



EQUINITI FINANCIAL SERVICES LIMITED

Annual MIFIDPRU Disclosure Report

31 DECEMBER 2025

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1. Overview

1.1 Purpose

Equiniti Financial Services Limited (EFSL) is subject to the UK Investment Firms Prudential Regime (IFPR), implemented through the FCA's Prudential Sourcebook for MiFID Investment Firms (MIFIDPRU). This statement has been prepared in accordance with the public disclosure requirements set out in MIFIDPRU Chapter 8.

1.2 Scope and Basis of Disclosure

This disclosure relates solely to EFSL (FCA Firm Reference Number 468631) on an individual entity basis. References are made to the wider Equiniti Group where relevant to the understanding of EFSL's business, governance or risk profile.

1.3 Means of Disclosure

This report is produced annually alongside EFSL's statutory financial statements and is based on information for the year ended 31 December 2025. It is published on Equiniti's website.



2. Business Overview

EFSL is a UK-authorized investment firm and a wholly owned subsidiary of Equiniti Holdings Limited. The Equiniti Group provides regulated and non-regulated services primarily across share registration, employee share plans, pensions administration and related financial services in the UK and the US.

EFSL operates as an execution-only broker and nominee provider. Its activities support the Group's UK share registration business by providing trading, custody and nominee services to retail customers, either directly or through corporate clients.

EFSL's products and services fall into three core categories:

- **Registration-related services**, supporting the Group's issuer-facing share registration activities;
- **Customer-led trading services**, driven by retail shareholder demand; and
- **Share plan and employee services**, providing custody, nominee and execution services in support of employee share plans.

The nature of EFSL's business model materially influences its risk profile:

- Services are provided strictly on an execution-only basis, with no investment advice;
- EFSL does not trade on its own account or take market positions;
- Client assets are not used for securities financing transactions and no title transfer collateral arrangements are used; and
- Credit risk is limited, as revenue is primarily transaction-based and retail clients generally pre-fund transactions.



3. Risk Management Framework

3.1 Framework and Governance

EFSL operates a comprehensive enterprise-wide risk management framework aligned to the Group's broader governance arrangements while retaining clear legal and regulatory accountability at entity level. The operating model combines directly managed activities with intra-group outsourcing arrangements governed by formal agreements.

The firm applies the Three Lines of Defence model, supported by the Senior Managers and Certification Regime (SM&CR), ensuring clear ownership, accountability and independent assurance across all material risks. Oversight is provided by the Board and its committees through regular reporting and challenge.

3.2 Risk Identification and Assessment

Risks are identified, assessed and monitored through a structured risk taxonomy and supported by Risk and Control Self-Assessments (RCSAs), key risk indicators and horizon scanning. Emerging risks, including regulatory developments, are assessed regularly. The framework is subject to continuous enhancement.

EFSL also maintains an operational resilience framework in line with FCA SYSC 15A requirements. This includes identification of Important Business Services, impact tolerances, mapping of critical resources and ongoing scenario testing. Compliance is assessed at least annually and approved by the Board.

3.3 Principal Risks

The principal risks arising from EFSL's business model include:

- **Operational risk**, inherent in transaction processing and outsourced services,
- **Technology and cyber risk**, including data security and system resilience,
- **Regulatory and compliance risk**, given the regulated nature of the activities, and
- **Counterparty and concentration risk**, primarily in relation to brokers, banks and third-party service providers.

These risks are mitigated through robust controls, independent assurance functions, third-party due diligence, and certified information security frameworks.

3.4 Risk Appetite

EFSL's risk appetite is set by the Board as advised by the Board's Risk Committee through a formal Risk Appetite Statement. Appetite levels are defined across all material risk categories using both qualitative statements and quantitative tolerance measures. Breaches of appetite are escalated and managed through defined remediation or risk acceptance processes.



4. Capital and Liquidity Adequacy

4.1 ICARA Process

EFSL maintains a well-established Internal Capital Adequacy and Risk Assessment (ICARA) process. This process is facilitated by the Risk and Finance functions of EFSL, and assesses risks and potential harms to customers, markets and the firm, to determine appropriate levels of capital and liquidity for both ongoing operations and orderly wind-down scenarios.

