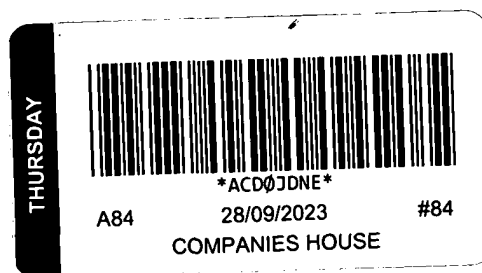


Registered number: 03639550

**AFRY CAPITAL LIMITED (FORMERLY PÖYRY CAPITAL LIMITED)**

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2022**



**AFRY CAPITAL LIMITED (FORMERLY PÖYRY CAPITAL LIMITED)**

**COMPANY INFORMATION**

<b>Directors</b>	T W S Blake M J Keegan (appointed 26 April 2022)
<b>Company secretary</b>	Christine Mason
<b>Registered number</b>	03639550
<b>Registered office</b>	4 Millbank 3rd Floor London SW1P 3JA
<b>Independent auditor</b>	James Cowper Kreston Audit Chartered Accountants and Statutory Auditor 2 Chawley Park Cumnor Hill Oxford Oxfordshire OX2 9GG

**AFRY CAPITAL LIMITED (FORMERLY PÖYRY CAPITAL LIMITED)**

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## **AFRY CAPITAL LIMITED (FORMERLY PÖYRY CAPITAL LIMITED)**

### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2022**

The Directors present their report and the financial statements for the year ended 31 December 2022.

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006. The principal activity of the Company is the provision of corporate finance advisory services

#### **Directors**

The Directors who served during the year were:

T W S Blake

M J Keegan (appointed 26 April 2022)

#### **Business review**

The Company was established in 1999 and is the investment banking arm of the AFRY Group. On 15 February 2022 the Company changed its name to AFRY Capital in line with the AFRY Group's rebranding.

The Company provides corporate finance and advisory services in bioindustry, packaging, industrial and energy & infrastructure, advising on cross border M&A transactions for corporate and financial players in these sectors.

The Company is authorised and regulated by the Financial Conduct Authority (FCA).

M&A activity remained strong throughout 2022 in all our sectors of focus. Transactions were completed in bioindustry, energy & infra and an industrial transaction was signed, to be completed in 2023. One highlight was the acquisition by our client BC Partners of a 50 per cent. interest in Fedrigoni, an Italian specialty paper company. This was the largest M&A transaction in the pulp & paper sector in the world in 2022. We also completed the sale of ScanBio Marine Group in Norway on behalf of Paine Schwartz & Partners.

The Company generated fee income of £4,463,839 for the year ended 31 December 2022 (2021: £5,634,477), utilising the services of 16 professional and two support staff. During the year a dividend of £900,000 (2021: £1,000,000) was paid and net assets of the Company have decreased to £2,733,482 as at 31 December 2022 (2021: £3,027,860). The income statement, balance sheet and the order book of advisory mandates provide the key performance indicators to the Directors.

#### **Governance**

The Company operates within the governance framework of the AFRY Group. It also has its own established governance framework, with terms of reference for the Board and an organisation structure, with delegated authorities and responsibilities.

#### **Risk Management**

The Board is responsible for risk and is responsible for oversight of the risk management process. The Board has considered the principal risks facing the Company and the exposure in relation to each of those risks.

Risk management is an integral part of the AFRY Group's business management and internal controls framework. The aim of risk management is to enable the achievement of strategic and financial objectives and targets in a controlled manner. The AFRY Group's risk management consists of a coordinated set of activities to identify, evaluate, treat and control all major risk areas of the AFRY Group in a systematic and proactive manner.

Risks are addressed by the Board in accordance with the following major risk categories – external risks and internal risks identified as strategic risks, operational risks and financial risks. Principle areas of risk are summarised below:

## **AFRY CAPITAL LIMITED (FORMERLY PÖYRY CAPITAL LIMITED)**

### **DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022**

#### **Business Risks**

The success of the business primarily depends on the collection of transaction success fees. The buoyancy of the global M&A market, competition, general economic conditions and trends in our sectors of focus are all influences on the potential for winning and closing business. Other important factors are the retention and recruitment of senior and junior staff. Recently the Company has broadened its sector focus to mitigate some of these risks.

#### **Credit Risk**

The Company's only credit exposure is to debtors, which are frequently monitored for size and age. The balances with other companies within the AFRY Group have minimal credit risk. The nature of the Company's business and counterparties means that it is not exposed to significant credit risk.

