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## Equiti Capital UK Limited

# IFPR Disclosure

## For the Year End 31 December 2025

*Equiti Capital UK Limited (''Equiti UK'') is authorised and regulated by the Financial Conduct Authority (“FCA”) and this document has been drafted to comply with the applicable FCA regulations.*

Equiti Capital UK Limited is authorised and regulated by the Financial Conduct Authority of the United Kingdom (FRN: 528328).

Equiti Capital UK is incorporated with limited liability under the laws of England and Wales, under company number 07216039, with its registered address at 11 Ironmonger Lane, London, EC2V 8EY, United Kingdom.

# Contents

# Introduction

Equiti Capital UK Limited ("Equiti", or "the Firm") is an investment management firm incorporated in England and Wales and regulated by the Financial Conduct Authority ("FCA") as a MiFID (Markets in Financial Instruments Directive) investment firm.

On 1 January 2022, the FCA implemented the Investment Firms Prudential Regime ("IFPR"), which introduced the Prudential Sourcebook for MiFID investment firms ("MIFIDPRU"). Equiti must comply with the rules set out within MIFIDPRU. The purpose of IFPR is to ensure that investment firms are financially resilient, and that they do not create harm or fail in a disorderly manner that brings wider disruption to investors or markets in which they operate. This prudential regime introduced a number of fundamental changes, including:

- new own funds requirements, including the introduction of a new K-factor approach to replace credit and market risk assessments. This change in approach is intended to place a greater focus on areas of operational risk and introduces the concept of "harms" that could be caused by the activities of investment management firms;
- a new approach for an investment Firm's internal risk and prudential assessments, and the supervision of those requirements, which are now considered as part of an Internal Capital and Risk Assessment (ICARA) process;
- the introduction of new liquidity requirements and obligations for all investment firms;
- new governance and Committee requirements; and
- a new remuneration code.

IFPR also introduced amended disclosure requirements (MIFIDPRU 8), which replaced historical disclosure obligations under the previous prudential regime. The purpose of MIFIDPRU 8 is to enable the business model and potential risk of harm posed by each investment firm to be better understood by its stakeholders. Firms are required to publicly disclose, at least annually, their policies for managing risk, details of their regulatory capital requirements and supporting capital resources and information around their employee remuneration policies. These disclosures are designed to promote market discipline by providing market participants with key information on each Firm's risk exposures and risk management processes.

The firm does not meet the FCA definition of a small and non-interconnected investment firm ("SNI") as set out in the MIFDPRU rules and is therefore required to provide additional disclosure around governance arrangements, own funds, own funds requirements, remuneration and investment policy as a non-SNI in line with MIFIDPRU 8 requirements. These disclosures are not required to be subject to an independent external audit and have been ratified and approved by the Board.

# Risk management objectives and policies (MIFIDPRU 8.2)

The Firm's Governing Body has adopted a conservative risk appetite to maintain a strong capital position, liquidity and balance sheet throughout market cycles.

As an investment company, risk is a fundamental characteristic of the Firm's business. The Firm is committed to ensuring all business activities are conducted with a clear understanding of the risks, to maintaining a robust risk management framework, ensuring transparent disclosure, treating its clients fairly, and to meet the expectations of major stakeholders, including clients, employees, Partners and regulators.

**Principal risks and uncertainties**

The Board is responsible for overseeing and managing the principal risks of the business. We seek to mitigate our risks through the application of limits and robust controls and regular monitoring of risk levels and, where appropriate, consider the use of hedging instruments.

The Risk Framework sets the core principles for risk identification, monitoring, and management through the Firm's Business Departments. It also defines responsibilities of the governing bodies in their oversight management role of Equiti Capital's risk and in ensuring at all times its alignment with the risk appetite.

The ultimate purpose of the Risk Framework is to encompass an overview of the Firm's governance structure, processes, systems, and tools that drive Equiti Capital's approach to risk and its management.

A Group risk register is maintained to ensure we continue to identify, document, and monitor risks and have adequate controls in place to mitigate the residual risks of our business activities.

Risks are categorised and assessed based on their nature, likelihood with the appropriate mitigation/controls outlined for each risk. Controls are well defined and where essential, regulatory capital as a mitigation is detailed. Key risks and controls are managed by ARC and Exco.

