

Cerberus European Capital Advisors, LLP
(the “Firm”)

MIFIDPRU 8 Public Disclosures

September 2025

**based on figures from the Firm’s audited accounts for financial year ended 31
December 2024**

1. Introduction

Cerberus European Capital Advisors LLP (“CECA” or the “Firm”) was incorporated as a limited liability partnership in England and Wales on 15 September 2005 and was authorised by the predecessor of the Financial Conduct Authority (the “FCA”) as an investment advisory firm on 9 June 2006. On 2 April 2012, the Firm's FCA authorisation was extended to permit the Firm to act as a discretionary investment manager and to deal as an agent. CECA is a “MIFIDPRU investment firm” as defined by the FCA rules. The Firm is a non-SNI firm for the purposes of the rules in the Prudential sourcebook for MIFID Investment Firms (“MIFIDPRU”).

The Firm’s principal activities are the provision of investment advisory and deal origination services to Cerberus Capital Management, L.P. (“CCM”) , which is an investment advisor registered with the U.S. Securities and Exchange Commission, and its management affiliates (collectively, “Cerberus Group”) that focuses on distressed investments. CECA specialises in identifying and recommending U.K. and European investment opportunities stressed and distressed assets across European credit opportunities, private equity, financial institutions, NPLs and real estate.

The Firm’s governing body is its executive committee (the “ExCo”). The members of the ExCo are also Senior Managers (SMF27s) under the UK Senior Managers and Certification Regime.

Under the FCA Rules (specifically, Chapter 8 of MIFIDPRU), the Firm is required to make specific disclosures relating to its risk management objectives and policies, governance arrangements, own funds, and remuneration policy and practices.

Significant Changes Since Prior Disclosure

This is the first year to which the provisions of MIFIDPRU are applicable to the Firm, accordingly, this is the Firm’s first such disclosure and there are no significant changes to prior disclosures which require to be set out herein.

Frequency and location of disclosure

The Firm’s disclosure under MIFIDPRU is made annually at the same time as the publication of its financial statements. Additional disclosure may be made, where appropriate, for example, in the event of a major change in business model. All areas of disclosure are covered in this document.

2. Risk Management Objectives and Policies

Below a summary of the harm that could potentially be caused as a result of certain categories of risks related to the Firm's: (i) own funds requirement; (ii) requirements regarding its concentration risk; and (iii) requirements around its liquidity. Also set out is a summary of the strategies and processes used to manage each of these categories of risk.

The Firm's business is operated in a risk averse manner and risks are managed and mitigated to the greatest extent possible. The Firm's Internal Capital and Risk Assessment ("ICARA") process is the centrepiece of its risk management processes. The process is incorporated into the Firm's forecasting and stress testing, recovery planning, and wind-down planning. As part of the ICARA process, the ExCo considers whether the risk of material potential harms can be reduced through proportionate measures (other than holding additional financial resources) and, if so, whether it is appropriate to implement the measures. The ExCo will determine the appropriate and proportionate response or remedy considering the particular circumstances and this will be informed by the Firm's risk appetite. If the material potential harms cannot be reduced through other measures, the Firm may hold additional own funds or additional liquid assets to mitigate any material potential harms that have been identified. This may be the case where the Firm cannot identify other appropriate, proportionate measures to mitigate harms, or where it has applied these measures, but a residual risk of material harm remains. These assessments are realistic and based on severe but plausible assumptions. It is important the Firm maintains adequate financial resources so that it can remain financially viable throughout the economic cycle, with the ability to address any potential harms that may result from ongoing activities, and to enable the Firm to wind-down in an orderly manner while minimising harm to other market participants and without threatening the integrity of the wider UK financial system.

The Firm's ICARA process is supported by the business risk assessments which consider the risks to the Firm, how those risks are managed, whether there are any mitigating factors, the residual risk of harm or potential harm, and who is at risk. Identifying and assessing potential harms to consumers and markets in this way is fundamental to assessing whether CECA holds adequate financial resources. It informs the ExCo of potential issues, both as a going and a gone concern, so that it can consider if its controls and financial resources are sufficient to minimise the risk of harm. The risk management framework considers all risks, to the extent possible, to the Firm and considers investment advisory risk, as well as enterprise risk:

Investment advisory risk

The ExCo and its members are responsible for the oversight of the Firm's investment advisory activity. The ExCo meets regularly, typically quarterly, and dedicates sufficient time to the consideration of the risks attaching to the Firm and its business.

