



IC Markets (EU) Ltd

Pillar III Disclosures for the year ended 31 December 2025

Disclosures in accordance with Part Six of Regulation (EU) 2019/2033 of the European Parliament and of the Council of 27 November 2019 on the prudential requirements of investment firms and amending Regulations (EU) No 1093/2010, (EU) No 575/2013, (EU) No 600/2014 and (EU) No 806/2014

APRIL 2026

Table of contents

1. Overview	5
1.1. Pillar III Regulatory Framework	5
1.2. Company Information and Principal Activities	6
1.3. Scope of Disclosures.....	7
1.4. Disclosure Policy.....	8
1.5. Operating environment of the Company	8
2. Risk Management Framework and Governance	9
2.1. Board of Directors	9
2.2. Management Body Diversity Policy	9
2.3. Board Recruitment	10
2.4. Risk Management Function	10
2.5. Risk Manager	11
2.6. Risk Management Committee.....	12
2.7. Internal Audit	12
2.8. Compliance Officer	13
2.9. Anti-Money Laundering Compliance Officer	14
2.10. Risk Appetite	14
2.11. Internal Capital Adequacy and Risk Assessment Process (“ICARA”).....	15
2.12. Directorships held by Members of the Management Body	16
3. Principal Risks	17
3.1. Main Pillar I risks	17
3.1.1. <i>Risk-to-Client (RtC)</i>	17
3.1.2. <i>Risk-to-Market (RtM)</i>	19
3.1.3. <i>Risk-to-Firm (RtF)</i>	20
3.2. Other risks.....	21
3.2.1. <i>Credit Risk</i>	21
3.2.2. <i>ICT risks and digital operational resilience (DORA)</i>	22
3.2.3. <i>Operational Risk other than DTF</i>	22
3.2.4. <i>Reputational risk</i>	23
3.2.5. <i>Liquidity risk</i>	23
3.2.6. <i>Risk related to crypto assets and financial instruments relating to crypto assets</i>	24
4. Own Funds	24
4.1. Capital Management.....	24
5. Minimum Capital Requirements	26
5.1. Fixed Overhead Requirement (FOR)	26
5.2. Permanent Minimum Capital Requirement (PMCR)	26
5.3. K-Factors (RtC, RtM, RtF).....	26
5.4. Capital Adequacy Ratio	27
6. Remuneration Policy	29
7. Investment policy	31
8. Environmental, social and governance risks (“ESG risks”)	31
Appendix I – Main Features of Own Funds	32

Declaration by the Board of Directors

The Board of Directors is ultimately responsible for the Risk Management framework of the Company. The Risk Management framework is the sum of systems, policies, processes and people within the Company that identify, assess, mitigate and monitor all sources of risk that could have a material impact on the Company's operations.

The Board of Directors approves in full the adequacy of Risk Management arrangements of the institution providing assurance that the risk management systems in place are adequate with regards to the Company's profile and strategy.

This declaration has been signed by the Board of Directors on the 29th of April, 2026.

Specific references to Commission Implementing Regulation (EU) 2021/2284

Template	Compliance reference	Section
IF EU CC1	Composition of regulatory own funds (Investment firms other than small and non-interconnected)	Section 4
IF EU CC2	Reconciliation of regulatory own funds to balance sheet in the audited financial statements	Section 4
IF EU CCA	Main features of own instruments issued by the firm	Appendix I

Specific references to articles in the Investment Firms Regulation (“IFR”)

IFR reference	High-level summary	Compliance reference
Scope of disclosure requirements		
46 (1)	Requirement to publish Pillar III disclosures	Section 1.1
46 (4)	Investment firms may determine an appropriate medium or location to comply effectively with the disclosure requirements	Section 1.4
Risk management objectives and policies		
47	Disclosure of risk management objectives and policies for each separate category of risk set out in Part Three, Four and Five of the IFR including a summary of the strategies and processes to manage those risks and a concise risk statement approved by the Company's management body succinctly describing the Company's overall risk profile associated with the business strategy	Section 3
Internal Governance		
48 (a)	Disclosure of the number of directorships held by members of the management body	Section 2.12

