PensionBee

Annual Report and Financial Statements 2023

pensionbee.com

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Strategic Report

Kezia | Age 33
PensionBee customer since 2022

1 PensionBee at a Glance

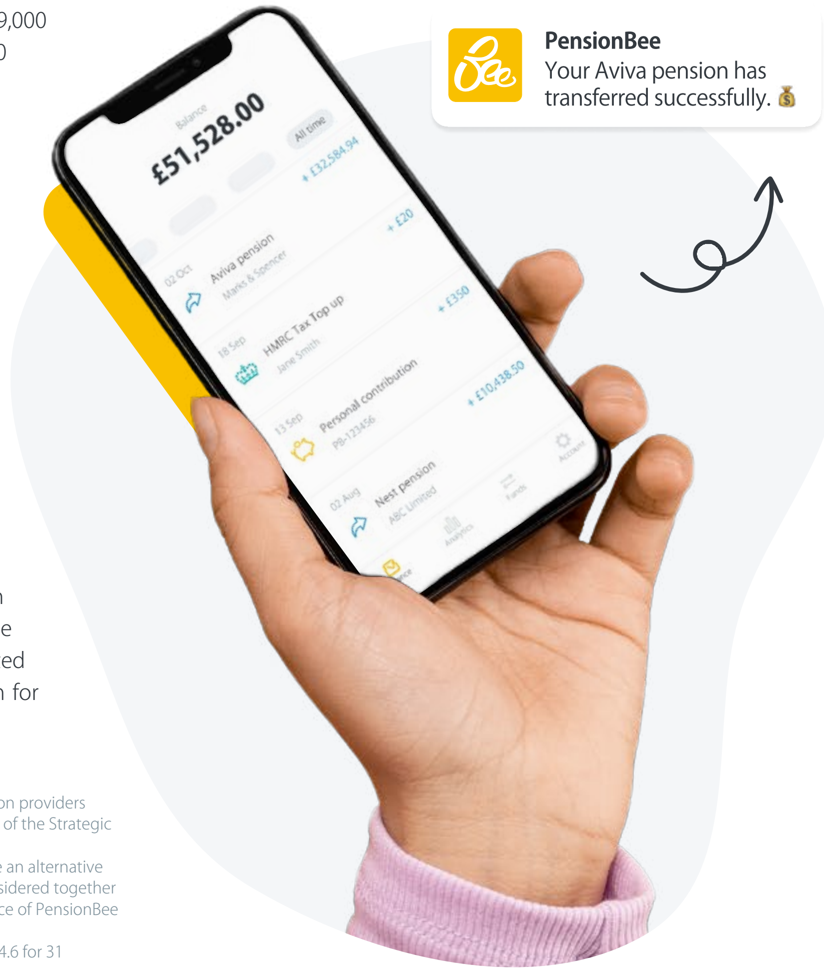
PensionBee is a leading online pension provider. Our mission is to make pensions simple, so that everyone can look forward to a happy retirement

PensionBee is a leading online pension provider[1] in the UK, with a mission to make pensions simple, so that everyone can look forward to a happy retirement. We are a direct-to-consumer financial technology company with approximately 229,000 Invested Customers and £4.4bn of Assets under Administration ('AUA') as at 31 December 2023 (2022: 183,000 Invested Customers and £3.0bn of AUA).[2]

We deliver a leading customer proposition to pension holders in the UK Defined Contribution pensions landscape, catering for the mass market of consumers that has often been ignored by the traditional pensions industry. We seek to make our customers 'Pension Confident' by providing them with control and clarity, enabling them to interact with their retirement savings through a unique combination of smart technology and dedicated customer service.

Our technology platform allows customers to combine their pensions and invest in a range of online plans, forecast how much they are expected to have saved by the time they retire, and make withdrawals from the age of 55 (57 by 2028). Our customers rate our service highly, as evidenced by our Excellent Trustpilot score of 4.6★ out of 5 (based on 10,000 reviews),[1] our average app store rating of 4.7 out of 5[3] and our Customer Retention Rate, which has consistently been in excess of 95% (2022: Excellent Trustpilot score of 4.6★ based on 8,270 reviews, average app store rating of 4.6[3] and Customer Retention Rate of >95%).[2]

For the year ended 31 December 2023, PensionBee's Revenue was £23.8m, representing a growth rate of 35% as compared to £17.7m for 2022.[2] Adjusted EBITDA for 2023 was £(8.2)m as compared to £(19.5)m for 2022, with an Adjusted EBITDA Margin of (35)% for 2023 as compared to (110)% for 2022, reflecting continued strong and scalable investment in the Company's growth balanced with careful cost control.[2] With the Company achieving Adjusted EBITDA profitability in the fourth quarter of 2023, Profit/(Loss) before Tax correspondingly narrowed to £(10.7)m for 2023 as compared to £(22.4)m for 2022, an improvement of 52%.[2]



1. Supported by PensionBee's Trustpilot score as at 12 January 2024 of 4.6★ out of 5 (based on 10,004 reviews), comparing favourably to other key pension providers who operate in the UK Defined Contribution pensions market, together with PensionBee's industry awards as set out on page 24 of the About Us section of the Strategic Report.
2. See definitions on pages 58 and 59 of the Measuring our Performance section of the Strategic Report. PensionBee's Key Performance Indicators include an alternative performance measure ('APM'), which is, Adjusted EBITDA. APMs are not defined by International Financial Reporting Standards ('IFRS') and should be considered together with the Group's IFRS measurements of performance. PensionBee believes this APM assists in providing additional insight into the underlying performance of PensionBee and aids comparability of information between reporting periods.
3. Average app store rating of 4.7 out of 5 for 31 December 2023, based on 4.8 Apple Store rating and 4.5 Google Play rating. Average app store rating of 4.6 for 31 December 2022, based on 4.7 App Store rating and 4.5 Google Play rating.

£4.4bn
2023 Assets under Administration[2]
+44% on 2022

£23.8m
2023 Revenue[2]
+35% on 2022

£(8.2)m
2023 Adjusted EBITDA[2]
+58% on 2022

(35)%
2023 Adjusted EBITDA Margin[2]
+76ppt on 2022[4]

£(10.7)m
2023 PBT[2]
+52% on 2022

(4.73)p
2023 EPS[2]
+53% on 2022

229k
2023 Invested Customers[2]
+25% on 2022

>95%
2023 Customer Retention[2]
stable

2. See definitions on pages 58 and 59 of the Measuring our Performance section of the Strategic Report. PensionBee's Key Performance Indicators include an alternative performance measure ('APM'), which is, Adjusted EBITDA. APMs are not defined by International Financial Reporting Standards ('IFRS') and should be considered together with the Group's IFRS measurements of performance. PensionBee believes this APM assists in providing additional insight into the underlying performance of PensionBee and aids comparability of information between reporting periods.
4. Represents absolute change in Adjusted EBITDA Margin from (110)% as at 31 December 2022 to (35)% as at 31 December 2023.

“I want to play more golf abroad and stay fit and healthy. I would like to fund a house move for my later years.

Fiesal | Age 60

PensionBee customer since 2021

2 Chair's Statement

Dear fellow shareholder,

I write to you to report on the progress of our Company through the past year and to reflect on the factors that have ensured our continuing success.

PensionBee will be 10 years old in 2024. Over the past decade we have consistently delivered our performance targets. By the end of 2023 our Invested Customer base reached 229,000, our Assets under Administration stood at £4.4bn and our Revenue for the year was £23.8m.[5] A combination of this growth, together with careful cost control, enabled the Company to achieve the important milestone of Adjusted EBITDA profitability in the fourth quarter of the year, paving the way for full year Adjusted EBITDA profitability in 2024.[6] Your Board devotes a substantial proportion of its time to providing oversight of the Company's strategic direction and financial performance and you will find full details later within this Annual Report.

However, I would like to open our Annual Report by focusing on the Company's purpose. We are resolute in our vision. We exist to help our customers enjoy a happy retirement. We seek to simplify the steps that they need to take in order to make appropriate financial provision for their retirement, as they seek to adjust the balance between work and life and indeed look beyond remunerated work entirely. An adequate pension is recognised by our customers as being of paramount importance. Planning for the accumulation of savings is central to all of our individual investment plans. Our job is to ensure our customers can easily understand their pension to a level where they become 'Pension Confident'.

We seek to simplify the management of retirement savings. However, as is so often the case in life, the quest for simplicity is complex. The pensions industry is rightly highly regulated and technically intricate; jargon is commonplace and at first glance the concepts are far from intuitive. We seek to refine our practices, procedures and processes, thereby simplifying every element of what our customers need to do. We believe that this simplicity is innovative and differentiates PensionBee in the pensions market.

Central to this innovative simplicity is being 'digital first'; our customers can use PensionBee with the same ease which so many other aspects of daily life are dealt with. Our technology, coupled with our industry expertise and processes designed from insights gained by carefully listening to our customers while watching closely how they make use of the PensionBee product, results in 'innovative simplicity'.

5. See definitions on pages 58 and 59 of the Measuring our Performance section of the Strategic Report.
6. See definitions on pages 58 and 59 of the Measuring our Performance section of the Strategic Report.

Looking back over 2023, we were particularly delighted by the response from our customers to the work we have done in three specific areas. Firstly, we have focused on knowledge tools including targeted content - our customers tell us that this engaging and relevant content, supplemented by the expertise of our dedicated customer account managers ('BeeKeepers'), enables them to more easily understand the performance of the investments which underpin their saving for retirement. Secondly, we have enhanced the intuitive functionality within our app - our customers tell us that navigating through any chosen task is straightforward, without requiring them to read elaborate instructions or unnecessarily call for help. And lastly, our work around autonomous pension transfers, untouched by humans but built to accommodate traditional pension providers' continuing dependency on completed paperwork, has meant that our approach to pension transfers is widely regarded as being best in class, being both faster and, in our judgement, more secure than the incumbents' analogue approach.

ESG Considerations

We believe that authentically and effectively managing our Environmental, Social and Governance ('ESG') priorities will help drive long-term value for all our stakeholders. We continue to push ourselves forward and to pursue our ESG work transparently, disclosing our targets and relevant metrics, which we believe supports accountability and informs our stakeholders about our progress.

2023 has seen us expand our responsible investment offering, enabling savers to deploy their pensions to build a better world whilst they save for retirement. We launched and embedded our Impact Plan, a mainstream impact investing product and a PensionBee customer-led innovation. We also continued to work closely with our asset managers to expand the scope of ESG screening, in line with customer demand.

We secured Voting Choice and began voting on 85% of our asset base (Tailored, Tracker and 4Plus) through the ISS SRI Policy, reflecting the views of our customers in key decisions at the companies they own through their pensions.[7]

7. Reflects 85% of the Assets under Administration across the Tailored, Tracker and 4Plus investment plans as at 31 December 2023. See definitions on pages 58 and 59 of the Measuring our Performance section of the Strategic Report.

Lastly, we made public our net zero commitments. Our focus for the year ahead will now be to work closely with our asset managers to ensure that our investment plan range continues to meet our Scope 3 emissions reduction targets in line with the goals of the Paris Agreement.[8]

To achieve transparency across all the strands of ESG, we continue to disclose under the Sustainability Accounting Standards Board, Workforce Disclosure Initiative, Streamlined Energy and Carbon Reporting ('SECR') framework and the Task Force on Climate-related Financial Disclosures ('TCFD') framework. Further details of our ESG activities can be found on pages 60 to 76 of the ESG Considerations section of the Strategic Report, and our SECR and TCFD reporting are set out on pages 77 to 89 of the Climate-related Disclosures section of the Strategic Report.

Diversity, Inclusion & Equality

Our mission is to help our customers save for a happy retirement. Inclusion and equality centres on our team of people within PensionBee, which reflects society. We are confident we have created a working environment in which everyone has equal access to opportunities and is treated with fairness and dignity.

We are proud of what has been achieved: 51% female and minority gender representation across our employee population, 50% at Executive Management level and 57% at Board level, exceeding the FCAs requirements for companies to have at least 40% women on the board and at least one senior board position being held by a woman.[9] PensionBee also achieved 37% Asian/Black/Mixed/Multiple/Other ethnic representation across our entire employee population, 10% at Executive Management level and 14% at Board level, again in line with the FCA's requirement for at least one board member being from an Asian/Black/Mixed/Multiple/Other ethnic background.[10] There have not been any changes to the composition of the Board in 2023 or in 2024 to date.

The Next Phase

The Company's journey over the last decade has seen it build a presence as a leading online pension provider in the UK, helping customers across the country to save for their retirement. Having achieved Adjusted EBITDA profitability in the fourth quarter of this year, we are well positioned to achieve profitability across the full year 2024. Our trusted brand, award-winning customer proposition and our unique combination of smart technology and dedicated customer service will see us continue to grow our market share in the UK.

8. The Paris Agreement is a legally binding international treaty on climate change. It was adopted by 196 Parties at the UN Climate Change Conference (COP21) in Paris, France, on 12 December 2015. It entered into force on 4 November 2016. Its overarching goal is to hold 'the increase in the global average temperature to well below 2°C above pre-industrial levels' and pursue efforts to 'limit the temperature increase to 1.5°C above pre-industrial levels.'
9. Supported by analysis from PensionBee's HR information system, December 2023. The Company's Chief Executive Officer role has been filled by a woman since the Company's inception in 2014 and the Senior Independent Director role has been filled by a woman since November 2020.
10. Supported by analysis from PensionBee's HR information system, December 2023. There has been one board member from a minority ethnic background at the Company since April 2022.

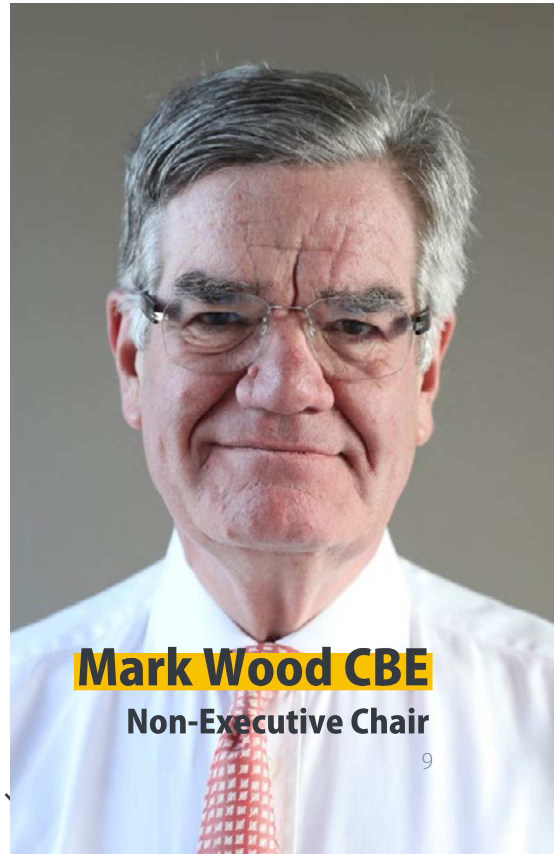
We have also recently announced our plans to expand into the United States of America ('US'), the world's largest Defined Contribution pension market. We see a clear opportunity to assist many consumers in the US who also struggle to prepare adequately for retirement as they navigate a complex and confusing pensions landscape. We believe that the simplicity we bring through our customer proposition will resonate well with the US consumer and see this as an exciting next step in our journey to help everyone save for a happy retirement.

A Final Word

Over the past year we have talked a great deal about resilience, concluding that sustainable resilience must underpin every element of our maturing business. Of course this resilience, along with every other aspect of our business, reflects the efforts of our exceptional people. All that we have achieved has been accomplished by the application of considerable effort by the immensely talented, skilled and expert team who continue to make PensionBee a leading online pension provider, supporting peoples' preparation for a happy retirement. My thanks and the thanks of my Non-Executive colleagues on the Board, Mary, Michelle and Lara, goes to each of them.

Mark Wood CBE
Non-Executive Chair
13 March 2023

"We are resolute in our vision. We exist to help our customers enjoy a happy retirement."



Mark Wood CBE
Non-Executive Chair

3 Chief Executive Officer's Review

Dear fellow shareholder,

2023 was not only a year of transition, but also a year of transformation. We began the year with an uncertain economic backdrop. Interest rates were hitting highs not seen in decades and consumer sentiment was shaken. The war in Ukraine, simmering geopolitical tensions and the cost of living crisis were taking their toll.

Nevertheless, PensionBee had a longstanding and ambitious goal of reaching ongoing monthly Adjusted EBITDA profitability by the end of 2023, which we met.[11] We focused on the key elements of our strategy that together make us the pension provider of choice for our customers: our brand and marketing capability, our innovative product offering, our leading customer service, our scalable technology platform and our purpose-built investment range. As a result, we are proud to have ended the year with Assets under Administration of £4.4bn representing annual growth of 44% (2022: £3.0bn), Revenue of £23.8m representing annual growth of 35% (2022: £17.7m) and having achieved Adjusted EBITDA profitability across the fourth quarter of 2023.[12]

Our strategy and £55m of investment in marketing since inception has seen us firmly established as a household brand name, enabling us to start 2023 with a majority of UK consumers having already heard of PensionBee. Historic investments in high profile advertising campaigns in train stations, on tube panels and on taxis has embedded PensionBee into the consciousness of the consumer. In 2023, we centred our brand awareness activities on the most economical impressions, achieved through radio, television and sports sponsorship. Having done the hard work of teaching consumers about PensionBee and often about pension consolidation and the general importance of saving for a happy retirement, we aspired to keep PensionBee top of mind. We complemented our refined brand strategy with performance marketing led by our data insights, with strong results: our brand awareness was stable at 50%[13] and our 2023 cumulative Cost Per Invested Customer ('CPIC') was £241 (2022: £248), continuing a downward trajectory through the achievement of an in-period CPIC of £213 for 2023 (2022: £251) - both well within our publicly communicated CPIC threshold of £200-250.[14]

While acquiring new customers is crucial to our growth, serving them for decades to come and maintaining our Customer Retention Rate of over 95% is crucial to our business. With this in mind, we continued to invest in our product experience. We released in-product content for our customers, enabling them to enjoy customised articles based on their profiles and access to our award-winning Pension Confident Podcast, packed with helpful financial tips. We invested in tooling to help our customers plan for the future, including a tax relief calculator, a state pension calculator and an inflation calculator. For our at-retirement customers, we introduced functionality for regular in-app withdrawals and the functionality for customers to take a salary through retirement. We also launched our life insurance partnership with LifeSearch, taking a broader view of our customers' needs for retirement planning and helping them to protect themselves and their loved ones should the worst happen. As a result, we maintained an impressive average app store rating at 4.7 out of 5 (4.8 App Store rating and 4.5 Google Play rating) (2022: 4.6) and a Customer Retention Rate of over 95% (2022: >95%).[15]

Key to managing in any economic environment, but especially in the volatile one we have found ourselves in for the last few years, is the provision of excellent customer support. At PensionBee we celebrated the arrival of the Financial Conduct Authority's Consumer Duty, in the hope that it would raise standards across the board in the pensions sector, improving consumer trust and confidence in retirement savings. Our customer duty is firmly embedded in everything we do and especially in our customer service, where we strive to be available to our customers and to offer them the information they need, when they need it. We continued to maintain industry-leading call queue times of 23 seconds (2022: 115 seconds) and a Trustpilot rating of 4.6★ based on approximately 10,000 reviews (2022: 4.6★).[16] In 2023, we even took PensionBee on the road around the UK, visiting customers in London, Brighton, Birmingham and Manchester.

11. See definitions on pages 58 and 59 of the Measuring our Performance section of the Strategic Report.
12. See definitions on pages 58 and 59 of the Measuring our Performance section of the Strategic Report.
13. Source: PensionBee brand tracker. Prompted brand awareness in January 2024 measured through a consumer survey asking 'Which of the following have you heard of?' with respect to UK financial services brands: Aviva 86%, Scottish Widows 76%, Standard Life 68%, Royal London 55%, PensionBee 50%, Hargreaves Lansdown 39%, Vanguard 36%, Fidelity 34%, Nutmeg 32%, AJ Bell 29%, Interactive Investor 11%. Compares to PensionBee's prompted brand awareness as at January 2023 of 52%, sourced from PensionBee brand tracker.
14. See definitions on pages 58 and 59 of the Measuring our Performance section of the Strategic Report.

15 . Compared to average app store rating of 4.6 out of 5 (4.7 App Store rating and 4.5 Google Play rating and a Customer Retention Rate of over 95% for the year ended 31 December 2022.
16. Call queue time of 23 seconds calculated as the average time customers are waiting in a queue to be put through to a team member (based on 41,622 phone calls in 2023) as compared to 115 seconds in 2022 (based on 44,956 phone calls). PensionBee's Trustpilot score as at 12 January 2024 of 4.6★ out of 5 (based on 10,004 reviews) as compared to 4.6★ out of 5 (based on 8,270 reviews) as at 31 December 2022.

“

2023 was not only a year of transition, but also a year of transformation... PensionBee had a longstanding and ambitious goal of reaching ongoing monthly Adjusted EBITDA profitability by the end of 2023, which we met.

We focused on the key elements of our strategy that together make us the pension provider of choice for our customers: our brand and marketing capability, our innovative product offering, our leading customer service, our scalable technology platform and our purpose-built investment range.

Romi Savova

Chief Executive Officer

In a year where achieving Adjusted EBITDA profitability was a primary goal, a focus on cost efficiency was of paramount importance. In technology, the best way to maintain cost efficiency is to ensure scalability by design and to invest in automation. Having built our technology on cloud native platforms since inception, we have further automated pension transfers and transactions in an often paper-based industry. This year we continue to invest in the straight-through-processing of pension transfers and seamless contributions through Easy Bank Transfer (our capability of initiating a pension top up in under 60 seconds directly from a customer's bank). We maintained the security of our technology platform, becoming recertified to ISO 27001, a global information security standard.

Finally, we prioritsed our investing solution range and with a significant proportion of our customers desiring investments that make a difference in the world, we introduced our Impact Plan in February 2023. Investing exclusively in companies with a proven and measurable impact, the plan enables our customers to solve the world's great social and environmental problems while growing their pensions for the long term. We secured Voting Choice and began voting on 85% of our asset base (Tailored, Tracker and 4Plus) through the ISS SRI Policy, reflecting the views of our customers in key decisions at the companies they own through their pensions.[17] We were pleased to receive another Excellent Value for Money score for our at-retirement product range from our Governance Advisory Arrangement.

While these have been the key pillars of our success to date, it is clear that a new strategic pillar has gained importance in our internal dialogue: Resilience. Having achieved Adjusted EBITDA profitability in the fourth quarter of this year, we are well positioned to continue to grow our market share from a position of trust.[18] Key to that growth is the ability to maintain the security and operational resilience of our infrastructure for the benefit of our customers. We will continue to deploy extensive resources in this area with a particular focus on cyber security.

17. Reflects 85% of the Assets under Administration across the Tailored, Tracker and 4Plus investment plans as at 31 December 2023. See definitions on pages 58 and 59 of the Measuring our Performance section of the Strategic Report.
18. See definitions on pages 58 and 59 of the Measuring our Performance section of the Strategic Report.

Proposed US Expansion

We have also recently announced our plans to expand into the United States of America ('US'), having taken an important step by entering into an exclusive, non-binding term sheet with a large, US-based global financial institution.

The US has the world's largest Defined Contribution pension market, representing approximately 80% of the global total and $22.5 trillion in assets.[19] However, many consumers still struggle to prepare adequately for retirement amidst an array of confusing and difficult to use investment options. Given the context of the enormous US market opportunity, we see the potential for our US business to grow rapidly, becoming at least the size of its UK business over the next decade.

Under the proposed strategic relationship, PensionBee will deliver the US service through PensionBee Inc, a yet to be established wholly-owned subsidiary of PensionBee Group plc. PensionBee Inc will be established in Delaware with operational headquarters in New York. We will manage the operations of the US business, including the hiring of a local team, making available our award-winning online retirement proposition and UK-based proprietary technology to consumers in the US Defined Contribution market. We will enable US consumers to easily consolidate and roll over their 401(k) plans into a new Individual Retirement Account ('IRA').[20]

Our US-based partner will provide its expertise and substantial marketing funding. Correspondingly, our financial contribution will be financed from the Company's existing resources. Entry into a final binding agreement between the parties is subject to confirmatory due diligence, legal documentation and regulatory approvals, with launch expected in late 2024.

Looking Forward

As we look forward to 2024, we continue to be inspired by the size and opportunity within the UK Defined Contribution pension market. Our latest analysis indicates the UK Transferable Pension Market now exceeds £1 trillion of assets[21] and that more and more consumers are consolidating their pensions than before. As a result of our relentless focus on the consumer and their needs, we will continue to grow our market share in the UK.

We are also excited to progress our plans for the US, the world's largest Defined Contribution pension market, with $22.5 trillion of assets. This transformative step for the Company will help millions of US consumers look forward to a happy retirement.

With our established brand and proven scalable technology platform, we remain committed to serving consumers and growing PensionBee for the success of all our stakeholders. As we approach our 10 year anniversary since PensionBee was founded, we look forward to 2024 being another exciting year for us.

Romi Savova
Chief Executive Officer
13 March 2024

19. Investment Company Institute, "Release: Quarterly Retirement Market Data" as at 13 December, 2023. Includes the sum of Defined Contribution Plans and Individual Retirement Accounts ('IRA's).
20. A 401k is an employer-sponsored Defined Contribution retirement plan into which employees can contribute and into which employers may also make matching contributions. An Individual Retirement Account ('IRA') is a tax-advantaged retirement savings account into which an individual can contribute either pre- or post-tax money and which grows on either a tax-deferred or tax-free basis.
21. See pages 62 and 63 of the Market Opportunity section of the Strategic Report.

4 About Us

Our History

Since inception, we have been a consumer champion in a highly complex industry, ripe for disruption

PensionBee was founded in 2014 to simplify pension savings in the UK, following a difficult pension transfer experience for our CEO, Romi Savova, using traditional platforms and financial advisers, encountering archaic systems, excessive fees and complex paperwork.

Since then, we have been challenging the status quo of an industry that has evolved without sufficient focus on consumer needs, characterised by poor communication, opaque fees and cumbersome processes. PensionBee has sought to change the industry for the better, modernising pensions, making pension management easy for its customers while they save for a happy retirement.

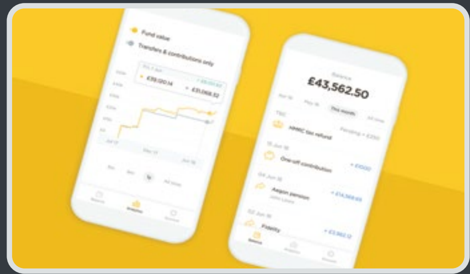
With approximately £4.4bn in Assets under Administration ('AUA') and 229,000 Invested Customers ('IC') at the end of 2023 (2022: £3.0bn of AUA and 183,000 IC), we have grown rapidly through direct-to-consumer marketing activities, becoming a household brand name for the mass market.[22] Our consistently maintained Customer Retention Rate in excess of 95% (2022: >95%),[23] together with an Excellent Trustpilot rating from 10,000 customers,[24] are reflective of our commitment to outstanding customer service.

Along the way, we have taken a series of important steps in our corporate development, including our initial public offering in April 2021 on the London Stock Exchange, to raise the capital that we need to support sustainable and profitable growth, while underscoring our commitment to the highest level of corporate governance. The Company then became eligible and joined the FTSE UK Index Series in March 2023, which has broadened the ownership base of its shares. Most recently and perhaps most notably, in line with its longstanding guidance, the Company achieved its goal of Adjusted EBITDA profitability across the last quarter of 2023.[25]

22. See definitions on pages 58 and 59 of the Measuring our Performance section of the Strategic Report. PensionBee's KPIs include alternative performance measures ('APMs'). APMs are not defined by International Financial Reporting Standards ('IFRS') and should be considered together with the Group's IFRS measurements of performance. PensionBee believes APMs assist in providing additional insight into the underlying performance of PensionBee and aid comparability of information between reporting periods.
23. See definitions on pages 58 and 59 of the Measuring our Performance section of the Strategic Report.
24. PensionBee's Trustpilot score as at 12 January 2024 of 4.6★ out of 5 (based on 10,004 reviews) as compared to 4.6★ out of 5 (based on 8,270 reviews) as at 31 December 2022.
25. See definitions on pages 58 and 59 of the Measuring our Performance section of the Strategic Report.

Jonathan Lister Parsons
Chief Technology Officer

Romi Savova
Chief Executive Officer



2014

PensionBee was born

Our story began when Romi Savova (CEO) tried to move her old workplace pension and had great difficulty switching providers. She decided there had to be a better way.

2015

Work began

Romi and co-founder Jonathan Lister Parsons (CTO) quit their jobs and started building PensionBee, an online pension provider that put the customer at its heart.

Our first employee joined the Company, we moved into our first office and the team began work on the BeeHive and creation of the PensionBee brand.

2016

AUA: £19m
IC: 1k

PensionBee went live

We launched our product with plans from BlackRock and State Street Global Advisors, helping savers combine their old pensions.

Mark Wood CBE, former Chief Executive of Prudential UK, joined as Chair.

2017

AUA: £108m
IC: 5k

Innovation and investment

We broadened our mix of customers with new product innovations. We introduced our drawdown service, enabling customers to make withdrawals easily online. We also launched our first responsible plan, providing our savers with a climate-conscious way of investing.

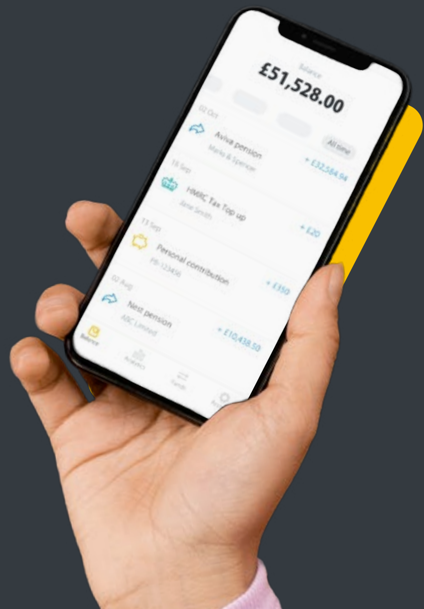
2018

AUA: £328m
IC: 17k

The app was launched

Our app went live, giving customers the power to manage their pensions from their smartphones.

With the introduction of Open Banking, we also became the first pension provider to integrate with a number of banking and money management apps.



2019

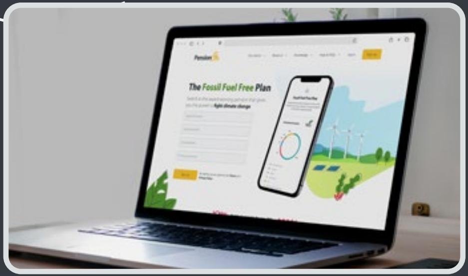
AUA: £745m
IC: 38k

We received industry acclaim

We became the first pension provider to adopt the Simpler Annual Benefit Statement, winning acclaim from both the government and pensions industry.

We introduced two new pension plans, 4Plus and Preserve, to broaden our appeal amongst customers nearing retirement, as well as a Shariah-compliant plan.

Michelle Cracknell CBE also joined the PensionBee Board as an Independent Non-Executive Director, bringing over 30 years' experience from the pensions and retirement planning industry.



2020

AUA: £1.4bn
IC: 69k

AUA exceeded £1bn and we launch the Fossil Fuel Free Plan

We campaigned to show the rest of the pensions industry that there was demand for a fossil fuel free pension, based on customers' feedback. We succeeded with commitments of >£100m and launched the Fossil Fuel Free Plan in partnership with Legal & General.

We won praise for our high levels of innovation and customer service, as well as our industry-leading workplace diversity, when we were named 'Pension Provider of the Year' (UK Pensions Awards).

Mary Francis CBE joined our Board as Senior Independent Director.

2021

AUA: £2.6bn
IC: 117k

We became a publicly listed company

We became a publicly listed company with an IPO on the High Growth Segment of the Main Market of the London Stock Exchange ('LSE'), also giving our customers access to buy shares. This allowed us to further expand and to innovate, so that we could help even more people look forward to a happy retirement.

We were awarded the Internet Crystal Mark and Plain English App Mark For our accessibly-designed website.

2022

AUA: £3.0bn
IC: 183k

AUA exceeded £3bn and we joined the Premium Segment of the London Stock Exchange

We transitioned to the Premium Segment of the LSE's Main Market, underscoring our commitment to upholding the highest standards of corporate governance and dedication to achieving our growth ambitions and increasing liquidity.

Lara Oyesanya joined our Board as an Independent Non-Executive Director.

Our 'Believe in the Bee' brand campaign launched with an ad featuring Brentford Football Club players, a cameo from our CEO, plus our distinctive new animated honey bee.

We won multiple awards, including 'FinTech of the Year' (UK FinTech Awards), 'Financial Inclusion' (FSTech Awards) and 'Employer of the Year' (FT Adviser Diversity in Finance Awards). We are awarded five Boring Money Best Buys 2022, including 'Best for Customer Service' and are accredited with Good With Money's 'Good Egg' mark.

2023

AUA: £4.4bn
IC: 229k

AUA reached £4.4bn, we achieved Adjusted EBITDA Profitability and joined the FTSE

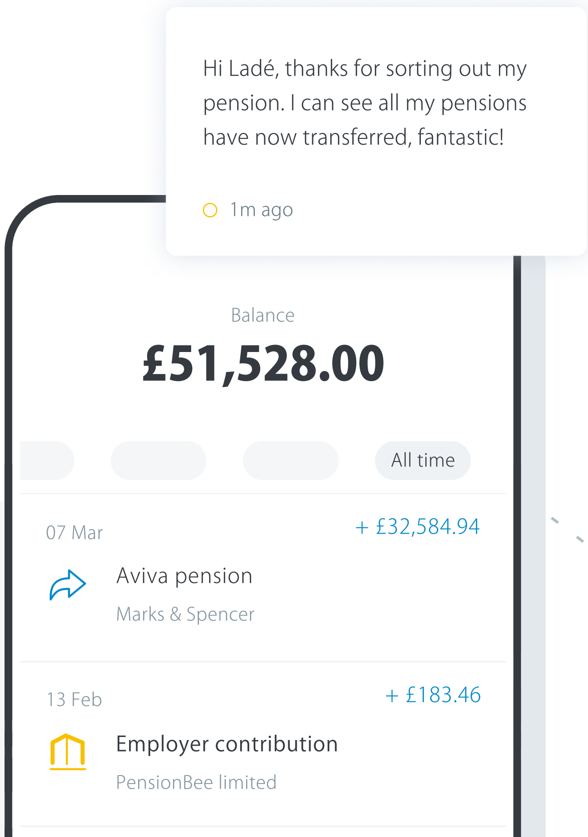
We achieved Adjusted EBITDA profitability in the fourth quarter of the year, paving the way for the Company to achieve full year profitability for 2024.

Having joined the Premium Segment of the LSE's Main Market, we became eligible to join the FTSE, joining the FTSE All Share and the FTSE4Good indices, which supported a broader ownership of the Company's shares.

Our Vision

We strive to help our customers achieve a happy retirement in the form of financial freedom, good health and social inclusion.

Our vision acts as a blueprint for all our business activities, from outstanding customer service and intuitive product design, to investment solutions with some of the world's largest money managers and impactful corporate and social responsibility initiatives. As a pensions company with a long-term horizon for our customers, we seek to look beyond short-term gains to help our customers achieve a sustainable retirement income.



Hannah
PensionBee customer

Financial Freedom

Our customers have a large variety of retirement goals and ambitions, whether purchasing homes close to their children, travelling around the world or simply living without any financial worries. Each customer is unique, but to achieve their ideal retirement, they all need sufficient income to cover their living expenses for the rest of their lives. This, at its core, is the concept of financial freedom.

For too long, consumers have struggled to manage their retirement savings. Pensions are often complicated and, combined with the added intricacies that can result from the accrual of multiple pension plans from different employers over the course of a career, present a significant obstacle for consumers wanting to take control of their retirement savings. PensionBee's technology platform is designed to make it easy for customers to consolidate their pensions, to make contributions in line with their saving goals, to invest in a range of diversified plans and, from the age of 55, to make on-demand and appropriate withdrawals. Through access to pension calculators and retirement forecasting tools, we seek to help our customers understand how much they need to save in order to achieve their desired income in retirement.

Good Health

We believe that good physical and mental health can be a major determinant of happiness in later life. Whilst quality nutrition and safe living conditions are important contributors to good health, we also believe that financial wellbeing can have a significant role to play.

Our platform has been designed in a user-friendly way so as to limit the stresses of engaging with one's pension and to help customers exercise greater control over their financial future.

Similarly, we also want to give our customers greater peace of mind by offering more ethically and environmentally conscious investment alternatives. Not only is there quantitative evidence from industry experts suggesting that sustainable investments yield greater returns over time, but there are significant financial risks associated with investing in pollutants such as oil and tobacco producers. These financial risks can be aggravated by government action (whether through outright bans or taxes), civil lawsuits, and adverse media coverage. In facilitating sustainable investments, we seek to enhance our customers' long-term pension wealth as well as their mental wellbeing.

Social Inclusion

We believe that the Company's product must be built to help people from all backgrounds to save for retirement. The UK's statutory secondary school national curriculum contains little formal financial education, and over the course of their lives, individuals do not all have the same exposure to financial concepts. As a result, many struggle to navigate the pensions system as adults.

By designing and building our product in recognition of these realities, we seek to help our customers overcome these educational barriers. For example, our technology platform is designed to make it easy and intuitive for customers to combine their pensions, we offer tools such as pension calculators and retirement forecasting modellers to help customers plan ahead and make suitable contributions, we help savers make on-demand and appropriate withdrawals, and we support all of this with excellent customer service and jargon-free communication.

In addition, we are an advocate for greater gender equality in UK companies. There is a large body of research suggesting that women have been held back by a lack of equal opportunities and systemic inequalities that prevent career progression. Research conducted by PensionBee suggests that these inequalities are perpetuated in later life with men having significantly larger pensions than women after the age of 45, despite having a shorter life expectancy.

We are also committed to encouraging other forms of equality in UK companies. Efforts to include, nurture and progress employees from all backgrounds, including diverse ethnicities can translate into higher engagement and lower attrition rates. We believe that there is a strong moral and economic case for increased diversity in UK companies. Greater equality can translate into improved Company performance, which in turn supports the pension growth of our customers.

Our Diversity, Inclusion and Equality Policy sets our approach and commitment to diversity and includes our broad goals, which include maintaining gender balance at all levels and increasing representation of all minority ethnicities to match the UK population across all levels of the business. For 2023 we achieved 51% female and minority gender representation across our entire employee base, 50% at Executive Management Team level and 57% at Board level.[26] We also achieved 37% Asian/Black/Mixed/Multiple/Other ethnic representation across our entire employee base, 10% at Executive Management level and 14% at Board level.[27]

26. Supported by analysis from PensionBee's HR information system, December 2023.
27. Supported by analysis from PensionBee's HR information system, December 2023.

Our Customer Proposition

We are revolutionising the pensions industry through innovative technology, product leadership and excellent customer service

Pensions are often complicated and difficult to understand, presenting an obstacle for consumers to engage with their savings. Against this backdrop, PensionBee has developed a simple and easy to use mass market proposition that provides a solution to the consumer problem of saving for and managing their income throughout retirement.

Our customer proposition can be summarised as follows:

Combine

The average adult switches jobs multiple times over the course of their career. In doing so, they may accrue a number of disparate pensions with differing providers and cost structures which, as a result of a variety of factors which could include infrequent reporting, limited online functionality, and cumbersome communications processes, can prove difficult to manage effectively. By signing up with PensionBee, either via our website or by using our app, our customers are able to combine and transfer their existing pensions into the PensionBee Personal Pension with ease. Once their pensions have been transferred, customers are able to start managing their new pension online and can monitor their daily balance via our website or app.

Contribute

Our customers can make one-off or regular contributions to their PensionBee pension via easy bank transfer in under 60 seconds. For customers who make a personal pension contribution and are eligible for tax relief, we will automatically claim their 25% tax top-up from HMRC and add this to their pension balance. Customers can also make use of our retirement calculator, which provides an estimate of retirement income based on a number of assumptions including the size of the pension plan, chosen retirement age and ongoing contributions, to plan ahead for their retirement. Self-employed customers can open a new pension plan without transferring any old pensions.

Invest

We work with some of the world's largest asset managers to enable our customers to invest their pension savings easily and appropriately. We offer a curated selection of investment options, including our default plan, which tailors our customers' asset allocation according to their ages, reducing the broad risk profile of their investments gradually as they grow older. For our at-retirement customers, we offer four options aligned with their broad objectives, including making regular withdrawals and simply investing for a longer period of time. For our ethically conscious customers, we offer a fossil fuel-free plan, an impact plan and a Sharia-compliant plan.

Withdraw

From the age of 55 (57 by 2028), our customers can withdraw a portion of their pension online in just a few clicks, bypassing a process which can in some cases involve many weeks filling out paperwork and jargon-filled forms, which are often sent only through the post. Customers may choose to take up to 25% of their pension free of tax, withdrawing their chosen amount either as a lump sum or in portions. Customers can set up regular withdrawals to pay themselves a salary through retirement.

Our Team

Our team has the breadth and depth of experience across all disciplines to deliver excellent customer outcomes, drive growth and performance

Led by our founders Romi Savova and Jonathan Lister Parsons, we have a strong and established Executive Management Team. We have an experienced and diverse Board, led by our Chair Mark Wood CBE (former CEO of Prudential UK).

Our diverse and inclusive total workforce of approximately 200 individuals[28] is motivated and empowered to achieve great results across all areas of the business, including customer service and engagement, brand and marketing, product development, technology, finance, corporate, legal and risk.

We develop and support our talent and strive to ensure that our people are actively engaged. Our strong culture and values enable us to attract and retain people who passionately believe in our vision. All our employees participate in long-term equity schemes, which further helps to drive engagement and an ownership mentality.

Further details can be found on pages 36 to 47 of the Our People section within the Strategic Report.

28. Total workforce of 198 as of 31 December 2023 includes 192 UK employees and six non-UK contractors, but excludes four Non-Executive Directors. Total workforce of 208 as of 31 December 2022 includes 204 UK employees and four non-UK contractors, but excludes four Non-Executive Directors.

Our Values

We are guided by our five core values, so we do the right thing by our customers, colleagues and society

We are dedicated to ensuring that our five core values remain as guiding principles behind everything we do, so that everyone in the Company remains focused on doing the right thing for our customers, colleagues and society. As we continue on our growth path, there is a particular focus on protecting and maintaining the culture associated with these values - a strong focus on well-being, including regular 'Happiness!' meetings between employees and managers, has helped to embed this approach. We value our employees' happiness and we believe that happy employees lead to happy customers.

We have built a programme to focus specifically on the development and enhancement of our values-based culture and have embedded our values into our performance management approach and throughout relevant policies in order to achieve our strategic goals.

Our Senior Independent Director, Mary Francis CBE, enjoys responsibility for employee engagement, and we regularly report on our people and culture at a Board and Committee level, given the importance we place on our culture and its success in driving the achievement of our strategy.

Further details and specific examples of how the Board and Company engage with our employees can be found on pages 60 to 66 of the Stakeholders Engagement section within the ESG Considerations section of the Strategic Report.

Love

The value of love drives everything we do at PensionBee. From engaging with our customers to product delivery, we go above and beyond to create an exceptional customer experience.

As we continue building a pension product for everyone, we are dedicated to creating an inclusive company that reflects our diverse society.

Honesty

We strive for total transparency around the pensions our customers have, including what service they can expect, the fees charged and how their pensions are faring.

We continue to demand a more honest and ethical approach to pension investments, as we believe this is crucial to our customers achieving a happy retirement.

Quality

People trust us with their pension savings, and we go above and beyond to show them that we deserve that trust.

We have partnered with some of the world's largest money managers on our pension solutions, and we apply the highest level of corporate governance standards within the business.

Simplicity

We are committed to making pensions less complex. Whether we are picking up the phone or building our product, we keep things simple, avoiding confusing jargon and complicated processes.

We have created simple tools for our customers to support their decision making, whether they are combining pensions for the first time, getting contributions back on track or are ready to start making withdrawals.

Innovation

PensionBee would not exist without innovation. Our drive to innovate means we are always seeking to 'wow' our customers and colleagues through new and improved ways of doing things.

We were one of the first pension providers to embrace Open Banking by partnering with some of the UK's leading money management apps, to offer innovative ways of investing sustainably, and we seek to work closely with trade bodies and the government to continue to modernise pensions.

Our Awards

2023 has been another strong year for PensionBee as we received acclaim for the strength of our product, innovation, and success with our Pension Confident Podcast

PensionBee has received a high level of recognition from customers and third parties for our differentiated customer offering and high standard of customer service, our technology, diversity achievements and our ESG credentials.

Since inception, we have received a total of 71 awards, including the following received in 2023:

★ **Winner**
Best Buy for Pensions
Boring Money's Best Buy 2023

★ **Winner**
Best for Low-cost Pension less than £50K
Boring Money's Best Buy 2023

★ **Winner**
Best for Beginners
Boring Money's Best Buy 202

Highly commended as **Employer of the Year** in the FTAdviser Diversity in Finance Awards

★ **Winner**
London: Innovation Entrepreneur of the Year
Romi Savova, Great British Entrepreneur Awards 2023

★ **Winner**
Top Value for Money DIY Investing Platforms 2023 (based on customer ratings)
Boring Money's Insights

★ **Winner**
Online Investing Star 2023
Platforum Awards

Named in FT1000 Europe's Fastest Growing Companies 2023

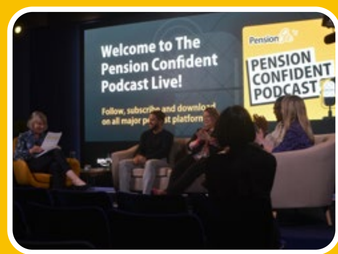
★ **Winner**
Pensions Innovation
Finder Investing & Saving Innovation Awards

★ **Winner**
WDI Award
Most complete Workforce Disclosure Initiative response in 2023

★ **Winner**
Contingent Workforce Data Award 2023
WDI Workforce Transparency Awards

★ **Winner**
Best Series in Podcasts
Lovie Awards

★ **Winner**
Best Branded Podcast or Segment in Podcasts
Lovie Awards

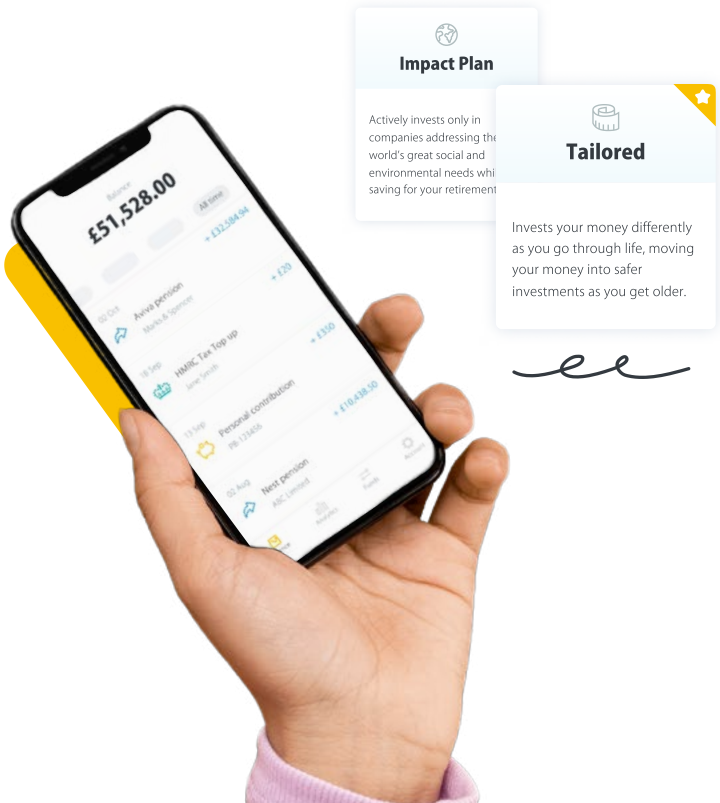


5 Our Strategy

PensionBee's strategy is to be the best online pension provider for consumers

Our strategy starts with putting the consumer at the heart of everything we do. We want to be a pension company that customers can believe in, trust and be proud to be a part of.

Since inception we have focused on growing our customer base across the UK, offering customers an excellent lifetime product and service experience powered by industry-leading technology and world-class investing solutions. Looking forward, we will also progress our plans to help millions of US consumers also look forward to a happy retirement.



1 Efficient Investment in Customer Acquisition and Growing Brand Awareness

2 Leadership in Product Innovation

3 Investment in and Development of our Industry Leading Technology Platform

4 Focus on Excellent Customer Service

5 Focus on Investment Solutions Designed for Customers

6 Resilience (New for 2023)

1

Efficient Investment in Customer Acquisition and Growing Brand Awareness

Continued investment in marketing is key to driving further growth in customers, Assets under Administration ('AUA') and Revenue.[29] Due to PensionBee's broad customer appeal, we can adopt large, mass market advertising channels. We remain focused on reinforcing our brand identity and our presence as a household brand name, while advocating for our customers.

29. See definitions on pages 58 and 59 of the Measuring our Performance section of the Strategic Report.

Key Highlights for FY2023:

Customer acquisition continued to be a core pillar of our strategy for 2023 as we demonstrated our ability to effectively and efficiently deploy a sizable marketing budget of £9.7m, despite the challenging macroeconomic environment. By the end of 2023, we reached 229,000 Invested Customers and held £4.4bn of AUA.

The majority of our marketing budget was spent in the first half of 2023 across paid search, app campaigns and selected TV and radio campaigns. Our data platform allowed us to further optimise these channels, resulting in a falling Cost Per Invested Customer ('CPIC') whilst focussing on higher AUA customers.

We benefited from continued brand awareness of 50%[30], enabling us to translate this into a lower CPIC with a lower marketing spend than in 2022. We invested in the most economic brand channels, characterised by high frequency and cost effective impressions. We became the official Sleeve Partner of Brentford Football Club ('Brentford FC'), delivering substantial brand exposure at an attractive cost.

30. Source: PensionBee brand tracker. Prompted brand awareness in January 2024 measured through a consumer survey asking 'Which of the following have you heard of?' with respect to UK financial services brands: Aviva 86%, Scottish Widows 76%, Standard Life 68%, Royal London 55%, PensionBee 50%, Hargreaves Lansdown 39%, Vanguard 36%, Fidelity 34%, Nutmeg 32%, AJ Bell 29%, Interactive Investor 11%. Compares to PensionBee's prompted brand awareness as at January 2023 of 52%, sourced from PensionBee brand tracker.

Our 'BEElieve in the Bee' campaign continued on selected TV and radio channels and we deployed a YouTube test campaign to reach consumers who don't watch regular TV. We reached millions of UK consumers through TikTok.

We increased brand engagement through a continuous flow of content-led reports, a nationwide Roadshow, our award-winning Pension Confident Podcast series, blog stories, consumer advocacy and national media campaigns. Customers can now also consume and engage with this content directly, keeping our customers 'Pension Confident' as they use our product.

Our position as a consumer champion has continued to be enhanced by our active participation in government working groups, regulatory and policy developments and consultations.

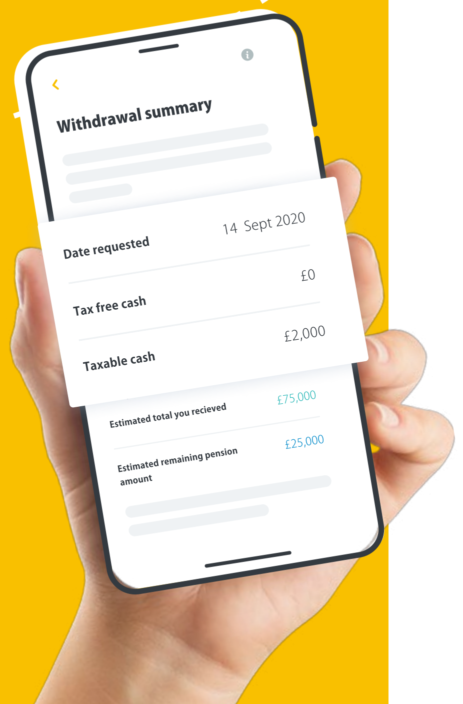
Our Focus for FY2024:

- Using cost-efficient brand channels including social media, radio and sports sponsorship (through our partnership with Brentford FC). This also includes select TV and outdoor campaigns with high return potential, particularly with a focus on at-retirement customers.
- Further optimising our performance marketing channels to continue to reduce CPIC but also to use channels that attract customers with more AUA per Invested Customer.
- Continuing to maximise our reach through effective public relations campaigns, advocating for our customers and complementing our consumer press activity with a growing focus on the corporate and business press.
- Continuing investment in engaging content (increasingly delivered through podcasts and videos), tailored for customer profiles, aiming to attract, retain and increase AUA per Invested Customer.

2

Leadership in Product Innovation

Continued product innovation is central to our strategy. The PensionBee customer proposition has been enabled by investment in continuous innovation and automation, allowing easy onboarding of customers and intuitive lifetime self-service. We will continue to develop products and features to cater for consumer demand, building on our proven track record of leading the pensions industry with innovation.



Key Highlights for FY2023:

This was another year of strong innovations for the PensionBee product, helping to attract new customers, supporting their engagement and enabling them to contribute more money into their pensions. Product developments that have reduced friction have enabled us to serve our customers with less and less human intervention, supporting improvements in efficiency and operating leverage over time.[31]

31. Operating leverage indicates scalability in terms of how revenue growth translates into the improvement of profitability metrics.

We increased the accessibility of engaging, relevant and targeted content to help customers to understand, interact and engage with their pension, providing opportunities to drive pension pot size growth through additional contributions and consolidation. For example, the award-winning Pension Confident Podcast was made available within the app, making it easy for customers to directly access this valuable content on the go.

We have evolved and grown the helpful tools we provide to customers to help them to more confidently plan for their retirement, including the tax relief, state pension and inflation calculators. We brought our customers a new pension statistics dashboard, to provide figures and information about pensions in the UK, and have invested in the soon to be available retirement hub.

We have expanded beyond our pensions producing offering, launching a partnership with LifeSearch to help our customers obtain a range of insurance products and critical illness cover to enable them to continue to save for a happy retirement even in the event of unforeseen circumstances. This has been met with positive customer demand.

We have further enhanced our online withdrawal journey for customers, enabling at-retirement customers to pay themselves a salary through retirement directly from their mobile phone.

Our Focus for FY2024:

- Further enhancing the customer experience and future-proofing scalability by delivering improvements in existing core product features, making it even easier for customers to self-serve thereby reducing inbound queries.
- Delivering investment clarity, we aim to further empower customers with the transparency, knowledge and tools they need to better understand their pension and save for a happy retirement.
- Researching and exploring opportunities for pension product extension, including family accounts, auto-transfer functionality and retirement planning support.
- Having launched our partnership with LifeSearch and demonstrated that our customers are interested in acquiring additional products from us, embedding this further, driving improved performance of this product and learning about cross-sell over time.

3

Investment in and Development of our Industry Leading Technology Platform

Our proprietary technology is modern, scalable and secure, and designed to support the growth, operational efficiency and other objectives of the business. The cloud-based and API-driven platform provides the foundations on which to continue to build dynamic and innovative products, while maintaining full control over the experience delivered to customers in a cost-efficient manner. The security and compliance of the technology is a top priority, and we maintain a robust information security assurance framework that is independently audited and certified under ISO 27001. We make investments in technology to drive further automation and improve the customer experience.

We passed our ISO 27001 re-certification audit, underscoring our commitment to safe and modern Information Security practices. We also successfully renewed our Cyber Essentials Plus certification and conducted our annual penetration and business continuity testing programme. We onboarded a 24/7 Security Operations Centre, security incident and event management tool, and a Dark Web monitoring and threat detection capability. We commenced reporting KPIs around staff information security awareness and ran multiple internal phishing campaigns.

To align more closely with IT service management good practice, we implemented a single system to track incidents, service requests and engineering bugs. Alongside this system, we refreshed our incident management approach, introducing prioritisation levels and service-level agreements.

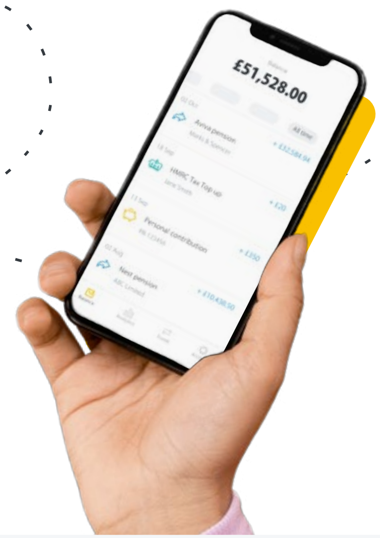
To support projected growth, we improved unit accounting and fee generation system efficiency. In addition, we rolled out incremental automations and streamlining in operational processes including pension payroll, regulatory reporting, bulk pension transfer and trading.

We piloted the use of Artificial Intelligence ('AI') tools throughout departments, including for copywriting, Search Engine Optimisation and software development, and we published internal guidelines on the safe and ethical use of AI tools.

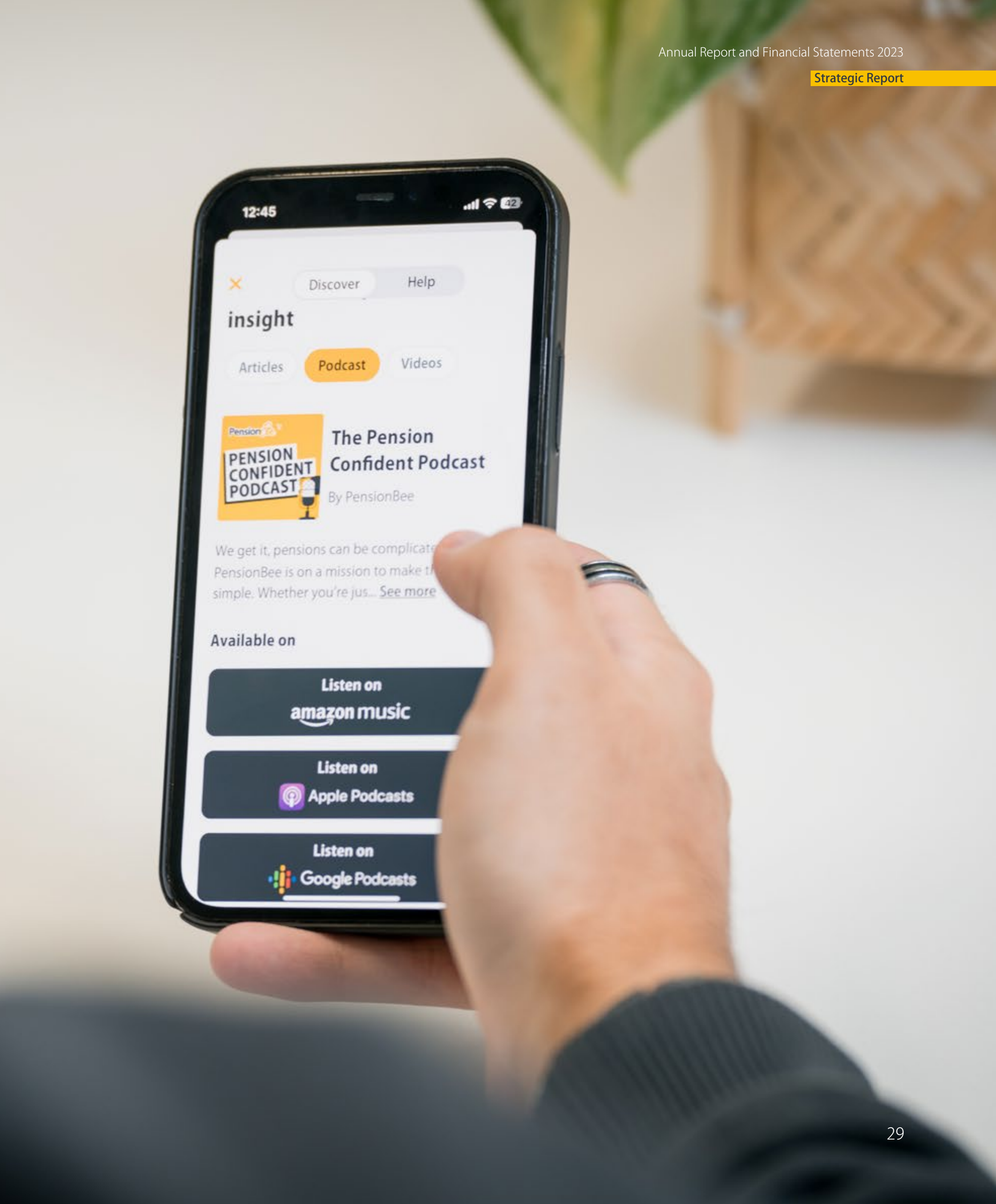
Our Data Platform supported product teams with impact dashboards and metrics to drive decisions about project prioritisation. We trained Data Champions within teams to ensure all departments were supported with their regular reporting, including daily operations reports and to support Consumer Duty since it went into effect.

We continued to support operational efficiency gains through automation, increasing our ratio of Invested Customers to employees by 15%, from approximately 970 at the end of 2022 to approximately 1,112 at the end of 2023.[32]

32. See definitions on pages 58 and 59 of the Measuring our Performance section of the Strategic Report.



We implemented Domain-Driven Design principles in our software codebases, emphasising the independence of code supporting teams' domains. We diversified our technical infrastructure to leverage the serverless platform provided by Cloudflare's global edge network.



Our Focus for FY2024:

- Transitioning to the updated ISO 27001 standard, maturing the information security KPIs and continuing to prioritise staff awareness. Embedding the new monitoring capabilities that were introduced in 2023.
- Targeting increases in internal productivity through a combination of technical improvements, process updates and ongoing skill development. Working to improve key conversion rates in the pension transfer and customer acquisition journeys.
- Embedding data-driven decision-making as standard across departments, supported by a holistic data ecosystem that leverages our platform capabilities as well as best-in-class third party tooling, supported by strong levels of data governance.
- Implementing ongoing improvements to core pension administration systems, including for payments, pension payroll and digital transfers.
- Promoting a culture of identifying promising opportunities for the deployment of AI tooling within the business, focusing on internal time-saving and quality improvement use cases.

4

Focus on Excellent Customer Service

We are focused on making pensions easy to understand and accessible to everyone through simple, straightforward language and engaging visuals. Industry-leading ratings evidence our excellent customer service track record. Our scalable technology-led platform is supported by easily accessible human interaction with 'BeeKeepers', providing customers with a dedicated account manager from the moment they are on the platform, assisting them through the on-boarding process and helping them understand the platform functionality.

Customer service continues to be a distinguishing marker of our offering to consumers. We have built and maintained a culture that promotes employee, and in turn customer, happiness. Being able to support and guide our customers is as important as it has ever been.

We have continued to achieve exceptional response times on communications on all channels (live chat, phone, email), including call queue times of 23 seconds and email response rates of 87% within 72 hours, even with great levels of inbound communication as the number of Invested Customers has continued to grow.[33]

33. Call queue time of 23 seconds calculated as the average time customers are waiting in a queue to be put through to a team member (based on 41,622 phone calls in 2023) as compared to 115 seconds in 2022 (based on 44,956 phone calls). Email response rate calculated as 87% of email cases closed within 72 hours (based on 194,237 emails in 2023).

Within customer service, we focused on greater specialisation, with dedicated roles in Customer Communications, BeeKeeper Operations and Nectar Collector Operations enabling us to manage the simplicity, efficiency and effectiveness of our customer service operations.

We introduced greater data capabilities in our measurement, including daily reporting. The introduction of tooling like Conversation Analyser has allowed us to provide valuable and insightful feedback to the team, and enhanced training and documentation have enabled the customer services team to optimise their performance.

Testimony to the continued strength of our customer service, we have maintained a consistently high Customer Retention Rate of >95% over several years, including 2023, which supports the predictability of our recurring revenues.

