

Allfunds publishes its 1Q 2022 Trading update and announces the acquisition of instiHub

London/Madrid/Amsterdam - Allfunds Group plc ("Allfunds")⁽¹⁾ (TICKER: ALLFG) one of the world's leading B2B WealthTech platforms for the fund industry, today releases a trading update for the first-quarter period ended 31 March 2022 and announces it has entered into an agreement to acquire the entire share capital of instiHub Analytics Limited ('instiHub'), a specialist in actionable management tools and unique data insight solutions for stakeholders of the asset management industry.

Key highlights for the quarter

- Allfunds' assets under administration ("AuA") increased 10.3% or almost €131 billion year-on-year since 31 March 2021, from €1,274 billion to €1,405 billion
 - Platform service AuA⁽²⁾ increased by 12.7% year-on-year as a result of strong organic net flows and positive market performance during that period
 - Dealing & Execution AuA⁽³⁾ increased by 4.8% year-on-year
- In the quarter, AuA were down 6.0%, from €1,495 billion as of 31 December 2021 to €1,405 billion
- Platform service AuA decreased by 5.5% since December 2021, driven by negative equities and fixed income market performance
 - Market performance was heavily impacted by the volatility not only in equities but also in fixed income. This exceptional situation is due to the war in Ukraine and increasing yield expectations
 - Net flows were stable, representing a (0.3)% over beginning of period (BoP) AuA⁽⁴⁾, as a result of market volatility during the quarter and were compensated by continued strong new client activity
 - Flows from existing clients decreased by €14 billion, representing a (1.3)% over BoP AuA. These outflows were concentrated mostly in the fixed income asset-class;
 - Flows from new clients added €10 billion, in line with expectations, representing 1.0% of BoP AuA and, on an annualised basis, 4.0% over BoP AuA
- Dealing & Execution AuA declined 7.1% during the quarter, again mostly driven by negative market performance

Despite the challenging environment, Allfunds continued to attract new clients to its wealth platform:

- 18 new Distributors onboarded year-to-date vs 18 over the same period in 2021, continuing the strong momentum experienced during 2021
 - 33% coming from competitors
 - 33% shifting from in-house to outsourced model
 - 33% new to open-architecture model
- 39 new Fund Houses onboarded year-to-date vs 40 over the same period in 2021. Significant growth in France (17), UK & Ireland (7) and Nordics (5), reinforcing our competitive position in those markets

With regards to our subscription-based business, we have made good progress and now have an average of more than 7,800 monthly users, continuing with growth in sales and on track.

In addition, on 5 April 2022 we announced the acquisition of Web Financial Group ("WebFG"), a leading European WealthTech company providing bespoke software data and analytics solutions to some of the largest retail banks, wealth managers, investment platforms and private banks in Europe⁽⁵⁾. This acquisition demonstrates our commitment to continue improving our platform and bringing cutting edge technology to our clients.

Juan Alcaraz, Chief Executive Officer, commented:

"Performance in this Q1 of 2022 has been driven primarily by the strong volatility experienced in global markets. Negative market performance reflected uncertainty with regards to the war in Ukraine and concerns around stagflation.

Throughout the more than 20 years of Allfunds history, we have repeatedly experienced periods of capital market and economic volatility – and have always emerged in a stronger position from them. Our clients often use such periods as opportunities to accelerate the outsourcing of wealth distribution services to independent third parties such as Allfunds. We remain particularly confident in the outlook for new client migrations, especially for the second half of the year, and continue progressing with our key strategic initiatives to further differentiate our client value proposition.

I would also like to welcome the team from WebFG, our first acquisition as a listed entity. WebFG will complement our Connect platform with new software solutions for our distributors and fund houses clients, and the team will be instrumental in continuing to drive our agenda for new product development. WebFG's digital solutions perfectly complement Allfunds' platform services and enhance our end-to-end, multi-asset class wealth platform."

	1Q 2022	1Q 2021	Change y-o-y (%)	Dec 2021	Change vs Dec 2021 (%)
<i>Figures in EUR bn, unless otherwise stated</i>					
AuA EoP	1,404.8	1,273.9	10.3%	1,494.5	(6.0)%
Platform service ⁽²⁾	996.6	884.3	12.7%	1,055.1	(5.5)%
Dealing & Execution ⁽³⁾	408.2	389.6	4.8%	439.4	(7.1)%
Platform service					
Net flows	(3.4)	53.5			
Flows from existing clients	(13.8)	26.0			
Flows from new clients (migrations)	10.4	27.5			
Market performance	(68.5)	23.1			
Net flows as a % of BoP AuA ⁽⁴⁾	(0.3)%	7.2%			
Net flows as a % annualised of BoP AuA ⁽⁶⁾	(1.3)%	28.7%			
Dealing & Execution					
D&E flows⁽⁷⁾	(17.7)	38.7			
Net flows + market performance as a % of BoP AuA ⁽⁷⁾	(4.0)%	9.4%			
Net flows + market performance as a % annualised of BoP AuA ⁽⁸⁾	(16.1)%	37.5%			

