

MIFID Public Disclosure Document

AK Jensen Limited

Financial year ended 31 December 2025

1. Introduction

The UK financial services regulator, the Financial Conduct Authority (the “FCA”), introduced the Investment Firms Prudential Regime (“IFPR”) with effect from 1 January 2022. The IFPR establishes the prudential framework governing the amount and quality of regulatory capital and liquidity resources that investment firms are required to maintain. The detailed requirements of the IFPR are set out in the FCA Handbook within the Prudential Sourcebook for MiFID Investment Firms (“MIFIDPRU”).

The IFPR was designed to streamline and simplify the prudential regime applicable to FCA-authorised MiFID investment firms, while placing greater emphasis on the potential harm firms may pose to clients, markets, and the wider financial system, in addition to the risks faced by the firms themselves.

The IFPR applies to all MiFID investment firms authorised and regulated by the FCA and is directly applicable to **AK Jensen Limited** (the “Firm” or “AKJL”) (FCA Firm Reference Number: 527444).

This document constitutes the Firm’s **MIFIDPRU public disclosure** for the financial year ended **31 December 2025**. It has been prepared in accordance with the public disclosure requirements set out in MIFIDPRU 8, which require non-small and non-interconnected (“non-SNI”) investment firms to publish specified prudential information on an annual basis.

The purpose of this disclosure is to provide transparency to clients, regulators, and other stakeholders regarding the Firm’s governance arrangements, risk management objectives and policies, own funds and own funds requirements, and remuneration policies and practices. This disclosure is intended to complement, but not replace, the Firm’s Annual Report and Financial Statements for the year ended 31 December 2025 and should be read in conjunction with those documents.

2. Basis of Disclosure

This disclosure has been prepared in line with Chapter 8 of MIFIDPRU and reflects AKJL’s categorisation as a non-SNI MIFIDPRU investment firm. The disclosures are prepared on a solo entity basis and proportionately reflect the size, nature, scope, and complexity of AKJL’s activities. In accordance with the provisions of MIFIDPRU 8, AKJL is required to disclose information in the following areas:

- Governance arrangements;
- Risk management objectives and policies;
- Own funds;
- Own funds requirements; and
- Remuneration policies and practices.

In line with MIFIDPRU 8.7, AKJL is exempt from disclosing details of its investment policy under the exemption criteria set out in MIFIDPRU 7.1.4R.

Unless otherwise stated, the disclosures in this document relate to the financial year ended 31 December 2025.

3. Timing and Publication

In accordance with MIFIDPRU 8.1.10R, AKJL makes its MIFIDPRU 8 disclosure publicly available on the date it publishes its annual financial statements. This disclosure report is published on the AKJL website at [Legal and privacy | AKJL](#).

4. Verification

This disclosure has been reviewed internally but is not subject to audit. **[The disclosures outline the methodology used by the AKJL Board in assessing capital requirements and describe the firm's risk management framework. This document is not a substitute for the firm's financial statements and should only be relied upon for the purposes for which it has been prepared.]**

Commented [JH1]: We base this on unaudited I think we agreed - same as ICARA?

Commented [JH2R1]: Confirmed: the 2026 ICARA uses the identical treatment - own funds figures are based on unaudited figures and exclude the current year's profit, same as last year. No change needed.

Commented [JH3R1]: Sentence deleted.

5. Firm Structure

AKJL (04545354) is an MIFIDPRU investment firm, in addition to being licensed as a Small Authorised UK AIFM (Sub-threshold) regulated by the FCA under the Investment Firms Prudential Regime (IFPR). As at 31 December 2025 AKJL's role as investment manager and/or sub-manager has been limited and is decreasing.

AKJL is permissioned to provide the following activities and services:

- Acting as trustee or depositary of an unauthorised AIF (with limitations)
- Advising on investments (except on Pension Transfers and Pension Opt Outs)
- Advising on P2P agreements
- Arranging (bringing about) deals in investments
- Arranging safeguarding and administration of assets
- Dealing in investments as agent
- Dealing in investments as principal (with limitations)
- Making arrangements with a view to transactions in investments
- Managing an unauthorised AIF
- Managing investments (with limitations)

- Safeguarding and administration of assets (with limitations)

The above activities and services are restricted by customer types (Eligible Counterparty, Professional, Retail) and investment types. It should be noted that AKJL only has clients that are either Per Se Professional Clients or Elective Professional Clients. There are no retail customers as clients of AKJL, nor are there any plans by the Board to offer any products or services to retail customers in the future.

AKJL is categorised as non-SNI firm according to the prudential sourcebook for MiFID investment firms.

