuneration for that year
- **same focus on long-term:** the split between short- and long-term variable remuneration should remain the same as when having a structure of annual bonus and LTIP. All in all, 50% of the total variable remuneration shall be fully linked to annual metrics and the remaining 50% (or 60% for amounts exceeding EUR 1 million) shall be additionally linked to a binary underpin and pluri-annual metrics referring to a period of three years. The overall period of the plan shall be seven years (vs nine years), from the year of grant to the end of the holding period year applicable to the last tranche of shares.
- **as stretching variable remuneration:** the annual and pluri-annual metrics, scales and payouts should also be the same as those that were applicable to the annual bonus and LTIP Awards to ensure the new structure would not be less stretching and would not reduce the risk profile of variable remuneration

It is the Committee's and the Board's opinion that moving from a traditional bonus and LTIP to this new structure addresses the challenges posed by the new regulatory requirements in an extremely competitive talent landscape, as it re-establishes the proportion of cash and shares that was intended to be set through the annual bonus and the LTIP; and it allows for an overall period of variable remuneration receivable in respect of a given year of seven vs. nine years, which is considered appropriate from a risk management and long-term focus perspective. **At the same time, this new plan has been designed not to reduce the risk profile or increase the level of certainty of total variable remuneration, to preserve sound management, to continue to support Allfunds' short- and long-term strategic objectives and to reward excellence through a set of performance metrics, scales and payouts as stretching as in the past.**

The Board looks forward to receiving shareholders' support to the proposal to apply this new structure also to the CEO from 2024. Details on the proposed amounts and the comparative scenario between his current and proposed rewards structure are included in the following pages of this Directors' Remuneration Report.

Other changes in the proposed Policy

Other than the new variable remuneration structure applicable to the CEO, the Board has not included any significant changes in the proposed Directors' Remuneration Policy submitted to shareholders' approval.

By way of summary, the executive director's base salary is proposed to be increased in the same proportion as the overall population in 2024, following a 0% increase in 2023. His taxable benefits are proposed to remain the same and at the same levels and his pension contribution rate is proposed to be calculated in line with the rate applicable to the UK workforce, for which purposes it is proposed to replace the monetary amounts and caps in the former policy by this qualitative calculation rule. In 2024, this rule would lead to a pension contribution of 12% of his base salary.

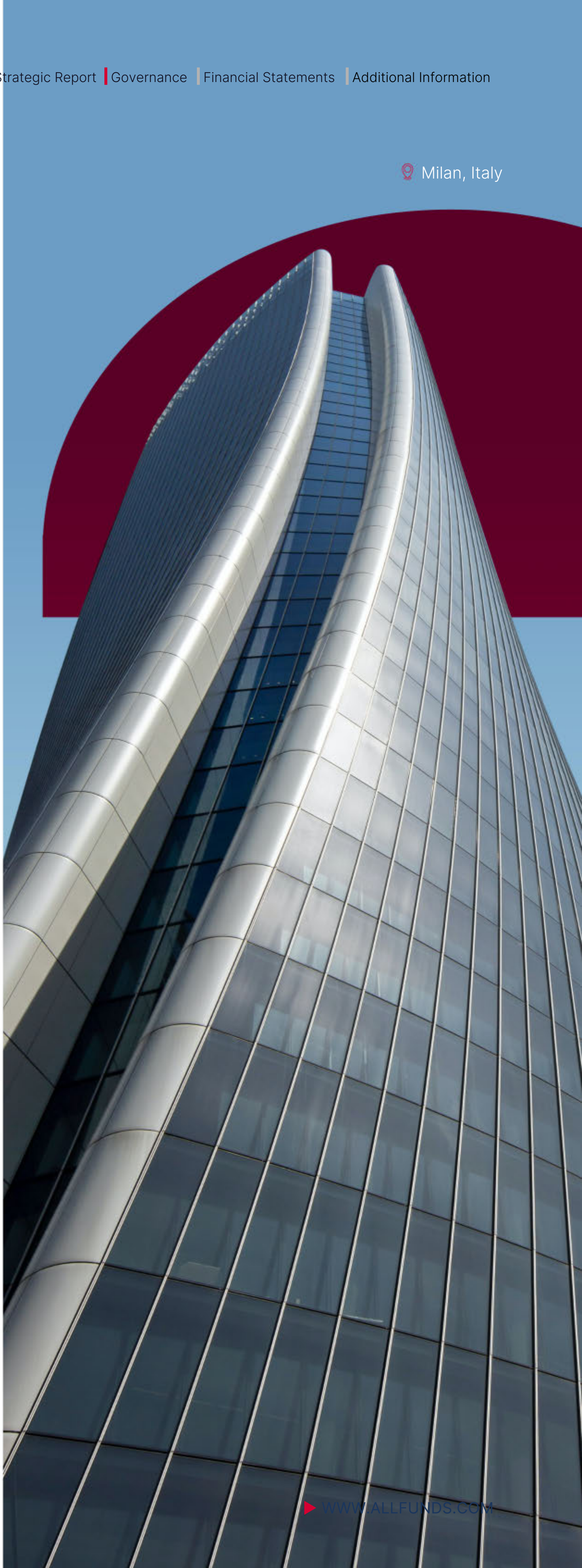
In addition, 15% of his total pension contribution shall be linked to annual performance (based on the annual metrics of the new variable remuneration) to address the Spanish regulatory requirement, newly applicable to Allfunds, that 15% of his pension benefits shall be subject to variable perimeters and therefore considered discretionary pension benefits. To that end, an amount equal to said 15% will be taken out of the variable remuneration and will be pensionable. This amount equal to 15% of the pension contribution, will work as a maximum, so that it may be reduced but not increased depending on the degree of achievement of the annual performance metrics. The Board is aware of the recommendation of the UK Corporate Governance Code and the principle of the Investment Association that no element of variable pay should be pensionable, but notes that the Company is not subject to this Code and in any event its recommendations are superseded by this binding Spanish regulatory requirement.

Looking ahead

The Committee members look forward to hearing your views on the remuneration arrangements outlined in this report and hope the new Directors' Remuneration Policy will receive shareholders' support at the forthcoming AGM.

Lisa Dolly
Chair of the Remuneration, Appointments and Governance Committee

26 March 2024



Directors' Remuneration Policy

This section sets out the Company's directors remuneration policy (the **Policy**) proposed for shareholders' approval at the AGM on 7 May 2024. If approved, the Policy will apply immediately for three years until the AGM in 2027.

Summary of decision-making process and changes to the Policy

The key elements of the Policy remain unchanged from the policy that was approved on 21 April 2022, save for the structure of executive directors' variable remuneration, which has been reviewed in light of new regulatory requirements applicable to the Company's main subsidiary Allfunds Bank, S.A.U., a Spanish credit institution supervised by the Bank of Spain (Allfunds Bank). Allfunds Bank acts as the parent company to an international group of entities, most of them financial (although not all), including subsidiaries, branches and representation offices (together with the Company and Allfunds Bank, the Group) and the CEO of the Company is also an executive director of Allfunds Bank. Therefore, remuneration needs to reflect and be consistent with the applicable regulatory regimes, including the requirements imposed by the Bank of Spain (the **Spanish Regulations**).

As anticipated in the 2022 Directors' Remuneration Report, the Company's Remuneration, Appointments and Governance Committee (the Committee) undertook a detailed review of the Policy to assess whether the executive directors' and other material risk takers' (**MRTs**) variable and overall compensation would remain appropriate if these new requirements were applied to the former variable components consisting in an annual bonus and a long-term incentive plan with a three-year performance period. Input was also provided by the advisors appointed in the process to ensure alignment with regulations, main codes of practice and proxy advisory agencies' guidelines, by the affected employees and by the Company's major shareholders.

Based on the review and taking into account all the feedback received, the Board is proposing to adopt a single variable remuneration component which aligns with section 138 of EBA Guidelines on sound remuneration policies. The proposed plan would have variable incentives being subject to an overall five-year vesting period, with 50% in the form of equity-based instruments subject to an additional one-year holding period, and would include deferral of at least 40% and up to 60% of the total variable award. The deferred portion would be subject to underpin conditions and linked to additional long-term goals. The Board believes that this new plan will support the delivery of Allfunds' strategic priorities while allowing it to attract, retain and develop key talent through a competitive compensation package. The Board further believes that this new structure does not reduce the risk profile of variable remuneration from participants' perspective, as the performance metrics, scales and relative weights, and the pay-out levels have been carefully selected to make sure that the new structure is not less challenging to achieve.

Further detail on the strategic rationale of this decision and the comparative scenario with the former structure can be found in the Annual Statement of the Chair of the Remuneration, Appointments and Governance Committee and the Annual Report on Directors' Remuneration (pages 104 to 135).

Key principles

In addition to complying with applicable regulatory regimes, this Policy aims to reflect the Group's culture. Having its shares listed on Amsterdam's EU-regulated market operated by Euronext Amsterdam N.V., the Company is not subject to the UK Corporate Governance Code. The Company has voluntarily adopted the Dutch Corporate Governance Code (the Dutch Code) and adheres to its best practices and principles also in relation to its remuneration policy other than as explicitly stated in this Policy. Its design is intended to align its directors with the Group's sustainable long-term goals. The Group considers proper remuneration of its professionals to be a fundamental factor in delivering its strategy and unlocking value for shareholders. Therefore, it is vital that this Policy allows the Company to attract and retain talented directors, while also being mindful of employee experiences across the Group.

The guiding principles of the Policy are the following:

- the rationale and operation of the Policy should be transparent, simple and easy to understand
- remuneration should promote the creation of sustainable long-term value and support the corporate strategy
- remuneration must foster the adequate and efficient management of risk and promote the sustainable long-term financial health of the business for the success of the Group and to the benefit of all its stakeholders
- the Policy should promote internal fairness between similar levels of responsibility and performance
- the global remuneration package and its structure should be appropriate for the specific business and competitive, making it easier to attract and retain talented directors
- the remuneration practices derived from this Policy should be in keeping with an effective management of conflicts of interests
- remuneration should be in accordance with capital requirements
- fixed remuneration should represent a significant portion of total compensation
- variable remuneration should reward distinguished individual and corporate performance and allow the possibility of receiving no payment in case of poor company performance
- the Policy should be respectful of the principles of non-discrimination, and any other aspects relevant to the Company and the Group, such as social employee-related matters, respect for human rights, and fighting corruption and bribery
- the Company has the right to amend, reduce or remove variable remuneration if it is not appropriate in the circumstances and
- the allocation of variable remuneration components is intended to take into account current and future risks

Remuneration policy – executive directors

The following table sets out our policy for the Company's executive directors. In setting the Policy, Allfunds pays full regard to the Spanish Regulations, as they are amended from time to time. Pursuant to the Spanish Regulations:

- the method for determining executive directors' remuneration must not compromise their objectivity or create conflicts of interest
- it is important that fixed remuneration is a key and significant component of the overall remuneration package and, as such, all the elements of variable remuneration for a given performance year shall not exceed 200% of the fixed components for that year
- executive directors' variable remuneration should be based on an appropriate combination of quantitative and qualitative criteria used to measure corporate and individual performance
- variable remuneration will only be consolidated or paid if it is sustainable according to the company's financial situation and will be subject to malus and clawback clauses
- at least 40% of each variable remuneration component must be deferred over at least four years and at least 50% of each variable remuneration component must be settled in instruments for so long as Allfunds Bank is classified as a small but complex entity;
- executive directors engaged in control functions are independent from the business units they oversee, in order to have the appropriate authority and
- the remuneration of executive directors will be overseen by the Committee and the Board (as well as by the Allfunds Bank Remuneration, Appointments and Governance Committee and Board of Directors, given that the executive directors are also executive directors of Allfunds Bank).

Base salary	
Purpose	• To attract, retain and develop key talent by rewarding skills, experience and ongoing contribution to the role and to provide the basis for a competitive package • To reflect the level of responsibility and complexity of the functions assigned to each job position in order to maintain internal fairness • To ensure an appropriate balance between the fixed and variable components of remuneration, taking into account regulatory requirements
Operation	Base salaries are determined based on the individual's role, skills and experience. They are typically reviewed annually considering factors as scope of the role, internal fairness, local requirements and external competitiveness against relevant comparator groups. Reviews are generally performed at the beginning of each year, normally taking retroactive effect as of 1 January in that year, but may be performed more frequently at the discretion of the Committee if deemed necessary and appropriate. Any future increases in base salaries will normally not exceed the increase awarded to the overall employee population. Greater changes in base salary may be implemented in cases where the executive director's base salary or total compensation opportunity is significantly unaligned with market benchmarks or the Company's own internal fairness, or when it is justified based on skills, experience and performance in the role. Base salaries are paid monthly in cash.
Maximum opportunity and performance measures	The annual base salary for Juan Alcaraz in 2024 is £1,040,000. Salaries for any new executive directors will be determined based on the criteria above. Payment of base salary is not contingent on performance measures.
Pension	
Purpose	• To help executive directors build long-term retirement savings. • To provide retirement benefits which keep the Company competitive within the industry.
Operation	The Group provides an employer sponsored defined contribution pension plan. All executive directors are eligible to participate in the plan, or receive cash in lieu of employer's contribution.
Maximum opportunity and performance measures	The annual employer contribution for Juan Alcaraz is currently fixed at 12% of his base salary, which is the contribution rate applicable to the wider UK workforce. Pension contribution rates for any new executive director will be the same as the rates applicable to the workforce based in the same country as the relevant director. In accordance with the requirements under Spanish Regulations, at least 15% of the total amount of the employer's pension contribution made in favour of executive directors shall be subject to variable parameters and will be considered discretionary pension benefits. This portion will form part of the executive director's variable remuneration and will, therefore, be subject to the same rules applicable to this type of remuneration. 85% of total employer contributions will be classified as fixed remuneration. These contributions classified as discretionary pension benefits may not, in any event, exceed 15% of the total contributions made.
Benefits	
Purpose	• To provide a competitive and cost-effective remuneration package appropriate to the role and reflecting local market practice • To support the physical, mental and financial health and wellbeing of executive directors
Operation	Core benefits take account of local market practice and include, but are not restricted to, subsidised meals, life insurance, permanent health insurance, medical and dental insurance, and a corporate vehicle in accordance with the Group's policy. When an executive director is located outside their normal country of residence in order to perform their role, additional benefits may also be provided, including, without limitation, accommodation expenses and/or minor dependents' school fees, to cover additional expenditure incurred . Payment of such expatriate allowances will be reviewed on an annual basis. The Committee reserves the discretion to introduce new benefits where it concludes that it is in the interests of the Group to do so, having regard to the particular circumstances and to market practice.

Maximum opportunity and performance measures	The maximum opportunity is determined by the nature of the benefit itself and costs of provision may depend on external factors. However the Committee will monitor such costs to ensure they are in line with market practice and within a level the Committee considers appropriate in all circumstances. Net accommodation expenses (if provided) are capped at £380,000 per year for an executive director. There are no performance measures. Benefits are considered as a fixed component of the executives' remuneration.

Single variable remuneration award

Purpose	• To incentivise the creation of sustainable value and delivery of strategic objectives of the Company with a focus on the long term • To reward and motivate distinguished performance and achievements • To aid the attraction and retention of talent in the short, medium and long term • To align reward and shareholders' and other stakeholders' interests, prudent risk management and generation of value for the Company The variable incentive approved by the Board of Directors for MRTs other than the executive director effective from 2024 seeks to attain that same purposes.
Operation	Executive directors are considered each year for a grant of a discretionary variable award whose vesting is dependent on certain requirements, including achievement of annual and pluri-annual performance measures, continued employment and malus and clawback clauses. Performance over the year in which the incentive is awarded is measured following the year-end against the annual metrics determined in the beginning of the year. The metrics, performance scales and pay-out levels (as percentage of target) shall be the same as those set for the wider workforce's annual bonus. The degree of achievement of these annual metrics shall determine the overall preliminary amount of the award. 50% of this overall preliminary amount (or 60% if the total amount does not exceed EUR 1 million) is immediately vested and paid upfront, half in cash and half in shares in the Company. The remaining portion is deferred over a four-year period in four equal tranches, with each tranche to be paid half in cash and half in shares in the Company on the first to fourth anniversary of the upfront payment date. All the vested shares are subject to a one-year holding period from the relevant delivery date, although such number of shares as necessary may be sold to settle personal tax and social security liabilities. Each deferred preliminary amount shall be subject to satisfaction of a quantitative binary underpin set by the Board when the initial award is granted, and measured at the beginning of each year of payment. The underpin will be linked to the Group's risk profile. Failure to satisfy it in a given year shall result in the lapse of the deferred amount due that year. In addition, each deferred preliminary amount may be adjusted downwards (not upwards) and reduced to nil based on additional long-term performance metrics to be measured over a performance period of three calendar years preceding the payment date (except for the first deferred payment where the period shall necessarily be two years and the last deferred payment where it shall cover the 3 year period preceding the previous payment to comply with section 138 of EBA Guidelines on Sound Remuneration Policies).
Maximum opportunity and performance measures	On-target performance on all measures will result in a payment of 184% of base salary per annum. Attaining the threshold performance level will result in a 54.5% payment of the on-target award. No portion of the award will vest below threshold performance level. The maximum variable incentive opportunity (valued as at the date of grant) if maximum performance of all measures is achieved is capped at 304% of base salary per annum for the executive directors. The annual and pluriannual performance measures and the underpin conditions applied to the variable award will be set annually at the beginning of the financial year of the award, and may be financial or non-financial, and corporate or individual, and targets will be appropriately demanding. At least 50% of the incentive portion linked to corporate goals will be based on financial metrics with the balance based on non-financial metrics, each to be assessed by the Committee after the end of the year. The Committee can set different performance conditions for awards granted in different years, provided that the conditions are not materially less challenging from any one award to the next. The Committee may make adjustments to the performance conditions applicable to outstanding awards as it considers appropriate to take account of any relevant factors, and in particular, if there is an event which causes the performance conditions to be no longer a fair measure of performance, so long as the amended conditions are at least as challenging as the ones originally set. The awards may carry dividend equivalents which may accrue on such basis as the Committee may determine and may be payable in cash or shares. Appropriate disclosure of the Committee's judgement, performance targets and achievement will be included in the annual report on remuneration for each relevant financial year.
Other	The award is subject to satisfaction of applicable regulatory requirements, including the Spanish Regulations, and pay-outs may be subject to downward adjustment notwithstanding the achievement of applicable performance measures. In accordance with regulatory requirements and shareholder approvals obtained by Allfunds Bank, the proportion of variable to fixed remuneration payable to MRTs, including the directors, must not exceed a ratio of 2:1. Malus/clawback provisions apply to the variable incentive payouts, including any deferred portion, in accordance with the Group Malus and Clawback Policy.

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

The Group's wider employee remuneration policy is driven by the creation of a culture of high performance. The Committee has reviewed the wider employee remuneration policy to ensure that it continues to support the Company's overall proposition to attract, retain and motivate the best people aligned to the Company's values and committed to maintaining a long-term career within the Group. The Committee consulted the Chief People Officer on the Group employees' feedback when setting the Policy.

The structure of remuneration packages for executive directors is closely aligned with that for the broader employee population. With regard to fixed remuneration, all employees receive a base salary, pension contribution and benefits. Pension arrangements are based on employees' locations and the executive director's pension contribution does not exceed the rate provided to the UK wider workforce. As for benefits, senior employees are entitled to substantially the same benefits as the executive director, save for housing and school allowances that are granted on a case-by-case basis.

As for variable remuneration, non-MRTs are eligible for an annual bonus and a long-term incentive plan (LTIP) whereas, from 2024, MRTs are eligible for a single variable award subject to the same terms as the one proposed to be adopted for executive directors. To maintain as far as possible the alignment between both variable compensation structures, the annual performance measures applicable to the single variable award are the same as those set for the annual bonus of the broader employee population, although the quantum and the weightings of performance measures vary by level so that the higher the seniority the higher the exposure to corporate goals and the lower the seniority the higher the exposure to individual performance; and the pluri-annual performance measures that adjust the amount of the deferred instalments of the single variable awards are related to the Company's long-term value creation in similar terms to those set for the performance-based LTIP awarded to most senior employees. The LTIP awards made to employees with less seniority are typically not subject to performance conditions.

Discussion with executive directors

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

Malus and clawback policy

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

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

Discretion concerning incentive arrangements

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

- The Committee is responsible for assessing in its discretion the achievement of non-quantitative performance measures
- The Committee may make adjustments to the performance conditions applicable to outstanding incentive awards (including LTIP awards granted prior to this Policy) as it considers appropriate to take account of any relevant factors, and in particular, if there is an event which causes the performance conditions to be no longer a fair measure of performance, so long as the amended conditions are at least as challenging as the ones originally set
- The Committee may make adjustments to incentive awards if it considers inappropriate windfall gains have occurred.
- The Committee may decide to grant incentive awards in the form of performance or restricted shares, options, phantom awards or conditional awards
- The Committee may adjust the award on a variation of share capital or other corporate event that affects the current or future value of the award, or alternatively, the right to vest the award early in such circumstances
- While executive directors' incentive awards are normally subject to performance conditions, the Committee may, in exceptional circumstances, grant awards without performance conditions to executive directors to the extent such grants are in accordance with the relevant corporate governance and regulatory requirements
- The Committee may in its discretion determine that an incentive award will carry dividend equivalents, and determine the basis on which the dividend equivalents accrue and whether they should be payable in shares or cash
- The Committee may determine that an individual leaving employment should receive a good leaver treatment pursuant to the applicable rules. Good leavers may remain entitled to their variable remuneration subject to time pro-rating (which may be disapplied) and performance. Vesting may take place early in exceptional circumstances
- Where it is impractical to deliver shares following vesting of an incentive award, equivalent cash amounts may be paid instead

Discretion will be exercised diligently, and any use of discretion will be properly disclosed.

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

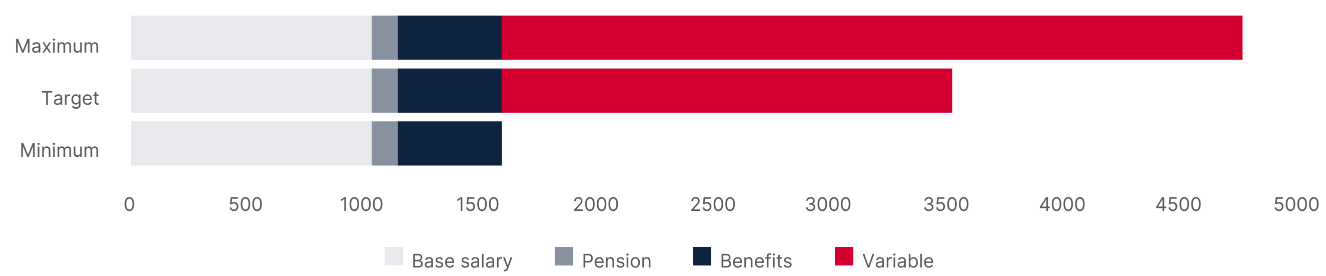
Illustrative scenarios for executive directors' remuneration

The charts below show the potential value of Mr Alcaraz's total remuneration payable under this Policy for financial year 2024 (in GBP thousand) in three different scenarios:

- 'Minimum' consisting of:
  - Fixed remuneration: base salary, benefits and 85% of total pension contributions;

- 'Mid-point' consisting of:
  - Fixed remuneration: base salary, benefits and 85% of pension contribution; and
  - Variable remuneration: on-target award (184% of base salary) valued as at the date of grant and 15% of total pension contributions to be paid under the variable remuneration on-target scenario; and

- 'Maximum' consisting of:
  - Fixed remuneration: base salary, benefits and 85% of pension contribution as above; and
  - Variable remuneration: maximum award (304% of salary) valued as at the date of grant and 15% of total pension contributions to be paid under the variable remuneration on-target scenario.