#### **Market Risk**

The objective of the Company's market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

The Company is exposed to currency risk in respect of income and cash balances denominated in a currency other than Sterling. The Company's exposure is kept to an acceptable level by managing the level of non Sterling cash balances on a regular basis. Material non Sterling receivable balances are hedged as appropriate using forward FX contracts that are defined as derivative financial instruments and as such when revalued have any profit or loss recognised in the statement of total comprehensive income. There were no open FX contracts as at 31 December 2022 or 31 December 2021.

#### **Regulatory & Compliance Risk**

The financial services industry remains closely regulated and the UK regulators may take actions that could result in changes to industry practices. The Company monitors the regulatory environment closely to react proactively to changes and reduce risks to the business.

There are formal AFRY Group compliance and internal audit functions. These departments conduct monitoring of various business areas and control procedures. Any issues of significance are brought to the attention of the Board. Planned corrective actions are independently monitored for timely completion.

#### **Liquidity Risk**

The Company's policy throughout the year has been to maintain sufficient liquidity in line with FCA regulations as a minimum. The aim is to maintain an appropriate capital base to support the development of its business and to meet regulatory capital requirements at all times. The liquidity of the business depends on securing success fees which are small in number and high in value. The liquidity of the Company would be at risk if sufficient success fees were not generated. In any year, should insufficient success fees be generated then the Company may need to seek parental support and address its cost base. The Board monitors the level of dividends to the parent. There has been no change to the Company's approach to capital management during the year.

The Directors have reviewed the capital and cash positions of the business for the next 12 months and are comfortable that the forecasts, coupled with available support from the parent company should this be required, are adequate to support their assessment that the Company can continue as a going concern.

#### **Results and dividends**

The profit for the year, after taxation, amounted to £605,622 (2021: £1,287,781).

The results for the year are set out in the profit and loss account on page 8. The Directors do not recommend payment of a final dividend (2021: £nil). During the year an interim dividend of £900,000 (2020: £1,000,000) was paid.

## **AFRY CAPITAL LIMITED (FORMERLY PÖYRY CAPITAL LIMITED)**

### **DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022**

#### **Directors' statement of compliance with section S172(1)**

AFRY Capital is a member of the AFRY Group ([www.afry.com](http://www.afry.com)). AFRY's mission is to accelerate the transition to a sustainable society. Its values are expressed as follows:

##### Brave

We think big and encourage entrepreneurship to increase value. Challenging each other and making bold decisions, always taking a stand for what we believe in.

##### Devoted

We have a unique mix of competences and we are all passionate within our field. Sharing our expertise and insights to make a difference, we are driven by our curiosity to grow and learn more.

##### Team players

We share ideas and collaborate across borders to seize new opportunities. Challenging, supporting and bringing out the best in each other, we believe in the power of differences.

In its day-to-day activity and reflecting the AFRY values, the Company respects the interests of its clients, vendors, stakeholders and its environment. We work with clients to create value and solutions for a sustainable future. We partner with trusted vendors on a long term basis. The company places great importance in employee engagement which is key. Regular employee engagement surveys are conducted. We aim to create inclusive and diverse teams with deep sector knowledge, encourage entrepreneurship, share expertise, collaborate and support our employees.

#### **Directors' responsibilities statement**

The Directors are responsible for preparing the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the 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 Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**AFRY CAPITAL LIMITED (FORMERLY PÖYRY CAPITAL LIMITED)**

**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2022**

**Disclosure of information to auditor**

Each of the persons who are Directors at the time when this Directors' report is approved has confirmed that:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the Director has taken all the steps that ought to have been taken as a Director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

**Auditor**

The auditor, James Cowper Kreston Audit, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 25 April 2023 and signed on its behalf.



.....  
**T W S Blake**  
Director

## **AFRY CAPITAL LIMITED (FORMERLY PÖYRY CAPITAL LIMITED)**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AFRY CAPITAL LIMITED (FORMERLY PÖYRY CAPITAL LIMITED)**

#### **Opinion**

We have audited the financial statements of AFRY Capital Limited (Formerly Pöyry Capital Limited) (the 'Company') for the year ended 31 December 2022, which comprise the Statement of comprehensive income, the Balance sheet, the Statement of cash flows, the Statement of changes in equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **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 Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **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.

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 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.

#### **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.



## **AFRY CAPITAL LIMITED (FORMERLY PÖYRY CAPITAL LIMITED)**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AFRY CAPITAL LIMITED (FORMERLY PÖYRY CAPITAL LIMITED) (CONTINUED)**

#### **Opinion on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' report has been prepared in accordance with applicable legal requirements.

#### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

#### **Responsibilities of Directors**

As explained more fully in the Directors' responsibilities statement set out on page 3, 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 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 Company or to cease operations, or have no realistic alternative but to do so.

## AFRY CAPITAL LIMITED (FORMERLY PÖYRY CAPITAL LIMITED)

### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AFRY CAPITAL LIMITED (FORMERLY PÖYRY CAPITAL LIMITED) (CONTINUED)

#### 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.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance.

The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

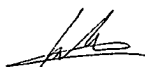
The specific procedures for this engagement that we designed and performed to detect material misstatements in respect of irregularities, including fraud, were as follows:

- Enquiry of management and those charged with governance around actual and potential litigation and claims;
- Enquiry of management and those charged with governance to identify any material instances of non-compliance with laws and regulations;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work to address the risk of irregularities due to management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for evidence of bias.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditor's report.

#### 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.



James Pitt BA BFP FCA (Senior Statutory Auditor)  
for and on behalf of

**James Cowper Kreston Audit**  
Chartered Accountants and Statutory Auditor  
2 Chawley Park  
Cumnor Hill  
Oxford  
Oxfordshire  
OX2 9GG

25 April 2023

**AFRY CAPITAL LIMITED (FORMERLY PÖYRY CAPITAL LIMITED)**

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2022**

	<b>Note</b>	<b>2022 £</b>	<b>2021 £</b>
Turnover	5	<b>4,463,839</b>	5,634,477
Sub Consulting fees payable to group undertakings		<b>(3,222)</b>	(199,881)
Sub Consulting fees payable externally		<b>(31,920)</b>	-
<b>Gross profit</b>		<b>4,428,697</b>	5,434,596
Staff costs	8	<b>(2,812,402)</b>	(2,992,394)
Depreciation and Amortisation		<b>(7,900)</b>	(7,901)
Administrative expenses		<b>(1,177,511)</b>	(752,394)
<b>Operating profit</b>	6	<b>430,884</b>	1,681,907
Interest receivable and similar income	10	<b>48,582</b>	6,523
Interest payable and similar expenses	11	<b>(2,275)</b>	(2,193)
<b>Profit before tax</b>		<b>477,191</b>	1,686,237
Tax on profit	12	<b>128,431</b>	(398,456)
<b>Profit for the financial year</b>		<b>605,622</b>	1,287,781
<b>Other comprehensive income for the year</b>			
<b>Total comprehensive income for the year</b>		<b>605,622</b>	1,287,781

The notes on pages 12 to 25 form part of these financial statements.

**AFRY CAPITAL LIMITED (FORMERLY PÖYRY CAPITAL LIMITED)**  
**REGISTERED NUMBER: 03639550**

**BALANCE SHEET**  
**AS AT 31 DECEMBER 2022**

	Note	2022 £	2021 £
<b>Fixed assets</b>			
Tangible assets	14	26,405	34,305
		<u>26,405</u>	<u>34,305</u>
<b>Current assets</b>			
Stocks	15	49,343	870
Debtors: amounts falling due within one year	16	4,380,104	4,840,165
		<u>4,429,447</u>	<u>4,841,035</u>
Creditors: amounts falling due within one year	18	(1,330,306)	(1,584,218)
<b>Net current assets</b>		<u>3,099,141</u>	<u>3,256,817</u>
<b>Total assets less current liabilities</b>		<u>3,125,546</u>	<u>3,291,122</u>
Creditors: amounts falling due after more than one year	19	(392,064)	(263,262)
<b>Net assets</b>		<u><u>2,733,482</u></u>	<u><u>3,027,860</u></u>
<b>Capital and reserves</b>			
Called up share capital	21	912,600	912,600
Share premium account		53,200	53,200
Profit and loss account		1,767,682	2,062,060
		<u><u>2,733,482</u></u>	<u><u>3,027,860</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:



.....  
**T W S Blake**  
 Director

Date: 25 April 2023

The notes on pages 12 to 25 form part of these financial statements.

**AFRY CAPITAL LIMITED (FORMERLY PÖYRY CAPITAL LIMITED)**

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2022**

	<b>Called up share capital</b>	<b>Share premium account</b>	<b>Profit and loss account</b>	<b>Total equity</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>At 1 January 2021</b>	<b>912,600</b>	<b>53,200</b>	<b>1,774,279</b>	<b>2,740,079</b>
<b>Comprehensive income for the year</b>				
Profit for the year	-	-	1,287,781	1,287,781
Dividends: Equity capital	-	-	(1,000,000)	(1,000,000)
<b>At 1 January 2022</b>	<b>912,600</b>	<b>53,200</b>	<b>2,062,060</b>	<b>3,027,860</b>
<b>Comprehensive income for the year</b>				
Profit for the year	-	-	605,622	605,622
Dividends: Equity capital	-	-	(900,000)	(900,000)
<b>At 31 December 2022</b>	<b>912,600</b>	<b>53,200</b>	<b>1,767,682</b>	<b>2,733,482</b>

The notes on pages 12 to 25 form part of these financial statements.