AKJL forms part of a group of entities within the AK Jensen Group (“AKJ”, “AKJ Group”).

6. Internal Capital and Risk Assessment (“ICARA”) Document

In accordance with **MIFIDPRU 7.3.1R**, the Firm is required to undertake an Internal Capital and Risk Assessment (“ICARA”) process in order to assess, manage, and maintain the adequacy of its own funds and liquid resources. In addition, **MIFIDPRU 7.4.7R** and **MIFIDPRU 7.4.22G** require firms to review and update their ICARA at least annually, and more frequently where there has been a material change to the firm’s business model, activities, or risk profile.

Consistent with these requirements, AKJL maintains own funds and liquid resources that it considers adequate to support its current operations and foreseeable future activities. The Firm’s methodology for assessing the adequacy of these financial resources is documented within its ICARA framework.

As part of the ICARA process, the Firm identifies the material risks to which it is exposed and conducts stress testing and scenario analysis against those risks in order to determine the level of financial resources that it is required to hold. In accordance with FCA requirements, AKJL prepared its most recent ICARA assessment as at **26 June 2026**.

An overview of the Firm’s ICARA process is set out in **section 8.7.2** of this disclosure.

7. Public Disclosure

7.1 Governance Arrangements Disclosure (MIFIDPRU 8.3)

7.1.1 Overview of AKJL Board and Committees

The **AKJL Board** has ultimate responsibility for the Firm’s system of governance, internal control environment, and risk management framework. The Board provides entrepreneurial leadership within a framework of prudent and effective controls, ensuring that risks are appropriately identified, assessed,

Commented [JH4]: ICARA v1.4’s version-control table shows the Board Approval date for this version as blank/pending. Please confirm the ICARA has been formally Board-approved before this date is relied on in a public disclosure (MIFIDPRU 8.1.10R references the firm’s ICARA process).

Commented [JH5R4]: Confirmed by Johan: the ICARA (v1.4) was Board-approved on 26 June 2026. Resolved - no further action needed.

managed, and monitored. It is collectively responsible for the long-term success of the Firm and for the delivery of sustainable value to its stakeholders.

The Board sets the Firm's strategic objectives and risk appetite, approves capital and operating plans proposed by management, and oversees their effective implementation. Responsibility for the day-to-day execution of the strategy approved by the Board is delegated to the **AKJL Management Team**.

The Board comprises a combination of executive and non-executive members and meets on a quarterly basis. In accordance with the **Senior Management Arrangements, Systems and Controls Sourcebook ("SYSC")** of the FCA Handbook, the Board defines, oversees, and remains accountable for governance arrangements designed to ensure the sound and prudent management of the Firm. This includes, among other matters, the effective segregation of duties, the identification and management of conflicts of interest, and the safeguarding of client interests in a manner that supports market integrity.

The responsibilities of the AKJL Board include, but are not limited to, the following:

- Oversight of corporate governance, either directly or through delegation to Committees, including:
 - Development and review of policies and practices on corporate governance;
 - Oversight of training and continuous professional development of Directors and senior management;
 - Monitoring compliance with legal and regulatory requirements, governance arrangements, and codes of conduct;
 - Oversight of AKJL's values, business principles, and compliance framework.
- Oversight of large-scale change, development, and transformation programmes.
- Oversight of Consumer Duty, ensuring it is embedded across the firm and applied to all decisions.

The Board receives and approves an annual report, confirming compliance, assessing alignment of the firm's strategy with Consumer Duty obligations, and agreeing any required actions.

Although the Board retains overall accountability, it delegates responsibility for managing, monitoring, and analysing key areas to business functions and to specialist committees, each of which has clearly defined roles and responsibilities.

7.1.2 AKJL Committees

The roles and responsibilities of AKJL's key committees in the context of governance and risk management are summarised below.

Commented [JH6]: Quarterly I think?

Commented [PS7R6]: Yes

Commented [JH8R6]: Fixed - this had never actually been changed from monthly to quarterly despite the agreement here. Now reads "meets on a quarterly basis", matching last year's disclosure.

Further detail is set out in the formal Terms of Reference of each Committee.

Risk Committee ("RiskCo")

The Risk Committee is responsible for assisting the Board in its oversight of risk, reviewing the risk appetite and risk profile in relation to capital, liquidity, operational and reputational value, reviewing the effectiveness of the risk management framework, reviewing the methodology used in determining the capital requirements, stress testing, ensuring due diligence appraisals are carried out on strategic or significant transactions. The Committee advises the Board and senior management on client risk exposures, counterparty risk, and related operational risk considerations arising from client-facing activities. Broader capital adequacy, liquidity risk, firmwide risk appetite and ICARA methodology oversight sit with the Board of Directors and Senior Management, assisted by the Risk Management Function.