Remuneration policy – non-executive directors

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

Fees	
Purpose	• To attract and retain individuals with the appropriate profile, skills, experience, expertise and background. • To reward their time commitment and responsibilities and to motivate an adequate performance of their non-executive role irrespective of the results of the Group.
Operation	Independent directors are entitled to annual fees for performing their role as such, plus additional fees for membership of a Board committee and serving as chair of either the Board or a Board committee. The independent directors' fees reflect the time expected to be spent in discharging their duties and their responsibilities. The fees are set by the Board and reviewed annually, taking account of fees paid at comparable companies. The total fee level is set in line with similar positions in comparable companies. Independent directors are also entitled to the annual fees for being members or chairing the Allfunds Bank's Board or Board committees. Non-independent non-executive directors have no entitlement to such a fee for performing roles at either the Company's or Allfunds Bank's Board or Board Committees. Fees are paid monthly or quarterly in cash.
Maximum opportunity and performance measures	The maximum aggregate fees payable to all independent directors for their membership to the Board and its Committees and for chairing any of them will not exceed €600,000 per annum, or €1,200,000 including the fees for their membership to Allfunds Bank's Board and Committees and for chairing any of them. Currently the fees are as follows: €47,500 for Board membership (other than the Chair), €200,000 for chairing the Board, €12,500 for Board Committee membership (other than the respective Committee Chairs) and €17,500 for chairing a Board Committee. There are no performance measures.

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

Other arrangements
The Company provides Directors' and Officers' Liability Insurance. The Company has executed a deed of indemnity in the non-executive directors' favour.

Incentive awards, benefits and pension arrangements
Non-executive directors do not participate in the Company's incentive awards, benefits or pension arrangements.

Other remuneration provisions and policies

Policy on recruitment

Executive directors

The aim of the recruitment policy is to allow sufficient flexibility to attract and secure appointments of talented executives while promoting internal equity. A new executive director's remuneration package, including award limits and delivery structures, will be in line with the general policy for executive directors as set out above in the Policy table, save that:

- in case of internal appointments, any existing commitments will be honoured, and any variable element awarded in respect of the prior role may be allowed to be paid out according to its existing terms or adjusted to reflect the new appointments, as appropriate;
- for external appointments, compensation may be provided in respect of forfeiture of awards from an existing employer ('buy-out' awards). For such buy-out awards, the maximum value will be, in the Committee's reasonable opinion, no more than the forfeited awards. After taking account of performance conditions, the proportion of performance period remaining, the form of the award and other conditions attached to forfeited awards, the Committee will determine comparable (in the Committee's reasonable opinion) conditions attached to the buy-out awards; and
- the Committee may agree that the Group will provide certain relocation allowances as it considers appropriate.

Non-executive directors

A new non-executive director will be recruited on the terms set out in the Policy table above.

Policy on payment for loss of office

The Committee's approach to payments in the event of termination is to take account of the individual circumstances including the reason for termination, individual performance, contractual obligations and the terms of any incentive plans in which the executive director participates. Pursuant to the Spanish Regulations, it is important that payments relating to the early termination of a contract reflect performance achieved over time and do not reward failure or misconduct.

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

Executive directors

The following table sets out the Company's Policy on payment for loss of office for executive directors.

Standard provision	Approach
Notice periods	An executive director's notice period under a service agreement shall not exceed 12 months from either party. An executive director may be placed on garden leave during the notice period.
Pay during notice period or payment in lieu of notice per service contracts	An executive director's service agreement may be terminated by the employer making a payment in lieu of notice (PILON). A PILON may consist of the director's basic annual salary and relocation expenses that would have been payable during the notice period. A PILON does not include any annual bonus or other benefits or pension entitlements for the notice period. A PILON may be made in a lump sum, or in monthly instalments subject to reduction if the executive director finds alternative employment or engagement during the payment period.
Treatment of variable remuneration on termination	Single variable award: An executive director shall forfeit the right to recieve any outstanding payment of the incentive if the service agreement is terminated due to a voluntary resignation or disciplinary dismissal for gross misconduct (or if the director is in the notice period). Good leavers during the year of grant will retain their entitlement on the pro-rated award (with a minimum of 6 months), subject to the annual and pluri-annual peformance metrics defined for that cycle of the incentive. Good leavers after the year of grant will retain their entitlement to the outstanding payments of the incentive, subject to the binary underpin and pluri-annual performance metrics. In all cases, all outstanding payments will be payable, if applicable, on the normal payment schedule according to the regulatory requirements that apply.
	LTIP: Unvested LTIP awards will be forfeited when an executive director ceases employment voluntarily and is not deemed a good leaver. If an executive director is a good leaver, unvested awards will normally continue to vest in line with applicable vesting dates, subject to performance conditions, save that the Committee may determine that awards should vest early in exceptional circumstances and/or disapply time pro-rating reduction of such awards.
Corporate event	Single variable award: In the event of a change of control during the year of grant, the awards shall vest early assuming the full achievement of the performance metrics. In case of a change of control during the pluri-annual period, the outstanding payments shall be deemed to have been vested. In both cases the incentive granted will be payable according to the regulatory requirements that apply.
	LTIP: In the event of a change of control, according to the LTIP rules, any unvested LTIP awards will vest early subject to performance conditions and time pro-rating reduction, save that the Committee may disapply time pro-rating reduction.

Legal claims	The Group has power to enter into settlement agreements and to pay compensation to settle potential legal claims. The Group may also pay a contribution toward the individual's legal fees and fees for outplacement services as part of a negotiated settlement, consistent with the market practice.
Severance payments	An executive director will be entitled to applicable severance payments in accordance with applicable law.

Mr Alcaraz is party to a service agreement with Allfunds Bank entered into on 21 November 2017 before this Policy and the policy approved on 21 April 2022 came into effect. The agreement provides for a notice period for both parties of 230 working days and a severance payment based on the years of service, according to Spanish Regulations.

If Mr Alcaraz's employment is terminated by Allfunds Bank, he will (subject to any overriding regulatory requirements) be entitled to a severance payment of 798.75 days' earnings. For this purpose, 'earnings' includes base salary, contractual benefits and the higher of his target variable award amount and the amount of the award paid to him in the preceding 12 months (in each case converted into a daily figure). The payment will not be made if his employment is terminated (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. The severance payment will be conditional upon Mr Alcaraz signing a settlement agreement waiving any legal claims against Allfunds Bank and will be inclusive of any payment in lieu of notice made to him.

The Board notes that the terms of this good leaver severance payment were set in accordance with the Spanish Regulations, as last amended in 2012, which were applicable to Mr Alcaraz as CEO of the Spanish bank. These regulations provide that (a) the severance payment in circumstances that are not considered to be a bad leaver shall be calculated as a given number of days' earnings; (b) the earnings shall include base salary, benefits and bonus paid in the preceding 12 months; and (c) the number of days shall be calculated as a number of days per year effectively employed by the company up to a given maximum. Mr Alcaraz's severance terms are the result of applying these calculations based on his years of service at Allfunds, save for the nuance that the earnings might include the target annual bonus if higher. The terms remained unchanged when Mr Alcaraz relocated to London. The Board further notes that this severance will not be payable in circumstances (i) to (iii) in the paragraph above, that is, in a bad leaver event.

Non-executive directors

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

Service agreements and letters of appointment

Mr Alcaraz is party to a service agreement with Allfunds Bank entered into on 21 November 2017. Non-executive directors do not have service agreements but are bound by letters of appointment issued for and on behalf of the Company. The documents are available for inspection at the Company's registered office upon request.

Legacy arrangements

It is a provision of the Policy that the Group can honour all pre-existing obligations and commitments where the terms were agreed (i) before the Policy taking effect, provided that the terms of the payment were consistent with the policy approved on 21 April 2022, (ii) before 21 April 2022, or (iii) at a time when the relevant individual was not a director of the Company and, in the opinion of the Committee, the payment was not in consideration for the individual becoming a director of the Company. The terms of such arrangements may differ from the terms of the Policy and may include, without limitation, obligations and commitments under service contracts, pension and benefit plans, and incentive arrangements.

In particular, Mr Alcaraz entered into a service agreement with Allfunds Bank on 21 November 2017. It is a provision of the Policy that the Company would honour the terms of the service agreement.

Shareholding guidelines

Non-executive directors may maintain shareholdings in the Company to the extent that they are aligned with the long-term interests of shareholders and not hindering their independent judgment (in case of independent directors). Only beneficially owned shares, vested share awards, and unvested share awards not subject to performance conditions, may be counted for the purposes of the shareholding policy.

Shareholder consultation

The proposed Policy was discussed with our largest shareholders. They have been supportive of the Policy. The engagement with shareholders has been valuable, and our aim is to continue this dialogue as we implement the proposed Policy over the following years. The Policy has also been designed to take into account the guidelines of major independent proxy advisors and other rating agencies.

Annual report on directors' remuneration

This Annual report on directors' remuneration sets out how the Directors' Remuneration Policy operated for the year ended 31 December 2023, and how we plan to implement it during the coming year. It will be put to an advisory vote of shareholders at the 2024 AGM.

During the period under review, the Policy was implemented as intended and as anticipated in the Annual report on directors' remuneration for the year ended 31 December 2022.

Executive director's remuneration

In 2023 the Company only had one executive director, Juan Alcaraz, the CEO. This section describes his remuneration.

The CEO's total compensation for 2023 was defined as a combination of fixed remuneration, including base salary, pension and other taxable benefits, and variable remuneration, including annual bonus and LTIP, as set out below.

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

Single total figure for the executive director (audited)

	Juan Alcaraz (CEO) (£ thousand)	
	2023	2022
Base salary (A)	1,000.0	1,000.0
Taxable benefits (B)	442.4	435.8
Pension (C)	60.0	60.0
Total fixed remuneration (A + B + C)	1,502.4	1,495.8
Annual bonus (D)	1,208.6	609.9[3]
Vested LTIP Awards (E)[1]	84.0	102.0
Total variable remuneration (D + E)	1,292.6	711.9
Total remuneration (A + B + C + D + E)[2]	**2,795.0**	**2,207.7**

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, three LTIP Awards have been awarded, both contingent on the achievement of specific performance measures: (i) the 2021 LTIP Award awarded 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; (ii) the 2022 LTIP Award granted on 1 April 2022 vesting in relation to a performance period ending on 31 December 2024; and (iii) the 2023 LTIP Award granted on 14 April 2023 vesting in relation to a performance period ending on 31 December 2025. Therefore, the first tranche of the 2021 LTIP Award was included in the remuneration corresponding to financial year 2022, and the 2022 and 2023 LTIP Awards remain subject to the achievement of performance measures in future financial years. In accordance with applicable regulations, the table above shows the value of the vested shares of the second tranche of the 2021 LTIP Award and their value has been calculated by multiplying the number of vested shares (15,217) by the closing price at the date on which the shares vested (€6.45) converted to GBP at the exchange rate of that same date (0.85605).
2. Remuneration of executive directors is paid by the Group company Allfunds Bank, S.A.U. in its capacity as employer.
3. In 2022, Juan Alcaraz was paid previous years' 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 2023.

The following sections provide further detail on the figures in the above table, including the underlying calculations and assumptions and the Board's performance assessments for variable remuneration.

Additional information in respect of each remuneration component:

(A) Base salary

The executive director receives a base salary that is payable in monthly instalments in cash.

The purpose of base salary is to attract, retain and develop key talent by rewarding skills, experience and ongoing contribution to the role, as well as to provide a basis for a competitive remuneration package. It also reflects the level of responsibility and complexity of the functions assigned to each job position in order to maintain internal fairness. Base salary ensures a fair balance between fixed and variable remuneration, taking into account regulatory requirements.

Base salary increases are normally in line with increases awarded to the overall employee population, although salaries may be annually reviewed to ensure their market competitiveness or that of the total opportunity against relevant comparator groups.

	Juan Alcaraz (CEO) (£ thousand)		
	2023	2022	Change from 2022
Base salary (A)	**1,000.0**	1,000.0	0%

(B) Taxable benefits

The executive director is eligible to receive a broad range of flexible benefits.

The purpose of these benefits is to provide a competitive and cost-effective remuneration practice appropriate to the role and reflecting local market market practice, thereby acting as a talent attraction and retention tool. They also support the physical, mental and financial health and well-being of their beneficiaries.

	Juan Alcaraz (CEO) (£ thousand)		
	2023	2022	Change from 2022
Taxable benefits (B)	**442.4**[1]	435.8	1.51%[2]

1. Juan Alcaraz's benefits during 2023 included housing allowance (GBP 378.8 thousand), car allowance (GBP 34.4 thousand), health insurance (GBP 27.4 thousand), meal allowances, and private medical practitioner. His housing allowance was granted when it was decided it would be in the best interest of the Group's business to relocate 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, and to allow him to live in London with his family in similar living conditions to those that they had in Madrid. This allowance has been reviewed in 2023 to ensure it remains appropriate to keep the CEO in London with relative ease of access to the office.
2. The increase was due to an increase of the health insurance premium.

(C) Pension

The executive director is entitled to an annual pension contribution.

The purpose of pension contributions is to help build long-term retirement savings and provide employees with a market-competitive mechanism for the accumulation of retirement benefits.

The pension contribution rates of Allfunds' workforce are calculated in accordance with the local regulations of each jurisdiction where employees are based. Accordingly, and in line with the Principles of Remuneration of the Investment Association, Juan Alcaraz's pension contribution rate is aligned with the contribution rate of the Group's workforce based in the UK, where the CEO is based too, but it is then capped to the amount set out in the existing Directors' Remuneration Policy, which is a legacy from the situation preceding Allfunds' IPO.

	Juan Alcaraz (CEO) (£ thousand)		
	2023	2022	Change from 2022
Pension (C)	**60.0**	60.0	0%

(D) Annual bonus

The executive director is entitled to an annual bonus linked to the achievement of pre-set annual performance measures.

The purpose of the bonus is to incentivise sustainable value creation and the delivery of the agreed corporate strategy of the Company. It also rewards and motivates distinguished performance and supports the attraction and retention of talent in the short, medium and long term. The annual bonus also aligns remuneration with the shareholders' and other stakeholders' interests, and fosters sound risk management of the Group.

To achieve its purpose, the annual bonus is linked to Allfunds' business and strategic targets through a mix of corporate and individual performance metrics that are approved by the Board at the beginning of each year based on the proposal of the Remuneration, Appointments and Governance Committee.

Corporate performance metrics are the same for executive directors, other executives and the overall employee population, although their weight varies depending on each employee's category so that the higher the seniority, the higher the employee's exposure to corporate goals and, the lower the seniority, the higher the exposure to individual performance. This way the directors' annual bonus is aligned with, and commensurate to, the employees' own annual bonus.

For each performance measure, a threshold, target and maximum performance level is set along with a bonus payout. For qualitative metrics, the standards or elements against which achievement will be measured are also predefined by the Board of Directors.

The executive director's annual bonus target and maximum amounts are set by reference to the base salary as set out in the Directors' Remuneration Policy. In 2023, Juan Alcaraz was awarded an on-target annual bonus opportunity of 120% of his base salary (125% in 2022), that is GBP 1,200,000, and a maximum annual bonus opportunity of 172.4% of his base salary (180% in 2022), that is GBP 1,724,000. These amounts are in line with the Directors' Remuneration Policy approved by shareholders at the 2022 AGM.

Given Juan Alcaraz is also an executive director of the Group subsidiary Allfunds Bank, a Spanish financial institution supervised by the Bank of Spain, his remuneration is subject to Spanish and European banking regulations. Changes to these regulations adopted by the Bank of Spain in 2022 involve, among other rules, that the amount of his variable remuneration for a given performance year cannot exceed 200% of the amount of his fixed remuneration for that same year. In addition, at least 40% of each variable remuneration component (or at least 60% if the amount exceeds EUR 1 million) must be deferred within at least four years, and at least half of each instalment must be paid in instruments. Instruments shall be subject to a holding period of at least one year from their respective delivery dates.

	Juan Alcaraz (CEO) (£ thousand)		
	2023[1]	2022	Change from 2022
Annual bonus (D)	1,208.6	609.9	+98.2%

1. In accordance with the rules described above, the 2023 annual bonus will be paid according to the following calendar: 40% in 2024, 15% in 2025, 15% in 2026, 15% in 2027 and 15% in 2028. Each instalment will be paid half in cash and half in shares of the Company. The number of shares to be delivered in each instalment was calculated based on the average closing price of the 20 trading days preceding the award date, converted into GBP at the exchange rate during that same period. According to these calculations, in 2024, 44,252 shares were delivered to Juan Alcaraz as part of the first instalment of the 2023 annual bonus. All the shares payable under this remuneration component shall be subject to a one year holding period. Therefore, the overall period of the 2023 annual bonus will extend up to 2029, where the holding period of the shares delivered under the last instalment will end. The entire amount is shown in the table as it is fully receivable in respect of 2023.

2023 annual bonus scorecard, outcome and assessment

The performance measures for the 2023 annual bonus, including their relative weight, performance levels and outcome, were the following:

Performance measures		Weight (%)	Threshold (% payout)[1]	Target (% payout)[1]	Maximum (% payout)[1]
Corporate metrics		**90%**			
Financial metrics		***45%***			
Adjusted EBITDA Margin		22.5%	61.1% (payout 50%)	64.3% (payout 100%)	70.8% (payout 200%)
Revenue Growth		13.5%	4.5% (payout 50%)	9% (payout 100%)	20% (payout 200%)
Subscription Revenue Growth		9%	45% (payout 50%)	82% (payout 100%)	125% (payout 200%)
Strategic non-financial metrics		***27%***			
Retention Rates:	- FH	4.5%	<97% (payout 0%)	97% (payout 100%)	>97% (payout 100%)
	- Distributors	4.5%	<98% (payout 0%)	98% (payout 100%)	>98% (payout 100%)
New Clients (migrations)		9%	€ 42 bn (payout 50%)	€ 56 bn (payout 100%)	€ 70 bn (payout 150%)
Operational Excellence and Client Satisfaction		9%	Assessed by the Board at the end of the period as described below[2]		
E&S metrics		***18%***			
S&P Global ESG score:	- Allfunds' score	4.5%	55 (payout 50%)	60.5-63.3 (payout 100%)	68.8 (payout 150%)
	- Allfunds' percentile	4.5%	75 (payout 50%)	90-94 (payout 100%)	99 (payout 150%)
Leadership and Culture		9%	Assessed by the Board at the end of the period as described below[2]		
Individual metrics		**10%**			
Personal contribution		10%	Assessed by the Board at the end of the period as described below[3]		
					Total outcome: 100.72%

1. 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. These payout levels are those applicable to the overall employee population, although corporate metrics' total weight varies depending on the employee category as explained above, so that the higher the seniority, the higher the employee's exposure to corporate goals and, the lower the seniority, the higher the exposure to individual performance. Irrespective of the aggregate maximum payout resulting from this scorecard and the relative weights applicable to the CEO, his maximum opportunity is capped at 172.4% of his base salary as set out in the Directors' Remuneration Policy and anticipated in the Annual report on directors' remuneration for the year ended 31 December 2022. The Board made this decision in order not to reduce the upside that employees might capture in the event of maximum performance of corporate goals, and to maintain one single scorecard for the entire Group for the sake of alignment of directors' and employees' remuneration experience.
2. The degree of achievement of metrics Operational Excellence and Client Satisfaction, and Leadership and Culture, was qualitatively assessed based on several factors predefined by the Board of Directors (see below for full details on the assessment made). Even if qualitatively assessed, the Board also predefined three performance levels, threshold, target and outstanding, with payout ratios of 50%, 100% and 150% respectively, with intermediate performance achievements and payout levels being possible.
3. Personal contribution was qualitatively assessed by the Board of Directors at the end of the period (see below for full details on the assessment made) with reference to three performance levels, threshold, target and outstanding, with payout ratios of 50%, 100% and 120% respectively, and intermediate performance achievements and payout levels being possible.

The Board believes that the corporate metrics set for the 2023 annual bonus support the agreed corporate strategy of Allfunds from both a financial and non-financial perspective:

- **Financial metrics** focus on the Group's financial efficiency, which is measured through the Adjusted EBITDA Margin, the Group's growth, measured through Revenue Growth, and the Group's stability and resilience, measured through Subscription revenue growth. Combined, delivery against each of these metrics leads to sustainable value creation for shareholders and for the Company and therefore their inclusion in the scorecard allows the Company to align remuneration with shareholders' interests.
- **Strategic non-financial metrics** focus on business and commercial factors that are linked to Allfunds' strategic pillars of continuously gaining market share and perpetuating the flywheel effect. Progress against these factors is indeed measured through strategic KPIs included in the Strategic Report and regularly reported to the market by Allfunds. These metrics also help to align remuneration with client experience, which is at the heart of Allfunds' strategy, directly through the metric of client satisfaction and indirectly through retention rates.
- **E&S metrics** promote the development of a leadership model and culture focused on sustainability and link remuneration with sustainable value creation and the interests of the wider group of Allfunds' stakeholders. They have been defined from both an internal and external perspective and seek to measure not only progress against the Group's own plans but also progress on market perception of Allfunds from a sustainability standpoint.

The Board further believes that the threshold, target and maximum level set for each performance metric, along with their respective payout ratios, are stretching enough to reward distinguished contribution that goes beyond 'doing the day job.'

At the end of the period, the Board of Directors, based on the proposal of the Remuneration, Appointments and Governance Committee, assessed the level of achievement of each performance measure. Quantitative metrics were assessed according to the scorecard and payout ratios shown in the table above, and no discretion was exercised to adjust these formulaic outcomes. The actual outcome of these metrics was the following: Adjusted EBITDA Margin of 65.8%, Revenue Growth of 10.3%, Subscription Revenue Growth of 46.6%, Fund Houses retention rate of 99% and Distributors retention rate of 98%, New Clients of €48.3 million and Allfunds S&P Global ESG Score of 58 and percentile of 95. The resulting pay-out levels for these metrics were, respectively, 124%, 114%, 56% 100%, 100%, 72%, 77% and 117%. The Board notes that the guidance given to the market with regard to these metrics was achieved.

Qualitative metrics in turn were assessed by the Board in its own discretion as follows:

- **Operational Excellence and Client Satisfaction (9%):**

  - **Operational Excellence:** In assessing this metric, the Board considered progress against key operational factors, where new tools, more automatic processes and reinvigorated teams have led to significant enhancements. Likewise, the Board considered the fact that the operational risk profile remains in compliance with the risk profile, supporting the Group's low risk appetite, and the decrease in the number and magnitude of operational incidents occurred during the year under review.

    The Board resolved that objectives had been achieved and the payout would be 100%.

  - **Client Satisfaction:** The Board assessed this metric based on the outcome of a client survey performed during 2023, which consisted in closed end questions on clients' satisfaction compared to their expectations, with quantitative choices within a scale. The results of the survey showed an average overall score slightly above expectations.

    Accordingly, the Board resolved that delivery of this metric was on target and the payout would be 100%. The combined payout of Operational Excellence and Client Satisfaction was 100%.

- **Leadership and Culture (9%):** the Board assessed progress against this metric based on the following elements:

  - **Delivering sustainable solutions to clients:** This element incentivises the expansion of the ESG business. To assess it, the Board considered the achievements made in terms of developing new ESG solutions, which include the acquisition of Mainstreet Partners and the integration of its full proposition into Allfunds ecosystem. Further details will be found in the Strategic Report and the 2023 ESG Report.

    The Board resolved that the objectives were achieved and the pay-out would be 100% .

  - **Contribution to climate change:** This element incentivises corporate climate action. The Board assessed it with reference to Allfunds' recently approved Decarbonisation Plan, whereby Allfunds committed to be carbon neutral by 2030. In particular, the Board considered the levels of scope 1, scope 2 and scope 3 emissions and the energy intensity ratio of emissions by employees and by revenues during the year, all of which decreased compared to 2022 (further information can be found in the Strategic Report and in the ESG Report). The Board also took into account other achievements such as obtaining Carbon footprint ISO 14064 for the first time in March 2023 and the Environmental Management System ISO 14001 for the first time at global level in July 2023; the amendment of the electricity contract of the Madrid office to use only renewable energy from April 2023, following which 75% of the Group's total electricity comes from renewable sources; and the approval by the Board of an enhanced Climate Change Management and Environment Policy.

    The Board resolved that pay-out of this metric would be 100%.

- **Employee engagement:** This element links remuneration to employee experience. To assess it, the Board considered KPIs such as employee retention rate, which in 2023 increased from 87.21% to 91.67%, the fact that Allfunds was granted again in 2023 the Top Employer Certificate; initiatives conducted during the year including engagement workshops, the outcome of a new hiring survey to measure satisfaction during the onboarding process and first months at Allfunds; the launching of a wellbeing corner for employees, periodic sessions focused on mental health, nutrition and ergonomics, new training resources in connection with wellbeing and sports initiatives in several countries.

  As a result, the Board believes that delivery of this metric was slightly above target and that pay-out would be 110%.

