PensionBee Group plc
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16 March 2023

PensionBee Group plc

Full Year Results for the year ended 31 December 2022

Strong Growth across all Key Metrics and on track for achievement of Ongoing Adjusted EBITDA Profitability by the end of 2023

PensionBee Group plc ('PensionBee' or the 'Company'), a leading online pension provider, today announces its audited full year results for the year ended 31 December 2022.

Highlights

- Revenue increased by 38% to £17.7m (2021: £12.8m)
- Adjusted EBITDA* of £(19.5)m (2021: £(16.4)m), reflecting continued investment in growth
- Adjusted EBITDA Margin* of (110)% (2021: (129)%), demonstrating operating leverage
- Profit/(Loss) before Tax of £(22.4)m (2021: £(25.0)m)
- Basic Earnings per Share was (9.97)p (2021: (11.86)p)

- Assets under Administration ('AUA') increased by 17% year on year to £3.0bn (2021: £2.6bn), driven predominantly by strong net flows from new and existing customers
- Invested Customer ('IC') base increased by 56% year on year to 183,000 (2021: 117,000), driven by brand awareness of over 50%
- Customer Retention Rate of 97% remained high (2021: 97%)

Romi Savova, Chief Executive Officer of PensionBee, commented:

"We are pleased to report strong full year results for 2022, having exceeded £3 billion of Assets under Administration, despite the challenging global capital markets. PensionBee has become a household brand name, synonymous with easy and effective pensions management for consumers.

Throughout 2022, we focused on serving our customers through innovative product developments and launches, supporting them through this uncertain economic environment. We look forward to continuing to acquire market share and to achieving our objective of reaching 1 million Invested Customers in the medium to long term. We expect to introduce some new, adjacent products to enable our customers to prepare for a happy retirement.

Encouraged by strong year to date trading driven by customer growth and healthy net flows from new and existing customers, we are on track to achieve our primary objective of ongoing Adjusted EBITDA profitability by the end of 2023 and to become profitable for the full year 2024. We will achieve this by continuing to reduce the Cost per Invested Customer, delivering innovative new features and making efficiency gains through our scalable technology platform."

Guidance and Outlook

With PensionBee having delivered against its primary growth objectives and financial guidance, initially set out at the time of its IPO in April 2021, the Board's updated framework for guidance confirms its short-term goals and sets out its expectations for the longer-term.

With respect to the longer-term, set against a backdrop of the substantial target market opportunity in UK Defined Contribution pensions of approximately £700bn in assets, the Company is pursuing a market share of approximately 2% over the next 5-10 years (equivalent to about 1m Invested Customers, assuming an average pension pot size of £20,000- £25,000). With an expectation of maintaining relative Revenue margin stability, this translates into a long-term annual Revenue opportunity of approximately £150m. The Company expects to achieve long-term EBITDA Margins of more than 50%, owing to the scalability of the technology platform.

In the short to medium term, the Company remains on track to achieve ongoing Adjusted EBITDA profitability by the end of 2023 and to be profitable for the full year 2024, by reducing the Cost per Invested Customer and delivering further automation through its scalable technology platform.

Year-to-date trading has been strong, driven by net flows from new and existing customers.

Financial Highlights

		As at Year End		
	Dec-2020	**Dec-2021**	**Dec-2022**	***2021-22 YoY***
Revenue (£m)	6.3	12.8	17.7	*38%*
Annual Run Rate Revenue (£m)*	8.9	16.3	19.5	*20%*
Adjusted EBITDA (£m)*	(10.4)	(16.4)	(19.5)	*-19%*
Adjusted EBITDA Margin (% of Revenue)*	(166)%	(129)%	(110)%	*+18ppt*
Profit/(Loss) before Tax (£m)	(13.5)	(25.0)	(22.4)	*10%*
Profit/(Loss) before Tax Margin (% of Revenue)	(215)%	(196)%	(127)%	*+69ppt*
Basic Earnings per Share	(7.67)p	(11.86)p	(9.97)p	*16%*

Non-Financial Highlights

		As at Year End		
	Dec-2020	**Dec-2021**	**Dec-2022**	***2021-22 YoY***
AUA (£m)	1,358	2,587	3,025	*17%*
AUA Retention Rate (% of AUA)	96%	96%	97%	*+1ppt*
Invested Customers (thousands)	69	117	183	*56%*
Customer Retention Rate (% of IC)	97%	97%	97%	*stable*
Cost per Invested Customer (£)	232	246	248	*within threshold*
Realised Revenue Margin (% of AUA)	0.64%	0.64%	0.63%	*stable*

		As at Year End		
	Dec-2020	**Dec-2021**	**Dec-2022**	***2021-22 YoY***
Opening AUA (£m)	745	1,358	2,587	*91%*
Gross Inflows	593	1,099	1,060	*(4)%*
Gross Outflows	(70)	(145)	(197)	*36%*
Net Inflows	523	955	863	*(10)%*
Market Growth and Other	90	275	(424)	*n/m*
Closing AUA	1,358	2,587	3,025	*17%*

* PensionBee's Key Performance Indicators include alternative performance measures ('APMs') which are indicated with an asterisk. 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 greater insight into the underlying performance of PensionBee and enhance comparability of information between reporting periods.

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

For definitions, see Managing our Performance section.

Enquiries:

Teneo
James Macey White — pensionbee@teneo.com
Laura Marshall — +44 (0)20 7353 4200

PensionBee
Rachael Oku — press@pensionbee.com
Laura Dunn-Sims

Analyst Presentation

There will be a presentation for analysts at 8:30am via webcast. Please contact pensionbee@teneo.com if you would like to attend.

The analyst presentation will be available on the Company's website (with a video recording to follow) at: https://www.pensionbee.com/investor-relations/results-and-reports.

Investor Presentation

There will be a presentation for investors on Friday 17 March 2023 at 11.00am via webcast.

To register, please go to: https://www.equitydevelopment.co.uk/news-and-events/pensionbee-fypresentation-17march2023

About PensionBee

PensionBee is a leading online pension provider, making pension management easy for its customers while they save for a happy retirement.

PensionBee helps its customers combine their old pension pots, make flexible contributions, invest in line with their goals and values and make withdrawals from the age of 55 (increasing to 57 in 2028). PensionBee offers a range of investment plans, including fossil fuel free options, from some of the world's largest asset managers.

Operating in the £1 trillion market of Defined Contribution pension assets, PensionBee has grown rapidly through its direct-to-consumer marketing activities, creating a household brand name for the mass market.

The Company has over £3.0bn in Assets Under Administration and 183,000 Invested Customers as at 31 December 2022. PensionBee has consistently maintained a Customer Retention Rate in excess of 95% and an Excellent Trustpilot rating, reflecting its commitment to outstanding customer service.

Forward Looking Statements

Statements that are not historical facts, including statements about PensionBee's or management's beliefs and expectations, are forward-looking statements. The full year results contain forward-looking statements, which by their nature involve substantial risks and uncertainties as they relate to events and depend on circumstances which will occur in the future and actual results and developments may differ materially from those expressly stated or otherwise implied by these statements.

These forward-looking statements are statements regarding PensionBee's intentions, beliefs or current expectations concerning, among other things, its results of operations, financial condition, prospects, growth, strategies and the industry and markets within which it operates.

These forward-looking statements relate to the date of these full year results and PensionBee does not undertake any obligation to publicly release any revisions to these forward-looking statements to reflect events or circumstances after the date of the full year results.

Chief Executive Officer's Review

"While the macroeconomic environment remains uncertain, we focus on what we can control: building a pension company you can believe in, trust and be proud to be a part of."

2022 has been a challenging year for all. We have witnessed war in Europe and exceptionally harsh and volatile global markets, punctuated by rising interest rates, the energy crisis and stubborn inflation that have meaningfully raised the cost of living for UK consumers. In spite of these headwinds, or perhaps because of them, retirement planning has never been more important.

Throughout this year, we have continued to focus on what matters: serving our customers and supporting them through these challenges. The external environment has brought to the fore difficult decisions for UK consumers. How should I save for the future? Should I delay my retirement?