7.1.3 Board Membership

As of 31st December 2025 these were the Board Members without any register of additional directorships:

- Anders Kvamme Jensen (chairman)
- Jan Ketil Dale (CEO)
- Stuart Adams

7.1.4 Diversity and Inclusion

The Firm, as part of the wider Group, is committed to continuing its development as an organisation that reflects and values the diversity of the backgrounds, experiences, and cultures in which it operates.

The Group seeks to promote diversity and inclusion across its organisational structures, decision-making processes, and ways of working, including how it communicates, manages, and engages with individuals. Diversity of thought, background, and perspective is recognised as an important contributor to effective governance and sustainable business outcomes.

The Group is committed to treating all individuals, both within and outside the organisation, openly, fairly, and with dignity and respect. It aims to foster a working environment that is inclusive and supportive, and that is free from harassment, bullying, victimisation, and unlawful discrimination.

The Group further seeks to promote equality of opportunity across all employment-related processes and practices, including recruitment, development, performance management, and progression, in line with applicable legal and regulatory requirements.

Commented [JH9]: The ICARA describes the Risk Committee as advisory-only, focused on client-related risk, with capital/liquidity/risk-appetite/ICARA oversight sitting with the Board and Senior Management directly. This is a material governance change from how the Committee's role was described in last year's disclosure - please confirm before publishing.

Commented [JH10R9]: Update: Johan has decided the ICARA's description (advisory, client-risk-focused) is the correct one, and the Risk Committee paragraph here has been reverted to match it. The Terms of Reference (last updated Nov 2025) will be updated separately to bring it in line with the ICARA, rather than the other way round. This comment can be treated as closed for purposes of this disclosure - the ToR update is a separate action item outside this document.

Commented [JH11]: The ICARA doesn't confirm Board composition for 2025. Please confirm whether Anders Kvamme Jensen, Jan Ketil Dale and Stuart Adams remain the Board as at 31 December 2025, or whether this list needs updating.

Commented [JH12R11]: Confirmed by Johan: Board membership is unchanged - Anders Kvamme Jensen (chairman), Jan Ketil Dale (CEO) and Stuart Adams remain the Board as at 31 December 2025. Resolved - no further action needed.

7.2 Risk Management Objectives & Policies (MIFIDPRU 8.2)

7.2.1 Risk Management Overview

The Risk Management Function (“RMF”) is a centralised independent control function. The primary responsibilities of the risk function are:

- Ensure that the RMF has adequate policies, procedures, risk limits and risk controls.
- Develop, maintain, and advise on the risk management frameworks to establish effective processes for identifying, assessing, and managing risks.
- Ensure that risks are identified, assessed, measured, monitored, managed and properly reported on and addressed by the relevant units.
- Ensure internal limits are consistent with the Group's risk appetite and commensurate with its sound operation, financial strength, capital base and strategic goals.
- Escalate and respond to risk-related concerns with regards to the potential of breaches and/or limits/thresholds, where required.
- Advising the management body, enabling the body to understand the overall risk profile.
- Advise on strategic decisions with material impact on the Groups risk profile.
- Report risk-related information enabling the board to set the appropriate risk appetite level and assess the robustness and sustainability of the risk strategy and appetite.

AKJL has established a risk management process that includes the following steps: identification, analysis, evaluation, management and monitoring. AKJL analyses the identified risks and aim to understand their likelihood and potential impact and evaluate them in order to determine their overall significance and whether AKJL has existing systems and controls in order to mitigate the risk. Based on the assessment, AKJL evaluates whether it should implement risk treatment measures to mitigate, manage and monitor the potential risks identified. The risk assessment should not only consider just 'risk/risks' but should also consider the potential for harm into the assessment, which has been considered in our assessment of additional Own Funds.

The Head of Risk Management has a direct reporting line to all management bodies of the relevant regulated subsidiaries of AKJ Group serviced by the RMF, including AKJL.

7.2.2 Three Lines of Defense Model

The ‘three lines of defence’ model defines the key responsibilities for the business, control functions and internal audit to ensure that the Firm has a coherent and comprehensive approach to risk management. An overview of the model is outlined below:

First Line of Defence

First Line of Defence (“1LOD”) comprises all business functions, which own the risk associated with their activities, including:

- All business units; and
- Functions, including Operations, Finance, Technology, and Legal.