48 (b)	The policy on diversity with regards to the selection of the members of the management body, its objectives and any relevant targets set out in that policy, and the extent to which those objectives and targets have been achieved	Section 2.2
48 (c)	Disclosure of whether a separate risk committee is in place, and number of meetings in the year	Section 2.6
Own funds		
49(1)	Information regarding the Company's Own Funds, a reconciliation of regulatory own funds to balance sheet in the audited financial statements along with a description of main features of own instruments issued by the Company	Section 4
Own funds requirements		
50 (a)	Summary of the Company's approach to assessing the adequacy of its internal capital to support current and future activities	Section 5
50 (b)	Results of ICARA report on demand from competent authority	N/A
50 (c)	The K-factor requirements calculated for RtM, RtF, and RtC, based on the sum of the applicable K-factors	Section 5.3
50 (d)	The fixed overheads requirement ("FOR")	Section 5.1
Remuneration policy and practices		
51	Remuneration policy and practices for those categories of staff whose professional activities have a material impact on the Company's risk profile	Section 6
51 (a)	The most important design characteristics of the remuneration system, including the level of variable remuneration and criteria for awarding variable remuneration, pay out in instruments policy, deferral policy and vesting criteria	Section 6

51 (b)	The ratios between fixed and variable remuneration	Section 6
51 (c)	Aggregated quantitative information on remuneration, broken down by senior management and members of staff whose actions have a material impact on the risk profile of the Company	Section 6
Investment policy		
52 (1) (a)	Disclosure of the proportion of voting rights attached to the shares held by the Company, directly or indirectly, a complete description of voting behavior in the general meetings of companies the shares of which are held, an explanation of the votes and the ratio of proposals put forward by the management body of the Company which the investment firm has approved, an explanation of the use of proxy advisor firms and the voting guidelines regarding the companies the shares of which are held (subject to additional criteria being met)	Section 7
Environmental, social and governance risks (“ESG risks”)		
53	Information on environmental, social and governance risks, including physical risks and transition risks	Section 8

1. Overview

1.1. Pillar III Regulatory Framework

Since 26th of June 2021, IC Markets (EU) Ltd (the “Company”) abides by the prudential rules set by the IFR & IFD framework, which consists of EU Regulation 2019/2033 on the prudential requirements of investment firms (“Investment Firm Regulation” or “IFR”) and EU Directive 2019/2034 on the prudential supervision of investment firms (“Investment Firm Directive” or “IFD”), as the latter has been harmonized into local legislation through the issuance of the Cyprus Law for the Prudential Supervision of Investment Firms (165(I)/2021 – “Prudential Law”). This framework addresses the prudential requirements for investment firms only, in order to avoid disproportionate administrative burden on this category.

Based on the relevant provisions of the IFR & IFD framework, the Company qualifies as a Class 2 Cyprus Investment Firm (“CIF”) and is required to hold €750 thousand of initial capital, as per Article 14 of the IFR and Section 9 of the Prudential Law.

The IFR and IFD rules focus on specific methodologies that investment firms are required to apply for quantifying their exposure to risk and deriving their Capital Adequacy ratio, as well as to their required level of initial capital, their Internal Capital Adequacy & Risk Assessment (“ICARA”) Process and the Liquidity Requirement, among others.

The IFR & IFD framework consists of three Pillars which are used to regulate, supervise and improve the risk management of firms in the financial services industry. The three Pillars and their applicability to the Company are summarised below:

- Pillar I - Minimum Capital Requirements - ensures that the Company maintains at all times a sufficient amount of capital above the minimum requirement in relation to certain key risks, as calculated using prescribed methods. In addition, it also covers the calculation of the Liquidity Requirement;
- Pillar II - ICARA Process and Supervisory Review and Evaluation Process (“SREP”) - ensures that the Company and its supervisor, CySEC, actively assess, control and mitigate the various risks that the Company faces. Moreover, it also provides for monitoring and self-assessment of the Company’s capital adequacy, liquidity resources and internal process;
- Pillar III - Market Discipline - ensures the promotion of market discipline through the disclosure of the Company's regulatory requirements, risk management, risk governance policies and procedures and remuneration principles and practices, allowing market participants to view and compare meaningful information relating to the Company and its peers.