Scenario analysis and stress testing are performed using severe but plausible scenarios, including operational, technological, regulatory and third-party and market counterparty events. The ICARA is reviewed and approved annually by the Board and updated when material changes occur.

4.2 Own Funds and Liquidity

EFSL calculates its capital requirements in accordance with MIFIDPRU, using the higher of the Permanent Minimum Requirement, Fixed Overhead Requirement and the sum of relevant K-factors. Liquidity requirements are assessed over multiple time horizons and supported by contingency funding arrangements.

EFSL met its Overall Financial Adequacy Rule (OFAR) obligations throughout 2025 and expects to continue to do so throughout 2026.

The EFSL Board has delegated day to day operational responsibility to the Chief Executive Officer and the Executive Management Committee, which ensures that EFSL operates in a compliant manner and has effective oversight of risks.



5. Own Funds Held

The tables below present EFSL's regulatory own funds, reconciled to the audited balance sheet, together with the main features of capital instruments.

Table 1 – Composition of regulatory own funds (at 31 December)

Item Number	Item	Amount (GBP thousands)
1	OWN FUNDS	54,264
2	TIER 1 CAPITAL	54,264
3	COMMON EQUITY TIER 1 CAPITAL	54,264
4	Fully paid-up capital instruments	12,754
5	Share premium	0
6	Retained earnings	41,488
7	Accumulated other comprehensive income	0
8	Other reserves	22
9	Adjustments to CET1 due to prudential filters	0
10	Other Funds	0
11	(-)TOTAL DEDUCTIONS FORM COMMON EQUITY TIER 1	0
19	CET1: Other capital elements, deductions and adjustments	0
20	ADDITIONAL TIER 1 CAPITAL	0
21	Fully paid up, directly issued capital instruments	0
22	Share premium	0
23	(-) TOTAL DEDUCTIONS FROM ADDITIONAL TIER 1	0
24	Additional Tier 1: Other capital elements, deductions and adjustments	0
25	TIER 2 CAPITAL	0
26	Fully paid up, directly issued capital instruments	0
27	Share premium	0
28	(-) TOTAL DEDUCTIONS FROM TIER 2	0
29	Tier 2: Other capital elements, deductions and adjustments	0

Table 2 – Own funds: reconciliation of regulatory own funds to balance sheet in the audited financial statements

	Balance sheet as in published/audited financial statements	Under regulatory scope of consolidation	Cross-reference to template OF1
	As at period end 31 December 2025	As at period end 31 December 2025	
Assets - Breakdown by asset classes according to the balance sheet in the audited financial statements			
1	Deferred tax assets	3	
2	Trade and other receivables	2,492	
3	Contract assets	2,050	
4	Agency broker receivables	11,705	
5	Other current financial assets	57,400	
6	Cash and cash equivalents	13,841	
	Total Assets	87,491	
Liabilities - Breakdown by liability classes according to the balance sheet in the audited financial statements			
1	Trade and other payables	10,776	
2	Contract liabilities	1,046	
3	Income tax liability	9,700	
4	Agency broker payables	11,705	
	Total Liabilities	33,227	
Shareholder's Equity			
1	Share capital	12,754	
2	Retained profit	41,488	
3	Capital contribution reserve	22	
	Total Shareholder's equity	54,264	

Table 3 – Main Features of Own Funds Instruments (at 31 December 2025)

Capital instrument main features	
Public or private placement	Private
Instrument type	Ordinary shares
Issuer	Equiniti Financial Services Limited
Governing law(s) of the instrument	England and Wales
Instrument Type	Equity
Regulatory Treatment	
Transitional CRR rules	Common Equity Tier 1
Post-transitional rules	Common Equity Tier 1
Instrument type	Ordinary Shares
Amount recognised in regulatory capital (GBP thousands as of most recent reporting date)	12,754
Nominal amount of instrument	12,754
Issue price	100%
Redemption Price	Not applicable
Accounting classification	Shareholders' Equity
Perpetual or dated	Perpetual
Maturity date	Not applicable
Issuer call subject to prior supervisory approval	No
Optional call date, contingent call dates and redemption amount	Not applicable
Subsequent call dates, if applicable	Not applicable
Fixed or floating dividend/coupon	Variable
Coupon rate and any related index	Not applicable
Existence of a dividend stopper	No
Fully discretionary, partially discretionary or mandatory	Fully discretionary
Convertible or non-convertible	Non-convertible
Write-down features	No

6. Own Funds requirements

EFSL's Own Funds Requirement is calculated as the highest of the Permanent Minimum Requirement, Fixed Overhead Requirement and the sum of applicable K-factors. The applicable K-factors relate to client money held, assets safeguarded and administered, client orders handled and daily trading flow.