We maintained our Excellent Trustpilot Score of 4.6★ (based on 10,000 reviews) and achieved an average app store rating of 4.7 (4.8 on the Apple Store and 4.5 on the Google Play Store) at the end of the year.[34] Our internally measured Net Promoter Score was 53.[35]

34. PensionBee's Trustpilot score as at 12 January 2024 of 4.6★ out of 5 (based on 10,004 reviews) as compared to PensionBee's Excellent Trustpilot score of 4.6★ out of 5 as at 31 December 2022. Average app store rating of 4.7 as compared to 4.6 out of 5 (4.7 App Store rating and 4.5 Google Play rating) as at 31 December 2022.
35. PensionBee's internally measured Net Promoter Score ('NPS') of 53 as at 31 December 2023. Compares to an NPS of 54 as at 31 December 2022. NPS is a customer loyalty and satisfaction measurement taken by asking customers how likely they are to recommend us to others on a scale of 0-10. NPS is calculated by subtracting the percentage of customers who answer the NPS question with a 6 or lower (known as 'detractors') from the percentage of customers who answer with a 9 or 10 (known as 'promoters').

Our Focus for FY2024:

- Continuing to deliver exceptional customer service, focusing on the quality of our team, and reinforcing the quality of our systems and processes to maintain industry-leading response times.
- Improving our operations roadmap across the Customer Success team through internal and external initiatives, as well as discovery work in new areas.
- Seeking to better understand how AI tooling can help our team increase their personal productivity.
- Further enhancing our data-led model of measuring customer service productivity and effectiveness, to enable us to report on customer service operations seamlessly.

5

Focus on Investment Solutions Designed for Customers

We continued to partner with some of the world's largest money managers (BlackRock, HSBC, Legal & General and State Street Global Advisors) to manage our customers' pensions. We engage with our customers to ensure all our investment and voting solutions continue to meet and reflect their needs.

We maintained a market-leading investment proposition by continuing our ongoing and active engagement with our asset management partners, solving for customer needs and ensuring they continue to provide the highest levels of service and security. We worked with AgeWage, a provider of universal value for money scores, to independently benchmark our plans against the UK pensions markets; in 2023 our plans scored an average of 69.[36]

36. AgeWage scoring bases 50 as average, with anything above that considered outperformance of the UK market.

We began a review of our plan range to ensure that our accumulation and decumulation solutions continue to remain market leading in light of recent changes to the non-workplace pension sector and evolving consumer sentiment.

We worked with our asset managers to secure Scope 3 emissions data for 97% of the asset base. This data has now enabled us to set a base year for our public net zero targets and set interim (2030) and long term (2050) net zero targets in line with the goals of the Paris Agreement.[37]

37. See pages 77 to 89 of the Climate-related Disclosures section of the Strategic Report.

We worked to align our voting with the views and long term interests of our customers. We began using ISS's Voting Choice SRI proxy voting policy for the Tailored, Tracker and 4Plus Plans, representing 85% of the asset base and voting is directed in Fossil Fuel Free and Impact Plans, representing 11% of the asset base.[38] We continue to expand the scope of our voting over time and use our voice and vote to drive change in the system, in line with the long term interests and views of our customers.

38. Reflects 85% of PensionBee's Assets under Administration across the Tailored, Tracker and 4Plus investment plans as at 31 December 2023. See definitions on pages 58 to 59 of the Measuring our Performance section of the Strategic Report.

We continued to engage with our asset managers to enhance the ESG credentials of our investment offering, in line with our customers' expectations. In 2023 we increased the number of exclusionary screens on a further three plans. All eight of our plans have some element of screening, which we will continue to expand in line with customer surveying and availability of screened funds.

Our second full Governance Advisory Arrangement assessment, led by ZEDRA Trustees, concluded that the PensionBee Investment Pathway product provides excellent value for money, in a year of great market volatility for UK at-retirement savers.

Our Focus for FY2024:

- Maintaining a market-leading proposition by completing the review of our current investment plan range, ensuring that every plan continues to maintain a sharp focus on value for money for our customers.
- Continuing to provide an advanced range of responsible and sustainable investment options, responding to the changing needs of investors and elevating the ambitions of all pension savers in the UK system.
- Developing our voting approach as a responsible asset owner, in line with the views of the customer base, we will join other major investors to support change in the major social and environmental issues of most importance to our customers. We will continue to engage with our customer base to ensure we remain aligned with their views over time.
- Meeting our public net zero commitments, to achieve net zero emissions across our entire business by 2050. We are committed to improving the accuracy of these calculations over time and publishing our net zero roadmap, outlining our actions and expectations for stakeholders.

6

Resilience (New for 2023)

Resilience was formalised as the sixth pillar of our strategy, in order to facilitate a structured and systematic approach and embed a risk and resilience mindset as a fundamental part of our culture.

We focus on protecting our systems and service for our customers through effective risk management. We adapt to change and uncertainty, enabling the safe growth of our business.

We embedded a centralised change management process to oversee the implementation of changes across the Company, connecting all relevant stakeholders and decision-makers in a coordinated approach.

We created a dedicated workstream to monitor the Consumer Duty, to ensure that we continue to evidence good outcomes for our customers.

Our strengthened third party management programme was designed to help us address any vulnerabilities in the supply chain and ensure a reliable flow of services, even in the face of disruptions.

Business continuity and cyber breach planning exercises were conducted to validate the effectiveness of the strategies and procedures put in place to maintain essential operations and identify any potential weaknesses.

We continued to monitor risk events and metrics which help us identify patterns, vulnerabilities, and areas for improvement in our security and operational processes. This proactive approach allows us to respond effectively to emerging threats or issues.

Our Focus for FY2024:

- Working to embed a holistic resilience model in which resilience becomes a competitive advantage - both in times of disruption and when developing new and updated products and services. This includes building resilience into our long-term strategic decision making and developing cross-functional capabilities to strengthen resilience in key strategic areas. The overarching capabilities include classic risk management, foresight skills, agile project management and disruption and crisis response preparedness.
- Continuing to develop First Line of Defence capabilities by building individual resilience as well as resilience within teams, encouraging interdisciplinary thinking and embedding a risk and resilience mindset.
- Integrating the role of the Second Line of Defence in the formal coordination of administration, control, governance and the standard processes for risk assessment with the activities of an overall resilience strategy.
- Further developing the Third Line of Defence by evaluating external providers to perform an outsourced Internal Audit function with a direct reporting line to the Audit and Risk Committee.
- Monitoring risk culture by developing 'culture metrics' as indicators of progress.
- Defining resilience investments to enable long-term profitable growth. Consciously investing in the resilience dimensions and developing action plans for alternative futures.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6 Our Business Model

We have a simple business model: to increase our recurring revenues by growing our customer base and helping them save for retirement, while maintaining cost efficiency through our scalable technology platform

PensionBee provides an easy-to-use technology platform for the mass market, enabling customers to have control over their pensions. We adopt a simple, transparent fee structure, based on the pension plan an individual chooses after their pensions have been consolidated on our technology platform. We do not provide financial advice and we do not charge a fee for the initial consolidation of pensions, nor an additional platform fee, nor are there any one-off fees for switching investments. The ongoing annual management fee ranges from 0.50% to 0.95% of an individual's pension assets, depending on the investment plan chosen, with no minimum pension size requirement. Fees halve on the portion of a customer's pension assets in excess of £100,000.

PensionBee's business model is built around the following elements:

Efficient Direct-to-Consumer Distribution

We have a direct-to-consumer acquisition model, reflecting the importance of managing the end-to-end relationship with our customers and having total control over the quality of experience, which are key to customer retention.

Our direct-to-consumer distribution model encompasses scalable marketing channels, including search, social media, television, out-of-home advertising, sports sponsorships and radio. The branding and digital proposition resonates with a mass market audience, allowing us to advertise efficiently across most prevailing media.

We are disciplined and responsive in our approach to marketing, deploying spend across channels, with a focus on rapid payback - on average within the first few years of acquiring a customer.

Recurring Asset-Based Revenue

PensionBee offers a lifetime customer proposition, designed to enable individuals to fulfil their retirement savings goals and withdrawal needs. Invested Customers generate growing lifetime value, with our straightforward charging structure driving predictable, recurring revenue that grows with Invested Customers' savings on the technology platform.

We earn Revenue through the administration of our customers' retirement savings. Our Revenue is substantially recurring in nature as the annual charges are calculated daily as a percentage (basis points) of the value of Assets under Administration ('AUA') and will continue to be earned on an ongoing basis whilst PensionBee administers those assets.[39] The levels of fees charged, and by extension, the Revenue generated, are impacted by the mix of investment plans as well as the value of the customers' investment.

AUA and Revenue have been underpinned by the strength of PensionBee's customer proposition and our leading market position. AUA and Revenue growth reflect customers' attitudes and behaviours with respect to contributions, consolidation of pensions and withdrawals over time. Growth comes through existing and new customers adding more investments into their accounts through pension consolidation and contributions. We aim to minimise asset outflows through our continual delivery of excellent customer service, product innovation and investment solutions designed to meet our customers' needs. The direct nature of our relationship with our customers has resulted in PensionBee achieving high levels of Customer and AUA Retention Rates (each in excess of 95% as at 31 December 2023) generating predictable lifetime revenues and cash flows.[40]

AUA and Revenue are a function of the underlying market value of the investments customers hold in their accounts, and are therefore inextricably linked to the health of the global markets, including stock markets and bond markets. Stock markets give an indication of investment growth and the most relevant proxy measure tends to be the movement in the major global stock market indices, including those in the United States and in the United Kingdom. Whilst short-term fluctuations may decrease the value of AUA, pension investors' exposure to the stock market has historically increased their retirement savings, and therefore could be expected to increase our AUA and Revenue over the longer run.

39. See definitions on pages 58 to 59 of the Measuring our Performance section of the Strategic Report.
40. See definitions on pages 58 to 59 of the Measuring our Performance section of the Strategic Report.

Scalability of Operations

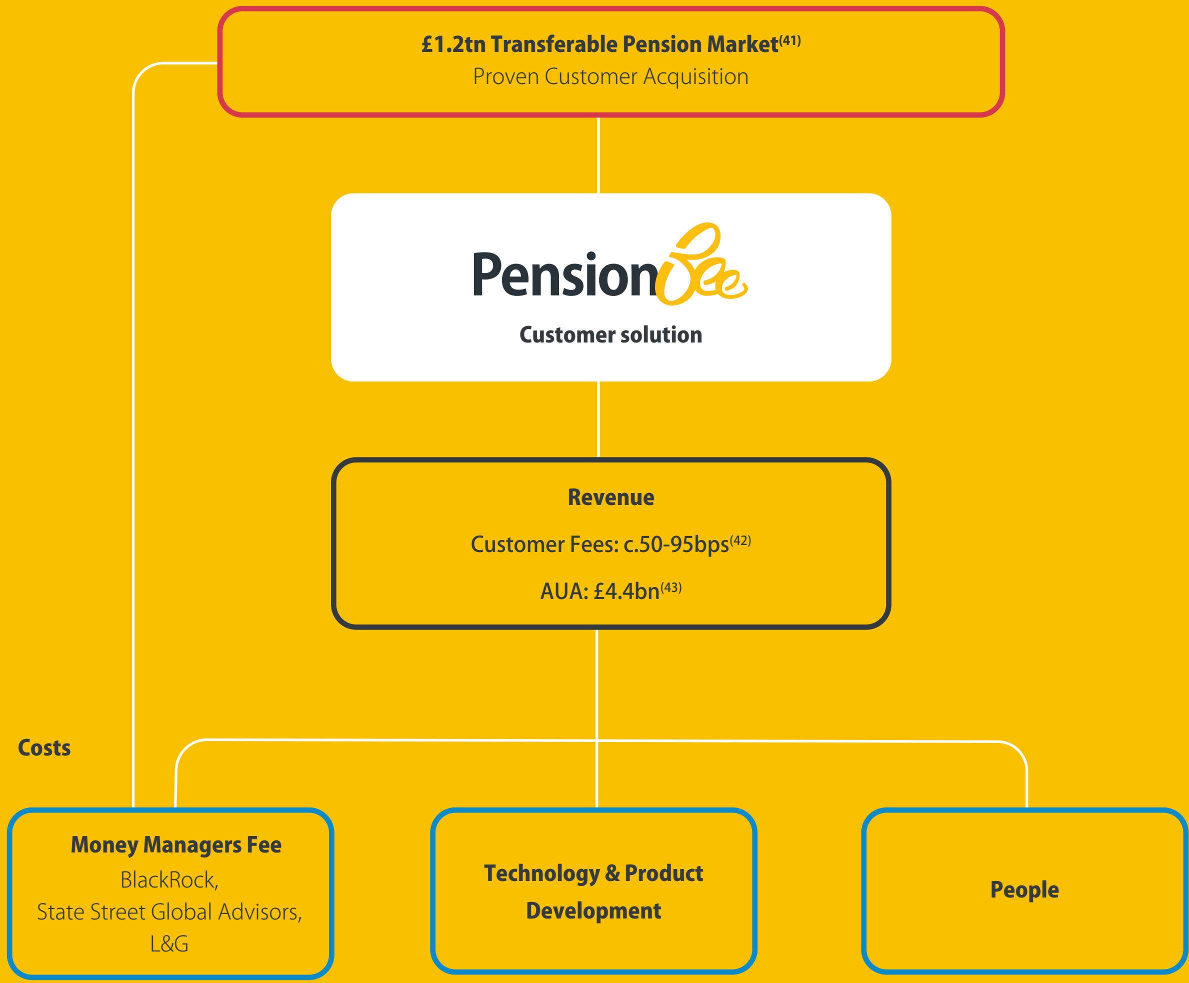
PensionBee only offers its customers highly liquid, scalable investment management solutions from the world's largest asset managers. The investment solutions generally track prominent global indices and provide unrestricted capacity for inflows and the highest levels of liquidity.

We continually invest in our technology, product development and our people in an efficient and disciplined manner. Our operations are highly scalable and we expect to benefit from operating leverage and increasing cost efficiency as we grow.

Our customer proposition is tech-enabled, allowing for easy onboarding of customers and intuitive self-service throughout a customer's lifetime. We utilise technology to ensure that our service is as efficient and automated as possible, such that adding new customers and assets has only a marginal cost impact. Our technology is scalable, secure and reliable, built on dynamic, world-class cloud-native platforms.

We pride ourselves on our excellent customer service, complementing our digital offering with dedicated customer account managers who offer lifetime customer support. The customer success team benefits from a single view of the customer, enabling efficient and personalised service.

PensionBee's Business Model



41. See pages 58 to 59 of the Market Opportunity section of the Strategic Report
42. Customer fees paid based on the range of funds on offer as at 31 December 2023.
43. Assets under Administration as at 31 December 2023.

7 Our People

Diversity, Inclusion and Equality

We have a well established history of fostering diversity and inclusion, aligning with our vision of living in a world where everyone can look forward to a happy retirement. We believe that one aspect of achieving a happy retirement is social inclusion. Our diverse workforce helps us serve pension savers across the UK and to build a truly inclusive product that reflects the needs of society.

We have two main aims in our approach to diversity, inclusion and equality: to build a team that is representative of all areas of society, across all levels of the business to better reflect and represent our diverse customer base, and to create an inclusive working environment where everyone has equal access to opportunities and is treated with fairness and dignity.

Our Diversity, Inclusion and Equality Policy sets out our approach and commitment to diversity and includes our broad goals of gender balance at all levels and representation of all minority ethnicities to at least match the UK population across all levels.

In 2023 we launched a new the Diversity and Inclusion programme, which aimed to foster and enable:

- A culture that encourages our team to be themselves and to bring their whole selves to work so that we can be productive and cohesive.
- Open and honest conversations about the societal issues that impact us as a team and therefore our customers.
- Learning and acceptance of our differences to foster community and cohesion among individuals and teams.
- Authentic thought leadership advancement in these areas.

To deliver on this programme, we introduced nine topics spread over nine months of activities, with each month dedicated to a particular area of diversity and inclusion. Executive Management Team members were each responsible for organising different months of events, including leading our lived-experience sessions. This reflected feedback from employees across the Company who wished to see even greater leadership from Executive Management in this area. The topics were chosen to reflect our team, guided by employee feedback on the areas that matter most to them.

The nine months that made up this year's programme were:

- Social Mobility Awareness Month
- Women's Month
- International Month
- Mental Health Awareness Month
- LGBTQ+ Awareness Month
- South Asian History Awareness History Month
- Parenting Awareness Month
- Black History Month
- Neurodiversity & Disability Awareness Month

After each month, an anonymous survey was sent out to the whole Company in order to solicit feedback on the programme, which was then used to consider both how to evolve the programme for 2024 and how to evolve our policies and working practices. For example, in response to direct feedback from Parenting Awareness Month, we took the decision to reduce the Company-wide working hours by thirty minutes each day, in recognition of the needs of employees with caring responsibilities. The Neurodiversity and Disability Month also inspired action, with PensionBee achieving Disability Confident Employer status in December 2023, further solidifying our dedication to maintaining an inclusive workplace.

Feedback from our annual Diversity, Inclusion, Equality & Support Survey reinforces that PensionBee was a special place to work. Areas for improvement that were identified included: the need for more opportunities to get to know each other and form personal or meaningful connections, a more proactive diversity and inclusion agenda, and more clarity around training budgets and development opportunities. The results of the survey and action plans were communicated to employees at a Company-wide presentation, with materials also published in our PensionBee employee handbook. Results from the survey were also shared in an annual deep dive with the Board to ensure they were kept well-informed of our progress in this area, and to ensure that the Executive Management Team maintained accountability. Regular updates regarding any team issues, changes and improvements were also provided to the Board for the same reasons.

Living our Values

At PensionBee we work hard to protect and nurture our company culture by living by our values, as when we do so, our culture thrives and our business grows. When we ignore our values, our culture is undermined and our ability to serve our customers diminishes. Therefore, protecting and nurturing our culture is of the utmost importance.

Culture Code

Our Culture Code is a practical guide to the positive behaviours which make up our culture, and keep us close to our values of:

Love - communicate and collaborate

Honesty - feed back and take ownership

Quality - do good work and stay compliant

Innovation - grow efficiently and embrace change

Simplicity - be accessible and solve problems

Our Culture Code sets the expectations for how we expect our team to interact with each other, and enables us to maintain the kind of workplace our team loves to call theirs, providing guidance on how we should keep thriving together.

Inclusion Commitment

We are a respectful and inclusive workplace that aims to ensure everyone's dignity. We value every person working at PensionBee regardless of seniority, gender, race, origin, social background, religion, size, age, marital status, parental status, sexuality, gender reassignment, disability, neurodivergence or mental health.

We will not tolerate any conduct which harms others, such as discrimination, harassment, sexual harassment, victimisation or bullying. It's important that everyone is able to recognise and address these issues so that they can be avoided and appropriately addressed.

We expect everyone to follow our Culture Code and Inclusion Commitment. We do this to foster an environment where every person's individual differences and contributions are valued and respected, one that promotes open communication, encourages employees to speak up about potential risks, fosters a sense of accountability and ownership and motivates employees to always do the right thing by our customers.

Workforce Composition

By the end of 2023, PensionBee had a total workforce of 202 individuals.[44] For 2023, we achieved 51% female and minority gender representation across the entire employee base and 42% male representation, 50% female representation at Executive Management level and 57% at Board level.[45] The Company satisfied the Hampton-Alexander Review[46] requirement for at least 33% female representation at Board level and the FCA requirement to have at least 40% women on the Board, with at least one senior board position being held by a woman.[47]

The Company also achieved 37% Asian/Black/Mixed/Multiple/Other ethnic representation across its employee base, 10% at Executive Management level and 14% at Board level.[45] The Company satisfied the FCA requirement for at least one Board member being from an Asian/Black/Mixed/Multiple/Other background.[47]

There have not been any changes to the composition of the Board in 2023 or in 2024 to date.

Each year we ask everyone to complete an anonymous Diversity, Inclusion, Equality & Support Survey about how they feel about diversity, inclusion, engagement and support at PensionBee. The results for 2023 are shown in the Employee Engagement section that follows.

44. As of 31 December 2023. Total workforce of 202 includes 192 UK employees, six overseas contractors and four Non-Executive Directors.
45. All employee data supported by analysis from PensionBee's HR information system, December 2023.
46. gov.uk/government/publications/ftse-women-leaders-hampton-alexander-review
47. Chapter 9 of the Listing Rules, specifically LR 9.8.6R(9) states that at least 40% of individuals on the board should be women, at least one at least one of the senior positions on the board (chair, chief executive, senior independent director or chief financial officer) should be held by a woman, and at least one individual should be from a minority ethnic background. At PensionBee, the Chief Executive Officer role has been filled by a woman since the Company's inception in 2014, the Senior Independent Director role has been filled by a woman since November 2020 and there has been one board member from a minority ethnic background since April 2022.

Composition of PensionBee's Workforce by Race or Ethnicity[48]

Racial or Ethnic Background	PensionBee Survey Responses 2023[49]	PensionBee Survey Responses 2022[50]	PensionBee Survey Responses 2021[51]	UK as per 2021 Census
Asian or Asian British	13%	13%	10%	9%
Black, African, Caribbean or Black British	13%	14%	17%	4%
Latina/o/x or Other	Included in Mixed or Multiple Ethnic Groups	6%	4%	2%
Mixed or Multiple Ethnic Groups	10%	7%	10%	3%
White	55%	57%	58%	82%
No Response or Rather not Say	8%	3%	0%	-

Composition of PensionBee's Workforce in Leadership Positions by Gender[52]

	Number of Board Members	Percentage of Board Members	Number of Senior Positions on the Board (CEO, CFO, SID and Chair)	Number of Executive Management	Percentage of Executive Management	Number of Senior Leadership	Percentage of Senior Leadership
Men	3	43%	2	4	40%	18	46%
Women	4	57%	2	5	50%	18	46%
Other Categories	-	0%	-	-	0%	-	0%
Not Specified/Prefer not to Say	-	0%	-	1	10%	3	8%

Composition of PensionBee's Workforce in Leadership Positions by Race or Ethnicity[53]

<table>
<tr><th></th><th>Number of Board Members</th><th>Percentage of Board Members</th><th>Number of Senior Positions on the Board (CEO, CFO, SID and Chair)</th><th>Number of Executive Management</th><th>Percentage of Executive Management</th><th>Number of Senior Leadership</th><th>Percentage of Senior Leadership[54]</th></tr>
<tr><td>White British or Other White</td><td>6</td><td>86%</td><td>4</td><td>8</td><td>80%</td><td>24</td><td>62%</td></tr>
<tr><td>Mixed/Multiple</td><td>-</td><td>0%</td><td>-</td><td>-</td><td>0%</td><td rowspan="4">10</td><td rowspan="4">26%</td></tr>
<tr><td>Asian/Asian British</td><td>-</td><td>0%</td><td>-</td><td>1</td><td>10%</td></tr>
<tr><td>Black/African/ Caribbean/ Black British</td><td>1</td><td>14%</td><td>-</td><td>-</td><td>0%</td></tr>
<tr><td>Other Ethnic Group, including Arab</td><td>-</td><td>0%</td><td>-</td><td>-</td><td>0%</td></tr>
<tr><td>Not Specified/ Prefer not to Say</td><td>-</td><td>0%</td><td>-</td><td>1</td><td>10%</td><td>5</td><td>13%</td></tr>
</table>

48. All employee data supported by analysis from PensionBee's HR information system, December 2023.
49. Data is based on a 92% disclosure rate and 8% 'rather not say' disclosures.
50. Data is based on a 91% disclosure rate and 4% 'rather not say' disclosures.
51. Data is based on a 91% disclosure rate and 4% 'rather not say' disclosures.
52. Supported by analysis from PensionBee's HR information system, December 2023.
53. Supported by analysis from PensionBee's HR information system, December 2023.
54. The reporting groups for all ethnic backgrounds except 'White' is too small (<10 people) to report in line with our Diversity, Inclusion and Equality Policy.

Gender Pay Gap

Our vision is to live in a world where everyone can look forward to a happy retirement, one which prioritises social inclusion. As a result we have been strong proponents of closing the gender pension gap and the carers' pension gap more broadly. Our research shows that where a gender pay gap arises, a gender pension gap will follow and will be magnified over time by the effects of compounding investment returns. The gender pension gap in the UK is approximately 38% and up to 60% in some areas of the country.[55] We believe that bold action is required to challenge this gap, so that women can enjoy similar levels of wealth in retirement as men. This is particularly important as women tend to live longer and often bear their own care costs.

In order to close the gender pension gap, we believe it is important to close the gender pay gap. Proactive measurement, monitoring and appropriate policies to promote gender equality in the workplace are a crucial component of this. The government has introduced requirements to report on the gender pay gap for companies with more than 250 employees. While our workforce is still substantially below that requirement at approximately 200 employees, we believe that proactive monitoring and measurement at an early stage is crucial to maintaining long term gender equality in the workplace.[56]

Given our small workforce, our figures can fluctuate substantially through the addition or departure of small numbers of employees. Due to these fluctuations, we will report our gender pay gap figures once we have reached the required 250 employee headcount. In the meantime, we will continue to scrutinise our data through a number of different lenses to ensure we are in line with our objectives and to consider appropriate policies to promote gender equality in our workplace.

For 2023 we are presenting the distribution of female and male employees in each hourly pay quartile below. The data is based on a total of 158 full pay relevant employees in line with government guidance.[57]

Percentage of Men and Women in each Hourly Pay Quarter	Male	Female	Total	% Male	% Female
Upper Hourly Pay Quarter	23	16	39	59%	41%
Upper Middle Hourly Pay Quarter	20	20	40	50%	50%
Lower Middle Hourly Pay Quarter	14	25	39	36%	64%
Lower Hourly Pay Quarter	16	24	40	40%	60%

55. Source: PensionBee research: '2021 gender pensions gap analysis by region'.
56. Total workforce of 202 as of 31 December 2023, includes 192 UK employees, six non-UK contractors and four Non-Executive Directors. Total workforce as of 31 December 2022 was 208, 204 UK employees and four non-UK contractors.
57. Data excludes individuals who have not elected to disclose and individuals who do not qualify for inclusion. For the 2023 analysis Board members have been included, in line with external guidance.

We note there is a relatively higher distribution of male employees in the upper hourly pay quarter and a relatively high distribution of female employees in the lower middle and lower hourly pay quarters. At the end of 2022 we hired a small (but proportionally greater) number of women in Level 1 roles and conversely a small (but proportionally greater number) of men in Level 4 roles. This is a trend to keep monitoring to ensure our representation remains as evenly distributed as possible across all levels as we grow.

To further consider our data we calculated the mean gender pay gap at different levels of seniority to establish whether our pay rates were the same for the same level of work. Our analysis demonstrated that men and women are compensated equivalently for the same work as measured by being the same seniority. Specifically, the pay gaps at each management level all fall within 5% variance either side except at Levels 4 and 5 where the pay gap is 8%. We have grouped Levels 4 and 5 together to protect anonymity of groups with fewer than 10 employees, which affects the pay gap number for this level as there are more male than female employees at Level 5.

Management Level	Female Average Hourly Pay	Male Average Hourly Pay	Pay Gap
Level 1	13.23	13.43	2%
Level 2	15.83	15.92	1%
Level 3	21.00	20.75	-1%
Levels 4 and 5	31.14	33.67	8%
Level 6	70.77	69.54	-2%
Level 7	91.99	92.62	1%

To maintain and improve gender equality in the workplace we will continue to:

- Maintain diverse pipelines, with a particular focus on senior levels and technical roles.
- Support the career development and progression of women at mid-tier level to senior roles.

Ethnicity Pay Gap

The government has provided guidance to report on the ethnicity pay gap and although it is currently voluntary, in line with our approach to gender pay gap reporting, we believe proactive measurement, monitoring and appropriate policies are crucial to build a team that is reflective of society and to create an inclusive workplace.

Government guidance recommends a minimum group size of 50 employees for external publication, to ensure statistical robustness and to protect individuals' anonymity. We have therefore reported on two groups: all white backgrounds combined and all minority ethnic backgrounds combined. We recognise that this approach brings limitations as it hides potential differences between different minority ethnic groups. As we grow our company size we aim to expand the number of reporting categories for ethnicity pay gap reporting in line with government guidance.

We also recognise that small changes in our relatively small workforce can have big impacts and therefore that our numbers can fluctuate substantially from year to year. We take this into consideration when analysing our data, setting objectives and creating action plans. In line with our approach to gender pay gap reporting, we will report our ethnicity pay gap when we reach a minimum headcount of 250 employees.

For 2023, we have presented the distribution of white and minority ethnic employees in each hourly pay quartile below. The data is based on a total of 156 full pay relevant employees in line with government guidance.[58]

Percentage of White and Minority Ethnic groups in each Hourly Pay Quarter	White	Minority Ethnic	Total	% White	% Minority Ethnic
Upper Hourly Pay Quarter	27	12	39	69%	31%
Upper Middle Hourly Pay Quarter	24	15	39	62%	38%
Lower Middle Hourly Pay Quarter	25	14	39	64%	36%
Lower Hourly Pay Quarter	21	18	39	54%	46%

Although we have exceeded representation of all minority ethnic backgrounds to match the UK population across the entire workforce, we see a relatively lower representation of minority ethnic employees across the upper hourly pay quarters (31%), whereas we see a relatively high representation of minority ethnic employees in the lower hourly pay quarter (46%).

58. Data excludes individuals who have not elected to disclose and individuals who do not qualify for inclusion. For the 2023 analysis Board members have been included, in line with external guidance.

We also considered the ethnicity pay gap at different levels of seniority to establish whether our pay rates are the same for the same level of work. We have grouped together Levels 2 and 3 and Levels 4 and 5 to protect anonymity of groups with fewer than 10 employees. Our analysis demonstrated that white and minority ethnic employees are compensated equivalently for the same work as measured by being the same seniority. Specifically, the pay gaps per management level all fall within 5% variance either side, except at Levels 4 and 5 where the pay gap is -10% (in favour of minority ethnic employees), due to a higher representation of white employees at Level 4.

Management Level	White Employees Average Hourly Pay	Minority Ethnic Employees Average Hourly Pay	Pay Gap
Level 1	13.41	13.18	2%
Levels 2 and 3	16.83	16.96	-1%
Levels 4 and 5	31.71	34.75	-10%
Level 6	70.03	71.99	-3%
Level 7	92.41	-	-

Therefore, while minority ethnic employees are overrepresented at junior levels, we remain confident that we maintain ethnicity parity within our workforce given comparable levels of compensation at each seniority level.

To maintain and improve an inclusive workplace we will continue to:

- Maintain diverse pipelines across all levels.
- Continuously review and adapt our hiring processes where applicable.
- Support the career development and progression of minority ethnic employees at lower management levels to more senior roles.

PensionBee's Parental Leave Policy

Becoming a parent is a life changing moment and providing support for all new parents as they navigate this stage in their life journey is key. Our gender-inclusive Paid Parental Leave Policy aims to address some of the challenges that face parents, and to support them in maintaining an engaging and fulfilling career alongside their new responsibilities.[59] It applies to anyone taking on parental duties, regardless of their biological relationship to the new arrival and irrespective of gender. We are immensely proud to report a new mother retention rate of 100% in the first year after parental leave.

59. pensionbee.com/parental-leave-policy

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The parental leave policy has given me the opportunity to spend quality time bonding with my daughter and it also gave me the flexibility to support my family with my presence when most needed. Parenthood contains unpredictable surprises, special occasions, and in those precious first years I feel grateful I had the chance to take extra time off to be with my daughter and family.

Father at PensionBee

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I am so grateful for PensionBee's parental policies, they've made - and continue to make - my experience of being a working parent infinitely better. From taking my parental leave over two years, to being able to collect my kids everyday, to the extra parental leave days for those unexpected days off school, the flexibility to do what's right for me and my children is such a positive contributor to our family life. And importantly, I've always felt supported to pursue both my professional and personal goals. Having kids whilst working at PensionBee has not been career-limiting for me as a woman, which I know may not have been the case in other companies.

Mother at PensionBee

Paying a Living Wage

PensionBee is an accredited Living Wage Employer, furthering its mission to champion diversity and representation in the pensions industry.[60] We pay all our employees a London Living Wage as a minimum, regardless of where they are located across the UK (effective as of January 2024).

We are also a member of ShareAction's Good Work Coalition, regularly supporting public campaigns to address income inequality, tackle in-work poverty and lobby FTSE 350 companies to pay their employees a fair wage. In 2023, we supported campaigns calling for publicly-listed companies to prioritise support for their lowest-paid employees and to meet the new real Living Wage rates during the cost of living crisis.

These activities have helped us to facilitate fulfilling careers and to foster an even more diverse and inclusive environment at PensionBee, as well as encouraging change in the wider business landscape.

Employee Engagement

Aligning with our values of Honesty and Love, we took active steps to involve and consult employees where possible, to ensure everyone is listened to and well-represented. We have a number of ongoing initiatives in place to make sure we maintain and build upon our diverse and inclusive workplace so that all employees can build fulfilling careers:

- Weekly all-Company Show N Tell meetings with the Chief Executive Officer and Executive Management Team.
- A series of lived-experience panels, throughout the year, as part of the Diversity and Inclusion Programme.
- Bi-monthly 'Happiness!' meetings for employees to discuss their wellbeing with their manager.
- Annual Diversity, Inclusion, Equality & Support Survey.
- Bi-Annual manager feedback survey.
- Board-led employee engagement events.
- Anonymous channels for employees to submit any requests, concerns, or issues they may have.
- Qualified Mental Health First Aiders, trained to provide mental health support to our employees.

The Board engaged with the wider workforce during the year via existing channels and initiatives that are in place across the Company, to ensure that our employees were listened to and well represented.

60. pensionbee.com/press/pensionbee-becomes-accredited-living-wage-employer

Engagements included, but were not limited to:

- Operational deep dive sessions into business areas of interest, enabling the Board to gain valuable direct insights and feedback from employees on workplace issues, and providing employees with the opportunity to meet and engage with the Board. Participation in our Diversity & Inclusion events programme as both attendees and panellists.
- A Review of the Annual Diversity, Inclusion, Equality & Support Survey of all employees, to hear feedback and measure progress.
- Attendance of the Champions Awards Ceremony, where employees nominate each other as Champions in relation to our Company values.

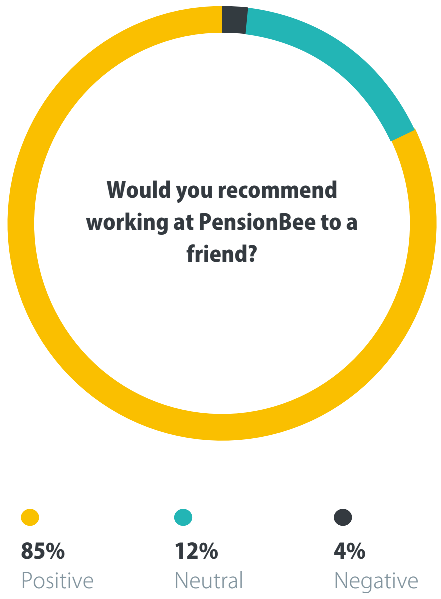
Employees fed back to us that they value in-person activities to build relationships with other colleagues. We responded by organising the following events for colleagues across the UK in 2023:

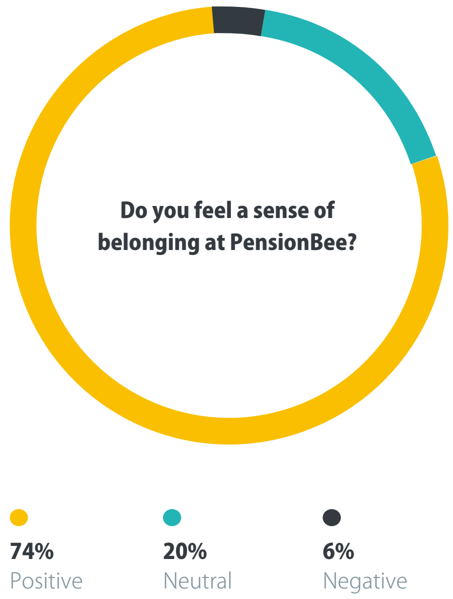
- Pride Picnic
- Summer Party
- Breast Cancer Awareness Event
- PensionBee Family Day
- South Asian History Awareness Movie Night
- Charity Rowing
- Mental Health First Aiders Sports Day
- South Asian, International and Black History Lunch & Learns
- Christmas Party
- Departmental Social Events.

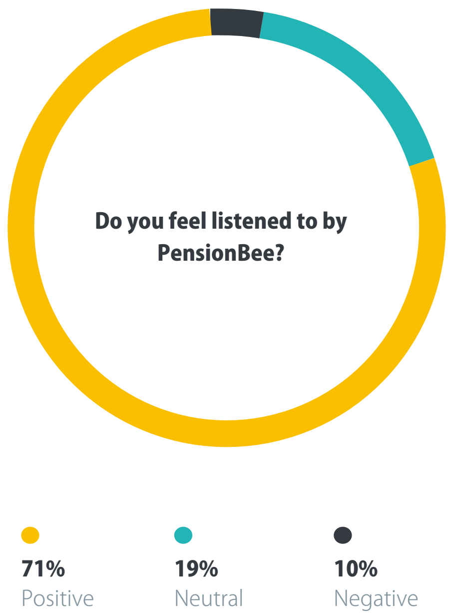
Measuring our Progress

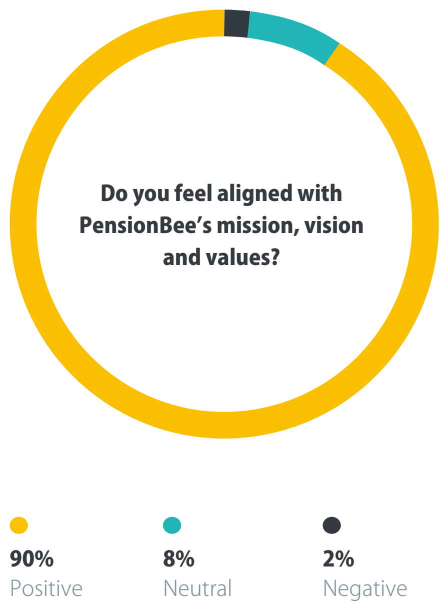
Measuring our progress and seeking feedback from our employees about how we are performing in terms of facilitating fulfilling careers and maintaining a diverse and inclusive environment is important. Our annual Diversity, Inclusion, Equality & Support Survey for all our employees explores themes related to wellbeing, longevity and remuneration.

For 2023, the data suggested that employees felt aligned with the Company's mission, vision and values, and that their job helped them to stay connected to PensionBee's goals. We felt proud to have achieved a workplace in which 90% of colleagues informed us that they felt connected with PensionBee's mission, vision and values, particularly in a context where most people work remotely.









Disability Confident Employer

'Disability Confident' organisations play a critical role in changing attitudes towards disabilities, by altering behaviours and cultures within their own business practices and communities. As hidden disabilities account for 80% of the disabled population, membership to this scheme allows prospective employees and other businesses to easily identify PensionBee as a workplace which places great importance on offering equal opportunities. Additionally, the scheme allows us to increase our understanding of disabilities, and how to aid new and existing disabled employees in reaching their full potential at work.

Following employee feedback in our 2021 annual Diversity, Inclusion, Equality & Support Survey, we set ourselves an important goal of becoming a Disability Confident Employer. In 2022 PensionBee joined the UK Government's Disability Confident Employer Scheme, taking the first step and becoming Disability Confident Committed (Level 1). In 2023 we reached our goal and became a Disability Confident Employer (Level 2).[61] As such, we have reconfirmed our commitment to employing people from the widest pool of talent, securing skilled staff from diverse backgrounds. We also expanded our Bee a Leader Training to include better guidance for managers supporting employees who are neurodiverse and/or have disabilities.

As part of the scheme we have made five public commitments as an employer:

- ✓ Inclusive and accessible recruitment.
- ✓ Communicating vacancies to encourage applications from disabled people.
- ✓ Offering an interview to disabled people.
- ✓ Providing reasonable adjustments.
- ✓ Supporting existing employees.

61. pensionbee.com/press/pensionbee-becomes-a-disability-confident-employer

Charters, Pledges and Social Impact Initiatives

To support our vision of living in a world where everyone can look forward to a happy retirement, and to facilitate fulfilling careers in our diverse and inclusive workplace and beyond, we are proud to have continued our public commitment to the following initiatives in 2023:

- ABI Making Flexible Work Campaign and Charter[62]
- ABI Transparent Parental Leave and Pay Initiative[63]
- Accredited Living Wage Employer[64]
- Careers & Enterprise Company[65]
- Make My Money Matter[66]
- Race at Work Charter[67]
- Social Mobility Pledge[68]
- Tech Talent Charter[69]
- The Diversity Project[70]
- The Workforce Disclosure Initiative Investor Coalition[71]
- Time to Talk (Time to Change)[72]

These public commitments not only signal to our current and prospective employees that we care about helping people from all backgrounds thrive at PensionBee, they also encourage other businesses to adopt more inclusive practices.

62. pensionbee.com/press/pensionbee-joins-abi-flexible-work-charter
63. pensionbee.com/press/abi-transparent-parental-leave-and-pay-initiative
64. pensionbee.com/press/pensionbee-becomes-accredited-living-wage-employer
65. pensionbee.com/press/pensionbee-work-experience-programme
66. pensionbee.com/press/pensionbee-joins-make-my-money-matter-campaign-launch
67. pensionbee.com/press/pensionbee-signs-the-race-at-work-charter
68. pensionbee.com/press/pensionbee-joins-social-mobility-pledge
69. pensionbee.com/press/pensionbee-signs-tech-talent-charter
70. pensionbee.com/press/pensionbee-announces-partnership-with-the-diversity-project
71. pensionbee.com/press/pensionbee-joins-the-workforce-disclosure-initiative
72. time-to-change.org.uk

Volunteering

Each member of the PensionBee team is able to dedicate the equivalent of a full day of work, each year, to volunteer for a cause that is related to PensionBee. Our approach to working with charities and our local communities is outlined in our Community Involvement Policy, available on our website.

In 2023 we offered a number of charity events for colleagues to participate in, support or volunteer for:

- Bankside Futures - Supporting a summer employment programme for local school-leavers in SE1 to meet local businesses and gain valuable employment skills.
- The AHOY Centre Charity - Raising funds through a sponsored row to help disadvantaged children and people with disabilities in Deptford, London.
- Breast Cancer Now - Breast Cancer Awareness Month events including 'Wear it Pink Day' to raise awareness and funds.
- Brentford FC Penguins - Supporting summer camp for a team for players with Down's Syndrome.
- Woodside High School - Donating our laptops to increase employability prospects.
- YoungMinds - Our Mental Health First Aiders fundraised to champion children and young people's mental health.

Diversity Awards

In 2023, we were proud to have achieved recognition for our focus and achievements in diversity, including:

- Highly commended as 'Employer of the Year' in the FTAdviser Diversity in Finance Awards
- Winner of two WDI Workforce Transparency Awards including the 'WDI Award' for most complete response and the 'Contingent Workforce Data Award'.

PensionBee 'Wear it Pink Day' event

Remuneration

PensionBee has an established employee Remuneration Policy providing clear and guiding principles for decisions around employee remuneration that ensures fair, competitive and appropriate pay for all. Our goal is to maintain a mix and balance of remuneration that is appropriate to attract, motivate, retain and fairly reward employees whilst balancing the needs of our business and customers. The Remuneration Policy is underpinned by the PensionBee values:

Simplicity

We want to make our remuneration policy easy to understand.

Love

Our approach to remuneration aims to foster inclusivity and therefore applies to the whole Company. Furthermore, we recognise the social inequalities that exist within our society and aspire to close all diversity pay gaps, including among genders and ethnicities.

Quality

We recognise that performance levels may differ between employees and for any given individual at different periods of time. In addition, the time commitment, level of responsibility and formal experience (including professional qualifications) tend to increase with seniority. This variability is reflected in our compensation structure.

Innovation

We aim to inspire an ownership mentality among our employees, therefore, equity compensation will continue to be offered at all levels of the Company.

Honesty

We aim to keep our policies transparent at all levels of the Company.

Components of Employee Remuneration	
Base Cash Salary	• We aim to set base cash salaries at a level that enables us to attract and retain the people that we need to thrive, whilst balancing our financial resources as a company. • The primary driver for our base cash salary levels is external benchmarking. This is conducted annually by the Executive Management Team in respect of their departments and centrally reviewed by the People team.
Equity Schemes	• The purpose of granting equity is to encourage everyone to think and behave like owners, and to recognise the vital contribution every individual makes towards achieving our mission and vision. • Prior to becoming a listed company, PensionBee operated an EMI and non-EMI option scheme. Post-listing we operate long-term incentives and a deferred bonus, both granted in the form of nil-cost options.
End of Year Bonus	• We structure Company bonuses based on metrics that incentivise collective focus towards helping customers achieve good outcomes over the long term, such as Truspilot scores, app ratings, NPS and complaints ratios. • The bonus structure is determined as a percentage of salary, ranging from 15-100%. The percentage increases with seniority to reflect increasing levels of responsibility and to remain competitive with market averages. • The proportion of the bonus based on Company vs. individual performance also varies across all levels, with the Company proportion accounting for more at senior levels where individual performance is more directly reflected in Company performance. • The Company proportion of the bonus is deferred and paid with equity in the form of nil-cost options. The individual performance-based bonus is paid entirely in cash, except for at senior levels, where a portion is paid in equity to encourage long-term engagement with our vision, mission and values. • Executive Management Team bonuses are also based on authentic leadership and individual scoring for their Diversity and Inclusion events, as enabling fulfilling careers to occur is a material ESG priority for PensionBee.
Pension Scheme	• Employees who meet the automatic enrolment criteria set out by the Government are automatically enrolled into the PensionBee Personal Pension, within 6 weeks of their employment start date. • PensionBee contributes an amount equivalent to 5% (which is matched by the employee) of qualifying earnings as part of monthly compensation.
Other Benefits for 2023	• Income Protection Insurance • UK HealthCare Cash Plan • Thrive Mental Wellbeing platform • SmartHealth GP online • Bippit financial coach

Learning and Development

At PensionBee we are committed to nurturing internal talent, in line with our company values of Love and Quality. We prioritise internal hiring and career development over external hiring wherever possible. This allows us to boost engagement, increase retention and encourage high performance at all levels of the Company. We offer ongoing role specific training for our BeeKeepers and Nectar Collectors, and a 'Bee a Leader' manager development programme for all new and existing line managers.

In 2023 we gave all PensionBee employees access to Learnerbly, an online marketplace that offers a wide range of training and development materials from more than 250+ learning providers. Employees were given a personal learning budget to spend as they wished, based on their areas of interest and preferred learning methods, such as online courses, coaching, books, or other training materials. Courses ranged from business, design, leadership, marketing, communications, technology, data to people management.

We also supported requests for external training to develop additional skills required for roles, such as in Finance, Technology, People or Engagement teams.

Compliance and Conduct

In addition to the above, there is a mandatory annual compliance and conduct training programme for all employees across the organisation, at all levels including at Board level. The training and general compliance test is updated annually, to reflect changes to legislation and best practice. All employees must pass each unit with a minimum score of 80% within a month of joining PensionBee and at least once annually. Our annual compliance training comprises:

- Consumer Duty
- Anti-Money Laundering
- Risk Compliance
- Fraud Prevention
- Market Abuse Regulation
- Conduct Rules for Employees
- Healthy Working
- Equality and Diversity in the Workplace
- Corporate Criminal Offences

Health and Safety

PensionBee's continued commitment to maintaining health and safety in the workplace is outlined in our Health and Safety Policy and Procedure. Everyone at work is responsible for health and safety, including both employers and employees. This group effort is the key to achieving acceptable standards, reducing accidents and cases of work-related ill health.

PensionBee takes reasonable steps to:

- Provide adequate control of any health and safety risks arising from its workplace activities.
- Involve and consult where possible its employees on matters affecting their health and safety.
- Provide and maintain safe equipment.
- Provide information, instruction, and supervision for employees.
- Prevent accidents and cases of work-related illness.
- Maintain safe and healthy working conditions.
- Review and revise its Health and Safety Policy and Procedure as necessary at regular intervals.

PensionBee Directors and managers share the responsibility of providing an environment that complies with our Health and Safety Policy and Procedure, and the day-to-day responsibility for putting the Health and Safety Policy and Procedure into practice is delegated to a Health and Safety Officer and an Employee Health and Safety Representative.

Risk assessments are conducted by the Office Manager annually or when the work activity or work location changes, whichever is the soonest. We review our fire safety risk assessment every 6 months, and after each evacuation. Any employee who is concerned about health and safety at work can raise a concern directly with our Health and Safety Officer. Any actions required to remove or control the identified risks will be implemented in a timely manner.

Since PensionBee's inception, we have reported zero accidents, work-related injuries and fatalities, resulting in no occupational diseases nor any lost working days. This applies to all PensionBee colleagues, including contractors.

8 Market Opportunity

We operate in the vast UK Defined Contributions private pensions market, with a focus on the rapidly growing pension consolidation opportunity within the £1.2tn Transferable Pensions Market

The Global Context

The global pensions market stands at more than $56tn of assets, with the top three countries accounting for over 75% of all pension assets in the world: the United States of America ('US') leading with $36tn of assets; Japan with approximately $4tn of assets; and the UK being the third largest with approximately $3tn of assets.[73]

Over the past decade the global market has seen a shift from Defined Benefit ('DB') towards Defined Contribution ('DC') pensions, which are now the prevalent form of savings: in respect of the largest seven counties by pensions assets, DC assets have grown by 6.6% per annum whilst DB assets have grown at a slower pace of 2.2% per annum, resulting in approximately 58% of the pensions market now being accounted for by DC assets.[74] The US is the largest DC pensions market in the world with approximately $24tn of DC pensions assets, followed by Australia, Canada and the UK.[75]

The UK DC Market and the Transferable Pensions Market

PensionBee's product proposition is focused on DC pensions. Unlike employer guaranteed (final salary) DB pensions, DC pensions build up a pension pot using personal and employer contributions (if applicable) plus investment returns and tax relief.

In the UK there has been a broad shift from DB to DC pensions, driven in the private pensions market by the DB scheme closure (due to them becoming less attractive with labour market shifts) and importantly the advent of automatic-enrolment (a regulatory requirement for employers to enrol eligible employees into workplace pensions) and an increase in contributions supported by regulation.

73. Source: Global Pension Assets Study 2024, Willis Towers Watson. Total global pensions market estimated for 2023 of $55,688bn of pension assets for top 22 countries, including US at $35,600bn, Japan at $3,385bn and UK at $3,206bn.
74. Source: Global Pension Assets Study 2024, Willis Towers Watson. Top 7 countries include: Australia, Canada, Japan, Netherlands, Switzerland, UK and US. Growth over the last decade measured from 2013 to 2023.
75. Source: Global Pension Assets Study 2024, Willis Towers Watson. US had 67% of $35,600bn of 2023 pensions assets in DC pensions equating to $23,994bn, Australia had 88% of £2,448bn of 2023 pensions assets in DC equating to $2,152bn, Canada had 44% of $3,105bn 2023 pensions assets in DC equating to$1,357bn and UK had 26% of $3,206bn of 2023 pensions assets in DC equating to $818bn.

Automatic-enrolment has resulted in the number of active savers in DC schemes increasing rapidly, with approximately 14m active members in DC schemes today, overtaking the number of active DB savers.[76] The growth in the UK DC pension market, both in terms of number of individual savers and the aggregate wealth managed within schemes, is expected to continue.[77]

UK DC Market

Owing to the fragmented structure of the UK DC market, it is challenging to obtain precise market size statistics and estimates from public sources. However, the Financial Conduct Authority ('FCA') has released comprehensive DC statistics from its Financial Lives Survey, enabling a bottom up construction of 2022 market data. This, in combination with other data sources, enables us to present a clearer view of the UK DC market today and its constituents.

The FCA estimated that of the 53m adults in the UK in 2022, approximately 21.5m (41%) had a DC pension in accumulation and a further 1.5m had decumulated a pension in the last 4 years.[78] Using a broad sample of data, the FCA has looked at the distribution of DC pension savings for adults with a DC pension in accumulation. Taking a conservative approach (looking at the lower end of estimates of pensions pot sizes and excluding the pots that are of an unknown size), and applying this to the 21.5m adult population with a pension in accumulation, yields an estimate of £1.27tn DC pensions assets. Considering the 1.5m adults with a pension pot in decumulation, and applying an average DC pension savings pot size of £80k to this, yields an estimate of £120bn DC pensions assets in decumulation.[79] Therefore, our analysis suggests a conservative total estimate of **£1.4tn in UK DC pension assets**, with approximately 91% of this in accumulation.

76. Source: Pensions Policy Institute DC Future Book 2023. 10.9m employees in the UK have been automatically enrolled as of June 2023, with 14m active members in DC schemes compared to 930,000 active members in private sector DB schemes in 2022.
77. Source: Office for National Statistics - Pension Wealth: Wealth in Great Britain, April 2018 to March 2020, January 2022.
78. Source: The Financial Lives Survey 2022, FCA.
79. Source: Pensions Policy Institute DC Future Book 2023. Average pension fund size entering drawdown was c.£80,000 in 2022 (£114,000 in 2021).

Transferable Pensions Market

Within the UK DC market, there are broadly speaking three segments, which in aggregate represent approximately 55.5m memberships (pension pots):

- Trust-based workplace schemes. These are regulated by The Pensions Regulator ('TPR'). The TPR has indicated that within the trust-based workplace schemes, there are 24.8m memberships (number of pension pots).
- Contract-based workplace schemes. These are also known as group personal pensions and are regulated by the FCA. A joint FCA/TPR paper suggests that within this category there are 12m memberships.[80]
- Personal pensions (also regulated by the FCA). The same FCA/TPR paper implies that within personal pensions there are 18.7m memberships.[81] PensionBee sits within the personal pensions segment.

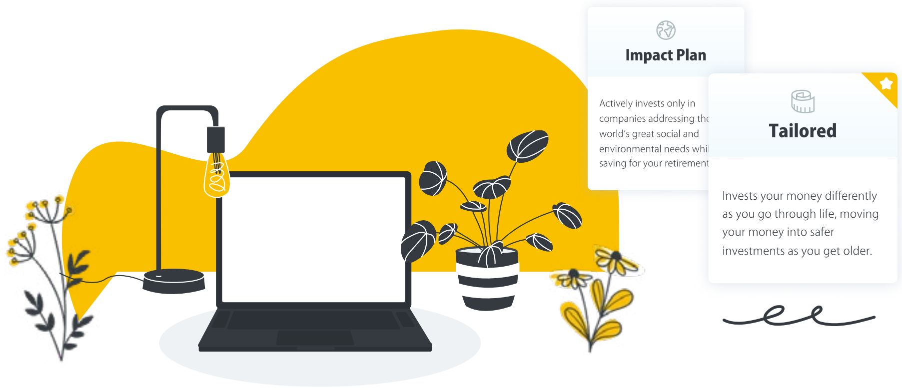
We can further segment the market into active DC workplace pensions, which benefit from active employer contributions and therefore are rarely transferred, and 'Transferable Pensions' (including deferred workplace pensions that are no longer receiving employer contributions, and personal pensions) that are available to be moved and that therefore lend themselves more easily to pension consolidation activities. This is the key target market that PensionBee primarily focuses on.

Taking the previously mentioned overall UK DC market size of £1.4tn and removing approximately £600bn of workplace DC assets,[82] implies a **personal pensions market size of approximately £786bn** (representing significant growth since an earlier FCA estimate of £420bn in 2017/18).[83] PensionBee sits within this personal pensions segment.

Based on the previously mentioned PPI estimate of 14m active members in workplace schemes, we can imply that there were approximately 22.8m deferred workplace accounts.[84] Based on an average workplace pension pot of around £16.3k, there is approximately **£372bn in preserved workplace pensions**.[85]

Adding the **£786bn personal pensions market** size and the **£372bn preserved workplace pensions market** size yields an estimate of approximately **£1.2tn for the Transferable Pensions Market.**

80. Source: FCA and TPR 2021 joint framework for value for money press release. Indicates that the FCA has 30.7m memberships (likely a conservative 2020 estimate), of which 12m are workplace accounts, implying 18.7m relate to personal pensions.
81. Source: FCA and TPR 2021 joint framework for value for money press release. Indicates that the FCA has 30.7m memberships (likely a conservative 2020 estimate), of which 12m are workplace accounts, implying 18.7m relate to personal pensions.
82. Source: Pensions Policy Institute DC Future Book 2023. Between 2015 and 2023, aggregate assets in DC grew from £324bn to £600bn.
83. Source: FCA Sector Views 2020. FCA estimate of £420bn non-workplace pensions savings market, based on FCA, Retirement Income Data 2017 and Broadridge, UK & RI Market Intelligence 2018.
84. 24.8m trust-based workplace scheme memberships + 12m contract-based workplace scheme memberships - 14m active memberships = 22.8m deferred workplace memberships.
85. £600bn DC workplace assets / (24.8m trust-based workplace memberships + 12m contract-based workplace memberships) = £16.3k average DC workplace pension pot. £16.3k average DC workplace pension pot x 22.8m deferred workplace memberships = £372bn total workplace DC assets.



Pension Consolidation Activity

Within the labour market, individuals are moving jobs more frequently and stand to be auto-enrolled in a number of pension plans. As a result, there are many potential advantages to combining multiple pension pots, including keeping track of and managing pension savings more easily, reducing charges and choosing desirable investments. Pension consolidation is a key part of the PensionBee customer offering, and in most cases the start of the journey. Our customer proposition caters for those seeking a consolidation solution and also enables customers to start a new self-employed pension.

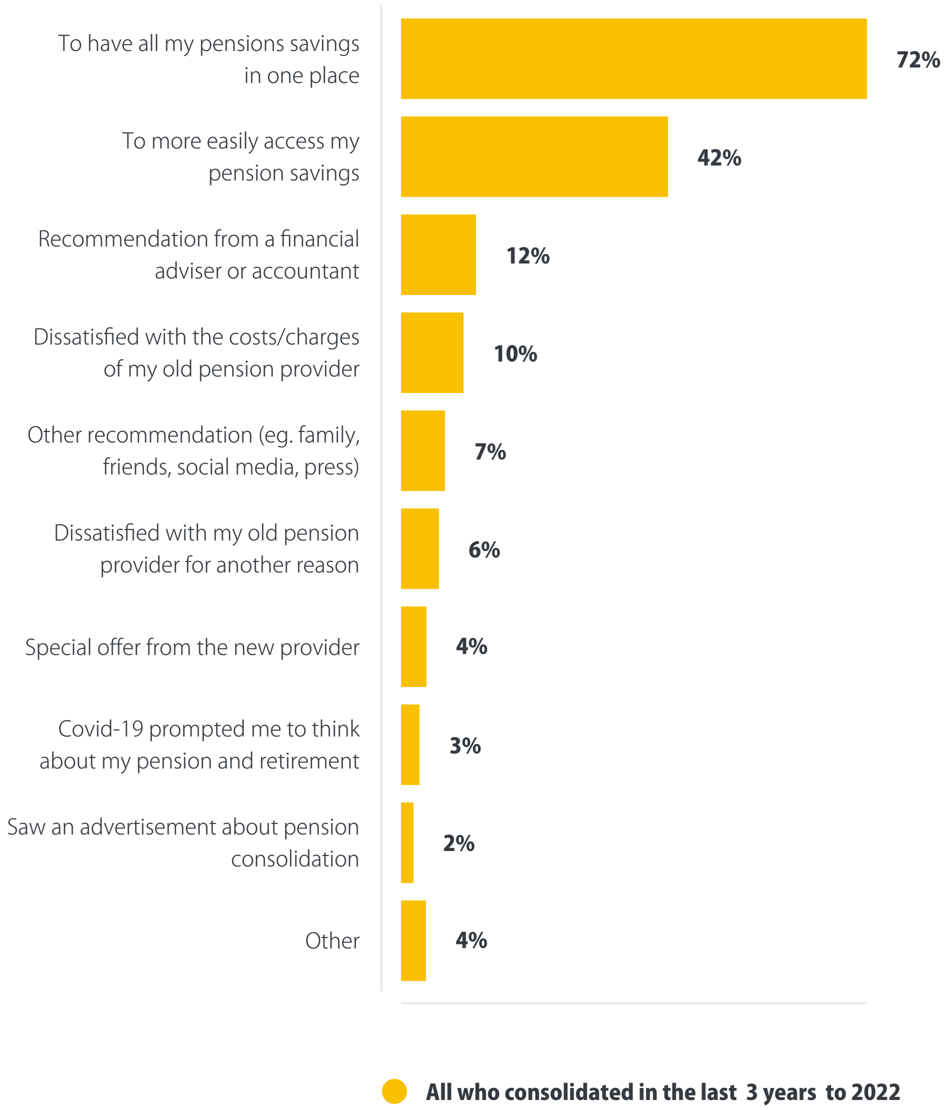
Based on estimated data from the FCA and Mintel, there are approximately **14.7m personal pension consumers.**[86] Overall estimates indicate that each pension holder has approximately 2.6 pension pots.[87]

The FCA presents pension consolidation data that indicates that approximately **1.1m people in the UK consolidated pensions** in the 12 months to May 2022 (5% of DC pension holders), representing a substantial increase from the 570k that did the same in 2020.[88] Of these 1.1m pension holders who consolidated pensions, approximately **355,000 consolidated a personal pension** and the remainder did so in their workplace pension, or were unsure.[89]

Consolidation activity was driven by a desire to have all pensions in one place (72%) or to more easily access their financial savings (42%). Ease of consolidation was the most important factor (40%) considered by those choosing a new provider, closely followed by product functionality (32%).

86. Source:The Financial Lives Survey 2022, FCA and the UK Personal Pensions Market Report, Mintel. 20.1m men with private pension x 42% of male pension holders with a personal pension = 8.4m male personal pension holders. 18.5m women with private pension x 34% of female pension holders with a personal pension = 6.3m female personal pension holders. In aggregate a total of 14.7m personal pension holders in the UK.
87. 55.5m memberships (pots) / 21.5m adults with a pension in accumulation.
88. Source:The Financial Lives Survey 2022, Pensions (accumulation and decumulation) Selected Findings data book July 2023, FCA.
89. Source:The Financial Lives Survey 2022, Pensions (accumulation and decumulation) Selected Findings data book July 2023, FCA.

Reasons given for Consolidating DC Pensions



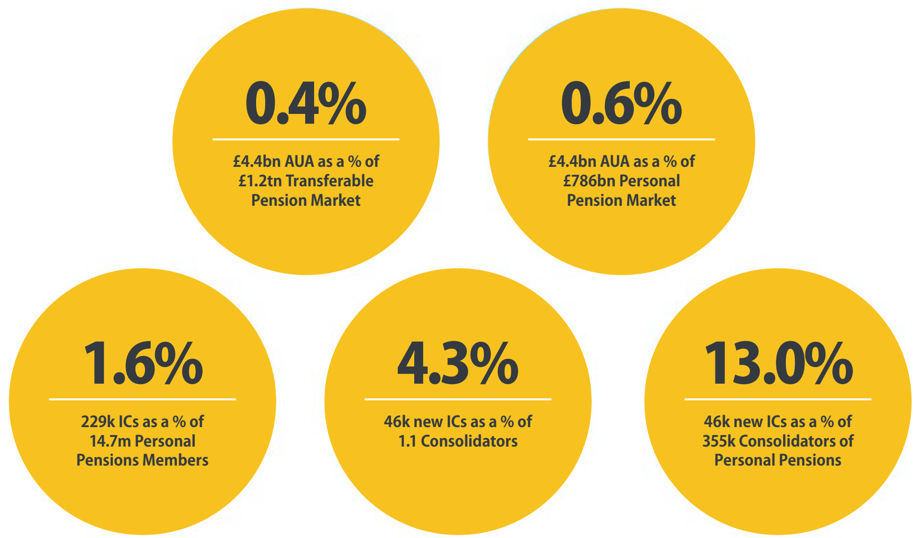
Source: The Financial Lives Survey 2022, Pensions (accumulation and decumulation) Selected Findings data book July 2023, FCA.