Enterprise risk

The Firm has thorough systems and controls in place to ensure that it has:

- a clear organisational structure, designed to address and mitigate internal conflicts,
- clearly defined roles and responsibilities, and an annual performance management process, in addition to ongoing and regular informal feedback, to assess their individual performance with reference to financial as well as non-financial criteria,
- experienced investment staff with many years' experience working in the industry, and a compliance team which is integrated in the business allowing them to identify potential issues/conflicts at an early stage, and
- extensive policies and procedures, including conflicts of interest, market abuse, and anti-corruption policies, with frequent Staff training on these topics and more.

Risks Related to the Firm's Own Funds Requirement, Concentration Risk and Liquidity

The Firm has identified the following risks of harm relating to its strategy which relate to, and are intended to be addressed by, the Firm's own funds and/or liquidity obligations:

- reputational damage caused by regulatory censure or fine; and
- loss of the Firm's existing fee arrangements with its clients.

In the unlikely event that any of the risks identified above occur, the Firm could manage and mitigate the risks of harm by, for example and as applicable, reducing costs, securing further funding from its clients and/or relying on its professional indemnity insurance.

The Firm has identified the following concentration, and liquidity risks the Firm's income and funding arrangements are concentrated in its clients, so a breakdown in the relationship with such clients, or an event affecting the solvency of such clients, could subject the Firm to financial harm. In the unlikely event that any of the risks identified above occur, the Firm could manage and mitigate the risks of harm by, for example reducing costs.

3. Governance Arrangements

The Firm, as a MIFIDPRU Investment Firm, is subject to the organisational requirements in 4.3A.1R of the Senior Management Arrangements, Systems and Controls Sourcebook of the FCA Handbook ("SYSC").

Under SYSC 4.3A.1R, the Firm must ensure that the ExCo defines, oversees and is accountable for the implementation of governance arrangements that ensure effective and prudent management of the Firm, including the segregation of duties in the organisation and the prevention of conflicts of interest, in a manner that promotes the integrity of the market and the interests of the Firm's clients.

In order to comply with the requirement in SYSC 4.3A.3R, the Firm has procedures in place to ensure that members of the ExCo fit the following criteria:

- they are of sufficiently good repute;

- they possess sufficient knowledge, skills and experience to perform the relevant duties;
- they possess adequate collective knowledge, skills and experience to understand the Firm's activities, including the main risks it faces;
- they reflect an adequately broad range of experiences;
- they commit sufficient time to perform their functions at the Firm; and
- they act with honesty, integrity and independence of mind, enabling them to effectively assess and challenge the decisions of senior management of the Firm where necessary, and to effectively oversee and monitor management decision-making.

As part of the Firm's governance arrangements and structure, the ExCo defines, oversees and is accountable for the implementation of governance arrangements that ensure effective and prudent management of the Firm. These arrangements include ensuring that the Firm and its individual functions are adequately resourced and ensuring that there is appropriate segregation of duties and responsibilities in a manner that promotes the integrity of the market and the interests of clients.

Under the Firm's governance arrangements, the ExCo also ensures that conflicts of interest that might arise between, for instance, the interests of the Firm and members and employees, and the interests of its clients and its clients underlying funds, or between two or more of its client's underlying funds, are avoided or managed appropriately, again, in a manner that promotes the integrity of the market and the interests of its clients. This is predominantly achieved through:

- the adoption, and regular review, by the ExCo of a comprehensive conflicts of interest register which identifies relevant areas of the Firm's business that could give rise to actual or potential conflicts, as well as the appearance or perceived appearance of such conflicts, and the various mitigants that the Firm has put in place either to avoid such conflicts or to manage them such that the risk of prejudice to the Firm's clients has been minimised to an appropriate level; and
- the establishment of specific procedures as set out in the conflicts of interest register that manage any ad hoc conflicts that arise.