Own Funds Requirement: £12.773m

The composition and calculation of K-factors are set out in the tables below.

In accordance with the MIFIDPRU requirements EFSL is required to calculate the Own Funds Requirement (OFR). This is the highest of three factors:

Requirement	Amount (£m)
Permanent Minimum Requirement	0.750
Fixed Overhead Requirement	5.243
Sum of the K-Factors	12.773
Own Funds Requirement	12.773

There are nine K-factors set out in MIFIDPRU. Those relevant to EFSL are:

- K-CMH – Client Money Held. The applicable factor is 0.4% of the average client money held.
- K-ASA – Assets safeguarded and administered. The applicable factor is 0.04% of the average assets safeguarded and administered.
- K-COH – Client Orders handled. The applicable factor is 0.1% of the average client orders handled.
- K-DTF – daily trading flow. The applicable factor is 0.1% of the average daily trading flow.

K-AUM; K-NPR; K-CMG; K-TCD and K-CON are not relevant to EFSL. The sum of the K-factors as at 31 December 2025 is set out in the table below.

Sum of K-AUM; K-CMH; K-ASA	£12.739m
Sum of K-COH; K-DTF	£0.034m
Sum of K-NPR; K-CMG; K-TCD; K-CON	£0
Sum of all K factors	£12.773m

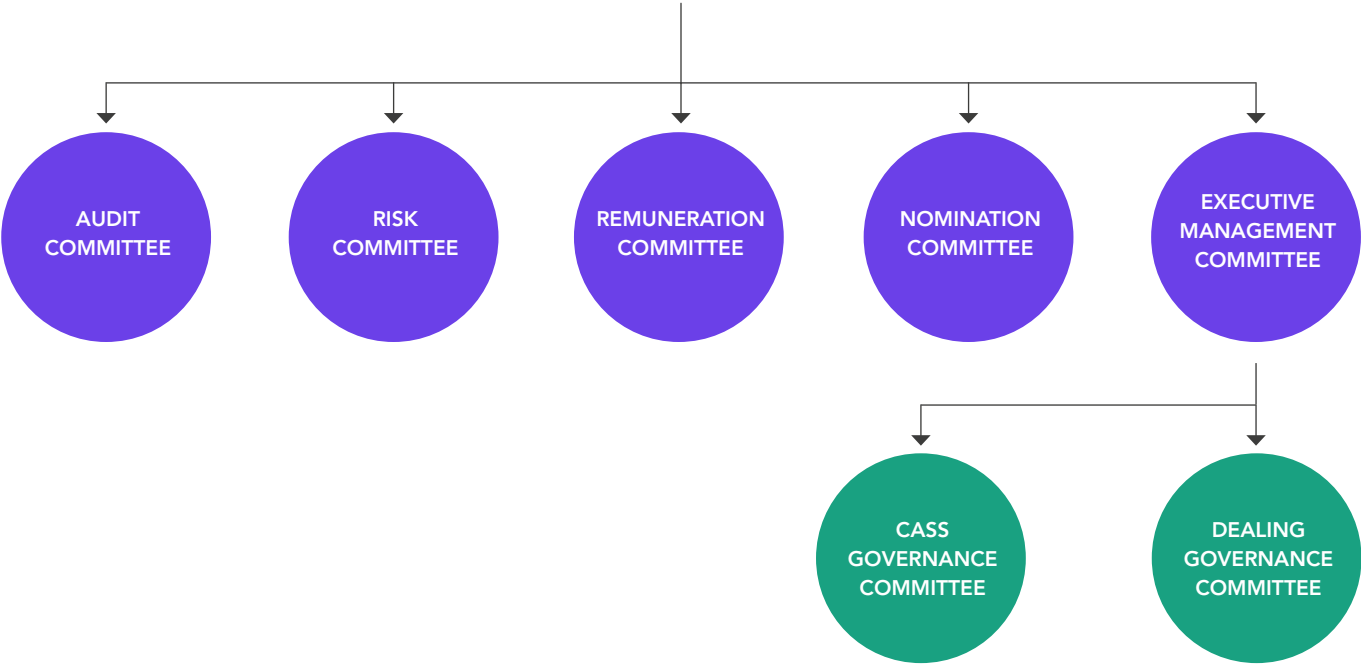
7. Governance Arrangements

7.1 Board and Committees

EFSL has its own Board, with responsibility for strategy, oversight and the maintenance of effective risk management and internal control systems. The Board is chaired by an independent Non-Executive Director and includes both executive and independent non-executive members.