1LOD owns and manages the risks associated with their day-to-day business activities and functions. 1LOD is responsible for:

- executing the business strategy within the Group Risk Appetite, business and capital plan, in line with the Group’s RMF and risk policies;
- identifying, assessing, controlling, mitigating and reporting on the risks within their business area or function;
- maintaining risk registers for their respective business areas or functions;
- implementing controls to stay within established Risk Appetite thresholds;
- monitoring control effectiveness and adopting and introducing new controls as required – including through key risk indicators (KRIs) where established; |
- promptly reporting and escalating issues in line with the escalation policy, including breaches of risk appetite thresholds, regulatory breaches and suspicious account activity;
- conducting root-cause analysis to understand causes of issues so corrective actions can be taken to avoid them in the future;
- remediating any control deficiencies;
- consulting the 2LOD on the Group’s RMF and regulatory compliance matters;
- ensuring that risk and compliance responsibilities are understood by employees, and are reflected in their role profiles and performance and reward decisions;

Commented [PS13]: Johan. How accurate is this?

Commented [JH14R13]: Checked against the ICARA and the Risk Committee ToR: neither document supports a formal, established KPI framework for this purpose, and the ToR only refers to KRIs "where established" (i.e. not comprehensively in place). Reworded to "including through key risk indicators (KRIs) where established" - drops the unsupported KPI reference and qualifies the KRI claim to match what's actually evidenced.

Second Line of Defence

Second Line of Defence (“2LOD”) comprises the Risk and Compliance function. The 2LOD provides independent oversight and challenges the 1LOD's risk management activities. The roles and responsibilities in regard to risk and compliance are set out separately below.

The Firm maintains independent Risk and Compliance functions.

- Head of Risk is responsible for Group-wide risk management, enterprise risk and investment risk, risk events, RCSAs and risk assurance.

Third Line of Defence

Currently there is no independent Internal Audit function and the independent assurance of adequacy of internal control environment, policies and procedures is conducted in conjunction between 1st LoD 2nd LoD and external independent consultants. Given the size and nature of the Firm, AKJL does not

currently operate a formal Internal Audit function as a third line of defence; this is considered proportionate and appropriate for a firm of this scale, and is consistent with FCA expectations for smaller MIFIDPRU investment firms.

7.3 Group Risk Governance

AKJL's management body is formed by the Board of Directors (BoD) and CEO. The management body is, among other, ultimately accountable for the internal control framework, risk management (inc. the Risk Appetite Framework) and the effectiveness and robustness of the ICARA-process and responsible for demonstrating leadership and set the strategy for the process.

7.4 Risk Appetite Framework

The risk appetite framework forms part of the strategic management of AKJL and is implemented throughout the organisation in the form of thresholds and assessment principles for the types and sources of risk within the context of the firms' operations and strategic decision-making.

Risk thresholds can be assigned to sources, categories, risk types, functions or entities and underpins the overall limit and risk capacity of the risk appetite framework.

The procedures for monitoring risk indicators are tailored to the individual business areas and are meant to ensure that risk is kept within the level stipulated in the risk appetite framework.

Dimension	Statement
Credit Risk	AKJL has a moderate appetite for credit risk. We believe that taking on carefully considered and diversified credit exposures can provide attractive returns. However, we will also be mindful of the potential downside risks and will regularly review and assess our credit positions to ensure that they are consistent with our risk tolerance and our objectives.
Market risk	AKJL has a low appetite for market risk. We do not take market risk on own balance sheet and do not make investments for trading or speculative purposes. Investments must minimise market risk and expect a target return commensurate with the instruments underlying the investment. No investment above \$25k is acceptable without approval and support from the wider AKJ group.
Fiduciary Risk	AKJL's risk appetite is to always act in the best interest of clients and beneficiaries, with a commitment to: • Achieving risk-adjusted returns that align with the investment objective or mandate • Avoiding style drift and adhering to the investment guidelines prescribed by the client • Preventing conflicts of interest, self-dealing, and preferential treatment of clients, such as trade allocation or portfolio churn • Providing portfolio execution and transaction costs that align with client requests