All relevant staff report to the ExCo (either directly or to individuals who, in turn, report to the ExCo). Cerberus UK Management Limited, the Management Member of the Firm, has delegated day-to-day management of the business of the Firm to the ExCo. The ExCo meets at least quarterly to discuss significant matters affecting the Firm and to make strategic decisions. Further, special meetings of the ExCo are called as and when the need or desire arises. Under the Firm's governance arrangements, the ExCo (or relevant members of such):

- has overall responsibility for the business and conduct of the Firm;
- discusses and sets the strategic direction of the Firm and the effective delivery of that strategy, including the appointment of new members and other staff, the allocation of roles from time to time of key staff, risk strategy and internal governance;

- reviews and analyses the impact of any significant regulatory or legal changes that affect the Firm;
- sets, reviews and approves annually the Firm's ICARA and any such other material policies as the Firm is required to adopt;
- sets and reviews the Firm's material compliance procedures, considers any material compliance breaches and determines any remedial action to be taken in light of such breaches;
- receives and reviews annual compliance, anti-money laundering and risk reports made by relevant officers of the Firm and, where relevant, mandates changes in light of such reports;
- has oversight of and ensures the integrity of the Firm's accounting and financial reporting systems;
- has put in place internal controls that are reviewed at least annually, and cover all material controls including financial, operational and compliance controls and risk management systems;
- oversees the Firm's public disclosures and communications with regulators;
- is responsible for providing oversight of the Firm's personnel;
- monitors, assesses and makes changes in respect of any deficiencies found in respect of: (i) the adequacy/implementation of the Firm's strategic objectives in the provision of investment services and activities (including ancillary services); (ii) the effectiveness of the Firm's governance arrangements; and (iii) the adequacy of the policies relating to the provision of services to clients; and
- has adequate access to information and documents which are needed to oversee and monitor management decision-making.

All members of the ExCo are required to devote sufficient time and attention to the Firm to ensure that they:

- can perform their functions within the Firm;
- diligently employ themselves in the business and conduct themselves in a proper and responsible manner and use their best skill and endeavour to promote the Firm to the Firm's greatest advantage;
- comply with all applicable legislation, regulations and professional standards and show the utmost good faith to the Firm and the other members in all transactions; and
- act with honesty, integrity and independence of mind to effectively assess and challenge decisions where necessary and to effectively oversee and monitor management decision making.

Directorships

The members of the ExCo do not hold any other executive or non-executive directorships outside of the Firm, other than:

- executive and non-executive directorships held in organisations which do not pursue predominantly commercial objectives; and

- executive and non-executive directorships held within the same group or within an undertaking (including a non-financial sector entity) in which the firm holds a qualifying holding.

Risk Committee

The Firm is not required to establish a risk committee and so has not established such a committee.

Diversity Policy

In accordance with SYSC 4.3A.10, the Firm maintains a policy for promoting diversity in the Management Body.

4. Own Funds and Own Funds Requirement

Own Funds

The Firm is subject to the disclosure requirements stipulated in MIFIDPRU 8.4.1 R. As such, the tables below set out:

- details of common equity tier 1 items, additional tier 1 items, tier 2 items, and the applicable filters and deductions applied in order to calculate the own funds of the Firm (i.e., a composition of regulatory own funds); and
- a reconciliation of the Firm's composition of regulatory own funds with the capital in the balance sheet in the audited financial statements of the Firm.

Note: The common equity tier 1 instruments issued by the Firm consist of members' capital. The members' capital has been issued on an ad hoc basis as and when new Firm members have been admitted or when the Firm has required additional capital. The Firm members' capital does not have a nominal value. Its value reflects the amount paid in by the relevant member. Under the terms of the Firm's LLPA, the Firm members' capital is non-convertible and perpetual (it does not have a maturity date), carries no right to dividends, coupon or other forms of income (instead, Firm members may, at the discretion of the Managing Members be awarded a share in the profits of the Firm at the end of the financial year) and is subject to restrictions on withdrawal consistent with the requirements of MIFIDPRU 3.3.17 R.