PensionBee's Market Share

Depending on the definition of the market size, there are a number of ways to calibrate PensionBee's market share which we consider important benchmarks, including the following:

- PensionBee's £4.4bn Assets under Administration at the end of 2023 ('AUA') represented c.0.4% of the £1.2tn Transferable Pension Market.
- PensionBee's £4.4bn AUA represented c.0.6% of the £786bn Personal Pensions Market (non-workplace pensions).
- PensionBee's 229k Invested Customers ('IC') at the end of 2023 accounted for c.1.6% of 14.7m Personal Pensions Members.
- PensionBee's 46k new ICs for 2023 accounted for c.4.3% of all 1.1m consolidators.
- PensionBee's 46k new ICs for 2023 accounted for 13.0% of 355k consolidators of personal pensions.

The market share statistics all highlight that given the vast size of the UK pensions market, with widespread pension membership across the country, despite PensionBee's rapid growth since inception, there is still substantial potential for further growth.



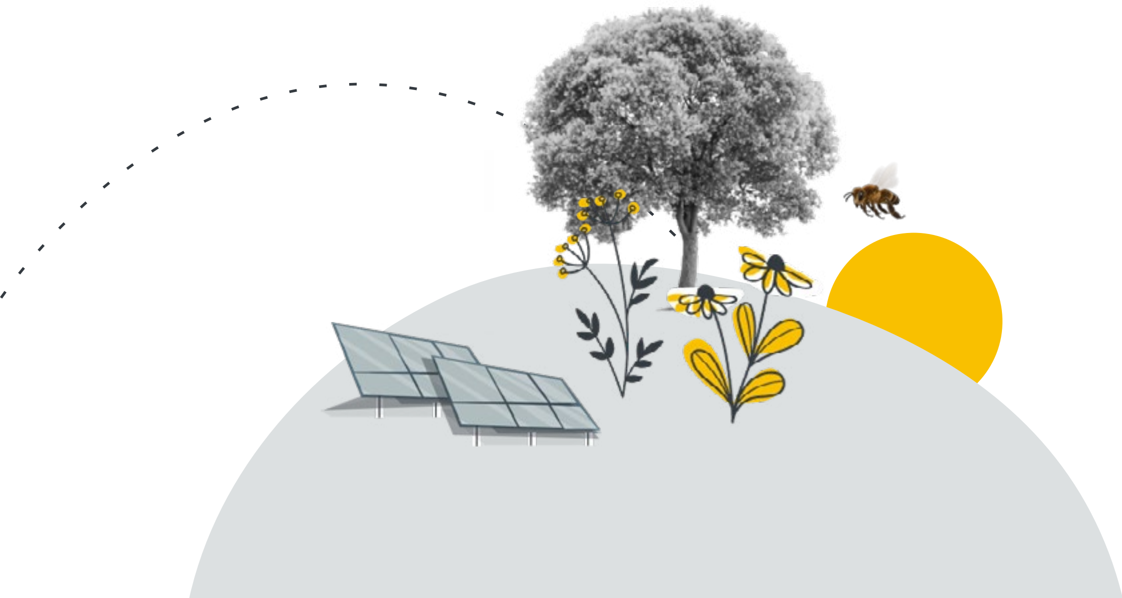
Engagement with Pensions

Levels of engagement with pensions across the general population in the UK are still low, although pensions consciousness is rising. Engagement can be measured in many different ways including by looking at metrics such as consumer awareness of their provider, awareness of their pot size, awareness of their contribution levels, awareness that their pensions are invested and awareness of fees and charges, and accessing pension statements and use of online services to check pensions.

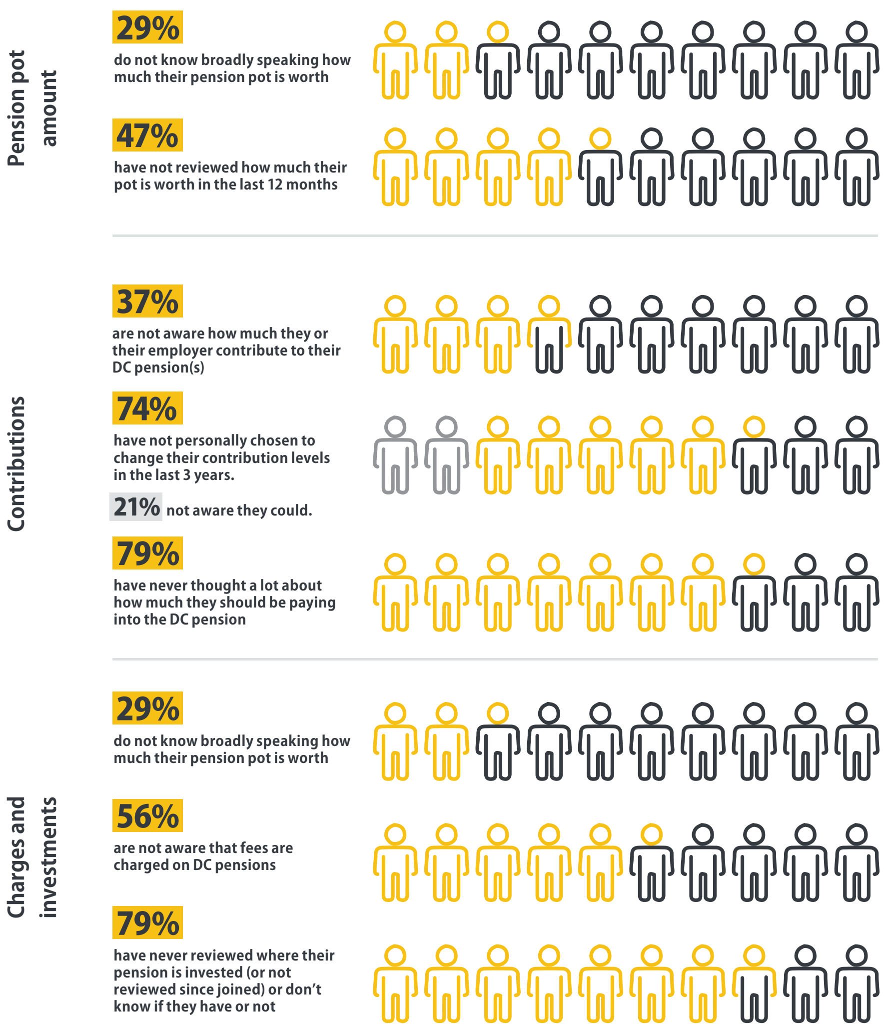
By way of illustration, FCA sample data suggests for individuals with a DC pension:[90]

- 30% do not know who their pension provider is;
- 29% do not know how much their pension pot is worth;
- 79% have never reviewed where their pension is invested;
- 55% are not aware that fees are charged on their pension; and
- 66% had never reviewed where their pension is invested (or had not done so since they joined their scheme).

90. Source:The Financial Lives Survey 2022 and associated Pensions (accumulation and decumulation) Selected Findings data book July 2023, FCA.



Pension Engagement Metrics for Adults Currently Contributing to a DC Pension



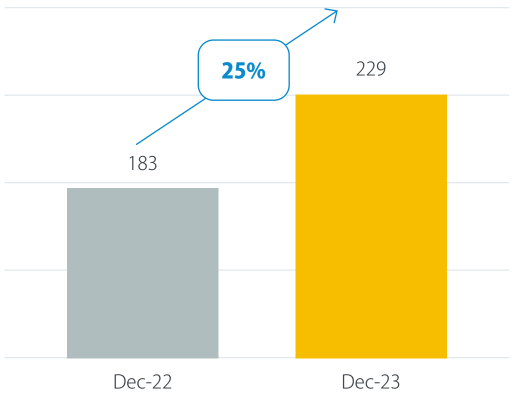
Source: The Financial Lives Survey 2022, Pensions (accumulation and decumulation) Selected Findings data book July 2023, FCA.

9 Operating and Financial Review[91]

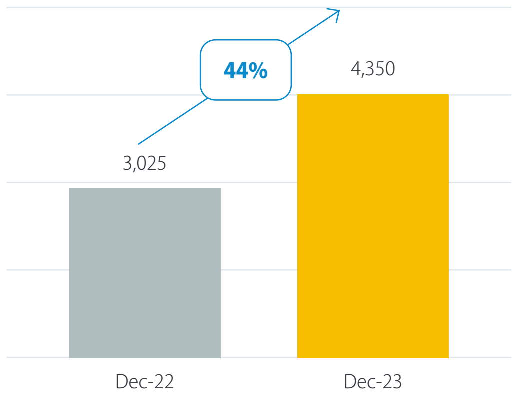
The achievement of Adjusted EBITDA profitability across the fourth quarter of 2023 was owing to a combination of continued significant growth, the scalability of our technology platform and cost discipline

Trading for the financial year 2023 has been strong and in line with guidance, with high levels of growth achieved across our key performance indicators ('KPI's) along with the achievement of Adjusted EBITDA profitability across the fourth quarter of the year, fulfilling one of our core financial objectives. We achieved this objective by virtue of our continued growth in terms of new customers and strong net inflows from both new and existing customers, through the inherent scalability of our technology platform and with continued cost discipline. We have continued to demonstrate particular strength in customer growth, with the number of Invested Customers ('IC') increasing by 25% to 229,000 (2022: 183,000) and Assets under Administration ('AUA') increasing by 44% to £4.4bn (2022: £3.0bn). This was underpinned by strong Net Flows of £857m (2022: £863m) from new and existing customers together with positive market performance.[92] Revenue for 2023 increased by 35% to £23.8m (2022: £17.7m). Profit/(Loss) before Tax for 2023 was £(10.7)m (2022: £(22.4)m).

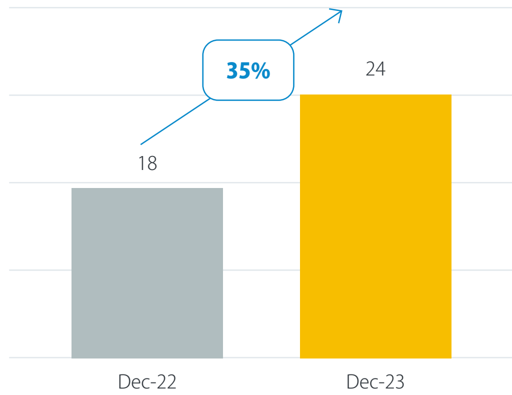
Growth in Invested Customers (000s)



Translates into Increasing AUA (£m)



Which Drives Revenue (£m)



91. See pages 58 to 59 of the Measuring our Performance section of the Strategic Report.
92. As at 31 December 2023. Invested Customers ('IC') means those customers who have transferred pension assets or made contributions into one of PensionBee's investment plans. Assets under Administration ('AUA') is the total invested value of pension assets within PensionBee Invested Customers' pensions. It measures the new inflows less the outflows and records a change in the market value of the assets. AUA is a measurement of the growth of the business and is the primary driver of Revenue. Net Flows measures the cumulative inflow of PensionBee AUA from consolidation and contribution ('Gross Inflows'), less the outflows from withdrawals and transfers out ('Gross Outflows') over the relevant period.

Driving customer acquisition through efficient investment in brand awareness

	As at Year End		
	Dec-2023	Dec-2022	YoY
Advertising and Marketing Expenses			
Advertising and Marketing Expenses (£m)	(9.7)	(16.6)	-41%
Cost per Invested Customer (£)[93]	241	248	within threshold
Customers			
Invested Customers (thousands)	229	183	25%

This year we continued to realise the benefits of our prior investment, fulfilling our growth strategy, driving strong customer acquisition with less spend than the previous year. Marketing spend in 2023 was £9.7m (2022: £16.6m), bringing our cumulative marketing expenditure to more than £55m, highlighting our commitment to investing in brand awareness while reducing our overall Cost per Invested Customer ('CPIC'). Our investment in the brand to date has helped to cement PensionBee as a household name, with brand awareness of 50%.[94] Our customer acquisition strategy continues to be led by our in-house Data Platform which provides extensive and invaluable insights, guiding decision-making and the optimisation of our performance marketing channels. Our focus has been on driving customer acquisition supported by insights from our data capability. With this approach, we are able to more effectively and accurately target customers who are likely to convert - a key reason why we were able to grow our Invested Customer base by 25% to 229,000 (2022: 183,000).

Our data-led, multi-channel approach to marketing focuses on trusted and cost-effective channels. Through YouTube and Tik Tok, we have successfully reached millions of customers. We brought educational initiatives to customers in ways that increase appeal and brand recognition, for example, through in-person roadshows and our Lovie award nominated Pension Confident Podcast. In addition, we maintained our brand name recognition through the renewal of our partnership with Brentford Football Club ('Brentford FC'). We have remained the official pension partner sponsor, and have become the left sleeve sponsor for the Men's first team and the 'front of shirt' sponsor for the B team, Academy and Women's team. Partnering with a Premier League team has helped the PensionBee brand to reach millions of football spectators across the UK, building customer trust in the process.

93. Cost per Invested Customer ('CPIC') means the cumulative advertising and marketing costs incurred since PensionBee commenced operations up until the relevant point in time divided by the cumulative number of Invested Customers at that point in time. This measure monitors cost discipline of customer acquisition. PensionBee's desired CPIC threshold is £200-£250.
94. Source: PensionBee brand tracker. Prompted brand awareness in January 2024 measured through a consumer survey asking 'Which of the following have you heard of?' with respect to UK financial services brands: Aviva 86%, Scottish Widows 76%, Standard Life 68%, Royal London 55%, PensionBee 50%, Hargreaves Lansdown 39%, Vanguard 36%, Fidelity 34%, Nutmeg 32%, AJ Bell 29%, Interactive Investor 11%. Compares to PensionBee's prompted brand awareness as at January 2023 of 52%, sourced from PensionBee brand tracker.

As guided, the Cost per Invested Customer ('CPIC') has extended its downward trajectory this year. This can be attributed to our increased brand awareness as a result of prior investment in marketing as well as our data-driven acquisition capabilities, which have enabled us to acquire customers efficiently. In 2023, we grew our Invested Customer base by 25%, with CPIC declining to £241 (2022: £248). Continuing on this downward trajectory will be instrumental in driving ongoing sustainable long-term Adjusted EBITDA profitability.[95]

Strong Asset Growth Momentum driven by High Retention Rates and Cost Disciplined Acquisition

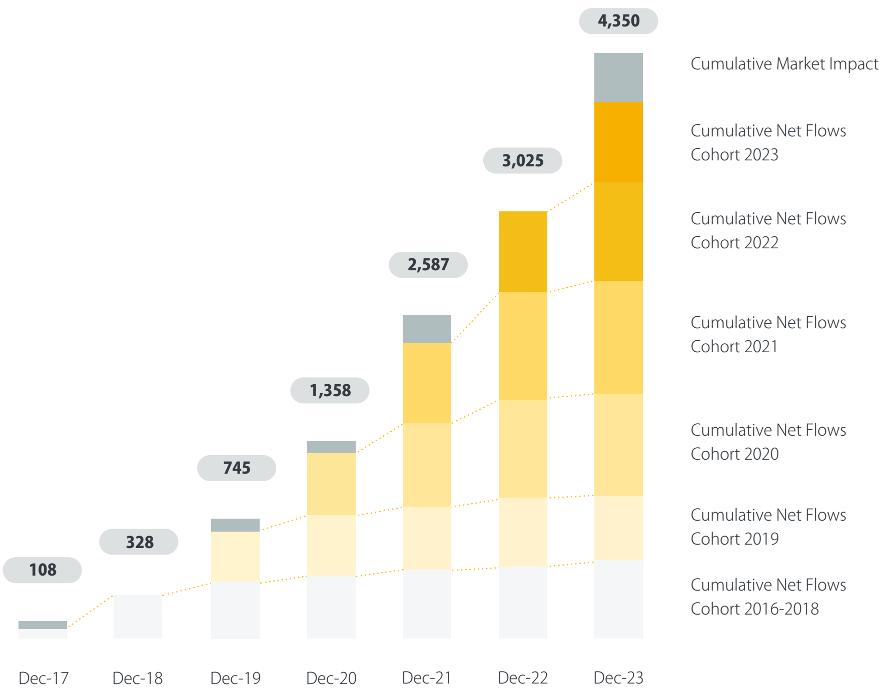
	As at Year End		
	Dec-2023	Dec-2022	YoY
Customer Retention Rate (% of IC)[96]	**96%**	**97%**	**Stable at >95%**
AUA Retention Rate (% of AUA)[96]	**96%**	**97%**	**Stable at >95%**
Opening AUA (£m)	**3,025**	**2,587**	**17%**
Gross Inflows (£m)	1,174	1,060	11%
Gross Outflows (£m)	(318)	(197)	61%
Net Flows (£m)[96]	**857**	**863**	**-1%**
Market Growth/(Contraction) and Other (£m)	468	(424)	n/m
Closing AUA (£m)	**4,350**	**3,025**	**44%**
Net Flows (£m)	**857**	**863**	**-1%**
Of which Net Flows from New Customers (£m)	729	685	7%
Of which Net Flows from Existing Customers (£m)	127	178	-28%

95. See pages 58 to 59 of the Measuring our Performance section of the Strategic Report.
96. See pages 58 to 59 of the Measuring our Performance section of the Strategic Report.

In 2023, we delivered 44% year-on-year growth in our AUA base from £3,025m to £4,350m. This demonstrated our ability to continue to execute on our growth strategy, whilst simultaneously meeting our profitability targets. We drove AUA growth primarily through acquiring new customers, building trust and aiming to be the main pension provider of choice for our customers. Our product, which includes various tools, features and capabilities, helps our customers feel more 'Pension Confident' as they plan for a happy retirement. This is supported by our high Retention Rate of existing customers, which continues to be more than 95%. We recorded £1.2bn of Gross Inflows this year (2022: £1.1bn).

Across the year we acquired 46,000 Invested Customers (2022: 66,000), from which we generated £729m of Net Flows (2022: £685m Net Flows from New Customers). Leveraging our strong brand awareness, coupled with our data-driven customer acquisition capability, we were able to generate a 7% year-on-year increase in Net Flows from New Customers, even though we reduced marketing expenditure by 41% over the same period. Additionally, the customers we acquired in 2023 had a higher average age, and by extension, a higher incoming pension pot size.

Net Flows by Customer Cohorts (£m)



Our existing customers have continued to entrust us with their retirement savings, selecting PensionBee as their primary pension provider, adding additional pensions and making regular pension contributions. Growth from existing customers represented £127m of AUA in 2023 (2022: £178m). Since inception, we have been able to maintain high Customer and AUA Retention Rates of >95%, with this trend continuing in 2023. This reflects PensionBee's commitment to continuous product development which helps to drive engagement. Our app, which supports our aim of making pensions simple, provides a rich content experience to help customers make decisions around core pension management and retirement planning, such as how much to contribute. As is customary in the industry, our customers' pensions are predominantly invested in global equity capital markets and therefore the performance of the market drives movements in AUA. As such, given that global equity markets largely recovered from last year's period of extreme volatility, we saw positive market movement account for £468m of the overall AUA growth this year (2022: £(424)m).

Resilient Revenue Margin drove an Overwhelming Majority of Recurring Revenue

	As at Year End		
	Dec-2023	**Dec-2022**	**YoY**
Revenue Margin (% of AUA)[97]	0.64%	0.63%	+1bp
Revenue (£m)	**23.8**	**17.7**	**35%**

We translated strong year-on-year AUA growth of 44% for 2023 (2022: 17%) into Revenue growth of 35%, reaching £23.8m (2022: £17.7m), by virtue of our resilient Revenue Margin (the annual management fee after discounts) of 0.64% (2022: 0.63%).

Since the vast majority of our Revenue is derived from annual management fees charged as a percentage of AUA, the high retention of Invested Customers and AUA makes the overwhelming majority of our Revenue recurring in nature. Revenue is also inclusive of revenue generated from other activities, including our partnership with intermediaries such as LifeSearch, as well as ad-hoc income, although this currently represents an immaterial portion of our overall Revenue.

Efficient Investment in our Industry Leading Technology Platform, People and Product

	As at Year End		
	Dec-2023	**Dec-2022**	**YoY**
Money Manager Costs (£m)	**(3.2)**	**(2.8)**	**15%**
Employee Benefits Expense (excluding Share-based Payments) (£m)	(12.3)	(9.6)	29%
Other Operating Expenses (£m)	(6.8)	(8.2)	-18%
Technology Platform Costs & Other Operating Expenses (£m)	**(19.1)**	**(17.8)**	**7%**

97. See pages 58 to 59 of the Measuring our Performance section of the Strategic Report.

Our Technology Platform

During 2023, we continued to make further investments into enhancing the capabilities of our modern, scalable and secure proprietary technology, to help position PensionBee for future growth. Our cloud-based, API-driven platform allows for a granular level of optimisation, enabling us to deliver new innovative features, refinements and increased automation at pace. The scalability of our technology platform is highlighted by the achievement of a year-on-year decrease in Technology Platform Costs & Other Operating Expenses as a percentage of Revenue from (101)% in 2022 to (80)% in 2023 driven in part by a reduction in Other Operating Expenses to £(6.8)m (2022: £(8.2)m). Continuing on this trajectory of improving cost efficiency is central to driving long-term operating leverage.

The Company has continued to invest in the scalability of its technology platform through a focus on internal automation, efficiency, security and pension transfer improvements to support productivity. There has been further integration with the Company's proprietary data platform and its product development processes to facilitate best practice decision-making. We have emphasised the improvement of our internal automation to support productivity, including the streamlining of our provider processes. One of the ways we measure productivity is through the Invested Customers per Staff Member metric, which saw an improvement of 15% from 970 in 2022 to 1,112 in 2023.[98] Benefits from investment in automation were instrumental in achieving Adjusted EBITDA profitability across the fourth quarter of 2023.

We have continued to explore and adopt artificial intelligence tooling within our departments to leverage its many benefits. For instance, we have begun to use it for initial content generation, project research and coding problem resolution, to name a few areas. We are also progressively integrating our data platform within our daily product management operations, linking core KPIs to projects to ensure our multidisciplinary development teams remain productive and impactful. To facilitate company-wide data-led decision making, we have also trained employees of varying disciplines in utilising the platform. Given our focus on security, we continued to implement cyber security tools and best practices. We reinforced a culture of security awareness through increasing standardisation, monitoring and automation of information security operations and compliance.

Our Product

PensionBee has developed an excellent record of delivering industry leading customer service, which is demonstrated by our continued Excellent Trustpilot rating of 4.6★ (2022: 4.6★), as well as our consistently high Customer Retention Rate of >95%. This is a result of our emphasis on customer satisfaction and continuous product innovation.

Our data supports our conclusion that engaged customers are more likely to grow their pension savings with us and are therefore more likely to enjoy the type of retirement they deserve. That is why this year, our multidisciplinary 'empowered teams' continued to develop our product offering for the benefit of our customers, incrementally rolling out new features aimed at increasing engagement with our customers. Our searchable FAQs and enhanced help functionalities were developed to guide our customers to more easily find our helpful content. Improving our educational content was a key focus for us. Our customers can now read our content in-app and are served with personalised content features based on our predictions of their interests, to help them make the most of their money. This includes educating them on helpful complements to their pension, such as life insurance. We continuously explore ways in which we can help our customers manage their pensions more easily. Our new Regular Withdrawals feature enables our customers to take a regular income from their PensionBee pension by setting up automatic monthly payments, via our desktop or app, directly to their bank account, effectively saving our customers time and improving convenience. Listening to our customers is important to us and their feedback helps us to design products that make managing their pensions easier.

To help our customers with their long-term financial planning we launched our State Pension Age Calculator, designed to help savers evaluate if they can retire before they're eligible to receive the State Pension. We also launched a new online tax relief calculator which encourages our customers to make the most of their pension contributions ahead of the tax year-end.

Given that the safety and security of our customers' data is of paramount importance to us, we also implemented mandatory two-factor authentication for all our customers.

Our customers' overall financial wellbeing is important to us. This is why we recently launched a partnership with LifeSearch to help our customers obtain a range of insurance products including life and critical illness cover, to enable them to continue to save for a happy retirement with the confidence that they have a source of financial support even if the worst does occur. Initial customer demand has been positive and we look forward to seeing this progress.

Our People

We continued to invest in automation and therefore our overall headcount remained relatively stable at approximately 206 average full-time employees in 2023 (2022: 189), while the associated Employee Benefits Expense increased to £(12.5)m for 2023 (2022: £(9.6)m), reflecting the advancement of our team and ensuring we support employees during a high inflation environment.

98. Total workforce of 198 as of 31 December 2023 includes 192 UK employees and six non-UK contractors, but excludes four Non-Executive Directors. Total workforce of 208 as of 31 December 2022 includes 204 UK employees and four non-UK contractors, but excludes four Non-Executive Directors. The Invested Customer per Staff Metric is calculated by dividing the number of Invested Customers by the total workforce at the end of the period.

Our Money Managers

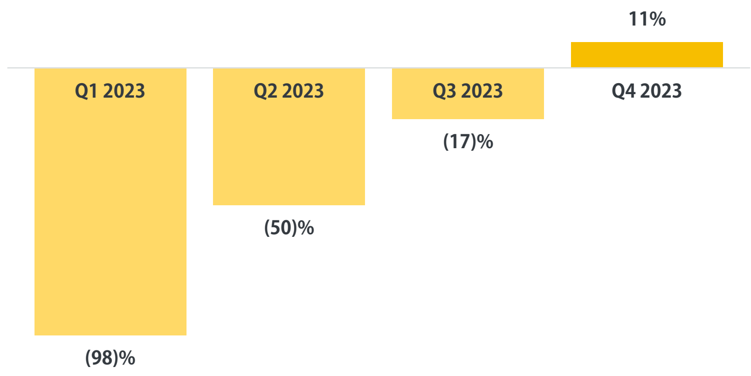
Money Manager Costs increased to £(3.2)m in 2023 (2022: £(2.8)m), a lower rate than the increase in Revenue, due to the maintenance of competitive pricing with money managers.

Profitability Metrics

	As at Year End		
	Dec-2023	Dec-2022	YoY
Adjusted EBITDA (£m)	**(8.2)**	**(19.5)**	**58%**
Adjusted EBITDA Margin (% of Revenue)	(35)%	(110)%	+76ppt
Profit/(Loss) before Tax (£m)	**(10.7)**	**(22.4)**	**52%**

In 2023, we made significant progress towards Adjusted EBITDA profitability, achieving sustained Adjusted EBITDA profitability across the fourth quarter of the year. The effective deployment of our discretionary marketing budget and continued cost discipline, as well as the benefits of operating leverage gained through the scalability of our technology platform, were instrumental in achieving this pivotal milestone.

Adjusted EBITDA Margin in 2023



Adjusted EBITDA Margin improved from (110)% in 2022 to (35)% in 2023. Adjusted EBITDA profitability was achieved in Q4 2023, with a positive Adjusted EBITDA Margin of 11% as compared to (98)%, (50)% and (17)% in Q1, Q2 and Q3 respectively. Adjusted EBITDA captures Advertising and Marketing Expenses but excludes the Share-based Payment costs and Listing Costs.

	As at Year End		
	Dec-2023	Dec-2022	YoY
Share-based Payment (£m)	(2.2)	(1.9)	15%
Transaction Costs (£m)	-	(0.7)	-100%
Profit/(Loss) before Tax (£m)	**(10.7)**	**(22.4)**	**52%**
Taxation (£m)	0.1	0.3	n/m
Basic Earnings per Share	**(4.73)p**	**(9.97)p**	**53%**

Profit/(Loss) before Tax narrowed to £(10.7)m for 2023 from £(22.4)m in 2022, reflecting our progress towards profitability and showcasing the operating leverage in our model, whilst we continue to grow.

Share-based Payment costs increased during the period to £(2.2)m (2022: £(1.9)m).

Taxation included enhanced tax credits in relation to routine Research and Development refunds. No deferred tax asset was recognised with respect to the carried forward losses.

Basic Earnings per Share ('EPS') was (4.73)p for 2023 (2022: (9.97)p), the improvement reflecting the progress made towards profitability.

Financial Position

The Group's balance sheet remains strong and the Company is confident in its ability to maintain an appropriate cash balance going forward. The Cash and Cash Equivalents balance was £12.2m at the end of this year (2022: £21.3m) having decreased by £9.1m in the 2023 financial year due to continued investment in marketing as well as our technology platform, to generate future returns (2022: net decrease of £22.2m). As of the end of 2023, the Group had no borrowings.

Regulatory Capital and Financial Resources

PensionBee Limited, a subsidiary of the Company, is authorised and regulated by the FCA and therefore adheres to capital requirements set by the FCA. As of December 2023, the capital resources stood at £12.6m (unaudited) as compared to a capital resource requirement of £1.6m (unaudited), resulting in coverage of 7.9x. We have maintained a healthy surplus over our regulatory capital requirement throughout the year and continue to manage our financial resources prudently.

Summary Financial Highlights*

	As at Year End		
	Dec-2023	Dec-2022	YoY
Revenue (£m)	**23.8**	**17.7**	**35%**
Money Manager Costs,[99] Technology Platform Costs & Other Operating Expenses (£m)[100]	(22.3)	(20.6)	8%
Adjusted EBITDA (£m)**	**(8.2)**	**(19.5)**	**58%**
Adjusted EBITDA Margin (% of Revenue)**	(35)%	(110)%	+76 ppt
Profit/(Loss) before Tax (£m)	**(10.7)**	**(22.4)**	**52%**
Basic Earnings per Share	**(4.73)p**	**(9.97)p**	**53%**

* See definitions on pages 58 to 59 of the Measuring our Performance section of the Strategic Report.

** PensionBee's Key Performance Indicators including an alternative performance measure ('APM'), which is Adjusted EBITDA. APMs are not defined by International Financial Reporting Standards ('IFRS') and should be considered together with the Group's IFRS measurements of performance. PensionBee believes this APM assists in providing additional insight into the underlying performance of PensionBee and aid comparability of information between reporting periods. A reconciliation to the nearest IFRS number is provided in Note 25 of the Financial Statements 'Alternative Performance Measures' on page 189.

99. Money Manager Costs are variable costs paid to PensionBee's money managers.
100. Technology Platform Costs & Other Operating Expenses comprises Employee Benefits Expense (excluding Share-based Payment) and Other Operating Expenses.

10 Measuring our Performance

When considering the overall performance of PensionBee, we use a range of key performance indicators ('KPI's) to monitor and assess our progress against our strategy.

Financial Performance Measures

Measure	Year-End Metric	Growth	Definition
Revenue	**2023: £23.8m** 2022: £17.7m	35%	Revenue means the income generated from the asset base of PensionBee's customers, essentially annual management fees charged on the AUA, together with a minor revenue contribution from other services.
Adjusted EBITDA*	**2023: £(8.2)m** 2022: £(19.5)m	58%	Adjusted EBITDA is the operating profit or loss for the year before taxation, finance costs, depreciation, share based compensation and listing costs. This measure is a proxy for operating cash flow.
Adjusted EBITDA Margin*	**2023: (35)%** 2022: (110)%	+76 ppt[101]	Adjusted EBITDA Margin means Adjusted EBITDA as a percentage of revenue for the relevant year.
Profit/(Loss) before Tax ('PBT')	**2023: £(10.7)m** 2022: £(22.4)m	52%	Profit/(Loss) before Tax is a measure that looks at PensionBee's profit or losses for the year before it has paid corporate income tax.
Basic Earnings per Share ('EPS')	**2023: (4.73)p** 2022: (9.97)p	53%	Basic Earnings per Share is calculated by dividing the profit or loss attributable to ordinary equity holders of the Group by the weighted average number of ordinary shares in issue during the period.
Net Cash Flow	**2023: £(9.1)m** 2022: £(22.2)m	59%	Net Cash Flow is the sum of cash generated by operations, investments and financing activities, less cash used in operations, investments and financing activities.

* PensionBee's Key Performance Indicators include an alternative performance measure ('APM'), which is Adjusted EBITDA. APMs are not defined by International Financial Reporting Standards ('IFRS') and should be considered together with the Group's IFRS measurements of performance. PensionBee believes this APM assists in providing additional insight into the underlying performance of PensionBee and aids comparability of information between reporting periods. A reconciliation to the nearest IFRS number is provided in Note 25 of the Financial Statements 'Alternative Performance Measures' on page 189.

101. A ppt is a percentage point. A percentage point is the unit for the arithmetic difference of two percentages.

Non-Financial Performance Measures

Measure	Year-End Metric	Growth	Definition
Assets under Administration ('AUA')	2023: £4.4bn 2022: £3.0bn	44%	Assets under Administration is the total invested value of pension assets within PensionBee's Invested Customers' pensions. It measures the new inflows less the outflows and records a change in the market value of the assets. This KPI has been selected because AUA is a measurement of the growth of the business and is the primary driver of Revenue.
AUA Retention Rate (% of AUA)	2023: 96% 2022: 97%	Stable at >95%	AUA Retention measures the percentage of retained PensionBee AUA from transfers out over the average of the year. High AUA retention provides more certainty of future Revenue. This measure can also be used to monitor customer satisfaction.
Net Flows	2023: £857m 2022: £863m	-1%	Net Flows measures the cumulative inflow of PensionBee AUA from consolidation and contribution ('Gross Inflows'), less the outflows from withdrawals and transfers out ('Gross Outflows') over the relevant period.
Invested Customers ('IC')	2023: 229k 2022: 183k	25%	Invested Customers means those customers who have transferred pension assets or made contributions into one of PensionBee's investment plans.
Customer Retention Rate (% of IC)	2023: 96% 2022: 97%	Stable at >95%	Customer Retention Rate measures the percentage of retained PensionBee Invested Customers over the average of the year. High customer retention provides more certainty of future Revenue. This measure can also be used to monitor customer satisfaction.
Cost per Invested Customer ('CPIC')	2023: £241 2022: £248	Within threshold	Cost per Invested Customer means the cumulative advertising and marketing costs incurred since PensionBee commenced operations up until the relevant point in time divided by the cumulative number of Invested Customers at that point in time. This measure monitors cost discipline of customer acquisition. PensionBee's desired CPIC threshold is £200-£250.
Revenue Margin (% of AUA)	2023: 0.64% 2022: 0.63%	+1bp	Realised Revenue Margin expresses the recurring Revenue over the average quarterly AUA held in PensionBee's investment plans over the period.

11 ESG Considerations

Stakeholder Engagement

We are dedicated to understanding the views, interests and concerns of all our stakeholders to inform our decision making. Proactive and regular engagement ensures we remain responsive to changing needs.

We regularly engage with our stakeholders to better understand their views, interests and concerns. Engaging with stakeholders enables us to inform our decision-making process and ensure we all benefit from the value PensionBee generates as a company. Engagement takes place with all our key stakeholder groups, across all levels throughout the Company. Such engagement is reported annually to the Board to inform decision-making and business outcomes. The Board also participates in direct engagement with certain stakeholder groups and importantly, with our employees. Please see pages 36 to 47 of the Our People section of the Strategic Report for more information on the programme of employee engagement events in 2023.

A summary of the ways in which the Company has engaged with stakeholders, having regard to what is most likely to promote the long-term sustainable success of the Company, follows.

1. Customers
2. Employees
3. Shareholders
4. Suppliers
5. Communities
6. Planet
7. Government and Regulators

Customers

1

Why they matter to us

Customers have been at the heart of everything we do since PensionBee's inception. This culture has been woven into the fabric of our business. Our mission and vision are customer-centric; we strive to make pensions simple, so that everyone can look forward to a happy retirement. We are focused on doing the right thing by our customers, seeking best outcomes for them and fostering a two-way relationship where we both seek and take on board their feedback in a regular and structured way.

How we engaged

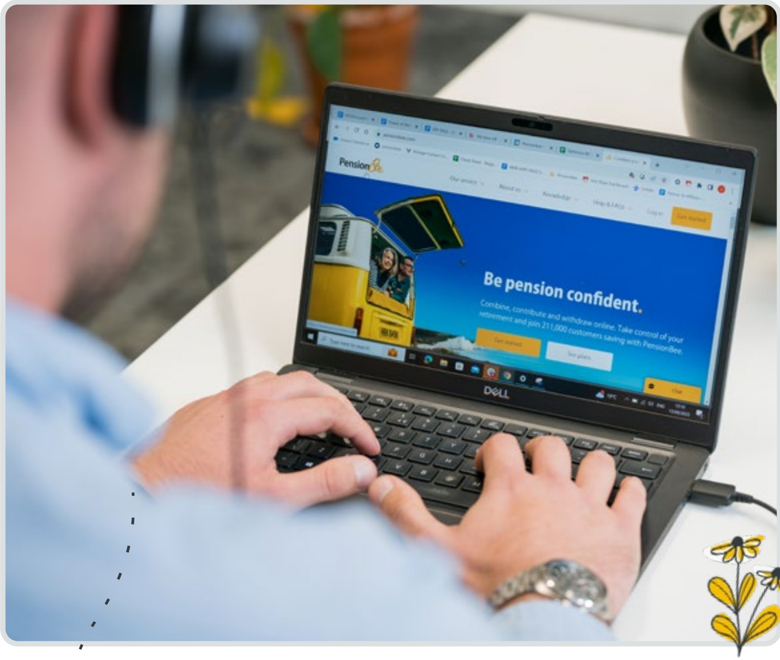
We listened to our customers and took action on their needs. We did this through extensive surveying, one-to-one interviews, focus groups and via our feedback channels. Our HoneyMakers UX community was composed of PensionBee customers who helped shape our products and service by participating in selected surveys, focus groups and testing new features. We used interdisciplinary research projects to take a deep dive into particular themes and to enhance our customers' experience with our product and service.

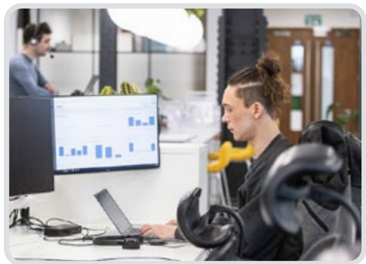
How we created value

- 4.6★ Excellent Trustpilot score, based on 10,000 reviews (2022: 4.6★) indicating continued strong customer satisfaction in our products and service.
- 96% of calls received by BeeKeepers had an average call queue time of 23 seconds.
- 95% of live chats received had an average queue time of 15 seconds.
- 87% of all emails received were responded to and closed within 72 hours.
- 1,000 HoneyMakers joined our UX community in 2023.
- Our UX team analysed more than 185,000 incoming emails and live chats.
- 85% of the asset base voted using Voting Choice, to better align voting with customer views.

Top three material issues

- Excellent value plan range
- Open portable pensions data
- Climate leadership





Employees

2

Why they matter to us

PensionBee's culture and values enable us to attract and retain people who passionately believe in our vision and mission. We measure performance against our values and our ambition is to be a workplace where all PensionBee employees feel they can succeed as themselves. Our diverse workforce helps us better serve pension savers across the UK, and to build a truly inclusive product that reflects the needs of everyone in society.

How we engaged

We regularly sought feedback from employees to measure our progress against our goal of maintaining a diverse and inclusive environment and in making PensionBee a place where everyone can succeed as themselves. Our annual Diversity, Inclusion, Equality & Engagement Survey explored themes related to wellbeing, satisfaction and remuneration. Our Diversity and Inclusion programme raised awareness and facilitated employee engagement around a variety of topics. We also sought feedback through our annual managers' survey and our weekly all-company Show N Tell with CEO and Executive Management participation. We invited anonymous feedback directly to management via our Slack reporting tool.

How we created value

- 90% of employees felt positively aligned with PensionBee's vision, mission and values (2022: 91%).
- 85% of employees would positively recommend working at PensionBee to a friend (2022: 82%).
- PensionBee's Diversity and Inclusion programme led by Executive Management included 34 events aimed at raising awareness and having dialogue on Social Mobility, Mental Health, Women, LGBTQ+, South Asian Heritage, Parenting, Black History and Neurodiversity & Disability.
- Following feedback from employees with caring responsibilities, we reduced daily working hours for everyone.
- We became a Level 2 Disability Confident Employer.
- We continued to be an accredited Living Wage Employer, paying a London Living Wage as a minimum, regardless of where employees were located across the UK.

Top three material issues

- Fulfilling careers
- Gender and ethnicity pay gaps
- Product innovation and inclusivity

Shareholders 3

Why they matter to us

We are committed to proactive and constructive engagement with our investors and we are keen to ensure that investors' views are well-understood. We value the views of all our shareholders, who range from large institutional investors to individual retail investors, our pre-IPO investors and customers who became shareholders at the time of our IPO or since.

How we engaged

Regular virtual and in-person engagements including one-to-one shareholder meetings, group presentations and roadshows for both existing and prospective institutional and retail shareholders. Regular communication of financial and operational results, including quarterly trading updates, interim results and annual results, with presentations to shareholders and analysts with Q&A, together with recordings being made available on our website.

How we created value

- We adhered to the highest standards of corporate governance and complied with the UK Corporate Governance Code.
- We chose to report frequently and to communicate with the market to foster an understanding of the Company's performance against expectations, and the overall equity story.
- Management invested significant time with the investor community directly, providing valuable access.
- We remained resilient in a challenging market environment and reached our Adjusted EBITDA profitability target in the fourth quarter of 2023, meeting our IPO commitment to investors and the market.

Top three material issues

- Corporate governance
- Cybersecurity
- Excellent value plan range

Suppliers 4

Why they matter to us

Strong relationships with suppliers help ensure sustainable, high-quality delivery for both parties. We engage with our suppliers to find ways to innovate and improve our product for our customers. Transparency over our supply chain reinforces our business accountability and credibility. At PensionBee we act ethically in all business dealings and we expect our suppliers to adhere to ethical business principles too.

How we engaged

We know that when companies understand their supply chains, conditions for all workers are more likely to be improved. We are therefore committed to achieving a better understanding of the structure and complexity of our supply chain to identify actual and potential risks to our business and employees. We do this through day-to-day responsible sourcing decisions taking into account our core values, and through engagement with our biggest suppliers on their workforce issues.

How we created value

- We enhanced our supplier due diligence framework, expanding our Information Security evaluation matrix and assessment of supplier responses.
- We published our PensionBee Supplier Code of Conduct.
- We engaged multiple times with our asset managers' stewardship teams.
- We were an investor signatory and disclosed under the Workforce Disclosure Initiative ('WDI'), achieving a WDI disclosure score of 99% (2022: 89%).
- We won two WDI awards in 2023; the 'WDI Award' for the company with the most complete response and the 'Contingent Workforce Data Award'.
- We participated in the WDI's technology working group to work collaboratively with other investors on how to effectively hold technology companies to account and gain better transparency over their supply chains.

Top three material issues

- Workforce rights in supply chain
- Cybersecurity
- Corporate governance

Communities

5

Why they matter to us

In seeking to achieve our vision of a world where everyone can look forward to a happy retirement, we aspire to be a corporate role model in society and to lead by example. We listen and work to ensure all voices, including those of marginalised groups, are heard in the pensions system. We regularly engage with local community organisations to learn more about the challenges they face and look for opportunities to support them in achieving their goals.

How we engaged

Each year we survey thousands of members of the public about a broad range of themes such as their experiences of the cost of living crisis, savings habits and their views on climate change. We regularly invite inspirational speakers to raise awareness about important topics to help us deepen our understanding of wider communities. We recruit from all backgrounds with no prior experience or degree required, with the aim of having a workforce that reflects society at every level within our business.

How we created value

- We volunteered with Bankside Futures, a summer employment programme for local school-leavers.
- We fundraised for Micro Rainbow, a non-profit organisation dedicated to supporting LGBTQI asylum seekers and refugees in London.
- We fundraised for The AHOY Centre Charity, helping disadvantaged children and people with disabilities in London by rowing 8.5 miles down the Thames.
- We hosted Breast Cancer awareness month events, including educational presentations and 'Wear it Pink Day' both in the office and virtually, to raise awareness and funds for Breast Cancer Now.
- We sponsored a summer camp for the Brentford FC Penguins, a team for players with Down's Syndrome.
- We donated laptops to our partner school, Woodside High School, to increase employability prospects.
- Our Mental Health First Aiders (MHFA) fundraised for YoungMinds, to champion children and young people's mental health.

Top three material issues

- Engaging with local communities
- Diversity & Inclusion
- Gender and ethnicity pay gaps


PensionBee Charity Rowing event


Pride Picnic

Planet

6

Why they matter to us

Our planet both affects and is affected by business decisions in a significant way. Since the effects of climate change jeopardise our customers' chance to enjoy retirement in a safe, fair and healthy world, we seek to both minimise our own negative impact on the environment and to offer an investment range that does the same. As a pension provider, PensionBee has the opportunity to offer its customers peace of mind about their financial future, knowing that their pension does not cause harm to the planet or society.

How we engaged

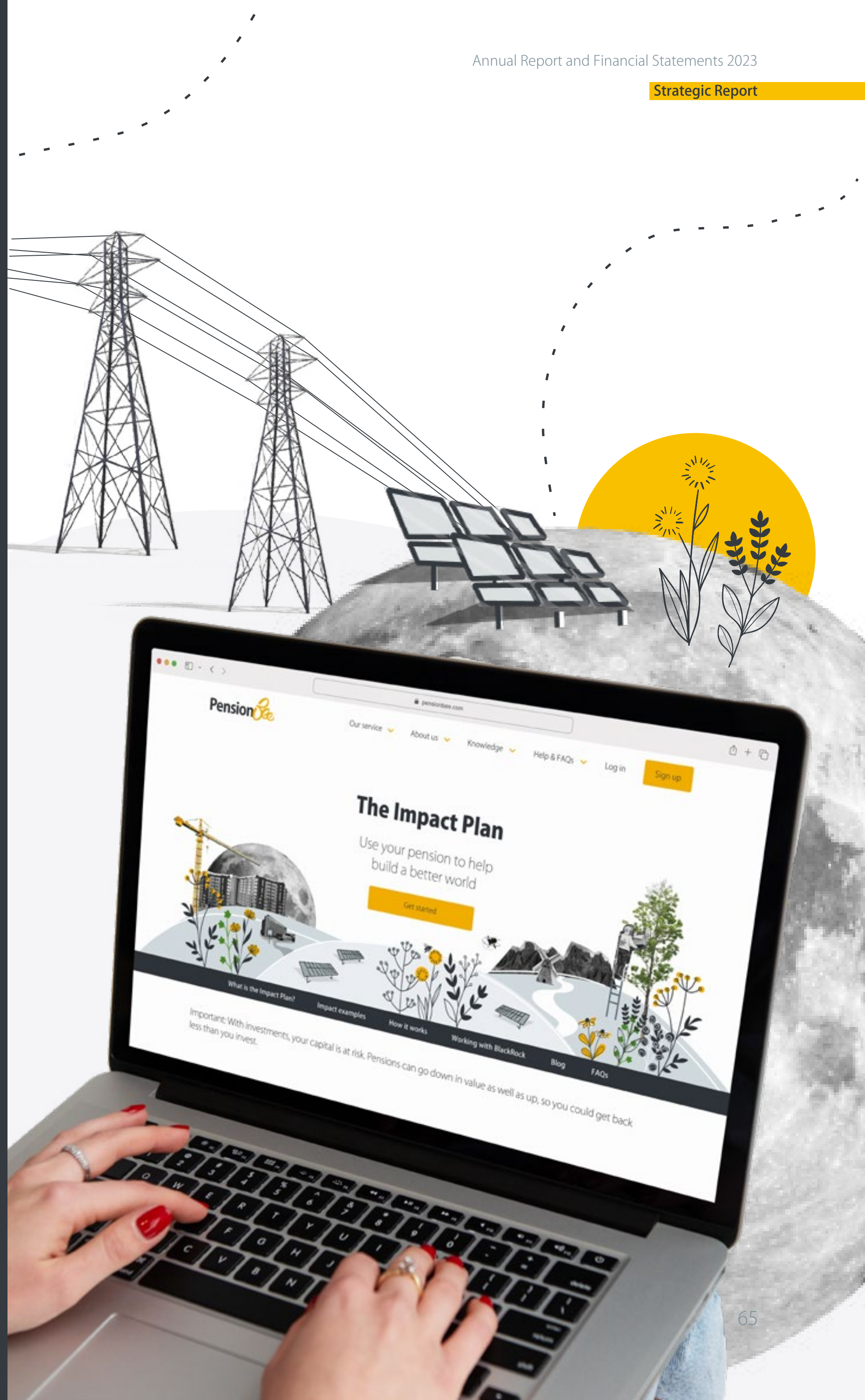
We focus on offering a core range of ESG screened plans and we continue to work with asset managers to further expand the scope of ESG integration into our plans. PensionBee works collaboratively with environmental organisations and supports campaigns that help further the aims of our customers and build a safer, cleaner world to retire into.

How we created value

- We launched our Impact Plan, the latest in a series of PensionBee customer-led plan innovations for the UK pensions market.
- We received recognition as part of the Mayor of London's Business Climate Challenge for reducing our energy consumption and carbon emissions.
- We joined Pensions for Purpose and became an Adopter of the Impact Investing Principles for Pensions.
- We supported environmental and climate-related shareholder resolutions at the annual general meetings of investee companies through Voting Choice.
- We became a signatory of the United Nations Global Compact, committing to the principle of promoting greater environmental responsibility.
- We published our public interim and long-term net zero targets, in line with the 1.5C goals of the Paris Agreement.

Top three material issues

- Climate leadership
- Preventing greenwashing and environmental transparency
- Pensions with purpose and stewardship



Government and Regulators

7

Why they matter to us

Our policy framework is set by the Department for Work and Pensions ('DWP') and our regulator, the Financial Conduct Authority ('FCA'). The Minister for Pensions, alongside the DWP, seeks to deliver a reliable, high-quality pensions system to improve retirement outcomes for all. The FCA seeks to protect consumers, protect integrity of the system and promote healthy competition. Engaging with the Government and our regulators enables us to positively influence the development of regulation and policies which impact upon PensionBee, its customers and all UK pension savers.

How we engaged

PensionBee directly and regularly engaged with Government Ministers, other government officials and regulators. We are frequent commentators on issues of national importance to our customers and all pension savers via the media, and regular contributors to public consultations on topics of key importance to our customers and those in retirement across the UK. In 2023, PensionBee was a member of the Steering Group of the Government's Pensions Dashboard Programme and a member of the Pension Scams Industry Forum.

How we created value

- We met the DWP to discuss the impact of its scam legislation on the pension transfer market, continuing to highlight the need for changes to the wording so that transfers are no longer unnecessarily obstructed.
- Via our membership of the Association of British Insurers ('ABI'), we engaged on issues that affected the wider pensions industry, such as the Mansion House reforms, Pensions Dashboards and the new 'Lifetime Pot' proposals, sharing our views on how we believe reforms will either help or hinder pension savers.
- We shared our 'Carer's Pension Gap' report with the Pensions Minister, the ABI and the Pensions and Lifetime Savings Association to encourage fresh thinking around the problem of retirement under-provision for people who have to become carers.
- We were one of the ten signatories of a joint investor letter from ShareAction in response to the FCA Consultation Paper on Diversity & Inclusion, where we advocated for transparency on ethnicity pay gaps to act as a catalyst to create more equal workplaces.

Top three material issues

- Corporate governance
- Product innovation and inclusivity
- Excellent value plan range

Section 172 Statement

Section 172 of the Companies Act 2006 ('s172') requires Directors to act in the way they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its shareholders as a whole and, in doing so, have regard to matters including the items set out in the tables that follow.

The Board seeks to understand and carefully consider our key stakeholders' interests, concerns and perspectives. The Board recognises that each decision will have a different impact and relevance to each stakeholder, so a sound understanding of their priorities is key. While the Board engages directly with some groups of stakeholders, engagement takes place at all levels of the Company, across the business.

Feedback from the engagement at Board level and across the business is reported back to the Board and the Board Committees to help inform decision-making. The Board exercises independent judgement when balancing any competing interests in order to determine what it considers to be the most likely outcome to promote the long-term sustainable success of the Company.

Further details and specific examples of how the Board and Company engage with our stakeholders, and their interests and needs, can be found above on pages 60 to 66 (Stakeholder Engagement) within the ESG Considerations section of the Strategic Report.

Further details of how the Board operates, including certain of the matters it discussed during the year, having regard to its s172 duties, are contained on pages 114 to 121 of the Corporate Governance Statement within the Corporate Governance Report.

Section 172 Requirement	Further Information
The likely consequences of any decisions in the long term	About Us, pages 14-24 Our Strategy, pages 25-33 Our Business Model, pages 34-35 Our People, pages 36-47 Operating and Financial Review, pages 52-57 Measuring our Performance, pages 58-59 ESG Considerations 60-76 Climate-related Disclosures, pages 77-89 Managing our Risks, pages 90-101
The interests of the Company's employees	About Us, pages 14-24 Our People, pages 36-47 ESG Considerations 60-76
The need to foster the Company's business relationships with suppliers, customers and others	About Us, pages 14-24 ESG Considerations 60-76
The impact of the Company's operations on the community and environment	About Us, pages 14-24 Our Strategy, pages 25-33 Climate-related Disclosures, pages 77-89 ESG Considerations 60-76 Managing our Risks, pages 90-101
The desirability of the Company maintaining a reputation for high standards of business conduct	Managing our Risks, pages 90-101 Corporate Governance Statement, pages 114-121 Audit and Risk Committee Report, pages 129-136
The need to act fairly as between shareholders and the Company	ESG Considerations 60-76 Corporate Governance Statement, pages 114-121

ESG Materiality Assessment

In 2022 we conducted our first ‘ESG Materiality Assessment’, aimed at giving us deeper insight into the environmental, social and governance themes that matter most to our stakeholders. In 2023 we revisited our ESG Materiality Assessment to ensure our stakeholders’ priorities continued to align with our work. We also included ESG considerations in our annual employee engagement survey, to measure how views were evolving over time. The updated scores are below.

Materiality matrix

Tier 1

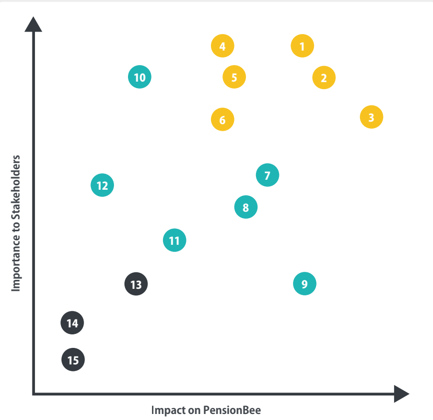
1. Fullfilling careers
2. Pensions with purpose and stewardship
3. Product innovation and inclusivity
4. Excellent value plan range
5. Cyber security
6. Diversity & inclusion

Tier 2

7. Climate leadership
8. Gender and ethnicity pay gaps
9. A pension switch guarantee
10. Open, portable pensions data
11. Corporate governance
12. Preventing greenwashing and environmental transparency

Tier 3

13. Consumer rights & campaign to prevent detriment
14. Engaging with local communities
15. Workforce rights in supply chain



	Climate Leadership	Product Innovation and Inclusivity	Preventing Greenwashing and Environmental Transparency	Excellent Value Plan Range	Open Portable Pensions Data	Cybersecurity	Pensions with Purpose and Stewardship	A Pension Switch Guarantee	Diversity & Inclusion	Gender and Ethnicity Pay Gaps	Workforce Rights in Supply Chain	Consumer Rights & Campaigning to Prevent Detriment	Fulfilling Careers	Corporate Governance	Engaging with Local Communities
Customers	Tier 1	Tier 2	Tier 1	Tier 1	Tier 1	Tier 1	Tier 2	Tier 2	Tier 2	Tier 2	Tier 2	Tier 1	Tier 3	Tier 3	Tier 2
Employees	Tier 2	Tier 1	Tier 3	Tier 2	Tier 2	Tier 1	Tier 1	Tier 1	Tier 1	Tier 1	Tier 2	Tier 2	Tier 1	Tier 2	Tier 2
Shareholders	Tier 3	Tier 2	Tier 2	Tier 1	Tier 1	Tier 1	Tier 2	Tier 1	Tier 2	Tier 2	Tier 2	Tier 2	Tier 1	Tier 1	Tier 3
Community	Tier 2	Tier 3	Tier 2	Tier 2	Tier 3	Tier 3	Tier 1	Tier 2	Tier 1	Tier 1	Tier 2	Tier 2	Tier 1	Tier 2	Tier 1
Planet	Tier 1	Tier 3	Tier 1	Tier 3	Tier 2	Tier 3	Tier 1	Tier 3	Tier 2	Tier 3	Tier 3	Tier 3	Tier 3	Tier 2	Tier 2
Suppliers	Tier 2	Tier 1	Tier 2	Tier 3	Tier 2	Tier 1	Tier 2	Tier 2	Tier 2	Tier 1	Tier 1	Tier 2	Tier 1	Tier 1	Tier 3
Government and Regulators	Tier 1	Tier 1	Tier 1	Tier 1	Tier 2	Tier 1	Tier 2	Tier 3	Tier 1	Tier 2	Tier 2	Tier 1	Tier 2	Tier 1	Tier 3

Priority Level
Tier 1
Tier 2
Tier 3

ESG Goals

Description	Activities	Progress in FY 2023	Goals	Status	Alignment with UN Sustainable Development Goals ('SDGs')
Topic 1: **Excellent Value Plan Range**					
To offer market leading investments that generate returns for our customers	• Conducting our annual Value for Money exercise (Outcome 2 of the FCA's Consumer Duty) to compare the price and performance of our plan range to comparators to ensure we continue to offer excellent value for money plans for our customers • Externally scoring the performance of our plans against the UK pensions market • Working with our Governance Advisory Arrangement, ('GAA) ZEDRA Trustees, to assess value for money in our decumulation range • Continuing to deliver exceptional customer service across all channels	• Maintained our 4.6★ Excellent Trustpilot score on an annual basis across a total of 10,000 reviews (2022: 4.6★ based on 8,270 reviews) • Maintained an 'Excellent' value for money score from our GAA, ZEDRA Trustees (2022: Excellent) • Achieved an average AgeWage score of 69 for our plan range (a score of 50 is above average)	**"Excellent or good"** value for money score from our GAA (yearly goal)		SDG 1 - No Poverty SDG 8 - Decent Work and Economic Growth
Topic 2: **Product Innovation and Inclusivity**					
A product that is simple, safe and reactive to changing customer needs, designed with a range of needs and vulnerabilities in mind whilst enhancing access to financial products and knowledge	• Delivering our investment clarity project to increase range of plan and performance data available to customers and non-customers • Increasing accessibility of engaging, relevant and targeted content • Making transfers more efficient for all customers, regardless of their old provider	• Began delivery of accessible and comparable plan data for customers in the BeeHive and on the public facing website, including fund breakdown, geographic location, holdings, risk level, past performance and via fees via API • Made content available by serving personalised and targeted content to customers via our app • Secured Plain English Campaign accreditation marks for clarity in language use on both our website and app • Conducted our first Open Standards electronic transfers with new providers to enable quicker and more efficient transfers for our customers	Maintain our **4.7 / 5** aggregated App Store and Google ratings (yearly goal)		SDG 8 - Decent Work and Economic Growth SDG 10 - Reduced Inequalities

Description	Activities	Progress in FY 2023	Goals	Status	Alignment with UN Sustainable Development Goals ('SDGs')
Topic 3: **Pensions with purpose and stewardship**					
A responsible plan range focused on creating a safer, fairer, kinder future whilst using voice and vote to drive positive change in companies	• Supporting environmental and social shareholder resolutions through Voting Choice • Inviting the majority of the customer base to share their investment views • Measuring 2022 baseline for Scope 1 & 2 emissions • Measuring 2019 baseline for PensionBee investment portfolio emissions (Scope 3 Category 15) • Launching our Impact Plan	• Secured Voting Choice for the Tailored, Tracker and 4Plus Plans • Conducted our fourth annual Tailored Plan customer survey to assess views on investment decision making • Obtained baseline Scope 3 emissions data for majority of the investment portfolio, set our base year and published our public commitments • Nominated for Pensions with Purpose 'Impact Investing Adopter' Award	**100% of eligible customers** invited to share their voting views via survey or interview (yearly goal)		SDG 3 - Good Health and Well-being SDG 7 - Affordable and Clean Energy SDG 8 - Decent Work and Economic Growth SDG 10 - Reduced Inequalities SDG 13 - Climate Action
Topic 4: **Cyber Security**					
Cyber security practices in place to ensure the highest levels of protection	• Successful recertification of ISO 27001 and Cyber Essentials Plus • Implementing of mandatory 2FA on the PensionBee Online website and Mobile Applicatication to support Strong Customer Authentication • Go-Live of the 24x7 / 365 Security Operations Centre (SOC) to improve threat detection, identification, prevention and response capabilities across critical Information Assets	• 99.9% Website and App Uptime Availability[102] achieved in 2023 (2022: 99.9%) • Email Phishing Test Click Rate Average[103] for 2023 = 6.8% (our target was =<10%) (2022: n/a)	**0 incidents** that have a meaningful impact on confidentiality, integrity or availability in the production environment (yearly goal)		SDG 9 - Industry, Innovation and Infrastructure
Topic 5: **Diversity & Inclusion**					
To recruit from all backgrounds, requiring no degree or prior experience, ensuring we reflect society at every level	• Exceeding FCA requirements on gender and ethnic diversity for our Board • Maintaining a workforce that reflects UK society at every level • Moving up the Disability Confident Scheme levels (achieving Level 2 qualification) • Working towards gender parity in the customer base	• 37% of workforce identified as coming from a minority ethnic group (2022: 42%) • 10% of Executive Management identifies as coming from a minority ethnic group (2022: 20%) • 14% of the Board identified as coming from a minority ethnic group (2022: 14%) • 57% female representation on Board (2022: 57%) • Achieved Level 2 Disability Confident Employer status (2022: Level 1) • Increased female representation to 43% of our Invested Customers. (2022: 38%)	Workforce composition to reflect the UK society (2021 Census) at every level by 2027 in line with Parker Review recommendations		SDG 4 - Quality Education SDG 5 - Gender Equality SDG 8 - Decent Work and Economic Growth SDG 10 - Reduced Inequalities

102. Website and App Uptime Availability measures the percentage of time that the web application is available to customers.
103. Email Phishing Test Click Rate Average measures the percentage of employees that clicked on a link in an email designed to resemble those used to commit fraud by tricking people into entering credentials in clones of legitimate websites.

Description	Activities	Progress in FY 2023	Goals	Status	Alignment with UN Sustainable Development Goals ('SDGs')
Topic 6: **Fulfilling careers**					
A culture in which people can find meaning in their work and build a happy and fulfilling career	• Measuring progress on our success in facilitating fulfilling careers and maintaining a diverse and inclusive environment through employee surveys • Annual benchmarking and review of our remuneration packages at all levels and roles • Executive Management team-led Diversity & Inclusion programme of monthly themed events • Enhancing training and development opportunities for all employees via a new learning platform (Learnerbly)	• In 2023, 90% of PensionBee employees said they felt aligned with PensionBee's mission, vision and values (2022: 91%) • Implemented an 8.1% increase (entry-level) and a £2,000 increase (all levels) to reflect changes in the Living Wage and the cost of living crisis • Reduced daily working hours by 30 minutes with no impact on pay across the organisation as a result of feedback from our Diversity Programme about flexible working for those with additional caring needs	Employee engagement and satisfaction of at least **80%** (yearly goal)		SDG 8 - Decent Work and Economic Growth
Topic 7: **Climate leadership**					
A pension provider, focused on a climate transition that is safe and fair for all	• Overseeing progress towards near-term (2030) and long-term (2050) net zero targets for carbon emission reduction • Committing to decarbonising the portfolio through additional ESG screening in our plans • Participating in Mayor of London's Business Climate Challenge	• Published our Scope 1 and 2, and Scope 3 interim and long term net zero targets in line with 1.5C goals of the Paris Agreement • Cloud-hosted web services powered by 100% renewable energy • Completed energy reduction targets in Scope 1 and 2 emissions, from the baseline year of 2022 • Received recognition in the Mayor of London's Business Climate Challenge as a leading London business taking action to reduce energy consumption and carbon emissions	Reporting on progress against our science-based public net zero 2030 and 2050 targets that align with 1.5C Paris Agreement goals (yearly target)		SDG 1 - No Poverty SDG 7 - Affordable and Clean Energy SDG 11 - Sustainable Cities and Communities SDG 13 - Climate Action

Project Status:

Completed **On Track** **In Development**

"I've been self-employed for over 10 years, PensionBee made everything so straightforward and not scary. I'm in complete control!