PensionBee has been there to offer its customers guidance and support, the type of service that all consumers deserve from their pension providers. We are proud to have maintained our Excellent Trustpilot score (4.6★) and to have achieved impressive app store ratings (4.7 App Store rating and 4.5 Google Play rating), reflecting the priority we place on customer communication and rapid response times, with contribution to customer service from every management level within the business (2021: Trustpilot score of 4.6★, 4.8 App Store rating and 4.7 Google Play rating).

As a company, we place great value and emphasis on doing what we said we would do. Trust has never been more important, especially as we have cemented our place as a household brand name. With brand awareness of more than 50% achieved[1], we continued growing our customer base, reaching a total of 183,000 Invested Customers[2] on our technology platform by the end of the year (2021: 25% brand awareness and 117,000 Invested Customers). We attracted these customers through a combination of data-led online performance marketing channels and our brand channels, including television and our sponsorship of the 'Brentford Bees', a Premier League football club.

As a result, amid steep declines in global equity and bond markets that have affected pension values across the country, our Assets under Administration surpassed the £3bn mark and our Revenue grew by 38% as compared to the previous year.[3] Our high Customer Retention Rate of 97% and ongoing transfers and contributions from new and existing customers enabled us to record approximately £1bn of Gross Inflows.[4] This, combined with the foundations of our scalable technology platform and disciplined cost control, enabled us to reach key profitability milestones of pre-marketing profitability across the fourth quarter of 2022 and post-marketing profitability in November 2022, in line with our expectations.[5] We are primed to continue to deliver on this path, expecting to achieve ongoing full profitability on an Adjusted EBITDA basis by the end of 2023.[2]

This year was also notable for us with respect to environmental, social and governance ('ESG') considerations, as we conducted an exercise to assess ESG materiality from the perspective of our key stakeholders. We believe that all businesses must have a 'social licence' to operate, and as such we believe that meeting our ESG responsibilities to stakeholders will enable us to thrive over the long term. We were pleased to remain aligned with our stakeholders in our ambition to offer an inclusive and innovative product, one characterised by stewardship, purpose and excellent value, as well as to prioritise cyber security, diversity and inclusion and offering fulfilling careers for our team. With 91% of our workforce feeling aligned with our vision, mission and values[6], we are meeting our goal of being an employer of choice with an inspiring vision.

As we look forward to 2023 we recognise that the world is in transition: efforts to move to a low carbon economy and one that is characterised by less inequality dominate our national conversation. We are proud to be a part of this change with our innovative product offering that empowers UK consumers to be 'pension confident' and to have control over their retirements. Our newly-launched Impact Plan will enable our customers to prepare for retirement while investing in companies that help further the achievement of the United Nations Sustainable Development Goals.[7] We are also pleased to bring the 'regular withdrawals' feature to our customers, a product innovation we have developed over this year, in response to feedback from our customers over the age of 55.

While the macroeconomic environment remains uncertain, we focus on what we can control: building a pension company you can believe in, trust and be proud to be a part of. I am immensely proud of, and grateful to, the entire team for their dedication and hard work, for the spirit with which they approach our mission and vision and for upholding our values and culture.

Outlook

We believe that the UK pensions market will continue to grow at pace, despite the challenging financial markets, supported by the regulatory framework and favourable policy changes, the acceleration of the UK's transition to digital technology and underlying trends in the employment market that increasingly demand a modern pension consolidation solution like ours. New opportunities and developments in technology are expected to continue to accelerate change in the pensions industry in ways that will ultimately benefit all consumers. The need to save for retirement through an efficient and scalable platform has never been greater, especially as we grapple with a cost of living crisis.

Our resilient business model, leading customer proposition, household brand status, committed and dynamic leadership team and robust capital position, will see us uniquely positioned to continue to grow at pace, navigating any challenges that the year ahead brings.

We look forward to 2023 being yet another exciting year in the PensionBee story.

Romi Savova
Chief Executive Officer
15 March 2023

Notes:

1. Source: PensionBee brand tracker. Prompted brand awareness in January 2023 measured through a consumer survey asking ‘Which of the following have you heard of?’ with respect to UK financial services brands: Aviva 83%, Scottish Widows 77%, Standard Life 66%, Royal London 55%, PensionBee 52%, Hargreaves Lansdown 36%, Vanguard 32%, Fidelity 30%, Nutmeg 30%, AJ Bell 21%, Interactive Investor 9%. Compares to prompted brand awareness for 2021 of 25%, sourced from Boring Money, February 2022.
2. See definitions in the Measuring our Performance section.
3. 38% change in Revenue calculated based on Revenue of £17.7m for the year to 31 December 2022 as compared to £12.8m for the year to 31 December 2021. See definitions in the Measuring our Performance section.
4. Gross Inflows of £1,060m, Gross Outflows of £(197)m, Net Inflows of £863m and Market Growth and Other of £(424)m for the year to 31 December 2022 as set out in the Operating and Financial Review. See definitions in the Measuring our Performance section.
5. Pre-marketing profitability measured using Adjusted EBITDA before Marketing. Post-marketing profitability measured using Adjusted EBITDA. See definitions in the Measuring our Performance section.
6. Source: PensionBee’s annual Diversity, Inclusion, Equality & Support Survey, 2022. Compares to 96% of the workforce feeling aligned to PensionBee’s mission, vision and values, as measured by PensionBee’s Diversity, Inclusion and Engagement Survey, 2021.
7. The 2030 Agenda for Sustainable Development, adopted by all United Nations Member States in 2015, provides a shared blueprint for peace and prosperity for people and the planet, now and into the future. At its heart are the 17 Sustainable Development Goals, which are an urgent call for action by all countries - developed and developing - in a global partnership. They recognise that ending poverty and other deprivations must go hand-in-hand with strategies that improve health and education, reduce inequality, and spur economic growth - all while tackling climate change and working to preserve our oceans and forests. Source: sdgs.un.org/goals.

Operating and Financial Review[1]

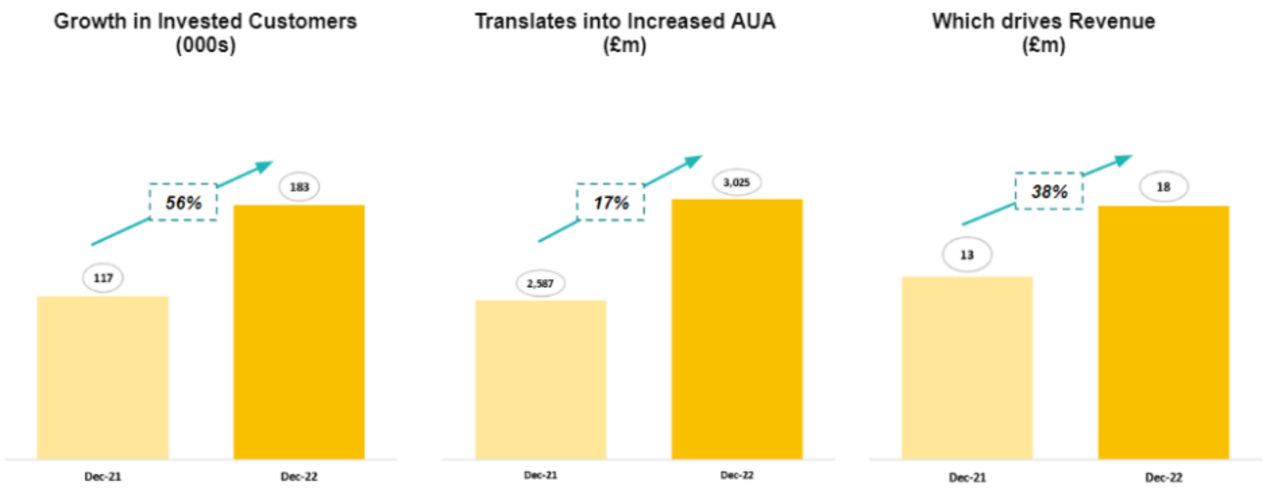
Continued Growth across all Key Metrics in 2022 and achievement of Adjusted EBITDA before Marketing Profitability in the Fourth Quarter of 2022[2]

Trading for the financial year 2022 has been strong and in line with expectations.