**AFRY CAPITAL LIMITED (FORMERLY PÖYRY CAPITAL LIMITED)**

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
<b>Cash flows from operating activities</b>		
Profit for the financial year	<b>605,622</b>	1,287,781
<b>Adjustments for:</b>		
Depreciation of tangible assets	<b>7,900</b>	7,901
Bank charges	<b>2,275</b>	2,193
Interest received	<b>(48,582)</b>	(6,523)
Taxation charge	<b>(128,431)</b>	398,456
(Increase)/decrease in stocks	<b>(48,473)</b>	8,073
Decrease in debtors	<b>186,866</b>	693,325
Increase in creditors	<b>96,024</b>	1,074,295
Corporation tax (paid)/received	<b>(141,109)</b>	10,062
<b>Net cash generated from operating activities</b>	<b>532,092</b>	3,475,563
Interest received	<b>48,582</b>	6,523
<b>Net cash from investing activities</b>	<b>48,582</b>	6,523
<b>Cash flows from financing activities</b>		
Dividends paid	<b>(900,000)</b>	(1,000,000)
Interest paid	<b>(2,275)</b>	(2,193)
Cash transferred to group cash pool	<b>321,601</b>	(2,479,893)
<b>Net cash used in financing activities</b>	<b>(580,674)</b>	(3,482,086)
<b>Cash and cash equivalents at the end of year comprise:</b>		
	<b>-</b>	<b>-</b>

The notes on pages 12 to 25 form part of these financial statements.

## **AFRY CAPITAL LIMITED (FORMERLY PÖRYR CAPITAL LIMITED)**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022**

#### **1. General information**

AFRY Capital Limited ("the Company") is a private company limited by shares and is incorporated and domiciled in England. The address of its registered office is 4 Millbank, 3rd Floor, London, SW1P 3JA.

#### **2. Statement of compliance**

The individual financial statements of AFRY Capital Limited have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland" ("FRS 102") and the Companies Act 2006.

#### **3. Accounting policies**

##### **3.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 4).

The Company's liquidity and regulatory capital position depends on the receipt of success fees which are small in number and high in value. The timing and certainty of these success fees is difficult to predict accurately, particularly in poor market conditions. A minimum level of regulatory capital and appropriate liquidity are both essential for the operation of the business.

The following principal accounting policies have been applied:

##### **3.2 Going concern**

The Directors have reviewed the capital and cash positions of the business for the next 12 months and are comfortable that the forecasts, coupled with available support from the parent company should this be required, are adequate to support their assessment that the Company can continue as a going concern.

##### **3.3 Financial Reporting Standard 102 - reduced disclosure exemptions**

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 11 Financial Instruments paragraphs 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A.

This information is included in the consolidated financial statements of AFRY AB as at 31 December 2022 and these financial statements may be obtained from Frösundaleden 2A SE-169 99 Stockholm.

**AFRY CAPITAL LIMITED (FORMERLY PÖYRY CAPITAL LIMITED)**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

**3. Accounting policies (continued)**

**3.4 Foreign currencies**

**Functional and presentational currency**

The Company's functional and presentational currency is Pounds Sterling.

**Transactions and balances**

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. At each period end monetary assets and liabilities expressed in foreign currencies are converted to sterling at the rates of exchange ruling at the balance sheet date. Differences on foreign exchange gains and losses are included in the profit and loss account for the period. Exposure to movements in foreign exchange rates are hedged where appropriate using forward contracts.

**3.5 Revenue**

Revenue is measure at the fair value of the consideration received/receivable and represents the amount receivable for services rendered, net of value added taxes.

Success fees are recognised and reported as revenue when, under the terms of each engagement, they are unconditionally due.

Interest income is recognised using the effective interest rate method.

**3.6 Interest receivable and payable**

Interest receivable is earned on surplus cash balances and to the extent that balances are overdrawn interest then becomes payable.

**3.7 Pensions**

**Defined contribution pension plan**

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the Company in independently administered funds.