1.2. Company Information and Principal Activities

The scope of this report is to promote market discipline and to improve transparency of market participants. The present report is prepared by the Company, a CIF authorized and regulated by CySEC under License number 362/18, in accordance with Law 87(I)/2017 (the “Law”), for the provision of investment services, the exercise of investment activities, the operation of regulated markets and other related matters, as subsequently amended.

Company name	IC MARKETS (EU) LTD
CIF Authorization date	25/06/2018
CIF License number	362/18
Company Registration Date	15/06/2016
Company Registration Number	HE 356877
Lei code	54930008CKXT0AKIWS77

The Company pursues a dynamic business model, trying to maintain a well-balanced capital allocation in its operations, a geographically diversified strategy and always ensures that compliance with the rules is strictly respected, especially in the area of anti-money laundering and counterterrorism financing. In addition, the Company’s purpose is to materialize customers’ investment objectives by offering professional services at the highest industry standards.

The Company’s business effectiveness is based on the guidelines of the risk management policies and procedures put in place. The Board of Directors (“BoD”), Internal Audit, Risk Manager, Compliance and Anti-Money Laundering Compliance Officer control and supervise the overall risk system so that all units charged with risk management perform their roles effectively on a continuous basis.

The Company operates as the principal execution venue when providing brokerage services for one or more financial instruments.

The Company primarily offers trading in CFDs on various asset classes, including foreign exchange, commodities, metals, stocks, cryptocurrencies, bonds, and indices. Clients have direct access and control over the trading platform, which is available through the Company’s website. They can use the platform to submit orders and monitor their open positions. The quoted prices displayed on the trading platform are sourced from a reliable and well-known provider, connected directly to the Company’s hub (bridge) and distributed across relevant platforms. The Company uses Meta Trader 4, Meta Trader 5 and CTrader, widely used off-the-shelf trading software to facilitate the Reception & Transmission as well as the Execution of Client orders with respect to financial instruments that the Company is authorized to deal with, as applicable. The Platforms are full-cycle trading platforms that include both back-office components and front-end terminals.

Orders received by the Company either are being held internally, with the Company assuming the risk of maintaining certain positions on its books, or the Company may choose to mitigate risk by hedging exposures with its Liquidity Providers. To ensure compliance with applicable laws and regulations, the Company establishes agreements with Liquidity Providers to guarantee that all client orders are executed in accordance with applicable legislation and regulatory requirements.

Clients deposit funds with the Company, which maintain segregated client bank accounts in accordance with Safekeeping and Administration of Financial Instruments regulations. Additionally, as part of its ancillary services, the Company may provide credit or loans to clients to facilitate transactions in one or more financial instruments. Furthermore, the Company offers foreign exchange services related to investment services, allowing clients to place orders where the underlying asset is a currency pair.

The Company is authorized to provide the following investment and ancillary services, in relation to transferable securities and financial Contracts for Differences (“CFDs”):

Investment Services
Reception and transmission of orders in relation to one or more financial instruments.
Execution of orders on behalf of clients.
Dealing on own account.
Ancillary Services
Safekeeping and administration of financial instruments, including custodianship and related services.
Granting credits or loans to one or more financial instruments, where the firm granting the credit or loan is involved in the transaction.
Foreign exchange services where these are connected to the provision of investment services.