OF1. Composition of regulatory own funds			
	Item	Amount (GBP thousand)	Source based on reference numbers/letters of the balance sheet in the audited financial statement
1.	OWN FUNDS	22,721	See line item title "Members' other interests", which can be found in the Statement of

			Financial Position in the section headed “Total members’ interests”
2.	TIER 1 CAPITAL	22,721	See line item title “Members’ other interests”, which can be found in the Statement of Financial Position in the section headed “Total members’ interests”
3.	COMMON EQUITY TIER 1 CAPITAL	22,721	See line item title “Members’ other interests”, which can be found in the Statement of Financial Position in the section headed “Total members’ interests”
4.	Fully paid-up capital instruments	22,721	See line item title “Members’ capital”, which can be found in the Statement of Financial Position in the section headed “Equity”
5.	Share premium	-	
6.	Retained earnings	-	
7.	Accumulated other comprehensive income	-	
8.	Other reserves	9,350	See line item titled “Other reserves” which can be found in the Statement of Financial Position in the section headed “Equity”
9.	Adjustments to CET1 due to prudential filters	-	
10.	Other funds	-	
11.	(-) TOTAL DEDUCTIONS FROM COMMON EQUITY TIER 1	-	
19.	CET1: Other capital elements, deductions and adjustments	-	
20.	ADDITIONAL TIER 1 CAPITAL	-	
21.	Fully paid up, directly issued capital instruments	-	
22.	Share premium	-	
23.	(-) TOTAL DEDUCTIONS FROM ADDITIONAL TIER 1	-	
24.	Additional Tier 1: Other capital elements, deductions and adjustments	-	
25.	TIER 2 CAPITAL	-	

26.	Fully paid up, directly issued capital instruments	-	
27.	Share premium	-	
28.	(-) TOTAL DEDUCTIONS FROM TIER 2	-	
29.	Tier 2: Other capital elements, deductions and adjustments	-	

OF2. Own funds: reconciliation of regulatory own funds to balance sheet in the audited financial statement				
		Balance sheet as in published/audited financial statement (GBP thousand, as at period end 31 December 2024)	Under regulatory scope of consolidation	Cross-reference to template OF1
Assets (breakdown by asset classes according to the balance sheet in the audited financial statements)				
1.	Cash	20,905		
2.	Debtors	26,772		
	Total Assets	47,677		
Liabilities (breakdown by liability classes according to the balance sheet in the audited financial statements)				
1.	Current creditors	-15,466		
2.	Non- current creditors	-140		
	Total Liabilities	15,606		
Members' interest				
1.	Members' capital	22,721		OF1:4
2.	Other reserves	9,350		OF1:8
4.	Total Members' interest	32,070		

Own funds: main features of own instruments issued by the firm
The LLP's own funds consists solely of Comment Equity Tier 1 Capital, being LLP Partnership capital less deductions made in respect of intangible assets as per MIFIDPRU 3.3.6 R (2).

Own Funds Requirements

The Firm is required to at all times maintain own funds that are at least equal to the Firm's own funds requirement. The own funds requirement is the minimum requirement of capital the Firm is required to hold, taken as the higher of the Firm's:

- Permanent minimum capital requirement ("PMR"): The PMR is the minimum level of own funds required to operate at all times and, based on the MiFID investment services and activities that the Firm currently has permission to undertake, is set at £75,000;
- Fixed overhead requirement ("FOR"): The FOR is intended to calculate a minimum amount of capital that the Firm would need available to absorb losses if it has cause to wind-down or exit the market, and is equal to one quarter of the Firm's relevant expenditure; and
- K-Factor requirement ("KFR"): The KFR is intended to calculate a minimum amount of capital that the Firm would need available for the ongoing operations of its business. The K-factor that apply to the Firm's business is K-AUM (calculated on the basis of the Firm's AUM).

The below table illustrates the various components of the Firm's own funds requirement:

Requirement	£'000
Permanent minimum requirement	75
Fixed Overhead Requirement	6,412
Wind Down	4,134
Harm-based assessment	10,161
K-factor requirement	
- K-AUM – risk arising from managing and advising on investments	1,013
Own Funds requirement at 31 December 2024	11,174

Internal Capital Adequacy and Risk Assessment (ICARA)

As part of its ICARA process, the Firm assesses the adequacy of its own funds in accordance with the overall financial adequacy rule in MIFIDPRU 7.4.7 R. 5.4

In particular, the Firm assesses the amount of own funds it requires to:

- address any potential harms it has identified which it has not been able to mitigate;
- address any residual harms remaining after mitigation; and
- ensure an orderly wind down of its business.