Note: AuA refer to Assets under administration at End of Period ("EoP") 31 March 2022

- (1) Including Allfunds Bank, S.A.U. and its branches and affiliates
- (2) Platform service AuA includes Allfunds standalone, acquisitions of Nordic Fund Market and CS Investlab as well as BNPP Local Paying Agent business
- (3) Only AuA for which we provide Dealing & Execution services
- (4) Calculated as the sum of flows from existing clients and from new clients over Allfunds total AuA only as of beginning of period. For 1Q 2022, beginning of period is considered December 2021 (amounting to €1,495bn)
- (5) The acquisition is subject to customary closing conditions and aims to close during Q2 2022
- (6) Annualised net flows based on net flows in the quarter
- (7) Flows coming from Dealing and Execution portfolio refer to both market performance and flows from existing clients. Percentage calculated as total D&E flows over Dealing & Execution AuA as of beginning of period (for 1Q 2022, considering €439bn as of 31 December 2021)
- (8) Annualised D&E flows (including based on net flows and market performance) in the quarter

Acquisition of instiHub

- instiHub is the only provider of actionable ownership, holdings and pricing analytics for the entire Delegated Fund Industry
- The acquisition will significantly enhance Allfunds' existing set of data & analytics solutions

Headquartered in London, instiHub provides bespoke data solutions to derive distribution-focused commercial insights. The existing product range provides a solid database and thorough market insights that support trend analysis and distribution planning. These unique, industry leading, proprietary solutions form the perfect complement to Allfunds' existing data & analytics products including Telemetrics; a sophisticated tool for fund houses and distributors that provides market intelligence to grow existing client's flows.

Allfunds will reinforce its existing offering and strong product suite with the increased capacities that instiHub provides. This falls in line with the company's commitment to continuously invest and develop Allfunds' proprietary ecosystem for Fund Houses and Distributors: Connect, and keep building the most robust suite of solutions available for the entire fund industry.

Allfunds will onboard the team members of instiHub including its key management, as well as a renowned professional team that will be in charge of maximizing the value of Allfunds' data and analytics capacities.

Juan Alcaraz, Allfunds' founder and CEO, said: *"I am very pleased that we have entered this agreement that will bring great talent and new insight to Allfunds. This transaction brings exciting possibilities for our data & analytics capacities and will contribute to our ambition to keep leading in the WealthTech space by providing cutting-edge and comprehensive solutions for our clients. Our shared client-centric approach and integrated offering will surely help grow our existing customer base as well as deliver superior added value to our existing clients."*

Andreas Pfunder, instiHub's CEO and Founder, added: *"I am delighted about instiHub and my fantastic team joining Allfunds. Our combined vision and drive for the delivery of unique, fully actionable and highly value-additive commercial optimisation data analytics to asset managers and distributors around the globe are fully aligned. This joint strength and commitment leaves me in no doubt that we will deliver on our excitement and be the market leading business insights technology partner to the industry."*

The transaction, which is subject to customary closing conditions, including if applicable, FDI screening approvals, is expected to close in the coming weeks.

Contacts

For media enquiries:

Katherine Sloan

Global Head of Marketing & Comms

+34 691 369 407

katherine.sloan@allfunds.com

For analyst/investor enquiries:

Silvia Rios

Global Head of Investor Relations

+34 91 274 64 00

investors@allfunds.com

Conference call and webcast

At 9.00 CET / 8.00 GMT / 3.00 EST, today, 29 April 2022 Juan Alcaraz, CEO, and Alvaro Perera, CFO, will host a conference call to present the trading update and offer an update on the business outlook. The dial-in details are the following: please dial-in 10 minutes before the call starts. Spain: + 34 919 01 16 44 or Spain toll free number 900 053 626; United Kingdom: + 44 020 3936 2999 or UK toll free number 0800 640 6441; United States: + 1 646 664 1960 or US toll free 1 855 9796 654.

Participant code is 110424.

A conference call replay will be available on our website on Friday, 29 April 2022 and ending at midnight on Friday, 6 May 2022 at www.investors.allfunds.com.

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Allfunds Group plc
2 Fitzroy Place, 8 Mortimer Street,
London W1T 3JJ, United Kingdom

www.allfunds.com

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