1.3. Scope of Disclosures

The present Pillar III Disclosures report has been prepared in accordance with Part Six of the IFR and relates to the financial year ending on 31st of December 2025. Unless stated otherwise, all amounts are in thousands of Euros (“€’000”). The Company is making these Disclosures on an individual (solo) basis, as it does not fall under the scope of prudential consolidation based on the provisions of Article 7 of the IFR. The Company also prepares its Financial Statements on an individual (solo) basis, in accordance with the International Financial Reporting Standards (“IFRS”).

Furthermore, for the year under consideration the Company was classified as a “Non-significant CIF”, in accordance with the criteria set by Cyprus Securities and Exchange Commission (“CySEC”) Circular C487, and following consideration of its size, internal organization and the nature, scope and complexity of its business, the Company’s management did not deem it necessary to establish a Nomination or a Remuneration Committee. In addition, the Company meets the criteria referred to in Article 32(4)(a) of IFD, therefore, this report does not include details regarding the Investment Policy, nor Environmental, Social and Governance Risks outlined in Articles 52 and 53 of the IFR, respectively.

1.4. Disclosure Policy

In accordance with Article 46 of the IFR, investment firms are required to publish the disclosures required by Part Six of the IFR, at least on an annual basis.

The Company prepares its Pillar III Disclosures Report and arranges for its review and verification by its external auditors on an annual basis. Furthermore, it uploads this report on its website (<https://www.icmarkets.eu/en/>), no later than four months following its immediately preceding financial year, while it also submits them to CySEC accompanied by its external auditors' verification report within five months after its financial year-end, the latest.

The Company is required to disclose information relating to its risk management arrangements, capital and liquidity adequacy and risk exposures, as well as the most important characteristics of its corporate governance, including its remuneration system.

1.5. Operating environment of the Company

The geopolitical situation in Middle East escalated on 28 February 2026, with the actions taken by the United States and Israel against targets in Iran. Cyprus has experienced geopolitical sensitivity due to its proximity to the Middle East and the presence of the United Kingdom Sovereign Base Areas at Akrotiri and Dhekelia. As of the date of preparation of this report, the conflict continues to evolve in Middle East as military activity persists.

The conflict has caused significant volatility in global energy markets and disruptions to the supply of oil and gas, contributing to increased uncertainty in commodity prices and potential inflationary pressures. Broader consequences have also been observed in financial markets and global supply chains, particularly affecting energy and transportation sectors, as heightened geopolitical tensions around key shipping routes add to market uncertainty.

Challenges for companies may include disruptions to supply chains, higher energy and raw material costs and increased uncertainty in operational and financial planning.

The Company has no direct exposure to the Middle East, as such, does not expect any direct impact.

Management has considered the unique circumstances and the risk exposures of the Company and has concluded that there is no significant impact in the Company's financial position, financial performance and cash flow position. The event is not expected to have an immediate material impact on the business operations. Management will continue to monitor the situation closely.

In addition, the Company continues to assess the Cyprus Tax Reform measures and any associated implementation guidance. Based on the currently available information, the Company is evaluating potential impacts on its tax position, financial planning assumptions and compliance obligations, and will update internal processes and governance as required.

2. Risk Management Framework and Governance

2.1. Board of Directors

The Board of Directors ("BoD") and the Senior Management have the overall responsibility for the internal control systems of capital and liquidity adequacy assessment, and they have established effective processes to ensure that the full spectrum of risks faced by the Company is properly identified, measured, monitored and controlled to minimize adverse outcomes.

Board members commit sufficient time to perform their duties in the Company, and are acting with honesty, integrity and independence of mind to effectively assess and challenge the decisions of the Senior Management, where necessary, and to effectively oversee and monitor management decision making. The Company devotes adequate human and financial resources for the induction and training of the board members.

As at 31st of December 2025, the Company's Board of Directors comprised of four members, (2) two of which were Executive Director and 2 (two) Non-Executive and Independent Directors.