	- Resolving client complaints in a timely manner - Safeguarding client assets - Providing timely and accurate reporting - Maintaining effective controls over outsourced delegated functions. AKJL has zero tolerance for any actions that deliberately or negligently deviate from these risk appetite statements. Inadvertent breaches of our Fiduciary obligation are covered in the Operational Risk Appetite.
Operational risk	AKJL has a low appetite for operational risk. We place a high priority on maintaining robust and effective risk management processes and controls to minimise the likelihood and impact of operational failures or disruptions. We will regularly review and test our systems, policies, and procedures. We have established clear lines of responsibility and accountability for managing operational risks and will ensure that our employees receive the necessary training and resources to fulfil their roles and responsibilities effectively.
Business & Strategic risk	AKJL has a medium appetite for business risks. We recognise that the success of our operations depends on the effective management of a wide range of business risks, including strategic, financial, operational, and regulatory risks. We will therefore implement robust risk management processes and controls to minimise the likelihood and impact of these risks, and will regularly review and assess our risk profile to ensure that it is aligned with our overall risk tolerance and portfolio objectives. AKJL shall not undertake any activities or enter into any new businesses without due regards to any of AKJL's other risk appetite statements.
Settlement risk	AKJL has a low appetite for settlement risk, particularly in relation to DVP (Delivery versus Payment) and PVP (Payment versus Payment) processes. We recognise that the failure to settle trades properly can have significant consequences for our portfolio and our clients, and we, therefore, place a high priority on ensuring the timely and accurate settlement of all transactions. We use robust risk management controls and processes to minimise the likelihood of settlement failures, including the use of appropriate settlement infrastructure and the implementation of robust collateral management practices. We will also carefully monitor and review our settlement exposures on an ongoing basis to ensure that they are consistent with our risk tolerance and portfolio objectives.
Liquidity risk	AKJL has a low appetite for liquidity risk. We will also regularly review and assess our liquidity needs and positions to ensure that they are consistent with our tolerance and objectives. AKJL (at both a consolidated group and regulated entity level) seeks to have sufficient liquidity to meet commitments as they fall due (and a certain contingency for unexpected events).
Financial Crime & Market Abuse risk	AKJL has zero tolerance for financial crime, including money laundering, terrorist financing, fraud, bribery and corruption, and for market abuse. We maintain client due diligence, transaction monitoring and trade surveillance processes proportionate to the risks posed by our client base and business activities, and periodically review client risk categorisation to ensure our controls remain effective and appropriately targeted.

Commented [PS15]: In some places you refer to AKJ and in other places it is AKJL. Is there a reason for that? I thin some of the AKJ should be AKJL.

Commented [JH16R15]: Agreed - this is a genuine inconsistency. AKJL is the disclosing entity, so all of AKJL's own risk appetite statements and thresholds should say AKJL, not AKJ. Fixed throughout both the Risk Appetite Statements table and the Risk Thresholds table (~18 instances). Left "AKJ Group"/"wider AKJ group" as-is where the wider group (not AKJL itself) is genuinely being referenced.

Risk Appetite Statements

The following risks were assessed based on the risk appetite Framework.

Dimension	Threshold / Dimension	Assessment 2025/2026
Credit Risk	- No debts greater than 120 days old. - Bad debts < 0.1% of net revenue - Main banks must either (i) hold a minimum long-term credit rating of BBB- (or equivalent) from at least one recognised external credit rating agency (Fitch, Moody's, or S&P), or (ii) where no external rating exists, demonstrate equivalent financial soundness through: regulation by a peer regulatory authority in an EU/EEA or equivalent jurisdiction; a CET1 ratio materially above the regulatory minimum; and adequate liquidity ratios (LCR and NSFR). In such cases, a documented internal credit assessment must be completed by the Compliance function (2LOD), approved by the Board of Directors.	- AKJL allows PB clients to borrow funds from AKJL using their cash equity/bond portfolios as collateral, i.e. clients are allowed to trade on margin. AKJL has established firm procedures on how to handle the ensuing credit risk. Pre-trade controls are put in place, preventing clients from placing trades outside of agreed risk parameters. All client accounts adhere to margin rules that are either the firmwide default ones or specifically setup for the client in question. - The adherence to margin rules is monitored daily on a post-trade basis, non-adherence results in a margin call, with its associated strict procedural framework. Serious margin calls are reported to the Board. Clients that want a structure that is in any way seen as being outside of firmwide risk parameters are raised to the board, based on the assessment of the Risk Department that the suggestion is prudent and still makes sense from a risk management perspective, for the board to approve or reject the request. Number of margin calls during all of 2025 was 7. - Please note that AKJL is involved in an ongoing litigation process dealing with the Platinum hedge fund bankruptcy, where one of our margin accounts went negative due to the assets not being allowed to be sold to meet the initial margin call (due to local regulatory rulings in Indonesia). A defaulted counterparty is by definition

Commented [JH17]: The ICARA's updated criteria no longer name EDB specifically (last year's disclosure called out EDB as a non-rated but financially stable exception).

Commented [JH18R17]: Confirmed by Johan: EDB has no external credit rating. The generalised wording (from the ICARA) is accurate as drafted.

Commented [JH19R17]: @Peter Sima, plz confirm that we live up to that statement in terms of Compliance reviews

Commented [PS20R17]: Hi @Johan Holmgren. Not annually. No resources. Let's take it out for now.