Ed | Age 51
PensionBee customer since 2023

Deep Dives

AgeWage scoring

In 2023 we continued to work with AgeWage, a provider of universal value for money scores, to obtain independent benchmarking on all our plans. We do this because ensuring our plans offer value for money to customers is a key strategic objective of the business and a material ESG issue. We use the AgeWage score, which tells us how well our plans have performed compared to a UK market average (by market segment) using a baseline index. The score shows the financial performance of our plans based on standardised contribution histories and taking into account fees.

In 2023 our plans scored an average of 69. A score of 50 indicates the plan is outperforming the associated benchmark and offering good value for money compared to other plans in the UK market. A score above 50 means plans are outperforming the average UK market.

We will continue to use AgeWage scoring as an independent assessment and benchmark of whether our plans continue to represent value for money in future years. We also use this score as the basis for discussion with our asset managers, to compare their performance against the rest of the market.

Product Innovation

In 2023 we gave our customers enhanced control over accessing their pensions (from age 55), by enabling them to make lump sum or regular withdrawals via our website or mobile app. This gives customers flexibility to receive pre-set, consistent amounts each month, leading to better consumer outcomes such as taking fewer, larger amounts to cover uncertainty.

We now offer the ability for customers to consume content via our web and mobile apps, helping them to gain a better understanding of their pension and the broader concepts related to their investments, as well as keeping them up to date with current market and industry news.

We developed and implemented the 'Stronger Nudge' to guidance initiative for the over 50s, to ensure that we are adhering to the latest regulatory requirements and that customers are informed at key points where they may benefit from receiving guidance on their financial decisions.

We focused on pension provider-based onboarding, deepening proprietary relationships and improving communication, to create efficiency improvements that help make our customers' transfers easier and faster.

Voting Choice & ESG Screening

In 2023 we secured Voting Choice across 85% of the asset base (our Tailored, Tracker and 4Plus plans) and now vote using the ISS Socially Responsible Investment Policy. This means we can support environmental and social shareholder resolutions, in line with our customers' views. The SRI policy can also vote against management of significant GHG emitting companies where ISS determines they are not taking the minimum steps needed to be aligned with a net zero by 2050 trajectory.

We completed our fourth annual survey of customers in our default plan, the Tailored Plan, on their voting preferences and investment views, including ESG screening. In 2023 we launched a user research project including in-depth interviews with customers (across our plan range) on voting and responsible investing.

These views form the basis of updates to our ESG policy, approach to screening and voting policy. In 2023 we were able to support environmental and social shareholder resolutions on behalf of our customers, and publish a full voting record on our website for customers to view.

Good Work Coalition

Since 2020, we have been an active member of ShareAction's Good Work Coalition. We join other accredited Living Wage investors to collectively engage companies on good work standards, such as paying the Living Wage, providing secure work through Living Hours and taking action on diversity and inclusion through the Ethnicity Pay Gap Campaign.

In 2023 we have continued to add our name to calls for publicly listed companies to prioritise support for their lowest-paid employees and meet the new real Living Wage rates during the cost of living crisis. We also supported shareholder resolutions on the Living Wage.

We have participated in numerous engagements with FTSE-listed target companies on issues related to insecure work and priorities around employee rights.

Additionally, in 2023 we supported the Ethnicity Pay Gap Campaign and co-signed a joint letter to the FCA requesting they add ethnicity pay gap reporting to disclosure proposals outlined in their Diversity & Inclusion Consultation.

Workforce Disclosure Initiative

PensionBee is an investor signatory of the Workforce Disclosure Initiative ('WDI'), an investor coalition of 60 institutions, with approximately $10tr in assets under management that sets the global standard for workforce disclosures and campaigns for the improvement of working conditions around the world.

The WDI aims to improve corporate transparency and accountability on workforce issues, provide companies and investors with comprehensive and comparable data and help increase the provision of good jobs worldwide. In 2023, 166 global companies took part in the Initiative, demonstrating their commitment to transparency. In 2023 our WDI disclosure score was 99%, compared to a financial sector average of 64%.

As part of our disclosure process, PensionBee committed to carrying out an assessment - as part of our human rights due diligence - to map our supply chain. We annually engage with our suppliers on their workforce issues, including topics such as the use of contractors, whether our suppliers pay a Living Wage to their employees, contractors in their own supply chains, upholding human rights (including in their own supply chains), rights of association and policies on discrimination and harassment. We also asked all of our suppliers to disclose under the WDI.

In 2023 we won two WDI Awards for our submission and efforts in collecting data; the WDI Award for the company with the most complete response and the Contingent Workforce Data Award.

Attaining Gender Balance

PensionBee is a vocal advocate of gender equality. We want everyone to have a happy retirement, regardless of gender.

Since 2020 we have published our UK Pensions Landscape to draw attention to the huge pension gaps that exist across the UK. We have launched a dedicated Gender Equality page to publish all our progress towards gender equality and as part of the Bloomberg Gender Equality Index.

In 2023 we prioritised closing the gender pension gap by campaigning for gender parity across the UK pensions market and to work towards a more representative customer base. As a result of structural features of the UK pensions market, in 2016 our Invested Customer base was 27% female.

Our campaign has included events such as the "Ladies' Lootcamp" hosted by Boring Money, to empower female investors with the confidence to make better financial choices for their lives. We have also worked in partnership with parenting websites Mumsnet and Peanut, to provide financial education to women on topics that impact them. Additionally, three episodes of our Pension Confident Podcast have covered gender related topics in pension savings.

The outcome of the campaign has so far been successful and our Invested Customer base in 2023 is now 43% female. We continue to work towards achieving gender parity in our customer base, and to closing the UK gender pensions gap.

The Business Climate Challenge

PensionBee is part of the Mayor's Business Climate Challenge ('BCC'), an ambitious energy efficiency programme which supports businesses to reduce their energy consumption, to accelerate building-decarbonisation efforts and contribute to London's target of becoming a net zero city by 2030.

Entry and participation in the BCC is run as a competitive process, led by Better Bankside, our Business Improvement District. As part of the Challenge we pledged and succeeded in reducing our energy consumption by more than 10% in 2023. We received technical advice from specialised energy consultants to help make our workplace more energy efficient and throughout 2023 we worked to implement some of the recommended measures.

Supporting our Local Community

In 2023 PensionBee participated in Bankside Futures, a summer programme for local school leavers aged 16-18 years old, designed to get students ready for the world of work by meeting a range of employers and creating social action projects in their community.

Better Bankside collaborated with Bankside businesses to help young people build their awareness of different careers through a series of skills-based workshops, employer encounters, networking opportunities and mock interviews.

We hosted a workplace visit and a career spotlight in our office where students met PensionBee colleagues who shared their work experience and answered questions about themselves and their achievements. Students were particularly impressed by our inclusive company culture. At PensionBee we recruit from all backgrounds with no prior experience or degree needed so that our business can better reflect UK society at every level.

ESG Disclosures and Benchmarking

PensionBee has received recognition across numerous ESG frameworks, rating agencies and indices. We voluntarily submit our ESG data to organisations such as the Sustainability Accounting Standards Board, the Workforce Disclosure Initiative, Global Reporting Initiative, S&P's Corporate Sustainability Assessment and Bloomberg's Gender Equality Index. We have also been independently assessed by ESG raters such as ISS, Refinitiv, and EthiFinance.

In 2023 we joined both the FTSE All Share and the FTSE4Good Index (which is owned by LSE's FTSE Russell). Additionally, we became an active participant in the UN Global Compact and made a commitment to conduct our business in alignment with universal sustainability principles.

Framework / Rater / Index	2023 Score
Bloomberg Gender Equality Index	GEI data published on pensionbee.com/gender-equality
EthiFinance	77 / 100 (higher scores indicate better practices)
FTSE4Good	Index constituent from December 2023
Global Reporting Initiative	GRI data published on pensionbee.com/investor-relations/esg
ISS ESG	3 / 10 average across E, S and G score (lower scores better)
Pensions for Purpose	Participant member
LSEG ESG	60 / 100 (higher scores indicate better practices)
Sustainability Accounting Standards Board	Third year of SASB disclosure under Asset Management & Custody Activities / Software & IT Services industries.
S&P Corporate Sustainability Assessment Global	Submitted
Task Force on Climate-related Financial Disclosures	11 / 11 metrics disclosed
United Nations Global Compact	Participant member
Workforce Disclosure Initiative	99 / 100 disclosure score

Global Reporting Initiative (GRI)

FTSE Russell FTSE4Good

Sustainability Accounting Standards Board (SASB)

S&P Corporate Sustainability Assessment (CSA)

Workforce Disclosure Initiative (WDI)

“

I can easily adjust my pension withdrawals depending on my earnings from work and my expenditure, meanwhile keeping a check on my pension forecast.

Moira | Age 63

PensionBeecustomer since 2020

12 Climate-related Disclosures

Streamlined Energy and Carbon Reporting

This section has been prepared in accordance with our regulatory obligation to report GHG emissions pursuant to the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 which implement the government's policy on Streamlined Energy and Carbon Reporting ('SECR').

This is our third year of reporting under the SECR requirements. The reporting period is the same as the Company's financial year, 1 January to 31 December 2023.

Organisation Boundary and Scope of Emissions

We have reported on all emission sources required under the Companies Act 2006 (Strategic Report and Directors' Reports) Regulations 2018. These sources fall within the Company's consolidated financial statements.

An operational control approach has been used to define our organisational boundary. This is the basis for determining the Scope 1, 2 and 3 emissions for which the Company is responsible.

All carbon dioxide emissions and energy consumption figures relate to emissions in the United Kingdom. The Company does not have any operations in offshore areas.

Methodology

The following methodology was applied in the preparation and presentation of this data:

- The calculation of the energy consumed for the following categories:
  - Combustion of fuel (not applicable to the Company).
  - Operation of its facilities.
  - Purchase of electricity, heat, steam or cooling by the Company for its own use.
- Selection and application of appropriate emission factors ('DEFRA 2023') to the Company's activities to calculate GHG emissions in line with the Greenhouse Gas Protocol published by the World Business Council for Sustainable Development and the World Resources Institute ('WBCSD/WRI GHG Protocol').
- Scope 2 emissions reporting methods - application of location-based and market-based emission factors to the electricity supplies.
- Inclusion of all the applicable Kyoto gases, expressed in carbon dioxide equivalents, or CO_2e.
- Presentation of gross emissions, as the Company does not purchase carbon credits (or equivalents).

Absolute Emissions

The total Scope 2 GHG emissions from the Company's operations in the year ending 31 December 2023 were as follows:

- 9.91 tonnes of CO_2 equivalent (tCO_2e) when using a 'location-based' emission factor methodology for Scope 2 emissions;
- 0.00 tonnes of CO_2 equivalent (tCO_2e) when using a 'market-based' emission factor methodology for Scope 2 emissions.

The Scope 2 emissions reported above include purchased electricity, which covers the energy used for heating its facilities.

Note that no Scope 1 emissions were generated by PensionBee, so these are not included in this report. Scope 3 emissions are also not included because quoted companies are not required to report on any Scope 3 categories. For a breakdown of our Scope 3 financed emissions, please refer to the TCFD report on pages 80 to 89.

Intensity Ratio

As well as reporting the absolute emissions, the Company's GHG emissions are reported below using the metric of tonnes of CO_2 equivalent per million pounds of Revenue. This was selected as the most appropriate metric due to its relevance and importance to the Company's investors.

The intensity metric is as follows:

- 0.42 CO_2e per million pounds revenue using the location-based method.
- 0.00 CO_2e per million pounds revenue using the market-based method.

Target and Baselines

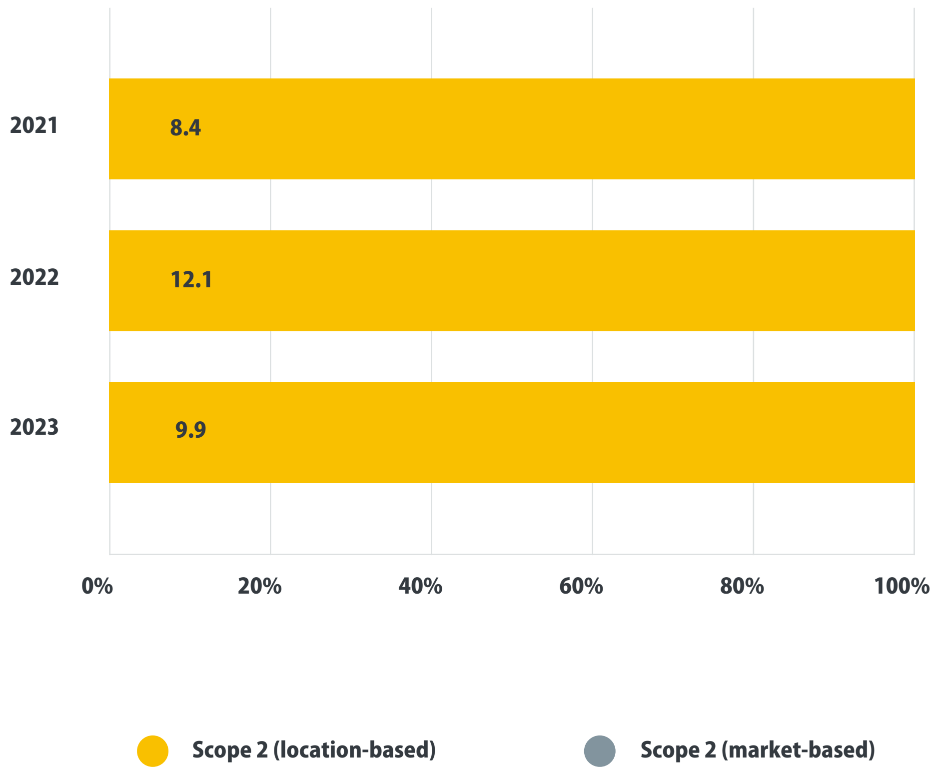
Our objective is to maintain or reduce our GHG emissions per £m revenue each year and we will report each year whether we have been successful in this regard. Our absolute emissions in 2023 have seen a decrease of 17.8% using the location-based method for Scope 2 emissions. Absolute emissions using the market-based method have remained consistent at 0.00.

In 2023 we participated in the Mayor of London's Business Climate Challenge, an energy efficiency programme led by Better Bankside. Participants who committed to reducing their energy consumption by 10% in one year benefitted from an energy efficiency audit of the building by technical consultants. As part of this audit of our office unit and building on Blackfriars Road, we took forward a number of energy efficiency recommendations that resulted in an 11% decrease in our office energy usage. PensionBee was commended by the Mayor's Office as a leading London business in taking action to reduce energy consumption and carbon emissions between 2022 and 2023.

Additionally, as part of the energy audit, a number of observations were made on how to improve efficiency of the building's communally charged air conditioning and heating systems, which make up a portion of PensionBee's energy consumption. Changes to how temperature was controlled in the building's public areas resulted in a significant decrease in overall energy consumption for all tenants in 2023. These changes impacted on our overall energy usage and also contributed to the marked decrease we observed this year. This being the case, the Company's intensity ratio metric decreased from 2022 to 2023. Our GHG emissions per £m Revenue has decreased to 0.42 tCO_2e, down 0.25 tCO_2e from 0.67 tCO_2e in 2022.

Key Figures

PensionBee - Breakdown of Emissions by Scope (tCO_2e)



	2021		2022		2023	
GHG Emissions	**Tonnes CO_2e**	**tCO_2e/£m Revenue[104]**	**Tonnes CO_2e**	**tCO_2e/£m Revenue[105]**	**Tonnes CO_2e**	**tCO_2e/£m Revenue[106]**
Scope 1[107]	-	-	-	-	-	-
Scope 2[108]	8.36	0.64	12.07	0.67	9.91	0.42
Scope 2[109]	-	-	-	-	-	-
Total GHG Emissions (location-based)	8.36	0.64	12.07	0.67	9.91	0.42
Total GHG Emissions (market-based)	-	-	-	-	-	-

Total Energy Use

	Electricity (kWh)	Total Energy Use (kWh)
2023	47,841	47,841
2022	62,407	62,407
2021	39,361	39,361
Total	**149,609**	**149,609**

104. 2021 Revenue of £12.8m.
105. 2022 Revenue of £17.7m.
106. 2023 Revenue of £23.8m.
107. Scope 1 being emissions from the Company's combustion of fuel and operation of facilities.
108. Scope 2 being electricity (from location-based calculations), heat, steam and cooling purchased for the Company's own use.
109. Scope 2 being electricity (from market-based calculations), heat, steam and cooling purchased for the Company's own use.

Efficiency Actions

In 2023 we undertook the following measures to reduce our Scope 2 emissions, including:

- Conducting an energy audit of our building and office with technical consultants, as part of the Mayor's Business Climate Challenge.
- Implementing energy efficiency measures, as recommended as part of the energy audit, in order to reduce energy consumption in our office.
- Working with the building management team to understand how to reduce energy consumption in communally charged areas, including AC units situated on the roof, on the basis of observations made by the technical consultants.
- Continuing to use 100% Renewable Energy Guarantees of Origin ('REGO') backed electricity.
- Maintaining low business travel emissions, being a remote company with all meetings held virtually by default or in central London (with the exception of a small number of meetings outside of the UK).
- Continuing to be a paperless pension provider and increasing the number of digital transfers with 'paper providers'.
- Setting public energy reduction targets for Scope 1 and 2 emissions from the baseline year of 2022.
- Receiving recognition as a Leading London Business taking action to reduce energy consumption and carbon emission by more than 10%, from the Mayor of London's office.

Task Force on Climate-related Financial Disclosures

We are pleased to present our second year of Task Force on Climate-related Financial Disclosures ('TCFD'). We've continued to apply a proportionate and appropriate approach to TCFD, assessing the reasonableness of the TCFD Implementation Guidance (2021) with respect to the Company's size, business model and continuing constraints of data coverage.

Given our online business model and limited direct carbon footprint, we are an emission-light company with respect to Scope 1 and Scope 2 emissions. Owing to the underlying Assets under Administration of the PensionBee Personal Pension, which are managed by third-party asset managers, we are reliant on the availability of Scope 3 data. We are pleased in our second reporting year to be able to disclose Scope 3 financed emissions (category 15) for the majority of the asset base.

In accordance with Paragraph 8(a) of Listing Rule 9.8.6R, all of the disclosures presented here are consistent with the TCFD Implementation Guidance (2021) to the extent described in the table below:

Full: Partial: None:

With respect to our long-term ambitions, PensionBee is committed to achieving net zero emissions across the entire business by 2050. This commitment is applicable to all direct (Scope 1) and indirect (Scope 2) operational emissions, as well as material emissions from our wider value chain (Scope 3).

As a result of calculating our base year emissions, we are now able to set near-term ('interim') targets for 2030 and long-term ('net zero') targets for 2050. These targets are detailed as part of our 2023 disclosure below. We commit to these science-based targets in line with the 1.5C goals of the Paris Agreement.

Governance	Reference	Consistency
Describe the Board's oversight of climate-related risks and opportunities: • We have outlined how the Board oversees climate-related risks and opportunities through our Climate Change Governance Framework. • The Board monitors progress against climate targets through the Audit and Risk Committee.	Page 82 Section 1.1	
Describe management's role in assessing and managing climate-related risks and opportunities: • We have outlined management's role in assessing and managing climate-related risks through our risk management framework described below and in the Managing our Risks section of the Strategic Report.	Page 83 Section 1.2 Pages 90 to 101 of the Managing our Risks section	

Strategy	Reference	Consistency
Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term: • Climate-related risks and opportunities identified over the short, medium and long-term have been described, considering scenario analysis across three different timeframes and impacts.	Page 83 Section 2.1	
Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning: • We have outlined plans to support the transition to a low carbon economy. We have also identified opportunities and risks to our business.	Page 85 Sections 2.2/2.3	
Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°c or lower scenario: • We have described how resilient our strategies are to climate-related risk and opportunities under different climate-related scenarios; orderly, disorderly and failed transition. We have also described the quantitative as well as qualitative impact to our revenue as a result of these different transition scenarios.	Page 86 Section 2.3	

Risk Management	Reference	Consistency
Describe the organisation's processes for identifying and assessing climate-related risks: • We have described our processes for identifying and assessing climate-related risk.	Page 87 Section 3.1	
Describe the organisation's processes for managing climate-related risks: We have described our processes for managing climate-related risk.	Page 88 Section 3.2	
Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management: • We have described how our processes for identifying, assessing, and managing climate-related risks are integrated into our overall risk management framework.	Page 88 Section 3.2	

Metrics & Targets	Reference	Consistency
Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process: • We have disclosed the metrics currently used by PensionBee to assess climate-related risk and opportunity.	Page 88 Section 4.1	
Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks: • We have disclosed Scope 1 and Scope 2 GHG emissions for 2023 as per our SECR obligations. • We have disclosed our Scope 3 (Category 15) financed emissions for 2022, as this data is available with a one year delay from our asset managers.	Page 88 Section 4.2	
Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets: • We have committed to long-term climate action. We will now report progress against targets for the management of climate-related risks and opportunities.	Page 88 Section 4.3	

1 Governance

Climate Change Governance Framework

PensionBee has made a public commitment to achieve net zero emissions across the entire business by 2050. Progress towards this commitment is monitored and overseen by the Board, both annually and on an ongoing basis where required. Day to day accountability for climate matters is delegated to Executive Management, including the Chief Executive Officer, who is supported by the Chief Engagement Officer and Chief Risk Officer in discharging this responsibility.

Governance of sustainability issues, including climate-related risks and opportunities, are covered by the Board and Committees as outlined below and as part of our Annual Reporting Protocol and Target Review Process.

Ownership of Climate-related Metrics and Targets Governance

The Engagement Team, led by the Chief Engagement Officer, is the business owner for the Climate Change Governance Framework, comprising the Annual Reporting Protocol and the Target Review Process.

The Board delegates responsibility for oversight of our Annual Reporting Protocol to the Audit and Risk Committee. Oversight of the Target Review Process is provided by the Investment Committee.

<table>
<tr><th colspan="2">Board</th></tr>
<tr><th colspan="2">Climate Change Governance Framework</th></tr>
<tr><th>Audit and Risk Committee</th><th>Investment Commitee</th></tr>
<tr><th>Annual Reporting Protocol</th><th>Target Review Process</th></tr>
<tr><td>Ongoing monitoring of progress against our public targets takes place on an ongoing basis throughout the year, as data becomes available. Progress against targets is reported to the Audit and Risk Committee.
• Reporting progress against public climate target metrics
• Ensuring the Company meets minimum threshold for metric coverage by % portfolio AUA
• Monitoring ongoing changes to reporting boundaries
• Monitoring ongoing changes in data availability and quality
• Developing and mantaining engagement channels with money managers</td><td>Occurs as and when any changes impact the Company's public targets, or minimum every five years. Baseline recalculations will be triggered by non-organinc growth, but also by changes to reporting boundaries and calculation methodologies, to keep apace with developing understanding of climate science. Any such updates are reported to the Investment Committee, for sustainability by the Chief Executive Officer or as separate agenda item by the Chief Engagement Officer.
• PensionBee net zero strategy (incorporating Scope 1&2 considerations and Scope 3 manager strategy) from 2024
• PensionBee transition roadmap from 2024</td></tr>
</table>

1.1 Our Board

Our Board has the ultimate responsibility for Climate Risk, a Principal Risk. The Board takes responsibility for the approval of PensionBee's approach in relation to climate-related matters, which includes our Environmental, Social and Governance ('ESG') Policy and oversees the selection of plans and managers, which form our investment range.

Process and Frequency by which Board and Committees are informed about Climate-related issues

Each Board meeting includes a sustainability-related update as a standing agenda tabled in the Chief Executive Officer's update. This means that the Board has the opportunity for approximately ten updates a year on climate-related matters, together with additional updates from its Committees.

The Board delegates day-to-day oversight of sustainability matters and ongoing progress against goals and targets for addressing climate-related issues, also known as the Annual Reporting Protocol, to two of its sub-committees: the Audit and Risk Committee and the Investment Committee.

Audit and Risk Committee

The Audit and Risk Committee manages the Company's Principal Risks, including Climate Risk. It oversees mandatory climate-related reporting (currently TCFD and SECR disclosures) and monitors annual reporting against public net zero targets.

The Board delegates responsibility to the Audit and Risk Committee to provide a rigorous challenge to Executive Management on progress against goals and targets under the Annual Reporting Protocol.

The Chief Engagement Officer formally reports back on progress against targets to the Audit and Risk Committee on an annual basis, in line with the Annual Reporting Protocol. In addition, ad hoc reporting takes place throughout the year to cover any ongoing changes to data quality, data availability, metric coverage or the reporting boundary. The purpose of this ad hoc reporting is to act as an early warning system for any changes to data or reporting that may impact our ability to meet an existing target.

The Chief Financial Officer, a management co-sponsor of the Audit and Risk Committee, is responsible for production of the Group's financial statements, including climate-related market risks connected to our investments.

The Chief Risk Officer, also a management co-sponsor of the Audit and Risk Committee, is responsible for the Company's risk management, including oversight of its risk identification and mitigation activities, implementation of the risk management framework, and reporting on the risk assessments against Board's risk appetite.

All Board members are invited to the Audit and Risk Committee, however, the Chair may also request a private meeting with the second line of defence (the Risk Management Team) or external assurance providers (independent third parties). For more information on our lines of defence, refer to pages 90 to 101 of the Managing our Risks section of the Strategic Report.

The Audit and Risk Committee meets at least seven times a year and has ad hoc meetings as and when required.

Investment Committee

The Investment Committee oversees the delivery of PensionBee's Target Review Process. This is the system by which we review baseline and metric choices as the business and market evolves. This includes changes to the boundary or calculation methods that can impact a target as well as oversight over the fund range and our asset managers. The Investment Committee oversees the ESG Policy, including the Company's approach to responsible investment, screening and voting, which is then approved by the Board.

PensionBee's Target Review Process monitors our asset managers and investment plans, data quality and availability of Scope 3 emissions, as well as climate science, sector ambition and calculation methodologies. Any material changes that impact the Company's target or trigger a recalculation of the baseline would be reported by the Investment Committee directly to the Board.

The Investment Committee meets at least three times a year and has ad hoc meetings as and when required.

Maintaining and Enhancing Climate Competence

The Chief Engagement Officer is the owner of Climate Risk, owns our ESG policy and oversees all climate-related reporting and initiatives. The Senior ESG Manager, who reports directly to the Chief Engagement Officer, is a dedicated ESG-focused team member with oversight of the reporting process. The Chief Risk Officer has extensive risk management experience managing across all risks, including Climate Risk and is responsible for risk oversight.

Climate-reporting and TCFD training has taken place with both external expert advisors and our asset managers as they relate to the investment plans. We meet on a regular basis with the TCFD teams of our asset managers. ESG-focused team members have also attended TCFD training workshops delivered by the London Stock Exchange, BlackRock, Deloitte, KPMG and others in relation to our requirements.

In 2023 the Board had a teach-in from Deloitte's Sustainability and Corporate Reporting team on developments in EU and UK sustainability reporting, as well as a number of structured discussions on climate reporting at both the Audit and Risk Committee and the Investment Committee.

We also received regular support from an external sustainability and climate partner, Verco, who assisted with reporting, calculations and formulation of our longer-term roadmap to net zero, in line with best practices for the sector. Verco joined the Board and Executive Management Team teach-ins across the year to enhance and widen our understanding of climate reporting. We continue to work with external experts to ensure our climate-reporting and targets are accurate, consistent and always kept up to date reflecting the latest changes in climate science and metrics.

1.2 Our Management

PensionBee's culture is one of our most fundamental tools for effective risk management. Our management promotes risk awareness, transparency and accountability, and places a strong emphasis on the timely identification, escalation and reporting of risks.

Management's role in assessing and managing climate-related risks through our risk management framework is described in detail on pages 90 to 101 of the Managing our Risks section of the Strategic Report.

2 Strategy

2.1 Climate-related Risk and Opportunity

Climate Risk is included in the Company's internal risk register as a Principal (or Level 1) Risk, and climate-related sub-risks (Business Continuity, Compliance, Liability and Third Party Supplier risks) are included as Level 2 risks. These risks are evaluated as a part of our periodic risk and control assessment process, as well as on an ad hoc basis following any climate-related risk events.

Overall, Climate Risk has been rated as Low based on our assessments of Level 2 risks. Physical risk, classified under the Level 2 category Business Continuity Risk (and to a lesser extent Third Party Supplier Risk), poses a relatively minor risk to the business, given our small physical footprint and cloud-based operations. Transition risks are more pertinent for the business and are broadly grouped under both Compliance and Liability Risks.

Climate Risks (Physical and Transition)

Risk (Level 1)	Risk (Level 2)	Description	Response	Residual Risk Quantification	Risk Rating
Climate Change (Physical)	Business Continuity Risk	Climate-related physical damage to facilities/ equipment or impact on staff materially affecting the ability to conduct critical business activities	Low exposure given small physical footprint and a resilient operation (cloud-based operation, flexible/remote working) Risk transfer policies in place including the Engineering Policy covering physical risks	Likelihood/Impact: Unlikely/Moderate Loss Estimate: £15k	Low
Climate Change (Transition)	Compliance Risk	Failure to adapt to the changing regulation and disclosure requirements associated with climate change	Compliance with regulatory (e.g. TCFD, SECR) requirements Ongoing regulatory compliance is monitored by the second line risk function	Likelihood/Impact: Unlikely/Moderate Loss Estimate: £15k	Low
Climate Change (Transition)	Liability Risk	Liability resulting from changes in climate-sensitive investment exposures	Screenings are applied in our funds to reduce harmful exposures (Tailored Plan, Fossil Fuel Free Plan) Launch of Impact Plan in January 2023 to diversify further by introducing a more varied set of underlying holdings FinTech Insurance Policy in place covering detrimental changes in our income statement.	Likelihood/Impact: Possible/Moderate Loss Estimate: £30k	Low
Climate Change (Physical)	Third Party Supplier Risk	Disruption of business activities due to critical third-party service providers being impacted by climate-related events	Resilient, cloud-based operation Asset managers, banking and cloud providers are all investment grade financial institutions with established business continuity plans	Likelihood/Impact: Rare/Major Loss Estimate: £20k	Low

The above-mentioned sub-risks are generally of relevance across a combination of the short (one to five years), medium (five to ten years) and long-term (10 to 30 years) time horizons. Acknowledging that some may become more or less likely over time, due to the changing physical and transition risk profile of our geography and sector, we have assessed the following as the key climate-related risks and opportunities over each time horizon. We will reassess these risks at least on an annual basis, or as important issues arise, in line with the risk management framework.

Short-Term

Within the next one to five years, we expect regulation and policy to be the predominant climate-related risks facing the business. These are managed under the Level 2 Compliance Risk and will primarily be driven by changes in the pension industry regulatory regime and continuously evolving policy actions. Associated legal risks will also increase as the expertise and resources needed to meet increasing climate-related regulatory, mitigation and adaptation demands also rise.

We are already starting to see increased opportunities through greater capital availability driven by demand from investors for more sustainable investment products, as evidenced by the demand for our newest Impact Plan. We also see an increase in public-sector incentives such as the Mayor's Business Climate Challenge Programme, from whom we received recognition in 2023 for our action to reduce energy consumption.

Medium-Term

In the next five to ten years, climate-related risks will focus more on the potential market and reputational risks associated with indirect exposure to high-emitting sectors through investee companies or sectors otherwise exposed to climate risk. This will be managed under the Level 2 Liability Risk and addressed through the asset managers.

Over this time horizon, opportunities will develop as the market grows. We will continue to monitor consumer trends, which currently point towards increased demands for low-carbon products. We will proactively seek the views of our customer base through regular engagement to make sure the investment plans continue to meet our customers' needs, and access new markets where appropriate.

Long-Term

Over the next 10 to 30 years, which comprises our longer-term horizon, we recognise that there are difficulties in accurately predicting the specific market, policy or environmental context in which our business will operate. As a pension provider interested in the long-term financial performance of our investments, the exposure of our investee companies to both Climate Risk and climate opportunity is of great importance.

We expect to see an increased Level 2 Business Continuity and Third Party Supplier Risk through business interruption and damage across operations and supply chains, with consequences for input costs, revenues, asset values and insurance claims. Crucially, the quantum of assets which may be stranded may increase with a delay in the transition to net zero. However, over this time horizon we also see a significant opportunity to be seen as a leader in our field, in addressing the challenges of climate change through our products and services, resilience and risk management strategy. Leadership will be shown through addressing the challenges of climate change through both our asset base (choice of investment plans), our corporate citizenship (strong ESG ratings) and our voting record (on climate-related issues).

2.2 Impact on the Business

All of the key climate-related risks identified with the greatest potential to impact our business, have had some impact on the organisation's business, strategy or financial planning.

As evidenced through our stakeholder engagement, climate-related issues are of importance to our customers and have therefore impacted our product offering. Minimising Liability Risk in our investment portfolio, resulting from changes in climate-sensitive investment exposures, or from failure to communicate our climate change strategy and targets, is a priority for our business and our customers.

As trillions of pounds are invested globally in companies that can improve or harm the planet and society through their business models, pensions have the collective power and potential to change the world for the better. PensionBee's asset managers are members of the Net Zero Asset Managers' Initiative ('NZAMI'). Membership includes a commitment to specifically work in partnership with their asset owner clients on decarbonisation goals, consistent with an ambition to reach net zero emissions by 2050 or sooner across all assets.

PensionBee applies baseline ESG exclusionary screens, where both the asset class and the plan investment objectives allow,[110] and we are working with our asset managers to reduce our holdings in companies that harm the environment through their business activities. We seek to increase screening over time, in-line with the views of our customer base. As of December 2023, >95% of the asset base was screened for thermal coal.[111] Across our plan range, seven out of our eight plans used some ESG-screened or ESG-tilted underlying building blocks.

The Tailored Plan, our default solution and largest plan by customers and assets, has a number of sustainable objectives including climate targets to achieve an absolute reduction of 50% of the carbon emission intensity score over a 10-year period from 2019. BlackRock, the plan's asset manager, has also set a number of criteria relating to positive ESG tilting across the portfolio, to ensure that at least 80% of the underlying funds related to corporate and sovereign issuers are held in ESG optimised or screened funds.

PensionBee offers two fossil fuel free plans, in response to customer demand to completely remove companies that hold fossil fuel reserves, as well as those companies involved in the manufacture, production, sale, distribution and marketing of fossil fuels. The Impact Plan, our newest plan, also goes much further in its exclusionary approach, only investing in companies that are making a material, additional and measurable positive impact on the planet and society through their sole product or

110. See pensionbee.com/investor-relations/esg for full details on screening by plan.
111. Fully screened plans include: Tailored, Tracker, Fossil Fuel Free, Pre-Annuity, Impact, and Preserve Plans. The 4Plus Plan's underlying SSGA funds are fully screened for thermal coal, however, as the fund has an actively managed component the managers have discretion to use unscreened third party funds to meet the objective. The Shariah Plan is not screened for thermal coal as the objective of the plan is to invest in line with Islamic values.

service.

PensionBee's Investment Committee assists the Board in discharging its responsibility for oversight of PensionBee's investment proposition, including the selection or change of asset managers and the performance and ESG profile of our plans. The Investment Committee oversees the Target Review Process, monitoring and taking action on any changes that may impact our ability to meet our interim and long-term emissions targets.

Our full set of Company policies are reviewed annually and include the Environmental, Social and Governance Policy, which can be found on the Company's website.

Beyond our products and services, we have also taken steps in our direct operations to reduce waste and increase our use of renewable electricity, as well as reducing energy use through our participation in the Mayor's Business Climate Challenge, for which we were commended in 2023, as well as adopting our Responsible Supplier Policy and Code of Conduct.

2.3 Resilience of PensionBee Strategy to Climate Change

PensionBee has maintained its relatively small environmental footprint in 2023, being an office-based organisation that primarily uses cloud-based technology. We offer fully flexible, remote working to all employees and are a paperless pension provider. The focus of our efforts in 2023 was to gain a better understanding of our Scope 3 emissions, including the financed emissions from our investment portfolio (a challenging area which we are committed to improving over time, subject to forthcoming and reliable data from our asset managers).

In 2023 we calculated our base year emissions, as the first step towards our commitment to achieve net zero emissions across the entire business by 2050, a goal which would both support both the UK's net zero target for 2050 as well as the global efforts to achieve a societal transition to a low carbon economy. In order to achieve this, we have committed to setting interim targets, which are detailed in Section 4.3 below.

During 2023 we focused on understanding the resilience of our overall strategy to climate-related issues under different future scenarios, and how our strategy may need to adapt to meet the challenges of each scenario. As noted above, given PensionBee's limited direct environmental footprint, we have focused specifically on the Scope 3 emissions within our default plan, the PensionBee Tailored Plan, managed by BlackRock. The Tailored Plan represents a substantial majority of our asset base and, given its global market-oriented asset base, is a reasonable proxy for asset exposures within our other Plans as well.

We recognise that the key climate-related risks and opportunities identified, particularly over the medium and long-term time horizons, are highly dependent on assumptions made regarding the ways in which climate-related issues will manifest over the coming years. We therefore worked with BlackRock to consider three scenario types, based on internal BlackRock models:

- 'Orderly transition' scenarios, which assume climate policies are introduced early and become gradually more stringent, reaching global net zero CO_2 emissions around 2050 and likely limiting global warming to below 2°C on pre-industrial averages;
- 'Disorderly transition' scenarios, which assume climate policies are delayed or divergent, requiring sharper emissions reductions achieved at a higher cost and with increased physical risks in order to limit temperature rise to below 2°C on pre-industrial averages; and
- 'Hothouse world' scenarios, which assume only currently implemented policies are preserved, current commitments are not met and emissions continue to rise, with high physical risks and severe social and economic disruption and failure to limit temperature rise.

In the above scenarios, transition risk is defined as the risk to the value of an asset as a result of the transition to a lower carbon economy (i.e. the risk due to the potential changes to the economy from such a transition). Physical risk is defined as the risk to the value of an asset as a result of change to the physical environment from climate change.

Following the industry's common practice in climate regulatory reporting, the 'hothouse world' scenario was defined as the counterfactual base case which assumes no future transition and therefore no associated transition risk; this scenario is assumed to be fully priced into markets and therefore represents no additional risk to security valuation from transition. This scenario does have potential physical climate risk, as defined above, and so we report transition risk for the 'orderly transition' and 'disorderly transition' scenarios, and physical risk for the 'hothouse world' scenario.

Securities within the Tailored Plan were classified as 'high-risk', 'medium-risk' or 'low-risk' depending on how the companies today are exposed to the different scenarios within BlackRock's underlying proprietary climate risk models. The model assumes there are no new business segments in an individual company's response to the transition and so the modelled response takes into account the behaviour and structure of issuers as currently configured without any changes to their activities. In addition to this, similar to any model, assumptions and the quality of data inputs may pose limitations to the accuracy and precision of the scenario outcomes.

The analysis showed what proportion of the portfolio is classified within each category, with the categories defined based on the modelled risk to the valuation of the business within each scenario. The 'high-risk' category contains securities that are estimated to be at risk of a 50% reduction or greater to their current valuation if the assumptions of the model transpire. The medium-risk category contains securities with a risk to valuation between 10% and 50%, and low-risk contains the remaining securities.

None of the securities were classified as 'high-risk' and the overwhelming majority of securities were classified as 'low-risk'. Considering the upper estimate of risk to valuation in the 'low-risk' category, which is 10%, the overall valuation risk to assets within the Tailored Plan and by proxy, the PensionBee investment plans overall, is approximately 10%.

PensionBee's Finance Team then considered the impact on PensionBee's Revenue of a 10% reduction in valuation in PensionBee's overall asset base. PensionBee's Revenue is almost entirely derived from fees earned on its Assets under Administration and therefore PensionBee's Revenue is sensitive to changes in market valuations. Because the exact nature of the climate transition is unknown, PensionBee also considered the impact of a 20% Reduction in security valuations for prudence. The impact of a 10% and 20% reduction in valuations would be to reduce PensionBee Revenue by 7.5% and 15% respectively.

3 Risk Management

Climate Risk is defined as the risk of negative impact of climate change or its broader economic, financial and societal consequences on the Company, or the Company's failure to meet sustainability requirements from a commercial, regulatory and stakeholder perspective. Climate Risk is one of PensionBee's Principal Risks, which are set out on pages 90 to 101 of the Managing our Risks section of the Strategic Report.

Climate Risk drivers can be grouped into categories of sub-risks relevant to PensionBee:

- Business Continuity Risk: Climate-related physical damage to facilities/equipment or impact on staff materially affecting the ability to conduct critical business activities.
- Compliance Risk: Failure to adapt to the changing regulation and disclosure requirements associated with climate change.
- Liability Risk: Liability resulting from changes in climate-sensitive investment exposures or failure to communicate our climate change strategy and targets.
- Third Party Supplier Risk: Disruption of business activities due to supply chains/critical third party provider services being impacted by climate-related events.

3.1 Identification and Assessment

Climate Risk management is a part of our comprehensive risk management framework. The framework components ensure adequate identification, management and communication of climate risks as they arise so that decisions can be made on a timely basis. In 2023 we revisited our ESG Materiality Assessment to ensure our stakeholders' priorities, including climate-related issues, continued to align with our work. Further details are set out on pages 60 to 76 of the ESG Considerations section of the Strategic Report.

Climate risks facing the business are managed within the Low risk appetite level set by the Board. The Board confirms its risk appetite for Principal Risks in the Audit and Risk Committee as a part of its review of the Risk Governance Framework twice a year. For most risks, risk appetite is Low. The assessments against the Board's risk appetite are based on an analysis of the impact, likelihood and internal controls related to climate risks. Further details are set out on pages 90 to 101 of the Managing our Risks section of the Strategic Report.

Risk Assessment Process at PensionBee

Climate Risk quantifications are forward-looking estimates of the losses/gains within a given time horizon, at a particular probability. The PensionBee risk scoring methodology takes into account the impact and the likelihood of the climate risks materialising. We estimate the plausible worst-case impact expected over a five-year time horizon.

Assessments are performed of inherent and residual risks in order to understand how effective our controls are. Inherent risk is defined as risk without taking into account mitigating controls, whereas residual risk is defined as risk after considering the effectiveness of mitigating controls.

In cases where risks are scored as Medium or High, a specific risk management procedure is followed to ensure adequate mitigating controls are established. Hypothetically, if the residual Climate Risk quantification score obtained was Medium or High, this would mean the Company was operating outside of the Low risk appetite set by the Board. Where the risk appetite set by the Board was breached, additional measures to mitigate, transfer, accept or control the risk would be agreed by the Board with the support of the Risk Stakeholder Group and the Audit and Risk Committee.

Active Asset Ownership at PensionBee

PensionBee is an active asset owner, supporting well framed environmental and social resolutions that seek to promote good corporate citizenship while enhancing long-term shareholder and stakeholder value, in line with ISS's Socially Responsible Investment ('SRI') voting policy. From May 2023, 85% of the PensionBee asset base was voted according to this policy.[112] Under the SRI policy, climate risk mitigation requires investee companies that are significant greenhouse gas ('GHG') emitters to demonstrate they are taking minimum steps to be aligned with a net zero by 2050 trajectory or risk a routine vote against their incumbent responsible committee chair or other directors. Expectations include publishing a TCFD disclosure statement, a net zero by 2050 target and setting medium-term targets for reducing GHG emissions. The SRI policy can also vote against directors owing to material ESG failures, including a failure to adequately manage or mitigate ESG risks.

We have a history of working with other institutional investors to publicly endorse climate-related environmental resolutions, including those associated with risks of new fossil fuel financing. We work in coalition with investors who share an ambition to mitigate climate risk in investee companies and as part of a broader movement to increase transparency for and accountability to shareholders in the system. We also do this as part of our vision to live in a world where everyone can look forward to a happy retirement.

112. Reflects 85% of the Assets under Administration across the Tailored, Tracker and 4Plus investment plans as at 31 December 2023
See definitions on pages 58 to 59 of the Measuring our Performance section of the Strategic Report.

3.2 Management and Response

All employees are responsible for operating and maintaining an effective system of internal controls, for the escalation of risks or issues, and for reporting incidents in accordance with PensionBee's Risk Management Policy and Incident Management Policy. Through the processes identified above, climate-related risks are identified and monitored effectively within the business. The Chief Risk Officer heads the Risk Management Team and chairs the Risk Stakeholder Group ('RSG'). The Risk Management Team produces all risk reporting including the Monthly Risk Report which they present in the RSG meetings, notifying the Board about the meetings' outcomes. The Risk Management Team is also responsible for performing all second line of defence risk tasks.

In addition to its role in assessing and managing climate-related issues, the Risk Management Team is also responsible for providing appropriate training on the risk management framework. The purpose of this training is to:

- Ensure the consistent application of the risk management framework, including tools and processes.
- Enhance the clarity of roles and responsibilities for risk management across the three lines of defence.
- Embed an effective risk culture within the Company that maintains high standards of risk awareness, transparency and accountability.

4 Metrics & Targets

4.1 Metrics

PensionBee tracks a number of metrics in order to measure and manage exposure to climate-related risks and opportunities.

These currently include energy and emissions as part of our SECR reporting obligations, our TCFD reporting and our public commitment to achieve net zero emissions by 2050.

The range of portfolio metrics (and units) we used for reporting in 2023 were:

- Weighted average carbon intensity ('WACI') (tonnes CO_2e per \$m Revenue)
- Carbon intensity (tonnes CO_2e per \$m)
- Absolute emissions (Scope 1 and 2) (tonnes CO_2e)
- Data quality reported / estimated (%).

For our Scope 1 and 2 operational emissions we use an absolute emissions metric (tonnes CO_2e), as per the SECR guidance.

For Scope 3 (Category 15 GHG Protocol) emissions reporting, TCFD recommends that asset owners and asset managers disclose the WACI of their portfolios in tCO_2e / million revenue. In accordance with the guidance we have used this metric for our first year of Scope 3 emissions reporting.

We are committed to ensuring that we use the most up to date and relevant calculation methodologies as climate science for our sector evolves. Our metrics are reviewed regularly as part of our Target Review Process, which is overseen by the Board.

4.2 Emissions

Scope 1 and 2 Emissions

GHG Emissions	2021		2022* Base Year		2023	
	Tonnes CO_2e	tCO_2e / £m Revenue[113]	Tonnes CO_2e	tCO_2e / £m Revenue[114]	Tonnes CO_2e	tCO_2e / £m Revenue[115]
Scope 1[116]	-	-	-	-		
Scope 2 GHG Emissions (location-based)[117]	8.36	0.64	12.07	0.67	9.91	0.42
Scope 2 GHG Emissions (market-based)[118]	-	-	-	-	-	-

Scope 3 (Category 15 GHG Protocol) Emissions

	2019* Base Year	2022
Weighted Average Carbon Intensity (CO_2e / \$m Revenue)	178.4 tCO_2e / \$m Revenue	121.3 tCO_2e / \$m Revenue

4.3 Targets

In 2021 we began reporting our Scope 1 and 2 absolute emissions. As we moved into new long term office premises in 2022, we are using this as our base year. In 2023 our operational emissions were 9.91 tCO_2e. This encompasses purchased electricity for leased office space. All our electricity is 100% renewable REGO certified.[119] PensionBee generates no Scope 1 emissions.

113. 2021 Revenue of £12.8m.
114. 2022 Revenue of £17.7m.
115. 2023 Revenue of £23.7m.
116. Scope 1 being emissions from the Company's combustion of fuel and operation of facilities. PensionBee generates no Scope 1 emissions.
117. Scope 2 being electricity (from location-based calculations), heat, steam and cooling purchased for the Company's own use.
118. Scope 2 being electricity (from market-based calculations), heat, steam and cooling purchased for the Company's own use.
119. The Renewable Energy Guarantees of Origin ('REGO') scheme provides transparency to consumers about the proportion of electricity that suppliers source from renewable electricity. It provides certificates called REGOs which demonstrate electricity has been generated from renewable sources.

In 2023, with support from technical specialists, we calculated our Scope 3 (Category 15) emissions, the financed emissions from our investment portfolio. For Scope 3 emissions we are using 2019 as our base year, to mirror the base year for our default plan Tailored, representing the vast majority of our asset base. We back-cast emissions data to 2019 from other plans to obtain Scope 3 emissions for 97% of the asset base by Assets under Administration ('AUA') value, against a target ambition of 90% coverage.[120] Base year metrics have been calculated on fund holdings as of 31 December 2019. In 2019 our scope was 97% of Scope 3 (Category 15) emissions by AUA value and the baseline WACI value was 178.4 tCO_2e / $m revenue.

As a result of the lag in asset managers obtaining emissions data from third party providers, we have reported Scope 3 emission data one year in arrears.[121] In 2022 our Scope 3 (Category 15) emissions were for 97% of the portfolio by AUA value and our WACI value was 121.3 tCO_2e per $m Revenue.

As a result of this data calculation, PensionBee is now able to set near-term (interim) targets for 2030 and long-term net zero targets for 2050. These targets are aligned with the Paris Agreement and are consistent with emissions reductions required to keep warming within 1.5°C by 2100.

Near-term (interim) Targets for 2030

PensionBee has committed to reducing Scope 1 and 2 GHG emissions 38% by 2030 from a 2022 baseline. Our near-term target for Scope 1 and 2 emissions by 2030 is 7.5 tCO_2e.

The Company has also committed to reduce Scope 3 (Category 15) emissions associated with the investment portfolio by 50% by 2030 from a 2019 baseline. Our near-term target for WACI is 89.2 tCO_2e / $m Revenue by 2030.

Long-term ('net zero') Targets for 2050

PensionBee has committed to achieving a long-term Paris-aligned reduction in GHG emissions across all operations and investments.

To achieve this, PensionBee will reduce Scope 1 and 2 GHG emissions by 90% by 2050 from a 2022 baseline. Our long-term target for Scope 1 and 2 absolute emissions by 2050 is 1.2 tCO_2e.

The Company will also reduce Scope 3 (Category 15) emissions associated with the investment portfolio by 90% by 2050 from a baseline of 2019. The long term target for WACI is 17.8 tCO_2e per $m Revenue by 2050.

120. Key metrics have been summarised for PensionBee's four largest investment plans by assets as fund holdings as at 31 December 2022 (Tailored, Tracker, 4Plus and Fossil Fuel Free), which made up 97% of the asset base.
121. PensionBee will therefore be reporting Scope 3 emissions data one year in arrears going forward, with 2023 data reported as part of our 2024 Annual Report disclosure. We will monitor changes to the availability of third party emissions data from managers, to align Scopes 1 and 2 and Scope 3 reporting in the future.

Target Detail 2030

Target element	Scope 1 and 2
Base year	2019
Target year	2030
Metric	WACI
Baseline value	178.4 tCO_2e/$mn revenue
Target value	82.9 tCO_2e/$mn revenue
Target ambition	50%
Coverage	97%

Target element	Scope 1 and 2
Base year	2022
Target year	2030
Metric	Absolute emissions
Baseline value	12.07 tCO_2e/$mn revenue
Target value	7.51 tCO_2e/$mn revenue
Target ambition	37.8%
Coverage	100%

Target Detail 2050

Target element	Scope 3 (Category 15)
Base year	2019
Target year	2050
Metric	WACI
Baseline value	178.4 tCO_2e/$mn revenue
Target value	17.8 tCO_2e/$mn revenue
Target ambition	90%
Coverage	97%

Target element	Scope 1 and 2
Base year	2022
Target year	2050
Metric	Absolute emissions
Baseline value	12.07 tCO_2e
Target value	1.21 tCO_2e
Target ambition	90%
Coverage	100%

Commitment to Review

The Company has also made a commitment to review target ambition and metrics regularly (at least every five years) to ensure that we remain aligned with the best understanding of the science required to achieve 1.5°C limited warming by 2100. This forms the basis for our Target Review Process, which is overseen by the Investment Committee and Board (refer to Section 1.1 for more details).

13 Managing our Risks

The Risk Management Framework

PensionBee maintains a comprehensive risk management framework, with risk management acknowledged as the collective responsibility of all employees. It puts in place the structure and processes required to ensure that the risks assumed in the execution of our strategy are understood and managed across the Company within the acceptable levels set by the Board, and that the Company meets its obligations to key stakeholders including customers, employees, shareholders, regulators and broader society.

The components of the risk management framework are designed to ensure adequate identification, communication and management of risks as they arise, so that decisions can be made on a timely basis. It also enables a proactive, forward-looking risk management approach focused on identifying any emerging risks and preventing them from materialising. The below diagram captures the main framework components:

Risk Culture

Mindset and behaviour of all individuals and departments inside the Company play a crucial role in the execution of the Company's risk management strategy. Risk culture is considered to be the backdrop against which the actual risk management practice takes place. The PensionBee culture and values are our most fundamental tools for effective risk management.

Our Executive Management Team and our Board promote risk awareness, transparency and accountability, with emphasis placed on the timely identification, escalation and reporting of risk. They ensure that the employees understand our approach to risk management and that everyone is held accountable for behaviours and actions that support our risk culture.

Keeping our employees informed and providing adequate training has enabled everyone to take responsibility for the risk within their areas of work. In addition to the onboarding training and the mandatory Company-wide annual risk and compliance training, training programs such as team-specific training and Company-wide refreshers were rolled out across the year to ensure the consistent application of the risk management tools and processes.

Through the continuous strengthening of our policies and procedures, we have evolved the workflows across the Lines of Defence, reinforced individual and collective risk management roles and responsibilities, encouraged constructive dialogue and challenge, and promoted timely, transparent and honest communication. We integrated risk management lessons learned into communication and training in order to continue strengthening our control environment and to ensure the success of future activities.

Risk Appetite

The Board expects the Company to be able to manage its operations with no disruptions to the core services and no impact on the ability of the Company to carry out its obligations to customers and other key stakeholders. It therefore expects the risks to be managed in a proactive and systematic manner within the Board's risk appetite. The risk appetite is set by the Board, and the Risk Appetite Statements are maintained within the Risk Governance Framework ('RGF') - a fundamental document which serves as the corporate point of reference for key aspects of PensionBee risk management. The standards laid out in the RGF are reflected in the more detailed policies and procedures governing risk management. The RGF is reviewed by the Board twice per year to ensure any changes in external environment, internal operational processes or the Company's business strategy are adequately reflected.

Risk appetite allows our Executive Management Team and our Board members to systematically manage the risks associated with strategic and operational decisions, assess whether the risks are acceptable, put in place mitigating controls to reduce risks to acceptable levels, and maintain the correct balance between the risks and rewards - thus ensuring the Company remains resilient by taking informed decisions.

Regular risk reporting uses risk appetite as a benchmark. This way each risk is either within or outside of risk appetite. Where a risk is outside of risk appetite, a number of actions may be taken: reduce the risk by implementing additional controls or altering the business strategy, determine the conditions for risk acceptance, or reassess the risk appetite.

Where risks are accepted, the Company only accepts a risk where it: is consistent with the Company's core purpose, strategy and values; it is well understood; it can be effectively managed; it is inline with stakeholder expectations; and it offers commensurate rewards. This means the accepted risks: should be consistent with the Company's Strategic Pillars and financial objectives; should only be accepted where relevant approvals have been attained through risk governance to confirm, on the basis of objective evidence, that sufficient reward is achievable in a safe manner; should be actively monitored and controlled through the appropriate allocation of resources; and should be underpinned by the maintenance of a healthy business culture.

In consideration of our customers, other stakeholders and given the public nature of PensionBee, the risk appetite can broadly be described as Low, with the exceptions noted within the Risk Appetite Statements section below. The three possible risk appetite levels are defined as follows:

- **Low:** The Company is not willing to accept risks in most circumstances. When considering options, the Company should choose taking risks which will most likely result in successful delivery providing a worthwhile level of reward, with manageable downsides. Low risks should be managed at business-level and strictly in accordance with the PensionBee Risk Management Policy.
- **Medium:** Medium risk appetite is generally adopted where a risk arises as a function of the business model and/or we are unable to completely mitigate it due to the evolving external factors. Where the Company is eager to innovate or choose options based on potential higher rewards, it should ensure that the cost/effort applied in managing such risks is appropriate given the potential downside. The Board should monitor whether the impact and/or probability of a Medium risk materialising is increasing, and decide whether the benefits outweigh the costs and this risk is worth taking.
- **High:** The Company does not expect to have a sustained High risk appetite for any risk. However, from time to time and in exceptional circumstances, the Company may temporarily tolerate periods of exposure to this risk level in pursuit of its strategic objectives. The Board should ultimately decide whether the High risk is worth taking, and if so, establish the conditions (including the time period) for risk acceptance.

Risk Appetite Statements

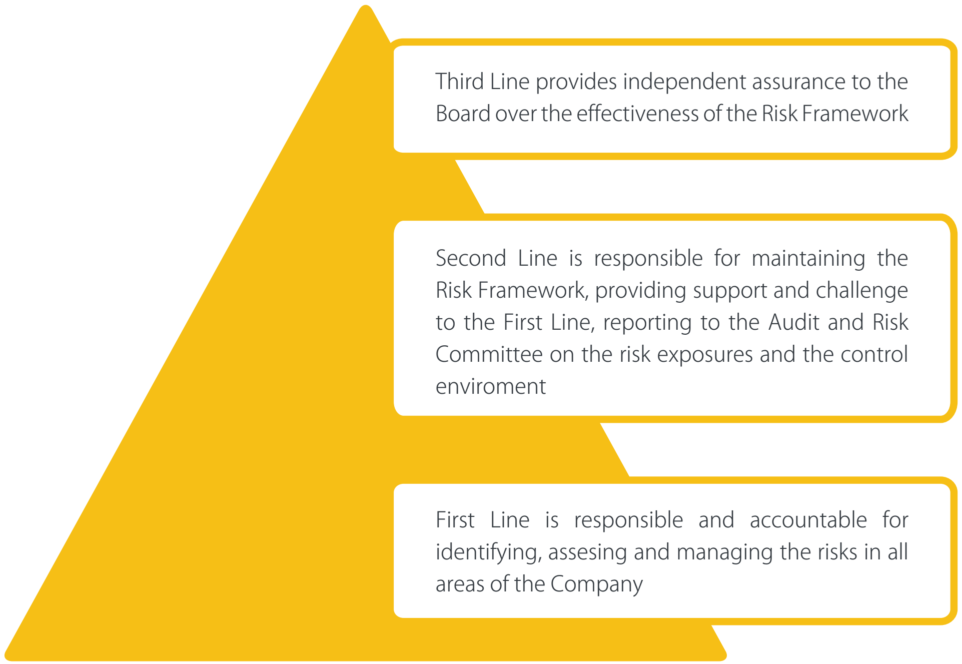
Unless stated otherwise in the following Risk Appetite Statements, the Board's risk appetite is Low across all Principal (Level 1) Risks.

A higher risk appetite may be adopted for specific Level 2 sub-risks (which are more granular risk categories that sit below Principal Risks), generally where a risk arises as a function of the business model and/or external factors that we are unable to completely mitigate.

Principal Risk	Risk Appetite Statements
Regulatory Risk	The Board expects the Company to meet the applicable legal and regulatory requirements at all times, and expects its employees to comply with the internal Company policies and with the applicable legal and regulatory requirements.
Information Security Risk	The Board expects the Company to aim to avoid at all times any material compromise of IT systems and data, and expects no preventable interruptions to the business and its ability to provide critical services to new and existing customers. The Board has currently set Medium risk appetite for 'Emerging Cyber Threats' (a Level 2 sub-risk of Information Security Risk), as the Company has, due to its digital operation, an inherent exposure to Cyber Risk which is constantly evolving and impossible to completely mitigate due to factors outside of our control. The Board continues to closely monitor this risk and its mitigations.
Operational Risk	The Board expects the Company to design and implement the processes and systems in compliance with internal policies and procedures, within a control environment that ensures products, services and reporting are effectively and efficiently delivered in accordance with the evolving needs and expectations of its customers, regulators and other stakeholders.
Financial Risk	The Board expects the Company to aim to manage at all times the losses due to market variables or its reliance on key financial partners, and expects it to maintain sufficient quality and quantity of capital to fulfil regulatory obligations. The Board has currently set Medium risk appetite for 'Market Risk' (Level 2 sub-risk of Financial Risk), as the Company has an inherent exposure to price risk on investments held on behalf of our customers. The Board continues to closely monitor this risk and its mitigations.

Strategic Risk	The Board expects the Company to remain aligned with its Strategic Pillars in its day-to-day business operations and change activities, and expects adequate resources to be deployed to deliver quality, meet stakeholder obligations and monitor its strategic positioning with respect to the evolving external landscape. The Board has currently set Medium risk appetite for 'Macroeconomic Risk' and 'Geopolitical Risk' (Level 2 sub-risks of Strategic Risk) as the Company, due to its business model, has exposure to potential economic environment downturns or unanticipated geopolitical events which may lead to unpreventable losses. The Board continues to closely monitor these risks and their mitigations.
Climate Risk	The Board expects the Company to proactively manage the potential impacts of climate-related risk drivers on its business and on the environment in which it operates, and expects the Company to meet sustainability requirements from a commercial, regulatory and stakeholder perspective.

Roles and Responsibilities



The Board is responsible for determining the Company's risk appetite. It has overall responsibility for the risk management framework and for ensuring that an adequate system of internal controls is maintained, which is appropriate for the Company's business and the risks to which it is exposed. The Audit and Risk Committee assists the Board with the oversight of all risk management activities.

PensionBee risk management roles, responsibilities and processes are defined to facilitate timely and transparent risk and control management and strong operational resilience. The Company adopts the 'Three Lines of Defence' model which ensures adequate checks and balances are in place for maintaining a fit-for-purpose risk management framework and enables the Company to operate within the risk appetite set by the Board. This model adopts the segregation of risk management activities and reporting lines, and it incorporates additional external assurance from reputable third parties. The key responsibilities of the Three Lines are described on the left.

First Line of Defence

All individuals and departments in the Company are considered to be the First Line of Defence, responsible for adhering to internal policies and applicable regulatory requirements. The First Line is accountable for identifying, assessing and managing risks, and for designing, operating and maintaining an effective system of internal controls. All employees are expected to operate effective controls in their roles, and to report any new risks, incidents or suspicious activity promptly. Department heads manage day-to-day business operations in accordance with the departmental procedures, and promote a risk mindset which fosters risk awareness, transparency and accountability.

Second Line of Defence

The Second Line of Defence consists of our Risk Management and Second Line Compliance Teams, as well as the Second Line Committees (the Risk Stakeholder Group and the Information Security Committee).

The Risk Management Team is responsible for maintaining the Company's risk framework and for oversight of the First Line's risk management activities. This includes assurance on the risk assessments and monitoring the adequacy of controls, in order to ensure that the residual risk exposures are within the risk appetite. The Risk Management Team manages the policy framework and oversees the First Line's annual policy reviews. They also report on the risk profile and our adherence to the risk appetite set by the Board.

The Second Line Compliance takes ownership of oversight for all matters related to regulatory and internal compliance. This includes ensuring that the Company has proportionate and risk-based regulatory policies, procedures and processes in place to be compliant with regulatory obligations, working with First Line to advise on regulatory developments and ensuring that business changes are implemented as required, and promoting awareness related to financial crime and Consumer Duty risks and requirements.

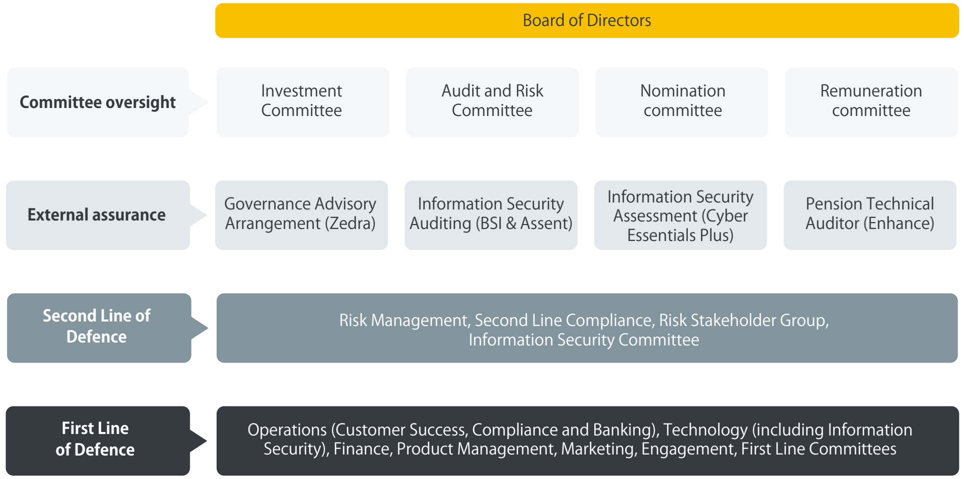
Third Line of Defence

External assurance providers, performing the independent reviews of our operating model and outcomes by assessment against industry or regulatory standards, are considered to be the Third Line of Defence. These external parties provide the Board with additional assurance over the effectiveness of the risk framework and they are appointed based on their sector expertise, for example, investment management, finance, regulatory compliance and information security expertise. Their reviews include independent checks of our strategy, systems and processes and the Audit and Risk Committee is kept up to date with the progress and outcome of these reviews. For the avoidance of doubt, the external auditor's ultimate duty is to shareholders.