The financial risks of the Firm and policies for mitigating risk are defined below:

**Credit and Counterparty Risk**

These risks originate from the possibility of default by a customer or counterparty. The Firm mitigates customer risk by implementing a Client Due Diligence (CDD) Programme, and by limiting customer activity to those customers who have appropriate financial resources and are able to suitably fund their trading accounts. Customers can only open positions with free funds that are not being used as margin for other trades. The Firm does not provide services to Retail clients, so it is possible for clients to incur a deficit balance in fast moving or volatile markets.

To mitigate this risk, the Firm has automated systems and controls in place to electronically monitor customer exposures and will close any customer exposure where their account value drops to near deficit levels and therefore reducing the risk of customer default. The Firm mitigates counterparty risk as well as market risk by using multiple external counterparties for trading, depending on market conditions and best pricing.

**Market Risk**

This risk refers to the potential for the Firm to be exposed to a trade in respect of an underlying customer, should the Firm fail to hedge the customer trade. The Firm acts as agent or matched principal on all trades. The Firm has trading accounts with prime brokers and counterparties which simultaneously allow the Firm the ability to hedge all trades executed in customer accounts with the Firm. Group has invested heavily in our in-house risk system, which provides automated counterparty reconciliations which run in parallel to the 24-hour, 5 days a week trading coverage.

**Financial Crime Risk**

Clients may attempt to use the Firm to commit financial crime, and to mitigate this risk the Firm has implemented a risk based CDD Program and a control framework for monitoring and identifying suspicious orders or transactions that could amount to market abuse, and/or money laundering.

**Liquidity Risk**

This risk is that the Firm does not have sufficient financial resources to fulfil its contractual obligations. The Firm's liquidity requirements can be subdivided into two principal areas, customers' funds and Firm's funds.

To remain compliant with relevant regulatory requirements, customers' funds to be segregated are immediately placed into segregated accounts held in Trust with reputable banks and financial institutions that have been assessed by the Client Money Committee and have received the necessary approvals by the Board.

These are created, maintained, and reconciled daily. If customers agree to opt out of the Client Money rules under a Title Transfer Collateral Arrangement, funds are placed into non segregated accounts. Furthermore, the Firm does not have a retail client offering.
The Firm has undertaken due diligence on the financial institutions in which the Firm has deposits and is satisfied that with the internal controls in place those banks are prudent and of strong credit standing to maintain the balances of customers' and Firm's funds.

For the Firm's Funds, the Firm's senior management is responsible for constantly monitoring the Firm's liquidity position. For day-to-day liquidity needs the Firm forecasts revenue inflows against expected expense outflows to ensure that it has sufficient cash flow to meet its obligations as they fall due. While holding customer-related accounts, the Firm reviews its financial position on an ongoing basis to ensure it has the resources for a survival time of up to 6 months to unwind its affairs. The results of both the Firm's capital and liquidity planning, and management are periodically brought to the Board of Directors' attention. The Audit & Risk Committee sets a range of monitoring and KRI thresholds to adequately review and stress various scenarios the Firm could face.

**Operational Risk**

This is the risk that internal processes do not operate appropriately. It includes fraud, business practices, business disruption and resilience, process management and regulatory and compliance risk. The Firm has developed systems and controls to help mitigate these risks.

a) Fraud:

The Firm produces monthly and quarterly reports of the Firm's financial activity. The reporting ensures the Firm maintains a documented account of all funds that flow into and out of both firm and customer accounts on a regular basis. These reports include an Income Statement and Balance Sheet for the Firm, supported by detailed explanation of all transactions in both customer and firm bank accounts, which are directly available to senior management. Quarterly financials are presented to the Board of Directors for review; the management team reviews the monthly financial reports. The Firm also performs, at a minimum, annual reviews to assess if the Firm has met intended projections and if projections should be revised for the future.

b) Business Disruption and Resilience:

This risk refers to system failures, data protection, cyber security, or malfunctions with technology and systems used for trading, data protection and record keeping. Overarching pillars have been implemented including Operational IT, Trading Infrastructure and Security Operations.

We continued our investment and improvement in IT Risk areas such as data protection, GDPR, cybersecurity, governance, and trading infrastructure. The Firm has made enhancements to our network structure as well as optimised our third-party platform set-ups.

c) Compliance and Legal Risk:

This is the risk the Firm voluntarily or involuntarily does not comply with the laws, regulations, requirements, or codes applicable specifically to the financial services industry and in the jurisdictions in which the Firm operates. To mitigate this risk, the Firm has instilled a compliance culture throughout all levels of the business and continually invests significant amounts of time and resource to implement appropriate systems and controls.