- **D&I:** This element incentivises progress in embracing diversity and inclusion. The Board considered positively the approval of a new D&I Policy with ambitious goals in line with the Dutch Code, latest regulations and market expectations, as well as the approval of a new Global Parenting Policy, a Maternity and Paternity Guide consolidating employees' parental leave, procedures and benefits in Spain in one single document; a Gender-Based and Domestic Violence Support Guide; a Recruitment Guide for Managers to ensure hiring solely based on professional criteria; new interview templates for managers; and the launch of training sessions for managers on cognitive biases.

  The Board resolved that delivery of this metric was as targeted and resolved the pay-out would be 100%. In light of the above, the Board considered that the overall pay-out in Leadership and Culture would be 102.5%.

As for the CEO's individual performance, in 2023 the Board, based on the Remuneration, Appointments and Governance Committee's proposal, assessed it in the following key areas which align with Allfunds' strategic objectives:

Leadership	The Board, based on the Committee's feedback, acknowledged the fundamental role that the CEO's leadership played in enabling Allfunds to achieve continuous growth and diversification in spite of a complicated environment, which is proven by Allfunds' increased market share, the AuA growth achieved and the record revenues obtained in 2023. Further information on Allfunds results is available in the Strategic Report.
Strategy	The CEO has inspired and worked closely with the management team during the year to continue to enhance Allfunds' value proposition, as shown by the successful launch of the Allfunds Alternatives Solutions platform, the strong growth of digital services and the integration of recent acquisitions (namely MainStreet Partners and Iccrea Banca local paying agent business).
Controls and processes	The CEO has driven progress towards the implementation of a number of strategic transformation programmes to enhance Allfunds' processes and enable an improved Fund Houses' and Distributors' experience. He also contributed to further improvement of Allfunds' risk, resilience and control frameworks.
Sustainability and excellence	The CEO has increased the pace of sustainability and team excellence by guiding the development of the ESG Strategic Plan 2024-2026, continuously shaping a culture of engagement with his strong set of values, and strengthening the team with a new COO, Antonio Varela, and other new significant positions. Further information on the key achievements made during the year in terms of sustainability will be found in the 2023 ESG Report.

Based on the above, the Board considered that Juan Alcaraz's individual performance during 2023 was on target and he was granted a 100% 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 2023 should be 100.72% of his target bonus, that is, 120.86% of his annual base salary.

(E) Long-Term Incentive Plan

The CEO is eligible to participate in the LTIP approved by the Board of Directors in October 2021.

The purpose of the LTIP is to motivate and reward the ustainable long-term performance of the Group, to support talent retention and engagement with Allfunds, while aligning interests of participants and shareholders.

The LTIP operates as a rolling plan with annual awards whereby beneficiaries are awarded the right to receive shares at nil cost following a vesting period. The LTIP is generally awarded to over 15% of the Group employees and covers two types of awards: (i) a performance-based award typically awarded to most senior executives and the CEO where beneficiaries are granted an award in respect of a number of shares whose vesting is contingent on performance measures being achieved through the relevant performance periods; and (ii) a time-based award typically granted to less senior employees who are granted an award in respect of a number of shares whose vesting is linked to remaining employed through the vesting period.

After the IPO and up to the date of this report, three performance-based LTIP Awards have been awarded to the CEO. See the summary of outstanding LTIP Awards as well as details of the awards granted or vested in 2023 in the following pages of this report.

The executive director's LTIP target and maximum amounts are set by reference to the base salary as set out in the Directors' Remuneration Policy. In 2023, Juan Alcaraz was awarded an on-target LTIP opportunity of 130% of his base salary (125% in 2022), that is GBP 1,300,000, and a maximum LTIP opportunity of twice as much. These amounts are in line with the Directors' Remuneration Policy approved at the 2022 AGM.

As explained above with regard to the annual bonus, Juan Alcaraz's remuneration is subject to Spanish and European banking regulations. Changes to these regulations adopted in 2022 involve that the amount of his variable remuneration for a given performance year cannot exceed 200% of the amount of his fixed remuneration for that same year. In addition, at least 40% of each variable remuneration component (or 60% if the amount exceeds EUR 1 million) must be deferred within at least four years, and instruments shall be subject to a holding period of at least one year from their respective delivery dates.

When approving the LTIP in 2021, the Board set a dilution limit of 10% of the issued ordinary share capital over a 10-year period.

	Juan Alcaraz (CEO) (£ thousand)		
	2023	2022	Change from 2022
LTIP awards (E)[1]	84.0	102.0	-17.65%

1. According to applicable regulations, the single total figure table shows the value of the LTIP Awards whose vesting was contingent on performance measures where the performance period ended during the year under review. Therefore, column 2022 shows the value of the vested shares of the first tranche of the 2021 LTIP Award whose performance period ended on 31 December 2022, and column 2023 shows the value of the vested shares of the second tranche of the 2021 LTIP Award whose performance period ended on 31 December 2023. The 2022 and 2023 LTIP Awards remain subject to the achievement of performance measures in future financial years. The value of the shares has been calculated by multiplying the number of vested shares by the closing price at the date on which the shares vested converted to GBP at the exchange rate of that same date.

Summary of the CEO's outstanding LTIP Awards

Main conditions of the LTIP Awards					Information for the year ended 31 December 2023					
					Opening balance	During the year		Closing balance		
LTIP Award	End of performance period	Award date	Vesting date	End of holding period[1]	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
Tranche 2 2021 Award	31 Dec 2023	8 Oct 2021	March 2024	-	63,142	0	15,217	0	16,354	0
2022 Award	31 Dec 2024	1 April 2022	March 2025	2030	287,252	0	0	287,252	0	287,252
2023 Award	31 Dec 2025	14 April 2023	March 2026	2031	0	491,094	0	491,094	0	491,094
				Total	**350,394**	**491,094**	**15,217**	**778,346**	**16,354**	**778,346**

1. Delivery of the shares is partially deferred in four equal instalments during four years after vesting and they are subject to a holding period from the relevant delivery date (see above for further details). The column shows the end of the holding period of the shares delivered under the last instalment of each award.

Vesting of the second tranche of the 2021 LTIP Award

On 8 October 2021, Juan Alcaraz was granted an LTIP award (the 2021 LTIP Award).

His 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 and 126,284 shares at target and maximum level, respectively. This number was calculated on the grant date by dividing the monetary value of the award by the average middle market quotation in the 20 dealing sessions preceding the grant date 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 that had already vested 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, 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 2023; and

2. actual adjusted EBITDA (as appearing in the final annual accounts to be approved for each financial year) compared with the budgeted adjusted EBITDA (as approved by the Board in the budget for each financial year), cumulated in 2021, 2022 and 2023.

The second tranche of the 2021 LTIP Award vested on 31 December 2023 as follows. 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 96.4% given the actual adjusted EBITDA during the performance period amounted to 98.6% of the budgeted adjusted EBITDA. No discretion was exercised to adjust these formulaic outcomes.

For Mr Alcaraz, 15,217 shares vested and were delivered in March 2024. 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.

In view of the share price at which the number of shares awarded was calculated back in 2021 (€17.01), the Board has satisfied itself that no windfall gains occurred with respect to this LTIP Award.

The total number of shares vested and delivered to participants in the 2021 LTIP Award (first and second tranches) is 310,243, that is 0.05% of the Company's outstanding shares as of the date of this Report.

The LTIP Awards are subject to malus and clawback clauses under which the Remuneration, Appointments and Governance 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 Committee considers appropriate, the cash amount payable under an unvested LTIP Award or the number of shares under an unvested LTIP Award; or (iii) in relation to a vested LTIP Award, require a participant to pay to the Company, as the Remuneration, Appointments and Governance 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, Appointments and Governance 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.

Grant of the 2023 LTIP Award

On 14 April 2023, the third LTIP award (the 2023 LTIP Award) was granted to Juan Alcaraz.

The 2023 LTIP Award is fully payable in Allfunds' shares. The shares will vest in 2026 contingent on the achievement of the following performance measures (equally weighted) approved by the Remuneration, Appointments and Governance Committee:

1. Allfunds' TSR compared against the TSR of a predefined comparator group 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, Abrdn, Janus Henderson and Jupiter), 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 financial year) compared against the budgeted adjusted EBITDA (as approved by the Board in the budget for each financial year), cumulated in 2023, 2024 and 2025.

See further details on the peer group selection in the Annual Statement from the Chair of the Remuneration, Appointments and Governance Committee above.

For each performance measure, a threshold, target and maximum performance level, with associated payout ratios, is set:

	Performance levels			Payout ratios[1]		
Performance measures and payout ratios[2]	Threshold	Target	Maximum	Threshold	Target	Maximum
Allfunds' TSR against comparator group TSR	Below par	At par	> 33%	0%	100%	200%
Actual against budgeted adjusted EBITDA	-20%	At par	> 33%	50%	100%	200%

1. 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.
2. The TSR levels cannot be disclosed as they are unknown as of the date of the Annual Report. The adjusted EBITDA levels are not being disclosed for their commercial sensitivity. Both levels will be reported following the end of the performance period.

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 GBP 1,300,000. His maximum LTIP opportunity would be twice the target opportunity.

The equivalent number of shares 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 (€6.03). 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 resulting number of shares is 245,547 shares at target level and 491,094 shares at maximum level.

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. Therefore, the overall period of the 2023 LTIP Award will last nine years, until 2031, where the holding period of the shares to be delivered in the last instalment will end.

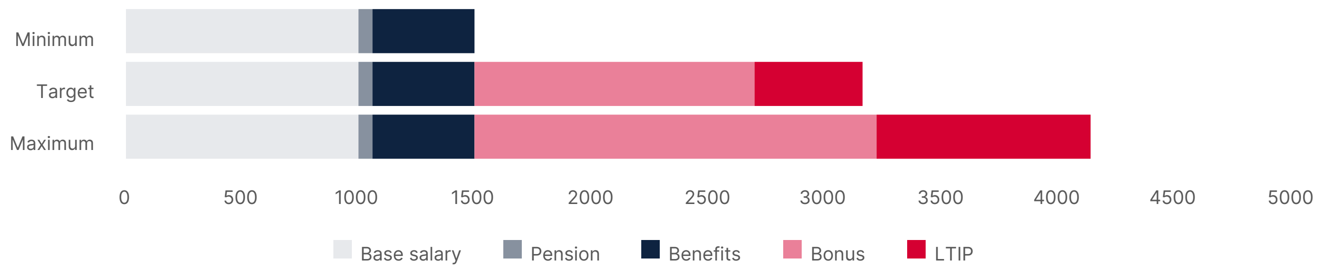
The 2023 LTIP Award does not carry dividends.

The LTIP Awards are subject to the malus and clawback clauses described above.

Other information concerning the executive's director remuneration in 2023

Scenario analyses

The scenario analyses prepared with respect to Juan Alcaraz's remuneration receivable in respect of 2023 are as follows (in GBP thousand):



- **Minimum:** consists of base salary, taxable benefits and pension (£1,502.4 thousand), and results in 100% of the total compensation being fixed
- **On-target:** consists of base salary, taxable benefits and pension (£1,502.4 thousand), plus on-target annual bonus (£1,200 thousand) and on-target vesting of the second tranche of the 2021 LTIP Award (£459.375 thousand), and results in 47.5% of the total compensation being fixed and 52.5% being variable
- **Maximum:** consists of base salary, taxable benefits and pension (£1,502.4 thousand), plus maximum annual bonus (£1,724 thousand) and maximum vesting of the second tranche of the 2021 LTIP Award (£918.750 thousand), and results in 36.24% of the total compensation being fixed and 63.76% being variable

The LTIP Awards' monetary value considered to prepare these scenarios was the value at the date of grant.

Malus and clawback clauses

In 2023 the Company did not apply any clawback or malus clause with respect to the executive director's variable remuneration.

Variable remuneration of the executive director and other employees classified as identified staff is subject to malus and clawback clauses in the following circumstances: (a) restatement of annual financial statements when so considered by the external auditor and provided the restatement involves that a lower amount of variable remuneration would have been payable; (b) sanction of the relevant employee for a serious and negligent breach of internal rules, especially if affecting the Group's risk profile, or fraudulent action by the relevant employee, or other action or omission involving negligence and causing damage to Allfunds; (c) regulatory fines or judgements against the Company for facts attributable to the relevant employee; (d) significant variations to the economic capital or risk profile of the Group that make the payment of variable remuneration unadvisable; or (e) termination of employment other than in the event of death, retirement or disability. Application of malus and clawback clauses remains at the discretion of the Board and will apply for five years from the date of accrual of the relevant variable remuneration component.

No outstanding loans

Juan Alcaraz does not have any outstanding loans towards the Company or any of the Group companies in accordance with the meaning of section 2:383e of the Dutch Civil Code.

New Directors' Remuneration Policy and planned implementation for the Executive Director in 2024

Below is a summary of the new Directors' Remuneration Policy that will be submitted to shareholders' approval at the 2024 AGM and how it is planned to be implemented in 2024 with respect to the CEO.

Base salary

It is proposed to increase Juan Alcaraz's base salary by 4%, that is from GBP 1,000,000 to GBP 1,040,000 (4%). This increase is the same as the one foreseen for the wider UK-based workforce (4%) and in line with the one foreseen for the overall population (3.9%). It is considered appropriate in view of the inflation context in the UK and following a 0% increase in 2023.

Pension arrangements

It is proposed to calculate Juan Alcaraz's annual pension contribution rate in line with the rate applicable to the UK workforce, for which purposes it is proposed to replace the monetary amounts and caps in the former policy by such qualitative calculation rule. In 2024 this rule will result in a total amount of 12% of his annual base salary. Out of this amount, 15% shall be linked to the achievement of the annual performance metrics of the variable remuneration award in order to comply with the Spanish regulatory requirement that at least 15% of the CEO's pension benefits shall be discretionary. The degree of achievement of these metrics may reduce but not increase the final amount of this 15% of the CEO's contribution rate. The Board is aware of the principle of the Investment Association that no element of variable pay should be pensionable but it is overridden by this legal provision. Therefore, GBP 106,080 shall appear in the single total figure table for 2024 as pension contribution under fixed remuneration, and up to GBP 18,720 (15%) shall appear as variable remuneration.

Other benefits

It is proposed to maintain Juan Alcaraz's flexible benefits at 2023 levels.

Single variable remuneration award

It is proposed to integrate the former bonus and LTIP into a single component effective from 2024. Please see the Annual Statement of the Chair of the Remuneration, Appointments and Governance Committee above for a full explanation of the **strategic rationale** for this plan. The amounts, performance metrics, scales and payouts of the award proposed to be implemented for the CEO in 2024 are described below.

Award opportunity

The proposed total award opportunity is GBP 1,917,000 at target level (that is 184% of his annual base salary) and GBP 3,163,050 at maximum level (that is ~198% of his fixed remuneration, 304% of his annual base salary, and 165% of his target opportunity). The Board notes, for comparative purposes, that the CEO's total variable opportunity in 2023, including the 2023 annual bonus and the 2023 LTIP Award, was GBP 2,500,000 (250% of his annual base salary for 2023) at target level and twice his fixed remuneration at maximum level.

Annual metrics

The award is subject to achieving the **annual performance** metrics in 2024 below, very similar to those of the 2023 annual bonus:

Annual performance measures	Weight (%)
Corporate metrics	**90%**
Financial metrics	***45%***
Adjusted EBITDA margin	22.5%
Revenue growth	13.5%
Annual recurring revenue growth	9%
Strategic non-financial metrics (commercial and operations)	***27%***
Client retention rate (Fund Houses and Distributors)	9%
New clients	9%
Operational excellence and client satisfaction	9%
E&S metrics	***18%***
Progress against ESG Strategic Plan 2024-2026	9%
Leadership and culture	9%
Individual metrics	**10%**
Personal contribution	10%
Total	100%

This scorecard encompasses a mix of corporate and individual performance measures and includes both financial, strategic non-financial and E&S criteria that allow overall sustainable value creation during the year to be measured

- **Financial metrics** focus on the Group's financial efficiency, which is measured through the Adjusted EBITDA Margin; the Group's growth, measured through Revenue Growth, and the Group's stability and resilience, measured through Annual recurring revenue growth. Combined, delivery against each of these metrics leads to sustainable value creation for shareholders and for the Company and therefore their inclusion in the scorecard allow to align remuneration with shareholders' interests.

- **Strategic non-financial metrics** focus on business and commercial factors that are linked to Allfunds' strategic pillars of continuously gaining market share and perpetuating the flywheel effect. Progress against these factors is measured through strategic KPIs included in the Strategic Report and regularly reported to the market by Allfunds. These metrics also help to align remuneration with client experience, which is at the heart of Allfunds' strategy, directly through the metric of client satisfaction and indirectly through retention rates.

- **E&S metrics** promote the development of a leadership model and culture focused on sustainability and link remuneration with sustainable value creation and the interests of the wider group of Allfunds' stakeholders. They have been defined from both an internal and external perspective and seek to measure not only progress against the Group's own plans but also progress on market perception of Allfunds from a sustainability standpoint.

For each quantitative metric (all the financial metrics, Client retention rate and New clients), the Board approved a threshold, target and maximum performance level and the corresponding pay-out opportunities. As in 2023, target levels are the Company's base case and the pay-out opportunity in this scenario is 100%. The threshold and maximum performance levels (in terms of percentage over target), as well as the pay-out opportunities for each of these levels, remain the same as in 2023. For more qualitative criteria (Operational excellence and client satisfaction, and E&S metrics), the Board defined the basis on which they will be assessed following year-end along the lines of the performance assessment conducted in 2023. The specific targets are considered to be commercially sensitive, but they will be retrospectively disclosed in the next Directors' Remuneration Report along with details of the Remuneration, Appointments and Governance Committee's assessment.

Deferral rules

40% of the CEO award vested based on the scorecard above will be paid in 2025, half in cash and half in Company shares. If the total vested amount is lower than EUR 1 million, 50% will be paid upfront. The remaining amount shall be **deferred over four years.** It shall be payable in four equal parts in 2026, 2027, 2028 and 2029. Each instalment shall be paid half in cash and half in Company shares.

Underpin and pluri-annual metrics

However, the payment of each deferred amount shall be subject to satisfaction of a **binary underpin**, which is proposed to consist in the Group maintaining CET1 ratios above 18.5% (higher than the average ratio in the Spanish and EU landscape). Satisfaction of the underpin shall be measured as of the end of the year preceding each payment date (ie. as of 31 December 2025, 31 December 2026, 31 December 2027 and 31 December 2028). Failure to satisfy the underpin in a given year will entail the loss of the deferred amount due that year, whereas satisfying it will trigger payment of the relevant deferred amount subject to the below.

In addition, each deferred amount will be subject to the achievement of the **pluri-annual performance metrics** described in the table below. These metrics shall be measured over a period of **three years** preceding the payment date. Exceptionally, the performance period shall necessarily be two years for the first instalment (i.e., from 1 January 2024 to 31 December 2025 for the deferred amount due in 2026). In accordance with article 138 of EBA Guidelines, the level of achievement of these pluri-annual metrics may reduce the final amount payable to the participant down to nil, but it may not increase it in the event of over achievement. The proposed performance scale and payout levels are the following:

	Performance levels		Payout ratios[1]	
Pluri-annual performance metrics and payout ratios	Threshold	Target (max)	Threshold	Target (max)
Allfunds' percentile within peers in the comparator group based on cumulated TSR over each performance period[2]	33%	>66%	50%	100%
Actual vs budgeted Adjusted EBITDA over each performance period[3]	80%	100%	50%	100%

1. Payout between these levels is calculated on a straight-line basis. Below the threshold level the payout is zero and above the target level the payout is capped.
2. The TSR levels cannot be disclosed as they are unknown as of the date of the Annual Report. They will be reported following the end of the performance period.
3. EBITDA targets are considered commercially sensitive. They will be retrospectively disclosed along with the actual outcome following the end of the performance period.

For comparative purposes, in 2023, 48% of the CEO total target variable opportunity was linked to annual performance (the portion of variable remuneration corresponding to the annual bonus) and 52% was linked to pluri-annual performance (the portion corresponding to the 2023 LTIP Award), so the proposed single award maintains this proportion nearly without change. The annual and pluri-annual metrics, their relative weights, performance scales and payout ratios have also been maintained nearly the same.

Holding period

The number of shares payable in each instalment shall be calculated based on the average closing price of the 20 trading days preceding the award date and will be disclosed in the following Annual Reports. All the shares will be subject to a **holding period** of one year from the date of delivery. The overall period of the award shall therefore extend from 1 January 2024 to the end of the holding period for the shares deliverable in early 2029, which shall end in early 2030.

Clawback and malus

The award shall be subject to the malus and clawback clauses described in the proposed Directors' Remuneration Policy.

Non-executive directors' remuneration

Non-executive directors' total compensation for 2023 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)

	Board fees (€)		Committee fees (€)		Allfunds Bank board fees (€)		Allfunds Bank board committee fees (€)		Total remuneration (€)	
Director	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
David Bennett[1]	200,000	138,461.54	0	0	200,000	128,571.43	0	-	400,000	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
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	47,500	12,500	12,500	47,500	47,500	12,500	12,500	120,000	120,000
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 so the amounts are prorata.

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.

New Directors' Remuneration Policy and planned implementation for non-executive directors in 2024

Non-executive directors' remuneration is planned to be maintained as in 2023.

Other remuneration disclosures

Total pension entitlements (audited)

No person having served as a director of the Company during 2023 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 2023.

Payments for loss of office

No payment for loss of office to directors of Allfunds was made in 2023.

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:

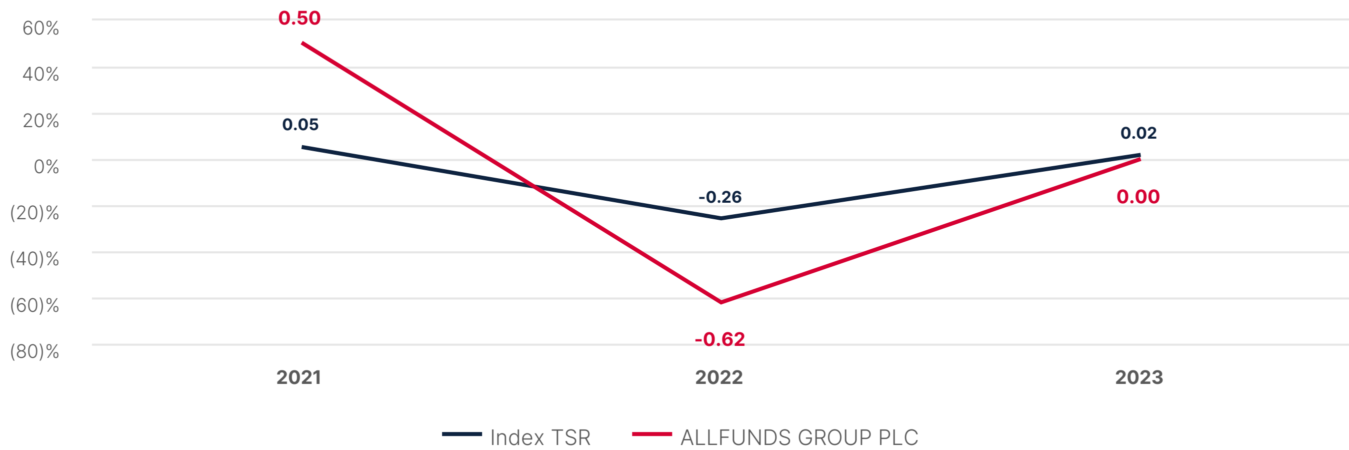
Directors	Shares held	Shares unvested and subject to performance conditions[1]
Executive directors		
Juan Alcaraz[2]	73,818	778,346
Non-executive directors		
David Bennett	7,000	0
Blake Kleinman	0	0
Johannes Korp	0	0
Zita Saurel	0	0
David Vaillant	0	0
Andrea Valier	0	0
Lisa Dolly	10,000	0
Sofia Mendes	0	0
David Pérez Renovales	10,000	0
JP Rangaswami[3]	0	0
Delfin Rueda	0	0
Ursula Schliessler	0	0

1. Refers to the maximum number of shares granted under the 2022 and 2023 LTIP Awards. 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 1.231% 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. This number includes the 15,217 shares vested under the second tranche of the 2021 LTIP Award and the 44,252 shares delivered as partial payment of the 2023 annual bonus.
3. 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 2023 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 following peer group: five wealth platforms (Hargreaves Lansdown, Avanza, Envestnet, AJ Bell and Integrafin), and nine global asset managers (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, Appointments and Governance 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 against. In 2023, the Committee approved the new peer group described above for the purposes of comparing Allfunds TSR's relative performance as a metric of the LTIP Awards and, more broadly, as a general peer group for the purposes of compensation. The new peer group 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.