The Board of Directors main responsibilities include the following:

- Has the overall responsibility for proper implementation of the relevant Laws/regulations;
- Assesses and periodically reviews the effectiveness of the policies, arrangements and procedures put in place to comply with the obligations under the Law, and to take appropriate measures to address any deficiencies;
- Defines, oversees and is accountable for the implementation of the governance arrangements that ensure effective and prudent management of the Company, including the segregation of duties and the prevention of conflicts of interest and in a manner that promotes the integrity of the market and interest of clients;
- Approves and periodically reviews the strategies and policies for taking up, managing, monitoring and mitigating the risks the Company is and/or might be exposed to, including those posed by the macroeconomic environment in which it operates in relation to the status of the business cycle;
- Ensures that all material risks are identified, measured and properly reported by the Risk Management Function.

The Executive Directors take part in the operation of the Company and, as appropriate, in the provision of investment services. The Non-Executive (Independent) Directors monitor the operations of the Company through their participation in the Risk Management Committee, as applicable, and in the meetings of the Board.

2.2. Management Body Diversity Policy

The Company recognizes the value of a diverse and skilled workforce and management body, as diversity is an asset to organizations and linked to better economic performance.

The Company aims to create and maintain an inclusive and collaborative workplace culture that will provide sustainability for the Company in the future.

The Company considers itself diverse in regards to its management body and main workforce.

The Company while assessing diversity considers the following aspects:

- Educational and professional background: The management body consists of members of different backgrounds.
- Gender: The management body ensures gender balance.
- Age: The management body consists of members of different age.

In order to facilitate an appropriately diverse pool of candidates for the management body and key function holders, the Company ensures that all diversity aspects are taken into consideration in the selection process and equal treatment and opportunities are provided for all staff of different gender, age, etc.

2.3. Board Recruitment

The Company and its shareholders rely on a strong Board of Directors, hence they carefully evaluate the recruitment of all Directors and ensure appropriate succession planning. The persons proposed for the appointment need to have specialised skills and/or knowledge to enhance the collective knowledge of the BoD and most importantly emphasis is given on their commitment in terms of time and effort. Board members must devote sufficient time in the performance of their role as Directors of the Company proportionally to the nature, size, and complexity of the Company's operations and possess sufficient knowledge, skills and experience to perform their duties. The Senior Management is assigned the responsibility to review the qualifications of potential Director candidates and make recommendations to the existing BoD to ensure selecting the most appropriate candidate.

2.4. Risk Management Function

The objective of the Risk Management Function for the year 2025 (the Risk Manager and the Risk Management Committee) was to review all risk generating functions as well as the arrangements, processes and mechanisms adopted by the Company, with the purpose of managing the risks arising from its activities.

The Risk Management Function of the Company bears the responsibility for establishing and ensuring the proper implementation of the Risk Management Framework, including the formation of the subjective decisions/ policies on the relevant risks applicable to the Company, as well as to plan and organise the implementation and embedment of the Internal Capital Adequacy and Risk Assessment ("ICARA") Process within the Company, on an operational level. In respect to the ICARA, the Risk Management Function is responsible to review and re-run the Company's ICARA on an annual basis, as well as to draft and present the relevant ICARA report to the Board.

The Risk Management function of the Company has the following responsibilities:

- Design the overall risk management system of the Company;
- Prepare the Risk Management policies and procedures;
- Identify all risks faced by the Company;
- Establish methods for risk monitoring and measurement;
- Prepare and implement the ICARA of the Company and to provide training to relevant employees and the Senior Management, as regards the Company's ICARA;
- Apply stress testing scenarios and undertake analysis of the results;
- Propose for additional, if necessary, capital and liquidity allocation for Pillar 2 risks and other risks not fully covered by Pillar 1, based on a combination of stress testing results and historical performance;

2.5. Risk Manager

The BoD has appointed a Risk Manager to ensure that all the different types of risks taken by the Company are in compliance with the relevant applicable regulatory framework and the obligations of the Company under the Law, and that all the necessary procedures, relating to risk management are in place and are functional on an operational level from a day-to-day basis. The Risk Manager reports directly to the Senior Management and the BoD of the Company and the Risk Management Committee is responsible to control and overview the Risk Manager's actions/performance at work.