We have continued to deliver significant growth across all our major Key Performance Indicators. During 2022, the number of Invested Customers ('IC') increased by 56% to 183k and Assets under Administration ('AUA') increased by 17% to over £3.0bn driven by strong Net Flows of £863m.[1] Revenue increased by 38% to £17.7m with Annual Run Rate ('ARR') reaching £19.5m.[3]

Becoming a profitable business has been a key objective for PensionBee. On the path to achieving this objective, we are pleased to have delivered positive Adjusted EBITDA before Marketing of £0.2m in the fourth quarter of 2022 (fourth quarter of 2021: £(1.5)m), in line with our previously stated guidance and in spite of the backdrop of a challenging macroeconomic environment and volatile capital markets. Profit/(Loss) before Tax for 2022 was £(22.4)m (2021: £(25.0)m).

The Adjusted EBITDA before Marketing profitability milestone was achieved by virtue of our recurring and predictable Revenue, supported by our high Customer Retention Rate of 97%, and by the generation of operating leverage achieved through our scalable technology platform and careful cost control. It also demonstrates the strength of our business model, our ability to realise operating leverage throughout the business cycle, even during periods of high uncertainty and volatility in the capital markets, and the strength of our execution capability.



Marketing Investment made us a Household Brand Name and delivered Strong Growth

	As at Year End		
	Dec-2022	**Dec-2021**	***YoY***
Advertising and Marketing Expenses			
Advertising and Marketing Expenses (£m)	(16.6)	(12.9)	*29%*
Cost per Invested Customer (£)[4]	248	246	*within threshold*
Customers			
Registered Customers (thousands)[1]	986	658	*50%*
Invested Customers (thousands)[1]	183	117	*56%*
Same Year RC:IC Conversion (% of RC)[1]	19%	18%	*+1ppt*

While profitability is a key objective for the business, with a vast market opportunity, we simultaneously continued to execute on our growth strategy, through investments in our brand and performance marketing channels. As such, Advertising and Marketing Expenses increased from £12.9m in 2021 to £16.6m in 2022.

Taking advantage of growing national awareness of pensions, our investment in brand building campaigns and initiatives saw us become a household name, achieving prompted brand awareness of more than 50%.[5] We rolled out our 'Yellow Chair' and 'Believe in the Bee' campaigns nationally, across all channels. Furthermore, we continued to raise our profile through being the official pension partner sponsor of Brentford Football Club.

Customer acquisition was supported by our proprietary in-house Data Platform, which continued to deliver valuable insights across all of our core marketing channels, helping us to navigate decision-making in a challenging external market. Our agility enabled us to respond and adjust our spend across channels, re-focusing on the acquisition of more receptive customer cohorts. Our acquisition strategy included brand campaigns being launched predominantly in the first half of the year, with more lower-cost acquisition activities following later in the year, allowing for a reduction in the Cost per Invested Customer ('CPIC') by the end of 2022.[1]

As a result of the marketing investment, we achieved strong customer growth with stable CPIC and grew our Invested Customer base by 56% to 183,000 by the end of 2022.

Cost Disciplined Acquisition coupled with High Retention Rates delivered Strong Asset Growth

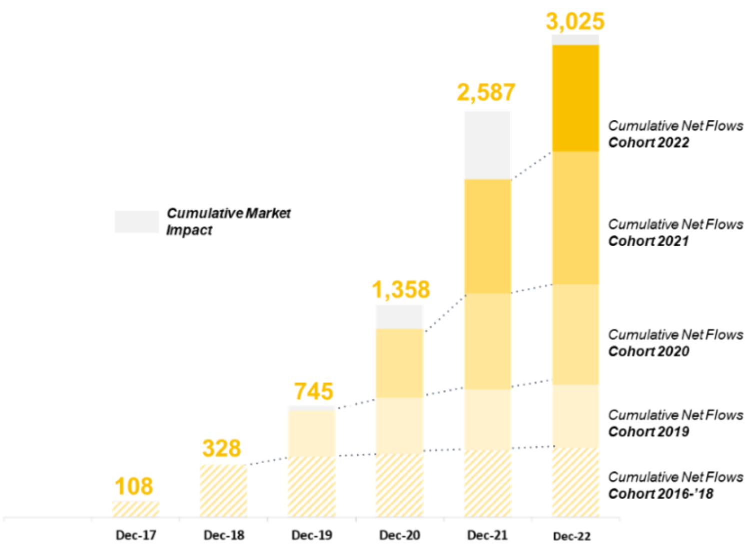
	As at Year End		
	Dec-2022	**Dec-2021**	***YoY***
Customer Retention Rate (% of IC)[1]	**97%**	**97%**	***stable***
AUA Retention Rate (% of AUA)[1]	**97%**	**96%**	***+1ppt***
Opening AUA (£m)	**2,587**	**1,358**	***91%***
Gross Inflows (£m)	1,060	1,099	*-4%*
Gross Outflows (£m)	(197)	(145)	*36%*
Net Flows (£m)[1]	**863**	**955**	***-10%***
Market Growth/(Contraction) and Other (£m)	(424)	275	*n/m*
Closing AUA (£m)	**3,025**	**2,587**	***17%***
Net Flows (£m)[1]	**863**	**955**	***-10%***
Of which Net Flows from New Customers (£m)	685	729	*-6%*
Of which Net Flows from Existing Customers (£m)	178	226	*-21%*

We delivered a 17% year-on-year increase in AUA from £2,587m to £3,025m in 2022, highlighting the resilience of our AUA and underscoring our ability to grow, in spite of the challenging global macroeconomic environment.

We maintained Gross Inflows for the year in excess of £1bn (2021: £1bn) as a result of cost-disciplined new customer acquisition and a high sustained Customer Retention Rate of 97% (2021: 97%).

From the £863m of Net Flows generated across the year (2021: £955m), growth from new customers represented the vast majority, with Net Flows from New Customers of £685m (2021: £729m), reflecting the successful execution of cost-disciplined new customer acquisition and demonstrating our ability to optimise marketing across channels and return on investment. Total Net Flows were lower compared to last year, which was ultimately because of declining global markets (see below for more details). Over the period we acquired 66,000 new Revenue-generating Invested Customers (2021: 48,000).

Net Flows by Customer Cohorts (£m)



Our existing customers have continued to grow their savings with us, with Net Flows from Existing Customers of £178m generated in 2022 (2021: £226m). Since inception, we have consistently enjoyed high Customer Retention Rates and AUA Retention Rates in excess of 95%, with this trend having remained stable in 2022. We saw existing customers consolidating additional pensions into their PensionBee online pension plans and customers contributing to their pensions, whilst maintaining relatively low levels of withdrawals, in line with historical levels. We are pleased to have observed underlying growth in Net Flows[1] from all annual customer cohorts across 2022.

However, unstable global markets did have an adverse effect on AUA, with Market Growth/(Contraction) and Other of £(424)m in 2022 (2021: £275m). As is customary in the pensions industry, our customers' pensions are invested predominantly in global equity capital markets, which were impacted by a number of macroeconomic factors including increasing inflation, rising interest rates and geopolitical tensions. As such, the decline in global market performance during the year had an impact on our asset base, similar to the experience of other companies in the sector.

Resilient Revenue Margin drove an Overwhelming Majority of Recurring Revenue

	As at Year End		
	Dec-2022	**Dec-2021**	***YoY***
Contractual Revenue Margin (% of AUA)[1]	0.69%	0.69%	*stable*
Realised Revenue Margin (% of AUA)[1]	0.63%	0.64%	*stable*
Annual Run Rate Revenue (£m)	**19.5**	**16.3**	***20%***
Revenue (£m)	**17.7**	**12.8**	***38%***

We translated strong year-on-year AUA growth of 17% over 2022 (2021: 91%) into 38% (2021: 103%) growth in Revenue, reaching £17.7m (2021: £12.8m), underpinned by the stable Contractual Revenue Margin. The Contractual Revenue Margin is the headline annual management fee paid by customers before applying discounts for incremental pension savings above £100,000. The Contractual Revenue Margin remained resilient at 0.69% (2021: 0.69%), as did the Realised Revenue Margin (the annual management fee after discounts) of 0.63% (2021: 0.64%).

As 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. Therefore, the Annual Run Rate Revenue for December 2022 offers measurement of our progress and provides visibility and predictability with respect to future years' Revenue.