The following table shows the CEO's historical pay outcomes starting in 2021, the year of admission to listing of Allfunds' shares:

CEO	2023	2022	2021
Total remuneration	2,795.0	2,207.7	3,020.7
Annual bonus as a % of maximum opportunity	70.25%	33.83%	96.25%[1]
Vested shares as a % of maximum	24.1%	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%.

CEO 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, as a matter of good practice and as recommended by best practice provision 3.4.1 of the Dutch Code, since the IPO the Company is disclosing the pay ratio between the total remuneration of the CEO and the average annual remuneration of the Group employees. As recommended by the Dutch Code Monitoring Committee, the CEO total annual remuneration includes all the remuneration components included in the 2023 annual accounts, and the average annual remuneration of employees has been determined by dividing the total staff cost for 2023 as included in the annual accounts divided by the average number of full-time employees in 2023.

	2023	2022	2021
CEO pay ratio	37.55	41.58[1]	35.35[2]

1. As explained in the 2022 Annual Report, the change in the CEO pay ratio from 2021 to 2022 was 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 2022 Financial Statements, and for information on the outcome of the 2022 annual bonus see the notes to the CEO single total figure table for 2022 in the 2022 Annual Report, where the level of achievement of each corporate goal was disclosed. These corporate goals were also applicable to all employees eligible for the annual bonus.
2. Or 38.94 in 2021 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.

Change in remuneration of directors and employees

The table below shows the annual percentage changes to the base pay (or fees), taxable benefits and annual bonus of each director and of the Group's employees for all financial years since the IPO (which took place in April 2021).

	2023 increase			2022 increase		
Directors	Salary / fees	Taxable benefits	Annual bonus	Salary / fees	Taxable benefits	Annual bonus
Executive director						
Juan Alcaraz[1]	0%	1.51%	98.2%	+36.05%	+3.15%	-51.58%
Non-executive directors						
David Bennett	0%	–	–	–	–	–
Blake Kleinman	–	–	–	–	–	–
Johannes Korp	–	–	–	–	–	–
Zita Saurel	–	–	–	–	–	–
David Vaillant	–	–	–	–	–	–
Andrea Valier	–	–	–	–	–	–
Lisa Dolly	0%	–	–	0%	–	–
Sofia Mendes	0%	–	–	0%	–	–
David Pérez Renovales	0%	–	–	0%	–	–
JP Rangaswami	0%	–	–	-20%	–	–
Delfin Rueda	0%	–	–	0%	–	–
Ursula Schliesser	0%	–	–	0%	–	–
Average employees[2]	+7.65%	-10.16%	+78.32%	+3.57%	+24.74%	-59.71%

1. The increase in taxable benefits is due to the increase of the health insurance premium, which was revised during the year. The increase of base salary in 2022 was decided in 2021 following the IPO but it was effective from 1 January 2022.
2. 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 2022 and 2023, and the percentage of change between these years.

€ million	2023	2022	Annual change
Dividends[1]	56.53	31.47	+79.63%
Share buybacks[2]	50	10	+400%
Employee remuneration[3]	129.11	95.55	+35.12%

1. Dividends paid, which correspond in 2023 to the dividend of €57 million (€0.09 per share) approved at the 2023 AGM and paid in May 2023, and 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 programmes announced on 28 July 2023 for 2023 and 8 November 2022 for 2022.
3. As shown in the approved annual accounts for each relevant financial year. The lower personnel expenses in 2022 were partially 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 2022 Financial Statements.

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 as before moving, considering especially that this payment may only accrue in the event of a good leaver. It is noted that these terms are compliant with Spanish regulations and standards, and that they were agreed well before the IPO and the Company's decision to voluntarily adhere to the Dutch Code, which is more strict in this matter.

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, Appointments and Governance Committee Report included in this Annual Report contains information in relation to the members of the Committee and the activities carried out in 2023. During the year, the Committee did not retain any external and independent advice (other than legal advice on compliance with legislation) with regard to directors' remuneration.

Statement of voting at the 2023 AGM

The Directors' Remuneration Report for the year ended 31 December 2023 submitted for shareholders' approval (advisory vote) at the 2023 AGM was passed with 80.70% of the votes cast in favour, 19.30% of the votes cast against, and 2,626,651 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

26 March 2024

Financial Statements

Additional information

Singapore, Singapore

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 2023 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

26 March 2024

Independent auditor's report to the members of Allfunds Group plc

Report on the audit of the financial statements

1. Opinion

In our opinion:

- the financial statements of Allfunds Group plc (the 'parent company') and its subsidiaries (the 'group') give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2023 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 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 comprehensive income;
- the consolidated statement of changes in equity;
- the consolidated statement of cash flows;
- the related notes 1 to 42 to the consolidated financial statements;
- the company statement of financial position;
- the company statement of comprehensive income;
- the company statement of changes in equity;
- the company statement of cash flows; and
- the related notes 1 to 14 to the company financial statements;

The financial reporting framework that has been applied in their preparation is applicable law and 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 and parent company for the year are disclosed in note 30 to the consolidated 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 – 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 €15.2 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 2023.
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 combined account for 100% of the Group's total assets, revenue and the group's profit before tax.
Significant changes in our approach	There has been no significant change to our approach in comparison to the prior year.

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 the directors' 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 the directors' 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;
- Considered whether any additional facts or information have become available since the date the directors' made their assessment as it relates to disclosures in the financial statements; and
- Assessed the appropriateness of disclosures pertaining to going concern 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	The carrying amount of Goodwill in the financial statements as of 31 December 2023 amounted to €1.3 billion (2022: €1.1 billion), this is a result of the group, in the prior years, making the following acquisitions through business combinations: • Allfunds Bank, S.A.U. ; • ATS – Digital (which includes Fintech Partners, SLU and Web Financial Group); • Allfunds Investlab (previously CS – Investlab AG); • Allfunds Sweden (previously Nordic Fund Market); • BNPP LPA Business; and • Allfunds Data Analytics Limited (previously Instihub Analytics Limited). In addition, during the current year, the group acquired two new businesses, Mainstreet Capital Partners Limited and Iccrea Banca's Local Paying Agency ('LPA') Business. 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 €1.3 billion accumulatively and net of any previously recognised impairment losses, 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 rates. The value in use of a CGU is sensitive to changes in underlying assumptions and is therefore inherently subjective. As explained in notes 3.c, 4 and 10 of the consolidated financial statements, use of the valuation models involves significant judgments and a high degree of estimation uncertainty around discount and growth rates. 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 (€1.3 billion) to total assets (€5.6 billion) of the group as at 31 December 2023, and the involvement of significant judgment 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 that 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 and growth rates which were then compared to the ones used by management; 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 disclosures in the consolidated financial statements as per the requirements of IAS 36 'Impairment of Assets'.
Key observations	We concur with the group's assessment that goodwill recognised as part of business combinations is not impaired.

5.2. Accounting for goodwill and intangible assets recognised as part of the Mainstreet Capital Partners Limited business combination

Key audit matter description	As explained in note 3.j and 11, in February 2023, the Group gained control of and acquired Mainstreet Capital Partners Limited for €43.6 million resulting in a business combination. In accordance with IFRS 3, the acquirer shall recognise, separately from goodwill, the identifiable intangible assets acquired in a business combination. An intangible asset is identifiable if it meets either the separability criterion or the contractual-legal criterion. 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 combination of Mainstreet Capital Partners Limited 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 over the PPA prepared by management’s expert were: • 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 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 combination, 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 – commission income

Key audit matter description	As disclosed in Note 25 of the accompanying financial statements, the group recognised commission income, which for the purposes of financial reporting is referred to as platform revenue (hereinafter, 'revenue') of €2.8 billion (2022: €2.7 billion) in connection with the marketing of 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% (2022: 99%) of the total revenue earned by the group for the year ended 31 December 2023. As part of the account closing process, there is a delay in the automated transfer of commission income earned for the last two days of each month and quarter end between the core revenue recognition application and the general ledger. This residual income eventually gets transferred to the general ledger, but at a later date. To address this, for financial reporting purposes, management manually computes the residual income of each month / quarter and posts a manual journal entry to reflect the correct revenue in the correct accounting period. Given this is a manual intervention by management in the form of a journal entry and is posted after the accounting close date with a retrospective effect, we consider that there is a fraud risk opportunity for management to alter commission income which could have a material impact on the financial statements. 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 the relevant controls (including information system controls) supporting the cut-off of revenue, as well as the related accounting and recognition procedures. In addition, our work also included the following substantive procedures: • We tested the manual journal entry passed by management to adjust revenue as part of the account closing process; • For commission income earned for the period 1 January 2023 to 30 September 2023 we circularised 72% of the commission income population through third-party confirmation letters to customers to confirm revenue earned during that period. Where responses have not been received, we have performed alternative procedures in the form of obtaining documents evidencing receipt of revenue from customers. • For the period 1 October 2023 to 31 December 2023, with the support of our IT specialists, we recomputed revenue earned for that period; 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 assess whether revenue had been recognised appropriately.
Key observations	Overall, we concluded that revenue has been appropriately recognised in all material respects.

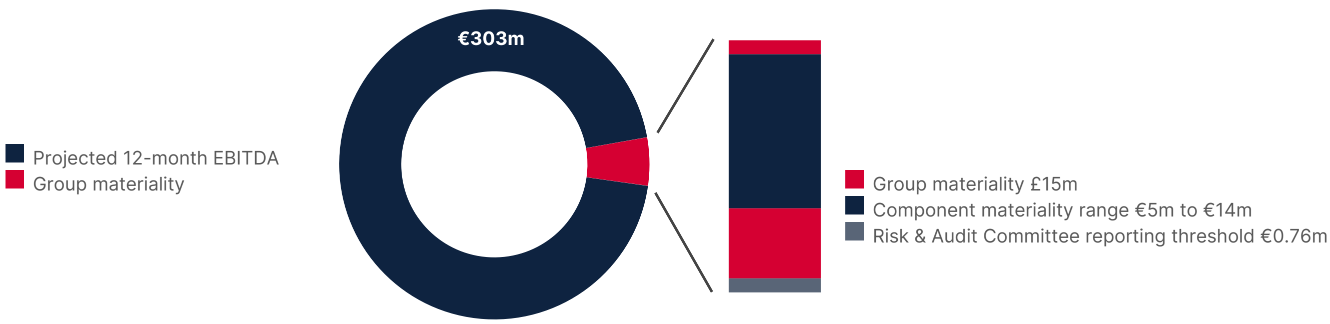
6. Our application of materiality

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	€15.2 million (2022: €13.1 million)	€5.1 million (2022: €1.8 million)
Basis for determining materiality	We have used 5% of 12-month projected EBITDA. This is consistent with the prior year approach.	We have used 5% of income before tax. This is consistent with the prior year approach.
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% (2022: 70%) of group materiality	70% (2022: 70%) of parent company materiality
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 prior periods.	

6.3 Error reporting threshold

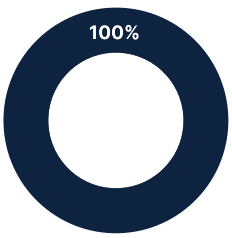
We agreed with the Risk & Audit Committee that we would report to the Committee all audit differences in excess of €0.76 million (2022: €0.65 million), as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also report to the Risk & Audit Committee 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

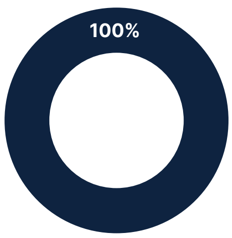
Our group audit was scoped by obtaining an understanding of the group and its environment, including group-wide controls, and assessing risks of material misstatement at the group level. Audit work to respond to the risks of material misstatement was performed by the group audit engagement team and component auditor as determined by the group audit engagement team. The group audit was focussed 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 €5 million and €14 million.

Revenue



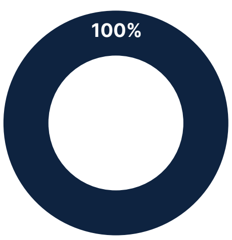
Full audit scope
Specified audit procedures
Review at group level

Profit before tax



Full audit scope
Specified audit procedures
Review at group level

Net assets



Full audit scope
Specified audit procedures
Review at group level

7.2. Our consideration of the control environment

Our audit scope included an understanding of relevant accounting processes and controls in place at the group, including consolidation related controls. We performed the audit using a substantive approach without placing reliance on controls over financial reporting.

At Liberty Partners, S.L.U. component level, we obtained an understanding of and tested the relevant manual controls over the recording of commission income and expense in the correct accounting period. For all remaining audit risks associated with commission income and expense other than cut-off, and all other account balances and classes of transactions we performed the audit using a substantive approach without placing reliance on controls. In addition, with the involvement of our IT specialists we tested General IT Controls at the component level.

7.3. Our consideration of climate-related risks

In planning our audit, we have gained an understanding of the directors' 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 the component audit team outlining the key areas of focus for us at the 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.

There was frequent oversight of the 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 judgment and estimation uncertainty and review of their working papers.

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 & 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, 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 – commission income. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory framework 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 – commission income as a key audit matter related to the potential risk of fraud. The key audit matters section of our report explains the matter in more detail and also describes the specific procedures we performed in response to that key audit matter.

In addition to the above, our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- enquiring of management, the Risk & 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 this matter.

14. Other matters which we are required to address

14.1. Auditor tenure

Following the recommendation of the audit committee, we were appointed by Risk & Audit committee 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 seven years, covering the years ending 31 December 2017 to 31 December 2023. It is important to note that due to audit rotation requirements at Liberty Partners, S.L.U. component level, this 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 Risk & Audit committee

Our audit opinion is consistent with the additional report to the Risk & 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.

Marc Cleeve, FCA (Senior statutory auditor)
For and on behalf of Deloitte LLP

Statutory Auditor

St. Helier, Jersey
26 March 2024

Consolidated statement of financial position

As at 31 December 2023

	Notes	31 Dec 23 EUR ('000s)	31 Dec 22 EUR ('000s)
Assets			
Non-current assets			
Goodwill	10	**1,276,468**	1,128,862
Intangible assets	10	**1,089,265**	1,130,751
Property, plant and equipment	9	**31,279**	25,844
Financial assets held at amortised cost	12	**1,256**	795
Deferred tax assets	14	**92,748**	110,169
Total non-current assets		**2,491,016**	2,396,421
Current assets			
Financial assets at fair value through profit or loss	36	**14,133**	3,054
Financial assets held at amortised cost	12	**287,276**	452,642
Contract assets	13	**667,139**	622,880
Tax assets	14	**3,328**	20,544
Other assets	15	**6,359**	8,228
Cash and cash equivalents	16	**2,100,972**	1,623,341
Total current assets		**3,079,207**	2,730,689
Total assets		**5,570,223**	5,127,110
Equity and Liabilities			
Non-current liabilities			
Deferred tax liabilities	19	**188,558**	204,148
Financial liabilities held at amortised cost	17	**391,039**	193,977
Lease liabilities	37	**16,512**	11,155
Provisions	20	**3,638**	916
Total non-current liabilities		**599,747**	410,196
Current liabilities			
Financial liabilities at fair value through profit or loss	36	**1,266**	759
Financial liabilities held at amortised cost	17	**1,958,806**	1,771,997
Contract liabilities	18	**561,419**	522,095
Lease liabilities	37	**7,036**	5,689
Tax liabilities	19	**26,029**	29,109
Other liabilities	21	**65,011**	32,761
Total current liabilities		**2,619,567**	2,362,410
Total liabilities		**3,219,314**	2,772,606
Equity			
Share capital	22a	**1,550**	1,574
Share premium	22a	**2,010,180**	2,060,156
Retained earnings		**292,516**	263,348
Treasury shares	22b	**(8,860)**	(10,000)
Other reserves	22c	**55,523**	39,426
Total equity		**2,350,909**	2,354,504
Total equity and liabilities		**5,570,223**	5,127,110

The consolidated Financial Statements were approved and authorised by the Directors of the Company on 26 March 2024 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 comprehensive income

For the year ended 31 December 2023

	Notes	31 Dec 23 EUR ('000s)	31 Dec 22 EUR ('000s)
Fee, commission and service revenue	25	**2,781,810**	2,742,012
Fee, commission and service expense	26	**(2,312,681)**	(2,247,361)
Net Fee, Service and Commision Revenue		**469,129**	494,651
Interest Income	27	**76,728**	—
Interest Expense	28	**(353)**	—
Net Interest Income from Treasury Activities		**76,375**	—
Net Revenue [1]	5	**545,504**	494,651
Employee compensation and benefits	29	**(129,110)**	(95,547)
Other expenses	30	**(102,610)**	(130,174)
Other operating income/(expenses)	31	**5,615**	(770)
Amortisation and depreciation relating to other intangible assets and property, plant and equipment	9, 10	**(39,508)**	(31,139)
Amortisation of intangible assets acquired as a result of business combinations	10	**(108,498)**	(139,925)
Profit before finance costs, impairment losses, provisions and tax expense		**171,393**	97,096
Finance costs	32	**(15,557)**	(4,330)
Impairment losses	33	**(3,209)**	(9,041)
Provisions	20	**—**	—
Profit before tax		**152,627**	83,725
Tax expense	34	**(66,921)**	(34,542)
Profit after tax		**85,706**	49,183
Basic and diluted earnings per share (EUR)	35	**0.1385**	0.0793
Items that may or may not be reclassified subsequently to profit or loss			
Exchange differences on translation of foreign entities[2]		**21,226**	15,036
Total		**21,226**	15,036
Total comprehensive income for the period		**106,932**	64,219

1. Net revenue is comprised of fee, commission and service revenue recognised under IFRS 15 less fee, commission and service expense, plus the net interest income from treasury activities. Net revenue includes the results of all the principal products and services offered by Allfunds for the Wealth Management industry, reflecting the integral relationship between revenue generated and the expenses concurrently incurred.
2. 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 2023

	Notes	Share capital EUR ('000s)	Share premium EUR ('000s)	Retained Earnings EUR ('000s)	Treasury Shares EUR ('000s)	Other reserves EUR ('000s)	Total equity EUR ('000s)
		Attributable to the owners of Allfunds Group plc					
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		—	—	—	—	15,036	15,036
Transactions with owners of the Company							
Dividends	23	—	—	(31,471)	—	—	(31,471)
Treasury shares acquired	22b	—	—	—	(10,000)	—	(10,000)
Employee share scheme	3g, 22c, 29	—	—	—	—	7,926	7,926
Other	22c	—	—	(505)	—	—	(505)
Balance as at 31 Dec 2022		1,574	2,060,156	263,348	(10,000)	39,426	2,354,504

	Notes	**Share capital EUR ('000s)**	**Share premium EUR ('000s)**	**Retained Earnings EUR ('000s)**	**Treasury Shares EUR ('000s)**	**Other reserves EUR ('000s)**	**Total equity EUR ('000s)**
		Attributable to the owners of Allfunds Group plc					
Balance as at 1 Jan 2023		**1,574**	**2,060,156**	**263,348**	**(10,000)**	**39,426**	**2,354,504**
Profit for the year		—	—	85,706	—	—	**85,706**
Total other comprehensive income for the year	22c	—	—	—	—	21,226	**21,226**
Transactions with owners of the Company							
Dividends	23	—	—	(56,538)	—	—	**(56,538)**
Treasury shares acquired	22b	—	—	—	(50,000)	—	**(50,000)**
Share capital cancellation	22a	(24)	(49,976)	—	50,000	—	**—**
Employee share schemes	3g, 22c, 29	—	—	—	1,140	6,875	**8,015**
Other	22c	—	—	—	—	(12,004)	**(12,004)**
Balance as at 31 Dec 2023		**1,550**	**2,010,180**	**292,516**	**(8,860)**	**55,523**	**2,350,909**

The Notes form an integral part of these Financial Statements.

Consolidated statement of cash flows

For the year ended 31 December 2023

	Notes	31 Dec 23 EUR ('000s)	31 Dec 22 EUR ('000s)
Operating activities			
Profit after tax for the period		**85,706**	49,183
Adjustment for:			
Depreciation and amortisation	9, 10	**148,006**	171,064
Net (gain)/ loss on financial assets and liabilities at fair value	31	**(2,296)**	701
Net exchange differences	31	**2,153**	2,211
Impairment losses	33	**3,209**	9,041
Provisions	20	**900**	—
Finance costs	32	**15,557**	4,330
Short term rentals		**862**	—
Tax expense	34	**66,921**	34,542
Employee share schemes	3g, 22c, 29	**8,015**	7,926
Profit adjusted for non-cash items		**329,033**	278,998
Net decrease/(increase) in operating assets			
Financial assets held at amortised cost		**164,792**	(199,718)
Financial assets at fair value through profit or loss		**(8,783)**	(2,714)
Other operating assets		**(42,708)**	91,447
		113,301	(110,985)
Net increase/(decrease) in operating liabilities			
Financial liabilities at fair value through profit or loss		**508**	363
Financial liabilities held at amortised cost		**185,348**	(270,538)
Other operating liabilities		**66,717**	(140,718)
		252,573	(410,893)
Payments of corporation taxes		**(51,900)**	(64,612)
Net cash flows generated / (used in) operating activities		**643,007**	(307,492)
Investing activities			
Purchase of property, plant and equipment	9	**(1,342)**	(2,242)
Purchase of intangible assets	10	**(78,316)**	(37,475)
Cash consideration paid on acquisition of subsidiaries, net of cash acquired	11	**(137,183)**	(127,064)
Net cash flow used in investing activities		**(216,841)**	(166,781)

The Notes form an integral part of these Financial Statements.

	Notes	31 Dec 23 EUR ('000s)	31 Dec 22 EUR ('000s)
Financing activities			
Dividends	23	**(56,538)**	(216,471)
Proceeds from borrowings on revolving credit facility	17	**174,000**	146,000
Treasury share acquisition through Share buyback	22b	**(50,000)**	(10,000)
Loan interest paid		**(12,576)**	(4,403)
Lease liability payments	37	**(7,946)**	(7,931)
Other transactions with owners	11	**6,678**	—
Net cash flow from / (used in) financing activities		**53,618**	(92,805)
Effect of exchange rate changes on cash and cash equivalents	31	**(2,153)**	(2,211)
Net (decrease) / increase in cash and cash equivalents		**477,631**	(569,289)
Cash and cash equivalents at the start of the year		**1,623,341**	2,192,630
Cash and cash equivalents at the end of the year	16	**2,100,972**	1,623,341

Non-cash disclosures

During the year to 31 December 2023 157,384 ordinary shares were delivered to the beneficiaries of the Employee share schemes (none in the year to 31 December 2022).

Method used

The direct method has been used in the preparation of the cash flows for both the years ended 31 December 2023 and 31 December 2022.

The Notes form an integral part of these Financial Statements.

Notes to the consolidated financial statements

For the year ended 31 December 2023

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 2023, the Company is 34.8% owned by LHC3 Limited (formerly LHC3 Plc), 5.9% by BNP Paribas S.A., 6.4% by BNP Paribas Asset Management Holding ("BNPP AM"), 0.2% by the Company through Treasury Shares, while the remaining 52.7% of the ordinary shares of the Company are listed on the Euronext Amsterdam exchange.

The largest shareholder, LHC3 Limited, is in turn wholly owned by LHC2 Limited having its registered address at Third Floor, 37 Esplanade, St. Helier, Jersey, JE1 1AD. Similarly LHC2 Limited is wholly owned by LHC1 Limited which indirectly holds its share of the Company through LHC2 Limited and LHC3 Limited. LHC1 Limited is ultimately jointly controlled by Hellman & Friedman LLC and its affiliates ("H&F"), and Eiffel Investment Pte Ltd, a nominated investment vehicle of GIC Special Investments Pte Ltd, a direct subsidiary of GIC (Ventures) Pte Ltd ("Eiffel"), with a minority holding held by LHC Manco Limited, a company owned by certain members of senior management of the Allfunds Group.