Parties currently appointed to provide external assurance are shown in the governance diagram below. In addition, during 2024 and in line with the Company's ongoing growth, the Board will consider a number of external providers for an outsourced Internal Audit function with a direct reporting line to the Audit and Risk Committee. The Internal Audit function would be tasked with utilising a risk-based approach to evaluate and report on the effectiveness of risk management and governance within the Company. Additionally, they will be expected to provide assurance that appropriate controls and processes are in place and that they are functioning efficiently and effectively.

Policy and Governance

The overarching governance structure is designed to ensure the Board oversees the risk management framework and processes. As set out in the following diagram, the Board has established four sub-committees ('Committees') to assist it with the oversight of the Company. Each Committee is chaired by a Non-Executive Director. All Board members, select members of the Executive Management Team and the Company Secretarial function are invited to attend Committee meetings. The Chair of each Committee may also request a private meeting with the Second Line of Defence or the external assurance parties if required.



The Risk Stakeholder Group ('RSG') and the Information Security Committee ('ISC') provide oversight below the level of the Audit and Risk Committee. The Audit and Risk Committee and the Board are periodically kept informed of the meeting discussions and outcomes.

The RSG which meets monthly consists of the Executive Management Team, the VP Information Security, the VP Technical Solutions, the Head of Compliance and other senior managers as required. The RSG discusses the Monthly Risk Review topics including risk assessments considered against risk appetite and any relevant control improvement actions and projects. All materials and the outcome of the RSG meetings are shared with the Board. This year the RSG welcomed a visit by several Board members who observed the September 2023 meeting and shared their valuable insights.

The ISC meets three times a year and provides oversight of the effectiveness of the Information Security Management System ('ISMS'), including processes, risks and controls. The primary aim of the ISC is to ensure compliance to the ISMS, which is certified to the ISO 27001 information security standard, and to ensure continuous improvement. The Chief Executive Officer, Chief Financial Officer, Chief Risk Officer, Chief Technology Officer ('CTO') and the VP Information Security are members of the ISC.

The Second Line Compliance function was formally established during 2023, with responsibility for oversight of all matters related to regulatory and internal compliance. Its focus has been: working with the First Line to advise on the regulatory developments, ensuring business changes are implemented as required, strengthening our financial crime procedures, and the implementation of the FCA's Consumer Duty which sought to introduce higher standards of care for consumers.

We are focused on safe operation and ensuring that we make sound, risk-based decisions, including when managing changes to our business activities or products. A new Centralised Change Approval process was implemented in 2023 to ensure risks introduced by significant business changes are proactively identified and mitigated. The Product Steering Group, a First Line committee that includes stakeholders from across the business, meets weekly to coordinate change activities and approval requirements.

The Company maintains a set of internal policies which are reviewed annually. The Company policies are a set of internal requirements that establish the rules for the Company and help our employees to understand their responsibilities and the expectations on them. Where relevant, procedures are also documented that describe the operational processes necessary to implement and comply with the policies. All employees are responsible for ensuring they adhere to the Company policies at all times.

A Policy Governance Framework has been introduced this year as a new policy which details the Company's requirements for the creation, implementation and maintenance for the internal policies. It sets out the standards for policy content, responsibilities of policy owners, reviewers, approvers and oversight committees, and the steps required for approval of new and existing policies through the appropriate governance channels. All Company policies are stored in a policy portal and are managed and governed in accordance with the Policy Governance Framework.

Risk Identification and Assessments

We are focused on proactive risk management, ensuring we monitor on an ongoing basis and regularly assess the Company's risks. The PensionBee Risk Management Policy contains the requirements related to periodic risk and control assessments, which are required to be performed at least annually, and is also where any potential changes to the risk profile are captured. The Board, via the work of the Audit and Risk Committee, periodically reviews the Company's principal and emerging risks.

The risk taxonomy sets out Principal (or Level 1) Risk categories to which the Company is exposed. The risk and control reporting is aligned to Level 2 of the taxonomy, which enables the oversight of the full risk profile by the Audit and Risk Committee and the Board. The control environment is aligned to Level 3 of the risk taxonomy (as shown in the diagram below). This risk taxonomy overall ensures that there is completeness in the capture of risks, facilitates effective reporting and oversight, and ensures consistency of assessments across all risks. As such, during 2023 risk assessments were performed for 162 Level 3 risks, enabling consolidated reporting on the full risk profile across 43 Level 2 risk categories.

The risk assessments are performed for inherent and residual risks, i.e. before and after taking into account the existing controls and mitigating factors, in order to understand how effective the internal controls are. Where residual risks are assessed as 'outside' of risk appetite, steps are taken to bring those risks within acceptable bounds. The Audit and Risk Committee oversees progress with all relevant actions and projects.

The PensionBee Executive Management Team has documented the Company's perceived exposure to risk through the collation of a risk register, which is managed by the Risk Management Team. The risk register captures all risks and the assessments of the Company's exposures against the Board's risk appetite. The results of the risk and control assessments are reviewed to understand the levels of residual risks in order to address any unacceptable risks that have emerged.

Our risk and resilience frameworks enable us to anticipate possible adverse scenarios or events, prepare for them, withstand or absorb their impacts, recover from the effects and adapt to changing conditions. Our internal procedures are designed so that we can also respond and adapt to opportunities and take prompt and informed decisions with confidence.

When identifying external factors for our horizon scanning, we consider the potential emerging risks within the following categories: political, economic, social, technological, legal and environmental. When performing our analysis, we evaluate the threats and weaknesses against our existing control environment, as well as analysing our strengths and opportunities.

Areas of focus in 2023 have been cybersecurity, fraud prevention, change management, climate and sustainability, third party management and developments in regulation including the new Consumer Duty.

Risk Monitoring and Reporting

The Risk Management Team reports on the risks, mitigating controls and any additional measures required to reduce the risk exposures. A regular risk report ('Monthly Risk Review' or 'MRR') includes information on any emerging trends and tracks the control improvements being implemented in order to prevent risks from materialising. The MRR also provides an overview of policy reviews, incidents for the month, an update on the risk appetite-relevant open actions and a summary of the change management activities.

The MRR summarises the Second Line risk assurance activities during the month. These include the monthly checks of key financial and operational processes, relevant deep dive reviews and scenario analysis, incidents trends and root cause analysis, and other ad-hoc assurance activities. The report also includes highlights of Information Security risks and controls, information security incidents (including third party supplier related incidents), updates on progress of information security related assurance activities (such as ISO surveillance audits, Cyber Essentials and penetration testing), information security training updates and the overall progress with the information and cyber security programme. The MRR is presented to the Risk Stakeholder Group monthly, the Information Security Committee three times per year, and is shared with the Board monthly.

In addition, the Risk Management Team produces a risk report which is presented at each Audit and Risk Committee. This report, combined with topics raised at the Committee meetings, enables the Committee to effectively oversee the Company's risk profile and its approach to risk management.

The Audit and Risk Committee periodically reviews the entire risk profile across all Principal Risks, with extensive discussions during the meetings focused on the progress with control improvements for risks which are assessed as being outside of the risk appetite set by the Board. During 2023, a special Audit and Risk Committee working group session was dedicated to a deep dive into the Information Security risks and controls. The Board also receives a monthly update on the Second Line control assurance outcomes, as well as the details on progress with all risk and control related open actions and projects.

Risk Systems

Risk management systems play a crucial role in enabling us to identify, assess, monitor and mitigate risks.

We implemented a new internal support system, HappyFox, to streamline the IT help-desk and incident workflows and to improve our overall IT Service Management and Incident Management processes. This has resulted in a more coordinated approach between the Technology and Risk Management Teams. The system has also enabled a standardised and structured method for managing IT and business-related incidents, facilitated improved cross-departmental collaboration, enabled consistent escalation processes for incidents, provided more transparency and visibility of the end-to-end incident lifecycle for audit trail purposes, and improved incident reporting which now includes additional metrics, root cause and trend analysis.

Towards the end of 2023, the Company onboarded new governance, risk and compliance software, RiskSmart, to support scalability as the Company grows, by facilitating the consistent embedding of a structured Risk and Control Control Self Assessments process, enhancing the policy governance, automating the risk reporting and promoting the risk culture through its user-friendly interface. The platform will also improve communication and efficiency through its automated workflow management and its ability to integrate with other systems.

Information Security Risk Management Framework

PensionBee is focused on evolving the Information Security risk management framework and related processes and investing appropriate resources in ensuring the Company's digital assets and its customers' data are protected.

Approach

We use a risk and threat driven approach to ensure our information security controls are adequately designed and implemented. By using this approach, we understand the risks to our assets and the threats that these assets are exposed to, which in turn allows us to protect them more effectively.

The approach is driven by our 'BeeSecure' information security strategy, which is underpinned by four key pillars:

- BeeAware - focuses on security culture and raises awareness across the entire organisation to ensure Information Security risk is everyone's responsibility. A key component of BeeAware is to simplify security concepts and raise awareness using a human-centric approach.
- Threat Prevention, Detection and Response capability - focuses on increasing observability of the technology estate (including third party applications where necessary), and responding to anomalies or malicious behaviour in a timely manner.
- Integration with the business - focuses on integrating with the business, so that systems, applications and any new processes are built with a secure-by-design approach, and Information Security requirements and risks are addressed during inception of new initiatives and projects.
- Security Assurance - focuses on providing adequate assurance that security controls are operating effectively and efficiently (including third party supplier controls).

Our Information Security Team uses real-life scenarios to create plausible cyber security and data compromise simulations, in order to proactively manage cyber risk.

Framework and Governance

The VP Information Security is responsible for the Information Security Management System ('ISMS'), which includes the delivery of the BeeSecure programme. This is overseen by the CTO, who has ultimate accountability for information security at PensionBee.

PensionBee maintains a comprehensive ISMS, which is certified to the internationally recognised ISO 27001 information security standard. We completed successful recertification of the ISO 27001 standard in November 2023. We also hold the Cyber Essential Plus ('CE+') certification, which relates to a government-backed scheme that helps organisations improve cyber security controls.

The BeeSecure programme has been developed using the National Institute of Standards and Technology Framework ('NIST'), which complements ISO 27001 and is one of the leading frameworks to help manage and mitigate cyber security risk.

The three frameworks used, ISO 27001, NIST and CE+, complement each other and ensure comprehensive coverage of controls for information and cyber security.

Security metrics in the form of key performance indicators ('KPIs') are reviewed by senior stakeholders at the Information Security Committee, and are used to measure the progress of the ISMS against its objectives to ensure we remain focused on continuous improvement.

Information Security Culture

The Information Security Team conducts regular email phishing exercises across the Company. The results are reported at Company-wide Show N Tell meetings to ensure transparency and visibility to all employees.

The security training and awareness programme is delivered in different forms, including via interactive training, regular notifications of significant data breaches across the globe, and personalised classroom training which includes plausible cyber incident scenarios. As a result, we saw a significant decrease in the email phishing campaign fail rate KPI, from 22% in May 2022 to 2% in August 2023. This was a positive result especially as email phishing is still considered the most effective method to conduct a cyber attack.

In addition, the Executive Management Team participated in the bi-annual Cyber Breach Exercises to test and refine the Company's cyber response plan.

Data Security and Privacy Controls

The security of our online application and ensuring that our customers' personal data is well-protected are of paramount importance. The data is protected at rest, in transit and in use, through a defence-in-depth approach.

All communications and the flow of data between our customers' browsers and our website is secured using 128-bit TLS encryption, to ensure that only people authorised to view personal information can do so. Information is stored in secure databases and data segregation between systems is also in place.

All data centres are compliant with multiple internationally recognised standards and information security frameworks, such as ISO 27001, SOC 2 Type II, UK Cyber Essentials Plus, NIST and PCI DSS.

Our security controls are tested on an annual basis by independent experts, and PensionBee maintains certification to the ISO 27001 standard for information security management systems. Our systems undergo regular security penetration testing and regular vulnerability assessments as a part of certifying to the Cyber Essentials Plus scheme.

Customers are additionally protected from identity fraud and account compromise using a variety of techniques including digital customer identity verification, which incorporates a cutting-edge facial similarity check and bank account verification. PensionBee also made multi-factor authentication mandatory for all customers in the second quarter of 2023.

Resilience

During 2023 we strengthened our operational resilience through the enhancement of a number of risk-focused policies which govern the planning, testing, operation and monitoring of controls to manage our ability to prevent, adapt, respond to, recover and learn from operational disruptions. This includes the PensionBee Risk Management, Information Security, Incident Management, Business Continuity and Third Party Management Policies.

Our Business Continuity Plan and cyber breach planning exercises were successfully conducted this year to ensure that our critical functions could continue to operate under stress and during disruptions.

The goal of these drills was to identify any potential weaknesses in the Company and to validate the effectiveness of the strategies and procedures put in place to maintain essential operations.

We also introduced the Centralised Change Management process to ensure all significant changes are implemented in a structured manner and only once relevant internal stakeholder sign-offs have been provided.

Given our increasing focus on maintaining safe operations and meeting and exceeding the expectations of our customers, regulators and other stakeholders, Resilience was added as one of the Company's Strategic Pillars, supporting our mission to focus on protecting our systems and service for our customers through effective risk management, adapt to change and uncertainty, and enable the safe growth of our business.

As we believe full resilience cannot be achieved with a siloed approach, we adopted a holistic approach. Our definition of Resilience therefore expanded from a more narrow focus on maintaining critical services, to embodying the entire Company across technology, finance, people, facilities and operational processes. The key Resilience components below are broadly aligned with the Principal Risks, and we will continue the embedding process throughout 2024.

Resilience Area	Cross-functional Capabilities
Financial Resilience	• Maintaining a solid financial position to enable the Company to weather rapid drops in Revenue, increased costs or credit issues.
Operational Resilience	• Maintaining robust operational capacity and the provision of services to customers that can pivot to meet changes in demand or remain stable in the face of operational disruption, all without sacrificing quality. • Ability to keep pace with customer needs, competitive demands, and regulatory requirements. • Capability to maintain quality customer service even under stress, including failure of third parties, natural catastrophes, geopolitical events, economic downturns and technological disruptions.
Regulatory Resilience	• Ensuring capacity and flexibility to adapt quickly to future regulatory changes as they emerge. • Ensuring future short-term responses and implementations do not have a negative long-term impact. • Maintaining an open dialogue with our regulators. • Upholding the highest standards including Consumer Duty and ensuring best practice.
Technological Resilience	• Ensuring secure and flexible infrastructure to manage cyber threats and avoid technology breakdowns. • Maintaining data in ways that respect privacy and remain compliant with all regulatory requirements. • Implementing IT projects to high standards , on time and within budget. • Maintaining robust business continuity and disaster recovery capabilities.
Strategic Resilience	• Ensuring the business strategy can adapt to dynamic and uncertain environments including significant shifts in customer preferences, the competitive landscape, technological evolution changing regulation. • Continuous innovation, valuing entrepreneurship and the ability to excel in a crisis.
Climate Resilience	• Looking at the Company holistically and understanding possible risks and opportunities given the current business model and strategies, and adapting them dynamically. • Creating an ESG roadmap and developing action plans for climate emergencies. • Using qualitative and quantitative approaches to manage exposure to climate risk under all relevant scenarios. • Building capabilities to integrate climate risk into decision-making.
Cultural Resilience	• Attracting and developing talent in areas critical to our future growth. • Fostering a diverse workforce where everyone feels included and can perform at their best. • Implementing strong people processes that are free of bias and maintaining robust succession plans throughout the Company. • Maintaining an empowering culture and putting in place thoughtful rules and standards that promote agile decision-making and customer focus.
Reputational Resilience	• Aligning our actions and words with the Company values. • Flexibility and openness in listening to and communicating with stakeholders, anticipating and addressing societal expectations, and genuinely responding to criticism and complaints. • Holding ourselves accountable for our actions, brand promise and our stance on ESG issues.

Principal Risks and Uncertainties

Principal Risks

We have identified six top-level risks which could potentially have a material adverse impact on the Company's business or long-term performance, and if not appropriately mitigated they could result in unfavourable public perceptions of the Company's business prospects and cause significant reputational damage. These risks could arise from internal or external events, acts or omissions. The risks mentioned below do not purport to be exhaustive, as there may be additional risks that the Company has not yet identified or has deemed to be immaterial.

Regulatory Risk

Our business is subject to risks relating to changes in UK government policy and applicable regulations. Whilst we have historically been beneficiaries of favourable regulatory changes, including through the introduction of Automatic Enrolment and Pension Freedoms, any regulatory changes which are negative for our business could have a material adverse effect on our prospects.

PensionBee's operations are subject to authorisation and supervision from the Financial Conduct Authority ('FCA'), and supervision from HMRC and the Information Commissioner's Office. PensionBee may fail, or be held to have failed, to comply with regulations. Such regulations and approvals may change making compliance more onerous and costly. If the FCA or other regulators concluded that PensionBee had breached applicable regulations, this could result in a public reprimand, fines, customer redress or other regulatory sanctions. PensionBee must also comply with relevant regulatory capital and liquidity requirements.

We may be subject to complaints or claims from customers and third parties in the normal course of business. If a large number of complaints, or complaints resulting in substantial customer and third party related losses, were upheld against PensionBee, it could have a material adverse effect on our business and financial condition.

Information Security Risk

PensionBee faces various risks related to the confidentiality, availability and integrity of our IT systems.

We hold confidential and personal data, which is subject to strict data protection and privacy laws in the UK, including the Data Protection Act and UK GDPR. The loss or misuse of data could result in a material loss of business, financial losses, regulatory enforcement actions and significant harm to our reputation. If our information security processes, policies and procedures relating to personal data are not fully implemented and adhered to by our employees, or if any of our third party service providers fail to manage data in a compliant manner, we could face financial sanctions and reputational damage.

Furthermore, our operations are susceptible to cybercrime and loss or theft of data. Failure to prevent such actions, including circumvention of our information security processes, policies and procedures, could result in financial losses, business interruption and unauthorised access or disclosure of personal data.

There is also a risk of ineffective controls, or control failures, that are in place to ensure our technology architecture is fit for purpose, including the infrastructure required to support applications, networking, hardware and software, resulting in our inability to meet the standards required to deliver to internal and external user expectations.

Operational Risk

During the regular course of business, we may be exposed to adverse financial or reputational impact due to inadequate or failed internal processes, people performance or IT systems, or due to third-parties or external events. Key operational process risks are linked to our customer service, banking, finance, marketing and change implementation processes. Operational Risk also includes our risks in the areas of human resource management, risk management and internal governance.

PensionBee is dependent on third-party technology and financial services providers for the provision of asset management, banking and technology services. Any termination, interruption or reduced performance of the services provided by these third parties could negatively impact the provision of our services and have a material adverse effect on our reputation and profitability.

Our operational infrastructure and business continuity may be affected by other failures or interruption from events, some of which are beyond our control. Our systems and the systems of our third-party providers may be vulnerable to fire, flood and other natural disasters, power loss or telecommunications or data network failures, improper or negligent operation by employees or service providers, unauthorised physical or electronic access, or other causes. There is no guarantee that our preventative measures would protect us from all potential damage arising from any of the events described above.

Financial Risk

Market Risk

Our business may be adversely affected by negative sudden or prolonged fluctuations in global capital markets. We generate the vast majority of Revenue in the form of fees charged on a recurring basis calculated by reference to the value of our Assets under Administration. Our Revenue and profitability are therefore directly influenced by the health of the global capital markets. A general deterioration in the global economy and a resulting decline in capital markets, or an increase in volatility, may have a negative impact on the value of our customers' pensions and their overall confidence to make new contributions to, or to consolidate new pensions into, their PensionBee pension.

Credit Risk

PensionBee is dependent on third-party financial services providers for the provision of asset management and banking services. We are reliant upon these third parties for the safekeeping of our own and our customers' assets. A default by one of these third parties would have a material adverse effect on our reputation and financial position.

Strategic Risk

The pensions market is competitive and there is no guarantee that we will be able to continue to maintain the growth levels we have achieved to date, nor that we will be able to maintain our financial performance either at historical or anticipated future levels. Our competitors include a variety of financial services firms and our market is characterised by ongoing technological progression, including of the underlying infrastructure and user experience. There is no guarantee that we will continue to outpace our competitors. In addition, the pension market remains cost-sensitive and competitors could materially undercut our fees, thereby generating pressure on our revenues. Any failure to maintain our competitive position could lead to a reduction in revenues and profitability as well as lower future growth.

We are dependent upon the experience, skills and knowledge of our Directors and our Executive Management Team to implement our strategy. The loss of a significant number of Directors, Executive Management and/or other key employees, or the inability to recruit suitably experienced, qualified and trained staff as needed, may cause significant disruption to our business and the ability to achieve our strategic objectives.

Climate Risk

As climate change intensifies, dangerous weather events are becoming more frequent and more severe. More frequent and intense droughts, storms, heat waves, rising sea levels, melting glaciers and warming oceans can directly harm life and wreak havoc on people's livelihoods and communities. These significant shifts in the global climate have a potential to adversely affect our employees, customers and other stakeholders, and have broader implications on economic, social and cultural assets.

Physical risks from increased variability and extremity of climatic conditions can reduce the value of certain assets and income streams. Climate change could also affect monetary policy by slowing productivity growth (for example, through damage to health and infrastructure) and heightening the uncertainty and inflation volatility. This can justify the adaptation of monetary policy to the new challenges. Any of these changes could in turn have a material adverse effect on our business and financial position.

Summary of Risks and Mitigations

Through the risk management processes described above, we have taken the appropriate steps to manage risk in accordance with the Board's risk appetite. The summary of the key mitigating factors is presented below.

Principal Risk	Risk Definition	Key Mitigations
Regulatory Risk	The risk of regulatory sanctions, material financial loss, or reputational damage the Company could suffer as a result of its failure to comply with applicable laws, regulations, rules, or related internal standards and codes of conduct	• Maintaining a robust risk management framework and a set of internal policies which are reviewed regularly • Ensure adequate staff training and communication for key policies and procedures • Comprehensive second line assurance programme in place providing oversight over the effectiveness of regulatory compliance and related controls • Robust change approval process requiring regulatory compliance checks • Regulatory capital and liquidity planning and monitoring through the Finance function • Regular interactions with industry bodies to proactively monitor trends • Values-based culture and strategy centred around Consumer Duty
Information Security Risk	The risk of data loss, theft or disruption of information systems both internally and throughout the supply chain, which impacts confidentiality, integrity and availability	• Regular Data back-up and restoration testing to allow for recovery in the event of cyber attack or corruption of data • Proactive technical and analytical vulnerability assessment and mitigation • Monitoring key third party services and performance metrics as part of the ISMS • Ongoing infrastructure assessments against business requirements • Ongoing compliance and certification to ISO 27001 and Cyber Essentials Plus • Ongoing monitoring of compliance with applicable regulation and legislation in respect of Data Protection • Maintaining a robust policy set and controls to keep information secure • Frequent training for all employees to promote a culture of security awareness • Continuing to invest in the Information Security Programme in order to mitigate the evolving cyber risks • Robust business continuity plans in place for critical assets and functions, which are tested regularly • 24x7 / 365 threat detection, monitoring and response on critical assets to detect and prevent malicious behaviour proactively and reactively
Operational Risk	The risk of loss, disruption of business or adverse regulatory action resulting from inadequate or failed internal processes, people performance, systems, or due to third parties or external events	• Implementing automation to reduce manual processing • A comprehensive set of internal controls, operational procedures and Company policies • Periodic training for all employees and specialised training for customer service teams • Structured performance management for all employees and formalised succession planning for key roles • Robust external supplier selection and due diligence process with ongoing monitoring of key suppliers • Effective internal governance to adequately oversee and challenge the risk positions • Maintaining a risk-aware corporate culture based on accountability and transparency

Principal Risk	Risk Definition	Key Mitigations
Financial Risk	The risk of the Company's inability to fulfil its financial obligations or internal objectives due to loss of revenue resulting from adverse price movements in the capital markets, or the impact of worsening creditworthiness or default of a key financial partner	• Geographic and asset class diversification of the plans • Recurring Revenue from long-duration assets • Financial planning based on scenario analysis • Partnering with only large and reputable asset managers and banking institutions • Internal controls in place monitoring capital quality and reserves • Robust processes in place to ensure the integrity of financial data
Strategic Risk	The risk of failures in strategic planning and execution leading to the Company not achieving its core objectives	• Core objectives calibrated using customer and regulatory trends and feedback • Robust strategic change management internal controls in place • Employing agile product development and deployment cycles
Climate Risk	The risk of negative impact of climate change or its broader economic, financial and societal consequences on the Company, or the Company's failure to meet sustainability requirements from a commercial, regulatory or stakeholder perspective	• Small physical footprint, remote working, cloud-based technology • Risk transfer policies • Ongoing monitoring of regulatory compliance • Screenings applied in our funds to reduce harmful exposures (Tailored Plan, Fossil Fuel Free Plan, Impact Plan) • Using asset managers, banking and cloud providers that have robust business continuity plans in place • Clearly assigned climate risk-related roles and responsibilities • Monitoring climate risks faced today and under future scenarios

14 Viability Statement

In accordance with provision 31 of the UK Corporate Governance Code, the Board has assessed the viability of PensionBee Group plc and its subsidiary PensionBee Limited (together the 'Group') for the four-year period to December 2027, considering this to be an appropriate period over which to assess the Group's strategy and its capital requirements, considering the investment needs of the business and the potential risks and uncertainties that could impact the Group's ability to meet its strategic objectives. The Board considers a four-year period to be an appropriate time frame because it would likely capture the length of a potential downside business cycle and provide sufficient time to identify and execute mitigating actions required to address the stress test scenarios as outlined below.

This assessment has been made giving consideration to the financial position, regulatory capital and liquidity requirements of the Group (as set out on pages 52 to 57 of the Operating and Financial Review within the Strategic Report), in the context of the Company's strategy, business model and medium-term business plan, together with an assessment of the principal risks and uncertainties (as set out on pages 90 to 101 of the Managing our Risks section of the Strategic Report). Such risks have been categorised into Regulatory Risk, Information Security Risk, Operational Risk, Financial Risk, Reputational Risk, Strategic Risk and Climate Risk, in accordance with our risk management framework.

PensionBee Limited is an FCA regulated entity and therefore is required to hold appropriate levels of own funds which are at all times in excess of its Liquid Capital Requirement and other capital requirements.

The Board-approved medium term plan assumes the business continues to grow Invested Customers and AUA through continued investment in its customer proposition, marketing, people and technology. It is assumed that there are no significant or prolonged market movements in underlying asset values from the time the plan was approved by the Board.

The Board has also considered the potential impact of the following stress test scenarios, which together represent a severe and unlikely, but possible scenario. The stress test scenarios would impact the plan from 2024 onwards:

- Financial Risk (Market Risk) - A material reduction in global equity markets as a result of global macroeconomic uncertainty (such as geopolitical disruptions, persistent inflation and a high interest rate environment) and prolonged equity market volatility has been assumed over the forecast period. More specifically, the analysis assumed a significant decline in the global equity markets, falling by 50% in the first year and remaining depressed until 2025, with a linear recovery to the pre-crisis level assumed for the remainder of the forecast period.
- Information Security Risk - The materialisation of a confidentiality, availability or integrity event that undermines our reputation and reduces conversion and reduces average pension pot sizes. The analysis assumed a material reduction in the customer conversion rate and average pension pot size of newly acquired customers over the forecast period, whereby they would decrease Assets under Administration by 10%.

In the event that such modelled scenarios were to manifest, the Board has identified a number of potential mitigating actions that management could take. The primary lever for consideration would be the reduction of discretionary marketing expenditure and the implementation of fixed cost savings. The Board considers this approach to be reasonable, especially given that the Group's financial position has strengthened further over 2023 (in light of it achieving ongoing Adjusted EBITDA profitability in the fourth quarter of 2023) and given the strength of PensionBee's positioning within the UK competitive landscape. The results of the modelling have confirmed that the Group would be able to withstand the adverse financial impact of these aforementioned scenarios occurring together over the four-year assessment period and that it would continue to be able to meet its liabilities and capital requirements.

The Group's medium term plan underwent rigorous review and was approved by the Board in December 2023. The stress test scenarios and associated mitigating actions were reviewed in February 2024 and were subsequently approved in March 2024. The Directors confirm that they have a reasonable expectation that the Group will be able to continue to operate and meet its capital requirements and liabilities as they fall due over the four-year period to December 2027.

The Strategic Report was approved by the Board on 13 March 2024 and signed on its behalf by:

Romi Savova
Chief Executive Officer
13 March 2024

Corporate Governance Report

1 Chair's Introduction to Governance

Mark Wood CBE
Non-Executive Chair

Dear fellow shareholder,

On behalf of the Board, I am pleased to present our Corporate Governance Report for the year ended 31 December 2023, which details our approach to corporate governance and describes areas of focus for the Board during 2023.

Customers

We exist to help our customers achieve a happy retirement. Correspondingly, we vigorously support the Financial Conduct Authority's ('FCA's') regulatory framework entitled 'Consumer Duty', which sets high and clear standards of consumer protection across financial services requiring firms to put their customers' needs before all other considerations, as we do.

Ensuring that we continue, both operationally and culturally, to adhere to the Consumer Duty principles, has occupied the Board and the Audit and Risk Committee throughout 2023. Consumer Duty review and oversight were incorporated into the terms of Schedule of Matters Reserved for the Board and the Audit and Risk Committee Terms of Reference respectively. We were pleased to appoint Michelle Cracknell, the Chair of the Audit and Risk Committee, as our designated Non-Executive Director Consumer Duty Champion. Michelle's extensive industry experience, including her experience as the CEO of The Pensions Advisory Service, has amply equipped her for the role.

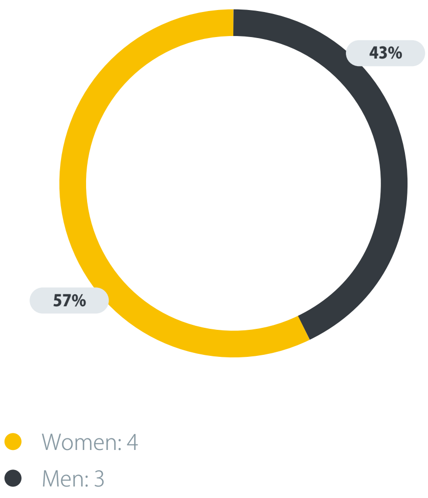
Board Composition and Succession Planning

Our Nomination Committee has vigilantly ensured that the Board is equipped with the optimal blend of skills, knowledge and experience, coupled with diversity of thought to effectively oversee the execution of the Company's strategy, the performance of the Company and to chart its course going forward. The Nomination Committee, drawing on the outputs of the Board evaluation process, confirmed that the composition of the Board was appropriate for this stage in the Company's development, with no further appointments currently required.

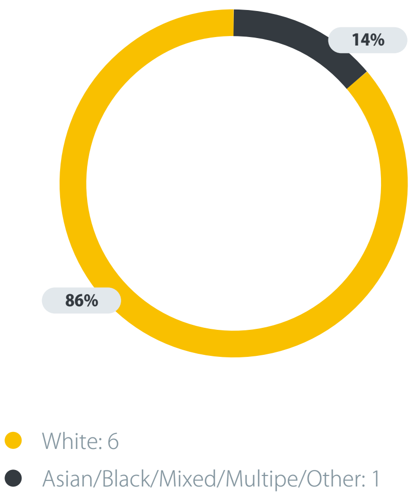
The Company has maintained a 57% female representation and a 14% Asian/Black/Mixed/Multiple/Other ethnic representation across its Board.[1] Two senior Board positions continued to be held by women, with Mary Francis in the role of Senior Independent Director and Romi Savova the Chief Executive Officer. We are therefore happy to report that as at 31 December 2023, the Company continued to comply with the board diversity targets as set out in the FCA's Listing Rules.[2] During 2023, the Nomination Committee reviewed updates to the Company's Diversity, Inclusion and Equality Policy, available on our website, setting out details of the Board's diversity policy, implementation and reporting.[3] Further details are set out on pages 122 to 125 of the Nomination Committee Report within the Corporate Governance Report and on pages 36 to 47 of the Our People section of the Strategic Report.

1. Supported by analysis from PensionBee's HR information system, December 2023.
2. Chapter 9 of the Listing Rules, specifically LR 9.8.6R(9) states that at least 40% of individuals on the board should be women, at least one at least one of the senior positions on the board (chair, chief executive, senior independent director, or chief financial officer) should be held by a woman, and at least one individual should be from a minority ethnic background. At PensionBee, the Chief Executive Officer role has been filled by a woman since the Company's inception in 2014, the Senior Independent Director role has been filled by a woman since November 2020 and there has been one board member from a minority ethnic background since April 2022.
3. PensionBee Diversity, Inclusion and Equality Policy can be found at pensionbee.com/investor-relations/esg.

PensionBee Board Gender Representation



PensionBee Board Ethnicity Representation



The Nomination Committee's 2023 agenda included consideration of both Non-Executive and Executive Director succession plans in the context of the ongoing needs of the business.

The Chief Executive has identified high-performing individuals at both the Executive and senior management levels. The resultant succession plan demonstrates that the Company's talent pool has strength and depth across the business, providing operational resilience.

Further details of our leadership team can be found on pages 107 to 113 of the Board of Directors and Executive Management section of the Corporate Governance Report. Further details relating to succession planning are set out on pages 122 to 125 of the Nomination Committee Report within the Corporate Governance Report.

Board Evaluation and Effectiveness

For 2023, we completed an internally facilitated evaluation process reviewing the performance of the Directors, the Board as a whole, its Committees and its Chair and Senior Independent Director. The results of the evaluation indicated that the Board and Committees continue to operate effectively with strong, professional and constructive relationships between the Non-Executive and Executive Directors. Themes that surfaced and resulting actions that have been identified will form a development plan for 2024.

The UK Corporate Governance Code 2018 requires FTSE 350 companies to have an externally facilitated board evaluation at least every three years. The Company is not currently a member of the FTSE 350 and therefore not subject to this Code provision. Nonetheless, we will keep this under review and may choose to adopt an externally facilitated Board evaluation in due course.

Further detail relating to the Board evaluation process, including the progress that has been made against the prior year's action points, is set out on pages 122 to 125 of the Nomination Committee Report within the Corporate Governance Report.

Environmental, Social and Governance

As set out in my Chair's Statement, we believe that effectively managing our Environmental, Social and Governance ('ESG') priorities will help drive long-term value for all our stakeholders. Our approach to ESG and our continued initiatives in this area resulted in our admission to the FTSE4Good UK Index at the end of 2023. We are proud to have met the criteria for inclusion in an index tool used by investors seeking to invest in companies that demonstrate good sustainability practices.

However, we cannot become complacent. Continuing to engage with and be accountable to our stakeholders will help ensure that this is not the case, particularly given our public net zero commitments. This also underscores the importance of our disclosures under the Sustainability Accounting Standards Board, Workforce Disclosure Initiative, Streamlined Energy and Carbon Reporting ('SECR') framework and Task Force on Climate-related Financial Disclosures ('TCFD') framework.

Concerning the topic of disclosure, during 2023 we received correspondence from the Financial Reporting Council (the 'FRC') notifying that the Company's Annual Report and Financial Statements 2022 had been included in the sample used for a thematic review covering climate-related metrics and targets and net zero plans. I am pleased to report that the correspondence confirmed that based on the FRC's review, there were no questions or queries it wished to raise.[4]

Further details on our ESG activities can be found on pages 60 to 76 of the ESG Considerations section of the Strategic Report and the TCFD and SECR can be found on pages 77 to 89 of the Climate-related Disclosures section of the Strategic Report. Information relating to how we engage with our employees, shareholders and all our other stakeholders is set out on pages 36 to 47 of the Our People section of the Strategic Report and pages 60 to 76 of the ESG Considerations section of the Strategic Report.

4. The FRC letter dated 7 October 2023 provides no assurance that the Company's Annual Report and Financial Statements 2022 were correct in all material respects. The FRC's role was not to verify the information provided but to consider compliance with reporting requirements.

Culture

As part of the Board's evolving colleague engagement programme, during 2023, Directors were provided with further opportunities to see the Company's vision and values in practice. Directors attended operational deep dive employee engagements where we saw first hand how the values-based culture has been embedded into day to day operations to achieve the Company's strategic goals. This insight strengthens the Board's consideration of the Company's vision and values when it makes strategic decisions. The values-based culture is embedded into performance management and the Remuneration Committee reviews the Remuneration Policy to ensure that incentives continue to align appropriately.

Risk

Protecting the retirement savings that our customers have entrusted us with, protecting their data and providing an uninterrupted service is of paramount importance. We recognise that cyber security threats will, unfortunately, continue to increase in sophistication and persistence. Accordingly, the addition of a sixth strategic pillar, Resilience, to our planning process demonstrates our on-going commitment to managing risk.

During 2023, the Board received regular updates from the Risk Stakeholder Group and the Information Security Committee, as well as cyber security training. In addition, the Board, with the support of the Audit and Risk Committee, oversaw the implementation of the Risk Governance Framework supported by a revised PensionBee Risk Management Policy. The Risk Governance Framework supports the Board and the Management Team in discharging their regulatory and corporate responsibilities, providing a robust governance structure with well-defined and transparent Board standards for risk management.

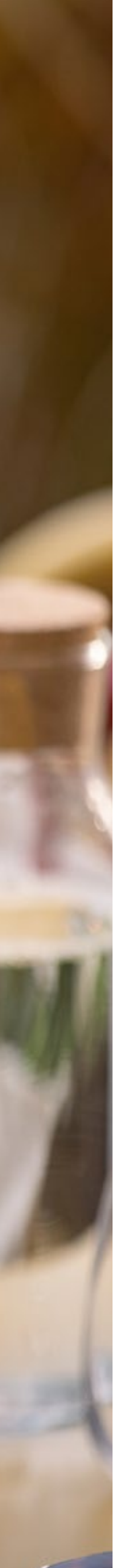
Further details of our new Resilience pillar, risk management framework and initiatives in this area are set out on pages 90 to 101 of the Managing our Risks section of the Strategic Report.

Conclusion

Further details setting out how the Board has discharged its corporate governance responsibilities during the year are set out in this Corporate Governance Report.

The Board looks forward to welcoming shareholders to the Company's Annual General Meeting ('AGM'), which will be held on 16 May 2024. The Notice of the 2024 AGM will be distributed to shareholders and made available on the Company's website.

Mark Wood CBE
Non-Executive Chair
13 March 2024



2 Board of Directors and Executive Management

Mark Wood CBE

Non-Executive Chair

Committee Membership:
Investment Committee (Chair), Nomination Committee (Chair), Remuneration Committee

Date of Appointment: February 2021

External Appointments:

- Non-Executive Chair, Utility Bidder Limited[5]
- Non-Executive Chair, Ondo InsurTech Plc
- Chair, Everest Funeral Concierge (UK) Limited
- Non-Executive Chair, Acquis Insurance Management Limited
- Senior Independent Director, RAC Group Limited[6]
- Non-Executive Chair, Digitalis Reputation Limited
- Non-Executive Chair, Walbrook Advisors Limited
- Trustee, The Gregory Centre for Church Multiplication
- Chair, Multiple Sclerosis Society Research Appeal Board
- Operating Partner, Advent International
- Senior Advisor, Warburg Pincus
- Senior Advisor, Investec

Career and Experience:
Mark Wood CBE has had a long and distinguished career, serving as Chief Executive of some of the country's largest financial service companies, including Prudential UK & Europe and Axa UK. Mark is a regular commentator in the press on pensions and insurance.

He has been at the helm of several financial services and technology start-ups, including Paternoster, a regulated insurance company which he founded in 2005. Mark is a qualified Chartered Accountant.

Mark was previously the Chairman of the NSPCC and was awarded a CBE in 2017 for services to children. He now serves as Chair of the Multiple Sclerosis £100m Research Appeal Board.

5. Including subsidiary appointments.
6. Including subsidiary appointments.

Mary Francis CBE

Senior Independent Director
Director responsible for Employee Engagement

Committee Membership:
Audit and Risk Committee, Investment Committee, Nomination Committee, Remuneration Committee (Chair)

Date of Appointment: February 2021

External Appointments:

- Non-Executive Director, Barclays plc and Barclays Bank plc
- Member of the UK Takeover Appeal Board
- Senior Adviser, Chatham House

Career and Experience:
Mary Francis CBE has extensive and diverse board-level experience across a range of industries, including previous Non-Executive Directorships at the Bank of England, Alliance & Leicester, Aviva, Centrica and Swiss Re Group.

Through her former senior executive positions with HM Treasury, the Prime Minister's Office, and as Director General of the Association of British Insurers, Mary brings strong governance values to the Board, a strong understanding of the interaction between public and private sectors, and skills in strategic decision-making and reputation management.

Mary was awarded a CBE in 2006 for her services to business.

Michelle Cracknell CBE

Independent Non-Executive Director
Consumer Duty Champion

Committee Membership:
Audit and Risk Committee (Chair), Investment Committee, Nomination Committee, Remuneration Committee

Date of Appointment: February 2021

External Appointments:
- Chair, Fidelity Wealth Management Limited[7]
- Independent Non-Executive Director, Fidelity Holdings (UK) Limited, Financial Administration Services Ltd[8]
- Non-Executive Director and Trustee, Lloyds Banking Group Pensions Trustees Limited
- Independent Non-Executive Director, Just Group Plc[9] Non-Executive Director, Sport England

Career and Experience:
Michelle Cracknell CBE has a portfolio career as a Pension Trustee and Non-Executive Director. She has over 30 years' experience in pensions and retirement planning, including most recently as the Chief Executive of the Pensions Advisory Service. During her time there she significantly grew the number of customers and increased the channels offered, transforming the service to provide greater support on pension freedom legislation, pension scams and transfers from pension schemes.

Michelle started her career at a financial advice business where she became a shareholding Director prior to selling it to Aegon, and subsequently worked as a Strategy Director at Skandia/ Old Mutual. Michelle is a qualified Pensions Actuary.

Michelle was awarded a CBE in 2019 for her services to the pensions industry.

7. Including subsidiary appointments.
8. Including subsidiary appointments.
9. Including subsidiary appointments.

Lara Oyesanya FRSA

Independent Non-Executive Director

Committee Membership:
Audit and Risk Committee, Investment Committee, Nomination Committee, Remuneration Committee

Date of Appointment: April 2022

External Appointments:
- Group General Counsel, Chief Legal Officer and Company Secretary, WorldRemit Group Limited
- Trustee, Shaw Trust
- Co-opted Member, Committee on Benefactions, External and Legal Affairs, a Committee of the University of Cambridge

Career and Experience:
Lara Oyesanya FRSA is the General Counsel and Company Secretary at Zepz Group and has extensive legal, regulatory and commercial experience across multiple industries, as well as significant compliance, governance and data privacy expertise. She was previously General Counsel and Chief Risk Officer at Contis Group and has held a number of senior roles at FTSE 100 and financial services businesses including Klarna and Barclays.

Lara is a barrister of the Supreme Court of Nigeria and a Solicitor of the Senior Courts of England and Wales. She is a member of the Nominating and Governance Committee, Plan International Worldwide. Additionally, Lara is a co-opted Member, Committee on Benefactions and External and Legal Affairs, a committee of the University of Cambridge Council, advising the Vice Chancellor.

Romi Savova

Chief Executive Officer (Executive Director)

Committee Membership:
Investment Committee, Nomination Committee

Date of Appointment: February 2021

External Appointments:
- Director, PensionBee Trustees Limited
- Advisory Board Member, Fintech Growth Fund
- Director, Seen on Screen

Career and Experience:
Romi Savova founded PensionBee in 2014 to simplify pension savings in the UK, following a difficult pension transfer experience of her own. As the Chief Executive Officer, she has led the company on its journey from startup to household name and publicly listed company.

Prior to founding PensionBee, Romi worked at Goldman Sachs, Morgan Stanley and Credit Benchmark, holding varied roles in risk management, investment banking and financial technology. Romi received an MBA from Harvard Business School as a George F. Baker scholar and graduated summa cum laude from Emory University.

Jonathan Lister Parsons

Chief Technology Officer (Executive Director)

Committee Membership:
None

Date of Appointment: February 2021

External Appointments:
- Director, PensionBee Trustees Limited

Career and Experience:
Jonathan Lister Parsons co-founded PensionBee with Romi in 2014. In his role as the Chief Technology Officer, he is passionate about bringing customers' pension experience into the 21st century, and using technology to transform pension transfer processes that typically take months to a five-minute process on a smartphone. Jonathan champions a tech-forward culture within the business, aiming to raise the level of technology literacy among employees, and creating opportunities for people to develop technical skills as they move through different roles in their career at PensionBee.

Prior to co-founding PensionBee, Jonathan founded a digital consultancy, Penrose, and worked at British Telecom. Jonathan holds an MSci in Experimental and Theoretical Physics from the University of Cambridge.

Christoph J. Martin

Chief Financial Officer (Executive Director)

Committee Membership:
None

Date of Appointment: June 2022

External Appointments:
None

Career and Experience:
Christoph J. Martin is the Chief Financial Officer of PensionBee, having joined the Company in 2019. He is Responsible for financial reporting, and business planning at PensionBee. Christoph regularly engages with the public markets, including PensionBee's investors, to communicate the Company's financial objectives.

Christoph previously worked in private equity investment at Providence Equity Partners, focusing on investments in technology, media, telecommunications and education. Prior to that he worked in mergers and acquisitions, covering financial institutions at Morgan Stanley. Christoph holds a BSc in Business Administration from WU Vienna.

Lisa Picardo

Chief Corporate Officer

Joined PensionBee: March 2020

External Appointments:
- Founding Member, Breast Cancer Now Development Board

Career and Experience:
Lisa Picardo is the Chief Corporate Officer of PensionBee, having joined the Company in 2020. She leads the corporate development of PensionBee, which has included leading on the Company's IPO and subsequent transfer to the Premium List, and plays a broader management role across many aspects of the business.

Lisa previously worked at Morgan Stanley for thirteen years, with the first seven years spent in the European Mergers and Acquisitions department, where she gained extensive experience working on many large and complex UK and cross-border public transactions including acquisitions, restructurings, take-privates, financings and IPOs. She also played a role in firm management. Lisa then joined the Morgan Stanley Private Equity Fund, focused on investing in global mid-market opportunities across sectors, with an interest in consumer-facing businesses. In 2015, Lisa founded LITTLECIRCLE, an online luxury childrenswear retailer with a platform for pre-loved fashion. Lisa holds a BSc in Economics from Bristol University.

Lisa is a founding member of the Breast Cancer Now Development Board.

Matt Loft
Chief Design Officer

Joined PensionBee: September 2015

Career and Experience:
Matt Cevik Loft is Chief Design Officer at PensionBee, having joined the company in 2015. He leads the Product, Design and User Research functions at PensionBee and is responsible for the customer experience of PensionBee's products and the Company's visual brand. Bringing over twenty years experience in designing customer-centric digital experiences, he is passionate about inclusivity, accessibility and sustainability in design.

Prior to joining PensionBee, Matt worked at design agencies and in-house across a wide range of sectors for clients including The Money Advice Service, Legal & General, The Ministry of Justice, Oxford University and the V&A.

Clare Reilly
Chief Engagement Officer

Joined PensionBee: January 2017

Career and Experience:
Clare Reilly is the Chief Engagement Officer of PensionBee, having joined the company in 2017. She is responsible for the investment range and managing the environmental, social and governance framework in line with the PensionBee vision.

Clare previously worked in the not-for-profit sector, in Corporate Relations at Citizens Advice and Fellowship at the Royal Society of Arts. Clare holds a BA Hons from University College London and an MSc from the University of Oxford in Russian and East European Studies.

Matthew Cavanagh
Chief Legal Officer and General Counsel

Joined PensionBee: September 2023

Career and Experience:
Matthew Cavanagh is the Chief Legal Officer and General Counsel of PensionBee, having previously worked as General Counsel to the company in 2015 and re-joining the company in September 2023. Matthew heads PensionBee Group's legal function, with responsibility for the provision of legal advice to all aspects of the business and its respective boards, and managing PensionBee's external legal advisory relationships.

A lawyer with over 20 years experience in private practice at leading international law firms Clifford Chance, Linklaters and Skadden Arps Slate Meagher & Flom,a partner at King & Wood Mallesons SJBerwin, General Counsel & Partner at Christofferson, Robb & Company and Director, Executive Legal Counsel at the Qatari sovereign wealth fund (the QIA).

He is a solicitor qualified in England & Wales, Ireland and Australia (Queensland and High Court of Australia). Matthew holds an LLM (specialising in Commercial Law), LLB (Hons) and BA (Double Major in Chinese) from The University of Queensland

Jasper Martens
Chief Marketing Officer

Joined PensionBee: September 2015

External Appointments:
- Advisor, Sprive

Career and Experience:
Jasper Martens is the Chief Marketing Officer of PensionBee, having joined the company in 2015. He is responsible for marketing across the business and brings extensive multichannel marketing experience to PensionBee, gathered over fifteen years working in financial services and digital agencies.

Jasper advises and has advised other fintechs such as Sprive, Statement and Superscript on their marketing strategy. Prior to joining PensionBee, Jasper was Head of Marketing and Communications at small business insurance provider, Simply Business. Before moving to London, Jasper ran his own online marketing agency which he founded in the Netherlands.

Tess Nicholson
Chief Operating Officer

Joined PensionBee: August 2015

Career and Experience:
Tess Nicholson is the Chief Operating Officer of PensionBee, having joined the company in 2015. She is responsible for a range of operational activities across the business, including customer success, compliance and banking operations.

Tess was previously Operations Manager and UK Commercial Manager at GO Markets UK Trading Limited (formerly Vantage FX UK Trading Limited). Tess holds a BA Hons degree in Fashion Design with Communication from Birmingham City University and a masters in Social & Political Theory from Birkbeck, University of London.

Petra Miskov
Chief Risk Officer

Joined PensionBee: September 2022

Career and Experience
Petra Miskov is the Chief Risk Officer of PensionBee, having joined the company in 2022. She is responsible for enterprise risk management, including maintaining an integrated risk framework, with a special interest in collaborative risk culture.

Prior to joining PensionBee, Petra was a Managing Director at the London Stock Exchange, and she worked at Goldman Sachs, Ernst & Young, KPMG and Mercer, in a variety of senior roles in the areas of risk management, quantitative advisory, investment management and pension consulting.

Petra holds a MSci in Mathematics and Statistics from the New York University and she graduated summa cum laude from the City University of New York.

3 Corporate Governance Statement

UK Corporate Governance Code Compliance Statement

The Company has applied all of the principles of the UK Corporate Governance Code 2018 (the 'Code') as they apply to it and has complied with all relevant provisions of the Code for the financial year ended 31 December 2023.

Full details of the Code are available at frc.org.uk. Details explaining how the Company has applied the principles of the Code can be found throughout the Annual Report.

Role of the Board

In accordance with the Code, the role of the Board is to promote the long-term sustainable success of the Company, generating value for shareholders and contributing to wider society. The Board of PensionBee considers how to promote the success of the Company giving due regard to all its stakeholders, including shareholders and employees. As such, the Board participates in direct engagement with certain stakeholder groups and engagement is reported to the Board to inform the decision-making and business outcomes.

The Board provides overall leadership, setting the Company's purpose, values and strategy, and supporting the Executive Directors and the broader Executive Management Team in the delivery of that strategy. The Board ensures that the Company has the necessary resources in place to meet its objectives, measuring performance against them and that it operates a framework of effective controls, enabling risk to be appropriately managed.

Further information on the Company's vision, values, strategy, risk management framework and engagement with stakeholders can be found with the Strategic Report on pages 14 to 24 of the About Us section, pages 25 to 33 of Our Strategy section, pages 90 to 101 of the Managing our Risks section and pages 60 to 66 (Stakeholder Engagement) of the ESG Considerations section of the Strategic Report.

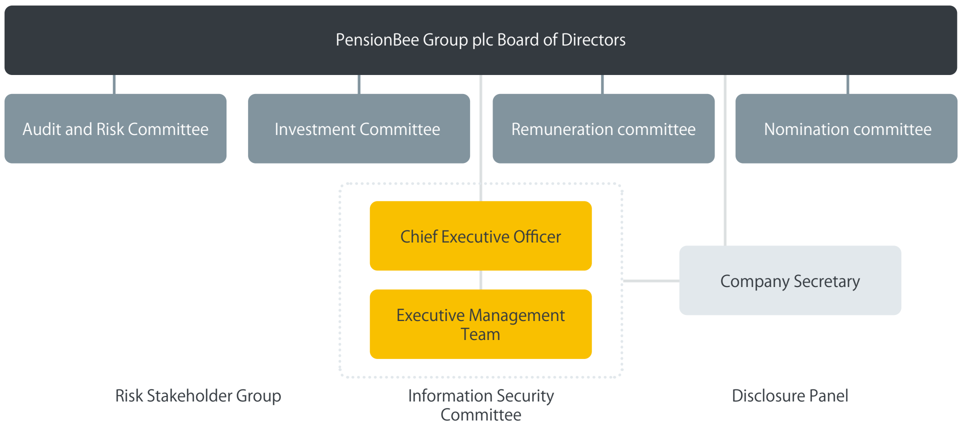
Matters Reserved for the Board

The Board operates a policy of matters reserved for its collective decision, which includes items that are material to delivering on the Company's strategy and purpose, including strategic issues, structure and capital, financial reporting and controls, material agreements, communications with shareholders, board appointments and remuneration, risk assessment and internal controls, and corporate governance. These matters include, but are not limited to:

- Responsibility for leadership, purpose, values and standards, monitoring progress against each.
- Approving annually a strategic plan and objectives.
- Approving operating and capital expenditure budgets and any material changes to them.
- Approving changes relating to capital and corporate structure.
- Approving the financial results including the annual accounts, interim and preliminary results.
- Approving the Group's risk management and treasury policies.
- Approving major capital projects, investments or contracts in excess of the delegated amount.
- Approving changes to the structure, size and composition of the Board.
- Ensuring a satisfactory dialogue with shareholders.
- Ensuring the maintenance of a sound system of internal control and risk management.
- Maintaining oversight of whistleblowing arrangements.

A copy of the 'Schedule of Matters Reserved for the Board' can be found on the Company's website at: pensionbee.com/investor-relations/esg.

Governance Structure



The Disclosure Panel is responsible for monitoring the existence of inside information and its disclosure to the market. The Disclosure Panel comprises the Chair, the Chief Executive Officer ('CEO'), the Chief Corporate Officer ('CCO'), the Chief Financial Officer ('CFO'), the Chief Legal Officer and General Counsel and the Company Secretary.

Details of the Risk Stakeholder Group and the Information Security Committee can be found on pages 90 to 101 of the Managing our Risk section of the Strategic Report.

Board Committees

The Board has delegated a number of its responsibilities to the Audit and Risk Committee, the Nomination Committee, the Investment Committee and the Remuneration Committee. Each of these Committees has a terms of reference document, which is reviewed annually by the respective Committee and the Board to ensure that they remain appropriate to support effective governance. Details of the role, composition and activities of each Committee during the year are set out in their respective reports on the following pages within this Corporate Governance Report.

A copy of the Terms of Reference for each of the Board Committees can be found on the Company's website at: pensionbee.com/investor-relations/esg.

The Operation of Board & Committee Meetings

The Board generally aims to meet up to twenty times per year across the Board and Committees, with each meeting's activity being planned ahead of time and set out in a formal Annual Board Activity Calendar, which is approved by the Board. The Board and Committee meetings are generally planned around key events in the corporate calendar, which ensures that the Board receives appropriate information at the appropriate time and that all key operational, financial reporting and governance matters are discussed during the year.

With respect to Board and Committee meetings, the Chair, the CEO, the relevant Executive Management sponsor and the Company Secretary set the Board's agenda, ensuring that there is sufficient focus on strategy, performance, value creation, culture, stakeholders and accountability. A detailed presentation is prepared and circulated in advance of each meeting, including updates from the CEO, the CFO and other Executive Management Team members. The Company Secretary also prepares a report every quarter for Board meetings, covering matters including the latest governance and company law updates.

Roles and Responsibilities

The Board acknowledges the importance of a clear division of responsibilities between Non-Executive and Executive roles, and in particular the delineation between the Chair's responsibility to lead the Board and the Chief Executive Officers responsibility to run the business. During the year the Board put into place the PensionBee Charter of Expectations and Role Profiles document to clearly outline the roles and expectations of the Board. It outlines the role profiles for all of the positions on the PensionBee Group plc Board and states the expectations of each of the Directors and Group Company Secretary. The performance of the Board, its Committees, and each Director is measured against these expectations.

A copy of the 'PensionBee Charter of Expectations and Role Profile' document can be found on the Company's website at: pensionbee.com/investor-relations/esg.

Role of the Chair

The Chair (Mark Wood) is responsible for leadership of the Board and ensuring its overall effectiveness in directing the Company and in all aspects of its role, including the satisfaction of its legal, regulatory and shareholder responsibilities, and promoting the highest standards of integrity, probity and corporate governance. The Chair has responsibilities relating to Board meetings, Board composition, induction and performance evaluation processes and relations with shareholders and other stakeholders. At appropriate intervals during the year, the Chair holds meetings with the Non-Executive Directors without the Executive Directors present in order to facilitate a full and frank discussion. The Chair is responsible for ensuring that the Board listens to the views of stakeholders to understand their issues and concerns. During the year this took place through regular Board shareholder updates on the Company's results and employee engagements.

Role of the Chief Executive Officer

The Chief Executive Officer (Romi Savova) leads the team with executive responsibility for running the businesses of the Group. The CEO reports to the Board, and is responsible for all Executive Management matters of the Group.

Role of the Independent Non-Executive Directors

The Non-Executive Directors (Mary Francis, Michelle Cracknell and Lara Oyesanya) are all independent, providing constructive challenge, strategic guidance, offering specialist advice and holding management to account, given their experience in both executive and non-executive roles throughout their careers. The Non-Executive Directors also contribute to the identification of principal business risks and the determination of risk appetite and monitoring of the internal control framework. They provide independent judgement to the Board and also monitor compliance with the regulatory principles and requirements. The Independent Non-Executive Directors have a prime role in appointing and, where necessary, removing Executive Directors.

Role of the Senior Independent Director

The Code requires that the Board should appoint one of the Independent Non-Executive Directors to be the Senior Independent Director, providing a sounding board for the Chair and serving as an intermediary for the other Directors and shareholders if they have concerns that have not been resolved through the normal channels of the Chair or the Chief Executive Officer. Led by the Senior Independent Director, the Non-Executives meet without the Chair present at least annually to appraise the Chair's performance, and on other occasions as necessary. Mary Francis has been appointed as the Senior Independent Director.

Company Secretary

The Company Secretary (Michael Tavener) supports the Board and each of the four Board committees and is in attendance at all meetings. All Directors have access to the services of the Company Secretarial team, who are available to advise on matters including company law, governance and best practice. The Company Secretary ensures that the correct policies, processes and information are tabled for discussion, noting or recording approval at the correct point in time throughout the year. The Company Secretarial team works with members of the Executive Management Team and the respective Chairs of the Board and Committees to ensure that Board meeting packs are circulated to Directors in a timely manner and that the information contained in them is clear and accurate.

Composition, Independence and Attendance in 2023

The Board's size, structure, and composition is reviewed regularly to ensure that the balance between Non-Executive and Executive Directors allows the Board to exercise objectivity. The Nomination Committee, having considered circumstances which could be likely to impair a Non-Executive Director's independence, determined that Mary Francis, Michelle Cracknell and Lara Oyesanya were considered to be independent and that the Company continued to comply with Provision 11 of the Code, with at least half of the Board (excluding the Chair) being composed of independent Non-Executive Directors.

Further details setting out the experience, skills and professional experience of the Non-Executive Directors are set out on pages 107 to 113 of the Board of Directors and Executive Management section of this Corporate Governance Report.

During the course of 2023, the Board held 10 formally scheduled meetings, with additional ad hoc meetings or calls convened to deal with various matters in between. Meetings were held via video conference to ensure attendance and inclusivity. The Executive Management Team were also frequently present at Board and Committee meetings, together with other advisors or contributors as appropriate. The table below shows the attendance of each Director at the formal scheduled meetings of the Board and Committees of which they are a member:

Director	Board Meetings Eligible/ Attended	Audit and Risk Committees Eligible/ Attended	Remuneration Committee Eligible/ Attended	Nomination Committee Eligible/ Attended	Investment Committee Eligible/ Attended
Mark Wood	10/10	-	3/3	3/3	3/3
Mary Francis	10/10	7/7	3/3	3/3	3/3
Michelle Cracknell	10/10	7/7	3/3	3/3	3/3
Lara Oyesanya	10/10	7/6	3/2	3/3	3/3
Romi Savova	10/10	-	-	3/3	3/3
Jonathan Lister Parsons	10/10	-	-	-	-
Christoph J. Martin	10/10	-	-	-	-

The Non-Executive Directors are committed to devoting adequate time to the business to discharge their responsibilities effectively. As set out in their appointment letters, the Non-Executive Directors are required to attend scheduled Board and Committee meetings and to become more involved for periodic special activities if required. All Directors must advise the Board of any changes to existing commitments or new commitments that may have implications on their ability to commit sufficient time to their duties. During 2023, Mark Wood disclosed additional positions. The Board was satisfied that he continued to be able to meet the required time commitment due to these positions being advisory positions.

Where Directors are unable to attend a meeting, they are encouraged to submit any comments on papers or matters to be discussed to the Chair in advance to ensure that their views are recorded and taken into account during the meeting. We note Lara Oyesanya's one instance of absence at the Remuneration and Audit and Risk Committee meetings held on the same day in February 2023. These particular meetings were rescheduled with limited notice to a date that conflicted with Lara's other pre-arranged commitments. This absence was therefore out of Lara's control.

Key Activities During The Year

The annual Board Activity Calendar setting out agenda items for each scheduled Board and Committee meeting is approved by the Board each year.

The calendar takes into account key points in the regulatory and financial cycle, and includes regular business, corporate, investor and employee updates from the CEO and the CCO, regular updates on the financial performance and business planning from the CFO and quarterly updates on governance and company law matters from the Company Secretary. In addition, the Board has received updates from the work of the Committees, other members of the Executive Management Team and from external advisors and contributors where appropriate.

Strategy

- Participated in a deep dive on the competitive landscape and market review, led by the Executive Management Team.
- Participated in the annual Board strategy session.
- Added Resilience as a sixth strategic pillar of the Company.

Finance

- Reviewed and approved the FY2024 budget and financial strategy, including going concern considerations and stress testing.
- Reviewed and approved the full-year results, the half-year results and the quarterly trading announcements and presentations.
- Reviewed monthly management accounts, performance analytics and regular finance updates.

Operational

- Reviewed regular operational updates provided in the CEO's Report.
- Participated in Executive Management Team led deep dives on the operational elements of the Company's strategy including:
    - Marketing.
    - Customer Service.
    - Operational Resilience.
    - Product.

People

- Participated in operational deep dive events to engage with employees and gather business area insights.
- Reviewed work on Diversity, Inclusion and Equality and approved the associated goals and policy.
- Reviewed the Company's Diversity Survey Results (via Nomination Committee).
- Reviewed the Diversity, Inclusion and Equality Support Survey Update (via the Nomination Committee).
- Received updates on the workforce and workforce engagement in the CEO's Report.
- Reviewed the workforce updates provided in the people updates.
- Reviewed the health and safety updates.