The Risk Manager is, *inter alia*, responsible for:

- Complying and implementing the relevant provisions of the Law, relating to risk management issues;
- Monitoring open positions, large exposure limits under Pillar 1, and capital adequacy levels, ensuring compliance with regulatory capital requirements;
- Ensuring compliance with the liquidity requirement set out in Article 43(1) of IFR;
- Preparing, reviewing, and updating the Company's risk management annual reports and periodic regulatory reports;
- Evaluating how the introduction of any potential new services or activities by the Company could affect the risk management of the Company, and providing such requests to the Senior Management or the Board, as requested;
- Conduct due diligence on Liquidity Providers and other counterparties, ensuring they meet the Company's standards for financial stability and compliance;
- Conduct, review and re-run the ICARA of the Company on an annual basis, as well as draft and present the relevant ICARA Report to the Board;
- Overseeing the Company's Business Continuity and Disaster Recovery Planning in collaboration with the Heads of other Departments, ensuring that resilience measures, ICT dependencies, and third-party service providers are adequately considered in accordance with applicable regulatory standards (including DORA).

2.6. Risk Management Committee

The Risk Management Committee advises the Board of Directors on the overall strategy and the appetite to all kinds of risks and helps the Board to verify that this strategy is implemented.

In addition, the Risk Management Committee of the Company is formed with the view to ensure the efficient monitoring of the risks inherent in the provision of the investment and ancillary services to clients, as well as the overall risks underlying the operations of the Company. To this effect, the Company has adopted and maintains an applied risk management framework/policy, which identifies the risks relating to the Company's activities, processes and systems and sets the risk tolerance levels of the Company.

The responsibilities of the Risk Management Committee are the following amongst others:

- scrutinize and decide on various risks associated with the operation of the Company with the view to increase the awareness of, formulate internal policies and measure the performance of the said policies in dealing with the risks associated with the operation of the Company;
- review the risk management procedures in place;
- monitor and control the Risk Manager in the performance of his/her duties and the effectiveness of the Risk Management Department;

The Risk Management Committee met three (3) times during 2025.

2.7. Internal Audit

The Company, taking into consideration the nature, scale and complexity of its business activities, as well as the nature and the range of its investment services and activities, establishes, and maintains an Internal Audit Function which is separate and independent from the other functions and activities of the Company.

The Internal Audit Function reports directly to Senior Management and the Board of Directors.

The Internal Audit Function is responsible to:

- a. Establish, implement and maintain an audit plan to examine and evaluate the adequacy and effectiveness of the company's systems, internal control mechanisms and arrangements;
- b. Issue recommendations based on the result of work carried out in accordance with point (a) above;
- c. Verify compliance with the recommendations of point (b) above;
- d. Report in relation to internal audit matters to Senior Management and the Board of Directors, at least annually;
- e. Monitor and evaluate the risks inherent in the Company operations.

The Internal Auditor is responsible for applying the Internal Control System which confirms the accuracy of the reported data and information. Furthermore, the role of the Internal Auditor is the

programming, on at least annual basis (as applicable), of checks on the degree of application of the required Internal Control System.

2.8. Compliance Officer

The Board has appointed a Compliance Officer in order to establish, implement and maintain adequate policies and procedures designed to detect any risk of failure by the Company to comply with its obligations. The Compliance Officer has the necessary authority, resources, expertise, access to all relevant information and is not involved in the performance of services or activities which monitors.