2. Basis of Accounting

2.a. Statement of compliance

The consolidated and individual financial statements for the year ended 31 December 2023 (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 42). 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 17 – Insurance contracts and Amendments to IFRS 17	1 January 2023
Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12)	1 January 2023
Definition of Accounting Estimates (Amendment to IAS 8)	1 January 2023
Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)	1 January 2023
Classification of Liabilities as Current or Non-Current (Amendment to IAS 1)	1 January 2023
International Tax Reform - Pillar Two Model Rules (Amendment to IAS 12)	1 January 2023

The following amendments and interpretations became effective after the 31 December 2023:

	Effective from
Amendments to IFRS 16 –Leases on Sale and Leaseback	1 January 2024
Amendments to IAS 1 – Non Current Liabilities and Covenants	1 January 2024

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.

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For the year ended 31 December 2023

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 and debt securities, 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 expired or have been transferred.

iii. Financial assets at fair value through profit and loss

Financial assets at fair value through profit and loss are assets derived from a business model where the objective is to obtain contractual cash flows and to sell those instruments but the contractual cash flows do not comply with the requirements of the SPPI test. These assets are recognised in the consolidated balance sheet and measured upon acquisition at fair value and changes in the fair value are recognised as their net value, when applicable, under the heading gains or losses on financial assets at fair value through profit and loss within the other operating income expense. Please see Note 31.

iv. 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.

v. 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.

vi. Impairment of financial assets

The Group applies the IFRS 9 simplified approach to measuring expected credit losses ("ECL") 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. This approach is consistent with the expectations and requirements of the Banking Regulator for the Group´s most significant subsidiary, Allfunds Bank, S.A.U. 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 uncollectible, 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. Please see Note 6.b.

vii. Financial liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into.

viii. 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 initially recorded 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.

ix. 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. Please see Note 3.i.

x. Trade and other payables

Trade and other payables consist of amounts payable to clients and other counterparties and obligations to pay suppliers for goods and services in the ordinary course of business, including amounts recognised as accruals. Trade and other payables are measured at amortised cost using the effective interest method.

xi. Derivative financial instruments

The Group enters into derivative financial instruments, 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 2023 and 31 December 2022, 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

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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 2023 and 31 December 2022, are 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
Brand names	16.5 years
Exclusivity agreements	2-10 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 Assets under Administration ("AuA"). Platform Revenues can be divided into Asset-Based Revenues, Transaction-Based Revenues and Net Treasury Income.

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 are 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, and
- 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.

Net Treasury Income: consists mainly of accrued interest originated from investing the liquidity generated on the Platform in a variety of financial instruments in a held to collect business model. The contractual characteristics of these financial instruments meet the SPPI test whereby the contractual terms of the financial asset give rise to cash-flows that are solely payments of principal and interest on the principal amounts outstanding.

In 2023, the Group has set-up the "Treasury activities" business area with the aim of generating recurring revenues managing liquidity originated by the intermediation and distribution activities of UCIs with Distributors and Fund Houses. The area has been provided with material and human resources, established procedures and controls, provides regular reporting to the Executive Committee and has expanded the variety of financial instruments and counterparties, and renegotiated conditions to maximize returns. Currently, the business model is defined as "Held to collect" (the assets under this category are subsequently measured at amortized cost, after initial recognition, using the "effective interest rate" method) although the implementation of other business models is not ruled out in the future.

Subscription and other revenues:

These include:

- 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.
- Environmental, Social and Governance ("ESG") related services: providing investment strategies via model portfolios and empowered reporting.

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, plus the interest income from treasury activities. Net revenue includes the results of all the principal products and services offered by Allfunds for the Wealth Management industry, reflecting the integral interrelationship between revenue generated and the expenses concurrently incurred.

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For the year ended 31 December 2023

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 2023, 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, 2022 and 2023, the Board of Directors of the Company approved the launch of Long-Term Incentive Plans (LTIPs) as share-based payment schemes 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 was executed at the beginning of 2023, and the second tranche at the beginning of 2024 (for the second incentive plan the date is at the beginning of 2025 and for the third incentive plan in 2026).
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 2023, 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 2023 is an accrual of EUR 8,015 thousand (EUR 7,926 thousand for the year ending 31 December 2022) 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 2023. The estimated cost will be reviewed in subsequent reporting periods.

During the year to 31 December 2023 the Company delivered 157,384 ordinary shares to the beneficiaries of the 2021 Employee share scheme. These shares were delivered at no cost for the receiving beneficiaries. (See Statement of Consolidated cashflows non cash transactions).

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 was 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 normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits at the earlier of the following dates: (a) when the Group can no longer withdraw the offer of those benefits; and (b) when the entity recognises costs for a restructuring that is within the scope of IAS 37 and involves the payment of terminations benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

3.h. Income Tax

Current tax expense or benefit is based on the taxable profit for that year. Taxable profit differs from the profit as reported in the consolidated statement of comprehensive income because it excludes items of income or expenses that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. Furthermore, the accrual for current tax includes provisions for uncertain tax positions which require estimates for each matter and the exercise of judgement in respect of the interpretation of tax laws and the likelihood of challenge of historical tax positions.

Current tax assets and liabilities are measured as the amount expected to be paid to tax authorities, net of recoveries based on the tax rates and laws enacted or substantively enacted at the date of the statement of financial position. The Group periodically evaluates positions taken in the tax returns for situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax liabilities are provided for using the liability method on temporary differences between carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that, at the time of the transaction, affects neither accounting nor taxable profit or loss.

Deferred tax assets are recognised for all deductible temporary differences and 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 37). 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 32).

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For the year ended 31 December 2023

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 2023 and 31 December 2022 are 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 "Legal and professional costs" within other expenses (see Note 30).

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.

The Group has realised a business combination whereby exists put and call options between the Group and the non-controlling interest (See Note 11 Business Combinations for further details about the applied accounting policy).

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 gains or losses arising on their disposal are credited or debited, as appropriate, to the header Retained Earnings in the consolidated balance sheet.

During the year ended 31 December 2023 Treasury shares acquired and subsequently cancelled to the value of Eur 50,000 thousand. (No own shares were disposed of during the year ended 31 December 2022).

In January 2024, the Company delivered 94,859 own shares to the beneficiaries of the 2021 LTIP Award that had vested on 1 January 2024. These shares were delivered at no cost for the receiving beneficiaries. (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 and 61,355 in April 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 intangible assets with finite lives – The determination of the useful economic life of intangible assets 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 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. Please see Note 14.

4.b. Key sources of estimation uncertainty

- Business Combinations - The Company accounts for business combinations under the acquisition method. The cost of an acquired business is assigned to the tangible and intangible assets acquired and the liabilities assumed on the basis of their fair value at the date of acquisition. Any excess of purchase prices over their fair value of the net tangible and intangibles assets is allocated to goodwill. The determination of fair values acquired and liabilities assumed required 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.

Notes to the consolidated financial statements continued

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These estimates are most relevant to goodwill and the 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.

- Revenue Recognition - The Group recognised revenue as per IFRS 15 Revenue from contracts with customer, using complex calculation models which incorporate amongst others, data including the net asset values, exchange rates and the number of transactions performed. However, when counterparties settle their pending balances, which usually occurs on a monthly or quarterly basis, differences may arise between the accounting recorded and the amounts actually collected as per the current contractual terms of the counterparties. As such, any such differences between the accounting recorded and the cash received should be recognised in the Statement of Comprehensive Income.

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 Asset-based revenues, Transaction-based revenues and Treasury revenues.
  - Asset-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 treasury income consist mainly of accrued interest originated from investing the liquidity generated on the Platform in a variety of types of financial instruments (the contractual characteristics of these financial instruments meet the "SPPI" test") in a "Held to collect" business model.

- 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 2023 EUR (’000s)	2022 EUR (’000s)
Platform revenue	**2,799,738**	2,701,905
Asset-based revenue	**2,640,499**	2,603,596
Transaction-based revenue	**82,511**	98,309
Net Treasury Income	**76,728**	—
Platform expense	**(2,313,034)**	(2,247,361)
Asset-based expense	**(2,312,681)**	(2,247,361)
Transaction-based expense	**—**	—
Net Treasury expense	**(353)**	—
Net platform revenue	**486,704**	454,544
Subscription and other revenues	**58,800**	40,107
Subscription and other expenses	**—**	—
Net subscription and other revenues	**58,800**	40,107
Total Net Revenue	**545,504**	494,651

No single customer contributed 10% or more to the Allfunds Group’s revenue in either the year to 31 December 2023 or 31 December 2022.

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 significant 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.

Notes to the consolidated financial statements continued

For the year ended 31 December 2023

The Group's exposure to foreign currency risk at the end of the reporting period, expressed in Euros, was as follows:

	2023				2022			
	EUR ('000s)				EUR ('000s)			
	USD	GBP	CHF	Other	USD	GBP	CHF	Other
Assets								
Cash, and cash equivalents	**400,012**	**72,479**	**54,618**	**64,672**	303,147	77,838	68,690	40,162
Financial assets held at amortised cost	**72,681**	**12,887**	**4,687**	**35,082**	165,672	5,928	3,581	65,678
Financial assets at fair value through profit and loss	**2,270**	**7,992**	**—**	**15**	—	—	—	—
Other assets[1]	**99,190**	**12,061**	**378,277**	**77,412**	95,867	13,277	375,046	67,981
Liabilities								
Financial liabilities held at amortised cost	**(396,619)**	**(83,207)**	**(20,381)**	**(57,174)**	(447,404)	(100,478)	(22,310)	(72,253)
Other liabilities	**(88,286)**	**(10,759)**	**(46,366)**	**(55,842)**	(80,226)	(10,541)	(52,849)	(41,795)
	89,248	**11,453**	**370,835**	**64,165**	37,056	(13,976)	372,158	59,773

1. Other assets CHF includes EUR 308,612 thousand related to intangibles assets and goodwill (31 December 2022 EUR 305,224 thousand).

As shown in the table above, the Group is exposed to USD, GBP, CHF 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. In any case, the Group made use of FX spot and forward transactions to reduce exposures to foreign currencies.

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 5,357 thousand (2022: EUR 4,550 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, have a short maturity or are variable interest rate risk instruments (except for time deposits). 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 as at 31 December 2023 and 31 December 2022. 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.

All financial assets measured at amortised cost other than trade receivables are classified as Stage 1.

The Allfunds Group uses a provision matrix to calculate the ECL and this estimate was made on the basis of industry-specific information and accumulated experience and uses a combination of past-due days and the credit quality of counterparties. Since these assets mature in the short term, and the Group has applied the simplified approach for trade receivables under IFRS 9, this eliminates the need to calculate a 12-month expected credit loss or to measure increases in credit risk for the instrument.

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 uncollectible (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.

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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 Group's exposure to liquidity risk at the end of the reporting period as at 31 December 2023, expressed in Euros, was as follows:

	On demand EUR (`000s)	Less than 6 months EUR (`000s)	6 to 12 months EUR (`000s)	1 to 5 years EUR (`000s)	More than 5 years EUR ('000s)	Total EUR ('000s)
Assets						
Cash and cash equivalents:						
Cash balances at Central Banks and in hand	1,337,242	—	—	—	—	1,337,242
Other demand deposits	763,730	—	—	—	—	763,730
Financial assets at amortised cost:						
Time deposits from credit institutions	—	90,755	36,199	—	—	126,954
Receivables from customers	132,426	508	195	843	413	134,385
Balances held at Central Banks	—	12,807	—	—	—	12,807
Debt securities	—	14,386	—	—	—	14,386
Total assets	**2,233,398**	**118,456**	**36,394**	**843**	**413**	**2,389,504**
Liabilities						
Financial liabilities at amortised cost:						
Demand accounts from credit institutions	431,090	2,722	—	366,946	—	800,758
Demand accounts from non credit institutions	1,121,857	—	—	—	—	1,121,857
Other financial liabilities	340,054	63,083	—	24,093	—	427,230
Lease liabilities	—	3,664	3,372	15,507	1,005	23,548
Total liabilities	**1,893,001**	**69,469**	**3,372**	**406,546**	**1,005**	**2,373,393**

Within assets are Cash and cash equivalents which comprise both Cash balances at Central Banks and Other demand deposits that have no restrictions and are all available on demand. Please see Note 16.

Financial assets at amortised cost include time deposits from credit institutions and receivable balances from customers, mainly derived from the intermediation business, and both are of a short-term nature with the majority due either on demand or in a period of three months or less. Please see Note 12.

Liabilities contain Demand accounts from credit institutions which include the revolving credit facility ("RCF") due for repayment of EUR 366,946 in the period of 1 to 5 years. The interest expense payable regarding the RCF was EUR 2,722 thousand and this is included in the time period of less than 6 months. For details of the RCF, please see Note 17.

All other balances included within demand accounts from credit institutions and non-credit institutions are both are of a short-term nature being due on demand.

Non current other financial liabilities relate to the M&A consideration transferred pending payment of EUR 24,093 thousand which is included in the time period of 1 to 5 years. For further details please see Note 11.

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.

Within the Group, Allfunds Bank, S.A.U. and the Liberty Partners Group, both 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 2023 and 31 December 2022.

8. Taxation

8.1 Tax Event from Prior Year

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 was required to make a step-up tax payment of EUR 36,700 thousand in three instalments each June from 2021 to 2023 (with a 2.5% interest accruing on the second and third instalment). All these payments have already been made, 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.

From an accounting perspective, for 2023, payment of the third instalment, already mentioned, had no impact in the statement of comprehensive income of Allfunds Bank Milan branch (except for interest paid) as this step-up tax cost was already recognised in 2021.

For more details on the tax step up election made, please refer to the audited annual consolidated financial statements of 31 December 2021 in Note 8.

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8.2 Other contributions

On 28 December 2022, the Law for the establishment of the temporary tax levy 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-tax public economic levy during the years 2023 and 2024 for those credit institutions that operate in Spain whose total gross income for interest and commission generated in the year 2019, equals or exceeds €800 million. See contribution to taxes description in Note 30.

The amount of the levy to be paid results from applying a 4.8% to the sum of the net margin of interest and commission derived from the activities carried out in Spain, as shown in the income statement of the tax consolidation group to which the credit institutions belong for the immediately preceding year. The impact for 2023 has been EUR 7.2 million (already paid) which has been treated as non-deductible for corporate income tax purposes. The bank levy for 2024 has been estimated at EUR 7 million.

Allfunds Bank, S.A.U., the Company`s wholly owned indirect subsidiary, has undertaken the appropriate legal measures to appeal against this bank levy.

8.3 Pillar Two Disclosure

The OECD and G20 Inclusive Framework on Base Erosion and Profit Shifting announced plans under the Pillar Two Framework to introduce a global minimum tax rate of 15% and the OECD issued model rules in 2021.

Further OECD guidance has been released during 2022 and 2023 and the UK Government enacted legislation on 11 July 2023 to implement the global minimum tax rules and a UK domestic minimum tax. The UK´s Pillar Two rules apply for accounting periods beginning on or after 31 December 2023 and will apply in respect of profits for every jurisdiction where the Group operates.

Allfunds Group plc would be the ultimate parent entity of the Group for Pillar Two purposes.

Some of the jurisdictions where the Group operates, such as Italy, Switzerland, Sweden, France and Luxembourg, have already enacted new legislation to implement the global minimum top-up tax. Others, as is the case in Spain, are still in the process of transposition of the Directive 2022/2523 into Spanish legislation. However, in line with the provisions of the Preliminary Draft Bill submitted for public information, it is expected to take effect for tax periods beginning on or after 31 December 2023.

The Group has adopted the International Tax Reform - Pillar Two Model Rules amendment to IAS 12, which were issued on 23 May 2023, and approved by the UK Endorsement Board on 19 July 2023. The Group has applied the exception set out in paragraph 4A in respect of recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two taxes.

The Group has reviewed the published UK legislation alongside the OECD model rules and guidance and has performed an assessment of the expected impact of the new regime. This assessment has been carried out as a preliminary exercise of the Group`s exposure to Pillar Two based on both 2022 and 2023 consolidated figures of the Group in each of the constituent jurisdictions and the analysis of the Transitional Safe Harbour envisaged by the OECD.

In this regard, additional taxes resulting from the implementation of Pillar Two are not expected to arise from 1 January 2024. The Group will continue to review further guidance due to be released by the OECD and Governments implementing this new tax regime to assess the potential impact and will continue to review the regulations and guidance as they are issued.

8.4 Inspection

Under current legislation, tax returns cannot be deemed to be definitive until they have been reviewed by the tax authorities or until the related statute of limitations period has expired.

The Group is open to tax inspection by the tax authorities for taxes that are applicable due to its activity and with respect to those tax years that, as of that date, are not statute barred.

Also, as tax legislation applicable to transactions performed by the Group, during the tax years open to review may be subject to different interpretations, certain tax liabilities of contingent nature could arise. However, the Group`s directors and its tax advisors consider that the tax charge, if any, that could arise from future tax audits, would not have a material impact in these financial statements.

9. Property, Plant and Equipment

	31 Dec 2023			
	Furniture and fixtures EUR ('000s)	Computer Hardware EUR ('000s)	Right-of-use Assets[1] EUR ('000s)	Total EUR ('000s)
Cost:				
Brought forward 1 Jan 2023	**12,731**	**4,048**	**41,798**	**58,577**
Additions	**1,133**	**266**	**14,027**	**15,426**
Disposals	**—**	**—**	**(9,955)**	**(9,955)**
Other	**—**	**—**	**(183)**	**(183)**
Carried forward 31 Dec 2023	**13,864**	**4,314**	**45,687**	**63,865**
Accumulated depreciation:				
Brought forward 1 Jan 2023	**(5,627)**	**(2,759)**	**(24,347)**	**(32,733)**
Charge for the year	**(1,606)**	**(756)**	**(7,396)**	**(9,758)**
Disposals	**—**	**—**	**9,905**	**9,905**
Other	**—**	**—**	**—**	**—**
Carried forward 31 Dec 2023	**(7,233)**	**(3,515)**	**(21,838)**	**(32,586)**
Net Book Value	**6,631**	**799**	**23,849**	**31,279**
Fully depreciated assets	**4,124**	**—**	**—**	**4,124**

1. Right-of-use assets are further detailed in Note 37

	31 Dec 2022			
	Furniture and fixtures EUR ('000s)	Computer Hardware EUR ('000s)	Right-of-use Assets[1] 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

1. Right-of-use assets are further detailed in Note 37

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 impairment losses for property, plant and equipment for the year ended 31 December 2023 of EUR 50 thousand (EUR 1 thousand for year ended 31 December 2022). Please see Note 33.

10. Goodwill and Intangible Assets

The following acquisitions by the Group resulted in goodwill upon the purchase:

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Business Acquired	Acquisition Date	Percentage Holding	CGU	Goodwill on purchase EUR ('000s)	Impairment EUR ('000s)	Goodwill 31 Dec 22 EUR ('000s)	Goodwill 31 Dec 23 EUR ('000s)
Allfunds Bank, S.A.U.	21 Nov 2017	100%	Allfunds Bank	962,412	(362,000)	600,412	**600,412**
ATS - Digital[1]		100%	ATS - Digital	114,426	—	114,426	**114,426**
CS - Investlab AG	26 March 2020	100%	Allfunds Investlab	158,264	—	171,467	**182,600**
Nordic Fund Market	31 Oct 2019	100%	Allfunds Sweden	18,155	—	17,548	**17,588**
BNPP LPA Business	2 Oct 2020	100%	BNPP LPA Business	232,447	—	218,570	**218,570**
Instihub Analytics Limited	4 May 2022	100%	Allfunds Data Analytics Limited	6,616	—	6,439	**6,695**
Mainstreet Capital Partners	17 Feb 2023	65%	Mainstreet Capital Partners	35,312	—	—	**36,177**
Iccrea Banca LPA Business	1 Dec 2023	100%	Iccrea Banca LPA Business	100,000	—	—	**100,000**
Total				1,627,623	(362,000)	1,128,862	**1,276,468**

1. ATS - Digital includes the acquistion of both Fintech Partners, S.L.U. on 17 January, 2018 and Web Financial Group on 31 May, 2022

Presented in the table below is an analysis of Goodwill and Other Intangible Assets as at 31 December 2023 and 31 December 2022.

	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 names EUR ('000s)	Exclusivity agreements EUR ('000s)	Total EUR ('000s)
Cost:								
Brought forward 1.1.23	**1,490,862**	**140,269**	**210,550**	**527,686**	**688,209**	**47,603**	**161,000**	**3,266,179**
Additions	**—**	**48,339**	**—**	**—**	**—**	**—**	**30,000**	**78,339**
Incorporated by business combinations	**135,312**	**—**	**5,808**	**—**	**—**	**3,332**	**—**	**144,452**
Disposals	**—**	**(6,704)**	**—**	**—**	**—**	**—**	**—**	**(6,704)**
Translation differences and others	**12,294**	**415**	**—**	**—**	**12,299**	**—**	**—**	**25,008**
Carried forward 31.12.23	**1,638,468**	**182,319**	**216,358**	**527,686**	**700,508**	**50,935**	**191,000**	**3,507,274**
Accumulated amortisation:								
Brought forward 1.1.23	**—**	**(59,911)**	**(195,234)**	**(143,392)**	**(192,404)**	**(14,748)**	**(37,569)**	**(643,258)**
Charge for the year	**—**	**(29,750)**	**(5,273)**	**(33,782)**	**(48,786)**	**(3,885)**	**(16,772)**	**(138,248)**
Disposals	**—**	**6,704**	**—**	**—**	**—**	**—**	**—**	**6,704**
Translation differences and others	**—**	**—**	**—**	**—**	**(3,431)**	**—**	**—**	**(3,431)**
Carried forward 31.12.23	**—**	**(82,957)**	**(200,507)**	**(177,174)**	**(244,621)**	**(18,633)**	**(54,341)**	**(778,233)**
Impairment losses:								
Brought forward 1.1.23	**(362,000)**	**(7)**	**(1,301)**	**—**	**—**	**—**	**—**	**(363,308)**
Charge for the year	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**
Carried forward 31.12.23	**(362,000)**	**(7)**	**(1,301)**	**—**	**—**	**—**	**—**	**(363,308)**
Net book value	**1,276,468**	**99,355**	**14,550**	**350,512**	**455,887**	**32,302**	**136,659**	**2,365,733**
Fully amortised	**—**	**19,779**	**—**	**—**	**—**	**—**	**—**	**19,779**

Total intangibles assets other than Goodwill as at 31 December, 2023 were EUR 1,089,265 thousand (31 December, 2022 EUR 1,130,751 thousand).

On 1 December 2023, the option to extend the cooperation agreement to a former shareholder for the commercial distribution of funds until November 2025 was exercised and paid. In this context, an amount of EUR 30,000 thousand was paid. This identifiable intangible asset is controlled by the Group to generate future benefits and will be amortised considering a useful economic life of 2 years which coincides with the contractual terms of the asset.

	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)	Exclusivity agreement EUR ('000s)	Total EUR ('000s)
Cost:								
Brought forward 1.1.22	1,370,159	86,877	208,633	486,102	683,272	47,603	161,000	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	688,209	47,603	161,000	3,266,179
Accumulated amortisation:								
Brought forward 1.1.22	—	(37,544)	(154,506)	(110,578)	(141,914)	(11,863)	(20,797)	(477,202)
Charge for the year	—	(22,367)	(40,728)	(32,814)	(45,553)	(2,885)	(16,772)	(161,119)
Translation differences and others	—	—	—	—	(4,937)	—	—	(4,937)
Carried forward 31.12.22	—	(59,911)	(195,234)	(143,392)	(192,404)	(14,748)	(37,569)	(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	495,805	32,855	123,431	2,259,613
Fully amortised	—	10,439	—	—	—	—	—	10,439

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 and net Subscription Revenue, operating and reportable segments.

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, 2023.

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

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For the year ended 31 December 2023

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 ATS - Digital 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.