Environment & Social

- Reviewed and approved the PensionBee net zero target.
- Participated in a deep dive session on TCFD and net zero reporting requirements (via the Investment Committee).
- Oversaw the ISS Socially Responsible Investment Voting Policy in respect of the Tailored Plan managed by BlackRock and certain plans managed by State Street Global Advisors (via the Investment Committee).
- Reviewed and approved the ESG Policy.
- Reviewed the ESG rating scores (via the Investment Committee).
- Oversaw the implementation of the Impact Plan (via the Investment Committee).

Governance & Risk

- Reviewed and input into the implementation of the FCA's new Consumer Duty and reviewed and approved the Consumer Duty Report.
- Reviewed the outputs from the 2023 Board and Committee Evaluation.
- Reviewed and approved key corporate governance documentation and policies.
- Reviewed the principal and emerging risks and uncertainties which could impact the Company.
- Reviewed and input into the implementation of a new Risk Governance Framework.
- Reviewed and approved the Board Charter of Expectations and Role Profiles and the new Directors' Conflict of Interest Policy.
- Reviewed Information Security Committee Updates.
- Participated in a Risk deep dive session (via the Audit and Risk Committee).
- Reviewed the Succession Plan Framework (via the Nomination Committee).

Information and Support

Agendas and accompanying papers are distributed to the Board and Committee members in advance of each Board or Committee meeting. Where necessary, separate papers are prepared to support specific matters requiring Board decision or approval and the Non-Executives provide ongoing feedback to the CEO, CCO and Company Secretary on the content of papers to ensure they continue to support effective debate and decision-making by the Board.

Minutes of all Board and Committee meetings are taken by the Company Secretary and circulated to the Board for approval as soon as practicable following the meetings. Specific actions arising from meetings are recorded both in the minutes and on a separate tracker, thereby facilitating the effective communication of actions to those responsible and allowing the Board to monitor progress.

Any Director may instigate an agreed procedure whereby independent professional advice reasonably necessary to enable them to carry out their duties may be sought at the Company's expense. No such advice was sought by any Director during the year.

Training and Development

On appointment Directors are provided a full, formal and tailored induction programme comprised of:

- The provision of a comprehensive set of documentation covering key financial, operational, strategic and governance matters.
- One-to-one meetings with each of the other Directors and members of the Executive Management Team.

Throughout the Director's time in office they are provided ongoing training, this has included training sessions for the Board on the following topics:

- Cyber security
- ESG reporting requirements.
- Legal and governance updates.
- Annual Report and Accounts reporting requirements.
- Annual compliance training (including a diversity and inclusion module).

Board Evaluation and Effectiveness

At the end of the year, a formal and rigorous internal performance evaluation was conducted in respect of the Board and each of its Committees, covering processes that underpin the Board and Committee effectiveness, Board and Committee constitution and commitment, Board dynamics, culture, values and strategy and stakeholder oversight. The evaluations were conducted by way of questionnaires for each Director to complete, with responses provided to the Chair and the Company Secretary, followed by further calls with the individual Directors and the Chair. The Chair's performance was also discussed by the other Non-Executive Directors, led by the Senior Independent Director, and feedback was subsequently relayed to the Chair.

A summary of the responses was provided and discussed at the Board's meeting in December 2023. The results of the Board evaluation indicated strong performance and effectiveness of the Chair, Senior Independent Director, Board and Committees. Full details are set out on pages 122 to 125 of the Nomination Committee Report within the Corporate Governance Report.

Details of the progress that was made during 2023 against the themes and outputs from the 2022 Board Evaluation process are set out as follows:

Theme	Progress Update
Further strengthening the skills or knowledge at a Board level in areas including cyber risk and marketing.	This matter was discussed by the Nomination Committee at its March 2023 meeting. It was agreed that the Board was content with the current composition, skills and scale of the Board and did not see a need to expand at this stage. The Company was focused on ensuring that the Board utilised communication lines with the Executive Directors and their direct reports, responsible for cyber/digital, marketing and sustainability, in order to gain industry development insights to enable the Board to discharge their duties effectively. During 2023 the Board received cyber security updates and training, and a marketing deep dive.
Shifting the temporal balance of Board meetings towards horizon scanning and strategic discussion as the Company moves towards profitability.	A standing 'Deep Dive' item was added to the Board's meeting agenda. This has provided the Board with the opportunity to review operational and strategic matters in detail engendering forward-looking discussions.
Regular operational and risk focused deep-dives, to include themes such as resilience.	During 2023 the Board received deep dives focused on the following topics: • Risk • Customer Service • Competitor Landscape and Market (Strategy) • Operational Resilience • Budget • Product
Continuing to evolve the Company's succession plan.	During 2023 the Nomination Committee reviewed the Company's Succession Plan with a focus on identifying high-performing individuals and their development at both the Executive and Senior Management levels. The plan further developed the arrangements for the unexpected incapacity of an Executive Director and the succession of Non-Executive Directors including the Chair as well as short-term incapacity considerations.
Reviewing external relationships and in particular the perspectives of the Company's key stakeholders.	During 2023 the Board and its Committees dealt with the following matters with each providing an opportunity to consider and/or have insight and perspective from the Company's key stakeholders. Customers • Implementation of the FCA's new Consumer Duty. • Customer Service deep dive. • Review of the Price and Value Report. Environment and Society • Adoption of Company's Environmental Social and Governance ('ESG') Policy. • Adoption of the Company's net zero target. • TCFD reporting. • Introduction of the Impact Plan. • ESG Scores. • Voting Choices. Employees • Review of the Company's Diversity and Inclusion programme. • Regular CEO Updates. • Participation at Town Hall events. Shareholders • Regular investor relations updates, including research analyst sentiments and investor perspectives provided to the Board.

Appointment and Election

Following the Board and Committee performance evaluation conducted at the end of 2023, the Board has confirmed that it considers all Directors to be effective, committed to their roles and to have sufficient time to perform their duties.

All Directors are subject to election by shareholders at the first Annual General Meeting following their appointment and to annual re-election thereafter, in accordance with the Code.

Current Service Contracts and Terms of Engagement

All of the Directors have service agreements or letters of appointment, details of which are set out below.

Executive Directors

Name (Position)	Date of Service Agreement	Notice Period by Company (months)	Notice period by Director (months)
Romi Savova (CEO)	16 March 2021	6 months	6 months
Jonathan Lister Parsons (CTO)	16 March 2021	6 months	6 months
Christoph J. Martin (CFO)	30 June 2022	6 months	6 months

Non-Executive Directors

Name	Date of Appointment	Notice Period by Company (months)	Notice Period by Director (months)
Mark Wood	2 February 2021[10]	3 months	3 months
Mary Francis	2 February 2021[11]	3 months	3 months
Michelle Cracknell	2 February 2021[12]	3 months	3 months
Lara Oyesanya	21 April 2022[13]	3 months	3 months

Both the Non-Executive and Executive Directors are subject to annual re-election by the Company at each annual general meeting. The Non-Executive Directors (including the Chair) do not have service contracts, but are instead appointed by letters of appointment.

Each Non-Executive Director appointment is for a fixed three-year term which may be terminated at any time with three months' written notice. Non-Executive Directors may be invited by the Company to serve for a further three-year period.

10. Director's term runs until 20 April 2024.
11. Director's term runs until 20 April 2024.
12. Director's term runs until 20 April 2024.
13. Director's term runs until 18 May 2025.

The current appointment term for Mark Wood, Mary Francis and Michelle Cracknell will expire on 20 April 2024. Subject to Nomination Committee review and Board approval, it is anticipated that their appointment periods will be extended for a further three-year period to 20 April 2027. No director participates in discussions and decisions pertaining to their own appointment.

We recognise that Mark Wood has served as Chair of the prevalent PensionBee Group entity since 2016 (including as Chair of the listed entity since 2021). The extension of his tenure to 2027 means that by then he would have served as Chair for a total of 11 years. This will be two years over the recommended nine-year period stated in Provision 19 of the Code: 'The chair should not remain in post beyond nine years from the date of their first appointment to the board.'

Whilst this is not a matter of non-compliance against the Code for the financial year ended 31 December 2023, we believe it is important to highlight and explain. The Nomination Committee, excluding Mark, has assessed that Mark continues to demonstrate objective judgement and promote constructive challenge as well as bringing his skills, knowledge and extensive experience to his role as Chair. Mark has played a vital and leading role in steering the Company from start-up to IPO and into its early years as a successful listed business. As such, and as a matter of good governance, maintaining continuity of leadership is vital in the short to medium term, whilst also providing time for consultation with shareholders and a considered and orderly succession planning process. In coming to this conclusion we have reviewed Financial Reporting Council materials and best practices in this area.

Conflicts of Interest

Rules concerning Directors' conflicts of interests are set out in the Company's Articles of Association and the Company's Directors' Conflict of Interest Policy. All other significant commitments and potential conflicts of interest which a Director may have are required to be disclosed both before appointment and on an ongoing basis, and arrangements would be put in place, as and when it is considered appropriate, to manage conflicts, including any which result from significant shareholdings. All Directors are generally asked to confirm that they do not have any conflicts of interest at the beginning of each Board and Committee meeting.

Whistleblowing

The Company's Whistleblowing Policy outlines the Company's approach to whistleblowing. The policy recognises that whistleblowing is an important activity that helps firms to learn about and resolve problems before they escalate further. Whistleblowing also helps the FCA regulate the financial services sector and information provided by whistleblowers has contributed to fines, permissions changes and other interventions. The aim of the policy is to ensure the Company has a fit-for-purpose whistleblowing procedure that encourages employees to come forward with disclosures without fear of reprisal. The Company's whistleblowing champion is Michelle Cracknell, Chair of the Audit and Risk Committee.

Stakeholder Engagement

The Directors recognise their duty under Section 172 of the Companies Act to consider the interests of stakeholders, and the nature of our business means that the interests of our stakeholders (including customers, employees, suppliers, shareholders, our communities, government and regulators and our planet) are front of mind in the Board's decision-making process. Further information relating to how we engage with our stakeholders, together with the Section 172 Statement, are set out on pages 60 to 76 of the ESG Considerations section of the Strategic Report.

Many of the stakeholder relationships are managed by the CEO and other members of the Executive Management Team, with regular updates provided to the Board and Committees as appropriate. The Chair of the Board or Committees will offer support on any significant matters relating to their areas and direct engagement where appropriate.

Employee Engagement

The Board engaged with the wider workforce during the year via existing channels and initiatives that are in place across the Company to ensure that our employees are listened to and well represented, including (but not limited to):

- Board members carried out deep dive sessions into business areas of interest, providing employees with the opportunity to meet and engage with the Board, and enabling the Board to gain valuable direct insights.
- Participation from Board members in diversity events.
- Review of Annual Diversity, Inclusion, Equality & Support Survey of all employees, to seek feedback and measure progress.
- Board members attended the Champions Awards Ceremony to show support for employees.

The Board was kept apprised of employee matters and engagement through updates provided by the Senior Independent Director, the CEO and other members of the Executive Management Team at Board and Committee meetings.

Further detail relating to how we engage with our employees is set out on pages 36 to 47 of the Our People section and pages 60 to 66 (Stakeholder Engagement) within the ESG Considerations section of the Strategic Report.

Relations with Shareholders

The Board is committed to proactive and constructive engagement with the Company's shareholders and is keen to ensure that shareholder views are well-understood. The Company's shareholders include shareholders who had invested in the Company when it was a private business, institutional investors, customers (some of whom became shareholders at the time of the Company's listing) and our employees who either are, or will become, shareholders in PensionBee.

Investor relations is managed by the CEO, CFO and the CCO, who regularly drive shareholder and analyst engagement. Virtual one-to-one investor meetings and roadshows are structured around the regular communication of financial and operational results, including quarterly trading statements and presentations to investors and analysts, with recordings being made available on the Company's website. Regular engagement aims to ensure that shareholders and sell-side analysts understand the Company's investment case, strategy and performance.

Regular updates are provided to the Board so that they are well-informed of views on a variety of topics, such as financial performance and environmental, social and governance considerations. Feedback from external advisors to the Company, including its corporate brokers and press agency, who are actively engaged with the investor and analyst communities, is also given as required.

Further information relating to how we engage with our shareholders is set out on pages 60 to 66 of the ESG Considerations section of the Strategic Report.

Going Concern and Viability Statement

The Directors have assessed the viability of the Group over a period that exceeds the 12 months required by the going concern provision. Details of that assessment are set out in the Viability Statement on page 102 of the Strategic Report.

Annual General Meeting

The Board looks forward to welcoming shareholders to the Company's Annual General Meeting ('AGM'), which will be held on 16 May 2024. The Notice of the 2024 AGM will be distributed to Shareholders and made available on the Company's website, and where appropriate, by an announcement via a Regulatory Information Service, if any changes are required to be made to the AGM arrangements.

Mark Wood CBE
Non-Executive Chair
13 March 2024

4 Nomination Committee Report

Mark Wood CBE
Chair, PensionBee Nomination Committee

Dear fellow shareholder,

On behalf of the Board, as Chair of the Nomination Committee ('Committee'), I am pleased to present the Nomination Committee Report for the year ended 31 December 2023. This report is intended to provide shareholders with insight into the areas of focus considered and the nature of the work undertaken by the Nomination Committee.

This year the Committee has given its time and attention to the Company's Diversity, Inclusion & Equality Policy and the results of its annual survey, reviewing the progress made against its goals - these are matters which sit critically at the heart of our business and are key to ensuring that we continue to look after our people and foster an inclusive environment that allows all of our team to thrive and to ultimately serve our customers.

We have also focused on further evolving our succession plan, deepening and broadening the exercise to not only consider the Board, and the full Executive Management Team, but importantly to examine in more detail the strength of the pipeline of talent that sits across the next layers of management across the Company.

We have continued to strengthen and evolve our governance framework. And lastly, we have reviewed the key action items from the 2022 board evaluation process, and have developed and completed our Board and Committee evaluation process for 2023.

Roles and Responsibilities

The role of the Nomination Committee is set out in its terms of reference, which is available on the Company's website. The duties of the Nomination Committee include, but are not limited to the following:

Duties of the Nomination Committee
Regularly reviewing the structure, size and composition of the Board (including skills, knowledge, experience and diversity) and recommending changes
Putting in place and reviewing Board and senior management succession plans and appointments and overseeing the development of a diverse pipeline
Taking an active role in setting and meeting diversity objectives and strategies and monitoring their impact
Overseeing the hiring and evaluation process for new Directors and ensuring they receive a full, formal and tailored induction
Reviewing the leadership needs of the organisation with a view to ensuring the continued ability of the organisation to compete effectively in the marketplace
Reviewing the results of the Board evaluation process that relate to the composition of the Board and succession planning
Reviewing annually the time commitment required from Non-Executive Directors

Committee Members and Attendance

Committee Member	Position	Eligible Meetings	Attended Meetings
Mark Wood	Chair of the Committee	3	3
Mary Francis	Senior Independent Director	3	3
Michelle Cracknell	Independent Non-Executive Director	3	3
Lara Oyesanya	Independent Non-Executive Director	3	3
Romi Savova	Chief Executive Officer	3	3

The Nomination Committee must comprise not less than three Directors, with the majority of members being Non-Executive Directors who are independent. Mark Wood, Michelle Cracknell, Mary Francis, Lara Oyesany and Romi Savova were all members of the Nomination Committee for the year to 31 December 2023. Further biographical details are set out on pages 107 to 113 of the Board of Directors and Executive Management section of the Corporate Governance Report.

Meetings are held at least twice a year at appropriate times and otherwise as required. The Committee met three times across the year to 31 December 2023, with all meetings being held by video conference. In addition to the Committee members, other regular attendees included the CTO and the CCO, the latter being the Executive Management sponsor of the Committee.

After each meeting, the Chair of the Committee reports to the Board on the Committee's proceedings in respect of all matters within its duties and responsibilities.

Committee Key Activities

2023 Key Activities
Reviewing Committee Terms of Reference
Reviewing Committee Work Plan for 2023 and approving Committee Programme for 2024
Reviewing membership of Board and Committees
Reviewing time commitment from Non-Executive Directors
Reviewing the Board Succession Plan
Reviewing the Board Evaluation process
Completing the Nomination Committee evaluation process
Reviewing the Board Charter of Expectations
Reviewing the Directors' Conflict of Interest Policy and Register
Reviewing updates on the Culture Programme and Diversity, Inclusion & Equality

Board Composition

During the year the Committee completed its annual review of the composition of the Board and Committees, the independence of Non-Executive Directors and their time commitment. As part of this process a Board skills matrix was developed and applied to more methodically measure against the current and future needs of the Company as they evolve. The Nomination Committee confirmed to the Board that it remained satisfied that the balance of skills, experience, independence and knowledge on the Board and Committees was appropriate.

Governance Framework

We have evolved our corporate governance framework to develop a publicly available Charter of Expectations and Role Profiles ('Charter'). Implementing the Charter helped to streamline documentation and now provides a centralised reference point and framework for appointments, inductions and on-going performance and effectiveness reviews.

We have also enhanced how we govern conflicts of interest, through the implementation of a Directors' Conflict of Interest Policy and an associated register with a process for keeping this updated.

Succession Planning

In relation to succession planning, the Nomination Committee oversaw the continued evolution of the succession plan, which was expanded this year to provide a deeper look into the structure of the operations of the business and to provide insight into the depth and strength of the talent pipeline that reports into the Executive Management team.

Given the nature of the business as a founder-led Company, and given that there were no planned departures or retirements, the succession plan continued to primarily focus on scenarios such as the unexpected incapacity of the Non-Executive Directors, the Executive Directors, the Executive Management team and the Company Secretary.

It was agreed that were the Chair of the Board to become incapacitated, the Senior Independent Director would fill this role on an interim basis, and that if one of the Independent Non-Executive Directors was to become incapacitated, another Non-Executive Director would cover the position of Chair of the relevant Committee as required. If a Non-Executive became unable to perform their duties, the Company would need to ensure that the Independent Director majority was maintained, and as such, the Company would seek to look to the Board's own pipeline of candidates and/or appoint a recruitment specialist to assist with completing the recruitment process optimally and expediently.

Succession plans and process steps were agreed with regards to the unexpected incapacity of any of the three Executive Directors, with the approach dependent on the anticipated period of absence. In regards to short-term periods of absence, plans are in place to support each of the relevant roles internally with the support of the Chair. As regards any periods of longer-term absence, the Board would consider both internal candidates and external recruitment as appropriate at that point in time.

Succession plans for the Executive Management team and the Company Secretary were also agreed, having more closely examined the breadth and depth of the Company's pipeline of talent against the responsibilities of each person. A contingency plan was agreed for each role/department to ensure business continuity in the case of unexpected incapacity. Generally, in the case of short-term absence, coverage would be provided by other Executive Management team members, or direct reports with Executive Management oversight. For longer term absences, the approach would be to either fill the position internally, reallocate the role and responsibilities to other existing Executive Management team members or hire externally as appropriate.

The Nomination Committee was satisfied that the succession plan and contingency arrangements in place were appropriate for the Company's stage of development and in line with its risk appetite. We agreed that we would continue to evolve the succession plan further each year as required and to consider development plans for high performing individuals as necessary.

Board Evaluation

During the year the Board addressed the feedback from the 2022 Board Evaluation.

The Nomination Committee agreed that the Company's annual board evaluation for 2023 should remain consistent with the previous year's approach. A formal and rigorous internal performance evaluation was undertaken in respect of the Board and each of its Committees, covering processes that underpin the Board and Committee effectiveness, Board and Committee constitution and commitment, Board dynamics, culture, values and strategy and stakeholder oversight. The evaluations were conducted by way of online questionnaires, with responses provided to the Chair and the Company Secretary, followed by further calls between each of the individual Directors and the Chair and the Company Secretary. A summary of the responses was provided and discussed at the Board's meeting in December 2023. The Senior Independent Director met with the Directors to review the Chair's performance.

The results of the Board evaluation continued to indicate strong performance and effectiveness of the Board and Committees. It was noted that they were well chaired and supported by the Company Secretarial department and by the Executive Management sponsors. The corporate governance structure was considered to be commensurate with the Company's size and requirements. Importantly, the dynamic between the Non-Executive Directors and the Executive Directors was considered to be strong and professional, with the appropriate level of constructive challenge and support being provided.

Key themes that surfaced for focus and development included:

- Further strengthening the skills or knowledge at a Board level in areas including cyber risk and marketing.
- Increasing the focus on strategic and commercial matters.
- Continuing to review the key risks to the business.
- Continuing to consider opportunities to receive insights from and engage with third parties.
- Continuing to progress colleague engagement initiatives.
- Continuing to evolve the Company's succession plan.

The Nomination Committee will consider adopting an externally facilitated Board evaluation in due course, aligning with the UK Corporate Governance Code requirement for FTSE 350 companies to carry out an externally facilitated evaluation of the Board at least every three years.

Diversity, Inclusion & Equality

PensionBee's vision is to live in a world where everyone can look forward to a happy retirement. As such, the Company's approach to diversity, inclusion and equality is centred around building a team that is reflective of society as a whole and that is therefore reflective of our diverse customer base. PensionBee welcomes everyone regardless of gender, race, religion, size, age, sexuality or disability and aims to create an inclusive working environment in which everyone has equal access to opportunities and is treated with fairness and dignity. The Company is committed to promoting equality, diversity and inclusion, preventing unlawful discrimination and ensuring that all colleagues feel respected and safe at work. The Company promotes diversity, inclusion and equality through measures such as training, anonymised hiring and promotion cycles and inclusion in the Company's performance matrices, but also importantly through its annual diversity programme which is led by the Executive Management Team.

During the year, the Company has proudly achieved: 51% female and minority gender representation across its entire employee base, 50% at Executive Management level and 57% at Board level achieving the Company's broad goal to achieve gender balance at all levels and exceeding the FCAs requirements for companies to have at least 40% women on the board and at least one senior board position being held by a woman.[14] The Company also achieved 37% Asian/Black/Mixed/Multiple/Other ethnic representation across its entire employee base, 10% at Executive Management level and 14% at Board level, in line with the FCA's requirement for at least one board member being from an Asian/Black/Mixed/Multiple/Other ethnic background.[14] Appointments to the Board and Committees are based on merit, taking into consideration the individual's skills, knowledge and experience, but there is also a focus on promoting diversity among the Board and Committees so as to ensure the composition is appropriately balanced.

As part of the work of the Nomination Committee, we reviewed the Diversity, Inclusion and Equality Policy, together with the results of the Company's annual Diversity, Inclusion, Equality & Support Survey, reviewing progress made across the year and discussing next steps and improvements that could be made. We also examined the FCA's consultation paper on diversity and inclusion in the financial sector to consider what the implications would be going forward on the way we report.15

Further detail is set out on pages 60 to 66 (Stakeholder Engagement) witin the ESG Considerations section and on pages 36 to 47 of the Our People section of the Strategic Report.

14. Chapter 9 of the Listing Rules, specifically LR 9.8.6R(9) states that at least 40% of individuals on the board should be women, at least one at least one of the senior positions on the board (chair, chief executive, senior independent director, or chief financial officer) should be held by a woman, and at least one individual should be from a minority ethnic background. At PensionBee, the Chief Executive Officer role has been filled by a woman since the Company's inception in 2014, the Senior Independent Director role has been filled by a woman since November 2020 and there has been one board member from a minority ethnic background since April 2022. Supported by analysis from PensionBee's HR information system, December 2023.
15. On 25 September 2023, the FCA published CP23/20: Diversity and inclusion in the financial sector - working together to drive change, setting out its proposed regulatory framework on Diversity and Inclusion within the sector: fca.org.uk/publication/consultation/cp23-20.pdf

Nomination Committee Evaluation

During 2023, the Board carried out an internally facilitated Board Effectiveness evaluation that included an assessment of the Committee's performance. I am pleased that this concluded that we continue to operate effectively. The Board was satisfied that the Committee's composition was appropriate with the right balance of skills and experience among its members.

Nomination Committee Priorities for 2024

For 2024, the Committee will focus its work around the further evolution of its succession plan and team development, continuing to consider any actions that need to be taken with respect to supporting the business, with a lens of increasing diversity as needed.

Appointment of Directors

The Committee is satisfied with the Board's effectiveness and has recommended that all members of the Board be put forward for appointment at the 2024 Annual General Meeting.

Mark Wood CBE
Chair of the Nomination Committee
13 March 2024

5 Investment Committee Report

Mark Wood CBE
Chair, PensionBee Investment Committee

Dear fellow shareholder,

On behalf of the Board, as Chair of the Investment Committee ('Committee'), I am pleased to present the Investment Committee Report for the financial year ending 31 December 2023. This report provides shareholders with insight into the areas of focus considered and the nature of the work undertaken by the Investment Committee.

2023, whilst not without volatility and inflation, has been a better year for long term savers, who have benefited from growth in global equity markets and a much improved outlook for bonds. During the year, the Investment Committee focused time and attention on reviewing the PensionBee pension product offering, monitoring the associated performance and risk profiles and ensuring that we continue to offer our customers value for money. Independent assessment of our plan range by AgeWage concluded that our plans offered better value compared to the average UK pension in 2023. Our second full Governance Advisory Arrangement ('GAA') assessment, led by ZEDRA Trustees, concluded that the PensionBee Investment Pathways product decumulation range continued to provide excellent value for money, despite 2022's extreme market volatility. The Investment Committee has continued to ensure our asset managers are held responsible for providing the highest levels of service and security for our customers.

Additionally, we are pleased to have overseen the expansion of our responsible investment offering, which has enabled our customers to invest in companies addressing the world's great social and environmental problems through our Impact Plan, another customer-led innovation for the UK market. We also enabled Voting Choice, directing proxy voting for 85% of the investment plan range.[16] We have continued to work closely with our asset managers to expand the scope of ESG screening in line with customer demand and with a focus on the continuous evolution of our investment plan range, to ensure it remains market-leading.

16. Reflects 85% of the Assets under Administration across the Tailored, Tracker and 4Plus investment plans as at 31 December 2023. See definitions on pages 58 to 59 of the Measuring our Performance section of the Strategic Report.

Roles and Responsibilities

The role of the Investment Committee is set out in its terms of reference, which is available on the Company's website. The duties of the Investment Committee include, but are not limited to the following:

Duties of the Investment Committee
Reviewing the available range of product options for customers, including in accumulation and decumulation
Reviewing the selection or change of plans and asset managers
Reviewing the choice architecture available to customers
Reviewing the pricing of each plan relative to peers
Reviewing the performance of each plan relative to peers
Reviewing the risk profile of each plan
Reviewing the processes around customer communication and support
Reviewing the administration, service, and core financial transactions
Reviewing the environmental, social and governance considerations
Reviewing the retirement offering
Reviewing fund manager terms and performance, including service levels, breaches and changes to terms and conditions
Overseeing the selection process for the appointment of, and ongoing relationship with, the Governance Advisory Arrangement

The Investment Committee assists the Board in discharging its responsibility for oversight of PensionBee's investment proposition. The Investment Committee is responsible for reviewing the Company's product offering. This includes the range of options available to customers, the selection or change of asset managers, the pricing of the plans, as well as the performance and the risk profile of each plan. We also review the performance of our asset managers.

The Investment Committee assists the Board, including by making recommendations regarding the appointment and removal of asset managers, coordinating the tender process, approving remuneration and overseeing the relationship with the GAA, which assesses the design and implementation of PensionBee's investment pathways solution.

Committee Members and Attendance

Committee Members	Position	Eligible Meetings	Attended Meetings
Mark Wood	Chair of the Committee	3	3
Michelle Cracknell	Independent Non-Executive Director	3	3
Lara Oyesanya	Independent Non-Executive Director	3	3
Mary Francis	Senior Independent Director	3	3
Romi Savova	Chief Executive Officer	3	3

The Investment Committee must comprise not less than three Directors, of which at least two must be Non-Executive Directors who are independent. Further biographical details are set out on pages 107 to 113 of the Board of Directors and Executive Management section of the Corporate Governance Report.

Meetings are held at least three times a year at appropriate times and otherwise, as required. The Investment Committee met three times during the year to 31 December 2023, with all meetings being held by video conference. In addition to the Committee members, other regular attendees included the Chief Engagement Officer and other members of the Executive Management Team.

The Chair of the Committee reports to the Board on the Committee's proceedings in respect of all matters within its duties and responsibilities on an ongoing basis, as required.

Committee Key Activities

2023 Key Activities
Ensuring our plans and plan range offer value for money
2022 Price and Value Report (as part of the FCA's Consumer Duty)
Confirming the plans continued to offer value for money
Reviewing our accumulation and de-culmulation plan ranges
Governance Advisory Arrangement review of value for money of Investment Pathways plan range, led by ZEDRA Trustees (scored excellent for the second year running)
Comparing value across plans using AgeWage scoring, as part of our ongoing value for money assessment
Monitoring fund manager performance
Assessing asset manager performance against our contractual terms
Annual review of duties and responsibilities to report back to the Board
Transition to electronic trading with asset managers via Calastone
Reminding all our managers of their legal obligations and liability with regard to customer funds
ESG integration
Expanding ESG integration in the core plan range
Launching the Impact Plan
Implementing and voting using the ISS SRI Voting Policy (for our Tailored, Tracker and 4Plus Plans)
Completing our second year of TCFD
Surveying customers to ensure our plans align with their ESG views
Disclosed our Scope 3 emissions for the portfolio and published our net zero targets in line with 1.5C Paris Agreement

Investment Committee Evaluation

During 2023, the Board carried out an internally facilitated Board evaluation that included an assessment of the Committee's effectiveness and performance. I am pleased that this concluded that we continue to operate effectively in our oversight of the Company's investment proposition and asset managers' performance. The Board was satisfied that the Investment Committee's composition was appropriate with the right balance of skills and experience among its members.

Investment Committee Priorities for 2024

For 2024, the Committee will focus its work on reviewing the plan range to ensure we continue to offer an optimal product range that prioritises customer needs and desired outcomes.

Now that we have made public our net zero commitments, the Investment Committee will oversee the Target Review Process, monitoring any changes that may impact our ability to meet Scope 3 emissions reduction targets, in line with the goals of the 1.5C Paris Agreement. This includes rigorous oversight of the asset managers and plans, keeping pace with the developing understanding of climate science.

Finally, we will conduct our third GAA assessment and ongoing value review of the plan range through 2024. We will use our external AgeWage scoring to ensure our plans remain excellent value for our customers and that they continue to meet our customers' evolving needs and preferences.

Mark Wood CBE
Chair of the Investment Committee
13 March 2024

6 Audit and Risk Committee Report

Michelle Cracknell CBE
Chair, PensionBee Audit and Risk Committee

Dear shareholder,

On behalf of the Board, as Chair of the Audit and Risk Committee ('Committee'), I am pleased to present the Audit and Risk Committee Report for the year ended 31 December 2023.

This report highlights the work that has been performed over the year and outlines how we have discharged the responsibilities delegated to the Committee by the Board.

Over the year, the Committee focused on its key responsibilities in respect of assisting the Board by overseeing the Group's financial reporting, the effectiveness of the financial control environment and the audit tender process and by providing oversight of the external auditor relationship and processes. The Committee also assessed the independence and objectivity of the external auditor.

The Committee assists the Board in its oversight of risk within the Group and protection of the Company's shareholders' interests in relation to the integrity of the Group's financial reporting and the processes and controls that support it. It has a particular focus on monitoring the effectiveness of, and improvements being made to, the Group's risk management framework. This includes the documentation and communication of the Group's policies, the activities of the First Line and Second Line of defence in managing risks in accordance with the Group's risk appetite and the auditing activities with respect to regulatory and information security compliance. As is customary, the Board as a whole remains responsible for the Group's risk management and strategy, and for determining the appropriate risk appetite.

Further information on the Committee's activities is provided as follows.

Role and Responsibilities

The role of the Audit and Risk Committee is set out in its terms of reference, which is available on the Company's website. The duties of the Audit and Risk Committee include, but are not limited to:

Duties of the Audit and Risk Committee
Monitoring the integrity of the financial statements of the Group and reporting to the Board on significant financial reporting policies and judgements
Reviewing the content of the annual report and financial statements and advising the Board on whether it is fair, balanced and understandable
Overseeing the relationship with the external auditor and making recommendations to the Board regarding the appointment and re-appointment of the external auditor
Reviewing and approving the annual audit plan
Assessing the external auditor's independence and objectivity
Reviewing effectiveness of external audit process, taking into consideration relevant UK professional and regulatory requirements
Assisting the Board with the definition and execution of a risk management strategy, risk policies and current risk exposure
Reviewing the adequacy and effectiveness of the Group's risk management and internal control system
Reviewing the adequacy and security of the Group's whistleblowing arrangements and procedures related to fraud, bribery and money laundering

Committee Members and Attendance

Committee Member	Position	Eligible Meetings	Attended Meetings
Michelle Cracknell	Chair of the Committee	7	7
Mary Francis	Senior Independent Director	7	7
Lara Oyesanya	Independent Non-Executive Director	7	6

The Audit and Risk Committee comprises three independent Non-Executive Directors as per the UK Corporate Governance Code. All members of the Committee are also members of the Remuneration Committee.

Michelle Cracknell, Mary Francis and Lara Oyesanya were members of the Audit and Risk Committee for the year ended 31 December 2023. Michelle Cracknell is a qualified actuary with more than 30 years' experience in financial services and more than 25 years' experience as a Board Director, including over seven years' experience as an Audit and Risk Committee Chair. Further biographical details are set out on pages 107 to 113 of the Board of Directors and Executive Management section of the Corporate Governance Report.

Meetings are held at least four times a year at appropriate times in the financial reporting and audit cycle, and otherwise as required. The Committee met seven times during 2023. In addition to the Committee members other regular attendees included the Chair, Chief Executive Officer, Chief Financial Officer, Chief Risk Officer, Chief Technology Officer, Chief Corporate Officer and the Finance Director. The external auditor, Deloitte LLP ('Deloitte'), also attended on most occasions. Lara Oyesanya's one instance of absence at the Audit and Risk Committee meeting held in February 2023 related to a meeting that was rescheduled with limited notice to a date that conflicted with Lara's other pre-arranged commitments and was therefore out of her control. After each meeting, the Chair of the Committee reports to the Board on the Committee's proceedings in respect of all matters within its duties and responsibilities.

Committee Key Activities

2023 Key Activities
Financial Statements
Reviewing the 2023 reporting timeline: The Committee considered and concluded that the 2023 reporting timeline would meet the requirement for timely reporting to shareholders and advised the Board on its reasonableness.
Reviewing the Annual Report and Financial Statements for fair, balanced and understandable reporting: The Committee assessed whether the Group achieved fair, balanced and understandable reporting in its Annual Report and Financial Statements 2023, informing its review by challenging management on the accuracy, transparency and completeness of disclosures, considering the content and tone used, and reviewing the external auditor's report to the Committee. The Committee considered the narrative section of the Annual Report and Financial Statements 2023 to ensure its consistency with the information reported and that appropriate weight had been given to both positive and negative aspects of the performance of the Group. Having evaluated all of the available information, the assurances provided by management and underlying processes used to prepare the Group's financial information, the Committee concluded, and advised the Board as such, that the Annual Report and Financial Statements were fair, balanced and understandable and established the context necessary to give shareholders and other stakeholders a balanced view between successes, opportunities, challenges and risks.
Reviewing the Interim Report for fair, balanced and understandable reporting: The Committee assessed whether the Group achieved fair, balanced and understandable reporting in its Interim Report 2023, informing its review by challenging management on the accuracy, transparency and completeness of disclosures, considering the content and tone used, and reviewing the external auditor's report to the Committee. The Committee considered the narrative section of the Interim Report 2023 to ensure its consistency with the information reported and that appropriate weight has been given to both positive and negative aspects of the performance of the Group. Having evaluated all of the available information, the assurances provided by management and underlying processes used to prepare the Group's financial information, the Committee concluded, and advised the Board as such, that the Interim Report 2023 was fair, balanced and understandable and established the context necessary to give shareholders and other stakeholders a balanced view between successes, opportunities, challenges and risks.
Reviewing the going concern assumption and liquidity risk: The Committee assessed the appropriateness of the going concern assumptions by reviewing the stress testing assumptions and results, the capital and liquidity forecast and the Group's strategy. The Committee concluded that the financial statements should be prepared on a going concern basis and that there were no material uncertainties that would impact the Group's ability to continue in operational existence for the foreseeable future which would require disclosure. The Committee recommended the going concern assumptions and liquidity risk to the Board.

External Audit

Reviewing the management representation letter:
The Committee reviewed the content of representation by management to the external auditor and concluded that sufficient representation was achieved as requested by the auditor. The management representation letter was recommended to the Board.

Reviewing the half-year audit programme, auditor's report on the financial statements and auditor's report to the Audit and Risk Committee:
The Committee met with key members of the Deloitte audit team to discuss the 2023 interim audit review plan, materiality and the auditor's areas of focus. The Committee had detailed discussions with the auditor on the audit report and the auditor's report to the Committee, with most of the focus being on the audit procedures performed and the findings. The Committee approved the interim audit plan and confirmed its satisfaction with the reports issued by the auditor.

Reviewing the full year audit programme, auditor's report on the financial statements and auditor's report to the Audit and Risk Committee:
The Committee met with key members of the Deloitte audit team to discuss the 2023 full year audit plan, materiality and the auditor's areas of focus. The Committee had detailed discussions with the auditor on the audit report and the auditor's report to the Committee, with most of the focus being on the audit procedures performed and the findings. The Committee approved the interim audit plan and confirmed its satisfaction with the reports issued by the auditor.

External audit tender process
Deloitte is the Group's external auditor, with 2023 being their third financial year as the Group's external auditor. The Group is required to have a mandatory external audit tender after ten years. Ahead of the mandatory rotation, the Committee oversaw a formal competitive external audit tender process. Subject to member approval at the 2024 Annual General Meeting, in November 2023 the Committee recommended to the Board Deloitte for reappointment. For more information on the external audit tender process, refer to the External Audit section below.

Governance

Reviewing the Audit and Risk Committee 2024 meeting calendar:
The Committee reviewed its 2024 meeting calendar, giving consideration to its duties and responsibilities as set out in the UK Corporate Governance Code. The Committee concluded that its calendar had sufficient and appropriate content to enable it to discharge its responsibilities.

Undertaking the Committee effectiveness evaluation:
The Committee conducted an effectiveness review as part of the evaluation process and was satisfied that the Committee composition was appropriate, there was an adequate balance of skills and experience, and the Non-Executive Directors remained independent. The effectiveness review confirmed that the Committee was operating effectively with appropriate levels of engagement with the Board, external auditor and Executive Management.

Reviewing the Committee terms of reference:
The Committee reviewed its terms of reference to confirm that they were still reflective of the most up to date UK Corporate Governance Code requirements and the Group's risk profile. No material changes were deemed necessary. The Committee will continue to monitor any future changes to the UK Corporate Governance Code and the Group's risk profile and ensure that its terms of reference are kept up to date.

Risk Management and Internal Controls

Reviewing principal risks and uncertainties:
The Committee reviewed the Group's principal risks and uncertainties to confirm their completeness and the assessed potential impact on the Group operations and financial performance. The Committee considered the identified principal risks and uncertainties to be complete, and that the Group's strategy was appropriate in respect of such risks.

Reviewing overall internal controls and risk management systems:
The Committee reviewed the appropriateness of the risk management systems, and design and operating effectiveness of key controls through regular reports and updates from management. Audit findings on internal controls were discussed with the auditors and management. The Committee considered the Group's internal controls and risk management systems to be sufficient and appropriate.

Reviewing whistleblowing and anti-bribery and corruption policies:
The Committee reviewed the whistleblowing and anti-bribery and corruption policies, giving consideration to the changes in the regulatory landscape and changes in the business since 2022. The Committee considered the existing policy sufficient and appropriate for the Group.

Reviewing the related parties list:
The Committee monitors the related parties list which is used to assess the accuracy of disclosures by management in the financial statements. The list was considered complete based on inquiries with Executive Management and the Board.

Approving the 2024 risk management plan:
The Committee approved the 2024 risk management plan, following a detailed review of the plan presented by the Risk Management Team. The Committee considered the risk management plan to be appropriate and sufficient to address the risks applicable to the Group.

Financial Reporting

Group Financial Statement Reporting

One of the core responsibilities of the Audit and Risk Committee is to ensure the integrity of the financial statements of the Group. For the financial year, the Audit and Risk Committee:

- Reviewed the Interim Report and Annual Report and Financial Statements and recommended approval to the Board.
- Reviewed the completeness of the financial reporting disclosures.
- Reviewed the application and appropriateness of accounting policies.
- Reviewed the going concern assumptions and viability statement.

Significant Matters Considered by the Committee in Relation to the Financial Statements

Significant accounting policies and accounting judgements are identified by management and the external auditor and are reviewed and challenged by the Committee. The significant accounting policies and judgements considered by the Committee, and details of how they were addressed, in respect of the year ended 31 December 2023 are set out below:

Areas for Consideration	Committee Review and Conclusion
Revenue Recognition	The Committee considered the relevant revenue streams and recognition criteria stipulated in the accounting standard. The Committee recommended the policy to the Board for approval.
Contract Assets	The Committee challenged the application of IFRS 15 (Revenue from Contracts with Customers) in relation to customer acquisition costs (incremental costs of obtaining a contract). An analysis of the different types of customer acquisition costs was undertaken by management and reviewed by the Committee. The Committee was satisfied with the application of the accounting policy and recommended it to the Board for approval.
Share-based Payment	The Committee considered the grant date fair value, vesting conditions, initial recognition and subsequent measurement of share options as set out in the accounting standard. The Committee recommended the policy to the Board for approval.
Research and Development	The Committee reviewed the current accounting treatment of Research and Development, the relevance, and whether an intangible asset should be recognised in accordance with IAS 38 (Intangible Assets). The Committee reviewed the policy and recommended it to the Board for approval.
Income Taxes	The Committee considered the Group's tax position and the accounting standard requirements on recognition of a deferred tax asset. The Committee reviewed the policy and recommended it to the Board for approval.
Leases	The Committee reviewed the basis of accounting for all types of leases; short term and long term, low value and high value leases. The Committee recommended the policy to the Board for approval.
Investment in Subsidiary Valuation	The Committee reviewed the assessment for impairment of the investment held by the Company in the Subsidiary. The Committee recommended the investment in the subsidiary valuation to the Board for approval.
FRS 102 for PensionBee Group plc Standalone Financial Statements	Due to practical reporting considerations, the Committee reviewed the existing accounting frameworks mix within the Group. The Committee recommended the approval of the continued adoption of FRS 102 by PensionBee Group plc standalone accounts to the Board.

In each case the Committee reviewed and challenged management on the appropriateness of these accounting policies and how they were being applied to the Group's financial statements. Having reviewed all the available information, the Committee concluded that the accounting policies are being appropriately applied to the Group's financial statements.

Going Concern and Viability Statement

In addition to considering significant accounting policies and judgements, the Committee plays an important role in the production of the Annual Report and Financial Statements and the Interim Results. This includes reviewing and challenging the assumptions that support the use of the going concern basis for the preparation of the financial statements and the statement given by the Directors as to the Group's longer-term viability.

The Committee reviewed detailed management analysis elaborating on the going concern assumptions and the Viability Statement. This included the KPIs, profit and loss, cash flow, balance sheet and capital forecasts on a monthly basis. The Committee considered additional stress tests, including a sharp decline in equity markets, the worsening of conversion and lower transferred-in pension pot sizes, all of which could potentially be caused by the increased cost of living in the UK, geopolitical disruption and/or interest rate rises. Furthermore, the Committee considered mitigating actions that could be taken by management in the stress scenarios and considered the growing strength of the Group's financial position over 2023 (in light of it achieving ongoing Adjusted EBITDA profitability in the fourth quarter of 2023) and given the strength of PensionBee's positioning within the UK competitive landscape.

After due consideration, the Committee recommended to the Board that it was appropriate for the Group to adopt the going concern basis of accounting in the preparation of the Annual Report and Financial Statements 2023 and that based on the current information, the Directors could make the Viability Statement as shown on page 102 of the Strategic Report.

Principal Risks

The Board has identified and set out key risks which, if they were to materialise, could have an impact on the Company's ability to meet its strategic objectives ('Principal Risks'). These Principal Risks include Regulatory Risk, Information Security Risk, Operational Risk, Financial Risk, Strategic Risk and Climate Risk and are further detailed on pages 90 to 101 of the Managing our Risks section of the Strategic Report.

Risk Management Framework

The Audit and Risk Committee is responsible for monitoring the risk profile of the Group and for reviewing the effectiveness of the Group's internal controls and the risk management framework overall. The Group's risk management framework and the associated systems and processes are designed to identify, evaluate and manage risks within the risk appetite set by the Board.

The Second Line of Defence risk reporting is designed to allow the Audit and Risk Committee to form its view on how effectively risks have been assessed, how they have been mitigated, and whether necessary actions are being taken promptly to remedy any failings of key controls, therefore ensuring that the Group continues to operate in line with its business objectives, internal policies and regulatory requirements.

In addition, the Third Line of Defence independent assurance activities are performed in accordance with a schedule overseen by the Audit and Risk Committee. The Group employs external parties to provide this assurance, and these parties are appointed based on their sector expertise, for example investment management, finance, compliance and information security expertise. Additional external assurance activities are conducted as required including where there are emerging risks. The Audit and Risk Committee is kept up to date with the work of these parties.

Through its oversight, the Audit and Risk Committee is able to maintain a good understanding of principal and emerging risks, and also review management's effectiveness and decision-making processes.

Key 2023 PensionBee risk management developments are summarised as follows.

Risk Appetite

The Risk Governance Framework has been established and approved by the Board. It contains the Risk Appetite Statements which set out the acceptable risk levels for all Principal Risks. Regular risk reporting throughout the year uses risk appetite as a benchmark. This way each risk was assessed as either 'within' or 'outside' of risk appetite.

Going forward the Board will review the Risk Governance Framework twice per year, and may vary as necessary the risk appetite of the Group in order to adjust to the changes in the internal and external environments. With respect to most risks the risk appetite is Low, and it is generally Medium where the risk arises as a function of the business model, for example, the Market Risk arising from fluctuations in capital markets or the constantly evolving Cyber Risk.

There are currently no residual risks rated High and in cases where residual risk is rated Medium and is outside of (the Low) risk appetite, prompt action is taken to reduce the risk by implementing additional controls. The Committee monitors all risks and oversees the progress of the control improvement work.

2024 Risk Roadmap

The risk roadmap is reviewed and approved each year by the Audit and Risk Committee. It is a vital tool for the Group to systematically evolve the risk management framework, align risk management with strategic objectives for the year and ensure the Group continues to operate in a secure and resilient manner. The Group's focus for the coming year is on risk culture, risk systems and data governance, continuing to embed the Resilience strategic pillar and to streamline and embed the risk and control management processes.

Information Security Risk Management Framework

PensionBee completed a successful recertification of the ISO 27001 Information Security Management System ('ISMS') in November 2023. The ISMS is a part of a wider strategic aim and the successful recertification demonstrates our commitment to continuous improvement in information security.

Our Information Security risk management framework is integrated with the Group's overall risk management framework. PensionBee acknowledges that the sources of Information Security Risk and Cyber Risk will always exist, and subsequently treats Information Security Risk as a business-wide risk rather than a standalone technology department risk. This gives a consistent and joined-up approach when managing those risks.

Information Security and Cyber Risks are mitigated using a defence-in-depth approach, providing multiple layers of complementary controls. This approach includes improving controls around human resources risk (e.g. the risk of staff clicking on phishing emails), as well as implementing technical controls across the IT estate. External expertise and specialist sources are utilised to ensure evolving and emerging cyber risks are proactively managed. Our Information Security Team uses real-life scenarios to create plausible cyber security and data compromise scenarios, which are simulated to help focus on continuous improvement.

PensionBee has invested in the 'BeeSecure' information security programme to further improve controls to mitigate Information Security and Cyber Risks. In 2023, PensionBee achieved a major milestone of this programme by implementing a 24x7 / 365 Security Operations Centre, to monitor, detect and respond to malicious behaviour across critical company information assets. This has significantly increased the threat detection and response capability and enabled a more proactive approach to information security overall.

External Assurance

The external assurance activities are performed to ensure the accuracy and credibility of reporting, gain required assurance over the management of risk, demonstrate a commitment to responsible and transparent business practices and to build trust among stakeholders. The Committee oversees the external assurance scope, activities and findings. This includes the following audits.

Regulatory Audit

The Group employs Enhance Support Solutions consultancy to verify that it continues to operate in compliance with relevant laws, regulations and industry standards. In 2023 this audit included an independent review of: the discharge of the Group's regulatory obligations including the Senior Managers and Certification Regime, employee training, administration standards and management information, reporting obligations, identification of risk and risk oversight, business planning, products and internal governance. The Committee had visibility of the progress and satisfactory completion of the audit.

Internal Audit

In line with the Code, the Committee reviewed the need for internal audit. The plan was approved to consider onboarding an outsourced Internal Audit function during 2024 as part of the Group's governance structure, providing further independent assurance over the effectiveness of risk management, internal controls, governance processes and operational efficiency within the Group. A multi-year Internal Audit agenda and roadmap will be determined using a risk-based approach and will be approved by the Committee in due course.

Information Security Certifications

PensionBee's ISMS is certified to the internationally recognised ISO 27001 standard for the management of information security. PensionBee also holds the Cyber Essentials Plus certification, which is a Government-backed scheme to help organisations improve cyber security controls. The BeeSecure information security strategy has also been developed using principles of the National Institute of Standards and Technology's Cybersecurity Framework, which is commonly used in the financial services industry as a comprehensive framework to manage cyber risk. The three frameworks are complementary and help improve information and cyber security controls under the ISMS.

The ISMS is also subject to a comprehensive annual audit programme, which provides independent and objective assurance on the system. The Information Security Committee ('ISC') provides oversight of the ISMS, tracks progress against its objectives and monitors the results of the audit programme. The ISC is held three times per year and the members include senior stakeholders from the business, such as the VP Information Security, members of the Executive Management Team and the Risk Management Team. Ultimate oversight of the ISC is provided by the Committee.

External Audit

Deloitte is PensionBee's external auditor, with 2023 being their third financial year as the Group's external auditor. Kieren Cooper has fulfilled the role as lead audit partner for all three financial years.

The Committee oversees the audit relationship with Deloitte. The Committee's responsibilities include appointing, re-appointing and removing the external auditor and overseeing their effectiveness, independence and objectivity.

During 2023, the Committee approved the re-appointment of the auditor, the proposed audit fee and terms of engagement for the financial year ended 31 December 2023. The Committee assessed the effectiveness of the external auditor by reviewing the audit plan presented by Deloitte to assess the adequacy and appropriateness of the proposed audit procedures, completeness and relevance of the identified audit risks and the audit team composition. Discussions were held between the Chair of the Committee and the lead audit partner, in the absence of management. The Committee considered and concluded that Deloitte was effective and independent.

External Audit Tender

In consideration of PensionBee's listing in 2021 and the requirement for public companies to re-tender their audit every 10 years, the Group's audit mandate would need to be re-tendered by 2031. Ahead of the mandatory rotation and to allow sufficient time for a transition period should it be needed, and to enable an incoming auditor to become independent following any appointment decision, the Committee oversaw a formal competitive external audit tender process during the year under review. The external audit tender process was conducted to select an audit firm in respect of the financial year ending 31 December 2024, which included Deloitte. The scope of the tender consisted of the interim review and statutory audits of all Group companies, as well as the performance of assurance services required by regulation in respect of CASS.

To ensure a robust selection process, a selection panel was established to evaluate the participating firms. The selection panel was chaired by the Chair of the Committee and included the other members of the Committee and the Chief Financial Officer. The Committee retained ultimate authority over the tender process. Participating firms were requested to confirm their independence on acceptance of the invitation to tender for external audit services and to provide details of any matters of which they were aware that could have an impact on independence, which were reviewed against internal agreements and proposals in place. Following a review of the supplied audit proposals and formal evaluation of potential candidates, a shortlist of eligible audit firms were invited to present to the selection panel in October 2023. Audit quality, a perceived understanding of the Group's business and industry, the experience of the audit team, audit approach, commercials, cultural fit and value-add were considered important selection criteria. Subject to member approval at the 2024 Annual General Meeting, Deloitte was recommended by the Committee to the Board for reappointment in November 2023.

Non-Audit Services Policy

The Committee reviewed the existing non-audit services policy ('NAS Policy') and confirmed that it was still sufficient and appropriate for the Group. The NAS Policy is reviewed annually by the Committee to safeguard the ongoing independence of the external auditor and to ensure compliance with the Financial Reporting Council's Ethical Standard.

The Committee acknowledged the benefits that can be realised in using the external auditor for non-audit services due to their understanding of the business. In the circumstance where Deloitte is engaged to provide non-audit services, the NAS Policy governs the provision of these services and ensures they do not impair the external auditor's independence and objectivity.

Before proceeding with a non-audit service, the fee comparative to the audit, types of services, and external auditor independence are considered. The Committee's approval has to be achieved before the external auditor is engaged to provide non-audit services. For permitted non-audit services that are deemed to not be material, the Committee has pre-approved the use of the external auditor for cumulative amounts totalling less than £50,000. The threshold up to £20,000 requires the approval of the CFO or the CEO. Non-audit fees within the threshold of £20,001 to £50,000 require the approval of the CFO and the CEO.

Non-audit fees paid to the external auditor should not exceed 70% or more of the average audit fees for three consecutive financial years starting from the Company's IPO. The cap will become effective from April 2024, after the three year grace period as a public interest entity ('PIE') from the time of the IPO.

The external auditor did not undertake any non-audit work during the year and none was undertaken in 2022. The Committee is satisfied that the external auditor's independence has not been impaired by their provision of non-audit services.

External Auditor Fee

An overview of the total fees paid to Deloitte are shown in the table that follows:

Item	2023 £ 000	2022 £ 000
Other Assurance Services	-	-
Tax Structuring Services	-	-
Audit Related Services	47	58
Financial Statements Audit Services	168	138

Details of the fees paid to Deloitte during the year are shown in Note 9 of the Financial Statements.

Compliance, Whistleblowing, Anti-Bribery and Corruption and Financial Crime

The Group maintains a robust set of Compliance policies that are documented and managed on a dedicated platform. During the year there were no whistleblowing incidents reported (2022: nil).

Whistleblowing

The Group's Whistleblowing Policy outlines the Group's approach to whistleblowing. The policy recognises that whistleblowing is an important activity that helps firms to learn about and resolve problems before they escalate further. The aim of the policy is to ensure the Group has a fit-for-purpose whistleblowing procedure that encourages employees to come forward with disclosures without fear of reprisal. The Group's whistleblowing champion is Michelle Cracknell, Chair of the Audit and Risk Committee.

Anti-Bribery and Corruption

The Group has a zero-tolerance for bribery and corrupt activities, as outlined in its Anti-Bribery and Corruption Policy. The aim of the policy is to help PensionBee uphold all laws relating to anti-bribery and corruption. The anti-bribery policy applies to all Directors, officers, employees, consultants, contractors, interns, or any other person or persons associated with the Group (including third parties), no matter where they are located (within or outside of the UK).

All PensionBee employees must complete anti-corruption, anti-bribery and financial crime training, as part of their annual Compliance Test. They must complete this within a month of joining the Company and at least annually. Training is compulsory for employees at all levels, including the Board. Training is updated annually to reflect changes in legislation and best practice. Employees are required to pass a test on each unit with a minimum pass mark of 80%.

Financial Crime

PensionBee has a regulatory and legal responsibility to assist the authorities in countering the perpetration of financial crimes. Financial crimes include but are not limited to money laundering, terrorist financing and fraud. Financial crime is perpetrated by individuals and therefore this policy is closely linked to the Group's Know Your Customer Policy. Fraud can lead to highly damaging outcomes for customers and is particularly relevant when transactions are being processed out of the PensionBee Personal Pension. Fraud risks are therefore also closely linked to the Transfer Out Policy and the Banking Policy, which cover the risks of making inaccurate payments.

Audit and Risk Committee Evaluation

During 2023, the Board carried out an internally facilitated Board effectiveness evaluation that included an assessment of the Committee's performance. The review concluded that we continued to operate effectively. The Board was satisfied that the Committee members had the relevant financial and commercial competence relevant to our sector and that there was the right balance of skills and experience among its members.

Audit and Risk Committee Priorities for 2024

For 2024 the focus areas for the Audit and Risk Committee are expected to include a review of the effectiveness of the Finance function and the timetable for production of the financial information, oversight of the embedding of the risk management framework, a review of the Consumer Duty reporting, considering the appointment of an internal auditor and a review of the links between the risk assessments and remediation activities for the Group's most significant risks (including Information Security risk). The Committee will also review the work of the external assurance providers and reports from the external assurance providers.

Michelle Cracknell CBE
Chair of the Audit and Risk Committee
13 March 2024

7 Directors' Remuneration Report[17]

Annual Statement by the Chair of the Remuneration Committee

Mary Francis CBE
Chair, PensionBee Remuneration Committee

Dear fellow shareholder,

I am pleased to present our third Directors' Remuneration Report for the year ended 31 December 2023, which has been prepared by the Remuneration Committee ('Committee') and approved by the Board.

The Report comprises three sections:

- This statement, being our annual report on the activities of the Remuneration Committee during the year.
- The Directors' Remuneration Policy ('Policy') which was approved by a binding vote at the 2023 Annual General Meeting with 99.28% of votes in favour. No changes are proposed.
- The Annual Report on Remuneration, which explains how the Directors have been rewarded in 2023 and how the policy will be applied in 2024 and will be subject to an advisory vote at the 2024 Annual General Meeting.

We have prepared this report with reference to the principles of remuneration as set out in the UK Corporate Governance Code. Our objectives for the Policy and how they align with the Company's strategy and values are laid out on page 141. Our process and approach is laid out on pages 141 to 145.

Roles and Responsibilities

The role of the Remuneration Committee is set out in its terms of reference, which are available on the Company's website. The duties of the Remuneration Committee include, but are not limited to the following:

Duties of the Remuneration Committee
Determining the Company's framework and policy for executive remuneration
Setting remuneration for all Executive Directors and reviewing remuneration for senior management
Reviewing workforce remuneration and related policies and the alignment of incentives and rewards with culture
Considering remuneration arrangements with respect to the UK Corporate Governance Code requirements for clarity, simplicity, risk mitigation, predictability and proportionality

17. The Directors' Remuneration Report that follows has been prepared in accordance with the Listing Rules, the Large and Medium-sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2013 and the Companies Act 2006.

Committee Members and Attendance

Committee Members	Position	Eligible Meetings	Attended Meetings
Mary Francis	Chair of the Committee	3	3
Michelle Cracknell	Independent Non-Executive Director	3	3
Lara Oyesanya	Independent Non-Executive Director	3	2[18]
Mark Wood	Non-Executive Chair of the Board	3	3

The Remuneration Committee must comprise not less than three Directors, all of whom are Non-Executive Directors who are independent. The Chair of the Remuneration Committee must not be the Chair of the Company, and should have served on a remuneration committee for at least 12 months prior to being appointed.

Mary Francis, Michelle Cracknell, Lara Oyesanya and Mark Wood were members of the Remuneration Committee throughout 2023. Further biographical details are set out on pages 107 to 113 of the Board of Directors and Executive Management section of the Corporate Governance Report.

Meetings are held at least twice a year at appropriate times and otherwise as required. The Committee met three times during 2023.

The Chief Executive Officer ('CEO'), the Chief Operating Officer ('COO'), Company Secretary and other members of the Executive Management Team attended meetings by invitation to provide valuable input. However, no member of management plays any part in determining his or her remuneration.

After each meeting, the Chair of the Committee reports to the Board on the Committee's proceedings in respect of all matters within its duties and responsibilities.

The Company-Wide Context

2023 was an important year for PensionBee, as the Company pursued customer growth and the achievement of Adjusted EBITDA profitability. Customer numbers continued to grow throughout the year, and profitability (on an Adjusted EBITDA basis)[19] was achieved in the fourth quarter of 2023, in line with the Company's expectations and despite continuing challenges in the macroeconomic environment.

18. We note Lara Oyesanya's one instance of absence at the Remuneration Committee meeting held in February 2023. This meeting was rescheduled. with limited notice, to a date that conflicted with Lara's other pre-arranged commitments and was therefore out of her control.
19. See definitions on pages 58 to 59 of the Measuring our Performance section of the Strategic Report.

The Company's Remuneration Policy remained consistent for 2023. Our approach continues to be underpinned by the Company's duty of fairness to both its customers and employees, as it continues to balance cash preservation with investment for growth, exercise vigilant control over risk, and ensures that it can recruit and retain talented employees.

In recognition of the very considerable achievements of the entire team in achieving profitability this year and above expectation Revenue and Adjusted EBITDA, as permitted under the Remuneration Policy, the Remuneration Committee decided that it was appropriate for all employees to receive a marginally higher proportion of their bonus in cash than in equity compared to 2022.

Overall, the arrangements in place during 2023 were fully in accordance with our Remuneration Policy. The Committee considered that they demonstrated an appropriate and conservative approach, with remuneration levels in line with (and at the most senior levels, below) equivalent market levels. Performance-linked elements remained largely awarded in restricted share awards with a longer time horizon for vesting. The Company's desire to conserve cash for investment and growth has thus continued to be very much respected.

At the same time, we were satisfied that the policy continued to ensure that rewards were at fair levels that enabled our Company to recruit and retain high quality employees. Emphasis continued to be placed on applying a similar reward structure right across the Company, albeit geared more heavily to share-based performance rewards at the more senior levels.

The Company maintained its commitment to being a Living Wage employer for its most junior employees and conducted a benchmarking exercise for other roles across the Company, ensuring that base salaries for 2024 reflect UK labour market conditions.

For 2023, we had 51% female and minority gender representation across the entire employee employee base.[20]

Directors' Remuneration Policy

I now turn in more detail to the way we pay our Executive Directors. The Directors' Remuneration Policy requires approval every three years. In 2023 we sought and gained shareholders' approval for our Directors' Remuneration Policy at the AGM, for a three-year period. There are no changes to the policy approved at the 2023 AGM, and we are confident that our approach continues to support the delivery of the Company's key objectives.

The Policy is set out in detail on pages 141 to 145 of the Directors' Remuneration Policy section of this report, but the main features include:

20. Supported by analysis from PensionBee's HR information system, December 2023.

- Below-market salaries until profitability is established: this principle is well embedded in the Company, noting that the bonus and restricted share awards are also set by reference to these salaries.
- Pension alignment with the wider workforce.
- Annual performance-related bonus of up to 100% of salary, with at least 75% of the bonus being deferred into shares.
- A restricted share award of up to 125% of salary, subject to performance underpin, vesting over 3-5 years and with a post-vesting holding period until the fifth anniversary of grant.
- Shareholding guidelines of 200% of salary, which continue to apply in full for a period of two years post the cessation of employment.
- Comprehensive malus and clawback provisions.

Directors' 2023 Bonus and Restricted Share Awards

The annual bonus plan includes a mix of financial and non-financial performance measures. Financial measures account for 50% of the total potential, with quantifiable customer service measures accounting for a further 25% and personal measures, which include a combination of strategic, operational, financial and risk control measures, accounting for the remaining 25%. Similar factors provide an underpin to the annual restricted share plan awards. The Company is committed to delivering excellent outcomes for our customers and the Committee considers the Company's approach to risk management and other environmental, social and governance factors, when assessing the appropriateness of the out-turn both in terms of the assessment of personal performance and also the thresholds for Company performance in relation to the annual bonus plan.

As detailed on pages 52 to 57 of the Operating and Financial Review section of the Strategic Report, the Company delivered strong top line growth across its core performance indicators, including Assets under Administration (£4.4bn), Revenue (£24m) and Invested Customers (229,000).[21] Through appropriate cost discipline and investment in technology to drive productivity, the Company achieved its primary financial objective for the year of Adjusted EBITDA profitability across the fourth quarter of 2023, and improved its Adjusted EBITDA Margin to exceed its maximum objective.[21] In addition, the Company maintained strong performance against its customer-focused objectives, including its Trustpilot score (Excellent 4.6★) and its app store ratings (an average of 4.6 out of 5).