Commented [JH21R17]: Done, removed that last part.

		outside of our risk appetite. The risk and possible harm from the outcome of the litigation process is identified as part of the harms assessment, and forms part of our wind-down monitoring scenarios. Please confer the harms assessment for details. Update: On 14 November 2024, AKJL transferred the risk and reward of the Platinum Fund receivable to AK Jensen Group Limited (the Firm's parent undertaking); the transaction is guaranteed of up to USD 15 million from Somers Limited (a shareholder of AK Jensen Group Limited). This arrangement materially reduces AKJL's residual credit risk exposure.
Regulatory/investment risk	The risk that funds trade outside of their investment mandate, stipulated in the OS creating a breach. Max 2 investment mandate breaches per year.	AKJL monitors the FMs' adherence to the investment mandate for all funds under management on a post-trade basis. In addition pre-trade controls are used to limit trading in line with such parameters. FMs are warned if the leverage of the fund gets near max leverage per the OS. There are strict procedures in place for how to handle investment mandate breaches. During 2025 AKJL experienced one fund investment mandate breach.
Market risk	- Investments must minimise market risk and expect a target return commensurate with the instruments underlying the investment. No investment above \$25k is acceptable without approval and support from the wider AKJ group. - FX: AKJL has no appetite for complex hedging transactions on its own balance sheet and will manage exposures in as simple a manner as possible. AKJL's appetite is defined by the local regulatory capital requirements.	Within thresholds.
Operational risk	No critical risks identified without linked risk mitigating actions. Only the Board may	Only the Board may accept critical operational risk factors

Commented [JH22]: Added from the ICARA (Own Funds section) to reflect that this credit exposure has been substantially mitigated since last year's disclosure via assignment to the parent and a Somers Limited guarantee. Please review the wording for accuracy and completeness.

Commented [JH23R22]: Confirmed by Johan: wording is accurate as drafted. Resolved.

Commented [JH24R22]: Also verified wording with Ketil separately.

	accept critical operational risk factors without additional risk mitigation. • Number of operational risk breaches; max 5 per year • No deliberate unfair, unclear or misleading marketing activities that could be detrimental to either the specific message that is being communicated or to the company's reputation (including fines or censure of any kind levied for misleading advertising).	without additional risk mitigation. During 2025 AKJL had 4 operational risk breaches (including the fund investment mandate breach above). In addition there were 5 operational risk incidents – thus within our risk appetite.
Business & Strategic risk	AKJL has no appetite to undertake any one project committing greater than \$100k from AKJL's balance sheet, or cumulatively per annum on a series of linked projects without seeking AKJL Board approval.	Within threshold
Liquidity risk	• Current Ratio of minimum 1.1. • Liquid Assets as a percentage of total (short-term) assets at least 20%.	• Long term liabilities are matched by long term assets. • AKJL (at both a consolidated group and regulated entity level) seeks to have sufficient liquidity to wind down in an orderly manner even in the event that it is unable to call upon the assets of the wider AKJ group. Minimum capital aim to be deposited at a bank and or debtors to be USD 800k.
Financial Crime & Market Abuse risk	Periodic (at least annual) review of high-risk and medium-risk client categorisation; ongoing trade surveillance and market abuse monitoring. No appetite for material adverse findings without immediate escalation and remediation.	AKJL's exposure to financial crime risk, including anti-money laundering, fraud and sanctions, is assessed as unchanged for 2025/26. The Compliance team completed its periodic review of high-risk clients during 2025, incorporating an initial review of client risk categorisation by jurisdiction; the outcome was a net decrease in the number of clients categorised as high-risk. For 2026, the periodic review of medium-risk categorised clients is underway. No material changes to the Firm's financial crime risk profile have been identified as a result of new products, jurisdictions or clients. With respect to market abuse risk, the Firm's client base has remained largely stable during the year, and

		processes for trade surveillance, monitoring and oversight have continued to be reviewed and enhanced. No material changes to market abuse risk exposure have been identified during 2025/26.
--	--	---

AKJL Risk Appetite Metrics

Each RAS is supported by dedicated Risk Appetite Metrics, which set out the quantum of risk AKJL is exposed to. These metrics have individual thresholds, which are treated as limits or warning indicators. Risk Appetite Metrics are selected, and thresholds are calibrated for Level 1 risk categories relevant to AKJL's Business Strategy. A breach of a Risk Appetite Metric's threshold is treated as a breach of the agreed Risk Appetite; when this occurs, an immediate notification to the CEO is triggered, and a decision is then taken on the most appropriate course of action.

The specific Risk Appetite Metrics, thresholds and 2025/2026 assessment for each risk dimension are set out in the Risk Thresholds table above.