See below for further details on the impairment testing methodology performed for the most relevant CGU:

2023

CGU	Value in Use	Discount Rate	**Ke / WACC**	**Growth Rate**
Allfunds Bank	Dividend discount model (DDM)	Cost of equity (Ke)	**9.90%**	**2.90%**
Allfunds Investlab	Dividend discount model (DDM)	Cost of equity (Ke)	**9.00%**	**2.90%**
ATS - Digital	Discounted cash flow method (DCF)	Weighted average cost of capital (WACC)	**12.80%**	**1.80%**
Allfunds Sweden	Dividend discount model (DDM)	Cost of equity (Ke)	**10.80%**	**2.90%**
BNPP LPA Business	Dividend discount model (DDM)	Cost of equity (Ke)	**11.50%**	**2.90%**

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%

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 17.8% 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 ATS Digital 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:

Notes to the consolidated financial statements continued

For the year ended 31 December 2023

Allfunds Bank	Increase in Ke of 3.4%	Decrease in Ke of 3.3%	Increase in g of 0.2%	Decrease in g of 0.2%
Revised factor	13.3%	6.6%	3.1%	2.7%
Recoverable value (EUR ('000s))	1,777,000	5,049,000	2,723,000	2,591,000
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	10.0%	8.0%	3.1%	2.5%
Recoverable value (EUR ('000s))	394,800	520,900	463,300	433,100
Impairment needed	No	No	No	No

ATS - Digital	Increase in WACC of 0.5%	Decrease in WACC of 0.5%	Increase in g of 0.2%	Decrease in g of 0.3%
Revised factor	13.3%	12.3%	2.0%	1.5%
Recoverable value (EUR ('000s))	161,574	178,605	172,820	166,711
Impairment needed	No	No	No	No

Allfunds Sweden	Increase in Ke of 2.0%	Decrease in Ke of 2.0%	Increase in g of 0.2%	Decrease in g of 0.2%
Revised factor	12.8%	8.8%	3.1%	2.7%
Recoverable value (EUR ('000s))	72,000	126,600	94,700	90,700
Impairment needed	No	No	No	No

BNPP LPA Business	Increase in Ke of 2.0%	Decrease in Ke of 2.0%	Increase in g of 0.2%	Decrease in g of 0.2%
Revised factor	13.5%	9.5%	3.1%	2.7%
Recoverable value (EUR ('000s))	771,700	1,180,300	945,300	915,200
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.

	31 Dec 2023 EUR ('000s)		
CGU	**Carrying value**	**Recoverable amount**	**Impairment required on goodwill**
Allfunds Bank	**1,280,001**	**2,660,000**	**—**
Allfunds Investlab	**364,830**	**447,500**	**—**
ATS - Digital	**141,555**	**169,696**	**—**
Allfunds Sweden	**23,276**	**92,400**	**—**
BNPP LPA Business	**514,284**	**928,400**	**—**

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, 2023. In this regard, and in light of events concerning credit institutions in both the United States of America and Europe at first quarter of 2023, 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 2023

Mainstreet Capital Partners Limited

Description of the transaction

On 17 February 2023, the Group, through its fully owned indirect subsidiary, Allfunds Digital, S.L.U., entered into an agreement with third parties to acquire 70% or 45,443 shares, of the 64,918 total shares issued at that date of Mainstreet Capital Partners Limited ("MainStreet") and obtained control on that date.

Headquartered in London, MainStreet is a trusted Environmental, Social and Governance ("ESG") partner of financial groups, providing a one stop shop for their sustainability requirements. Founded in 2008 and employing 36 employees, MainStreet has developed a unique platform delivering proprietary ESG scoring, ESG investment strategies via model portfolios and empowered reporting. MainStreet reinforces Allfunds` strategy of providing value added services to its clients, covering an increasing breadth of specialized ESG related services.

The aggregate consideration to be paid for the acquisition was an amount equal to the closing price of EUR 43,583 thousand including NCI, of which an amount of EUR 4,004 thousand was agreed to be retained by the Group due to potential contingencies.

The assets and liabilities of Mainstreet Capital Partners Limited recognised on the acquisition date were accounted for as follows:

	17 February 2023 EUR ('000s) Unaudited
Assets	
Cash, cash balances at Central Bank and other demand deposits	1,215
Financial assets at amortised cost	972
Tangible assets	36
Intangible assets	359
Other assets	678
Total Assets	**3,260**
Liabilities	
Financial liabilities at amortised cost	(681)
Other liabilities	(894)
Total Liabilities	**(1,575)**
Net Assets	**1,685**

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 2023, the Group had completed the process of assigning the purchase price of the business of Mainstreet Capital Partners Limited, taking into consideration the report made by an independent expert. Consequently, as of 31 December 2023, the following assets have been recognised at the acquisition date:

	17 February 2023 EUR ('000s)
Consideration transferred[1]	43,583
Less: Fair value of the net assets acquired	(1,685)
Emerged goodwill arising in this business combination	**41,898**
Software	(5,449)
Technological platform	(3,332)
Deferred tax liabilities	2,195
Goodwill	**35,312**

1. Includes EUR 2,481 thousand relating to the NCI

Notes to the consolidated financial statements continued

For the year ended 31 December 2023

Determining the fair value of the assets acquired and liabilities assumed, and the goodwill arising on the acquisition date as presented in the table above, involves the employment of valuation techniques. These valuation techniques require assumptions and judgements around:

- Key forecasting inputs such as revenues and growth rates;
- An appropriate valuation technique based on the intangible assets under consideration and the availability of underlying data;
- Key valuation inputs to the adopted relief from royalty approaches, namely the following:
  - Appropriate royalty rates for the intangibles assets being valued;
  - The estimation of a useful economic life for each of the intangibles, which determines the number of years of cash flows used in the valuation models: and
  - Discount rates reflective of a market participant rate of return for the intangibles assets under consideration;
- A change in the royalty rate adopted, useful life, or discount rate would change the fair value of the recognised intangible assets, with a corresponding change to goodwill.

On the same date, 17 February, 2023, MainStreet made a share capital increase of 12,789 shares amounting to GBP 10,000 thousand. The Group has subscribed for 5,192 shares for GBP 4,060 thousand (EUR 4,521 thousand) with the remaining 7,597 shares being subscribed for by a third-party investor for GBP 5,940 thousand (EUR 6,678 thousand). Transactions that result in changes in ownership interests while retaining control are accounted for as transactions with equity holders in their capacity as equity holders. As a result, a credit in equity accounting to EU 2,678 thousand and in non-controlling interests ("NCI") of EUR 4,000 thousand has been recognised, respectively. After the aforementioned share capital increase, Allfunds Group through its fully owned indirect subsidiary, Allfunds Digital, S.L.U., owns 65.16% of the shares, totalling 50,635 shares over the 77,707 total issued shares.

Finally, as part of the signed agreements, put options have been granted to the NCI holders by Allfunds and simultaneously a call option to Allfunds. As the written put option permits to the NCI to put up to 34.84% of the shares of the Company, Allfunds Group will be required to pay cash as a settlement for the acquisition of the shares of the Company. Therefore, Allfunds Group has registered a gross obligation for the potential future acquisition of these equity shares. The financial liability for the NCI put is subsequently accounted for under IFRS 9 similar to other written put options on equity instruments.

As of 31 December, 2023, the value of the liability registered under the non-current liabilities - financial liabilities at amortised cost amounts to EUR 19,266 thousand. The debit recognised in equity and the NCI on initial recognition of the written put option over the Company shares amounted to EUR 18,105 thousand, plus the value of the net assets acquired. In addition, costs of EUR 754 thousand and EUR 407 thousand have been recognised in "finance costs" and "other operating income/(expenses)" respectively in the accompanying consolidated statement of comprehensive income respectively to reflect the present value at the current date. Due to the accounting choice which has been selected, NCI are shown with zero balances in the audited consolidated financial statements.

Acquisition related costs are expensed as incurred and included in other expenses. During the year to 31 December 2023 EUR 872 thousand was expensed.

The results of the acquired business contributed from the date of acquisition to 31 December 2023 were not significant.

LPA Business of Iccrea Banca

Description of the transaction

On 1 December 2023, the Group, through its fully owned indirect subsidiary, Allfunds Bank, S. A.U., entered into an agreement to acquire the local paying agent business from the Iccrea Banca Group. This transaction was completed through the Milan branch of Allfunds Bank, S.A.U. and included a long term exclusivity agreement. The consideration transferred price of acquiring the carve-out local paying agent business (LPA) was EUR 100,000 thousand, plus the value of the net assets acquired.

With this transaction the Group will build upon and further strengthen its position in the LPA Business book in Italy.

The assets and liabilities of the LPA business of the Iccrea Banca Group recognised at acquisition date were as follows:

	1 December 2023 EUR ('000s) Unaudited
Assets	
Financial assets at amortised cost	2,124
Total Assets	**2,124**
Liabilities	
Financial liabilities at amortised cost	(736)
Other liabilities	(88)
Total Liabilities	**(824)**
Net Assets	**1,300**

Assets arising from the business acquisition

	1 December 2023 EUR ('000s)
Consideration transferred	101,300
Less: Fair value of the net assets acquired	(1,300)
Provisional goodwill arising in this business combination	**100,000**

Acquisition related costs are expensed as incurred and included in other expenses. During the year to 31 December 2023 EUR 2,810 thousand was expensed.

The results of the acquired business contributed from the date of acquisition to 31 December 2023 were not significant.

In accordance with IFRS 3 paragraph 45, as the acquisition is currently within the twelve-month measurement period, a PPA has not been completed at this time in relation to the acquisition of the LPA business of Iccrea Banca. Therefore, the goodwill balance and fair value of the net assets acquired as presented above are provisional amounts.

Acquisitions in 2022

InstiHub Analytics Limited

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[1]	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**

1. Also, shareholder of InstiHub Analytics Limited.

Notes to the consolidated financial statements continued

For the year ended 31 December 2023

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 recognised at the acquisition date:

	4 May 2022 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 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 202 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.

Notes to the consolidated financial statements continued

For the year ended 31 December 2023

12. Financial Assets held at Amortised Cost

	31 Dec 2023 EUR ('000s)	31 Dec 2022 EUR ('000s)
Non-current assets		
Receivables from customers	**1,256**	795
	1,256	795
Current assets		
Time deposits from credit institutions	**126,954**	153,928
Receivables from customers	**133,129**	280,877
Balances required to be held at Central Banks	**12,807**	12,871
Debt securities	**14,386**	4,966
	287,276	452,642
Total	**288,532**	453,437

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 are 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.

Debt securities represent a French security of EUR 4,937 thousand which was acquired in December 2023 and maturing in May 2024, and a United Kingdom bond of EUR 9,450 thousand which acquired on 17 February 2023 and due in January 2024.

Financial assets classified as financial assets at amortised cost and collectively estimated to be impaired due to credit risk on 31 December 2023 amounted to EUR 16,428 thousand (31 December 2022 EUR 15,916), relating mainly 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 2023 the expense incurred by the Group in relation to impairment losses amounted to EUR 3,159 thousand (year to 31 December 2022 EUR 9,040), (see Note 33). 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 2023 and 31 December 2022, the Group did not hold any financial assets classified as loans and receivables and considered to be written-off assets.

The carrying values of trade and other assets are considered to be the same as their fair values, due to their short-term nature.

13. Contract Assets

Contract assets represent accrued fees, commissions, and service revenues pursuant to IFRS 15. Accrued fees relate to UCIs distribution services and others rendered to Fund Houses and the amounts that were pending to be invoiced as at 31 December 2023 were EUR 667,139 thousand (31 December 2022: EUR 622,880 thousand).

The accrued amount of EUR 622,880 thousand as at 31 December 2022 was included in the invoiced amounts which were received during the year ended 31 December 2023 (31 December, 2021 EUR: 713,562 thousand invoiced during the year to 31 December, 2022).

14. Tax Assets

Included within the tax assets are the below balances:

	31 Dec 2023 EUR ('000s)	31 Dec 2022 EUR ('000s)
Current tax assets:		
Allfunds Bank, S.A.U.	**161**	167
Allfunds Bank Milan branch	**—**	18,915
Allfunds Bank S.A. Singapore branch	**2,076**	6
Allfunds Bank London branch	**328**	—
Allfunds Bank Stockholm branch	**70**	9
Allfunds Bank Paris branch	**8**	930
Allfunds Blockchain, S.L.U.	**374**	—
Allfunds Digital, S.L.U.	**114**	—
Allfunds Group plc	**105**	—
Mainstreet Capital Partners	**62**	—
Other	**30**	517
	3,328	20,544
Deferred tax assets:		
Non-deductible depreciation (Allfunds Bank)	**63**	126
Loan impairment (Allfunds Bank)	**—**	300
LTIP provisions (Allfunds Bank)	**1,355**	1,067
Bonus provisions (Allfunds Bank)	**351**	237
Deferred tax assets – Business combinations CS InvestLab[1]	**45,060**	48,512
Deferred Tax assets – Business combinations BNP BC Goodwill tax amortisation[2]	**43,368**	57,824
Others related to Allfunds Bank branches:		
Allfunds Bank London branch (LTIP provision)	**878**	478
Allfunds Bank Poland branch (Bonus provision, TP and others)	**400**	309
Allfunds Bank Stockholm branch (Tax losses)	**445**	443
Other related to Allfunds Bank subsidiaries		
Allfunds Digital, S.L.U.[3]	**828**	851
Allfunds Blockchain, S.L.U.	**—**	23
	92,748	110,170
Total	**96,076**	130,714

1. Deferred Tax Assets – Business combinations CS InvestLab" includes the tax asset of EUR 45, 060 thousand as at 31 December 2023 (EUR 48,512 thousand as at 31 December 2022) arising in the business combination through which the distribution business of Credit Suisse was acquired. This tax asset amounted to EUR 64,915 thousand. There has been a net valuation adjustment for the year for foreign exchange differences of EUR 2,122 thousand as at 31 December 2023 (EUR 2,037 thousand 31 December 2022).
2. 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 43,368 thousand of which EUR 14,456 thousand has been amortised in the year to 31 December 2023.
3. Includes deferred tax assets of Allfunds Tech Solutions inherited by Allfunds Digital as a consequence of the domestic merger carried out during 2023.

Notes to the consolidated financial statements continued

For the year ended 31 December 2023

2023	Balance as at 1 Jan 2023	Impact in OCI	Impact in tax expense	Acquisition for the year	Balance as at 31 Dec 2023
Non-deductible depreciation (Allfunds Bank)	**126**	**—**	**(63)**	**—**	**63**
Loan impairments (Allfunds Bank)	**300**	**—**	**(300)**	**—**	**—**
LTIP provisions (Allfunds Bank)	**1,067**	**—**	**288**	**—**	**1,355**
Bonus provisions (Allfunds Bank)	**237**	**—**	**114**	**—**	**351**
Deferred Tax assets – Business Combination CS Investlab[1]	**48,512**	**2,771**	**(6,223)**	**—**	**45,060**
Tax assets – Business Combination BC Goodwill tax amortisation (Italy)	**57,824**	**—**	**(14,456)**	**—**	**43,368**
Other tax credits of Allfunds Bank branches					
Allfunds Bank London branch	**477**	**—**	**401**	**—**	**878**
Allfunds Bank Poland branch	**309**	**—**	**91**	**—**	**400**
Allfunds Bank Stockholm branch	**443**	**—**	**2**	**—**	**445**
Other related to Allfunds Bank subsidiaries					
Allfunds Digital, S.L.U.[3]	**851**	**—**	**(23)**	**—**	**828**
Allfunds Blockchain, S.L.U.	**23**	**—**	**(23)**	**—**	**—**
Total	**110,169**	**2,771**	**(20,192)**	**—**	**92,748**

2022	Balance as at 1 Jan 2022	Impact in OCI	Impact in tax expense	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[1]	51,263	2,433	(5,184)	—	**48,512**
Tax assets – Business Combinations BC Goodwill tax amortisation (Italy)	72,281	—	(14,457)	—	**57,824**
Other tax credits of Allfunds Bank subsidiaries and branches	1,180	(90)	165	—	**1,255**
Allfunds Tech Solutions	—	—	—	848	**848**
Other	30	(30)	—	—	**—**
Total	125,416	2,313	(18,708)	1,148	**110,169**

1. Valuation adjustments made in application of IAS 21.

In addition to the tax assets detailed above, the Group has the following unrecognised tax losses from prior years, as the timing of their possible recovery is uncertain since it depends on future taxable profits being obtained.

Entity	Country	Year Incurred	Amount in Tax Base EUR (000s)
Liberty Partners, S.L.U.	Spain	2017	**32,185**
		2018	**26,745**
	Total		**58,930**
Allfunds Bank Singapore Branch	Singapore	2017	**3,019**
		2018	**3,668**
		2019	**6,579**
		2020	**5,903**
		2021	**1,116**
		2022	**3,409**
	Total		**23,694**
Allfunds Bank Swiss Branch	Switzerland	2017	**20,772**
		2018	**12,266**
		2019	**9,491**
		2020	**81,309**
		2021	**67,265**
		2022	**33,785**
	Total		**224,888**
Allfunds Bank Stockholm Branch	Sweden	2021	**268**
		2022	**92**
	Total		**360**
Allfunds Hong Kong Limited	Hong Kong	2018	**14**
		2019	**341**
		2020	**913**
		2021	**1,397**
		2022	**1,287**
	Total		**3,951**
Tax group: Allfunds Digital- Allfunds Blockchain	Spain	2021	**32**
		2022	**4,976**
	Total		**5,008**
Allfunds Digital (pre- tax group losses inherited from Allfunds Tech Solutions)	Spain	2022	**1,315**
	Total		**1,315**
Allfunds Tech Solutions Germany	Germany	2020	**337**
	Total		**337**
Allfunds Tech Solutions France	France	2014	**450**
		2015	**81**
		2016	**52**
		2017	**171**
		2018	**169**
	Total		**924**
Allfunds Tech Solutions UK	UK	2017	**619**
		2018	**1,503**
	Total		**2,122**
Allfunds Data Analytics	UK	Pre-2017	**159**
		Post 2017	**814**
	Total		**973**
Mainstreet Capital Partners	UK	Post 2017	**337**
	Total		**337**
Allfunds Investment Solution	Luxembourg	2022	**1,498**
	Total		**1,498**
Allfunds Tech Solutions Sweden	Sweden	2022	**281**
	Total		**281**
Allfunds Tech Solutions Switzerland	Switzerland	Pre-2022	**17**
		Post 2022	**564**
	Total		**581**

Finally, the Group has the following unrecognised deferred tax assets and unrecognised tax credits:

Notes to the consolidated financial statements continued

For the year ended 31 December 2023

	Amount in Tax Base EUR (000s)
Unrecognised deferred tax assets:	
Allfunds Group plc (LTIP provision)	**261**
Allfunds Digital, S.L.U. (LTIP provision)	**61**
Allfunds Blockchain, S.L.U. (LTIP provision)	**181**
	503
Unrecognised tax credits:	
Allfunds Group plc (Unused interest)	**3,665**
	3,665
Total	**4,168**

In addition, the Group has the following unrecognised deferred tax assets regarding innovation tax credits as at 31 December 2023 for tax base amounts for Allfunds Digital, S.L.U. EUR 116 thousand and Allfunds Blockchain, S.L.U. of EUR 74 thousand.

15. Other Assets

	31 Dec 2023 EUR ('000s)	31 Dec 2022 EUR ('000s)
Sundry accounts	**3,491**	6,793
Prepaid expenses	**2,868**	1,435
Total	**6,359**	8,228

The carrying values of sundry accounts are considered to be the same as their fair values, due to their short-term nature.

16. Cash and Cash Equivalents

	31 Dec 2023 EUR ('000s)	31 Dec 2022 EUR ('000s)
Cash at bank and in hand	**9**	15
Cash balances at Central Banks	**1,337,233**	948,234
Other demand deposits	**763,730**	675,092
Total	**2,100,972**	1,623,341

Cash and cash equivalents comprise cash that is 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 2023 EUR ('000s)	31 Dec 2022 EUR ('000s)
Non-current liabilities		
Revolving credit facility	**366,946**	193,977
Other Financial liabilities	**24,093**	—
	391,039	193,977
Current liabilities		
Demand accounts from credit institutions	**433,812**	573,423
Demand accounts from non-credit instiutions	**1,121,857**	786,531
Other financial liabilities	**403,137**	412,043
	1,958,806	1,771,997
Total	**2,349,845**	1,965,974

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 was valid until April 2025. The RCF was extended for a further two-year period and is now valid until April 2027. As at 31 December 2023, the total amount drawn on the facility was EUR 370,000 thousand (31 December 2022: EUR 196,000 thousand). Interest expense due on the RCF as at 31 December 2023 was EUR 2,722 thousand (31 December 2022: EUR 1,297 thousand).

Non current other financial liabilities relate to M&A consideration transferred pending of payment. Please see Note 11.

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.

There were no payment obligation included in other financial liabilities in relation to the transitional services agreement with BNP Paribas as at 31 December 2023 (EUR 1,951 thousand as at 31 December 2022).

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 mainly 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 2023 were EUR 561,419 thousand (31 December 2022: EUR 522,095 thousand).

The amount accrued of EUR 522,095 thousand as at 31 December 2022 was included in the invoiced amounts paid during the year ended 31 December 2023. (EUR 601,710 thousand accrued as at 31 December, 2021 was invoiced and and paid during the year ended 31 December 2022).

19. Tax Liabilities

	31 Dec 2023 EUR ('000s)	31 Dec 2022 EUR ('000s)
Current tax liabilities[1]	**26,029**	29,109
Deferred tax liabilities		
Arising in business combinations (Note 11)		
Allfunds Bank, S.A.U.	**152,336**	167,909
Allfunds Digital, S.L.U.	**653**	698
Allfunds Tech Solutions, S.A.U.[2]	**8,003**	8,523
CS Investlab business	**24,822**	26,351
Nordic Fund Market	**228**	249
Allfunds Data Analytics Limited	**332**	411
Mainstreet Capital Partners	**2,026**	—
Allfunds Bank Milan branch	**158**	4
Other	**—**	3
	188,558	204,148
Total	**214,587**	233,257

1. The balance of Tax Liabilities - Current tax liabilities includes mainly the income tax payable generated in Spain, Italy, Luxembourg, France and the UK.

2. The deferred tax liability has been allocated to Allfunds Digital, S.L.U. as a consequence of the upstream merger of Allfunds Tech Solutions, S.A.U. into its parent company Allfunds Digital, S.L.U..

Notes to the consolidated financial statements continued

For the year ended 31 December 2023

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:

2023	Thousands of Euros					
Provisions	Opening balance	Charge for the year	Change in value recognised in Equity	Contributions and Payments	Exchange differences and other	Closing balance
Pension and other post-employment defined benefit obligations	**716**	**900**	**2,661**	**(967)**	**128**	**3,438**
Other long-term employee remuneration	**—**	**—**	**—**	**—**	**—**	**—**
Outstanding tax court proceedings and lawsuits	**—**	**—**	**—**	**—**	**—**	**—**
Commitments and guarantees given	**—**	**—**	**—**	**—**	**—**	**—**
Other provisions	**200**	**—**	**—**	**—**	**—**	**200**
Total	**916**	**900**	**2,661**	**(967)**	**128**	**3,638**

2022	Thousands of Euros					
Provisions	Opening balance	Charge for the year	Change in value recognised in Equity	Contributions and Payments	Exchange differences and other	Closing balance
Pension and other post-employment defined benefit obligations	1,690	888	(950)	(912)	—	716
Other long-term employee remuneration	—	—	—	—	—	—
Outstanding tax court proceedings and lawsuits	—	—	—	—	—	—
Commitments and guarantees given	—	—	—	—	—	—
Other provisions	200	—	—	—	—	200
Total	1,890	888	(950)	(912)	—	916

Long-term defined benefit remuneration

Allfunds` Swiss pension benefits are contribution based with the level varying according to the category of employment. Local law requires that certain guarantees are provided on such pension benefits. Allfunds finances its Swiss pension benefits through the Profond Collective Foundation, a pension fund administrator.

The Swiss plan typically exposes Allfunds to actuarial risks such as investment risk, interest rate risk, longevity risk and salary risk.

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 2023 is provided in the table below:

	31 Dec 2023 EUR ('000s)	31 Dec 2022 EUR ('000s)
Present value of obligations	**14,827**	10,760
Less: Fair value of plan assets	**(11,389)**	(10,044)
Less: Unrecognised prior service cost	**—**	—
Non-current provisions – Non-current employee benefit obligations (asset)	**3,438**	716

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	2023 Switzerland	2023 Italy
Discount rate[1]	2,98%	3.17%
Mortality and life expectancy tables	BVG 2020	RG48
Rate of growth in social security tax limit	0.94%	2.1%

1. 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. Duration of the liabilities is for a period of 18 years.