Overall, this led to a formulaic bonus out-turn for the Executive Directors at 80% of maximum for 2023, taking into account all elements (financial, customer and personal), which the Committee confirmed without the exercise of any discretion. This was an improvement on the achievements of 2022 (41% of maximum).

Implementing the Policy for 2024

As reported last year, the base salary for each of the Executive Directors was increased to £200,000 in 2023 as included in the Remuneration Policy approved at the 2022 AGM, and will remain the same in 2024. Across the company the average salary increase was an increase of 11%.[22]

Restricted share awards, in line with previous years, are expected to be granted in March 2024, following the Company's 2023 year-end results announcement.

The annual bonus structure for 2024 will remain broadly unchanged, with a combination of financial performance measures (including Revenue and Adjusted EBITDA Margin)[21] accounting for 50% of the total, a Customer Love Composite metric (including the equally weighted subcomponents of the Company's Invested Customers, Trustpilot Score, App Reviews, Complaints Ratio and Net Promoter Score) accounting for 25% of the total, and personal performance accounting for 25% of the total. These metrics are considered to provide a balanced scorecard of the Executive Directors' responsibilities to key stakeholders.

Advisors

The Committee reappointed FIT Remuneration Consultants LLP ('FIT') as their independent advisor during the year. FIT advised on all aspects of our Directors' Remuneration Policy and practice and reviewed remuneration structures against corporate governance requirements. FIT is a member of the Remuneration Consultants' Group and complies with its Code of Conduct which sets out guidelines to ensure that its advice is independent and free of undue influence. FIT does not carry out any other work for PensionBee or its subsidiaries. The Remuneration Committee is satisfied that the advice is objective and independent, taking into account that during the year FIT was paid time-based fees of approximately £38,951 including VAT.

Remuneration Committee Evaluation

During 2023, the Board carried out an internally facilitated evaluation of the Board's effectiveness and an assessment of the Committee's performance. The Committee was satisfied that the review had concluded it continued to operate effectively. The Board was satisfied that the Committee composition was appropriate and there was the right balance of skills and experience among its members.

21. See definitions on pages 58 to 59 of the Measuring our Performance section of the Strategic Report.

22. This included promotions and benchmarking adjustments.

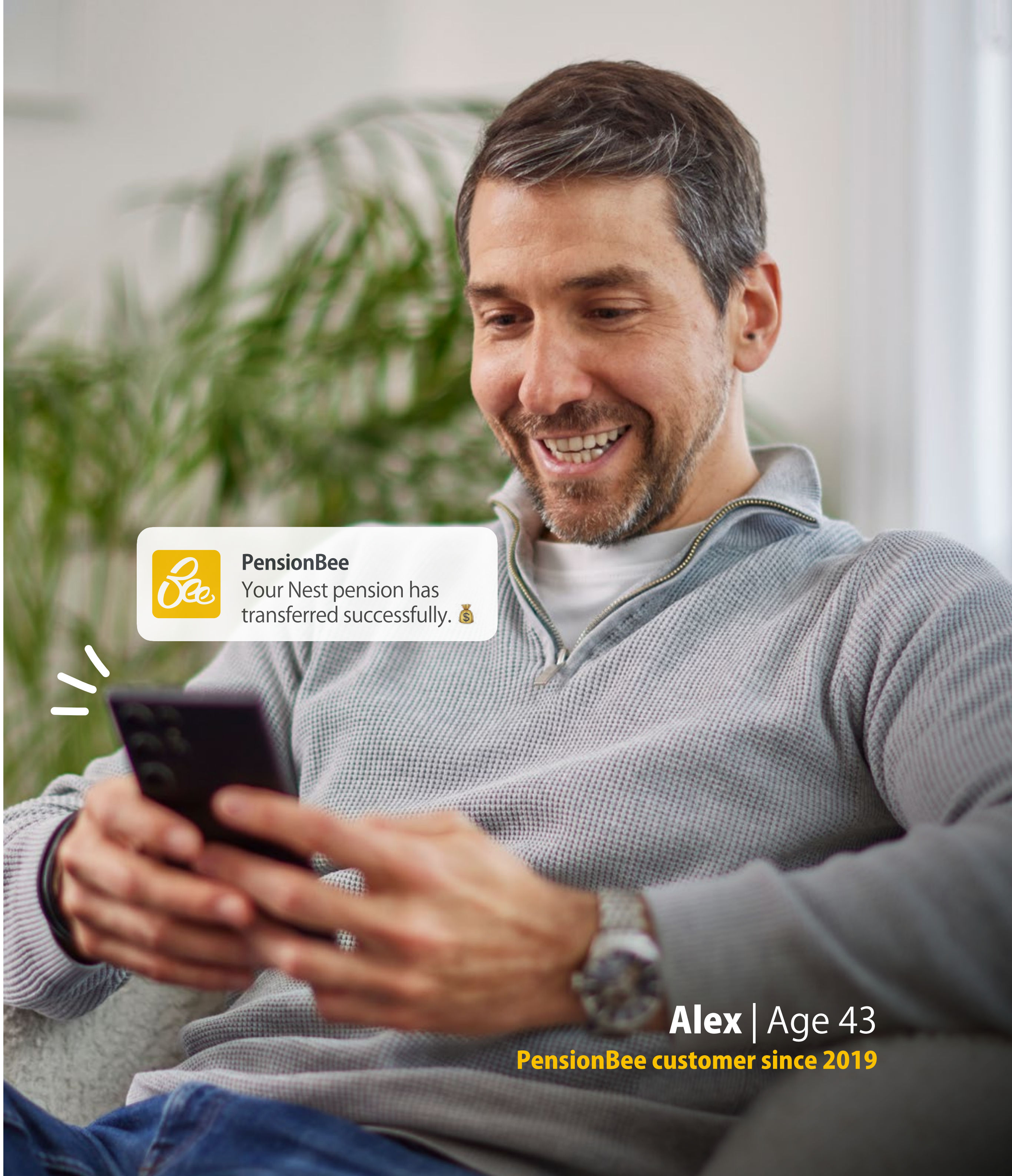
Conclusion

I am grateful to my fellow Directors on the Committee, Mark Wood, Michelle Cracknell and Lara Oyesanya, for their hard work throughout 2023, and to the whole Executive Management Team and our professional advisors for their support and input.

We look forward to engaging with our shareholders and other stakeholders on an ongoing basis. I would welcome any feedback or comments on the Directors' Remuneration Report more generally, and would be glad to meet to discuss any matters of concern.

I will of course also be available at the 2024 Annual General Meeting to answer any questions about the work of the Remuneration Committee for the year.

Mary Francis CBE
Chair of the Remuneration Committee
13 March 2024



Directors' Remuneration Policy

The Directors' Remuneration Policy ('Policy') was approved at the 2023 Annual General Meeting ('AGM') and took binding effect from the close of that meeting. The Remuneration Committee intends that this Policy will now operate for three years. Details of the policy are outlined below and are available for inspection on the PensionBee website, via this report.

Objectives of the Policy

The Directors' Remuneration Policy is designed to meet the following objectives:

Clarity	Simplicity	Risk
• The Policy is designed to be simple and to support long-term, sustainable performance. • The Policy is in line with standard UK listed company practice and is well understood by participants and shareholders alike. • The Policy clearly sets out the limits in terms of quantum, the performance measures which can be used and discretion which could be applied if appropriate.	• Our arrangements include a market standard annual bonus and a single long-term incentive plan. • The details of each are clearly set out in our Policy. • There are no complex or artificial structures required to deliver the Policy.	• Appropriate limits are set out in the Policy and within the respective plan rules. • The Committee retains discretion to override formulaic out-turns. • When considering performance measures and target ranges, the Committee will take account of the associated risks and liaise with the Audit and Risk Committee as necessary. • The long-term nature of a large proportion of pay (through significant annual bonus deferral, post-vesting holding periods and post-cessation shareholding requirements) encourages a long-term, sustainable mindset. The use of restricted shares rather than more geared forms of long-term incentives also mitigates the risk of undue focus on those targets. • Clawback and malus provisions are in place across all incentive plans.
Predictability	**Proportionality**	**Alignment to Culture**
• The Policy contains appropriate caps in place for each component of pay. • The potential reward outcomes are easily quantifiable and are set out in the illustrations provided in the Policy. • Performance can be reviewed at regular intervals to ensure there are no surprises in outcomes at the end of the performance period.	• Incentive outcomes are contingent on successfully meeting stretching performance targets which are aligned to the delivery of the Company's strategy. • Performance will be assessed on a broad basis, including a combination of financial and operational metrics. The use of different measures ensures there is no undue focus on a single metric which could be to the detriment of other stakeholders. • The Committee retains discretion to override formulaic out-turns.	• The Policy encourages high performance delivery which is aligned to the culture within the business. However, this performance focus is always considered within an acceptable risk profile. • Overall pay levels are modest with base salaries below-market reflecting the early emergence of profitability. • The measures used in the variable incentive plans reflect the KPIs of the business.

Remuneration Policy for Executive Directors

The following table summarises each element of the Remuneration Policy for the Executive Directors, explaining how each element operates and links to the corporate strategy.

Base Salary	
Purpose	• To recruit and retain high-calibre Executive Directors. • Recognise knowledge, skills and experience as well as reflect the scope and size of the role.
Operation	• Normally reviewed annually (with any changes usually effective from January or August). An out of cycle review may be conducted if the Committee determines it is appropriate. • When setting Base Salaries, the Committee takes into account a number of factors including (but not limited to) skills and experience of the individual, the size and scope of the role, salary increases across the Group as well as salary levels for comparable roles in other similarly sized companies. • Currently, Base Salary levels are considerably below market levels reflecting the emerging profitability of the Company. The current Base Salaries for the Executive Directors are set out on page 146. • The Executive Directors' Base Salaries increased to £200,000 in August 2023. The Committee will review salaries against benchmarks from 2024, which may lead, at some stage, to a higher level of increase than would normally be the case.
Maximum Potential Value	• The maximum Base Salary level is £500,000. • Base Salary increases are normally considered in relation to the wider salary increases across the Company, albeit recognising the unusually low starting position in the current Policy. • Above workforce increases may be necessary in certain circumstances such as when there has been a change in role or responsibility or where an Executive Director has been appointed on an initial salary which is lower than the desired market positioning.
Performance Metrics	• Individual performance, as well as the performance of the Company, is taken into consideration as part of the annual review process.

Pension	
Purpose	• To provide cost-effective retirement benefits.
Operation	• The Executive Directors may participate in the Company's pension scheme or receive a cash allowance in lieu if HMRC caps apply. • Pension contributions and allowances are normally paid monthly and are not bonusable.
Maximum Potential Value	• The Company pension contributions to defined contribution retirement arrangements or cash allowances are capped at those of the wider workforce (currently 5% of qualifying salary). • This applies to current and any future Executive Directors.
Performance Metrics	• Not applicable.

Benefits	
Purpose	• To provide competitive, cost-effective benefits which help to recruit and retain Executive Directors.
Operation	• Benefits may include various insurances such as life, disability, medical and other benefits provided more widely across the Company from time to time. • Other benefits, such as relocation expenses or expatriate arrangements may be provided as necessary. • Reasonable business-related expenses (including any tax thereon) will be reimbursed.
Maximum Potential Value	• The value of benefits will vary based on the cost to the Company of providing the benefits.
Performance Metrics	• Not applicable.

Annual Bonus	
Purpose	• To incentivise and reward for the delivery of suitably stretching annual corporate targets to align with shareholders' and wider stakeholders' interests.
Operation	• The Annual Bonus is subject to performance measures and objectives set by the Committee for the financial year. • At the end of the performance period, the Committee assesses the extent to which the performance targets have been achieved and approves the final outcome. • At least 75% of any Annual Bonus earned will be deferred in shares under the 2021 PensionBee Group plc Omnibus Plan ('Omnibus Plan') ('DSB Award'), normally for a total of three years, with a third vesting and becoming exercisable in each of the first, second and third years respectively. • Dividend equivalents may apply to the extent that such deferred awards vest. • Malus and clawback provisions apply. • Annual Bonus awards are non-pensionable and are payable at the Committee's discretion.
Maximum Potential Value	• The Annual Bonus policy maximum is 100% of Base Salary. • The target Annual Bonus opportunity is normally set at 50% of the maximum. • The threshold Annual Bonus opportunity is up to 25% of the maximum.
Performance Metrics	• The Committee will determine the relevant measures and targets each year taking into account the key strategic objectives at that time. • Performance measures may include financial, strategic, operational, ESG, and/or personal objectives. • At least 50% of the Annual Bonus will be linked to financial measures. • The Committee sets targets that are challenging, yet realistic in the context of the business environment at the time and by reference to internal business plans and external consensus. Targets are set to ensure there is an appropriate level of ambition associated with achieving the top end of the range, but without encouraging inappropriate risk taking. • The performance measures for FY23 are set out on page 149.

Long-Term Incentives	
Purpose	• To incentivise and reward for the delivery of long-term performance and shareholder value creation. • To align with shareholders' interests and to foster a long-term mindset.
Operation	• An annual award of restricted shares under the Omnibus Plan ('RSP Award') which normally vest after a period of not less than three years (expected to be one-third on each of the third, fourth and fifth anniversaries of grant for Executive Directors), subject to continued employment and the achievement of a performance underpin. • Vested RSP Awards are subject to a further holding period applying at least until the fifth anniversary of grant during which they may not ordinarily be sold (other than to pay relevant tax liabilities due). • Dividend equivalents may accrue over the period from grant until the later of vesting and the expiry of any holding period. • Malus and clawback provisions apply.
Maximum Potential Value	• The maximum annual RSP Award is 125% of Base Salary and the Committee expects to normally grant awards at this level to the Executive Directors.
Performance Metrics	• The nature of restricted shares under the RSP Award is that they are not based primarily on performance conditions, although the Committee will apply an underpin and may reduce vesting levels if overall performance is not considered sufficient to warrant the full vesting level (having regard to financial performance, the development of the strategy and the management of risk and other ESG factors).

All-Employee Share Plans	
Purpose	• To encourage wider share ownership across all employees, including the Executive Directors. • To align with shareholders' interests and to foster a long-term mindset. • The Company does not currently intend to deploy the all-employee share plans. Disclosure around the plans has been included for future flexibility as required.
Operation	• Executive Directors may participate in all employee schemes on the same basis as other eligible employees. • This includes the Share Incentive Plan ('SIP') and the Save As You Earn ('SAYE') which have been adopted but are not currently in operation. • Both plans have standard terms, which are HMRC approved and allow participants to either purchase or be granted shares (SIP) or enter into a savings contract (SAYE) in a tax-efficient manner.
Maximum Potential Value	• Limits are in line with those set by HMRC (or at a lower level if so determined by the Remuneration Committee).
Performance Metrics	• Not applicable as per market standard.

Shareholding Requirements	
Purpose	• To align with shareholders' interests and to foster a long-term mindset.
Operation	• Executive Directors will normally be expected to retain shares, net of sales to settle tax, until they have met the required shareholding. • Progress towards the guidelines will be reviewed by the Committee on an annual basis. • In addition, Executive Directors are expected to hold shares after cessation of employment to the full value of the shareholding requirement (or the existing shareholding if lower at the time) for a period of two years.
Maximum Potential Value	• The shareholding requirement for Executive Directors is 200% of Base Salary.
Performance Metrics	• Not relevant.

Differences in Remuneration Policy for Executive Directors and Employees in General

All employees participate in the Annual Bonus scheme, which is operated on similar terms to those for the Executive Directors, albeit with performance measures which are appropriate to their area of responsibility. Bonus deferral in respect of the Company element is applied for all employees. RSP Awards are granted to appropriately senior members of the team (approximately 30% of the workforce in 2023) on similar terms to those applied to grants made to the Executive Directors. All employees are able to participate in PensionBee's equity ownership schemes, which further helps to drive engagement and an ownership mentality.

Statement of Consideration of Employment Conditions Elsewhere in the Company

The Committee is kept informed of pay and employment conditions throughout the Company. This will include information on base salary banding and increases, annual bonus outcomes and share usage across the workforce. The Company conducts an annual benchmarking exercise that informs the overall remuneration package at each level of employee seniority. The annual benchmarking exercise pays due regard to job roles and seniority. The remuneration package for each level of employee seniority is documented in the Company's Policy, which is transparently shared with all employees. The Policy documents the Company's desire to take an industry-leading approach to reducing and eliminating pay gaps, as well as excessive differences in remuneration between the highest and lowest paid employees.

Input from the Director responsible for Employee Engagement is also considered as part of the Committee's deliberations. Findings from employee engagement surveys are also provided to the Committee.

The Committee has not, to date, formally consulted with employees on matters of the Company's Policy, but Committee members remain apprised of employee engagement and attitudes to the workplace through surveying and reports in the Nomination Committee. Committee members also regularly attend Company facilitated town hall style meetings on a variety of cultural topics related to the Company's employee value proposition.

Service Contracts and Letters of Appointment

	Date of Service Contract	Notice period
Romi Savova	16 March 2021	6 months
Jonathan Lister Parsons	16 March 2021	6 months
Christoph J. Martin	30 June 2022	6 months

The Executive Directors' service contracts are stored digitally and can be accessed at the Company's office or virtually. The Non-Executive Directors do not have service contracts with the Company but instead have letters of appointment. The date of appointment for each Non-Executive Director is shown in the table that follows:

	Date of Appointment
Mark Wood[23]	2 February 2021
Mary Francis[24]	2 February 2021
Michelle Cracknell[25]	2 February 2021
Lara Oyesanya[26]	21 April 2022

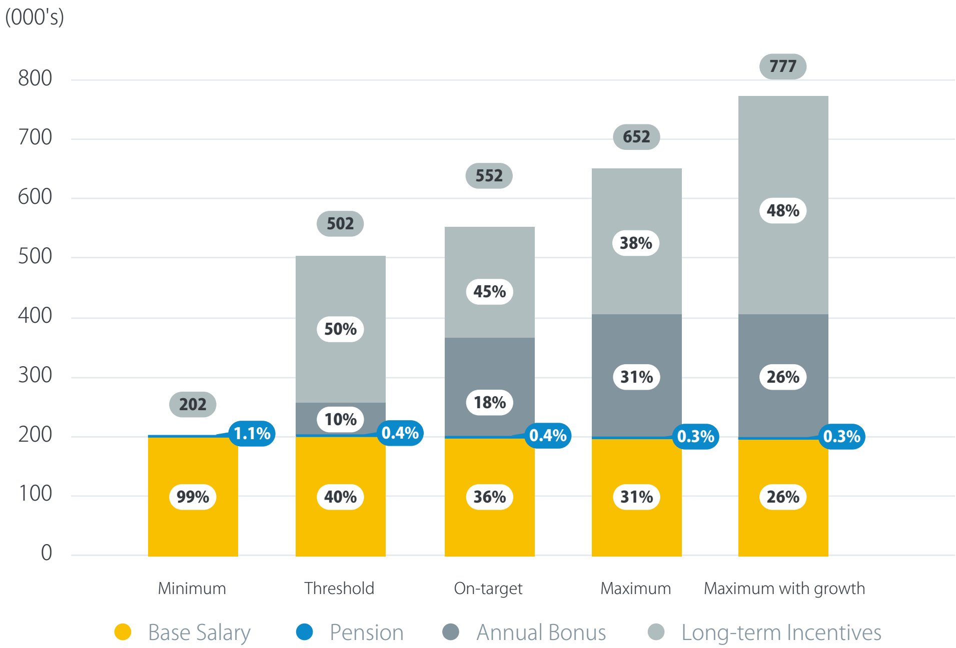
The Non-Executive Directors' letters of appointment are stored digitally and can be accessed at the Company's office or virtually. Each appointment is for a fixed three-year term, but each Non-Executive Director may be invited by the Company to serve for a further period. In any event, each appointment is subject to annual re-election by the Company at each annual general meeting, and each Non-Executive Director's appointment may be terminated at any time with three months' written notice.

Illustration of the Remuneration Policy

The chart that follows sets out the potential values of the remuneration package for FY24 under various performance scenarios for the Executive Directors.

23. Director's term runs until 20 April 2024
24. Director's term runs until 20 April 2024
25. Director's term runs until 20 April 2024
26. Director's term runs until 18 May 2025

Executive Director's Remuneration



Notes:

a. Salary represents the £200,000 expected ending salary for 2024. Benefits have been included based on 2023 figures.

b. Pension represents the value of the annual pension allowance for Executive Directors of 5% of qualifying salary.

c. Minimum performance comprises salary, benefits and pension only with no bonus awarded and no RSP Award vesting (i.e. assumes the RSP Award performance underpin is not met).

d. Threshold performance comprises annual bonus payouts at threshold level (25% of maximum) with the RSP Awards vested in full (no share price appreciation).

e. Target performance comprises annual bonus payouts at target level (50% of maximum) and with the RSP Awards vested in full (no share price appreciation).

f. Maximum performance comprises annual bonus awarded at maximum level (100% of maximum) and with the RSP Awards vested in full (no share price appreciation).

g. Maximum + share price growth comprises e. above plus an assumed increase of 50% in the value of the RSP Award to take account of potential share price appreciation.

h. For ease of understanding, the chart assumes an RSP Award grant at 125% of the 2024 salary. In practice, grants are considered to relate to performance in the prior year so are based on the salary as at the previous 31 December.

Annual Report on Remuneration

Implementation of Directors' Remuneration Policy for FY24

Component of Pay	Implementation for FY24
Executive Directors' Base Salaries	Salaries for each Executive Director will remain at £200,000 (as reported last year, implemented in August 2023).
Executive Directors' Benefits and Pension	No changes to benefits. Pension provision remains at 5% of qualifying salary (i.e up to the HMRC limit of, currently, £2,202).
Executive Directors' Annual Bonus	Maximum Annual Bonus of 100% of salary, with at least 75% deferred into shares ('DSB Award'), which will vest in equal instalments across the first, second and third anniversary of grant, which is aligned to the treatment throughout the organisation. In respect of 2024 bonuses, the Executive Directors' DSB Awards will vest in three equal annual tranches as described. The performance measures for 2024 bonuses are: • Financial measures, weighted at 50% of the total bonus, and consisting of two sub-metrics each accounting for 25% of the total bonus: Revenue (£), Adjusted EBITDA Margin (%)[27] • Customer composite metric, weighted at 25% of the total bonus, and consisting of five sub-metrics each accounting for 5% of the total bonus: Invested Customers[27], Trustpilot Score, App Store Ratings, Net Promoter Score and Complaints Ratio • Personal performance, weighted at 25% of the total bonus Consistent with market practice, the Committee considers the targets themselves for 2024 to be confidential and will disclose them in next year's report.
Executive Directors' Restricted Share Plan Award	A restricted share award ('RSP Award') of 125% of salary which vests in equal instalments on the third, fourth and fifth anniversary of grant and released following the fifth anniversary. The RSP Awards are subject to a performance underpin whereby the Remuneration Committee will assess whether vesting is appropriate, taking into consideration the Company's share price, its financial performance over the vesting period and the participant's adherence to the Company's values and its standards on risk and environmental, social and governance factors. On the basis that the RSP Awards are intended to provide greater certainty of vesting in consideration of lower Base Salaries, the default will be for vesting to occur, unless the Remuneration Committee decides otherwise.
Non-Executive Directors' Fees	Changes to Non-Executive Directors' Fees will align with market benchmarking, which is the primary basis for determining Non-Executive Directors' fees: • Chair of the Board fee increased from £125,000 to £150,000 in January 2024 • Non-Executive Director ('NED') base fee increased from £45,000 to £50,000 • Senior Independent Director fee £25,000 • Board Committee Chair fee £10,000 • Employee engagement lead fee £10,000 NEDs are eligible to participate in the Company's automatic enrolment pension plan. There have been no instances of Directors electing to waive their fees.

27. See definitions on pages 58 to 59 of the Measuring our Performance section of the Strategic Report.

Single Total Figure of Remuneration (Audited)

The figures included in the tables below represent remuneration relating to 2023 and 2022 respectively.

2023		Executive Directors			Non-Executive Directors			
		Romi Savova	Jonathan Lister Parsons	Christoph J. Martin	Mark Wood	Mary Francis	Michelle Cracknell	Lara Oyesanya
Fixed Pay	**Base Salary/Fees**	£186,583	£186,583	£186,583	£125,000	£90,000	£55,000	£45,000
	Benefits	n/a	n/a	n/a	n/a	n/a	n/a	n/a
	Pension	£2,018	£2,202	£2,202	n/a	n/a	£2,202	£1,938
Variable Pay	**Annual Bonus**	£159,050	£159,050	£159,050	n/a	n/a	n/a	n/a
	Long-Term Incentives	£0	£0	£0	n/a	n/a	n/a	n/a
Total		**£347,651**	**£347,835**	**£347,835**	**£125,000**	**£90,000**	**£57,202**	**£46,938**
Total Fixed Remuneration		**£188,601**	**£188,785**	**£188,785**	**£125,000**	**£90,000**	**£57,202**	**£46,938**
Total Variable Remuneration		**£159,150**	**£159,050**	**£159,050**	**n/a**	**n/a**	**n/a**	**n/a**

2022		Executive Directors			Non-Executive Directors			
		Romi Savova	Jonathan Lister Parsons	Christoph J. Martin	Mark Wood	Mary Francis	Michelle Cracknell	Lara Oyesanya
Fixed Pay	**Base Salary/Fees**	£175,000	£175,137	£175,137	£125,000	£90,000	£55,000	£45,000
	Benefits	n/a	n/a	n/a	n/a	n/a	n/a	n/a
	Pension	£2,202	£2,202	£2,202	n/a	n/a	£2,202	£1,938
Variable Pay	**Annual Bonus**	£72,192	£72,192	£72,192	n/a	n/a	n/a	n/a
	Long-Term Incentives	£0	£0	£0	n/a	n/a	n/a	n/a
Total		**£249,313**	**£249,531**	**£249,531**	**£125,000**	**£90,000**	**£57,202**	**£46,938**
Total Fixed Remuneration		**£177,202**	**£177,339**	**£177,339**	**£125,000**	**£90,000**	**£57,202**	**£46,938**
Total Variable Remuneration		**£72,192**	**£72,192**	**£72,192**	**n/a**	**n/a**	**n/a**	**n/a**

Notes to the Table

Base Salary

The 2022 table reflects the pro rata base salary for the relevant period of appointment for Christoph J. Martin (1 July 2022 to 31 December 2022) and Lara Oyesanya (21 April 2022 to 31 December 2022) i.e. what the annual figure would be for the relevant individual in order to enable a comparison with the other Directors.

Benefits

The Executive Directors did not receive benefits from the Company, but are eligible to participate in Company-wide schemes from time to time.

Pension

The Executive Directors received pension benefits equivalent to 5% of qualifying earnings.

Annual Bonus for 2023: Targets and Outcomes

The Annual Bonus for FY23 was subject to performance measures which consisted of the equally weighted measures of: Revenue (25% of Annual Bonus), Adjusted EBITDA Margin (25% of Annual Bonus), a Customer Love Composite Score (25% of Annual Bonus), which included equally weighted targets in relation to Invested Customers, Trustpilot Score, App Store Ratings, the Net Promoter Score and Complaints), and Personal Performance (25% of Annual Bonus).[28]

The Personal Performance element is based on a competency matrix, comprising quantitative and qualitative measures, that rewards each Executive Director for their achievements over the course of the year in line with their accomplishments and embodies the Company's values of Love, Quality, Honesty, Innovation and Simplicity. The competency matrix refers to the Executive Director's achievements with respect to furthering the Company's culture, the Company's approach to diversity and inclusion, the Company's delivery of operational performance, strategic initiatives and the approach to risk management controls, including the timely submission of policies and risk assessments, the minimisation and effective resolution of risk incidents and adherence to budgetary cost controls.

The CEO's personal objectives included managing the Company to ongoing Adjusted EBITDA profitability while maintaining the growth rate by deploying our marketing budget effectively. In addition, the CEO was required to grow PensionBee as a trusted brand with increased presence as a public data Company. In addition, the CEO focused on leadership through maintaining the Company's culture and supporting its mission, vision and values. Specific measurable goals were set, including maintaining the Cost per Invested Customer within the budgetary objectives, customer growth, brand awareness and high satisfaction rates among employees.

The CTO's personal objectives included building a world-class engineering function, with high levels of engineer job satisfaction and productivity, maintaining and improving our Information Security Management System, technology platform scalability to support projected volumes of customers and the data platform guiding decision making and budget allocation across departments, leadership in product innovation, development of an industry leading technology platform with increased velocity and quality, and further extensions of the Company's data platform, each of which were fully met. Specific measurable goals were set, including engineer satisfaction rates, information security KPIs, successful recertification to the ISO regime and technology platform health metrics.

The CFO's personal objectives included managing our capital structure efficiently, business planning and monitoring of the execution of the business plan and particularly the delivery of the Company's core financial objectives, including the delivery of Adjusted EBITDA profitability.[29] The CFO was evaluated on the quality and process relating to the preparation of the budget, monthly accounts and departmental expenditure plans, as well as the overall integrity and delivery timeline of the Company's financial results. The CFO was particularly responsible for the timely and accurate delivery of the Company's internal and external financial materials, including those contained within the Annual Report and investor presentations.

28. See definitions on pages 58 to 59 of the Measuring our Performance section of the Strategic Report.

29. See definitions on pages 58 to 59 of the Measuring our Performance section of the Strategic Report.

The table below summarises the 2023 performance targets and outcomes:

Metric[29]	Weighting	Threshold	Target	Max	Actual	Out-turn
Revenue	25%	£19.8m	£23.4m	£24.5m	£23.8m	69%
Adjusted EBITDA Margin	25%	(54)%	(50)%	(46)%	(35)%	100%
Customer Composite Score						
of which: Invested Customers	5%	215,000	232,000	245,000	229,000	46%
of which: Trustpilot Score	5%	4.5	4.6	4.7	4.6	50%
of which: App Store Rating average	5%	4.5	4.6	4.7	4.6	50%
of which: NPS	5%	54	57	6 0	53	0%
of which: Complaints per 1,000 accounts	5%	1.10	1.00	0.90	0.54	100%
Personal Performance	25%	25%	50%	100%	100%	100%
Overall						**80%**

The Committee considered that the overall performance and the experience of stakeholders was appropriately reflected in the overall bonus outcome and therefore no discretion was required to amend the result.

For FY23, 100% of any bonus linked to Company-wide performance and 40% of any bonus linked to individual performance is deferred, resulting in 81% deferral for Executive Directors. The deferred bonus vests in equal proportions over three years.

Consistent with the approach adopted for all equity awards, participants are required to bear any employers' NICs on those awards which means that the headline level of DSB Awards and RSP Awards overstates their commercial value by approximately 14% compared with other listed companies where the company itself bears this charge. This reflects the emerging profitability status of the Company and will be kept under review for subsequent grants.

	Cash Bonus (£)	Deferred Bonus (£)	Total Bonus (£)	Total Bonus (% Max)
CEO	£30,000	£129,050	£159,050	79.52%
CTO	£30,000	£129,050	£159,050	79.52%
CFO	£30,000	£129,050	£159,050	79.52%

Awards Vesting in the Year

Under the regulations, long-term incentive awards are included when and to the extent that the performance underpins are met. The next awards to be assessed against pre-vest performance conditions will be the 2022 RSP Award grant reported below (granted in respect of 2021 performance) at the end of this year. No RSP Awards were due to vest in 2023.

Awards Granted in the Year

The following awards with respect to the Financial Year ending 2022 were granted in March 2023:

	Restricted Share Plan[30]	Deferred Share Bonus[31]
CEO	224,014	56,008
CTO	224,014	56,008
CFO	224,014	56,008

30. The RSP Awards represent 125% of their salaries as at 31 December 2022 (i.e. £218,750) using a share price of 97.65p (being the average closing share price on the two dealing days immediately prior to grant. The RSP Awards are subject to a performance underpin assessing performance to the third anniversary of grant but no pre-set percentage would vest for any given level of performance. They will then be subject to an additional two year holding period.
31. The DSB Awards represent the proportion of the bonus awarded in shares contingent on employment to the third anniversary of grant. They had a face value of £54,692 using a share price of 97.65p.

Shares Interests and Incentives	Shares Owned Outright	Awards Unvested and Subject to Performance Conditions	Options Unvested and Not Subject to Performance Conditions	Options Vested and Not Subject to Performance Conditions	Exercised Options	Shareholding Requirement Met
Romi Savova	80,040,722	376,559	185,332	20,000	90,000	Yes
Jonathan Lister Parsons	13,322,800	376,559	185,332	20,000	90,000	Yes
Christoph J. Martin[32]	796,594	332,975	184,658	84,746	56,186	Yes
Mark Wood[33]	2,822,175	0	0	0	n/a	n/a
Mary Francis[34]	50,141	0	0	0	n/a	n/a
Michelle Cracknell	0	0	0	0	n/a	n/a
Lara Oyesanya	30,903	0	0	0	n/a	n/a

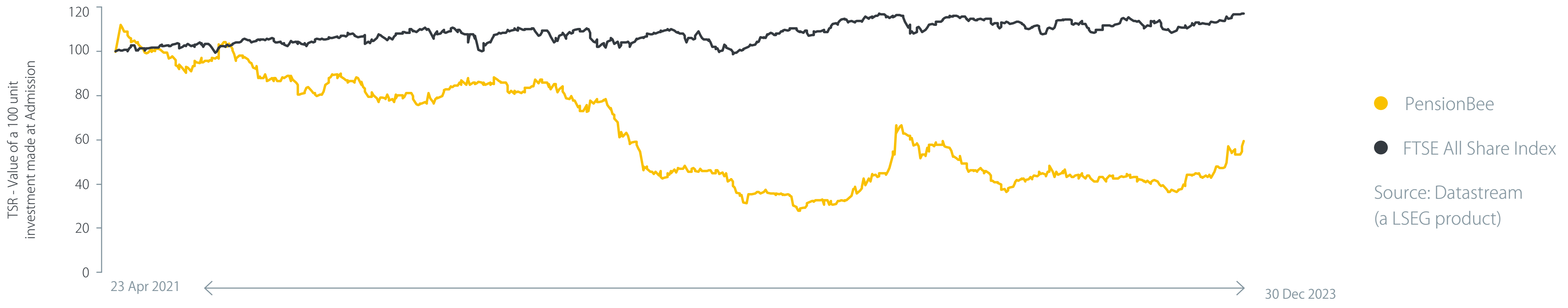
Other Statutory Requirements[35]

Our middle market share price at the close of business on 31 December 2023 was 98p and the range of the middle market price during the year was 50.2p to 110p.

Since the year-end there have been no other changes in the shareholdings.

Total Shareholder's Return

The chart that follows shows the value of £100 invested in the Company on Admission at the IPO price, compared with the value of £100 invested in the FTSE All Share Index at the same date and the movement in value until 31 December 2023. The Company was included in the FTSE All Share Index in 2023.



32. Christoph J. Martin's shareholding of 719,110 includes 90,000 shares held in his SIPP.
33. Mark Wood's shareholding of 2,822,175 includes 18,500 Shares held in his SIPP and 65,000 Shares held in a SIPP belonging to his wife.
34. Mary Francis's shareholding is held jointly with her husband.
35. All numbers are unaudited unless otherwise stated.

Change in CEO Total Remuneration

CEO Single Figure History	Total Remuneration[36]	Annual Bonus as % of Max	Long-Term Incentive Shares Vesting as % of Max
FY21	£513,384	75.00%	n/a
FY22	£249,393	41.25%	n/a
FY23	£347,651	79.52%	n/a

CEO Pay Ratio[37]

The table below shows the multiple of our CEO's pay ratio to median, lower quartile and upper quartile pay at the Company. The calculations are based on methodology Option A as defined by the regulations and calculating the pay and benefits of all UK employees on a full-time equivalent basis. The CEO pay ratio is based on comparing the CEO's pay to that of PensionBee's UK-based employee population. For the CEO the FY23 figure is based on the single figure total of £347,651.

Methodology	25th Percentile	50th Percentile	75th Percentile
Option A	10:1	9:1	6:1
Total Pay	£33,686	£39,239	£57,201
Salary Component	£28,861	£32,833	£55,000

The Committee will continue to monitor trends in the CEO pay ratio over the longer term.

Relative Importance of Spend on Pay

	2022	2023	YoY % Change
Total Employee Costs (Note 5 of the Financial Statements)	£9.6m	£12.5m	30%
Distributions to Shareholders	£0	£0	n/a

36. The table 'Single Total Figure of Remuneration (Audited)' outlines detailed components of the CEO's Total Remuneration.
37. All numbers are unaudited unless otherwise stated.

Percentage Change in Director Pay

Year on Year Change[38]	Percentage Change in Salary	Percentage Change in Pension Contributions	Percentage Change in Annual Bonus	Overall Percentage Change
Romi Savova	7%	-8%[39]	120%	39%
Jonathan Lister Parsons	7%	0%	120%	39%
Christoph J. Martin[40]	7%	0%	120%	39%
Mark Wood	0%	n/a	n/a	0%
Mary Francis	0%	n/a	n/a	0%
Michelle Cracknell	0%	0%	n/a	0%
Lara Oyesanya[41]	0%	0%	n/a	0%

Payments for Loss of Office and/or Payments to Former Directors

No payments for loss of office, nor payments to former Directors were made during the year under review.

Statement of Voting at the Annual General Meeting (Unaudited)

At the Company's 2023 AGM, shareholders were asked to vote on the Directors' Remuneration Report for the year ended 31 December 2021 and the Directors' Remuneration Policy. The resolutions received significant votes in favour by shareholders. The votes received were:

Resolution	Votes For	% of Votes	Votes Against	% of Votes	Votes Withheld
To approve the Directors' Remuneration Report (2023 AGM)	142,932,937	99.28	1,032,769	0.72	2,762
To approve the Directors' Remuneration Policy (2023 AGM)	142,882,040	99.28	1,032,769	0.72	53,659

This report was approved by the Board of Directors and signed on its behalf by:

Mary Francis CBE
Chair of the Remuneration Committee
13 March 2024

38. Annualised figures including compensation from 2022. These figures do not include Long Term Incentives. The figures are not comparable to the table 'Single Total Figure of Remuneration (Audited)'.
39. As an unanticipated result of a correction made in the August payroll (correcting for an error in the May payroll in conjunction with an exercise of share options), there was no pension payment made for Romi in the August payroll. Her net pay in August was increased accordingly to cover the shortfall.
40. The comparison in respect of Christoph J. Martin's pay is based on actuals for 2022, not the pro rata salary shown in the table 'Single Total Figure of Remuneration (Audited)'.
41. Since Lara joined the company in 2022, there is no comparable year-on-year change to disclose.

8 Directors Report

The Directors' Report for the year ended 31 December 2023 comprises pages 153 to 157 of this report, together with the sections of the Annual Report and Financial Statements 2023 incorporated by reference. The Corporate Governance Report set out on pages 103 to 159 is incorporated by reference into this report and, accordingly, should be read as part of this report.

As permitted by legislation, some of the matters required to be included in the Directors' Report have instead been included in the Strategic Report set out on pages 4 to 102, as the Board considers them to be of strategic importance.

Taken together, the Strategic Report on pages 4 to 102 and this Directors' Report fulfil the requirement of Disclosure, Guidance and Transparency Rule 4.1.5R to provide a management report.

Disclosure	Location
Future Business Developments	Our Strategy, pages 25-33
Research and Development	Note 2 of the Financial Statements, pages 173-178
Financial Instruments	Note 22 of the Financial Statements, pages 186-188
Financial Risk Management Objectives and Policies	Note 22 of the Financial Statements, pages 186-188
Exposure to Price, Credit and Liquidity Risk	Managing our Risks, pages 90-101 Note 22 of the Financial Statements, pages 186-188
Greenhouse Gas emissions ('GHG'), contained within our Task Force on Climate-related Financial Disclosures ('TCFD') section	Climate-related Disclosures, pages 77-89
People, Values and Culture	About Us, pages 14-24 Our People, pages 36-47 ESG Considerations (Stakeholder Engagement), pages 60-76
Section 172 Statement	ESG Considerations (Section 172 Statement), pages 60-76
Stakeholder Engagement	ESG Considerations (Stakeholder Engagement), pages 60-76
Directors' Interests	Directors' Remuneration Report, pages 137-152
Statement of Directors' Responsibilities	Statement of Directors' Responsibilities, page 158
Applicable Disclosures required under Listing Rule 9.8.4R	**Location**
Details of Long-Term Incentive Schemes	Directors' Remuneration Report, pages 137-152
Relationship with Major Shareholder Statement	Directors' Report, pages 153-157

Principal Activity

PensionBee is a leading online pension provider in the UK, a direct-to-consumer financial technology company with a mission to make pensions simple, so that everyone can look forward to a happy retirement. The Company is registered as a public limited company under the Companies Act 2006 and is listed on the Premium Segment of the Main Market of the London Stock Exchange.

Results and Dividends

The results for the year are set out in the Consolidated Statement of Comprehensive Income on page 169 of the Financial Statements. The Directors are not proposing a final dividend for the year ended 31 December 2023.

Directors and their Interests

The names and biographies of the Directors who were in office during the year ended 31 December 2023 are set out on pages 107 to 113 of the Board of Directors and Executive Management section of the Corporate Governance Report.

Directors' interests in the Ordinary shares of PensionBee Group plc as at 31 December 2023 are set out within pages 137 to 152 of the Directors' Remuneration Report within the Corporate Governance Report. Details of Directors' service contracts are set out within pages 114 to 121 of the Corporate Governance Statement within the Corporate Governance Report.

During the period covered by this report, no Director had any material interest in a contract to which the Company or any of its subsidiary undertakings was a party (other than their own service contract) that requires disclosure under the requirements of the Companies Act 2006.

Directors' Powers

The powers of the Directors are set out in the Articles of Association and the Companies Act 2006 (the 'Act') and are subject to any directions given by special resolution. The Directors are responsible for the management of the Company's business, for which purpose they may exercise all the powers of the Company whether relating to the management of the business or not. The Directors may also, subject to the Articles, delegate any of their powers, authorities and discretions as they see fit.

The Articles give the Directors power to appoint and replace Directors. Unless otherwise determined by the Company by ordinary resolution, the number of directors (other than alternate directors) must not be less than two and must not be more than thirteen.

Appointment and Replacement of Directors

The rules governing the appointment and replacement of Directors are set out in the Company's Articles and are governed by the Code, the Act and related legislation. Directors may be appointed by ordinary resolution at a general meeting, by a decision of the Directors or by the sole Director if the Company has only one Director.

All Directors are subject to election by shareholders at the first Annual General Meeting ('AGM') following their appointment and to annual re-election thereafter, in accordance with the UK Corporate Governance Code.

Please also refer to the paragraph entitled Relationship with Major Shareholder set out below.

Articles of Association

The Articles may be amended by a special resolution of the Company's shareholders. They were last reviewed, updated and adopted at the Company's AGM in May 2022. As well as setting out the rules governing the appointment and replacement of Directors, the Articles also set out, amongst other matters, the Directors' general authority, rules on decision-making by the Directors, as well as in full the powers of the Directors in relation to issuing shares and buying back the Company's own shares. A copy of the Company's Articles can be found on the Company's website at pensionbee.com/investor-relations/esg.

Directors' Insurance and Indemnities

The Company's Articles provide, subject to the provisions of UK legislation, an indemnity for Directors and Officers of the Company and the Group in respect of liabilities they may incur in the discharge of their duties or in the exercise of their powers.

Directors' and Officers' liability insurance cover is maintained by the Company and is in place in respect of all the Company's Directors at the date of this Annual Report. The Company will review its level of cover on an annual basis.

Compensation for Loss of Office

The Company does not have any agreements with any Executive Director or employee that would provide compensation for loss of office or employment resulting from a takeover except that provisions of the Company's historic EMI Option Scheme and Non tax-qualifying Option Scheme may cause options and awards outstanding under such schemes to vest on a takeover.

Restricted Share Plan Awards will vest subject to the measurement of the underpin at the time of the event and, unless the Remuneration Committee determines otherwise, time pro-rated Deferred Share Bonus Awards will vest in full.

Further information is provided on pages 137 to 152 of the Directors' Remuneration Report within the Corporate Governance Report.

Share Capital

Details of the Company's authorised and issued share capital, together with movements during the year, are set out in Note 15 of the Financial Statements. As at 31 December 2023, the Company's issued share capital consisted of 223,962,781 Ordinary shares with a nominal value of £0.001 each. Since the financial period end the Company's issued share capital has increased to 224,040,619 due to the exercise of vested options granted under the historic EMI Option Scheme and Non tax-qualifying Option Scheme, together with the exercise of vested options under the Company's current Omnibus Plan. Details of the employee share plans are provided on pages 137 to 152 of the Directors' Remuneration Report within the Corporate Governance Report.

The Company has one class of Ordinary Share. There are no specific restrictions on the size of the holding nor on the transfer of shares, which are both governed by the general provisions of the Articles and prevailing legislation. Ordinary shareholders are entitled to receive notice of, and to attend and speak at, any general meeting of the Company. On a show of hands, every shareholder present in person or by proxy (or being a corporation represented by a duly authorised representative) shall have one vote, and on a poll every shareholder who is present in person or by proxy shall have one vote for every share of which they are the holder. The Notice of Annual General Meeting specifies deadlines for exercising voting rights and appointing a proxy or proxies.

Lock-Up Arrangements

As part of the Company's initial public offering ('IPO'), lock-up arrangements were put in place in respect of the Company's shares held by the pre-IPO investors. During 2023 the last remaining lock-up of the shareholdings of the Executive Directors expired on 26 April 2023.[42] Further details of the lock-up arrangements are set out in the Company's Prospectus, a copy of which is available on the Company's website at pensionbee.com/investor-relations/ipo-centre.

42. Includes the shareholding at the point of the Company's IPO, together with any shares received subsequently for the duration of the relevant lock-up period as a result of the exercise of any options granted pre-IPO.

Authority to Purchase Its Own Shares

Pursuant to the terms of its Articles, the Company is permitted to purchase its own shares subject to shareholder approval. The necessary shareholder authority was not sought at the 2023 Annual General Meeting given that the Company is a pre-profit business with a significant opportunity for continued growth.

Significant Interests

The interests in shares notified to the Company in accordance with the Disclosure Guidance and Transparency Rules as at 31 December 2023 are set out below.

Name of shareholder	Number of Ordinary Shares of £0.001 each Held	Percentage of Total Shares Outstanding/Total Voting Rights
Romina Savova	80,040,722	35.74%
Mudita Advisors LLP	17,923,230	8.00%
Jonathan Lister Parsons	13,322,800	5.95%
State Street Global Advisors, Inc.	8,757,600	3.91%
Norges Bank	7,457,930	3.33%

Between 31 December 2023 and 13 March 2024 (the latest practicable date for inclusion in this report), the Company had been notified of the following holdings of voting rights in the Ordinary Share capital of the Company: Mudita Advisors LLP 20,494,883 Ordinary Shares (9.15%).

Romi Savova and Jonathan Lister Parsons are deemed to be acting in concert, together with certain other shareholders who represent, in aggregate, approximately 1,022,600 shares or 0.5% of the Company's Total Shares Outstanding/Total Voting Rights.

Relationship with Major Shareholder

In April 2022, in light of the transfer of the entire share capital of the Company from the High Growth Segment of the London Stock Exchange plc ('LSE') to the Premium Segment of the Official List of the Financial Conduct Authority and to trading on the LSE's Main Market for listed securities, a relationship agreement was put in place between Romi Savova, Jonathan Lister Parsons (together, the 'Signing Controlling Shareholders') and the Company ('Relationship Agreement'). The principal purpose of the Relationship Agreement is to ensure that the independence provisions as set out in Chapter 6 of the Listing Rules ('Independence Provisions') are complied with.

Pursuant to the Independence Provisions, the Relationship Agreement contains undertakings from the Signing Controlling Shareholders that they will each, and will ensure that each of their associates will:

- Conduct all transactions and arrangements with the Company or any other member of the Group on an arm's length basis and on normal commercial terms;
- Not take any action that would have the effect of preventing the Company from complying with its obligations under the Listing Rules; and
- Not propose or procure the proposal of a shareholder resolution which is intended or appears to be intended to circumvent the proper application of the Listing Rules.

Romi Savova has also agreed to procure the compliance of certain other shareholders who, in addition to Jonathan Lister Parsons, are deemed to be acting in concert with her, and who represent, in aggregate, approximately 0.5% of the Company's voting rights (the 'Non-signing Controlling Shareholders' together with the Signing Controlling Shareholders, the 'Controlling Shareholder Group') with the Independence Provisions. The Company considers, in light of its understanding of the relationship between Romi Savova and each of the Non-signing Controlling Shareholders, that Romi Savova can procure the compliance of the Non-signing Controlling Shareholders and their respective associates with the Independence Provisions.

Under the terms of the Relationship Agreement, in the event Romi Savova is no longer an Executive Director, she has a right to appoint two non-executive representative directors to the Board, provided she holds 25% or more of the voting rights of the Company's shares, and one director, provided she holds 10% or more of the voting rights of the Company's shares.

The Board confirms that the Company is in compliance with the undertakings in the Listing Rules and the Relationship Agreement and so far as the Company is aware, the undertakings have been complied with by each member of the Controlling Shareholder Group.

Capital Management

PensionBee Limited, a subsidiary of PensionBee Group plc, is a FCA regulated business and subject to holding a Liquid Capital requirement under IPRU (INV) 5.9. As of December 2023, the capital resources stood at £12.6m (unaudited) as compared to a capital resource requirement of £1.6m (unaudited), resulting in a coverage of 7.9x.

Research and Development

Details of the Company's research and development is contained in Note 2 of the Financial Statements.

Political and Charitable Contributions

During the financial year ending 31 December 2023, the Company did not make any charitable donations, nor any political contributions.

Change of Control - Significant Agreements

There are a number of agreements that may take effect after, or terminate upon, a change of control of the Company, such as commercial contracts and property lease arrangements. None of these are considered to be significant in terms of their likely impact on the business as a whole.

Environment

The Board considers environmental matters to be of strategic importance. Therefore, relevant information contained within our Task Force on Climate-Related Financial Disclosures section within pages 77 to 89 of the Climate-related Disclosures section of the Strategic Report, is incorporated into the Directors' Report by cross reference. The TCFD Disclosure includes our annual report on GHG emissions.

Internal Control and Risk Management

The Board is ultimately responsible for establishing the risk appetite and the risk management framework at PensionBee. The Audit and Risk Committee is responsible for monitoring and reviewing the effectiveness of the Group's internal control and risk management systems.

Further detail is set out on pages 90 to 101 of the Managing our Risks section of the Strategic Report and on pages 129 to 136 of the Audit and Risk Committee Report within the Corporate Governance Report.

Market Abuse Regulation

The Company has in place its own internal dealing policies and procedures which apply to all employees and which encompass the requirements of the Market Abuse Regime.

Going Concern and Viability Statement

The Consolidated Financial Statements have been prepared on a going concern basis. After making enquiries and considering the Group's financial position, its business model, strategy, financial forecasts and regulatory capital together with its principal risks and uncertainties, the Directors have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due for at least 12 months from the date of signing this report. The going concern basis of preparation is discussed within Note 2 of the Financial Statements.

In accordance with provision 31 of the UK Corporate Governance Code, the Directors have assessed the prospects of the Group over a longer period than the 12 months required by the going concern provision. Details of the assessment can be found on page 102 in the Viability Statement section of the Strategic Report.

Post Balance Sheet Events

On 4 March 2024, the Company announced its proposed expansion into the United States of America ('US'), having taken an important step by entering into an exclusive, non-binding term sheet with a large, US-based global financial institution. Under the proposed strategic relationship, we will deliver the US service through PensionBee Inc, a yet to be established wholly-owned subsidiary of the Company, with operational headquarters in New York.

We will manage the operations of the US business, including the hiring of a local team, making available its award-winning online retirement proposition and UK-based proprietary technology to consumers in the US Defined Contribution market. The US-based partner will provide its expertise and substantial marketing funding. Correspondingly, our financial contribution will be financed from the Company's existing resources. Entry into a final binding agreement between the parties is subject to confirmatory due diligence, legal documentation and regulatory approvals, with launch expected in late 2024.

Further details are set out on pages 10 to 13 of the Chief Executive Officer's Review and in Note 24 of the Financial Statements.

Disclosure of Information to Auditor

Each of the Directors at the date of the approval of this Annual Report confirms that:

- So far as each of them is aware, there is no relevant audit information of which the Group's auditor is unaware; and
- each of them has taken all the reasonable steps that they ought to have taken as a Director to make themself aware of any relevant audit information and to establish that the Group's auditor is aware of the information.

The confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

Auditor

Deloitte LLP has indicated their willingness to continue in office and resolutions to reappoint them as auditor and to authorise the Audit and Risk Committee to determine the auditor's remuneration will be proposed at the forthcoming Annual General Meeting ('AGM') to be held on 16 May 2024.

Annual General Meeting

The full details of the Company's 2024 AGM, which will take place on 16 May 2024, are set out in the Notice of 2024 AGM. A copy of this can be found on the Company's website at: pensionbee.com/investor-relations/annual-general-meeting.

Approved by the Board on 13 March 2024 and signed on its behalf by:

Romi Savova
Chief Executive Officer
13 March 2024

9 Statement of Directors' Responsibilities

The Directors are responsible for preparing the Annual Report and 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, they are required to prepare the Group Financial Statements in accordance with International Financial Reporting Standards ('IFRS') as adopted by the UK in conformity with the requirements of the Companies Act 2006 and have elected to prepare the Parent Company Financial Statements in accordance with UK Accounting Standards, including FRS 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 Group and the Company and of their profit or loss for that period.

In preparing each of the Group and Parent Company Financial Statements, the Directors are required to:

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

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's and the Company's operations and disclose with reasonable accuracy at any time the financial position of the Group and the Company and that enable them to ensure that its Financial Statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and the Company and to prevent and detect fraud and other irregularities.

Under applicable law and regulations, the Directors are also responsible for preparing a Strategic Report, Directors' Report, Directors' Remuneration Report and Corporate Governance Report that complies with that law and those regulations. The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the UK governing the preparation and dissemination of Financial Statements may differ from legislation in other jurisdictions.

We confirm that to the best of our knowledge:

- The Financial Statements, prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities and financial position of the Group and the Company and profit or loss of the Group and the undertakings included in the consolidation taken as a whole; and
- The Strategic Report includes a fair review of the development and performance of the business and the position of the issuer and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that it faces.

We consider that the Annual Report and Financial Statements 2023, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's and the Company's position and performance, business model and strategy.
Approved by the Board of Directors on 13 March 2024 and signed on its behalf by:

Romi Savova
Chief Executive Officer
13 March 2024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Financial Statements

1 Independent Auditor's Report to the Members of PensionBee Group plc

Report on the Audit of the Financial Statements

1 Opinion

In our opinion:

- the financial statements of PensionBee Group plc (the 'Parent Company') and its subsidiary (the 'Group') give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 December 2023 and of the Group's loss for the year then ended;
- the Group financial statements have been properly prepared in accordance with United Kingdom adopted international accounting standards;
- the Parent Company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the Consolidated Statement of Comprehensive Income;
- the Consolidated and Parent Company Statements of Financial Position;
- the Consolidated and Parent Company Statements of Changes in Equity;
- the Consolidated Statement of Cash Flows;
- the related Notes 1 to 25 to the Consolidated Financial Statements; and
- the related Notes 1 to 10 of the Parent Company Financial Statements.

The financial reporting framework that has been applied in the preparation of the Group financial statements is applicable law and United Kingdom adopted international accounting standards. The financial reporting framework that has been applied in the preparation of the Parent Company financial statements is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

2 Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the Group and the Parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. The non-audit services provided to the Group and Parent Company for the year are disclosed in Note 9 to the financial statements. We confirm that we have not provided any non-audit services prohibited by the FRC's Ethical Standard to the Group or the Parent Company.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

3 Summary of our Audit Approach

Key audit matters	The key audit matter that we identified in the current year was: · Revenue recognition Within this report, key audit matters are identified as follows: Similar level of risk
Materiality	The materiality that we used for the Group financial statements was £456,500 which was determined on the basis of 2% of Group Revenue. This basis remains unchanged from the previous period.
Scoping	Our audit scope focused on PensionBee Limited and PensionBee Group plc. The Parent Company and the subsidiary account for 100% of the Group's Loss before Tax, 100% of the Group's Revenue and 100% of the Group's Net Assets.
Significant changes in our approach	There have not been any significant changes in our approach.

4 Conclusions relating to Going Concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Our evaluation of the directors' assessment of the Group's and Parent Company's ability to continue to adopt the going concern basis of accounting included the following:

- We evaluated management's going concern assessment in light of changes to the UK's macroeconomic conditions; this included obtaining evidence such as underlying business plans and forecasts to support key assumptions;
- We assessed management's stress testing and the likelihood of the various scenarios that could adversely impact upon the Group's liquidity;
- We assessed management's ability to apply mitigative actions in response to a downturn scenario. This included performing analysis of the Group's cost base and identifying whether there existed any significant committed expenditure;
- We performed independent reverse stress testing which considered scenarios that could adversely impact upon the Group's liquidity. The stresses applied in our independent analysis were more severe than those used by management in their stress tests;
- We obtained and inspected correspondence between the Group and its regulator, the FCA, to identify any items of interest which could potentially indicate non-compliance with legislation or potential litigation, or regulatory action held against the Group;
- We have assessed the appropriateness of the disclosures made in relation to going concern in Note 2 to the financial statements;
- We have reviewed the Directors' Report and the Corporate Governance Statement for material consistency with regards to the appropriateness of adopting the going concern basis of accounting and any material uncertainties in the financial statements.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's and Parent Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In relation to the reporting on how the Group has applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the directors' statement in the financial statements about whether the directors considered it appropriate to adopt the going concern basis of accounting.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

5 Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

5.1 Revenue Recognition

Key audit matter description	The sole material Revenue stream for the Group is fees from fund administration. These fees are earned for administering the customer pension schemes and are charged based on a fixed percentage of the value of a customer's assets held by the pension scheme. This fixed percentage is charged at a 50% discount for units above a set threshold The revenue recognition key audit matter relates to both the accuracy of the fee percentages applied by management when calculating the administration fees, and the accuracy of the Assets under Administration (AUA) in the pension scheme which the fees are applied to. A minor percentage change in either of the above may have a material impact on the overall year-end result reported. Having considered the opportunities and incentives that may exist within the organisation for fraud, we identified the greatest potential for fraud was within revenue recognition and the accuracy of its calculation due to IT control findings. Revenue recognised in the period ended 31 December 2023 was £23,817k (2022: £17,662k); further details are included within Note 2 and Note 4 to the financial statements.
How the scope of our audit responded to the key audit matter	We obtained an understanding and tested the relevant controls relating to the percentages and AUA value used in the calculation of the administration fees. We tested the appropriateness of the fee percentage applied by management on customer pension schemes in the period and the accuracy of the thresholds applied to use the 50% discount for units. With the involvement of our analytics specialists, we performed a 100% recalculation of the 2023 administration fee Revenue based on customer transactional data. We tested the completeness and accuracy of the underlying transactional data which makes up the AUA in the pension scheme, through procedures performed by the core audit team with the involvement of analytics specialists. The engagement team agreed transactions made by customers in the period to bank statements and money manager data, and has reconciled the opening balance of customer data to prior year amounts. Working with our analytics specialists we performed data quality checks to assess whether that customer data was consistent with customer transactions during the year.
Key observations	Based on the work performed we have determined that the Revenue recognised is appropriate.

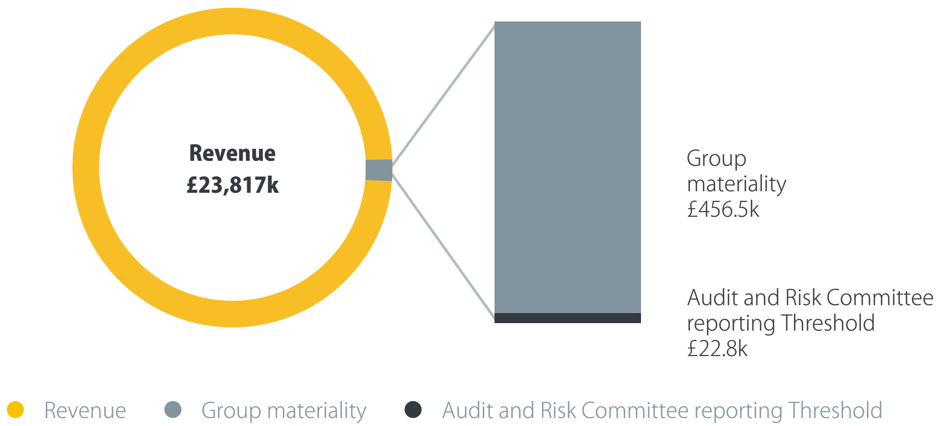
6 Our Application of Materiality

6.1 Materiality

We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality both in planning the scope of our audit work and in evaluating the results of our work.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

	Group financial statements	Parent Company financial statements
Materiality	£456.5k (2022: £353.0k)	£456.5k (2022: £353.0k)
Basis for determining materiality	2% of Revenue (2022: 2% of revenue)	1% of Net Assets capped at Group materiality (2022: 1% of Net Assets capped at Group materiality)
Rationale for the benchmark applied	Revenue has been determined as the most appropriate benchmark due to the fact that it is a key balance used for determining future profitability and stability of the Group, and is a key metric used by stakeholders in assessing the financial performance of the Group.	The Parent Company exists primarily as the holding company which carries investments in Group subsidiaries and is the issuer of listed securities. We consider Net Assets to be the critical benchmark for this company.



6.2 Performance materiality

We set performance materiality at a level lower than materiality to reduce the probability that, in aggregate, uncorrected and undetected misstatements exceed the materiality for the financial statements as a whole.

	Group financial statements	Parent Company financial statements
Performance materiality	65% (2022: 65%) of Group materiality	65% (2022: 65%) of Parent Company materiality
Basis and rationale for determining performance materiality	In determining performance materiality, we considered the following factors: a. the quality of the control environment and whether we were able to rely on controls; b. the nature, volume and size of misstatements (corrected and/or uncorrected) in the previous and current audits; and c. the growth experienced by the Group compared to the prior year.	

6.3 Error reporting threshold

We agreed with the Audit and Risk Committee that we would report to the Committee all audit differences in excess of £22.8k (2022: £17.1k), as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also report to the Audit and Risk Committee on disclosure matters that we identified when assessing the overall presentation of the financial statements.

7 An Overview of the Scope of our Audit

7.1 Identification and scoping of components

Our audit was scoped by obtaining an understanding of the Group and its environment, including controls over revenue, and assessing the risks of material misstatement at the Group level.

The two financially significant entities of the Group are PensionBee Limited and the PensionBee Group plc. We have considered both entities in the Group to be one business unit and have recognised them as a single component.

Our full scope of audit accounts for 100% of the Group's Profit before Tax, 100% of the Group's Revenue and 100% of the Group's Net Assets. Audit work to respond to the risks of material misstatement was performed directly by the Group audit engagement team.

7.2 Our consideration of the control environment

We obtained an understanding of the relevant controls over the financial reporting, payroll, expenses, and cash cycles. We also tested the operating effectiveness of controls over the revenue cycle.

With the involvement of our IT specialists, we identified the relevant financial reporting IT systems, and obtained an understanding of the relevant general IT controls (GITCs) and automated controls related to those systems. Our GITC testing covered in scope applications, and their supporting infrastructure (database and operating system) and included obtaining an understanding of controls around access security and change management.

We reported findings from our controls work to the Audit and Risk Committee. Across all areas, we adopted a non-controls reliance approach in response to these findings and we therefore performed fully substantive procedures.

7.3 Our consideration of climate-related risks

In planning our audit, we have considered the potential impact of climate change on the Group's business and its financial statements.

The Group continues to develop its assessment of the potential impacts of environmental, social and governance (ESG) related risks, including climate change, as outlined in ESG Considerations on pages 60-76.