## AFRY CAPITAL LIMITED (FORMERLY PÖYRY CAPITAL LIMITED)

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

#### 3. Accounting policies (continued)

##### 3.8 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

##### 3.9 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Leasehold improvements	- Remaining life of lease
Office furniture & equipment	- 3-8 years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

## **AFRY CAPITAL LIMITED (FORMERLY PÖYRY CAPITAL LIMITED)**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022**

#### **3. Accounting policies (continued)**

##### **3.10 Impairment of non-financial assets**

At each balance sheet date non-financial assets not carried at fair value are assessed to determine whether there is an indication that the asset may be impaired. If there is such an indication the recoverable amount if the asset is compared to the carrying amount of the asset.

The recoverable amount of the asset is the higher of the fair value less costs to sell and value in use. Value in use is defined as the present value of the future cash flows before interest and tax obtainable as a result of the asset's continued use. These cash flows are discounted using a pre-tax discount rate that represents the current market risk-free rate and the risks inherent in the asset.

If the recoverable amount of the asset is estimated to be lower than the carrying amount, the carrying amount is reduced to its recoverable amount. An impairment loss is recognised in the profit and loss account, unless the asset has been revalued when the amount is recognised in other comprehensive income to the extent of any previously recognised revaluation. Thereafter any excess is recognised in profit and loss.

If an impairment loss is subsequently reversed, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the revised carrying amount does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised in prior periods. A reversal of an impairment loss is recognised in the profit and loss account.

##### **3.11 Stocks - work in progress**

Stocks - work in progress represents recoverable expenses incurred in connection with advisory assignments.

##### **3.12 Debtors**

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

##### **3.13 Cash and cash equivalents**

Cash, for the purpose of the cash flow statement, comprises cash in hand and deposits repayable on demand, less overdrafts repayable on demand.

##### **3.14 Creditors**

Short-term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

##### **3.15 Share capital**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

##### **3.16 Distributions to equity holders**

Dividends and other distributions to the Company's shareholders are recognised as a liability in the financial statements in the period in which the dividends and other distributions are approved by the Company's shareholders. These amounts are recognised in the statement of changes in equity.

**AFRY CAPITAL LIMITED (FORMERLY PÖYRY CAPITAL LIMITED)**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

**3. Accounting policies (continued)**

**3.17 Financial instruments**

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

**4. Judgements in applying accounting policies and key sources of estimation uncertainty**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgements have had the most significant effects on amounts recognised in the financial statements.

**Impairment of debtors**

The Company makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the ageing profile and historical experience. See Note 16 for the new carrying amount of the debtors and associated impairment provision.

**Current and deferred tax**

The Company establishes provisions based on reasonable estimates. Management estimation is required to determine the amount of deferred tax assets that can be recognised, based upon likely timing and level of future taxable profits together with an assessment of the effect of future tax planning strategies.

**5. Turnover**

Turnover, which includes foreign exchange gains and losses and excludes VAT, represents fees earned during the year together with the invoiced value of short term contracts completed in the year. Turnover also includes expenses reimbursed from clients.

Analysis of turnover by country of destination:

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
United Kingdom	<b>118,400</b>	719,536
Rest of Europe	<b>4,019,714</b>	4,321,606
Rest of the world	<b>325,725</b>	593,335
	<b>4,463,839</b>	<b>5,634,477</b>

The whole of the turnover is attributable to the provision of corporate finance advisory services.

**AFRY CAPITAL LIMITED (FORMERLY PÖYRY CAPITAL LIMITED)**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

**6. Operating profit**

The operating profit is stated after charging:

	<b>2022</b>	2021
	<b>£</b>	£
Depreciation and amortisation	<b>7,900</b>	7,901
	<u><b>7,900</b></u>	<u>7,901</u>

**7. Auditor's remuneration**

During the year, the Company obtained the following services from the Company's auditor and its associates:

	<b>2022</b>	2021
	<b>£</b>	£
<b>Fees payable to the Company's auditor and its associates in respect of:</b>		
Fees payable to the Company's auditor and its associates for the audit of the Company's financial statements	<b>10,900</b>	9,500
All other services	<b>1,600</b>	1,600
	<u><b>10,900</b></u>	<u>1,600</u>

**8. Employees**

Staff costs, including Directors' remuneration, were as follows:

	<b>2022</b>	2021
	<b>£</b>	£
Wages and salaries	<b>2,312,205</b>	2,483,054
Social security costs	<b>341,411</b>	331,803
Cost of defined contribution scheme	<b>158,786</b>	177,537
	<u><b>2,812,402</b></u>	<u>2,992,394</u>

The average monthly number of employees, including the Directors, during the year was as follows:

	<b>2022</b>	2021
	<b>No.</b>	No.
Administration	<b>2</b>	2
Professional	<b>14</b>	16
	<u><b>16</b></u>	<u>18</u>

**AFRY CAPITAL LIMITED (FORMERLY PÖYRY CAPITAL LIMITED)**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

**9. Directors' remuneration**

	<b>2022</b>	2021
	<b>£</b>	£
Directors' emoluments	<b>349,868</b>	434,891
Company contributions to defined contribution pension schemes	-	10,667
	<b><u>349,868</u></b>	<u>445,558</u>

During the year retirement benefits were accruing to no Directors (2021 - 1) in respect of defined contribution pension schemes.