We Scaled our Business Efficiently by Investing in our People, Product Offering and Technology

	As at Year End		
	Dec-2022	**Dec-2021**	***YoY***
Money Manager Costs (£m)	**(2.8)**	**(2.3)**	***23%***
Employee Benefits Expense (excluding Share-based Payments) (£m)	(9.6)	(7.4)	*28%*
Other Operating Expenses (£m)	(8.2)	(6.6)	*26%*
Technology Platform Costs & Other Operating Expenses (£m)	**(17.8)**	**(14.0)**	***27%***

Our proprietary technology is modern, scalable and secure. 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 scalability of the technology platform is key in driving operating leverage through not only empowering more efficient marketing deployment, but also operational efficiencies in administration and intuitive self serving capabilities for our customers.

During 2022, we made further investments in our technology platform. Investments made in our Data Platform were instrumental in supporting decision-making around marketing budget allocation, helping us to remain agile as we have navigated the volatile external environment. We dedicated resources towards making ongoing efficiency improvements in consolidation activity and optimising our transfer processes. The systems' investments made over the past few years have supported the delivery of increased productivity for the PensionBee team and enhanced efficiency for our customers, enhancing our operating leverage.

Continued product innovation is central to our strategy and also supports the realisation of operating leverage over time. The PensionBee customer proposition has been enabled by investment in continuous innovation and automation, allowing easy onboarding of customers and intuitive lifetime self-service.

During 2022, continuous product innovations helped to increase our Invested Customer base and enable them to contribute more into their pensions. We officially launched the 'Easy Bank Transfer' feature, enhanced our 'Refer A Friend' program, and implemented the 'Stronger Nudge' journey for customers over 50, further tailoring our product to our customers' needs. To complement the ease of contributions, we worked on producing an easy-to-use tax relief calculator aimed at helping our customers make the most of their tax allowances in the run up to the end of the 2022/23 tax year.

Our product developments reduced friction in the customer journey and enabled our customers to self-serve more efficiently, without the need to contact us. For instance, we upgraded existing electronic transfer processes and further integrated with Altus Transfer Gateway, which led to improvements in internal processing and faster transfer times for some paper-based workplace pension schemes. Our investments in product and feature extension have not only empowered customers with more intuitive self-serving features but have also supported efficiency improvements and the generation of operating leverage over time.

As a result of the investment into the technology platform and the drive to improve automation, we have expanded specialist roles in technology, product and marketing. However, average headcount in customer service has remained stable as a function of the vast automation improvements and team optimisation. Overall headcount increased from approximately 155 average full-time employees in 2021 to approximately 185 in 2022, and the associated Employee Benefits Expense increased to £9.6m for 2022 (2021: £7.4m).

Other Operating Expenses increased to £8.2m (2021: £6.6m), reflecting costs to support increased headcount and new customer acquisition, and other fixed costs. Benefits from the investment in automation have positioned us well on our path to achieving Adjusted EBITDA profitability by the end of 2023.

Money Manager Costs increased to £2.8m in 2022 (2021: £2.3m), 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-2022	**Dec-2021**	***YoY***
Adjusted EBITDA before Marketing (£m)	(3.0)	(3.6)	*17%*
Adjusted EBITDA Margin before Marketing (% of Revenue)	**(17)%**	**(28)%**	***+11ppt***
Adjusted EBITDA (£m)	(19.5)	(16.4)	*-19%*
Adjusted EBITDA Margin (% of Revenue)	**(110)%**	**(129)%**	***+18ppt***
Profit/(Loss) before Tax (£m)	(22.4)	(25.0)	*10%*

One of the key profitability metrics that we have measured is Adjusted EBITDA before Marketing, given the discretionary nature of the marketing spend. This measure includes Money Manager Costs, Technology Platform Costs and Other Operating Expenses but excludes Advertising and Marketing Expenses, Share-based Payment costs and Transactions Costs. We delivered positive Adjusted EBITDA before Marketing of £0.2m across the fourth quarter of 2022, with an improvement in Adjusted EBITDA before Marketing Margin from (28)% to (17)% in 2022.

We also made further progress towards Adjusted EBITDA profitability, as operating leverage was realised due to the scalability of the technology platform and the continued efficient deployment of marketing spend. Adjusted EBITDA Margin improved from (129)% in 2021 to (110)% in 2022. Adjusted EBITDA captures Advertising and Marketing Expenses but excludes the Share-based Payment costs and Listing Costs.

Other Costs

	As at Year End		
	Dec-2022	**Dec-2021**	***YoY***
Share-based Payment (£m)	(1.9)	(3.9)	-52%
Listing Costs (£m)	(0.7)	(2.9)	*-77%*
Finance Costs (£m)	-	(1.4)	*n/m*
Profit/(Loss) before Tax (£m)	**(22.4)**	**(25.0)**	***10%***
Taxation (£m)	0.3	0.3	*n/m*
Basic Earnings per Share	**(9.97)p**	**(11.86)p**	***16%***

Profit/(Loss) before Tax narrowed to £(22.4)m for 2022 from £(25.0)m in 2021, reflecting our progress towards profitability and showcasing the operating leverage in our model, whilst we continue to grow.

The decrease in Share-based Payment costs for 2022 reflected the accelerated vesting and granting of options in 2021 as a result of the Company's public listing.

Listing Costs in 2022 primarily consisted of fees and expenses incurred in relation to our transfer to the Premium Segment of the Main Market of the London Stock Exchange, with the costs in 2021 relating to the preparation for our Initial Public Offering in April 2021.

Finance Costs decreased as PensionBee did not hold any debt across 2022. The 2021 fees were associated with the £10m Revolving Credit Facility ('RCF') that we entered into with National Westminster Bank Plc on 22 March 2021 and later cancelled in September 2021. Initially sought as part of a prudent liquidity management strategy, it was no longer deemed necessary due to the strong cash position and attractive future prospects. The RCF was never drawn, but a cancellation fee was incurred.

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 (9.97)p for 2022 (2021: (11.86)p), the improvement reflecting the progress made towards profitability.

Financial Position

The Group's balance sheet remains strong. At the end of 2022, the Cash and Cash Equivalents balance was £21.3m (2021: £43.5m). Robust cost management was deployed to ensure that favourable supplier terms were agreed with long term contracts being reviewed periodically. As of the end of 2022, the Group had no significant borrowings. Net cash and cash equivalents decreased by £22.2m in the 2022 financial year due to the planned deployment of investment in marketing, our technology platform and additional headcount, to generate future returns (2021: net increase of £36.8m, driven by the increase in funding as a result of the Company's listing in April 2021).

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 2022, the capital resources stood at £20.5m (unaudited) as compared to a capital resource requirement of £1.2m (unaudited), resulting in coverage of 16.6x. 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-2022	**Dec-2021**	***YoY***
Annual Run Rate Revenue (£m)**	**19.5**	**16.3**	***20%***
Revenue (£m)	**17.7**	**12.8**	***38%***
Money Manager Costs,[6] Technology Platform Costs & Other Operating Expenses (£m)[7]	(20.6)	(16.3)	*26%*
Adjusted EBITDA before Marketing (£m)**	**(3.0)**	**(3.6)**	***17%***
*Adjusted EBITDA Margin before Marketing (% of Revenue)***	*(17)%*	*(28)%*	*+11ppt*
Advertising and Marketing Expenses (£m)	(16.6)	(12.9)	*29%*
Adjusted EBITDA (£m)**	**(19.5)**	**(16.4)**	***-19%***
*Adjusted EBITDA Margin (% of Revenue)***	*(110)%*	*(129)%*	*+18ppt*
Profit/(Loss) before Tax (£m)	**(22.4)**	**(25.0)**	***10%***
Basic Earnings per Share	**(9.97)p**	**(11.86)p**	***16%***

* See definitions in the Measuring our Performance section.

** PensionBee's KPIs include alternative performance measures ('APMs'), which are indicated with a double asterisk. 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.

Notes:

1. See the Measuring our Performance section.
2. As at 31 December 2022. 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.
3. As at 31 December 2022. 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. Annual Run Rate Revenue is calculated using the Recurring Revenue for the month of December multiplied by 12.
4. 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.
5. Source: PensionBee brand tracker. Prompted brand awareness in January 2023 measured through a consumer survey asking 'Which of the following have you heard of?' with respect to UK financial services brands: Aviva 83%, Scottish Widows 77%, Standard Life 66%, Royal London 55%, PensionBee 52%, Hargreaves Lansdown 36%, Vanguard 32%, Fidelity 30%, Nutmeg 30%, AJ Bell 21%, Interactive Investor 9%. Compares to prompted brand awareness for 2021 of 25%, sourced from Boring Money, February 2022.
6. Money Manager Costs are variable costs paid to PensionBee's money managers.
7. Technology Platform Costs & Other Operating Expenses comprises Employee Benefits Expense (excluding Share-based Payment) and Other Operating Expenses.