To support this compliance culture further, reporting lines are in place up to Board level to ensure a thorough review of ideas and initiatives before any resources are committed. The Firm engages in regular reviews of compliance policies and procedures and staff engage in up-to-date training on policies; the Firm has created a solid framework requiring approval of these policies and procedures by the management team or the Board of Directors as appropriate.

d) Conduct Risk:

This risk relates to the ability of management and staff to perform their job responsibilities and is a keen focus of the Board who promote a culture of ethical behaviour and positive conduct to its staff, customers, and the regulator. Conduct risk is monitored by the Risk department in conjunction with Human Resources and Compliance and is presented to the management team via the Audit & Risk Committee. The conduct strategy is managed though the staff appraisal process, annual conduct trainings, staff training programs, conflicts of interest declarations, the personal account dealing policy, the whistle blowing process as well through the remuneration code.

**Concentration Risk**

The firm recognises the risk that it could be overexposed to one client relationship which could materially impact its financial performance if it was to lose that relationship. This risk may arise if the firm does not have adequate tools to monitor exposure to client relationships to ensure that the firm maintains a diverse client base. Management have monitoring tools in place to assess concentration exposure to clients or groups; enabling management to take appropriate action where required. The firm does not have any material concentration exposure beyond its business risk appetite.

## *Governance Arrangements (MIFIDPRU 8.3)*

The governing body of Equiti (the Board) has ultimate responsibility for the overall management of the firm. The Board is responsible for defining, overseeing and accountable for the implementation of governance arrangements that ensure effective and prudent management of the firm, which includes the overall responsibility for:

- the Firm's strategic objectives, risk strategy and internal governance;
- the integrity of the Firm's accounting and financial reporting systems, including financial and operational controls and compliance with the regulatory rules;
- overseeing the process of disclosure and communications, and
- providing effective oversight of senior management;

To meet its responsibilities, the Board has delegated the day to day running of the firm to the Chief Executive Officer (CEO), and the senior management team through the following Committees:

- Audit & Risk Committee
- Executive Management Committee
- Product Governance & Regulatory Reporting Committee
- Client Money Committee
- Remuneration Committee

Each Committee has been established with defined Terms of Reference ('ToR') and appropriate membership, with processes in place to ensure proceedings are recorded and actions followed up.

**Conflict of Interest**

Information for dealing with conflicts of interest is set out in Equiti UK's Conflict of Interest Policy, which is approved by the Board. The policy also sets out the internal arrangements implemented by the Board in order to prevent, manage and deal with conflicts of interest if they arise.

Directors are required to disclose any business interests that may result in actual or potential conflicts of interests with those of Equiti UK. If a conflict or potential conflicts situation arises, the directors must seek approval from the board.

**Equiti UK Board**

Equiti UK has established a Board that meets on a quarterly basis, and during the financial year ending 31 December 2025 consisted of the following members:

- Steven Reeves (Non-Executive Director and Chairman)
- Iskandar Najjar (Executive Director)
- Paul Webb (Chief Executive and Executive director)
- Simon Dodkin (Executive Director) (Joined 31st March 2025)

The following directors have held office in executive and non-executive functions throughout the financial year:

| Name | Directorships in scope of MIFIDPRU 8.3.1R(2) |
|---|---|
| Steven Reeves | 4 (Four) |
| Iskandar Najjar | 1 (One) |
| Paul Webb | 1 (One) |
| Simon Dodkin | 1 (One) |

**Other Governance and Management Committees**

The Audit & Risk Committee (ARC) is responsible for monitoring the Firm's risk and financial reporting process controls and is chaired by a non-executive to ensure that there is sufficient independent challenge to the executive team in respect of the management of the firm. In addition, the Committee reviews the external auditor's performance. Equiti meetings are held on a quarterly basis, and its membership includes a non-executive director.

The Executive Management Committee "Exco" is responsible for the day to day running of the business and executing the strategy approved by the Board. It is comprised of the senior executives within the firm and chaired by the Managing Director.

The Product Governance & Regulatory Reporting Committee is responsible for monitoring all existing products and services and reviewing any new products or changes to existing products. It is also responsible for reviewing financial regulatory returns, the Firm's best execution obligations and transaction and trade reporting and is Chaired by the Chief Operating Officer.

The Client Money Committee is responsible for ensuring FCA's client money rules as set out in the Client Assets Sourcebook (CASS) are adhered to.