As the Firm is not an SNI firm, it is required to use its K-factor requirement as a starting point for determining the appropriate amount of own funds to cover risks of harm to the business as a going concern, to the extent that such risks have not or cannot be mitigated.

The Firm assesses whether and to what extent a K-factor requirement covers each risk of harm identified during the ICARA process on a going concern basis (to the extent the risk of harm is not or cannot be adequately mitigated).

For this purpose, each risk of harm that is not adequately mitigated is mapped to the corresponding K-factor requirement. To the extent that the applicable K-factor requirement is insufficient to cover the post mitigation risk of harm or to the extent that there is no applicable K-factor requirement, the Firm will calculate a suitable amount of additional capital.

As part of its ICARA, the Firm also assesses the level of own funds that it would need in order to effect an orderly wind down, taking into account any additional risks of harm it identifies and whether the Firm's fixed overheads requirement adequately covers such risks.

5. Remuneration Policy and Practices

Qualitative disclosures

The Firm's approach to remuneration for staff¹ - seeks to reward staff fairly and competitively whilst also promoting sound and effective risk management. This includes ensuring that remuneration practices are designed to encourage risk awareness, prudent risk taking, and responsible business conduct, and they are in line with the Firm's business strategy, objectives and long-term interests, which include consideration of the Firm's risk appetite and strategy, including environmental, social and governance risk factors, the Firm's culture and values, and the long-term effects of the investment decisions taken. Variable remuneration will not be awarded, paid out or allowed to vest if it would affect CECA's ability to ensure a sound capital base.

The link between fixed and variable remuneration - the Firm ensures that the fixed and variable components of total remuneration are appropriately balanced, and the fixed component represents a sufficiently high proportion of the total remuneration to enable the operation of a fully flexible policy on variable remuneration, including the possibility of paying no variable remuneration. Each award of variable remuneration takes into account an annual assessment of the performance of the staff member, the business unit in which they work, and the Firm.

Categories of staff eligible to receive variable remuneration - all staff are eligible to receive variable remuneration.

Below is a summary of the decision-making procedures and governance surrounding the Firm's remuneration policies and practices (which the Firm is required to adopt under SYSC 19G (the "MIFIDPRU Remuneration Code")):

¹ The term 'staff' should be interpreted broadly to include the Firm's employees, consultants, Partners and members, and, where applicable, employees of other entities in the same group, employees of joint service companies, and secondees to CECA.

- The ExCo has adopted remuneration policies and practices in line with the rules and guidance laid down by the FCA and the MIFIDRU Remuneration Code and is responsible for the implementation of such policies and practices.
- The ExCo reviews, at least annually, the Firm's policies in accordance with the guidance and rules in SYSC 19G.3.
- The ExCo ensures that the Firm, at least annually, conducts an internal review of whether the implementation of its remuneration policies and practices complies with the remuneration policy and practices adopted by the Management Body.
- Whilst the Firm is not required under MIFIDPRU 7.1.4R to establish a remuneration committee, it has elected to do so. The Firm's remuneration committee is currently made up of the European Head of HR, European Head of Compliance and an SMF27 Partner.
- The Firm engaged with external counsel in the development of its remuneration policies and practices.

Material Risk Takers ("MRTs")

The Firm follows SYSC 19G.5 and identifies the following groups of staff as MRTs based on qualitative criteria (related to the role and decision making authority of staff) and quantitative criteria (related to the level of total gross remuneration):

- members of the management body in its supervisory function;
- members of the management body in its management function;
- Staff with managerial responsibilities for the activities of a Control Function
- Staff with managerial responsibilities for the prevention of money laundering and terrorist financing;
- Staff with managerial responsibility for business units that are carrying on at least one regulated activity.

Key Characteristics of the Firm's Remuneration Policies and Practices

The different components of remuneration awarded by the Firm include:

- fixed: base salary, pension contributions, and benefits e.g., private medical insurance cover, life assurance cover, and income protection insurance cover etc.
- variable: annual discretionary bonus, discretionary pension contributions, and guaranteed variable remuneration, retention awards, severance pay and buy-outs.