The highest paid Director received remuneration of £349,868 (2021 - £336,412).

The value of the Company's contributions paid to a defined contribution pension scheme in respect of the highest paid Director amounted to £Nil (2021 - £Nil).

**10. Interest receivable**

	<b>2022</b>	2021
	<b>£</b>	£
Other interest receivable	<b><u>48,582</u></b>	<u>6,523</u>

**11. Interest payable and similar expenses**

	<b>2022</b>	2021
	<b>£</b>	£
Bank interest payable and similar charges	<b><u>2,275</u></b>	<u>2,193</u>

**AFRY CAPITAL LIMITED (FORMERLY PÖYRY CAPITAL LIMITED)**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

**12. Taxation**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
<b>Corporation tax</b>		
Current tax on profits for the year	<b>90,666</b>	320,955
Adjustments in respect of previous periods	<b>(170,691)</b>	4,484
	<u><b>(80,025)</b></u>	<u>325,439</u>
<b>Total current tax</b>	<u><b>(80,025)</b></u>	<u>325,439</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	<b>(48,406)</b>	73,017
<b>Total deferred tax</b>	<u><b>(48,406)</b></u>	<u>73,017</u>
<b>Taxation on (loss)/profit on ordinary activities</b>	<u><b>(128,431)</b></u>	<u>398,456</u>

**Factors affecting tax charge for the year**

The tax assessed for the year is lower than (2021 - higher than) the standard rate of corporation tax in the UK of 19% (2021 - 19%). The differences are explained below:

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Profit on ordinary activities before tax	<u><b>477,191</b></u>	<u>1,686,237</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021 - 19%)	<b>90,666</b>	320,385
<b>Effects of:</b>		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	-	570
Capital allowances for year in excess of depreciation	<b>(1,182)</b>	-
Utilisation of tax losses	-	4,484
Adjustments to tax charge in respect of prior periods	<b>(170,691)</b>	-
Deferred tax movement	<b>50,792</b>	-
Other timing differences	<b>(98,016)</b>	-
Deferred tax asset not recognised	-	73,017
<b>Total tax charge for the year</b>	<u><b>(128,431)</b></u>	<u>398,456</u>

**AFRY CAPITAL LIMITED (FORMERLY PÖYRY CAPITAL LIMITED)**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

**12. Taxation (continued)**

**Factors that may affect future tax charges**

In the Spring Budget 2022, the Government announced that from 1 April 2023 the main corporation tax rate will increase to 25%. The impact of these changes is not expected to be material.

**13. Dividends**

	2022 £	2021 £
Dividends	<u>900,000</u>	<u>1,000,000</u>

**14. Tangible fixed assets**

	Long-term leasehold property £	Office equipment & Furniture £	Total £
<b>Cost or valuation</b>			
At 1 January 2022	4,249	65,945	70,194
At 31 December 2022	<u>4,249</u>	<u>65,945</u>	<u>70,194</u>
<b>Depreciation</b>			
At 1 January 2022	2,722	33,167	35,889
Charge for the year on owned assets	833	7,067	7,900
At 31 December 2022	<u>3,555</u>	<u>40,234</u>	<u>43,789</u>
<b>Net book value</b>			
At 31 December 2022	<u>694</u>	<u>25,711</u>	<u>26,405</u>
At 31 December 2021	<u>1,527</u>	<u>32,778</u>	<u>34,305</u>

**AFRY CAPITAL LIMITED (FORMERLY PÖYRY CAPITAL LIMITED)**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

**15. Stocks - work in progress**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Work in progress	<b>49,343</b>	<b>870</b>

**16. Debtors**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Trade debtors	<b>548,216</b>	891,863
Amounts owed by group undertakings	<b>24,066</b>	5,504
Cash pool account with group undertaking	<b>3,529,916</b>	3,851,517
Other debtors	<b>84,394</b>	-
Prepayments and accrued income	<b>94,314</b>	40,489
Deferred taxation	<b>99,198</b>	50,792
	<b>4,380,104</b>	<b>4,840,165</b>

Trade debtors are stated after provisions for impairment of £70,000 (2021: £8,919)

The amounts owed by group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

**17. Cash and cash equivalents**

The Company operates a cash pool account arrangement where all of its cash balance is held with a third party bank but controlled by the parent company AFRY AB. The balance on the account at 31 December 2022 is £3,529,916 (2021: £3,851,517) as disclosed in Note 16.