## *Diversity*

Diversity, equality, and inclusion are a core part of Equiti's business strategy. As at the date of this disclosure, 25% of the members of the EXCO were women. The Board currently comprises four members, all male; the Board has not set specific targets for gender or other diversity characteristics at Board level. The approach to Board recruitment, which is subject to Board approval, combines an assessment of a broad set of qualities including skills, technical capabilities, and knowledge as well as clear alignment to the wider Equiti Group structure where board membership may be subject to specified roles being performed within the wider group.

Equiti is committed to promoting a culture of equality and diversity that actively values difference, providing an inclusive workplace and eliminating any unfair or unlawful discrimination. Diversity representation across the organisation, and at Exco level, is monitored and reported to the Remuneration Committee and ultimately to the UK Board on a regular basis.

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## *Own Funds (MIFIDPRU 8.4)*

The Firm's own funds comprise entirely of Common Equity Tier 1 (CET1) capital which is the most robust category of financial resources.

Composition of regulatory own funds (31 December 2025)

| **Composition of regulatory own funds** | | | |
|---|---|---|---|
| | **Item** | **Amount (£'000)** | *Source based on reference numbers/letters of the balance sheet in the audited financial statements* |
| **1** | **OWN FUNDS** | 24,082 | |
| **2** | **TIER 1 CAPITAL** | 24,082 | |
| **3** | **COMMON EQUITY TIER 1 CAPITAL** | 24,082 | |
| 4 | Fully paid-up capital instruments | 1,748 | Note 17 |
| 5 | Share premium | 21,241 | Note 18 |
| 6 | Retained earnings | 428 | Note 18 |
| 7 | Accumulated other comprehensive income | 0 | |
| 8 | Other reserves | 667 | Note 18 |
| 9 | Adjustments to CET1 due to prudential filters | 0 | |
| 10 | Other funds | 0 | |
| 11 | (-) TOTAL DEDUCTIONS FROM COMMON EQUITY TIER 1 | -2 | |
| 19 | CET1: Other capital elements, deductions and adjustments | -2 | Note 13 |
| 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 | |

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 | As at period end | |
| **Assets -** *Breakdown by asset classes according to the balance sheet in the audited financial statements* | | | | |
| 1 | Property, plant and equipment | 818 | | Item 11 |
| 2 | Right-of-use assets | 1,357 | | Item 12 |
| 3 | Intangible assets | 2 | | Item 13 |
| 4 | Derivative financial assets | 20,784 | | Item 14 |
| 5 | Trade and other receivables | 3,576 | | Item 15 |
| 6 | Cash and cash equivalents | 42,849 | | Item 16 |
| | **Total Assets** | **69,386** | | |
| **Liabilities** - *Breakdown by liability classes according to the balance sheet in the audited financial statements* | | | | |
| 1 | Lease liabilities | 1,018 | | Item 19 |
| 2 | Provisions | 241 | | Item 20 |
| 3 | Deferred tax | 80 | | Item 10 |
| 4 | Trade and other payables | 19,360 | | Item 21 |
| 5 | Lease liabilities: current | 724 | | Item 19 |
| 6 | Provisions: current | 98 | | Item 20 |
| 7 | Derivative financial liabilities | 23,667 | | Item 14 |
| 8 | Income tax payable | 114 | | |
| | **Total Liabilities** | **45,302** | | |
| **Shareholders' Equity** | | | | |
| 1 | Share capital | 1,748 | | Item 17 |
| 2 | Share premium | 21,241 | | Item 18 |
| 3 | Other reserves | 667 | | Item 18 |
| 4 | Retained earnings | 428 | | Item 18 |
| | **Total Shareholders' equity** | **24,084** | | |

Own funds: main features of own instruments issued.

The main features of own funds instruments issued by Equiti UK are:

- Share capital consists of fully paid ordinary shares of $1 each with 2,355,344 in issuance as of 31 December 2025 (2024: 2,355,344).
- 100% of the share capital is owned by the immediate parent company, Equiti Group Limited, a company registered in Jersey.
- A dividend of £5,195,576 (2024: £Nil) was paid during the year.
- Total shareholder's equity is recognised as regulatory own funds capital, subject to a £2k CET1 deduction.
- Share capital and retained earnings have no specific terms and conditions applicable to them.

## *Own Funds Requirements (MIFIDPRU 8.5)*

As a non-SNI firm, the firm has to comply with the provisions contained within MIFIDPRU 4.3.2R by holding the highest of the following:

- Permanent Minimum Capital Requirement (per MIFIDPRU 4.4);
- Fixed Overhead Requirement (per MIFIDPRU 4.5); or
- K-Factor Requirement (per MIFIDPRU 4.6).