The decision to pay variable remuneration to Staff is made on an individual basis solely at the discretion of the Firm. When assessing individual performance to determine the amount of variable remuneration to be paid to an individual, including the assessment of performance through the annual Performance Review process, the Firm takes into account financial as well as non-financial criteria. The non-financial criteria considered includes compliance with all applicable Firm risk management, compliance and conduct-related policies.

For MRTs, the Firm ensures that performance-related variable remuneration is based on a combination of the assessment of the performance of the individual, the business unit concerned, and the overall results of the Firm. The decision is also part of a multi-year framework that ensures the assessment of performance is based on longer-term performance, and the payment of performance-based remuneration is spread over a period that takes account of the business cycle of the firm and its business risks.

Framework and criteria used by the Firm for risk adjustments of remuneration

The Firm applies clawback (recovery) provisions to MRT variable remuneration in accordance with the minimum MIFIDPRU Remuneration Code requirements. The criteria that the Firm will take into consideration when applying ex-post adjustments to variable remuneration include:

- whether the MRT participated in or was responsible for conduct which resulted in significant losses to the Firm
- in cases of fraud or other conduct with intent or severe negligence by the MRT which lead to significant losses to the Firm; and/or
- whether the MRT failed to meet the appropriate standards of fitness and propriety required for their role.

Guaranteed Variable Remuneration

The Firm will not award, pay or provide guaranteed variable remuneration to an MRT unless it occurs in the context of hiring a new MRT, it is limited to the first year of service, and the Firm has a strong capital base.

Severance Payments

In certain circumstances, severance payments may be made, to be determined on a case-by-case basis and in the Firms' discretion. The advice of external counsel may be sought to confirm that such severance payment is appropriate.

Quantitative disclosures

The following tables show aggregated quantitative remuneration information for the Firm's "Senior Management", "Other Material Risk Takers" and "Other Staff" according to the following definitions:

- Senior Management: those persons at the Firm who exercise executive functions and who are responsible and accountable to the ExCo for the day-to-day management of the Firm;
- Other MRTs: other employees whose activities have a material impact on the risk profile of the Firm and have been classified as MRTs; and
- Other Staff: other employees whose activities are not deemed to have a material impact on the risk profile of the Firm and have not been classified as MRTs.

The information is given for the performance year ending 31 December 2024 and relates to the 15 individuals identified as Senior Management and MRTs by the Firm under SYSC 19G.5 for the same performance year. Where a Senior Manager left part way through the year their compensation has been pro-rated. Where a member of Staff was a MRT for part of the year and a Senior Manager for another part of the year, their compensation has been apportioned between the MRT and Senior Manager categories based on the relevant part of the year they spent in each role.

Disclosures required under MIFIDPRU 8.6.84R (4)

Senior Management	
2024 total remuneration awarded to Senior Management	2,870,181
2024 fixed remuneration awarded to Senior Management	1,708,775
2024 variable remuneration awarded to Senior Management	1,161,406
Other MRTs	
2024 total remuneration awarded to Other MRTs	11,041,336
2024 fixed remuneration awarded to Other MRTs	4,889,960
2024 variable remuneration awarded to Other MRTs	6,151,376
Other Staff	
2024 total remuneration awarded to Other Staff	30,920,998
2024 fixed remuneration awarded to Other Staff	16,305,453
2024 variable remuneration awarded to Other Staff	14,615,545

Disclosures required under MIFIDPRU 8.6.84R (5)(a)

Senior Management	
2024 number of Senior Management that received guaranteed variable remuneration awards	0
2024 total amount of guaranteed variable remuneration awards made to Senior Management	NA

Other MRTs	
2024 number of Other MRTs that received guaranteed variable remuneration awards	0
2024 total amount of guaranteed variable remuneration awards made to Other MRTs	NA

Disclosures required under MIFIDPRU 8.6.84R (5)(b)

Senior Management	
2024 number of Senior Management that received severance payment awards	0

2024 total amount of severance payment awards made to Senior Management	NA
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Other MRTs	
2024 number of other MRTs that received severance payment awards	0
2024 total amount of severance payment awards made to other MRTs	NA

Disclosures required under MIFIDPRU 8.6.84R (5)(c)

2024 highest severance payment awarded to an individual classified as Senior Management	NA
2024 highest severance payment awarded to an individual classified as an Other MRT	NA