**AFRY CAPITAL LIMITED (FORMERLY PÖYRY CAPITAL LIMITED)**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

**18. Creditors: Amounts falling due within one year**

	<b>2022</b>	2021
	£	£
Trade creditors	<b>61,871</b>	61,031
Amounts owed to group undertakings	<b>38,735</b>	139,303
Corporation tax	<b>99,821</b>	320,955
Other taxation and social security	<b>55,246</b>	57,085
Other creditors	<b>4,223</b>	-
Accruals and deferred income	<b>1,070,410</b>	1,005,844
	<u><b>1,330,306</b></u>	<u>1,584,218</u>

The amounts owed to group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

**19. Creditors: Amounts falling due after more than one year**

	<b>2022</b>	2021
	£	£
Accruals and deferred income	<b>392,064</b>	263,262
	<u><b>392,064</b></u>	<u>263,262</u>

**20. Deferred taxation**

	<b>2022</b>	2021
	£	£
At beginning of year	<b>50,792</b>	123,809
Charged to profit or loss	<b>48,406</b>	(73,017)
<b>At end of year</b>	<u><b>99,198</b></u>	<u>50,792</u>

The deferred tax asset is made up as follows:

	<b>2022</b>	2021
	£	£
Other timing differences	<b>99,198</b>	50,792
	<u><b>99,198</b></u>	<u>50,792</u>

**AFRY CAPITAL LIMITED (FORMERLY PÖYRY CAPITAL LIMITED)**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

**21. Share capital**

	<b>2022</b>	2021
	<b>£</b>	£
<b>Allotted, called up and fully paid</b>		
905,000 (2021 - 905,000) 'A' shares of £1.00 each	<b>905,000</b>	905,000
7,600 (2021 - 7,600) 'B' shares of £1.00 each	<b>7,600</b>	7,600
	<hr/> <b>912,600</b> <hr/>	<hr/> 912,600 <hr/>

The A and B shares are separate classes of shares but rank *pari passu* in all respects with the exception that B shares are redeemable by the Company and A shares are not redeemable. Both hold dividend rights on a relative percentage basis.

**22. Contingent liabilities**

The Company is responding to questions from a regulator. This process is ongoing and at this time, it is not known whether it will have a financial impact on the Company.

**23. Pension commitments**

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £158,786 (2021: £177,538). Contributions totalling £Nil (2021: £11) were payable to the fund at the balance sheet date and are included in creditors.

## AFRY CAPITAL LIMITED (FORMERLY PÖYRY CAPITAL LIMITED)

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

#### 24. Related party transactions

During the year ended 31 December 2022 the Company paid fees relating to fee sharing of £37,829 (2021: £67,500 received income) by Ermgassen & Co Ltd a company whose director is also an employee of the Company. As at 31 December 2022 no amounts were due between the Company and Ermgassen & Co (2021: £Nil).

The Company had the following related party transactions during the year with entities within the AFRY Group:

During the year ended 31 December 2022 the Company received income relating to recharged expenses of £59,454 (2021: £56,619), was recharged expenses of £281,905 (2021: £240,227), was recharged subconsulting costs of £Nil (2021: £131,844) and was charged a service fee of £46,138 (2021: £51,507) by AFRY Management Consulting Ltd. As at 31 December 2022 the Company owed AFRY Management Consulting Ltd £15,694 (2021: £117,557) and was owed £6,969 (2021: £6,290).

During the year ended 31 December 2022 the Company received subconsulting income of £21,028 (2021: £Nil) from AFRY Management Consulting Oy. As at 31 December 2022 the Company was owed £21,038 (2021: £Nil) by AFRY Management Consulting Oy.

During the year ended 31 December 2022 the Company was recharged subconsulting costs of £2,782 (2021: £71,379) from AFRY Management Consulting GmbH. As at 31 December 2022 the Company owed AFRY Deutschland GmbH £Nil. (2021: £10,526).

During the year ended 31 December 2022 the Company was recharged subconsulting costs of £Nil (2021: £1,393) from Pöyry (Beijing) Engineering and Consulting Company Limited. As at 31 December 2022 no amounts were due between the Company and Pöyry (Beijing) Engineering and Consulting Company Limited (2021: £Nil).