As at 31st December 2025 the Fixed Overheads requirement is the Own Funds Requirement, being higher than the Permanent Minimum Requirement and the total K-Factors.

| | | £'000 |
|---|---|---|
| **K-Factors** | **∑ K-AUM, K-CMH & K-ASA** | **15** |
| | **∑ K-DTF & K-COH** | **942** |
| | **∑ K-NPR, K-CMG, K-TCD & K-CON** | **1,027** |
| | **Total** | **1,984** |
| *Fixed Overheads Requirement* | | **2,359** |
| *Permanent Minimum Requirement* | | **750** |
| *Own Funds Requirement (maximum of the above)* | | **2,359** |

In accordance with the Overall Financial Adequacy Rule (OFAR), the firm must at all times, hold own funds and liquid assets which are adequate, both as to their amount and their quality, to ensure that:

- The Firm is able to remain financially viable throughout the economic cycle, with the ability to address any material potential harm that may result from its ongoing activities; and
- The Firm's business can be wound down in an orderly manner, minimising harm to consumers or to other market participants.

An assessment is carried out as part of the Internal Capital Adequacy and Risk Assessment (ICARA), which is conducted at least annually and is reviewed following any significant business change. The firm calculates its own internal risk assessment of ongoing activities by identifying all risks and considering their materiality, including those that are not captured under the defined K-Factor requirements. The higher of the internal risk assessment and the funds required for an orderly wind-down is used as the Own Funds Threshold Requirement (OFTR) and Liquid Assets Threshold Requirement (LATR) which the firm is required to hold at any point in time to comply with the OFAR.

The Firm has determined that it has sufficient own funds and liquid assets and is satisfied that it will continue to do so on an ongoing basis.

## *Remuneration (MIFIDPRU 8.6)*

Equiti UK's remuneration arrangements remain appropriate and promote sound and effective risk management. This supports the Firm's business strategy, objectives, values, and long-term interests.

The Firm's remuneration arrangements include both fixed and variable remuneration which is based on performance and reflects the long-term performance of the staff member, which is designed to retain and develop key talent at all levels within the firm.

**Remuneration Committee ("RemCom")**

The RemCom is responsible for ensuring that remuneration policies and practices are designed in such a way so as not to create a conflict of interest or incentive that may result in employees favouring their own interests or those of the firm to the detriment of any client. The RemCom maintains and periodically reviews the Firm's Remuneration policy which is ultimately approved by the Board.

**Aggregated MRT Disclosure requirements**

In accordance with FCA rules, Equiti UK is required to identify the categories of staff whose professional activities are deemed to have a material impact on the risk profile of the firm. These individuals are referred to as "Material Risk Takers," and such staff remuneration practices are subject to the requirements set out in the Firm's remuneration policy.

The table below shows the aggregate value of remuneration paid to those employees whose professional activities have a material impact on our risk profile (known as "Material Risk Takers"). For the period ended 31 December 2025, 59 employees were classified as Code Staff and the following disclosure divides these between those in a supervisory function and other employees whose activities materially affect the risk profile of the firm.

| | Total Fixed (£) | Total Variable (£) |
|---|---|---|
| Senior Managers | 591,050 | 437,598 |
| Material Risk Takers | 572,846 | 322,399 |
| Other Staff | 3,809,630 | 898,090 |
| **Total** | **4,973,526** | **1,658,087** |

| **Amounts in (£)** | Total | Senior Managers | Material Risk takers | Other |
|---|---|---|---|---|
| Total amount of guaranteed variable remuneration awards made during the financial year. | 0 | 0 | 0 | 0 |
| Number of Senior Managers/Material Risk Takers receiving those awards. | N/A | 0 | 0 | N/A |
| Total amount of severance payments awarded during the financial year. | 209,479 | 0 | 59,479 | 150,000 |
| Number of Senior Managers/Material Risk Takers receiving those payments. | N/A | 0 | 1 | N/A |
| Amount of the highest severance payment awarded to a Senior Manager/Material Risk Taker | N/A | 0 | 59,479 | N/A |

## *Investment Policy (MIFIDPRU 8.7)*

The Firm meets the conditions of MIFIDPRU 7.1.4R(1). As a result, the disclosure obligations relating to Investment Policy set out in MIFIDPRU 8.7 do not apply to the Company.