Measuring our Performance

When looking at 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

Revenue	**2022: £17.7m** 2021: £12.8m	*38%*	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.
Annual Run Rate ('ARR') Revenue*	**2022: £19.5m** 2021: £16.3m	*20%*	Annual Run Rate Revenue is calculated using the Recurring Revenue for the relevant month (December) multiplied by 12. This alternative performance measure has been selected to provide a more up-to-date metric for revenue given the amount of AUA in the relevant month. *This metric will be retired from the Company's ongoing regular reporting framework from 2023 onwards, given the primary focus on the Revenue metric as the Company reaches profitability.*
Adjusted EBITDA*	**2022: £(19.5)m** 2021: £(16.4)m	*-19%*	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*	**2022: (110)%** 2021: (129)%	*+18ppt[1]*	Adjusted EBITDA Margin means Adjusted EBITDA as a percentage of revenue for the relevant year.
Profit/(Loss) before Tax ('PBT')	**2022: £(22.4)m** 2021: £(25.0)m	*10%*	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')	**2022: (9.97)p** 2021: (11.86)p	*16%*	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.

* PensionBee's Key Performance Indicators include alternative performance measures ('APM's), which are indicated with an asterisk. 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.

Non-Financial Performance Measures

Assets under Administration ('AUA')	**2022: £3.0bn** 2021: £2.6bn	*17%*	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)	**2022: 97%** 2021: 96%	*+1ppt[1]*	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	**2022: £863m** **2021: £955m**	*-10%*	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.
Registered Customers ('RC')	**2022: 986k** 2021: 658k	*50%*	Registered Customers measures customers who have started the sign-up process and have submitted at least a name and an email address and includes those customers who are classified as Active Customers. *This metric will be retired from the Company's ongoing regular reporting framework from 2023 onwards. Whilst the Registered Customers metric is a longer-term indicator of customer pipeline, the focus is on Invested Customers that generate AUA.*

Same Year RC:IC Conversion	**2022: 19%** 2021: 18%	*+1ppt*[1]	Same Year RC:IC Conversion percentage is calculated by dividing the number of Invested Customers as at the end of the period by the number of Registered Customers as at the end of the period. This measure monitors PensionBee's ability to convert customers through the acquisition funnel. *This metric will be retired from the Company's ongoing regular reporting framework from 2023 onwards. Whilst the Registered Customers metric is a longer-term indicator of customer pipeline, the focus is on Invested Customers that generate AUA.*
Active Customers ('AC')	**2022: 273k** 2021: 172k	*59%*	Active Customers means all customers who have requested to become an Invested Customer by accepting PensionBee's terms of business but for whom the transfer or contribution process is not yet completed and all customers who are classified as Invested Customers. *This metric will be retired from the Company's ongoing regular reporting framework from 2023 onwards. Whilst the Active Customers metric is a more short-term indicator of customer pipeline, the focus is on Invested Customers that generate AUA.*
Invested Customers ('IC')	**2022: 183k** 2021: 117k	*56%*	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)	**2022: 97%** 2021: 97%	*Stable*	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')	**2022: £248** 2021: £246	*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.
Contractual Revenue Margin (% of AUA)	**2022: 0.69%** 2021: 0.69%	*Stable*	Contractual Revenue Margin means the weighted average contractual fee rate across PensionBee's investment plans (before applying any size discount) calculated by reference to the amount of AUA held in each plan across the period. *This metric will be retired from the Company's ongoing regular reporting framework from 2023 onwards, with the introduction of Realised Revenue Margin (as set out below).*
Realised Revenue Margin (% of AUA)	**2022: 0.63%** 2021: 0.64%	*Stable*	Realised Revenue Margin expresses the recurring Revenue over the average quarterly AUA held in PensionBee's investment plans over the period.

Notes:

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

Principal Risks and Uncertainties

Principal Risks

PensionBee has identified six types of 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 significant reputational damage. These risks could arise from internal or external events, acts or omissions. The risk factors 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

PensionBee's 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 PensionBee's business could have a material adverse effect on our prospects.

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

PensionBee 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 losses, were upheld against PensionBee, it could have a material adverse effect on PensionBee's business and financial condition.

Information Security Risk

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

PensionBee holds confidential and personal data, which is subject to strict data protection and privacy laws in the UK, including the 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 followed by 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, or circumvention of our information security processes, policies and procedures could result in financial losses, business interruption and unauthorised access to personal data.

There is also a risk of inadequate or failed controls 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, PensionBee 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 investment 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 will protect us from all potential damage arising from any of the events described above.

Financial Risk

Market Risk

PensionBee's 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 AUA. Our Revenue and profitability are therefore directly influenced by 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 their PensionBee pensions.

Credit Risk

PensionBee is dependent on third-party financial services providers for the provision of investment 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, or 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 senior managers to implement our strategy. The loss of a significant number of Directors, senior managers 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. Climate risk has been added to our principal risks this year.

These shifts in the global climate have a potential to adversely affect the lives, livelihoods and health status of our employees, customers and other stakeholders, or to have broader implications on economic, social and cultural assets. Any of these changes could in turn have a material adverse effect on PensionBee's business and financial position.

Summary of Risks and Mitigations

Through the risk management process described above, we have taken the appropriate steps to reduce risk in accordance with our risk appetite. The summary of these mitigating factors is presented below.

Principal Risk	Risks	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 as a result of a technology failure or cyber attack on information systems, both internally and throughout the supply chain	• Backing up data regularly 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

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
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, assessed annually in our value for money exercise, 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 • Agile product development and deployment cycles • Robust strategic change management internal controls in place
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

Viability Statement

In accordance with provision 31 of the UK Corporate Governance Code, the Board has assessed the viability of the Group for the four-year period to December 2026, 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 in 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 in the Managing our Risks section of the Strategic Report). Such risks have been categorised into regulatory, information security, operational, financial, reputational, strategic and climate risks, 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 2023 onwards:

- **Financial Risk (Market Risk)** - Prolonged equity market volatility. 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) has been assumed over the forecast period whereby the equity markets fall by 20% during the first year and only gradually recover over the forecast period, returning to the pre-crisis level only after 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. A material reduction in the customer conversion rate and average pension pot size of newly acquired customers has been assumed over the forecast period, whereby it decreases by 10%.

In the event that such modelled scenarios were to manifest, the Board would consider the reduction of discretionary marketing expenditure and the implementation of fixed cost savings as key management mitigating actions to be taken. The Board considers this approach to be reasonable in light of the Group's performance and positioning within the UK competitive landscape.

The results have confirmed that the Group would be able to withstand the adverse financial impact of these 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 was reviewed by the Board in December 2022 and subsequently approved in January 2023. The stress test scenarios and associated mitigating actions were reviewed in January 2023 and subsequently approved in March 2023. 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 2026.

The Strategic Report was approved by the Board on 15 March 2023 and signed on its behalf by:

Romi Savova
Chief Executive Officer
15 March 2023

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 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;
- For the Group Financial Statements, state whether they have been prepared in accordance with IFRS as adopted by the UK, subject to any material departures disclosed and explained in the Group Financial Statements;
- For the Parent Company Financial Statements, state whether Financial Reporting Standard 102 has been followed, subject to any material departures disclosed and explained in the Parent Company Financial Statements;
- Assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- Use the going concern basis of accounting unless they either intend to liquidate the Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's operations and disclose with reasonable accuracy at any time the financial position of 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 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, financial position and profit or loss of the Company 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 they face.

We consider that the Annual Report and Financial Statements 2022, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's position and performance, business model and strategy.