The Board is supported by Audit, Risk, Remuneration and Nomination Committees, each operating under formal terms of reference. Day-to-day management is delegated to the Chief Executive Officer and Executive Management Committee.

Equiniti Financial Services Limited Board



7.2 Senior Management Responsibilities

Responsibilities for all business areas and key risks are clearly allocated under the SM&CR framework. These arrangements are reviewed regularly to ensure continued clarity, effectiveness and appropriate segregation of duties.

As at 31 December 2025 the number of directorships held by members of the EFSL Board was as follows:

Director	Number of directorships in other Equiniti Group entities	Number of directorships of non-Group commercial entities
Burr, Rosanna		1
Downing, Edward	3	
Atkinson, Kit		
Hayes, Kevin		3
Roberts, Linda		2

In accordance with the FCA Handbook: (1) Directorships within the Company and its subsidiary undertakings are counted as a single directorship; and (2) Directorships in organisations which do not pursue predominantly commercial objectives are excluded.

7.3 Conflicts of Interest

EFSL maintains a Conflicts of Interest policy and register, supported by staff training and clear escalation procedures. Conflicts are actively monitored and managed to protect customers and the integrity of the firm. EFSL holds details of all potential or actual conflicts of interest, including with the Group, its shareholder and other entities within the Group. In addition, it maintains details of the steps taken to eliminate or manage the conflicts and enables EFSL to declare any conflicts which it is unable to eliminate or manage should these arise.

7.4 Diversity and Inclusion

EFSL adheres to the Group's Equality, Diversity and Inclusion framework and policies. The firm supports an inclusive culture and does not set entity-specific diversity targets, instead aligning with Group-wide objectives.

8. Remuneration

EFSL qualifies for reduced remuneration disclosures under MIFIDPRU. Remuneration is governed by the Remuneration Committee, which ensures that pay structures promote effective risk management and do not incentivise excessive risk-taking.

In accordance with the requirements for the remuneration section of this document, the number of staff includes individuals within the wider Equiniti Group who carry out support activities or undertake processing for EFSL, even if such activities only take up a small part of their time.

Material Risk Takers are identified in line with regulatory requirements. EFSL has identified the following as Material Risk Takers

- Board Members (including Non-Executive Directors)
- Senior Managers
- Dealers
- Managers relating to Compliance; Risk; and Internal Audit functions
- Money Laundering Reporting Officer
- Those with responsibility for designing and changing products
- Other individuals who have a material impact on EFSL

Aggregate remuneration data for the year ending 31 December 2025 is disclosed below.

	Senior Management Risk Takers	Other Material Risk Takers	Other Staff	Total
Number of staff	19	15	2,604	2,638
Total amount of remuneration awarded	£6,417,651	£2,698,043	£72,071,461	£81,187,155
Fixed remuneration awarded	£3,912,077	£2,036,435	£66,135,377	£72,083,889
Variable remuneration awarded	£2,505,574	£661,609	£5,936,084	£9,103,266
Amount of guaranteed variable remuneration awards	£0	£0	£0	£0
Number of material risk takers receiving guaranteed variable remunerations awards	£0	£0	£0	£0
Total amount of severance payments awarded		£335,711		
Number of material risk takers receiving severance payments		5		
Highest severance payment awarded to an individual material risk taker		£264,400		

9. Investment Policy

In accordance with MIFIDPRU 8.7.3R, EFSL is not required to publish an investment policy, as it operates on an execution-only basis and exercises voting rights only in accordance with explicit shareholder instructions.





Equiniti Financial Services Limited is authorised and regulated by the Financial Conduct Authority and is a member of the London Stock Exchange. Registered office: Highdown House, Yeoman Way, Worthing, West Sussex, BN99 3HH.