We have performed our own qualitative risk assessment of the potential impact of climate change on the Group's account balances and classes of transactions. Our work involved:

- evaluating climate as a factor in risk assessments for potentially affected balances;
- assessing the risks identified and considered in the Group's climate risk assessment and the conclusion that there continues to be no material impact of climate change risk on financial reporting; and
- Assessing the critical accounting judgements and key sources of estimation uncertainty disclosure in Note 3 to the financial statements through consideration of the climate risks.

As part of our audit procedures, we read and considered these disclosures to assess whether they are materially inconsistent with the financial statements and knowledge obtained in the audit and we did not identify any material inconsistencies as a result of these procedures.

8 Other Information

The other information comprises the information included in the Annual Report, other than the financial statements and our Auditor's Report thereon. The directors are responsible for the other information contained within the Annual Report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated.

If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

9 Responsibilities of Directors

As explained more fully in the Statement of Directors' Responsibilities on page 158, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Group's and the Parent Company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

10 Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

11 Extent to which the Audit was Considered Capable of Detecting Irregularities, including Fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

11.1 Identifying and assessing potential risks related to irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the industry and sector, control environment and business performance including the design of the Group's remuneration policies, key drivers for directors' remuneration, bonus levels and performance targets;
- the Group's own assessment of the risks that irregularities may occur either as a result of fraud or error that was approved by the Audit and Risk Committee;
- results of our enquiries of management, the directors and the Audit and Risk Committee about their own identification and assessment of the risks of irregularities, including those that are specific to the Group's sector;

- any matters we identified having obtained and reviewed the Group's documentation of their policies and procedures relating to:
  - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
  - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
  - the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;
- the matters discussed among the audit engagement team and relevant internal specialists, including IT, analytics and industry specialists regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud within revenue recognition. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory framework that the Group operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the UK Companies Act, the Listing Rules, and relevant tax legislation.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the Group's ability to operate or to avoid a material penalty. These included the Group's operating licence, regulatory solvency requirements and the regulations imposed by the Financial Conduct Authority (the 'FCA').

11.2 Audit response to risks identified

As a result of performing the above, we identified revenue recognition as a key audit matter related to the potential risk of fraud. The key audit matters section of our report explains the matter in more detail and also describes the specific procedures we performed in response to that key audit matter.

In addition to the above, procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing the supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- making enquiries of management, the Audit and Risk Committee and in-house legal counsel concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance, reviewing internal audit reports and reviewing correspondence with the FCA and HMRC; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members including internal specialists, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Report on other Legal and Regulatory Requirements

12 Opinions on other matters prescribed by the Companies Act 2006

In our opinion the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006.

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

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

In the light of the knowledge and understanding of the Group and the Parent Company and their environment obtained in the course of the audit, we have not identified any material misstatements in the Strategic Report or the Directors' Report.

13 Corporate Governance Statement

The Listing Rules require us to review the Director's Report in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to the Group's compliance with the provisions of the UK Corporate Governance Code specified for our review.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the financial statements and our knowledge obtained during the audit:

- the statement in the Directors' Report with regards to the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified as set out on page 153;
- the directors' explanation as to its assessment of the Group's prospects, the period this assessment covers and why the period is appropriate as set out on page 153;
- the directors' statement on fair, balanced and understandable as set out on page 153;
- the board's confirmation that it has carried out a robust assessment of the emerging and principal risks as set out on page 153;
- the section of the Annual Report that describes the review of effectiveness of risk management and internal control systems as set out on pages 90 to 101; and
- the section describing the work of the Audit and Risk Committee as set out on pages 129 to 136.

14 Matters on which we are Required to Report by Exception

14.1 Adequacy of explanations received and accounting records

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Company financial statements are not in agreement with the accounting records and returns.

We have nothing to report in respect of these matters.

14.2 Directors' remuneration

Under the Companies Act 2006 we are also required to report if in our opinion certain disclosures of directors' remuneration have not been made or the part of the Director's Remuneration Report to be audited is not in agreement with the accounting records and returns.

We have nothing to report in respect of these matters.

15 Other Matters which we are Required to Address

15.1 Auditor tenure

Following the recommendation of the Audit and Risk committee, we were appointed by the Board of Directors on 23 June 2021 to audit the financial statements for the year ended 31 December 2021 and subsequent financial periods. Subsequent financial periods are subject to approval at the 2024 Annual General Meeting. The period of total uninterrupted engagement including previous renewals and reappointments of the firm is three years, covering the years ended 31 December 2021 to 31 December 2023.

15.2 Consistency of the audit report with the additional report to the Audit and Risk Committee

Our audit opinion is consistent with the additional report to the Audit and Risk Committee we are required to provide in accordance with ISAs (UK).

16 Use of our Report

This report is made solely to the Parent 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 Parent 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 Parent Company and its members as a body, for our audit work, for this report, or for the opinions we have formed.

As required by the FCA Disclosure Guidance and Transparency Rule (DTR) 4.1.15R – DTR 4.1.18R, these financial statements will form part of the Electronic Format Annual Financial Report filed on the National Storage Mechanism of the FCA in accordance with DTR 4.1.15R – DTR 4.1.18R. This auditor's report provides no assurance over whether the Electronic Format Annual Financial Report has been prepared in compliance with DTR 4.1.15R – DTR 4.1.18R.

Kieren Cooper FCA (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
Birmingham, United Kingdom 13 March 2024

2 Consolidated Statement of Comprehensive Income

For the year ended 31 December 2023

	Note	2023 £ 000	2022 £ 000
Revenue	4	23,817	17,662
Employee Benefits Expense (excluding Share-based Payment)	5	(12,301)	(9,554)
Share-based Payment	5, 21	(2,182)	(1,898)
Depreciation Expense	12, 13	(288)	(276)
Advertising and Marketing		(9,718)	(16,554)
Other Expenses	7	(10,017)	(11,067)
Listing Costs	25	-	(687)
Operating Profit/(Loss)		**(10,689)**	**(22,374)**
Finance Income	8	6	-
Finance Costs	8	(36)	(46)
Profit/(Loss) before Tax		**(10,719)**	**(22,420)**
Taxation	10	150	274
Profit/(Loss) for the Year		**(10,569)**	**(22,146)**
Total Comprehensive Profit/(Loss) for the Year wholly attributable to Equity Holders of the Parent Company		**(10,569)**	**(22,146)**
Earnings per Share (pence per Share)			
Basic and Diluted	11	(4.73)	(9.97)

The above results were derived from continuing operations.
The notes on pages 173-188 form an integral part of these financial statements.

3 Consolidated Statement of Financial Position

As at 31 December 2023

	Note	2023 £ 000	2022 £ 000
Assets			
Non-current Assets			
Property, Plant and Equipment	12	305	358
Right of Use Assets	13	412	553
Financial Assets (Deposits)		147	-
		864	**911**
Current Assets			
Trade and Other Receivables	14	4,347	3,412
Cash and Cash Equivalents		12,214	21,321
		16,561	**24,733**
Total Assets		**17,425**	**25,644**
Equity and Liabilities			
Equity			
Share Capital	15	224	223
Share Premium	16	53,218	53,218
Share-based Payment Reserve	16, 21	12,397	10,215
Retained Earnings	16	(50,694)	(40,124)
Total Equity		**15,145**	**23,532**
Non-current Liabilities			
Lease Liability	17	292	397
Provisions	18	49	46
		341	**443**
Current Liabilities			
Lease Liability	17	106	154
Trade and Other Payables	19	1,833	1,515
		1,939	**1,669**
Total Liabilities		**2,280**	**2,112**
Total Equity and Liabilities		**17,425**	**25,644**

The notes on pages 173-188 form an integral part of these financial statements.
Approved by the Board on 13 March 2024 and signed on its behalf by:

Christoph J. Martin
Chief Financial Officer

4 Consolidated Statement of Changes in Equity

For the year ended 31 December 2023

	Note	Share Capital £ 000	Share Premium £ 000	Share-based Payment Reserve £ 000	Retained Earnings £ 000	Total £ 000
At 1 January 2022		221	53,218	8,317	(17,976)	43,780
Profit/(Loss) for the Year		-	-	-	(22,146)	(22,146)
Total Comprehensive Profit/(Loss)		-	-	-	(22,146)	(22,146)
Share-based Payment Transactions		-	-	1,898	-	1,898
Exercise of Share Options	15	2	-	-	(2)	-
At 31 December 2022		**223**	**53,218**	**10,215**	**(40,124)**	**23,532**
At 1 January 2023		223	53,218	10,215	(40,124)	23,532
Profit/(Loss) for the Year		-	-	-	(10,569)	(10,569)
Total Comprehensive Profit/(Loss)		-	-	-	(10,569)	(10,569)
Share-based Payment Transactions		-	-	2,182	-	2,182
Exercise of Share Options	15	1	-	-	(1)	-
At 31 December 2023		**224**	**53,218**	**12,397**	**(50,694)**	**15,145**

The notes on pages 173-188 form an integral part of these consolidated financial statements.

5 Consolidated Statement of Cash Flows

For the year ended 31 December 2023

	Note	2023 £ 000	2022 £ 000
Cash Flows used in Operating Activities			
Profit/(Loss) for the Year		(10,569)	(22,146)
Adjustments to Cash Flows from Non-cash Items			
Depreciation		288	276
Finance Costs	8	36	46
Share-based Payment Transactions		2,182	1,898
Taxation	10	(150)	(274)
Operating Cash Flows before movements in Working Capital		(8,213)	(20,200)
Working Capital Adjustments			
Increase in Trade and Other Receivables	14	(1,553)	(162)
Increase in Trade and Other Payables	19	318	(1,511)
Cash used in Operations		(9,448)	(21,873)
Income Taxes Received	10	623	194
Net Cash Flow used in Operating Activities		(8,825)	(21,679)
Cash Flows used in Investing Activities			
Acquisition of Equipment	12	(96)	(367)
Net Cash Flow used in Investing Activities		(96)	(367)
Cash Flows from Financing Activities			
Payment of Principal of Lease Liabilities	17	(153)	(105)
Payment of Interest of Lease Liabilities	17	(33)	(46)
Net Cash Flows from Financing Activities		(186)	(151)
Net (Decrease) / Increase in Cash and Cash Equivalents		**(9,107)**	**(22,197)**
Cash and Cash Equivalents at 1 January		**21,321**	**43,518**
Cash and Cash Equivalents at 31 December		**12,214**	**21,321**

Changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes have been disclosed in Note 17 to the financial statements.
The notes on pages 173-188 form an integral part of these consolidated financial statements.

6 Notes to the Financial Statements

For the year ended 31 December 2023

1 General Information

PensionBee Group plc ('Company') is the parent company of PensionBee Limited ('Subsidiary') (together the 'Group'). The Company is a public company, whose shares are traded on the Premium Segment of the Main Market of the London Stock Exchange ('LSE'), and is incorporated and domiciled in England and Wales.

The address of its registered office is:
209 Blackfriars Road
London
SE1 8NL
United Kingdom

Principal Activity

The principal activity of the Group is that of a direct-to-consumer online pension provider. The Group seeks to make its UK customers 'Pension Confident' by giving them complete control and clarity over their retirement savings. The Group helps its customers to combine their pensions into one new online plan where they can contribute, forecast outcomes, invest effectively, and withdraw their pensions (from the age of 55), all from the palm of their hand.

2 Accounting Policies

Basis of Preparation

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ('IFRS') as adopted by the UK in conformity with the requirements of the Companies Act 2006. The financial statements are prepared on the historical cost basis and on a going concern basis.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies.

The financial statements are presented in GBP and all values are rounded to the nearest thousand (£'000), except when otherwise indicated. The functional currency of the Company is GBP because it is the primary currency in the economic environment in which the Company operates.

Basis of Consolidation

The consolidated financial statements consolidate the financial statements of the Company and its subsidiary undertakings drawn up to 31 December 2023.

On 24 March 2021, PensionBee Group plc acquired all the issued shares of PensionBee Limited through a share for share transaction ('Group Reorganisation'). From the acquisition date, PensionBee Limited became a subsidiary of PensionBee Group plc.

A subsidiary is an entity controlled by the Company. Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The Company reassesses whether it controls an entity if facts and circumstances indicate there are changes to one or more elements of control.

Inter-company transactions, balances and unrealised gains on transactions between the Company and its subsidiary, which are related parties, are eliminated in full.

Intra-group losses are also eliminated but may indicate an impairment that requires recognition in the consolidated financial statements.

Summary of Accounting Policies and Key Accounting Estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Going Concern

The Directors have a reasonable expectation that the Group has adequate financial resources to continue in operational existence for the foreseeable future and are satisfied that the Group can continue to pay its liabilities as they fall due for a period of at least 12 months from the date of approval of these financial statements. The Group has good cash reserves and forecasts growth that should see the financial results improve in the future years.

The Group has been operationally resilient as proven by consistent operational efficiencies that have been maintained during the financial year. Stress testing was done by considering severe and unlikely but possible scenarios including a sharp decline in equity markets, the worsening of conversion and lower transferred-in pension pot sizes, all of which could potentially be caused by the macroeconomic and geopolitical environment, increased cost of living in the UK and interest rate rises.

The Group has adequate resources to survive macroeconomic downturns and the Directors concluded that the Group has sufficient financial resources to remain in operational existence. For these reasons, the Directors adopt the going concern basis of preparation for these financial statements.

Changes in Accounting Policy

The following amendments are effective for the period beginning 1 January 2023:

Standard	Effective Date, Annual Period beginning on or after
Amendments to IAS 1 - Classification	1 January 2023
Amendments to IAS 1 and IFRS Practice Statement 2 - Deciding which Accounting Policies to Disclose	1 January 2023
Amendments to IAS 8 – Distinction between changes in Accounting Policies and Accounting Estimates	1 January 2023
Amendments to IAS 12 - Deferred Tax related to Assets	1 January 2023

All the changes were adopted by the Group. None of the standards, interpretations and amendments, effective for the first time from 1 January 2023 have had a material effect on the financial statements.

New Standards, Interpretations and Amendments not yet Effective

The new standards which are not yet effective will not have a material impact on the financial statements.

Standard	Effective Date, Annual Period beginning on or after
Amendments to IAS 1 – Classification of Liabilities as Current or Non-current	1 January 2024
Amendments to IAS 1 – Noncurrent Liabilities with Covenants	1 January 2024
Amendments to IFRS 16 – Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to IAS 7 and IFRS 7 – Supplier Finance Arrangements	1 January 2024

Revenue Recognition

Revenue represents amounts receivable for services net of VAT. Revenue is derived from the administration of our customers' retirement savings and the provision of one-off ancillary services to customers. The Group operates a service to combine and transfer customers' old pensions into new online plans, which are subsequently managed by third party money managers. The Group has applied the 5-step model outlined in IFRS 15 'Revenue from contracts with customers' as is set out below:

Identification of the contract with a customer

During account opening, the customer is made aware of the promises the Group is making. Rights and obligations of each party are outlined. The point at which the customer agrees to the terms and conditions is the point at which both the Group and the customer have signed or agreed the contract.

Identification of the performance obligations in the contract

The Group makes one promise to its customers, the careful administration of the customers' retirement savings, including through investments with its third party money managers. The Group performs administrative tasks during the process of on boarding its customers to its technology platform which are necessary for the fulfilment of administration of the customers' retirement savings. The Group does not consider these administrative tasks to be a separate performance obligation. As a result, it is considered that the Group has a single performance obligation, which is the administration of the customers' retirement savings.

Determination of the transaction price

The money managers invest customers' retirement savings in funds ('Group Plans') that match each customer's selection. The Group charges an annual management fee that is charged daily against the units held by each customer. The annual management fee is based on a fixed percentage (%) which varies for each of the Group Plans; the fees range from 0.50% to 0.95%. There is a further fixed discount of 50% provided to customers who have over £100,000 in their pension pots. The discount is applied to the incremental amount over and above £100,000.

Allocation of the transaction price

As there is only one performance obligation, the whole transaction price is allocated to this performance obligation.

Recognition of revenue when a performance obligation is satisfied

The administration of customers' retirement savings is continuous until the customer fully withdraws their pension pot or transfers it to another UK registered pension provider. Revenue is recognised over time as the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs them. The performance obligation is satisfied when the customer receives the service. Revenue is calculated daily as a percentage (basis points) of the value of Assets under Administration ('AUA') as agreed by the customer. Payment is due on a daily basis but settled on a monthly basis.

Consideration Payable to Customers

The Group runs a number of incentive-linked marketing campaigns. Under these campaigns, a customer becomes entitled to either a pension contribution once they make their first live pension transfer. This consideration payable to the customer is not in exchange for a distinct good or service that the customer transfers to the Group. Therefore, it is accounted for as a reduction to the transaction price. The full consideration is accounted for as a revenue reduction in the year it is payable because the difference between spreading it over the contract life and recognising it in full in the year it is incurred is not material. A materiality assessment is done annually.

Recurring Revenue

The Group's revenue is recurring in nature as the annual charges are calculated daily as a percentage (basis points) of the value of AUA and will continue to be earned on an ongoing basis whilst the Group administers those assets. Recurring Revenue is derived from management fees and is recognised based on daily accruals of customers' pension balances as the performance obligation, being the provision of pension scheme administration services to customers, is met. These management fees are charged daily and collected by the Group on a monthly basis.

Other Revenue

Other Revenue relates to commission earned from referring individuals to purchase life insurance products and to a one-off charge for full draw-down within one year of becoming an Invested Customer. For this revenue stream, the performance obligation is the execution of the requested task. There are fee structures in place which are used to determine the transaction price. Revenue is recognised at a point in time when the requested task is executed (when the service is provided to the customer).

Foreign Currency Transactions and Balances

In preparing the financial statements of the Group entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing on the dates of the transactions. At each reporting date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences are recognised in the Statement of Comprehensive Income in the period in which they arise.

For the purpose of presenting consolidated financial statements, transactions in foreign currencies are translated to the Group's presentation currency at the foreign exchange rate recorded at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the presentation currency at the foreign exchange rate recorded at that date. Foreign exchange differences arising on translation are recognised in the Statement of Comprehensive Income. There are no material foreign exchange transactions in the financial statements.

Tax

Tax on the loss for the year comprises research and development credit. There was no current or deferred tax charge for the year (2022: £nil). Tax is recognised in the Statement of Comprehensive Income except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the United Kingdom where the Group operates and generates taxable income.

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes liabilities where appropriate.

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

The Group offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Property, Plant and Equipment

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. The Group assesses at each reporting date whether there are impairment indicators for tangible fixed assets.

Depreciation

Depreciation is charged to the Statement of Comprehensive Income on a straight-line basis over the estimated useful lives of each part of an item of tangible fixed assets. The estimated useful lives are as follows:

Asset Class	Depreciation Method and Rate
Computer Equipment	three years straight line
Furniture and Fittings	four years straight line
Leasehold Improvements	straight line over life of the lease
Right of Use Assets	straight line over life of the lease

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal (i.e. at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Comprehensive Income when the asset is derecognised.

The residual values, useful lives, and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Impairment of Non-Financial Assets

The Group assesses at each reporting date, whether there is an indication that an asset may be impaired. If any such indication exists, the recoverable amount of the asset is estimated based on future cashflows with a suitable range of discount rates and the expectations of future performance. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. Impairment loss is recognised in the Statement of Comprehensive Income.

Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand and short term highly liquid deposits with a maturity of less than 3 months.

Trade Receivables

Trade and other receivables are recognised initially at the transaction price less attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade receivables and other receivables.

Trade Payables

Trade and other payables are recognised initially at transaction price plus attributable transaction costs. Subsequently they are measured at amortised cost using the effective interest method. Trade and other payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation. Provisions are measured at the Directors' best estimate of the expenditure required to settle the obligation at the reporting date and are discounted to present value where the effect is material.

Leases

Initial Recognition and Measurement

The Group initially recognises a lease liability for the obligation to make lease payments and a right-of-use asset for the right to use the underlying asset for the lease term.

The lease liability is measured at the present value of the lease payments to be made over the lease term. The lease payments include fixed payments, purchase options at exercise price (where payment is reasonably certain), expected amount of residual value guarantees, termination option penalties (where payment is considered reasonably certain) and variable lease payments that depend on an index or rate.

The right-of-use asset is initially measured at the amount of the lease liability, adjusted for lease prepayments, lease incentives received, the group's initial direct costs (e.g. commissions) and an estimate of restoration, removal, and dismantling costs.

Subsequent Measurement

After the commencement date, the Group measures the lease liability by:

a. Increasing the carrying amount to reflect interest on the lease liability;
b. Reducing the carrying amount to reflect the lease payments made; and
c. Re-measuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in substance fixed lease payments or on the occurrence of other specific events.

Interest on the lease liability in each period during the lease term is the amount that produces a constant periodic rate of interest on the remaining balance of the lease liability. Interest charges are included in finance cost in the Statement of Comprehensive Income, unless the costs are included in the carrying amount of another asset applying other applicable standards. Variable lease payments not included in the measurement of the lease liability, are included in operating expenses in the period in which the event or condition that triggers them arises. Repayment of lease liabilities within financing activities in the Statement of Cash Flows include both the principal and interest.

Short Term and Low Value Leases

The Group has made an accounting policy election, by class of underlying asset, not to recognise lease assets and lease liabilities for leases with a lease term of 12 months or less (i.e. short-term leases).

The Group has made an accounting policy election on a lease-by-lease basis, not to recognise lease assets and lease liabilities on leases for which the underlying asset is worth £5,000 or less (i.e. low value leases).

Lease payments on short term and low value leases are accounted for on a straight-line bases over the term of the lease or other systematic basis if considered more appropriate. Short term and low value lease payments are included in operating expenses in the Statement of Comprehensive Income.

Share Capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Defined Contribution Pension Obligation

The Group operates a defined contribution plan for its employees, under which the Group pays fixed contributions into the PensionBee Personal Pension. Once the contributions have been paid the Group has no further payment obligations.

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in creditors as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Group.

Share-based Payment

The cost of equity-settled transactions with employees is measured by reference to the fair value of the equity instruments granted at the date at which they are granted and is recognised as an expense over the vesting period, which ends on the date on which the relevant employees become fully entitled to the award. Fair value is determined by using the market price of the shares at a point in time adjacent to the issue of the award. In valuing equity-settled transactions, no account is taken of any vesting conditions, other than conditions linked to the price of the shares of the Group (market conditions) and non-vesting conditions. No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market or non-vesting condition, which are treated as vesting irrespective of whether the market or non-vesting condition is satisfied, provided that all other vesting conditions are satisfied. At each balance sheet date before vesting, the cumulative expense is calculated, representing the extent to which the vesting period has expired and management's best estimate of the achievement or otherwise of non-market conditions and of the number of equity instruments that will ultimately vest or in the case of an instrument subject to a market condition, be treated as vesting as described above. The movement in cumulative expense since the previous balance sheet date is recognised in the Statement of Comprehensive Income, with a corresponding entry in equity under the Share-based Payment Reserve.

Where the terms of an equity-settled award are modified, or a new award is designated as replacing a cancelled or settled award, the cost based on the original award terms continues to be recognised over the original vesting period. In addition, an expense is recognised over the remainder of the new vesting period for the incremental fair value of any modification, based on the difference between the fair value of the original award and the fair value of the modified award, both as measured on the date of the modification. No reduction is recognised if this difference is negative. Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any cost not yet recognised in the Statement of Comprehensive Income for the award is expensed immediately. Any compensation paid up to the fair value of the award at the cancellation or settlement date is deducted from equity (Share-based Payment Reserve), with any excess over fair value expensed in the Statement of Comprehensive Income.

The Company has established a Share-based Payment Reserve but does not transfer any amounts from this reserve on the exercise or lapse of options. On exercise, shares issued are recognised in share capital at their nominal value. Share premium is recognised to the extent the exercise price is above the nominal value. Where the Company is settling part of the exercise price, a transfer is made from retained earnings to share capital.

Research and Development

Research and development expenditure is recognised as an expense as incurred, except that development expenditure incurred on an individual project is capitalised as an intangible asset when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, how the asset will generate future economic benefits, the availability of resources to complete development of the asset and the ability to measure reliably the expenditure during development. Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is ready for use. The Group's research and development costs relate to costs incurred on projects carried out to advance technology used to serve its customers. No development expenditure has been capitalised during the years 2022 and 2023, on the basis that the specified criteria for capitalisation has not been met, as costs spent on the development phase of projects cannot be reliably estimated. All research and development costs are therefore recognised as an expense as incurred.

Impairment of Financial Assets

Measurement of Expected Credit Losses

Expected credit losses ('ECLs') are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate.

For trade and other receivables, the Group applies a simplified approach in calculating the ECLs. Therefore, the Group recognises a loss allowance based on lifetime ECLs at each reporting date.

3 Critical Accounting Judgements and Key Sources of Estimation Uncertainty

In the application of the Group's accounting policies, the Directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

The Group does not have any critical accounting judgements or key estimation uncertainties.

4 Revenue

The analysis of the Group's Revenue for the year from continuing operations is as follows

	2023 £ 000	2022 £ 000
Recurring Revenue	23,660	17,527
Other Revenue	157	135
	23,817	**17,662**

Recurring Revenue relates to revenue from the annual management fee charged to customers. There are no individual revenues from customers which exceed 10% of the Group's total Revenue for the year.

Segment Information

Operating segments and reporting segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ('CODM'). The Group considers that the role of CODM is performed by the Board of Directors. The CODM regularly reviews the Group's operating results to assess performance and to allocate resources. All earnings, balance sheet and cash flow information received and reviewed by the Board of Directors is prepared at a company level. The CODM considers that it has a single business unit comprising the provision of direct-to-consumer online pension consolidation and, therefore, recognises one operating and reporting segment with all revenue, losses before tax and net assets being attributable to this single reportable business segment.

Further, the Group operates in a single geographical location only, being the United Kingdom.

5 Employee Benefits Expense

The aggregate payroll costs (including Directors' remuneration) were as follows:

	2023 £ 000	2022 £ 000
Wages and Salaries	10,801	8,373
Social Security Costs	1,200	946
Pension Costs, Defined Contribution Scheme	300	235
	12,301	9,554
Share-based Payment Expense	2,182	1,898
	14,483	**11,452**

The average number of persons employed by the Group (including Directors) during the year, analysed by category, was as follows:

	2023 No.	2022 No.
Executive Management	10	9
Technology and Product	47	38
Marketing	17	15
Customer Service	92	90
Legal, Compliance and Risk	12	11
Administration and Other	24	22
	202	**185**

6 Directors' Remuneration

The Directors' remuneration for the year was as follows:

	2023 £ 000	2022 £ 000
Remuneration	963	853
Group Contributions paid to Defined Contribution Pension Schemes	11	10
	974	**863**

During the year the number of Directors who were receiving benefits and share incentives was as follows:

	2023 No.	2022 No.
Members of Defined Contribution Pension Schemes	5	5

In respect of the highest paid Director:

	2023 £ 000	2022 £ 000
Remuneration	219	193
Group Contributions to Defined Contribution Pension Schemes	2	2

Exercise of Share Options:

	2023 £ 000	2022 £ 000
Amount of Gains made on the Exercise of Share Options	164	225

7 Other Expenses

Arrived at after charging:

	2023 £ 000	2022 £ 000
Auditor's Remuneration	215	196
Money Manager Costs	3,245	2,825
Other Expenses	6,557	8,047
	10,017	**11,067**

Included in Other Expenses are technology and platform costs, professional services fees, irrecoverable VAT and general and administrative costs.

8 Finance (Income) and Costs

	2023 £ 000	2022 £ 000
Finance (Income)	(6)	-
Interest (Income)	**(6)**	**-**

	2023 £ 000	2022 £ 000
Finance Costs		
Interest Expense on Lease Liabilities	33	43
Interest Expense on Dilapidations Provision	3	3
Total Finance Costs	**36**	**46**

9 Auditor's Remuneration

	2023 £ 000	2022 £ 000
Audit of the Company's Financial Statements	56	44
Audit of the Company's Subsidiary Financial Statements	112	94
Total Audit Fees	**168**	**138**
Audit Related Assurance Services	47	58
Total Non-Audit Fees	**47**	**58**

Auditor's remuneration has been shown net of VAT. Audit Related Assurance Fees relate to the half year review of the Group's financial statements and CASS audit services received by the Subsidiary. No services were provided pursuant to contingent fee arrangements.

10 Tax

Tax charged/(credited) in the Statement of Comprehensive Income:

	2023 £ 000	2022 £ 000
Current Taxation		
UK Corporation Tax	(150)	(274)
Deferred Taxation		
Arising from Origination and Reversal of Temporary Differences	-	-
Arising from Tax Rate Changes	-	-
Total Deferred Taxation	-	-
Tax Credit in the Statement of Comprehensive Income	**(150)**	**(274)**

The tax on the loss for the year was computed at the blended rate of corporation tax of 23.5% (2022: 19%). From 1 April 2022, the standard rate of corporation tax in the UK was 19%. From 1 April 2023, the corporation tax rate of 25% was effective for companies with profits of £250,000 and over. PensionBee will likely utilise its carried forward losses while making profits exceeding £250,000 and incurring corporation tax at the rate of 25% therefore, the blended rate is deemed appropriate.

The differences are reconciled below:

	2023 £ 000	2022 £ 000
Profit/(Loss) before Tax	(10,719)	(22,420)
Corporation Tax at Standard Rate	(2,521)	(4,260)
Increase from effect of different UK Tax Rates on some Earnings	-	-
Increase from effect of expenses not deductable in determining Taxable Profit (Tax Loss)	172	288
Capital Allowances	(1)	(11)
Share-based Payment	318	83
Deferred Tax Expense (Credit) from unrecognised Tax Loss or Credit	2,032	3,900
Decrease from effect of adjustments in Research Development Tax Credit	(150)	(274)
Total Tax Credit	**(150)**	**(274)**

	2023 £ 000	2022 £ 000
Fixed Assets	(36)	(43)
Temporary Difference Trading	-	-
Total Deferred Tax Liability	(36)	(43)
Losses available for offsetting against Future Taxable Income	36	43
Total Deferred Tax Asset	**36**	**43**
Net Deferred Tax	**-**	**-**

The Group has £81,394,000 of non-expiring carried forward tax losses at 31 December 2023 (2022: £72,755,000) against which no deferred tax asset has been recognised. A deferred tax asset has not been recognised on the basis that there is insufficient certainty over the recovery of these tax losses in the near future.

11 Earnings per Share

Basic Earnings per Share is calculated by dividing the Loss Attributable to Equity Holders of the Company by the Weighted Average Number of ordinary Shares Outstanding during the year.

Diluted Earnings per Share is calculated by dividing the Loss Attributable to Equity Holders of the Company adjusted for the effect that would result from the weighted average number of ordinary shares plus the weighted average number of shares that would be issued on the conversion of all the dilutive potential shares under option. At each balance sheet date reported below, the following potential ordinary shares under option are anti-dilutive and are therefore excluded from the weighted average number of ordinary shares for the purpose of Diluted Earnings per Share.

	2023	2022
Number of Potential Ordinary Shares	6,757,781	4,619,220
Profit/(Loss) Attributable to Equity Holders of PensionBee Group plc (£)	(10,569,000)	(22,146,000)
Weighted Average Number of Shares Outstanding during the Year	223,559,764	222,223,650
Basic and Diluted Earnings per Share (pence per Share)	(4.73)	(9.97)

Basic Earnings per Share was (4.73)p for 2023 (2022: (9.97)p).

12 Property, Plant and Equipment

	Fixtures and Fittings £ 000	Leasehold Improvements £ 000	Computer Equipment £ 000	Total £ 000
Cost				
At 1 January 2022	60	126	265	451
Additions	1	251	115	367
Disposals	-	-	(17)	(17)
At 31 December 2022	61	377	363	801
At 1 January 2023	61	377	363	801
Additions	2	41	52	95
Disposals	-	-	-	-
At 31 December 2023	63	418	415	896
Accumulated Depreciation				
At 1 January 2022	51	126	147	324
Charge for the year	7	50	77	134
Eliminated on Disposal	-	-	(15)	(15)
At 31 December 2022	58	176	209	443
At 1 January 2023	58	176	209	443
Charge for the year	2	56	90	148
Eliminated on Disposal	-	-	-	-
At 31 December 2023	60	232	299	591
Carrying Amount				
At 31 December 2023	**3**	**186**	**116**	**305**
At 31 December 2022	**3**	**201**	**154**	**358**
At 1 January 2022	**9**	**-**	**118**	**127**

13 Right of Use Asset

	£ 000
Cost	
At 1 January 2022	703
Additions	3
Disposals	-
At 31 December 2022	706
At 1 January 2023	706
Additions	-
Disposals	-
At 31 December 2023	706
Accumulated Depreciation	
At 1 January 2022	11
Charge for the year	141
Eliminated on Disposal	-
At 31 December 2022	152
At 1 January 2023	152
Charge for the year	141
Eliminated on Disposal	-
At 31 December 2023	293
Carrying Amount	
At 31 December 2023	**413**
At 31 December 2022	**553**
At 1 January 2022	**692**

14 Trade and Other Receivables

	2023 £ 000	2022 £ 000
Trade Receivables	2,240	1,565
Prepayments	1,901	903
Other Receivables	206	944
	4,347	**3,412**

Trade and Other Receivables are measured at amortised cost and management assessed that the carrying value is approximately their fair value due to the short-term maturities of these balances.

15 Share Capital

Allotted, Called Up and Fully Paid Shares

	2023		2022	
	No. 000	**£ 000**	**No. 000**	**£ 000**
At 1 January	222,862	223	221,526	221
Shares issued	1,101	1	1,336	2
As at 31 December	**223,963**	**224**	**222,862**	**223**

During the year, PensionBee Group plc issued ordinary shares, to satisfy the exercise of share options totalling 1,100,706 ordinary shares (2022: 1,336,148) of £0.001 each. The exercise price for each exercised share option was £0.001 (2022: £0.001).

Each ordinary share carries one vote per share and ranks pari passu with respect to dividends and capital.

16 Reserves

Share Premium

The Share Premium account represents the excess of the issue price over the par value on shares issued, less transaction costs arising on the issue.

Share-based Payment Reserve

The Share-based Payment Reserve is used to recognise the value of equity-settled share-based payments provided to employees, including key management personnel, as part of their remuneration.

Retained Earnings

The balance in the Retained Earnings account represents the distributable reserves of the Group.

17 Leases

In December 2021, the Group entered into a new property lease with a 5-year lease term ending in December 2026 with an option to terminate the lease after three years. The Group is reasonably certain that this option will not be exercised therefore the lease term was determined to be five years. At inception, the lease liability was determined using a discount rate linked to London office rental yields, adjusted for the risk premium for certain company specific factors as well as taking into consideration the interest rate associated with the revolving credit facility entered into in March 2021 and subsequently cancelled in September 2021. The discount rate applied was 7%. The lease terms have not been amended since inception.

The carrying amounts of right-of-use assets recognised and the movements during each year are set out in Note 13. Set out below are the carrying amounts of lease liabilities and the movements during the year.

	2023 £ 000	2022 £ 000
As at 1 January	551	657
Accretion of interest	33	43
Cash Flow Timing Adjustment	-	2
Payments	(186)	(151)
As at 31 December	**398**	**551**

Lease Liabilities included in the Statement of Financial Position:

	2023 £ 000	2022 £ 000
Non-current	292	397
Current	106	154
	398	**551**

The following are the amounts recognised in the Statement of Comprehensive Income:

	2023 £ 000	2022 £ 000
Depreciation on Right of Use Asset	141	141
Interest on Lease Liability	33	43
	174	**184**

18 Provisions

	2023 £ 000	2022 £ 000
Dilapidations		
At 1 January	46	43
Interest	3	3
At 31 December	49	46
Non-current Liabilities	**49**	**46**

The Group is required to restore the leased premises of its offices to their original condition at the end of the lease term. The lease term ends on 2 December 2026. A provision has been recognised at the present value of the estimated expenditure required to remove any leasehold improvements. These costs have been capitalised as part of the Right of Use Asset and are amortised over the useful life of the asset.

19 Trade and Other Payables

	2023 £ 000	2022 £ 000
Trade Payables	269	132
Accrued Expenses	1,496	1,301
Other Payables	68	83
	1,833	**1,515**

Trade and Other Payables are measured at amortised cost and management assessed that the carrying value is approximately their fair value due to the short-term maturities of these balances.

20 Pension and Other Schemes

The Group operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the Group to the scheme and amounted to £301,000 (2022: £235,000).

21 Share-based Payment

PensionBee EMI and Non-EMI Share Option Scheme

Scheme Details and Movements

Under the PensionBee EMI and Non-EMI Share Option Scheme share options were granted to eligible employees who have passed their probation period at the Group. The exercise price of all share options is £0.001 per share.

The share options normally vest on the later of the following tranches, 25% of the shares vest on the first anniversary of the vesting commencement date with the remaining 75% of the shares vesting quarterly in equal instalments over the following three years.

The fair value of the share options granted is estimated on the date of grant by reference to the prevailing share price. Before the Company was listed in 2021, the fair value was determined by reference to the price paid by external investors as part of periodic funding rounds.

The weighted average fair value of share options granted during the year of grant was £nil (2022: £ nil).

During the year ended 31 December 2021, share options could be exercised upon the occurrence of an exit event, a takeover, reconstruction, liquidation and sale of the business, to the extent they had vested. In the event that there had been no exit event before the tenth anniversary of the date of grant, the Directors were able to determine that an option holder could exercise their option in the 30 day period before such anniversary.

Following the listing of the Company in 2021, share options can be exercised upon satisfying the service condition.

The movements in the number of share options during the year were as follows:

	2023 Number	2022 Number
Outstanding, start of the year	2,444,403	3,911,235
Exercised during the year	(910,283)	(1,297,359)
Expired during the year	(16,350)	(169,472)
Outstanding, end of the year	**1,517,770**	**2,444,404**

The weighted average share price on the dates the share options were exercised during the year was £0.74 (2022: £1.05) and the weighted average remaining contractual life is eight months (2022: one year and six months).

Deferred Share Bonus Plan

Scheme Details and Movements

Under the PensionBee Deferred Share Bonus Plan, awards ('DSB Awards') are granted to eligible employees who are or were an employee (including an Executive Director) of the Group who have been granted a bonus. DSB Awards are granted in the subsequent financial year once the annual bonus outturn has been determined. The DSB Awards are granted by way of share options, with an exercise price of £0.001 per share.

For the two Executive Directors that were in office as of 31 December 2021, their 2022 granted DSB Awards cliff vest on the third anniversary of the date of grant. For the rest of the employees and the subsequent grants, DSB Awards vest in three equal instalments over a service period of three years from grant date. DSB Awards vest upon satisfying the service condition.

The fair value of the DSB Awards is the share price on the grant date. DSB Awards can be exercised to the extent they have vested.

The weighted average fair value of DSB Awards granted during 2023 was £0.98 (2022: £1.44).

The movements in the number of DSB Awards during the year were as follows:

	2023 Number	2022 Number
Outstanding, start of the year	889,551	-
Granted during the year	626,223	944,508
Exercised during the year	(190,423)	-
Lapsed during the year	(44,589)	(54,957)
Outstanding, end of the year	**1,280,762**	**889,551**

The weighted average share price on the dates the share options were exercised during the year was £0.80. No share options were exercised in 2022. The weighted average remaining contractual life is one year (2022: one year and five months).

Long Term Incentives Plan

Scheme Details and Movements

Under the PensionBee Long Term Incentives Plan, restricted share plan awards ('RSP Awards') are granted to eligible employees who are or were employees (including an Executive Director) of the Group, at mid-level management or higher, who have been granted a bonus. RSP Awards are granted in the subsequent financial year following a bonus grant. The RSP Awards are granted by way of share options, with an exercise price of £0.001 per share.

The RSP Awards vest in tranches, a third of the RSP Awards vest on the third anniversary, a third on the fourth anniversary and the last third on the fifth anniversary of the grant date.

The fair value of the RSP Awards is the share price on the grant date discounted for the restricted selling period. RSP Awards can be exercised to the extent they have vested and after a five year holding period.

The weighted average fair value of RSP Awards granted during 2023 was £0.94 (2022: £1.38).

The movements in the number of RSP Awards during the year were as follows:

	2023 Number	2022 Number
Outstanding, start of the year	1,285,266	-
Granted during the year	2,791,756	1,311,681
Exercised during the year	-	-
Lapsed during the year	(117,773)	(26,415)
Outstanding, end of the year	**3,959,249**	**1,285,266**

There were no exercises during the year (2022: nil) and the weighted average remaining contractual life is two years and five months (2022: three years and three months).

Charge/Credit arising from Share-based Payment

The total charge for the year for the Share-based Payment was £2,182,000 (2022: £1,898,000), all of which related to equity-settled share-based payment transactions.

22 Financial Risks Review

This note presents information about the Group's exposure to financial risks and the Group's management of capital. Financial risk exposure results from the operations of the Subsidiary. The Company is not trading and therefore is structured to avoid, in so far as possible, all forms of financial risk.

Financial Risk Management Objectives

The Group has identified the financial risks arising from its activities and has established policies and procedures to manage these risks in accordance with its risk appetite. These risks included market risk, credit risk and liquidity risk. The Group does not enter or trade financial instruments, including derivative financial instruments. Assisted by the Audit and Risk Committee, the Board of Directors has overall responsibility for establishing and overseeing the Group's risk management framework and risk appetite.

The Group's financial risk management policies are intended to ensure that risks, including emerging risks are identified, evaluated and subject to ongoing close monitoring and mitigation where appropriate. The Board of Directors regularly reviews financial risk management policies, procedures and systems to reflect changes in the business, risk horizon, markets and financial instruments used by the Group. The Group's senior management is responsible for the day-to-day management of these risks in accordance with the Group's risk management framework.

Market Risk

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate because of changes in market prices. Market risk comprises risks including interest rate risk, currency risk and price risk.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group considers interest rate risk to be insignificant due to no debt.

Price Risk

The main source of revenue is based on the value of Assets under Administration ('AUA'), a measure of the total assets for which a financial institution provides administrative services. The Group has an indirect exposure to price risk on investments held on behalf of customers. These assets are not on the Group's Statement of Financial Position. The risk of lower revenues is partially mitigated by asset class diversification. The Group does not hedge its revenue exposure to movements in the value of customers assets arising from these risks, and so the interests of the Group are aligned to those of its customers.

A 10% change in equity markets would have an approximate 7.5% impact on revenue. The 10% change in equity markets is a reasonable approximation of possible change. The key assumption in this assessment is the percentage change of market volatility over the next 12 months from the year ended 2023.

Credit Risk

Credit risk is the risk that a counterparty will be unable to pay amounts in full when due. The Group's exposure to credit risk arises principally from its cash balances held with banks and trade receivables. The Group's trade receivables are the contractual cash flow obligations that the payors must meet. The payors are BlackRock, Legal & General, and State Street which are high credit rated financial institutions. Assets they hold on behalf of the Group are a small percentage of their net assets and on this basis, credit risk is considered to be low. The Group utilises the simplified approach to provide for expected credit losses allowing the use of lifetime loss allowances to be made. In determining expected credit losses, financial assets have been grouped based on shared credit risk characteristics, such as number of days past due and the counterparty.

At the end of the reporting period no assets were determined to be impaired and there was no balance past due.

In certain cases, the Group will also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Due to the Group's financial assets primarily being trade receivables which all have an expected lifetime of less than 12 months, the Group has elected to measure the expected credit losses at 12 months only. The Group's expected credit loss is £nil (2022: £nil).

Set out below is the information about the credit risk exposure on the Group's trade receivables:

			Days Past Due			
	Current	< 30 days	30-60 days	61-90 days	>91 days	Total
	£ 000	£ 000	£ 000	£ 000	£ 000	£ 000
31-Dec-23						
Gross Trade Receivables	2,240	-	-	-	-	2,240
Other Receivables	179	-	-	-	27	206

			Days Past Due			
	Current	< 30 days	30-60 days	61-90 days	>91 days	Total
	£ 000	£ 000	£ 000	£ 000	£ 000	£ 000
31-Dec-23						
Gross Trade Receivables	1,565	-	-	-	-	1,565
Other Receivables	540	-	-	-	404	944

The Group's Trade Receivables are concentrated in the three money managers

	2023 %	2022 %
BlackRock	75%	73%
State Street	15%	16%
Legal & General	10%	11%
Total	**100%**	**100%**

Other Receivables mainly comprise of the R&D tax credit due from HMRC and the office rental deposit. The probability of default by these parties is deemed low. The credit risk on liquid funds financial instruments is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies. The Group's principal Banks are Barclays Bank and HSBC Innovation Banking. The Group only uses banks with a credit rating of at least BBB+ (Standard & Poor's). The Group's liquid funds are concentrated in Barclays, which holds 72% of the total balance as at year end (2022: 94%) and HSBC, which holds 27% of the total balance as at year end (2022: 0%).

Liquidity Risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting obligations to settle its liabilities. This is managed through cash flow forecasting.

Undiscounted Maturity Analysis

The following table sets out the remaining contractual maturities of the group's financial liabilities by type:

	Within 1 year	Between 1 and 5 years	After more than 5 years	Total
	£ 000	£ 000	£ 000	£ 000
2023				
Trade and Other Payables	1,833	-	-	1,833
Lease Liabilities	129	309	-	438

	Within 1 year	Between 1 and 5 years	After more than 5 years	Total
	£ 000	£ 000	£ 000	£ 000
2022				
Trade and Other Payables	1,515	-	-	1,515
Lease Liabilities	186	438	-	624

Capital Risk Management

For the purpose of the Group's capital management, capital includes issued share capital, share premium and all other equity reserves attributable to the equity holders of the Company.

The Group manages its capital to ensure that it will be able to continue as a going concern by ensuring compliance with regulatory capital requirements set by the FCA and maximising returns to shareholders through optimal capital deployment. Regulatory capital is determined in accordance with the requirements prescribed by the FCA. The Group performs capital assessments and maintains a surplus over the regulatory capital requirement at all times.

The Group met its regulatory capital requirement throughout the years 2022 and 2023.

The Group manages its capital structure and makes adjustments considering changes in economic conditions. To maintain or adjust the capital structure, the Group may return capital to shareholders or issue new shares.

Externally Imposed Capital Requirements

The capital adequacy of the business is monitored on a quarterly basis as part of general business planning by the Finance Team. The Group conducts a capital adequacy assessment process, as required by the Financial Conduct Authority ('FCA') to assess and maintain the appropriate levels.

23 Related Party Transactions

Key Management Compensation

	2023 £ 000	2022 £ 000
Salaries and Other Short-term Employee Benefits	2,034	1,752
Other Long-term Benefits	25	24
Share-based Payment	1,463	1,222
	3,522	2,998

Some Key Management Personnel use the Group's services on commercial terms which are consistent with the standard terms and condition as available on the website.

Related Party – PensionBee Trustees

The following related party transactions occurred between the Company and PensionBee Trustees Limited:

(i) Payment of the PensionBee Trustees Limited bank fees on a quarterly basis. During the year bank fees amounted to £104,000 (2022: £52,000). There was no outstanding balance at year end (2022: £nil).

(ii) Payment of the PensionBee Trustees Limited's Data Protection fee on an annual basis. During the year, payments amounted to £35 (2022: £35). There was no outstanding balance at year end (2022: £nil).

Transactions with Directors

During the year ended 31 December 2023, there were no transactions with Directors. During the year ended 31 December 2022, Mark Wood repaid £105,279 to the Subsidiary in respect of a payment to HMRC made by the Group on his behalf in 2021. As at the year ended 31 December 2023, there was no outstanding balance (2022: £nil).

Some Directors use the Group's services on commercial terms which are consistent with the standard terms and condition as available on the website.

24 Events After the Reporting Period

On 4 March 2024, the Group announced its proposed expansion into the United States of America ('US'), having taken an important step by entering into an exclusive, non-binding term sheet with a large, US-based global financial institution. Under the proposed strategic relationship, the US service will be delivered through PensionBee Inc, a yet to be established wholly-owned subsidiary of PensionBee Group plc. PensionBee Inc will be established in Delaware, with operational headquarters in New York. The financial effect of the proposed expansion cannot yet be estimated.

25 Alternative Performance Measures

The Group uses an alternative performance measure ('APM') which is not defined or specified by IFRS. The APM is Adjusted EBITDA, which is the loss for the year before taxation, finance costs, depreciation, share-based compensation and listing costs. The Directors use this APM and a combination of IFRS measures when reviewing the performance and position of the Group and believe that these measures provide useful information with respect to the Group's business and operations. The Directors consider that this APM illustrates the underlying performance of the business by excluding items considered by management not to be reflective of the underlying trading operations of the Group.

The APM used by the Group is defined below and reconciled to the related IFRS financial measures:

Adjusted EBITDA

Adjusted EBITDA represents loss for the year before taxation, finance costs, depreciation, share-based compensation and listing costs.

	2023 £ 000	2022 £ 000
Operating Profit/(Loss)	(10,689)	(22,374)
Depreciation Expense	288	276
Share-based Payment (1)	2,182	1,898
Listing Costs (2)	-	687
Adjusted EBITDA	**(8,219)**	**(19,513)**

(1) Relates to total annual charge in relation to Share-based Payment expense as detailed in Note 21.

(2) 2022 Listing Costs relate to expenses incurred in relation to the preparation for the transfer from the High Growth Segment to the Premium Segment of the Main Market of the London Stock Exchange.

In the prior year, the Group utilised Adjusted EBITDAM as an APM which represented the loss for the year before taxation, finance costs, depreciation, advertising and marketing, share based compensation and listing costs. In the year ended 31 December 2023, the Group successfully achieved Adjusted EBITDAM profitability therefore, Adjusted EBITDAM is no longer presented as an APM.

7 Company Financial Statements

Statement of Financial Position

As at 31 December 2023

	Note	2023 £ 000	2022 £ 000
Assets			
Non-current Assets			
Investment in Subsidiaries	3	359,253	357,071
Current Assets			
Other Receivables	4	9	289
Cash and Cash Equivalents		2,556	3,036
		2,565	**3,325**
Total Assets		**361,818**	**360,396**
Equity and Liabilities			
Equity			
Share Capital	8	224	223
Share Premium	9	53,218	53,218
Share-based Payment Reserve		7,404	5,222
Retained Earnings	9	300,719	301,605
Total Equity		**361,565**	**360,268**
Current Liabilities			
Trade and Other Payables	5	253	128
Total Equity and Liabilities		**361,818**	**360,396**
The Company Loss for the period is £885,000			

The notes on pages 192-195 form an integral part of these financial statements.
Approved by the Board on 13 March 2024 and signed on its behalf by:

Christoph J. Martin
Chief Financial Officer

Statement of Changes in Equity

For the year ended 31 December 2023

	Note	Share Capital £ 000	Share Premium £ 000	Share-based Payment Reserve £ 000	Retained Earnings £ 000	Total
As at 1 January 2022		221	53,218	3,324	303,302	360,065
Total Comprehensive Profit/(Loss)		-	-	-	(1,648)	(1,648)
Share-based Payment Transactions		-	-	1,898	-	1,898
Prior year Adjustment		-	-	-	(47)	(47)
Exercise of Share Options	8	2	-	-	(2)	-
At 31 December 2022		**223**	**53,218**	**5,222**	**301,605**	**360,268**
As at 1 January 2023		223	53,218	5,222	301,605	360,268
Total Comprehensive Profit/(Loss)		-	-	-	(885)	(885)
Share-based Payment Transactions		-	-	2,182	-	2,182
Exercise of Share Options	8	1	-	-	(1)	-
At 31 December 2023		**224**	**53,218**	**7,404**	**300,719**	**361,565**

The notes on pages 192-195 form an integral part of these financial statements.

8 Notes to the Company's Financial Statements

For the year ended 31 December 2023

1 Accounting Policies

Statement of Compliance

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

Summary of Significant Accounting Policies and Key Accounting Estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of Preparation

These financial statements have been prepared using the historical cost convention.

The financial statements are presented in GBP and all values are rounded to the nearest thousand (£'000), except when otherwise indicated. The functional currency of the Company is GBP because it is the primary currency in the economic environment in which the Company operates.

The Company has taken advantage of the exemption in section 408 of the Companies Act from presenting its individual profit and loss account.

Judgements and Key Sources of Estimation Uncertainty

In applying the Company's accounting policies, the Directors are required to make judgements that have a significant impact on the amounts recognised and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The Directors have considered the following key sources of estimation uncertainty at the Statement of Financial Position date which have a significant effect on the amounts recognised in the financial statements.

Assessment as to whether the investment in subsidiary is impaired

The recoverable amount is the subsidiary's discounted cash flow value. The determination of the recoverable amount of the investment in subsidiary depends on certain assumptions, which include selection of the discount rate, projection period and projection of future cash flows. The discount rate is the Company's Weighted Average Cost of Capital ('WACC'). This was set by reference to comparable companies' WACC and adjusting it for the Company's risk profile. Significant assumptions are required to be made when selecting comparable companies and determining the Company's risk profile adjustment.

Future cash flow projections significantly rely on revenue projections which are inherently uncertain due to their sensitivity to changes in market conditions and revenue growth rate. Significant assumptions are required to be made when setting the revenue growth rate which takes into consideration perceived changes in market conditions and customer behaviour. Further information on the investment in subsidiary's recoverable amount and the sensitivity of the recoverable amount to changes in unobservable inputs are provided in Note 3.

Summary of Disclosure Exemptions

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 102:

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 33 Related Party Disclosures paragraph 33.7;
- the requirements of Section 11 Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 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.

Going Concern

The Directors have a reasonable expectation that the Company has adequate financial resources to continue in operational existence for the foreseeable future and are satisfied that the Company can continue to pay its liabilities as they fall due for a period of at least 12 months from the date of approval of these financial statements. The Company has strong cash reserves and forecasts growth in the subsidiary that should see the financial results improve in the future years. The Company's only investment is in the subsidiary. Therefore, the subsidiary's ability to remain in operational existence was considered.

The subsidiary has been operationally resilient as proven by consistent operational efficiencies that have been maintained during the financial year. Stress testing was done by considering severe and unlikely but possible scenarios including a sharp decline in equity markets, the worsening of conversion and lower transferred-in pension pot sizes, all of which could potentially be caused by the geopolitical and macroeconomic environment, increased cost of living in the UK and interest rate rises.

The Company has adequate resources to survive macroeconomic downturns and the Directors concluded that the Company has sufficient financial resources to remain in operational existence. For these reasons, the Directors adopt the going concern basis of preparation for these financial statements.

Tax

There was no current or deferred tax charge for the year (2022: £nil). Tax is recognised in the Statement of Comprehensive Income except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the United Kingdom where the Company operates and generates taxable income.

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes liabilities where appropriate.

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. The Group offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Investments

Investment in subsidiary is recognised at cost and an annual impairment review is undertaken.

Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand and short term highly liquid deposits with a maturity of less than three months.

Trade Receivables

Trade and other receivables are recognised initially at the transaction price less attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade receivables.

Trade Payables

Trade and other payables are recognised initially at transaction price plus attributable transaction costs. Subsequently they are measured at amortised cost using the effective interest method.

Trade and other payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Impairment of Non-Financial Assets

The Group assesses at each reporting date, whether there is an indication that an asset may be impaired. If any such indication exists, the recoverable amount of the asset is estimated based on future cashflows with a suitable range of discount rates and the expectations of future performance. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. Impairment loss is recognised in the Statement of Comprehensive Income.

Share Capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. Refer to Note 8 for the basis of accounting for the share for share transaction that was recorded during the year. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

proposeds

The financial effect of awards by the Company of equity-settled awards (principally, options over its equity shares) to the employees of the subsidiary undertaking are recognised by the Company in its individual financial statements. In particular, the Company records an increase in its investment in subsidiaries with a credit to equity equivalent to the expense for the equity-settled award recognised in the group for such awards. There are no recharges to the subsidiary undertaking for such awards.

2 Staff Numbers

The Company does not have employees.

3 Investments

Summary of the Company Investments

	2023 £ 000	2022 £ 000
As at 1 January	357,071	348,089
Additions	2,182	8,982
As at 31 December	**359,253**	**357,071**

Subsidiary undertakings

Name of Subsidiary	Principal activity	Registered office	Proportion of ownership interest and voting rights held (2021)
PensionBee Limited	Pension provider	209 Blackfriars Road SE1 8NL	100%

PensionBee Limited has been included in the Group consolidated financial statements.

Impairment of Investment in Subsidiary

At each reporting period, the investment in the subsidiary is assessed for impairment. Management has determined the recoverable amount of the investment in the subsidiary by reference to the subsidiary's discounted forecast cash flows. Key assumptions in this assessment include consideration of growth rates which drive revenue and costs, expected changes to future costs and the discount rate. The period considered was thirteen years. A projection period of fifteen years was considered appropriate due to the high growth phase of the subsidiary. The projection period was split into medium term (year 2-5) and long term (year 6-13) growth phase whereby the growth trajectory declines over that forecasting period. PensionBee's short term projections are based on the most recent Board approved financial information. PensionBee's medium to long term projections are supported by its high customer retention rate, young customer base in pension accumulating assets, strong brand awareness and effective marketing acquisition capabilities as well as the scalability of the cost base. The long term growth rate used was 1.8%. The Weighted Average Cost of Capital ('WACC') used for discounting the forecast cash flows was 14%, which was benchmarked against comparable companies. The recoverable amount is higher than the carrying amount therefore no impairment was identified. A 5% decrease in the cumulative annual growth rate would decrease the recoverable amount by 10% and a 5% increase in the cumulative annual growth rate would increase the recoverable amount by 13%. A 11% decrease in the cumulative annual growth rate would result in a recoverable amount that is lower than the carrying amount of the investment. Sensitivity factors were consistently applied throughout the long term.

4 Other Receivables

	2023 £ 000	2022 £ 000
Amounts due from Subsidiary	-	279
Prepayments	9	10
	9	289

5 Trade and Other Payables

	2023 £ 000	2022 £ 000
Trade Payables	69	6
Accrued Expenses	83	122
Amounts due to Subsidiary	101	-
	253	128

6 Deferred Taxation

Deferred tax assets have not been recognised in respect of tax losses as there is insufficient evidence of recoverability in the near future. The Company has tax losses of £2,234,000 (2022: £1,389,000) that are indefinitely available against future taxable profits of the Company for which no deferred tax has been provided.

7 Share-based Payment

Full disclosure of PensionBee's share option scheme is given in Note 21. The disclosures required in relation to Directors' emoluments and share option plans are given in Note 6.

8 Share Capital

	2023		2022	
	No. 000	£ 000	No. 000	£ 000
Ordinary of £0.001 each	223,963	224	222,862	223
	223,963	**224**	**222,862**	**223**

During the year, PensionBee Group plc issued ordinary shares from share options exercised totalling 1,100,706 ordinary shares (2022: 1,336,148) of £0.001 each. The exercise price for each exercised share option was £0.001 (2022: £0.001).

Each ordinary share carries one vote per share and ranks pari passu with respect to dividends and capital.

9 Reserves

Share Premium

The share premium account represents the excess of the issue price over the par value on shares issued, less transaction costs arising on the issue.

Share-based Payment Reserve

The Share-based Payment Reserve represents the cumulative expense in relation to share options granted to subsidiary employees.

Retained Earnings

The balance in the retained earnings account represents the distributable reserves of the standalone company, PensionBee Group plc.

10 Events After the Reporting Period

On 4 March 2024, the Group announced its proposed expansion into the United States of America ('US'), having taken an important step by entering into an exclusive, non-binding term sheet with a large, US-based global financial institution. Under the proposed strategic relationship, the US service will be delivered through PensionBee Inc, a yet to be established wholly-owned subsidiary of PensionBee Group plc. PensionBee Inc will be established in Delaware, with operational headquarters in New York. The financial effect of the proposed expansion cannot yet be estimated.

Other Information

1 Glossary of Terms

Commonly Used Terms	
Adjusted EBITDA	Adjusted EBITDA is the operating profit or loss for the year before taxation, finance costs, depreciation, share based compensation and listing costs.
Adjusted EBITDA Margin	Adjusted EBITDA Margin means Adjusted EBITDA as a percentage of revenue for the relevant year.
AGM	Annual General Meeting
AI	Artificial Intelligence
APM	Alternative Performance Measures
AUA	Assets under Administration. This is the total invested value of pension assets within PensionBee's Invested Customers' pensions
AUA Retention Rate	Assets under Administration Retention Rate. Measures the percentage of retained PensionBee AUA from transfers out over the average of the year.
BeeKeeper	A PensionBee dedicated customer account manager
Board, Directors	The Board of Directors of PensionBee Group plc
bps	Basis points
CASS	Client Assets Sourcebook
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CODM	Chief Operating Decision Maker
Company	PensionBee Group plc
Consumer Duty	FCA's Consumer Duty
CPIC	Cost per Invested Customer. This means the cumulative advertising and marketing costs incurred since PensionBee commenced operations up until the relevant point in time divided by the cumulative number of Invested Customers at that point in time.
CTO	Chief Technology Officer

Customer Retention Rate	Customer Retention Rate measures the percentage of retained PensionBee Invested Customers over the average of the year.
DB	Defined Benefit
DC	Defined Contribution
DSB Award	Deferred Share Bonus Award (part of the Omnibus Plan)
DTR	Disclosure Guidance and Transparency Rules
DWP	Department of Work and Pensions
EBITDA	Earnings before Interest, Taxation, Depreciation and Amortisation
EPS	Earnings per Share
ESG	Environmental, Social and Governance
FCA	Financial Conduct Authority
FRC	Financial Reporting Council
FTSE	Financial Times Stock Exchange
FTE	Full Time Equivalent
GAA	Governance Advisory Arrangement
GHG	Greenhouse Gas
Group	PensionBee Group plc and its subsidiary entity PensionBee Limited
HMRC	His Majesty's Revenue and Customs
IAS	International Accounting Standards
IC	Invested Customers. Means those customers who have transferred pension assets or made contributions into one of PensionBee's investment plans.
ICO	Information Commissioner's Office
IFRS	International Financial Reporting Standards
IPO	Initial Public Offering
ISC	Information Security Committee
ISMS	Information Security Management System

Commonly Used Terms	
IT	Information Technology
KPI	Key Performance Indicator
LSE	London Stock Exchange
NAS	Non-Audit Services Policy
Net Flows	Net Flows measures the cumulative inflow of PensionBee AUA from consolidation and contribution, less the outflows from withdrawals and transfers out over the relevant period
NPS	Net Promoter Score
Omnibus Plan	2021 PensionBee Group plc Omnibus Plan
ONS	Office for National Statistics
PBT	Profit/(Loss) before Tax. This is a measure that looks at PensionBee's profit or losses for the year before it has paid corporate income tax.
PIE	Public Interest Entity
plc	Public Limited Company
REGO	Renewable Energy Guarantees of Origin
Revenue	Revenue means the income generated from the asset base of PensionBee's customers, essentially annual management fees charged on the AUA, together with a minor revenue contribution from other services.
Revenue Margin	Realised Revenue Margin. Expresses the recurring Revenue over the average quarterly AUA held in PensionBee's investment plans over the period.
RSG	Risk Stakeholder Group
RSP Award	Restricted Share Plan Award (part of the Omnibus Plan)
S&P	Standard & Poor's
SASB	Sustainability Accounting Standards Board
SID	Senior Independent Director
SIPP	Self-Invested Personal Pension
SECR	Streamlined Energy and Carbon Reporting
TCFD	Task Force on Climate-related Financial Disclosures
TPR	The Pensions Regulator
UK	United Kingdom
UN Global Compact	United Nations Global Compact
US	United States of America
WACI	Weighted Average Carbon Intensity
WDI	Workforce Disclosure Initiative

2 Directors, Company Secretary and Shareholder Information

PensionBee Executive Directors	Romi Savova (Chief Executive Officer) Jonathan Lister Parsons (Chief Technology Officer) Christoph J. Martin (Chief Financial Officer
PensionBee Non-Executive Directors	Mark Wood CBE (Non-Executive Chair) Mary Francis CBE (Senior Independent Director) Michelle Cracknell CBE (Independent Non-Executive Director) Lara Oyesanya FRSA (Independent Non-Executive Director)
Company Secretary	Michael Tavener
Registered Number	13172844
Registered Office	209 Blackfriars Road London SE1 8NL United Kingdom
Auditor	Deloitte LLP 4 Brindley Place Birmingham B1 2HZ United Kingdom
Website	pensionbee.com


PensionBee