Approved by the Board of Directors on 15 March 2023 and signed on its behalf by:

Romi Savova
Chief Executive Officer
15 March 2023

Results for the Year

Consolidated Statement of Comprehensive Income
For the year ended 31 December 2022

	Note	2022 £ 000	2021 £ 000
Revenue	4	17,662	12,753
Employee Benefits Expense (excluding Share-based Payment)	5	(9,554)	(7,447)
Share-based Payment	5, 21	(1,898)	(3,939)
Depreciation Expense	12, 13	(276)	(256)
Advertising and Marketing		(16,554)	(12,865)
Other Expenses	7	(11,067)	(8,862)
Listing Costs	25	(687)	(2,947)
Operating Profit/(Loss)		**(22,374)**	**(23,563)**
Finance Costs	8	(46)	(1,416)
Profit/(Loss) before Tax		**(22,420)**	**(24,979)**
Taxation	10	274	348
Profit/(Loss) for the Year		**(22,146)**	**(24,631)**
Total Comprehensive Profit/(Loss) for the Year wholly attributable to Equity Holders of the Parent Company		**(22,146)**	**(24,631)**
Earnings per Share (pence per Share)			
Basic and Diluted	11	(9.97)	(11.86)

The above results were derived from continuing operations.

The notes form an integral part of these financial statements.

Consolidated Statement of Financial Position
As at 31 December 2022

		2022	2021
	Note	£ 000	£ 000
Assets			
Non-current Assets			
Property, Plant and Equipment	12	358	127
Right of Use Assets	13	553	692
		911	**819**
Current Assets			
Trade and Other Receivables	14	3,412	3,171
Cash and Cash Equivalents		21,321	43,518
		24,733	**46,689**
Total Assets		**25,644**	**47,508**
Equity and Liabilities			
Equity			
Share Capital	15	223	221
Share Premium	16	53,218	53,218
Share-based Payment Reserve	16,21	10,215	8,317
Retained Earnings	16	(40,124)	(17,976)
Total Equity		**23,532**	**43,780**
Non-current Liabilities			
Lease Liability	17	397	560
Provisions	18	46	43
		443	**603**
Current Liabilities			
Lease Liability	17	154	97
Trade and Other Payables	19	1,515	3,028
		1,669	**3,125**
Total Liabilities		**2,112**	**3,728**
Total Equity and Liabilities		**25,644**	**47,508**

The notes form an integral part of these financial statements.

Approved by the Board on 15 March 2023 and signed on its behalf by:

Christoph J. Martin
Chief Financial Officer

Consolidated Statement of Changes in Equity
For the year ended 31 December 2022

	Note	*Share Capital*	*Share Premium*	*Share-based Payment Reserve*	*Retained Earnings*	*Total*
		£ 000	£ 000	£ 000	£ 000	£ 000
At 1 January 2021		-	30,322	4,378	(28,245)	6,455
Profit/(Loss) for the Year		-	-	-	(24,631)	(24,631)
Total Comprehensive Profit/(Loss)		-	-		(24,631)	(24,631)
Share-based Payment Transactions		-	-	3,939	-	3,939
Issue of Share Capital in PensionBee Limited		-	4,765	-	-	4,765
Group Reorganisation	15	180	(35,088)	-	34,908	-
Issue of Share Capital in PensionBee Group plc	15	33	54,967	-	-	55,000
Transaction Costs on Issue of Shares	15	-	(1,748)	-	-	(1,748)
Exercise of Share Options	15	8	-	-	(8)	-
At 31 December 2021		**221**	**53,218**	**8,317**	**(17,976)**	**43,780**
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**

The notes form an integral part of these consolidated financial statements.

Consolidated Statement of Cash Flows
For the year ended 31 December 2022

	Note	2022	2021
		£ 000	£ 000
Cash Flows used in Operating Activities			
Profit/(Loss) for the Year		(22,146)	(24,631)
Adjustments to Cash Flows from Non-cash Items			
Depreciation		276	256
Loss on Disposal of Equipment	7	-	10
Finance Costs	8	46	1,416
Share-based Payment Transactions		1,898	3,939
Taxation	10	(274)	(348)
Operating Cash Flows before movements in Working Capital		(20,200)	(19,358)
Working Capital Adjustments			
Increase in Trade and Other Receivables	14	(162)	(1,277)
Increase in Trade and Other Payables	19	(1,511)	997
Cash used in Operations		(21,873)	(19,638)
Income Taxes Received	10	194	-
Net Cash Flow used in Operating Activities		(21,679)	(19,638)
Cash Flows used in Investing Activities			
Acquisition of Equipment	12	(367)	(69)
Direct cost for acquiring Right of Use Asset		-	(6)
Net Cash Flow used in Investing Activities		(367)	(75)
Cash Flows from Financing Activities			
Revolving Credit Facility Fees		-	(1,409)
Proceeds from Issue of Ordinary Shares		-	59,765
Transaction Costs on Issue of Shares		-	(1,748)
Payment of Principal of Lease Liabilities	17	(105)	(113)
Payment of Interest of Lease Liabilities	17	(46)	-
Net Cash Flows from Financing Activities		(151)	56,495
Net (Decrease) / Increase in Cash and Cash Equivalents		**(22,197)**	**36,782**
Cash and Cash Equivalents at 1 January		**43,518**	**6,736**
Cash and Cash Equivalents at 31 December		**21,321**	**43,518**

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 form an integral part of these consolidated financial statements.

Notes to the Financial Statements
for the year ended 31 December 2022

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

The consolidated financial statements were approved by the Board on 15 March 2023.

The financial information contained in this report does not constitute statutory accounts within the meaning of section 434 of the Companies Act 2006. The financial information set out in this report has been extracted from the Group's Annual Report and Financial Statements 2022, which have been approved by the Board of Directors on 15 March 2023. The Auditors have reported on the 2021 and 2022 accounts, their reports were: (i) unqualified; (ii) did not include a reference to any matters to which the Auditors drew attention by way of emphasis without qualifying their report; and (iii) did not contain a statement under section 498(2) or (3) of the Companies Act 2026.

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 2022.

On 24 March 2021, PensionBee Group plc acquired all the issued shares of PensionBee Limited through a share for share transaction ('Group Reorganisation'). For every issued share in PensionBee Limited, 800 shares of PensionBee Group plc were issued. PensionBee Group plc issued 180,054,400 ordinary shares of £0.001 each. The newly issued ordinary shares were accounted for at their nominal value. As part of the Group Reorganisation, the Company reduced its share premium to create additional distributable reserves. From the acquisition date, PensionBee Limited became a subsidiary of PensionBee Group plc. On the same date, all the share options granted by PensionBee Limited to its employees were cancelled and replaced by share options granted by PensionBee Group plc. The cancellation and replacement of share options was accounted for as a modification with no impact on the vesting conditions and the share options valuation.

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 Significant Accounting Policies

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 strong 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. The impact of the invasion of Ukraine by Russia on global capital markets and on the world more generally has also been considered in the Directors' assessment of going concern. While the Group's own exposure to Russia in terms of investments is minimal, rounding to 0%, broader market volatility could impact Assets under Administration and the Directors will continue to monitor the ongoing situation.

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 2022:

Standard	**Effective Date, Annual Period beginning on or after**
Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37)	1 January 2022
Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16)	1 January 2022
Annual Improvements to IFRS Standards 2018-2020 (Amendments to IFRS 1, IFRS 9, IFRS 16 and IAS 41)	1 January 2022
References to Conceptual Framework (Amendments to IFRS 3)	1 January 2022

None of the standards, interpretations, and amendments effective for the first time from 1 January 2022 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	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

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. Revenue is calculated daily as a percentage (basis points) of the value of Assets under Administration ('AUA') as agreed by the customer.