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	2023 Increase	2023 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 2023:

Notes to the consolidated financial statements continued

For the year ended 31 December 2023

2023:

	Post-employment commitments		
	Defined benefit obligations	Plan assets	Net obligation/ (asset)
Balance at 1 January 2023	**10,760**	**(10,044)**	**716**
Amounts recognised with a balancing entry in profit or loss			
Staff costs - Ordinary expense for the year	**905**	**—**	**905**
Finance costs	**328**	**(333)**	**(5)**
Change in value recognised in equity	**2,117**	**544**	**2,661**
Exchange differences and other	**786**	**(658)**	**128**
Contributions	**255**	**(970)**	**(715)**
Payments made	**(324)**	**72**	**(252)**
Balance at 31 December 2023	**14,827**	**(11,389)**	**3,438**

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

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 2023 EUR ('000s)	31 Dec 2022 EUR ('000s)
Accrued variable remuneration costs	**26,449**	14,413
Trade payables	**10,178**	12,570
Other payables	**28,384**	5,778
Total	**65,011**	32,761

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 2023 EUR ('000s)	31 Dec 2022 EUR ('000s)
Share Capital		
At 1 January	**1,574**	1,574
Issued during the year	**—**	—
Cancelled during the year	**(24)**	—
At 31 December	**1,550**	1,574
Share Premium		
At 1 January	**2,060,156**	2,060,156
Premium arising on equity share issuance	**—**	—
Cancelled Premium	**(49,976)**	—
At 31 December	**2,010,180**	2,060,156

The Company's total share capital was EUR 1,550 thousand as at 31 December 2023 (31 December 2022: EUR 1,574 thousand) comprising 620,055,702 ordinary shares of EUR 0.0025 per share (31 December 2022 comprised 629,426,348 ordinary shares of EUR 0.0025 per share). The reduction was due to the cancellation of 9,370,646 shares which had been acquired by the Company in the Share Buyback programme during 2023. See Note 22b.

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 2023, 9,370,646 ordinary shares were acquired by the Company at a total cost of EUR 50,000 thousand (31 December 2022, 1,380,322 ordinary shares had been acquired at a total cost of EUR 10,000 thousand). These 9,370,646 ordinary shares acquired were subsequently cancelled to reduce the share capital of the Company. Please see Note 22.a. These are classified in the consolidated statement of financial position as treasury shares.

Treasury shares were also disposed of during the year ended 31 December 2023 to the value of EUR 1,140 thousand (31 December, 2022 zero) to members of the LTIP1 scheme. In addition, in 2024, the Company delivered 94,859 ordinary shares to the beneficiaries of the 2021 Employee share scheme that had vested on 1 January 2024 (96,029 ordinary shares vested on 1 January 2023) and 61,355 ordinary shares that had vested in April 2023. These shares were delivered at no cost for the receiving beneficiaries.

22.c. Other reserves

As at 31 December 2023 other reserves were mainly comprised of 1) exchange differences on translation of foreign entities EUR 49,825 (31 December 2022: EUR 28,599 thousand); 2) employee share scheme of EUR 16,770 thousand (31 December 2022: 9,895 thousand); 3) valuation adjustments related to pension commitments EUR (1,729) thousand (31 December 2022 EUR 932 thousand); and 4) the written put option for Mainstreet Capital Partners of EUR 9,020 thousand (31 December 2022 nil).

23. Dividends

	31 Dec 2023 EUR ('000s)	31 Dec 2022 EUR ('000s)
Final dividend paid during 2023	**56,538**	—
First dividend paid during 2022	**—**	185,000
Final dividend paid during 2022	**—**	31,471

During the year to 31 December 2023 the Company paid a final dividend of EUR 56,538 thousand at EUR 0.09 per share.

On 27 February 2024 Liberty Partners, S.L.U., the direct subsidiary of the Company, agreed to pay an interim dividend of EUR 1,000 thousand from the profits for the financial year ended 31 December 2023. In addition, on the same date Liberty Partners, S.L.U. also agreed to pay an interim dividend of EUR 57,000 thousand from the profits for the financial year ended 31 December 2024. Both dividends, totalling EUR 58,000 thousand were paid to the Company on 28 February 2024.

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24. Off-Balance Sheet Items

	31 Dec 2023 EUR ('000s)	31 Dec 2022 EUR ('000s)
Available to third parties:		
Credit Institutions	**86,375**	85,256
Other resident sectors	**2,982**	2,266
Other non-resident sectors	**24,926**	23,659
Total	**114,283**	111,181

Off-balance sheet items as at 31 December 2023 and 31 December 2022 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 114,283 thousand as at 31 December 2023 and EUR 111,181 thousand as at 31 December 2022.

Also, at 31 December 2023 the Allfunds Group held off-balance sheet funds under management relating to units/shares in UCIs amounting to EUR 1,383,562,136 thousand (31 December 2022: EUR 1,296,038,093 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:

	2023 EUR ('000s)	2022 EUR ('000s)
Platform revenue: asset based	**2,640,499**	2,603,596
Platform revenue: transaction based	**82,511**	98,309
Subscription and other revenues	**58,800**	40,107
Total fee, commission and service revenue	**2,781,810**	2,742,012

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
- treasury income.

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;
- Digital add-on services; and
- Environmental, Social and Government Reporting (ESG) through the Mainstreet Capital Partners acquisition.

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:

	2023 EUR ('000s)	2022 EUR ('000s)
Total fee, commission and service expense	**2,312,681**	2,247,361

27. Interest Income

	2023 EUR ('000s)	2022 EUR ('000s)
Deposits in central banks	**50,066**	—
Loans and advances to credit insitutions	**24,182**	—
Loans and advances to customers	**1,228**	—
Other	**1,252**	—
Total	**76,728**	—

The average interest earned on deposits in the year ranged from 3.3% to 4.7%.

28. Interest Expense

	2023 EUR ('000s)	2022 EUR ('000s)
Deposits and loans from credit institutions	**353**	—
Total	**353**	—

29. Employee Compensation and Benefits

	2023	2022
Average number of employees during the year:		
Senior	**43**	30
Manager	**295**	198
Technical and general	**719**	721
Total	**1,057**	949

	2023 EUR ('000s)	2022 EUR ('000s)
Personnel expenses include the following expenses:		
Wages and salaries	**95,734**	67,415
Social security costs	**15,289**	12,982
Expense for pension funds	**2,594**	2,372
Termination benefits	**3,533**	1,298
Employee share schemes	**8,015**	7,926
Training expenses	**451**	411
Other staff costs	**3,494**	3,143
Total	**129,110**	95,547

Notes to the consolidated financial statements continued

For the year ended 31 December 2023

30. Other Expenses

	2023 EUR ('000s)	2022 EUR ('000s)
Information technology	**28,547**	22,757
Sub-contracted administrative services	**25,386**	68,626
Contributions to Taxes	**12,064**	3,251
Technical Reports	**8,897**	10,307
Communications	**7,224**	5,754
Legal and professional	**5,106**	6,440
Insurance	**4,390**	4,859
Other	**10,996**	8,180
Total	**102,610**	130,174

Within sub-contracted administrative services included for the year ended 31 December 2023 are EUR 2,536 thousand (EUR48,585 for the year ended 31 December 2022) that correspond to the transitional services agreements and cooperation agreements with both BNP Paribas and Credit Suisse.

Included within legal and professional are M&A transaction related costs of EUR 3,317 thousand for the year ended 31 December 2023 (year ended 31 December 2022 EUR 4,768 thousand) relating to the acquisitions made in the year as referred to in Note 11 Business Combinations.

Included within contributions to taxes are EUR 7,237 thousand for the year ended 31 December 2023 (year ended 31 December 2022 nil) relating to the temporary Spanish Bank tax levy introduced in 2023.

In addition, included in Technical reports are, amongst others, the fees for audit and other services. The breakdown of which is included below:

	2023 EUR ('000s)	2022 EUR ('000s)
Audit of financial statements services	**1,649**	1,528
Other assurance services	**323**	303
Other services	**26**	—
Total audit and related services	**1,998**	1,831

31. Other Operating Income/(Expenses)

	2023 EUR ('000s)	2022 EUR ('000s)
Other operating income	**10,967**	8,743
Other operating expenses	**(5,495)**	(6,601)
Net income/ (losses) on financial assets and liabilities at FVTPL	**2,296**	(701)
Net exchange differences	**(2,153)**	(2,211)
Other operating income / (expense)	**5,615**	(770)

Other operating income relate mainly to income from capitalisation of internal staff costs and from proceeds related to operational incidents which were favourably resolved.

Other operating expenses relate mainly to expenses from operational incidents which were not resolved favourably, 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.

32. Finance Costs

	2023 EUR ('000s)	2022 EUR ('000s)
Deposits and loans from credit institutions	**13,572**	5,778
Lease liabilities	**473**	339
Other	**1,512**	(1,787)
Total	**15,557**	4,330

Interest expense incurred on the RCF during the year ended 31 December 2023 was EUR 13,572 thousand (31 December 2022: EUR 5,778 thousand).

The cost of the RCF is directly associated to the EURIBOR rates. As such, a sensitivity analysis has shown that for an increase/decrease by 1% in the average EURIBOR rate on the RCF drawdowns utilised would result in an increase/decrease in costs of EUR 2,177 thousand for the year ended 31 December 2023.

33. Impairment Losses

	2023 EUR ('000s)	2022 EUR ('000s)
Impairment loss on non-financial assets	**50**	1
Impairment loss on financial assets held at amortised cost	**3,159**	9,040
	3,209	9,041

The impairment losses on financial assets held at amortised cost for the year ended 31 December 2023 of EUR 3,160 thousand (31 December 2022: EUR 9,040 thousand) relate to the ECL requirements as per the Banking Regulator for receivable balances greater than 90 days past-due.

34. Tax Expense

The tax expense recognised by the Group for the year is as follows:

	2023 EUR ('000s)	2022 EUR ('000s)
Allfunds Bank	**24,914**	24,908
Allfunds Bank Milan branch	**42,690**	24,481
Allfunds Bank Luxembourg branch	**8,197**	6,864
Allfunds Bank Paris branch	**6,308**	3,005
Allfunds Bank London branch	**1,369**	2,786
Allfunds Bank Swiss branch	**193**	273
Liberty Partners , S.L.U.	**869**	316
Allfunds Group plc	**(1,572)**	(2,329)
Allfunds Digital Group	**(822)**	803
Other	**400**	57
less:		
Deferred tax on intangible assets Allfunds Bank Group	**(51)**	(192)
Deferred tax on intangible assets Liberty Partners Group	**(15,574)**	(26,119)
Deferred tax on intangible assets Allfunds Digital Group	**—**	(311)
Tax expense	**66,921**	34,542

Notes to the consolidated financial statements continued

For the year ended 31 December 2023

2023	**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	**21,433**	**539**	**2,942**	**24,914**
Allfunds Bank Milan branch	**28,168**	**(87)**	**14,609**	**42,690**
Allfunds Bank Paris branch	**6,641**	**(334)**	**—**	**6,307**
Allfunds Bank Luxembourg branch	**8,181**	**16**	**—**	**8,197**
Allfunds Bank Swiss branch	**202**	**(9)**	**—**	**193**
Allfunds Bank London branch	**1,681**	**80**	**(391)**	**1,370**
Liberty Partners, S.L.U.	**839**	**30**	**—**	**869**
Allfunds Group plc	**(1,554)**	**(18)**	**—**	**(1,572)**
Allfunds Digital Group	**—**	**—**	**(822)**	**(822)**
Other	**448**	**—**	**(48)**	**400**
less:				
Deferred tax on intangible assets at Allfunds Bank Group	**—**	**—**	**(51)**	**(51)**
Deferred tax on intangible assets at Liberty Partners Group	**—**	**—**	**(15,574)**	**(15,574)**
Deferred tax on intangible assets Digital Group	**—**	**—**	**—**	**—**
Tax expense	**66,039**	**217**	**665**	**66,921**

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, S.A.U.	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 London 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 intangibles assets at Allfunds Bank Group	—	—	(192)	(192)
Deferred tax on intangibles assets at Liberty Partners Group	—	—	(26,119)	(26,119)
Deferred tax on intangible assets Digital Group	—	—	(311)	(311)
Tax expense	46,626	(2,185)	(9,899)	34,542

	2023 EUR ('000s)	2022 EUR ('000s)
Profit before tax	**152,627**	83,725
Consolidation adjustments	**81,122**	83,092
Tax income / expense at UK tax Rate 25 / 19%	**58,437**	31,695
Effect on Income by different tax rate by countries	**11,345**	15,587
Prior year adjustments	**218**	(2,185)
Deferred expense/(income) tax	**665**	(9,899)
Others	**(3,744)**	(656)
Tax expense	**66,921**	34,542

The effective tax rate is as follows:

	2023 EUR ('000s)	2022 EUR ('000s)
Profit/(loss) before tax	**152,627**	83,725
Tax expense/(income)	**66,921**	34,542
Effective tax rate	**43.85%**	41.26%

35. Earnings per Share

	2023 EUR ('000s)	2022 EUR ('000s)
Profit attributable to ordinary equity holders	**85,706**	49,183

	31 Dec 2023 Thousands	31 Dec 2022 Thousands
Number of ordinary shares at year end including treasury shares	**620,056**	629,426
Weighted average number of ordinary shares per IAS 33	**618,810**	619,915
EPS (EUR)	**0.1385**	0.0793

Basic EPS is calculated by dividing the profit for the year attributable to the 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, incorporating the reduction in the number of ordinary shares in the previous year end in accordance with IAS 33.

As the Company has mainly ordinary shares issued with no dilutive potential, diluted EPS equates to basic EPS.

36. 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.

Notes to the consolidated financial statements continued

For the year ended 31 December 2023

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 2023		
	Level 1 EUR ('000s)	**Level 2 EUR ('000s)**	**Level 3 EUR ('000s)**
Financial assets at FVTPL	**—**	**10,600**	**674**
Derivative financial assets	**—**	**2,859**	**—**
Sub-total	**—**	**13,459**	**674**
Derivative financial liabilities	**—**	**(1,266)**	**—**
Total	**—**	**12,193**	**674**

	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
Derivate financial liabilities	—	(759)	—
Total	—	1,621	674

During the years ended 31 December 2023 and 31 December 2022, 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 mainly of UCIs.

37. 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, 2023 comprised of office building EUR 22,479 thousand, vehicles EUR 480 thousand and computer hardware EUR 589 thousand (31 December, 2022 comprised office buildings EUR 14,798 thousand, vehicles EUR 501 thousand and computer hardware EUR 1,270 thousand).

Set out below are the maturities of the lease liabilities:

	31 Dec 2023 EUR ('000s)	31 Dec 2022 EUR ('000s)
6 months or less	**3,664**	3,017
6-12 months	**3,372**	2,672
Total current liabilities	**7,036**	5,689
1-5 years	**15,507**	9,755
Over 5 years	**1,005**	1,400
Total non-current liabilities	**16,512**	11,155
Total Liabilities	**23,548**	16,844

The following are the amounts recognised in the consolidated statement of comprehensive income:

	2023 EUR ('000s)	2022 EUR ('000s)
Depreciation expense of right-of-use assets	**7,396**	7,597
Interest expense on lease liabilities	**473**	339
Expenses relating to short-term and low value leases	**862**	664
Total	**8,731**	8,600

The Group had cash outflows for leases of EUR 7,143 thousand for principal payments and EUR 337 thousand of interest payments for the year ended 31 December 2023 (31 December 2022: principal payments of EUR 7,611 thousand and interest payments of EUR 320 thousand).

38. 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 34.8% owned by LHC3 Limited as at 31 December 2023. The remaining 12.3% 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 52.7%.

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 and exclusivity 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 2023 EUR ('000s)	31 Dec 2022 EUR ('000s)	31 Dec 2023 EUR ('000s)	31 Dec 2022 EUR ('000s)
BNP Paribas[1]	**332,687**	287,644	**106,007**	58,076

1. Assets includes EUR 188,876 thousand related to intangibles assets (31 December 2022 EUR 211,954 thousand).

	12 months to			
	Commission / Other income		Commission / Other expenses[1]	
	31 Dec 2023 EUR ('000s)	31 Dec 2022 EUR ('000s)	31 Dec 2023 EUR ('000s)	31 Dec 2022 EUR ('000s)
BNP Paribas	**37,431**	46,058	**160,167**	115,292

1. Additionally, there were employee share scheme costs of EUR 8,015 thousand for the year to 31 December 2023 (Year to 31 December 2022 EUR 7,926 thousand).

Notes to the consolidated financial statements continued

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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 2023 of 0.284% of Allfunds Group plc. (31 December 2022 of 0.325%).

Included within the 0.284% are 0.124% for Juan Alcaraz, Chief Executive Officer (CEO) (31 December 2022 0.121%); 0.001% for J.P. Rangaswami (Director) (31 December 2022 0.001%) and 0.038% for other key management, excluding the CEO (31 December 2022 0.0.38%).

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.

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 2023 EUR ('000s)	31 Dec 2022 EUR ('000s)
Non-executive directors	**1,134**	985
Senior management		
Short-term employee benefits	**14,327**	11,313
Post-employment benefits	**464**	495
Termination benefits	**226**	273
Total	**15,017**	12,081

In the year to 31 December, 2023, senior executives actioned employee share schemes to the value of EUR 328 thousand (year to 31 December, 2022 nil).

There are 13 Directors of Allfunds Group plc as at 31 December 2023 (13 Directors as at 31 December 2022), and of these 13 Directors, 10 were also Directors of Allfunds Bank, S.A.U. (of the 13 Directors as at 31 December 2022, 10 were also Directors of Allfunds Bank, S.A.U.).

39. Commitments and Contingencies

Commitments

As at 31 December 2023 the Group and its subsidiaries had the following commitments:

- Iccrea Banca LPA Business TSA with a cost of EUR 400 thousand pending as at 31 December 2023 (EUR nil 31 December 2022);
- PAM sub distribution agreement with a cost of EUR 9,800 thousand over a 10-year period: and
- BNPP TSA finished during the year to 31 December 2023 (EUR 2,601 thousand pending as at 31 December 2022).

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 3,047 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.

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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 was filed on 5 May 2023 and the Liquidators filed their response brief on 9 June 9 2023. The Court has convened an oral hearing for 12 April 2024. The matter remains pending under the Second Circuit.

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 2023 or 31 December 2022.

40. Going Concern

The directors have made enquiries and having considered the current economic climate, including the impact of both the Ukrainian-Russian and Israeli - Palestine Wars, 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. Cash and highly liquid assets held by the Group would be sufficient to cover a total cash outflow of the balances held on demand accounts of the counterparties (see Notes 12, 16 and 17).

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.

41. Subsequent Events

For details of the shares delivered post year end in relation to the LTIP 1 scheme and the approval of an additional LTIP scheme, please refer to Note 3.g.iv.

For details of the dividends received on 28 February 2024 from Liberty Partners, S.L.U., the direct subsidiary of the Company, please see Note 23.

On 29 February 2024, the Company increased its investment in its wholly owned direct subsidiary, Liberty Partners, S.L.U., by EUR 30,000 thousand. This was actioned in order for the Liberty Partners Group to be able to exercise the option to extend the cooperation agreement for the distribution of funds in the commercial network to a former shareholder until November 2025 for a fee of EUR 30,0000 thousand.

42. Subsidiaries

Name of the entity	Place of business/ country of incorporation	Ownership	Direct / Indirect Subsidiary	Share type	Principal activities
Liberty Partners, S.L.U. Calle de los Padres Dominicos 28050, Madrid, Spain	Spain	100%	Direct	Ordinary shares	Asset ownership holding
Allfunds Bank, S.A.U. Calle 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, London W1T 3JJ, United Kingdom	United Kingdom	100%	Indirect	Ordinary shares	Asset ownership 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. Calle Xativa, 21, 46002, 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 Suite 3612-13 36F, Two International Finance Centre, 8 Finance Street, Central, 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 France 75 Boulevard Haussman, 75008, Paris, France	France	100%	Indirect	Ordinary shares	Computer programming
Allfunds Tech Solutions Germany GmbH c/o Mazars GmbH, 1 Theodor Stern Kai, 60596, Frankfurt am Main, Germany	Sweden	100%	Indirect	Ordinary shares	Computer programming
Allfunds Tech Solutions Sweden AB c/o Mazars, PO Box 1317, 11183 Stockholm, Sweden	Sweden	100%	Indirect	Ordinary shares	Computer programming
Allfunds Tech Solutions Switzerland AG 15 Joahnn Aberli Strasse, 2503, Biel, Swizerland	Switzerland	100%	Indirect	Ordinary shares	Computer programming
Allfunds Tech Solutions UK Limited 2 Fitzroy Place, 8 Mortimer Street, London W1T 3JJ, United Kingdom	United Kingdom	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
Mainstreet Capital Partners Limited[1] 51 Holland Street, London, W8 7JB, United Kingdom	United Kingdom	65%	Indirect	Ordinary shares	ESG consulting services
Mainstreet Analytics Limited[1] 51 Holland Street, London,W8 7JB, United Kingdom	United Kingdom	65%	Indirect	Ordinary shares	ESG consulting services

1. Acquired during 2023.

On 27 October, 2023 Allfunds Digital, S.L.U. absorbed Allfunds Tech Solutions, S.A.U.

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 2023

	Notes	31 Dec 23 EUR ('000s)	31 Dec 22 EUR ('000s)
Assets			
Non-current assets			
Investments held at cost less impairment losses	4	**3,209,007**	3,027,124
Property, plant and equipment		**14**	28
Total non-current assets		**3,209,021**	3,027,152
Current assets			
Financial assets held at amortised cost	5	**2,647**	2,329
Tax assets		**105**	74
Other assets		**1,855**	1,908
Cash and cash equivalents		**1,546**	4,034
Total current assets		**6,153**	8,345
Total assets		**3,215,174**	3,035,497
Equity and liabilities			
Non-current liabilities			
Financial liabilities held at amortised cost	6	**367,028**	193,675
Total non-current liabilities		**367,028**	193,675
Current liabilities			
Financial liabilities held at amortised cost	6	**2,914**	1,547
Other liabilities	7	**949**	878
Total current liabilities		**3,863**	2,425
Total liabilities		**370,891**	196,100
Equity attributable to equity holders of the parent entity			
Share capital		**1,550**	1,574
Share premium		**2,010,180**	2,060,156
Retained earnings		**825,276**	777,772
Treasury shares		**(8,860)**	(10,000)
Other reserves		**16,137**	9,895
Total equity		**2,844,283**	2,839,397
Total equity and liabilities		**3,215,174**	3,035,497

The Company Financial Statements were approved and authorised by the Directors of the Company on 26 March, 2024 and were signed on its behalf by:

Alvaro Perera
Chief Financial Officer

Allfunds Group plc
Company registration number 10647359

Company statement of comprehensive income

For the year ended 31 December 2023

	Notes	31 Dec 23 EUR ('000s)	31 Dec 22 EUR ('000s)
Fee, commission and service income		**—**	—
Fee, commission and service expense		**(46)**	59
Net fee, commission and service revenue		**(46)**	59
Interest income		**403**	—
Interest expense		**—**	—
Net interest income from treasury activities		**403**	—
Net Revenue		**357**	59
Employee compensation and benefits	8	**(989)**	(1,746)
Other expenses	9	**(5,429)**	(4,237)
Other operating income	10	**122,257**	48,019
Amortisation and depreciation relating to other intangible assets and property, plant and equipment		**(13)**	(13)
Profit before net interest expense, impairment loss and tax expense		**116,183**	42,082
Finance costs		**(13,713)**	(5,467)
Impairment losses on financial assets		**—**	—
Profit before tax		**102,470**	36,615
Tax credit	11	**1,572**	2,328
Profit after tax		**104,042**	38,943
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translation of foreign operations		**—**	—
Total comprehensive income for the period		**104,042**	38,943

Company statement of changes in equity

For the year ended 31 December 2023

	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	8	—	—	(31,471)	—	—	(31,471)
Employee share schemes		—	—	—	7,926	—	7,926
Treasury shares acquired[1]		—	—	—	—	(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

	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 2023		1,574	2,060,156	777,772	9,895	(10,000)	2,839,397
Total other comprehensive income		—	—	104,042	—	—	104,042
Transactions with owners of the Company							
Dividends		—	—	(56,538)	—	—	**(56,538)**
Employee share schemes		—	—	—	6,875	1,140	**8,015**
Treasury shares acquired[1]		—	—	—	—	(50,000)	**(50,000)**
Share capital cancellation		(24)	(49,976)	—	—	50,000	**—**
Other		—	—	—	(633)	—	**(633)**
Balance as at 31 Dec 2023		**1,550**	**2,010,180**	**825,276**	**16,137**	**(8,860)**	**2,844,283**

1. 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 2023

	Notes	31 Dec 23 EUR ('000s)	31 Dec 22 EUR ('000s)
Operating activities			
Profit after tax for the year		**104,042**	38,943
Adjustment for:			
Depreciation		**13**	13
Finance costs		**13,713**	5,467
Short term rentals		**93**	—
Net exchange differences		**(19)**	13
Tax (credit)	11	**(1,572)**	(2,328)
Adjusted profit		**116,270**	42,128
Net decrease/(increase) in operating assets			
Financial assets held at amortised cost		**(318)**	—
Financial assets at fair value through profit or loss		**—**	—
Other operating assets		**22**	2,500
		(296)	2,500
Net increase/(decrease) in operating liabilities			
Financial liabilities at fair value through profit or loss		**579**	—
Financial liabilities held at amortised cost		**—**	—
Other operating liabilities		**60**	(2,162)
		639	(2,162)
Net cash flows generated from operating activities		**116,613**	42,446
Investing activities			
Increase in equity investment in subsidiaries		**(174,000)**	(141,001)
Net cash flows generated from investing activities		**(174,000)**	(141,001)
Financing activities			
Dividend paid		**(56,538)**	(216,471)
Proceeds from borrowings on revolving credit facility		**174,000**	146,000
Acquisition of treasury shares		**(50,000)**	(10,000)
Loan interest paid		**(12,569)**	(4,403)
Cash payment on lease liabilities		**(13)**	(13)
Net cash flows generated from financing activities		**54,880**	(84,887)
Effect of exchange rate changes on cash and cash equivalents		**19**	(13)
Net increase / (decrease) in cash and cash equivalents		**(2,488)**	(183,455)
Cash and cash equivalents at the start of the year		**4,034**	187,489
Cash and cash equivalents at the end of the year		**1,546**	4,034

Non-cash disclosures

During the year to 31 December 2023 157,384 ordinary shares were issued to the beneficiaries of the LTIP schemes (none in the year to 31 December 2022).