During the year ended 31 December 2022 the Company received income relating to subconsulting of £Nil (2021: £29,803) by AFRY Management Consulting S.A.S. As at 31 December 2022 the Company owed £Nil (2021: £307) to AFRY Management Consulting S.A.S.

During the year ended 31 December 2022 the Company received income relating to subconsulting of £Nil (2021: £2,194) by AFRY Management Consulting Inc. As at 31 December 2022 the Company was owed £Nil (2021: £2,194).

During the year ended 31 December 2022 the Company received income relating to subconsulting of £Nil (2021: £29,803) by AFRY Management Consulting Austria GmbH. As at 31 December 2022 the Company owed AFRY Management Consulting Austria GmbH £Nil (2021: £407).

During the year ended 31 December 2022 the Company received income relating to subconsulting of £56,159 (2021: £Nil) by Pöyry Sweden AB and was recharged subconsulting costs of £Nil (2021: £1,365). As at 31 December 2022 no amounts were due between the Company and Pöyry Sweden AB (2021: £Nil).

During the year ended 31 December 2022 the Company received interest income of £8,899 (2021: £6,523) from AFRY Group Finland Oy. As at 31 December 2022 no amounts were due between the Company and AFRY Group Finland Oy.

During the year ended 31 December 2022 the Company received interest income of £39,683 (2021: £Nil) was recharged expenses of £1,799 (2021: £4,268) and paid service and royalty fees of £163,223 (2021: £134,760) to AFRY AB. As at 31 December 2022 the Company owed AFRY AB £23,036 (2021: £11,216). AFRY AB controlled the cash pool account of £3,529,916 (2021: £3,851,517 controlled by AFRY Group Finland Oy).

**AFRY CAPITAL LIMITED (FORMERLY PÖYRY CAPITAL LIMITED)**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

**25. Controlling party**

AFRY AB (formerly ÅF Pöyry AB) is the parent undertaking of the largest and smallest group of undertakings to consolidate these financial statements at 31 December 2022. The consolidated financial statements of this company are available to the public and may be obtained from Frösundaleden 2A SE-169 99 Stockholm.

## **AFRY CAPITAL LIMITED**

### **MIFIDPRU ANNUAL DISCLOSURE**

#### **YEAR ENDING 31 DECEMBER 2022**

## **INTRODUCTION**

The Investment Firms Prudential Regime (IFPR) came into effect on 1 January 2022 as a new regime for MiFID investment firms. The provisions of the IFPR apply to AFRY Capital as an FCA authorised and regulated firm.

AFRY Capital is classified under MIFIDPRU as a small and non-interconnected firm (SNI MIDPRU Investment Firm). As such AFRY Capital is subject to the basic requirement of SYSC 19G and is required by MIDPRU 8 to disclose information regarding its remuneration policy and practices. These public disclosures are made annually in line with the publication of AFRY Capital's audited annual financial statements as an addendum thereto.

## **REMUNERATION POLICY AND PRACTICES**

### ***Overview***

AFRY Capital's remuneration policy is prepared taking into account its size and internal organisation and to the nature, scope and complexity of its activities. Our remuneration policy and practices are gender neutral and do not discriminate employees on the basis of gender or any other characteristics.

### ***Approach and Characteristics of Remuneration***

The overarching principles of the Firm's remuneration of its employees is to ensure that the framework is based on a fair offering which drives desired business outcomes and promotes:

- alignment of reward with AFRY Group's business strategy and objectives, culture and values, including ESG factors and long term interests of shareholders and other stakeholders
- promotion of sound and effective risk management
- encouragement of responsible business conduct and avoidance of conflicts of interest
- no discrimination on the basis of individuals' protected characteristics, including gender

Remuneration at AFRY Capital includes fixed and variable components.

- The fixed component is set by reference to market levels to attract and retain staff and typically includes salary, pension contributions, medical and other insurances and benefits. Variable remuneration comprises profit share allocation and discretionary bonus.
- Variable remuneration takes into consideration the Firm's financial performance and the financial and non financial performance of the individual in contributing to the Firm's success and their individual development. Deferral of a proportion of variable remuneration is in place.

All employees are subject to annual performance review before a bonus is awarded covering both financial and non financial performance against set objectives and key performance indicators.

***Governance***

As a small SNI, AFRY Capital does not have a formal remuneration committee and the implementation of the remuneration policy is overseen by the Board of Directors. The Board seeks to preserve shareholder value by ensuring the successful retention, recruitment and motivation of staff.

***Quantitative Remuneration Disclosure***

For the financial year 1 January 2022 to 31 December 2022 the total amount of remuneration awarded to all staff was £2.5m of which variable remuneration was £0.9m