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 or cashback 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 one-off ancillary and ad-hoc services including pension splitting on divorce, early withdrawals owing to ill-health, and 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 (2021: £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 cashflow statement 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 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 2021 and 2022, 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

	2022	*2021*
	£ 000	*£ 000*
Recurring Revenue	17,527	12,592
Other Revenue	135	161
	17,662	**12,753**

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:

	2022	*2021*
	£ 000	*£ 000*
Wages and Salaries	8,373	6,447
Social Security Costs	946	767
Pension Costs, Defined Contribution Scheme	235	203
	9,554	7,447
Share-based Payment Expense	1,898	3,939
	11,452	**11,386**

The average number of persons employed by the Group (including Directors) during the year, analysed by category, was as follows:

	2022 *No.*	*2021* *No.*
Executive Management	9	9
Technology and Product	38	30
Marketing	15	9
Customer Service	90	85
Legal, Compliance and Risk	11	7
Administration and Other	22	15
	185	**155**

6. Directors' Remuneration

The Directors' remuneration for the year was as follows:

	2022	*2021*
	£ 000	*£ 000*
Remuneration	853	569
Group Contributions paid to Defined Contribution Pension Schemes	10	6
	863	**575**

During the year the number of Directors who were receiving benefits and share incentives was as follows:

	2022 *No.*	*2021* *No.*
Members of Defined Contribution Pension Schemes	5	3

In respect of the highest paid Director:

	2022	*2021*
	£ 000	*£ 000*
Remuneration	193	168
Group Contributions to Defined Contribution Pension Schemes	2	2

Exercise of Share Options

	2022	*2021*
	£ 000	*£ 000*
Amount of Gains made on the Exercise of Share Options	225	198

7. Other Expenses

Arrived at after charging:

	2022	*2021*
	£ 000	*£ 000*
Loss on Disposal of Equipment	-	10
Auditor’s Remuneration	196	187
Money Manager Costs	2,825	2,300
Other Expenses	8,047	6,365
	11,067	**8,862**

Included in Other Expenses is technology and platform costs, professional services fees, irrecoverable VAT, and general and administrative costs.

8. Finance costs

	2022	*2021*
	£ 000	*£ 000*
Interest Expense on Lease Liabilities	43	7
Revolving Credit Facility Fees	-	1,409
Interest Expense on Dilapidations Provision	3	-
Total Finance Costs	**46**	**1,416**

9. Auditor’s Remuneration

	2022	*2021*
	£ 000	*£ 0000*
Audit of the Company’s Financial Statements	44	33
Audit of the Company’s Subsidiary Financial Statements	94	95
Total Audit Fees	**138**	**128**
Tax Advisory Services	-	167
Audit Related Assurance Services	58	42
Other Assurance Services	-	633
Total Non-Audit Fees	**58**	**842**

Auditor’s remuneration has been shown net of VAT. Except for £61,000 (2021: £28,000) relating to the half year review of the Group’s financial statements and CASS audit and contained in Audit Related Assurance Services, all non-audit fees are attributed to services received in preparation for admission to the London Stock Exchange and have been recorded in listing costs. No services were provided pursuant to contingent fee arrangements.

10. Tax

Tax charged/(credited) in the statement of comprehensive income:

	2022	*2021*
	£ 000	*£ 000*
Current Taxation		
UK Corporation Tax	(274)	(348)
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	**(274)**	**(348)**

The tax on loss for the year was computed at the standard rate of corporation tax in the UK of 19% (2021: 19%).

The differences are reconciled below:

	2022	*2021*
	£ 000	*£ 000*
Profit/(Loss) before Tax	(22,420)	(24,979)
Corporation Tax at Standard Rate	(4,260)	(4,746)
Increase from effect of different UK Tax Rates on some Earnings	-	-
Increase from effect of expenses not deductable in determining Taxable Profit (Tax Loss)	288	1,464
Capital Allowances	(11)	-
Share-based Payment	83	-
Deferred Tax Expense (Credit) from unrecognised Tax Loss or Credit	3,900	3,282
Decrease from effect of adjustments in Research Development Tax Credit	(274)	(348)
Total Tax Credit	**(274)**	**(348)**

	2022	*2021*
	£ 000	*£ 000*
Fixed Assets	(43)	(13)
Temporary Difference Trading	-	-
Total Deferred Tax Liability	(43)	(13)
Losses available for offsetting against Future Taxable Income	43	13
Total Deferred Tax Asset	**43**	**13**
Net deferred tax	**-**	**-**

The Group has £72,755,000 of non-expiring carried forward tax losses at 31 December 2022 (2021: £38,629,000) against which no deferred tax 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 ordinary equity holders of the Group by the weighted average number of ordinary shares in issue during the period.

Diluted earnings per share are calculated by dividing the loss attributable to ordinary equity holders of the Group 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.

	2022	*2021*
Number of Potential Ordinary Shares	4,619,220	3,911,235
Profit/(Loss) Attributable to Equity Holders of PensionBee Group plc (£)	(22,146,000)	(24,631,000)
Weighted Average Number of Shares Outstanding during the Year	222,223,650	207,743,435
Basic and Diluted Earnings per Share (pence per Share)	(9.97)	(11.86)

Basic Earnings per Share was (9.97)p for 2022 (2021: (11.86)p).

12. Property, Plant and Equipment

	Fixtures and Fittings	*Leasehold Improvements*	*Computer Equipment*	*Total*
	£ 000	*£ 000*	*£ 000*	*£ 000*
Cost				
At 1 January 2021	71	126	198	395
Additions	-	-	69	69
Disposals	(6)	-	(7)	(13)
Transfers	(5)	-	5	-
At 31 December 2021	60	126	265	451
At 1 January 2022	60	126	265	451
Additions	1	251	115	367
Disposals	-	-	(17)	(17)
At 31 December 2022	61	377	363	801
Depreciation				
At 1 January 2021	43	71	86	200
Charge for the year	12	55	60	127
Eliminated on Disposal	-	-	(3)	(3)
Transfers	(4)	-	4	-
At 31 December 2021	51	126	147	324
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	174	209	443
Carrying amount				
At 31 December 2022	**3**	**201**	**154**	**358**
At 31 December 2021	**9**	**-**	**118**	**127**
At 1 January 2021	**28**	**55**	**112**	**195**

13. Right of Use Asset

	£ 000
At 1 January 2021	295
Additions	703
Disposals	(295)
At 31 December 2021	703
At 1 January 2022	703
Additions	3
Disposals	-

At 31 December 2022	706
Depreciation	
At 1 January 2021	177
Charge for the year	129
Eliminated on Disposal	(295)
At 31 December 2021	11
At 1 January 2022	11
Charge for the year	141
Eliminated on Disposal	-
At 31 December 2022	152
Carrying Amount	
At 31 December 2022	**553**
At 31 December 2021	**692**
At 1 January 2021	**118**

14. Trade and Other Receivables

	2022 *£ 000*	*2021* *£ 000*
Trade Receivables	1,565	1,335
Prepayments	903	887
Other Receivables	944	949
	3,412	**3,171**

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

	2022		*2021*	
	No. 000	*£ 000*	*No. 000*	*£ 000*
Ordinary of £0.001 each	222,862	223	221,526	221
	222,862	**223**	**221,526**	**221**

During the year, PensionBee Group plc issued ordinary shares from share options exercised totaling 1,336,148 ordinary shares (2021: 8,138,194) of £0.001 each. The exercise price for each exercised share option was £0.001 (2021: £0.001).

On 24 March 2021, PensionBee Group plc acquired all the issued shares of PensionBee Limited through a share for share transaction. Every issued share in PensionBee Limited was exchanged for 800 shares in PensionBee Group plc. Every share option was cancelled and replaced by 800 share options. Through the Group Reorganisation, PensionBee Group plc issued 180,054,400 ordinary shares of £0.001 each and reduced its share premium to create additional distributable reserves. On 26 April 2021, PensionBee Group plc issued 33,333,333 ordinary shares of £0.001 each as part of its Initial Public Offering ('IPO'). Each share was issued at £1.65. Transaction costs incurred and directly attributable to the issuance of shares for the IPO amounted to £1,748,000. These costs were recognised as a reduction to the share premium.

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. On inception, the lease liability was determined using a discount rate linked to London office rental yields, adjusted for risk premium for certain company specific factors as well as taking into consideration the interest rate associated with the revolving credit facility entered in March 2021 and cancelled in September 2021. The discount rate was 7%. 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.

	2022 *£ 000*	*2021* *£ 000*
As at 1 January	657	109
Additions	-	654
Accretion of interest	43	7
Cash flow timing adjustment	2	-
Payments	(151)	(113)
As at 31 December	**551**	**657**

Lease Liabilities included in the Statement of Financial Position:

	2022 *£ 000*	*2021* *£ 000*
Non-current	397	560
Current	154	97
	551	**657**

The following are the amounts recognised in the Statement of Comprehensive Income:

	2022 *£ 000*	*2021* *£ 000*
Depreciation on Right of Use Asset	141	129
Interest on Lease Liability	43	7
Low Value Leases	-	-
	184	**136**

18. Provisions

	2022 *£ 000*	*2021* *£ 000*
Dilapidations		
At 1 January 2022	43	-
Additional Provisions	-	43
Interest	3	-
At 31 December 2022	46	43
Non-current Liabilities	**46**	**43**

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

	2022 *£ 000*	*2021* *£ 000*
Trade Payables	132	356
Accrued Expenses	1,301	1,873
Social Security and Other Taxes	-	83
Other Payables	83	716
	1,515	**3,028**

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 £235,000 (2021: £203,000).