Method used

The method used in the preparation of the cash flows for the years ended 31 December, 2023 and 31 December, 2022 is the direct method.

Notes to the Company financial statements

For the year ended 31 December 2023

1. Basis of Accounting

1.a. Statement of compliance

The individual financial statements for the year ended 31 December 2023 (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.

In addition, the Company is in adherence to the Group`s Pillar Two disclosure made in Note 8.3 of the Notes to the Consolidated Finance Statements.

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 2023 EUR ('000s)	31 Dec 2022 EUR ('000s)
Investment at cost	**3,027,124**	2,878,355
Additions	**181,883**	148,769
Total investment in Subsidiary	**3,209,007**	3,027,124

On 8 February 2023, 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 44,000 thousand through newly issued shares within the Company.

Also, on 1 December 2023, 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 130,000 thousand through newly issued shares within the Company.

In addition, during the year to 31 December 2023 there was a further increase due to the employee share scheme of EUR 7,883 thousand (year to 31 December, 2022 EUR 7,768 thousand).

5. Financial Assets held at Amortised Cost

	2023 EUR ('000s)	2022 EUR ('000s)
Other financial assets	**2,647**	2,329
Total	**2,647**	2,329

6. Financial Liabilities held at Amortised Cost

	2023 EUR ('000s)	2022 EUR ('000s)
Non-current liabilities		
Revolving credit facility	**367,028**	193,675
	367,028	193,675
Current liabilities		
Interest owed to credit institutions	**2,781**	1,297
Other financial liabilities	**133**	250
	2,914	1,547
Total	**369,942**	195,222

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 2023, the total amount drawn on the facility was EUR 370,000 thousand (31 December 2022 EUR 196,000 thousand).

7. Other Liabilities

	2023 EUR ('000s)	2022 EUR ('000s)
Other liabilities include:		
Accrued variable remuneration costs	**330**	146
Other payables	**619**	732
Total	**949**	878

8. Employee Compensation and Benefits

	2023	2022
Average number of employees during the year:		
Senior	**1**	2
Manager	**—**	—
Technical and general	**1**	2
Total	**2**	4

	2023 EUR ('000s)	2022 EUR ('000s)
Employee compensation and benefits include the following expenses:		
Wages and salaries	**(759)**	(913)
Social security costs	**(76)**	(226)
Expense for defined contributions pension funds	**(5)**	(74)
Termination benefits	**—**	(357)
Long-term incentive plans	**(136)**	(158)
Training expenses	**—**	—
Other staff costs	**(13)**	(18)
Total	**(989)**	(1,746)

Notes to the Company financial statements continued

For the year ended 31 December 2023

9. Other Expenses

	2023 EUR ('000s)	2022 EUR ('000s)
Other expenses include:		
Insurance	**(1,713)**	(1,815)
Sub-contracted administrative services	**(613)**	(655)
Controlling bodies	**(589)**	(510)
Audit fees	**(570)**	(452)
Legal and professional	**(1,211)**	(310)
Rental expenses	**(135)**	(120)
Other	**(598)**	(375)
Total	**(5,429)**	(4,237)

10. Other Operating Income

In the year to 31 December 2023 the Company received dividends from Liberty Partners, S.L.U. its direct subsidiary, as shown below:

	2023 EUR ('000s)	2022 EUR ('000s)
Other operating income includes:		
Dividends received	**121,500**	46,900
Other income	**757**	1,119
Total	**122,257**	48,019

11. Tax Income

	2023 EUR ('000s)	2022 EUR ('000s)
Profit for the period before tax	**102,470**	36,615
Adjustment for:		
Dividend income	**(121,500)**	(46,900)
Non tax–deductible expenses	**12,937**	3,853
Taxable (loss)	**(6,093)**	(6,432)
Tax rate	**25%**	19%
Tax income derived from surrender of tax losses on current year[1]	**1,554**	1,075
Adjustment in relation to prior years[2]	**18**	1,253
Tax income	**1,572**	2,328

1. Expected surrender of tax losses from Allfunds Group plc to Allfunds Bank, S.A.U. UK branch for the year ended 31 December 2023.

2. Allfunds Group plc surrendered tax losses to Allfunds Bank, S.A.U. UK branch for the year ended 31 December 2022.

11.1 Pillar Two Disclosure

The Company would be the Ultimate Parent Entity (UPF) of the Group for Pillar Two Purposes. Please refer to Note 8.3 of the Consolidated financial statements for more information in this regard.

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

For details of the shares delivered post year end in relation to the LTIP 1 scheme and the approval of an additional LTIP scheme, please refer to Note 3.g.iv.

For details of the dividends received on 28 February 2024 from Liberty Partners, S.L.U., the direct subsidiary of the Company, please see Note 23.

On 29 February 2024 the Company increased its investment in Liberty Partners, S.L.U., its wholly owned direct subsidiary by EUR 30,000 thousand, This was actioned in order for the Liberty Partners Group to be able to exercise its option to extend the cooperation agreement for the commercial distribution of funds, to a former shareholder until November 2025 for a fee of EUR 30,000 thousand.

Reconciliations from IFRS to non-IFRS

For the year ended 31 December 2023

	Year ended 31 December 2023 EUR ('000s)	Year ended 31 December 2022 EUR ('000s)
Profit for the year after tax	**85,706**	49,183
Separately disclosed item[1]		
TSAs and restructuring costs	**2,536**	48,585
Consultancy costs, legal fees and M&A/IPO costs	**14,353**	18,567
Employee share schemes	**8,015**	7,926
Spanish Bank Levy	**7,237**	—
Restructuring costs	**5,600**	—
Other non-recurring items	**2,065**	7,188
Subtotal	**125,512**	131,449
Impairment losses	**49**	1
Amortisation of intangible assets acquired as a result of business combinations	**108,498**	139,925
Tax (Income)/ Expense	**66,921**	34,542
Adjusted Profit before tax	**300,980**	305,917
Finance costs	**15,557**	4,330
Amortisation and depreciation relating to other intangible assets and property, plant and equipment	**39,508**	31,139
Provisions	**3,160**	9,040
Adjusted EBITDA	**359,205**	350,426
Underlying capital expenditures[2]	**(49,739)**	(39,650)
Rental expenses	**(7,143)**	(7,611)
Adjusted net interest expense	**(15,557)**	(4,330)
Adjusted cash tax expense	**(84,079)**	(81,062)
Normalised free cash flow	**202,687**	217,773

1. Separately disclosed items of EUR 39,806 thousand refer to the following adjustments: Employee compensation and benefits of EUR 14,693 thousand, other expenses of EUR 23,111 thousand and other operating net expense of EUR 2,002 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 2023 EUR ('000s)	Year ended 31 December 2022 EUR ('000s)
Employee compensation and benefits	**(129,110)**	(95,547)
Separately disclosed items		
Consultancy costs, legal fees and M&A/IPO costs	**619**	1,049
Employee share schemes	**8,015**	7,926
Restructuring costs	**5,600**	—
Other non-recurring items	**459**	3,556
Adjusted employee compensation and benefits	**(114,417)**	(83,016)

Reconciliations from IFRS to non-IFRS measures continued

For the year ended 31 December 2022

Figures in EUR thousand	Year ended 31 December 2023 EUR ('000s)	Year ended 31 December 2022 EUR ('000s)
Other expenses	**(102,610)**	(130,174)
Separately disclosed items		
TSAs and Restructuring Costs	**2,536**	48,585
Consultancy costs, legal fees and M&A/IPO costs	**13,088**	17,519
Spanish Bank Levy	**7,237**	—
Other non-recurring items	**250**	879
Adjusted other expenses	**(79,499)**	(63,191)

Figures in EUR thousand	Year ended 31 December 2023 EUR ('000s)	Year ended 31 December 2022 EUR ('000s)
Profit before tax	**152,627**	83,725
Separately disclosed items		
TSAs and restructuring costs	**2,536**	48,585
Consultancy costs, legal fees and M&A/IPO costs	**14,353**	18,567
Employee share schemes	**8,015**	7,926
Spanish Bank Levy	**7,237**	—
Restructuring costs	**5,600**	—
Other non-recurring items	**2,066**	7,188
Total separately disclosed items	**192,434**	165,991
Impairment losses	**49**	1
Amortisation of intangible assets acquired as a result of business combinations	**108,498**	139,925
Adjusted cash tax expense	**(84,094)**	(81,062)
Adjusted Profit after tax	**216,887**	224,855

Figures in EUR thousand, unless otherwise stated	Year ended 31 December 2023 EUR ('000s)	Year ended 31 December 2022 EUR ('000s)
Tax credit/(expense)	**(66,921)**	(34,542)
Up-front tax payment	**(11,004)**	(15,039)
Non-cash tax deferred adjustments (Allfunds Milan branch)	**14,456**	14,456
Non-cash tax deferred adjustments (Allfunds Bank group)	**(404)**	(192)
Non-cash tax deferred adjustments (Allfunds Digital group)	**(51)**	(311)
Non-cash tax deferred adjustments (Allfunds Group plc)	**(15,574)**	(26,119)
Financial Statements vs. cash tax expense	**2,295**	182
Adjustments re. Separately Disclosed items	**(6,876)**	(19,497)
Adjusted cash tax expense incl. Italian tax step up	**(84,079)**	(81,062)
Adjusted cash tax expense excl. Italian tax step up	**(93,934)**	(86,992)

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, plus the net interest income from treasury activities.
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 Interest finance costs, Tax, impairment losses, 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 UCIs
GDAs	Global Distribution Agreements in place with Fund Houses
Iccrea Banca LPA business or acquisition	The entire local paying agent business division of Grupo BCC Iccrea, which was acquired by Allfunds Bank, S.A.U. through its Milan branch in December 2023, which was engaged in, amongst others, transfer agency, paying agency, investor relations management and tax and foreign exchange agency activities
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

As of 31 December 2023, Allfunds' issued share capital was divided into 620,055,702 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 2023, the Company owned 1,222,938 ordinary shares with a nominal value of €0.0025 each. They represent 0.2% of the Company's issued share capital.

In 2023, the Company repurchased 9,370,646 own shares, with a nominal value of €0.0025 each, for a total consideration of €50 million. All these shares were purchased under the share buyback programme announced on 28 July 2023 with the purpose of cancelling the repurchased shares and reducing the share capital. The shares were cancelled on 29 December 2023.

The maximum number of own shares held by the Company in 2023 was 10,593,584. These shares represented 1.7% of the Company's issued share capital at that time.

During 2023, the Company delivered 157,384 shares to the beneficiaries of the first tranche of the 2021 LTIP Award. In 2024, the Group delivered 152,859 own shares to the beneficiaries of the second tranche of the 2021 LTIP Award that had vested on 1 January 2024 and 239,638 shares to the Identified Staff members as part of their 2023 annual bonus payment. These shares were delivered at no cost for the receiving beneficiaries. No other own shares were disposed of in 2023 or 2024.

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 applicable to LHC3 Limited pursuant to the Relationship Agreement, as 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.

Shareholder structure

The table below shows our shareholding structure as of 31 December 2023. Only substantial shareholdings in accordance with transparency regulations are disclosed:

LHC3 Limited	34.8%
BNP Paribas S.A.	5.9%
BNP Paribas Asset Management Holding	6.4%
Treasury Shares	0.2%
Free float	52.7%
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 a 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.

As for share 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.

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 2024, the Board of Directors is proposing a final dividend of €0.0935 per share which results in a pay-out ratio of 26.7% of the adjusted net profit after tax. If approved, the dividend will be paid in cash in May 2024.

The Articles of Association do not include any provision as to the allocation of profits.

General meetings

The 2024 Annual General Meeting is expected to be held on 7 May 2024 at 12:00 p.m. (BST) 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).

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, for a period expiring at the end of the 2024 AGM of the Company to be held on 7 May 2024 (unless previously renewed, revoked or varied by the Company in general meeting):

i. to 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 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;

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.

Shareholder information continued

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 2024 AGM of the Company to be held on 4 May 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 or the sale of treasury shares for cash (other than as described in the previous paragraph) up to an aggregate nominal value of approximately €157 thousand, and

   c. the allotment of equity securities or the sale of treasury shares for cash (other than under paragraphs (a) and (b) above) up to the nominal value of 20% of any allotment of securities or sale of treasury shares 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 most recent Statement of Principles on Disapplying Pre-Emption Rights,

   d. the allotment of equity securities or the sale of treasury shares 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 twelve 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 most recent Statement of Principles on Disapplying Pre-Emption Rights, and

   e. the allotment of equity securities or the sale of treasury shares for cash (other than under paragraph (d) above) up to the nominal value of 20% of any allotment of securities or sale of treasury shares 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 most recent Statement of Principles on Disapplying Pre-Emption Rights, 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 2024 AGM, shareholders will be asked to renew these general and unconditional authorities to the directors, under the same terms and conditions as the existing ones, and for the same amounts (in terms of percentage of nominal value), for a period expiring on the earlier of the end of the following AGM of the Company or the close of business of 7 August 2024 (unless previously renewed, revoked or varied by the Company in general meeting).

Power to acquire own shares

The Articles of Association do not restrict the Company's ability to purchase its own shares. However, English law generally prohibits the Company from purchasing its own shares by way of off-market purchases without the prior approval of shareholders by ordinary resolution, 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.

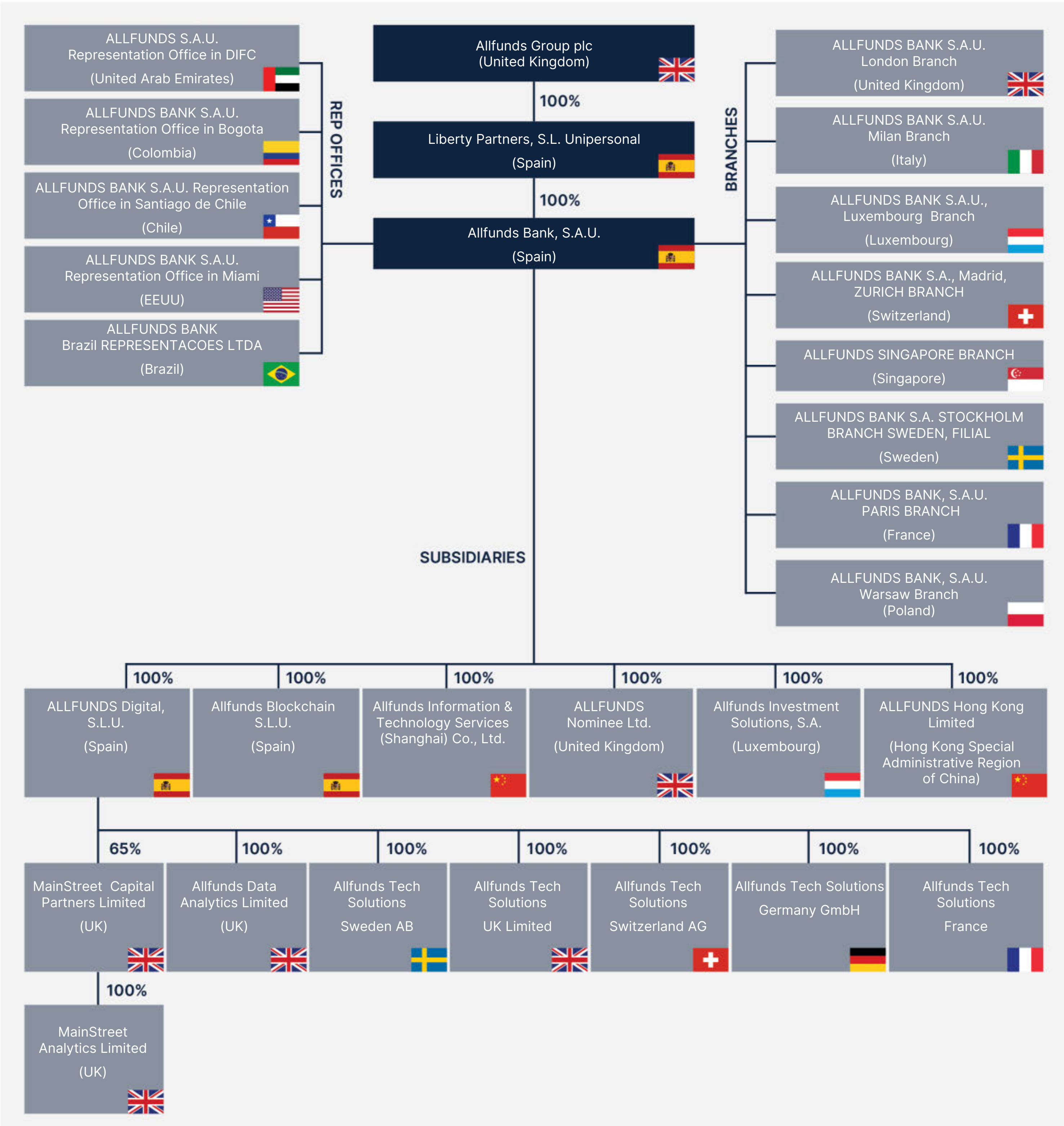
At the 2023 AGM, shareholders approved the terms of the buyback contract proposed to be entered into for off-market purchases (as defined in Section 693(2) of the UK Companies Act 2006) by the Company of its own ordinary shares, and to authorise the Company to purchase own shares pursuant to such buyback contract, provided that the maximum aggregate number of ordinary shares authorised to be purchased is 62,942,634 shares and the minimum price (exclusive of expenses) 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 2024 AGM of the Company to be held on 7 May 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.

At the 2024 AGM shareholders will be asked to approve the terms of the buyback contracts 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 contracts in the same terms as under the existing delegation, for a period expiring on the earlier of the end of the following AGM of the Company or the close of business of 7 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.

Group structure

The chart below shows the structure of the Allfunds' Group as of 31 December 2023.



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 2023 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 2023 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 Electronic Format Annual Financial Report prepared in compliance with the ESEF RTS

The directors are responsible for preparing the Electronic Format 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 (ISQM) 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 iXBRL 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 iXBRL 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 dated 31 December 2023;
- evaluating the appropriateness of the Company's mark up of the consolidated financial statements using the iXBRL mark-up language;
- evaluating the appropriateness of the Company's use of iXBRL elements selected from a generally accepted taxonomy and the creation of extension elements where no suitable element in the generally accepted 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 2023 is set out in our Independent Auditor's Report dated 26 March 2024.

Use of our report

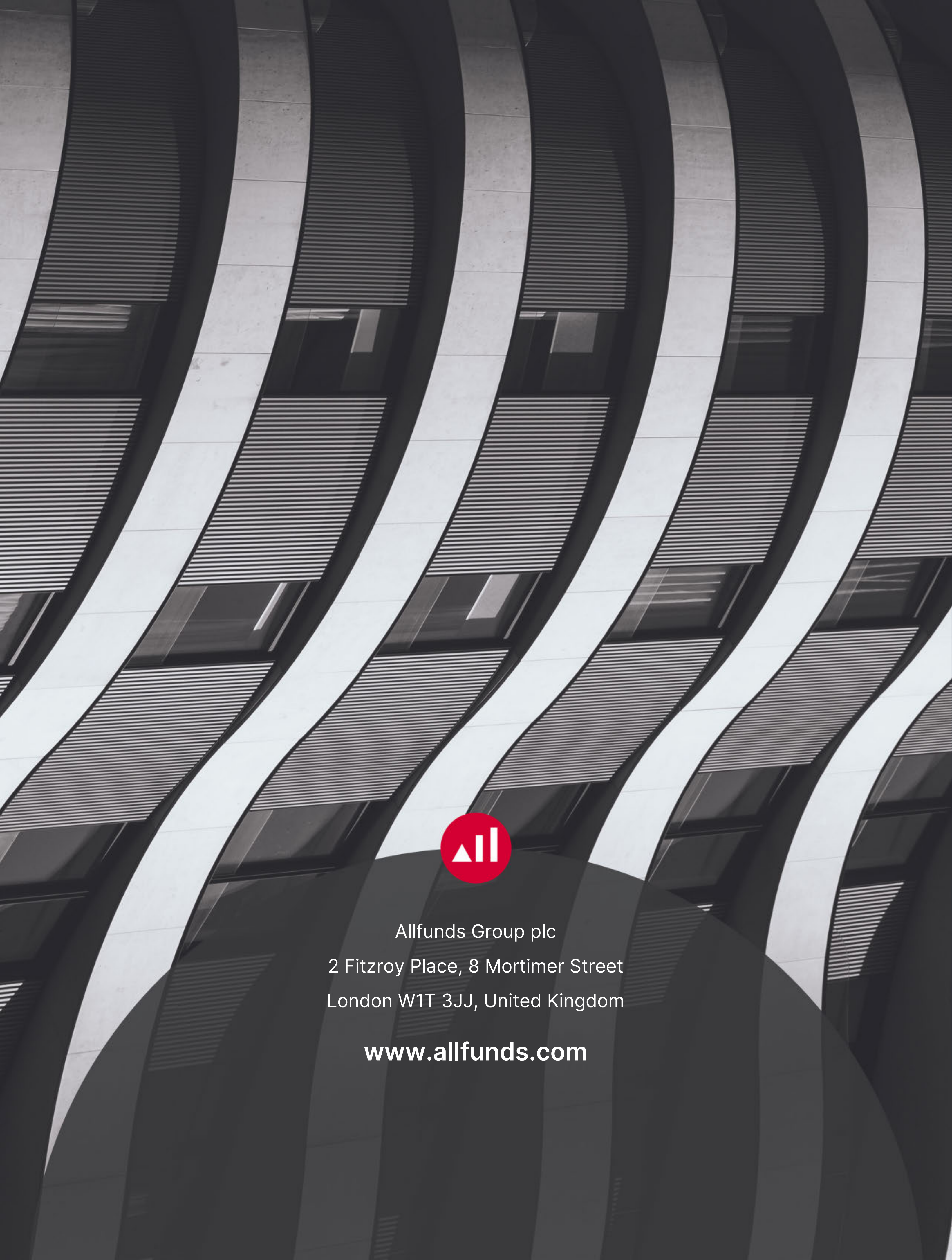
Our report is made solely to the Company's members, as a body, in accordance with ISAE (UK) 3000. Our work has been undertaken so that we might state to the Company those matters we are required to state to them in this report and for no other purpose. To the fullest extent permitted by law, we do not 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.

Marc Cleeve, FCA (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor

St.Helier, Jersey
26 March 2024


Allfunds HQ, Madrid, Spain

Consultancy and design by Black Sun Global
http://www.blacksun-global.com/



Allfunds Group plc

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