Review of Risk Appetite Statements and Risk Appetite Metrics

AKJL's Risk Appetite Statements and Risk Appetite Metrics are reviewed and approved by the AKJL Board on an annual basis.

7.6 Own Funds Disclosure (MIFIDPRU 8.4)

7.6.1 Composition of Regulatory Own Funds

AKJL's own funds as of December 31, 2025, were £9.966 million. The own funds which consist exclusively of CET1 and is able to meet Overall Financial Adequacy Rule (OFAR) in full with CET 1. The company holds no Tier 2 capital. The Tier1 Capital are based on unaudited figures and therefore does not include the positive profit for the year of 2025.

AKJL's CET1 capital was well above the regulatory requirement of £1.015 million (Own Funds threshold). The firm has an adequate capital base. Based on the Wind Down Plan assessment, the own funds are of high quality and are able to support AKJL's risk profile. The firm has a strong capital base that is well above the regulatory requirements.

The own funds threshold is £1.116 million, and AKJL's CET1 capital converted to GBP is £9.966 million (using the average rate for GBP/USD throughout 2025). Therefore, excess capital above the own funds threshold is £8.850 million (£9.966 million - £1.116 million). Taking into account internal threshold (120% of Own Funds), the excess capital is £8.626 million above the internal threshold (converted).

In this case, the CET1 capital ratio is well above the regulatory requirements, indicating that AKJL has sufficient high-quality capital to absorb losses.

Overall, the ICARA assessment found that AKJL has a strong capital base and meets the regulatory requirements for own funds. The assessment provides a positive outlook for financial strength and its ability to withstand the materialization of harms and possible risks as evident by the conducted stress test.

Based on the 2025 results the following are the results for the main indicators related with own funds.

- CET1 - £9,965,839
- Total own funds - £9,965,839
- Own Funds Requirement (OFR) - £1,116,252
- Surplus - £8,849,587

Commented [PS25]: Johan: Should this be just AKJL? Not Group. Or we keep Group but with the suggested rephrasing.

Commented [JH26R25]: Fixed - this should just be AKJL, not Group. The sentence was also duplicated/garbled (leftover from an earlier edit). Rewritten to: "AKJL's Risk Appetite Statements and Risk Appetite Metrics are reviewed and approved by the AKJL Board on an annual basis."

Commented [JH27]: 2025 figures are rounded to the nearest £1k in the ICARA (e.g. £9,966k). Please confirm the precise, unrounded CET1 figure from the audited 2025 accounts before publishing, as was used last year (£9,958,950).

Commented [JH28R27]: Resolved: provided the precise unrounded figures from the ICARA capital adequacy model - CET1/Total own funds £9,965,839, OFR £1,116,252, surplus £8,849,587. Bullets and narrative updated to these exact figures.

Commented [JH29]: Own Funds Requirement (OFR) methodology: last year's disclosed OFR (£1,166,395) was higher than FOR alone, which I initially couldn't explain. Awaiting confirmation on the exact basis.

Commented [JH30R29]: Resolved with Johan's capital adequacy model: Own Funds Requirement (OFR) = Own Funds Threshold Requirement (FOR, £1,014,775) plus a 10% internal buffer (5% Internal Threshold + 5% Early Warning Buffer) = £1,116,252. Same methodology as last year (last year's disclosed OFR of £1,166,395 was FOR plus the equivalent buffer) - confirmed no change in approach. Figures throughout this section updated accordingly.

7.7 Own Funds Requirements Disclosure (MIFIDPRU 8.5)

7.7.1 Owns Funds Requirement

The Own Funds Requirement (OFR) under IFPR replaces the Pillar 1 requirements for IFPRU and BIPRU firms. The capital requirement will be the higher of the Permanent Minimum Requirement (PMR) and Fixed Overhead Requirement (FOR) and the K-Factor Requirement (KFR). The 'Pillar 2' is replaced and determined on a "Pillar 1" plus basis. The requirement is calculated as the higher of the:

- FOR + additional amounts needed to wind down
- KFR + additional capital for any risks not captured by KFR

In order to satisfy the criteria for OFR, the following conditions apply:

at least 75% of the own funds threshold requirement must be met with any combination of common equity tier 1 capital and additional tier 1 capital; and at least 56% of the own funds threshold requirement must be met with common equity tier 1 capital.

As at 31 December 2025, AK Jensen Limited's CET1 capital of GBP 9,966k exceeds the OFR of GBP 1,015k by GBP 8,951k, representing 982% of the OFR. All own funds are held in the form of CET1 capital, fully satisfying the 75% and 56% composition requirements.