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 (2021: £1.65).

In the prior period, 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 have vested. In the event that there has been no exit event before the tenth anniversary of the date of grant, the Directors may determine that an option holder may 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:

	2022 *Number*	*2021* *Number*
Outstanding, start of the year	3,911,235	15,293
Outstanding after Group Reorganisation	-	12,234,400
Granted during the year	-	312,000
Exercised during the year	(1,297,359)	(8,463,383)
Expired during the year	(169,472)	(171,782)
Outstanding, end of the year	**2,444,404**	**3,911,235**

The weighted average share price on date of exercise of share options exercised during the year was £1.05 (2021: £1.64) and the weighted average remaining contractual life is one year and six months (2021: two years and five months).

Deferred Share Bonus Plan

Scheme Details and Movements

Under the PensionBee Deferred Share Bonus Plan ('DSBP'), awards are granted to eligible employees who are or were an employee (including an Executive Director) of the Group and have been granted a bonus. DSBP awards are granted at the end of the financial year once the annual bonus outturn has been determined. The exercise price of all DSBP awards is £0.001 per award.

For the two Executive Directors that were in office as of 31 December 2021 their 2022 granted DSBP awards cliff vest on the third anniversary of the date of grant. For the rest of the employees and the subsequent grants, DSBP awards vest in three equal installments over a service period of three years from grant date. DSBP awards vest upon satisfying the service condition.

The fair value of the DSBP awards is the share price on grant date. DSBP awards can be exercised to the extent they have vested.

The weighted average fair value of awards granted during 2022 was £1.44 (2021: £nil).

The movements in the number of awards during the year were as follows:

	2022 Number	*2021 Number*
Outstanding, start of the year	-	-
Granted during the year	944,508	-
Exercised during the year	-	-
Lapsed during the year	(54,957)	-
Outstanding, end of the year	**889,551**	**-**

There were no exercises during the year (2021: nil) and the weighted average remaining contractual life is one year and five months.

Long Term Incentives

Scheme Details and Movements

Under the PensionBee Long Term Incentives ('LTI'), awards are granted to eligible employees who are or were employees (including an Executive Director) of the Group, at mid-level management or higher, and have been granted a bonus. LTI awards are granted in the subsequent year following a bonus grant. The exercise price of all LTI awards is £0.001 per award.

The awards vest in tranches, a third of the awards vest on the third anniversary, a third on the fourth anniversary and the last third on the fifth anniversary of the vesting commencement date.

The fair value of the LTI awards is the share price on grant date discounted for restricted selling period. LTI awards can be exercised to the extent they have vested.

The weighted average fair value of awards granted during 2022 was £1.38 (2021: £nil).

The movements in the number of awards during the year were as follows:

	2022 Number	*2021 Number*
Outstanding, start of the year	-	-
Granted during the year	1,311,681	-
Exercised during the year	-	-
Lapsed during the year	(26,415)	-
Outstanding, end of the year	**1,285,266**	**-**

There were no exercises during the year (2021: nil) and the weighted average remaining contractual life is three years and three months.

Charge/Credit arising from Share-based Payment

The total charge for the year for the Share-based Payment was £1,898,000 (2021: £3,939,000), 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 three types of risk: 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 and no interest-bearing assets.
On 22 March 2021, the Group entered into a revolving credit facility for up to £10 million with National Westminster Bank plc as part of prudent capital management to provide it with further liquidity resources going forward. On 20 September 2021, management decided to close the facility on the basis that the additional liquidity resources were no longer required. No amounts were drawn from the facility during the period in which the credit was available. Amounts charged to the 2021 income statement in respect of the cost of this facility totaled £1,409,000 for the year.

Price Risk

As the main source of revenue is based on the value of assets under administration (Assets under Administration ('AUA') is 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.

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 cashflow obligations that the payors must meet. The payors are BlackRock, Legal & General, and State Street Corporation 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. Utilising the simplified approach the Group has shown there is no expected credit loss due to no historic credit losses, and no material need for a lifetime loss allowance.

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 may 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.

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*
31-Dec-22	*£ 000*	*£ 000*	*£ 000*	*£ 000*	*£ 000*	*£ 000*
Gross Trade Receivables	1,565	-	-	-	-	1,565
Other Receivables	540	-	-	-	404	944

			Days Past Due			
	Current	*< 30 days*	*30-60 days*	*61-90 days*	*>91 days*	*Total*
31-Dec-21	*£ 000*	*£ 000*	*£ 000*	*£ 000*	*£ 000*	*£ 000*
Gross Trade Receivables	1,335	-	-	-	-	1,335
Other Receivables	348	-	-	-	601	949

The Group's trade receivables are concentrated in the three money managers

	2022	*2021*
	%	*%*
BlackRock	73%	71%
State Street Corporation	16%	16%
Legal & General	11%	13%
Total	**100%**	**100%**

Other receivables comprise R&D tax credit due from HMRC, office rental deposit and amounts due from a related party (PensionBee Trustees). 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 Bank is Barclays Bank. 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 hold 94% of the total balance as at year end (2021: 93%).

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*
2022	*£ 000*	*£ 000*	*£ 000*	*£ 000*
Trade and Other Payables	1,515	-	-	1,515
Lease Liabilities	186	438	-	624

	Within 1 year	*Between 1 and 5 years*	*After more than 5 years*	*Total*
2021	*£ 000*	*£ 000*	*£ 000*	*£ 000*
Trade and Other Payables	3,028	-	-	3,028
Lease Liabilities	140	636	-	776

Capital Risk Management

For the purpose of the Group's capital management, capital includes issued capital, share premium and all other equity reserves attributable to the equity holders of the parent.

The primary objective of the Group's capital management is to maximise the shareholder value.
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	*2022 £ 000*	*2021 £ 000*
Salaries and Other Short-term Employee Benefits	1,752	1,428
Other Long-term Benefits	24	21
Share-based Payment	1,222	2,489
	2,998	**3,938**

Related Party - PensionBee Trustees

The following related party transactions occur 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 £52,000 (2021: £15,000). There was no outstanding balance at year end (2021: £nil).

(ii) Compensation payments as a gesture of goodwill to customers that prefer to be compensated via a pension contribution or the purchasing of additional units. During the year, these costs amounted to £11,000 (2021: £16,000). There was no outstanding balance at year end (2021: £nil).

(iii) Other payments to customers (e.g. referral rewards). Payments are made from the Company and invested into the customer's fund from the PensionBee Trustees account. These payments can be found in 'Other Expenses' and 'Advertising and Marketing'.

During the year these costs amounted to £379,000 (2021: £314,000). There was no outstanding balance at year end (2021: £nil).

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 the prior year.

24. Events After the Reporting Period

There were no events of material impact to the financial statements that occurred after the reporting date.

25. Alternative Performance Measures

The Company uses a variety of alternative performance measures ('APMs') which are not defined or specified by IFRS, in particular Adjusted Earnings Before Interest, Taxes, Depreciation and Amortisation ('Adjusted EBITDA'). The Directors use a combination of APMs and IFRS measures when reviewing the performance and position of the Company and believe that each of these measures provides useful information with respect to the Company's business and operations. The Directors consider that these APMs illustrate the underlying performance of the business by excluding items considered by management not to be reflective of the underlying trading operations of the Company.

The APMs used by the Company are 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.

Adjusted EBITDAM

Adjusted EBITDAM represents loss for the year before taxation, finance costs, depreciation, advertising and marketing, share based compensation and listing costs.

	2022	*2021*
	£ 000	*£ 000*
Operating Profit/(Loss)	(22,374)	(23,563)
Depreciation Expense	276	256
Share-based Payment (1)	1,898	3,939
Listing Costs (2)	687	2,947
Adjusted EBITDA	**(19,513)**	**(16,421)**
Marketing Costs	16,554	12,865
Adjusted EBITDA before Marketing	**(2,959)**	**(3,556)**

(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 (2021: preparation for admission to the High Growth Segment of the London Stock Exchange).

Company 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