7.7.2 Compliance with the Overall Financial Adequacy Rule

The Own Funds Threshold Requirement ("OFTR") is the amount of own funds that a firm needs to hold at any given time to comply with the Overall Financial Adequacy Rule ("OFAR"). The OFTR consists of prescribed elements listed above but also considers additional resource requirements where the Firm have identified areas that could lead financial harm to clients, the Firm or both. AKJL's assessment under the ICARA has determined the total OFTR is deemed by the AKJL Board to be appropriate to meet the OFAR.

As a MIFIDPRU investment firm, AKJL is required to adhere to the OFAR, meaning that we need to hold own funds and liquid assets which are adequate, both as to their amount and quality, to ensure that:

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

In order to satisfy the OFAR, AKJL uses a combination of methods and established frameworks and processes to identify, monitor and mitigate material potential harms that may result from the ongoing operation of our business, as well as continuously assessing any need to hold additional own funds or

liquid assets as part of the ICARA process. This document describes and documents our processes and most recent assessments to order to satisfy the OFAR.

The ICARA Process

As noted earlier in this document, the ICARA replaces the Internal Capital Adequacy Assessment Process (“ICAAP”), following the implementation of the UK Investment Firms Prudential Regime. AKJL recognises that as part of the ICAAP, firms were expected to conduct an assessment against a specific list of risk categories, whereas the ICARA process focuses even more on the Firm's business model. This means that firms are required to identify and monitor potential harm from both their market and clients.

The ICARA process is an integral part of AKJL’s risk management processes and a continual process of identifying risks to the client, the firm, and the wider market, and maintaining an appropriate RMF to manage and mitigate those risks, where possible.

AKJL Board is responsible for the ICARA process and for setting the risk appetite which forms an integral part of the management process and decision-making culture of the Firm.

Following completion of the 2025 ICARA, Additional Own Funds of GBP 397,100 were determined to be required above the OFR, reflecting the harms assessment conducted as part of the ICARA process. Total own funds held of GBP 9,966k comfortably exceed the combined requirement of GBP 1,412k (OFR GBP 1,015k plus Additional Own Funds GBP 397k).

7.8 Remuneration Policies and Practices (MIFIDPRU 8.6)

7.8.1 Remuneration policy

AKJL’s remuneration policy is gender-neutral and non-discriminatory. Pay and awards are based on objective criteria such as role, responsibility, experience and performance, with consistent structures and senior management oversight to ensure fairness and equal pay for equal work.

Remuneration is designed to promote sound risk management and long-term sustainability. Variable pay is discretionary, conservative and linked to long-term performance, with strong emphasis on non-financial criteria including conduct, compliance, risk management and client outcomes. The policy prohibits incentives for excessive risk-taking and ensures alignment with the firm’s risk appetite, capital and liquidity position.

The policy supports the firm’s strategy, values and culture, reinforces responsible behaviour, and avoids conflicts of interest, including ensuring independence for control and oversight functions. It is reviewed at least annually and approved by the Board, with input from Compliance, Risk and HR. The Board

Commented [JH31]: The ICARA references an exemption from a disclosure requirement under MIFIDPRU 7.1.4R (on-/off-balance sheet items below £100m over a rolling 4-year period). Please confirm with Compliance/legal whether this exemption applies to the MIFIDPRU 8.6 quantitative remuneration disclosure specifically. If it does not apply, please provide updated 2025 headcount and fixed/variable remuneration by category - the ICARA doesn't include this data, so the table below is still showing last year's (2024) figures unchanged.

Commented [JH32R31]: Partially resolved: Johan/CCO confirmed the MIFIDPRU 7.1.4R exemption is an SNI-vs-non-SNI distinction - AKJL is non-SNI, so the exemption does not apply and this table cannot be skipped. Still open: updated 2025 headcount and fixed/variable remuneration figures by category are not yet available - Johan to follow up. The table below still shows 2024's figures as a placeholder and must not be published as-is.

Commented [JH33R31]: Fully resolved: provided the 2025 remuneration figures. Table updated - Senior Management 10 staff (£381k fixed / £25k variable / £406k total), Other Staff 17 (£1,293k / £34k / £1,327k), Total 27 (£1,674k / £59k / £1,733k).

retains discretion to adjust or cancel variable remuneration where required for risk, conduct, regulatory or financial reasons to protect the firm's long-term interests.

7.8.2 Quantitative Remuneration Disclosures

Total remuneration by category	Number of Employees	Fixed remuneration £'000s	Variable remuneration £'000s	Total remuneration £'000s
Senior Management	10	381	25	406
Other Staff	17	1,293	34	1,327
Total Employees	27	1,674	59	1,733