The Compliance Officer reports to Senior Management and the BoD and is responsible, *inter alia*, for the following:

- Ensuring compliance with Laws, Regulations and Directives issued by CySEC;
- Ensuring implementation of the procedures described in the Company's Internal Operational Manual;
- Liaising with all relevant business and support areas within the Company;
- To monitor on a permanent basis and to assess, on a regular basis, the adequacy and effectiveness of the measures, policies and procedures put in place, and the actions taken to address any deficiencies in the Company's compliance with its obligations;
- Monitoring and assessing the level of Compliance risk that the Company faces, taking into account the investment and ancillary services provided, as well as the scope of financial instruments traded and distributed;
- Monitoring the adequacy and effectiveness of the measures and procedures of the Company;
- Ensuring that employees of the Company attend training sessions on compliance with applicable laws, rules and regulations;
- Advising and assisting employees responsible for carrying out investment services and activities to comply with Company's obligations under the Law and the Directives;
- Drafting written reports to the Management Body on at least an annual basis, on the implementation and effectiveness of the overall control environment for investment services and activities, on the risks that have been identified and on the complaints-handling reporting as well as remedies undertaken or to be undertaken as well as include information about the financial instruments manufactured by the Company, including information on the distribution strategy;
- Monitoring the development and periodic review of product governance arrangements, in order to detect any risk of failure by the Company to comply with the obligations; compliance reports to the Management Body systematically includes information about the financial instruments manufactured by the Company (if any), including information on the distribution strategy.

The Compliance Officer discharges its responsibilities properly and independently.

2.9. Anti-Money Laundering Compliance Officer

The Board of Directors has appointed a person to the position of the Company's Anti-Money Laundering Compliance Officer (hereinafter the "AMLCO") to whom the Company's employees report their knowledge or suspicion of transactions involving money laundering and terrorist financing. The AMLCO ensures compliance with anti-money laundering laws and directives issued by CySEC as well as the identification and proper reporting of any money laundering activity to the relevant authorities.

The AMLCO is responsible amongst others, for the following:

- Design, based on the general policy principles of the Company mentioned in the Anti Money Laundering ("AML") Manual, the internal practices, measures, procedures and controls relevant to the prevention of money laundering and terrorist financing, and describe and explicitly allocate the appropriateness and the limits of responsibility to each department that is involved in the abovementioned;
- Monitor and assess the correct and effective implementation of the policy, the practices, measures, procedures and controls and in general the implementation of the AML Manual;
- Ensure that employees of the Company attend training sessions on compliance with anti-money laundering and terrorist financial procedures;
- Ensure the implementation of the "know you client" procedures of the Company;
- Gather information with regards to the new clients of the Company;
- Develop and establish the Client Acceptance Policy and submit it to the Board of Directors for consideration and approval;
- Detect, record and evaluate, at least on annual basis, of all risks arising from existing and new clients, new financial instruments and services and update and amend systems and procedures applied by the Company for the effective management the aforesaid risks;
- Provide advice and guidance to other employees of the Company on the correct implementation of procedures and controls against money laundering and terrorist financing;
- Prepare correctly and submit timely to the CySEC the monthly prevention statement and provide the necessary explanation to the appropriate employees of the Company for its implementation.
- Review and assess all information received that may constitute knowledge or suspicion of money laundering or terrorist financing activities. This includes evaluating whether the information indicates a reasonable basis for suspicion and determining, in accordance with regulatory obligations, whether a report should be submitted to MOKAS.

According to the relevant legislation, the Company appoints an alternate AML officer who is responsible for replacing the AMLCO in case of his/her absence. Moreover, the Company has also designated a member of its Board who is responsible for the implementation of the provisions of the applicable legislation in relation to AML matters.

2.10. Risk Appetite

The Company defines Risk Appetite as the level of risk, by type and by business that the Company is prepared to incur given its strategic targets and is one of the strategic oversight tools available to the

Management Body.

The positioning of the business in terms of risk/return ratio as well as the Company’s risk profile by type of risk are analyzed and approved by the Board of Directors. The Company’s risk appetite strategy is implemented by the Senior Management in collaboration with the Board of Directors and applied by all divisions through an appropriate operational steering system for risks.

Throughout the year, the Company’s risk profile has remained within normal/acceptable levels despite effects of recent macroeconomic factors.

Finally, in regards to the IFR capital requirements, the Company has revised its regulatory appetite levels as per the below tables:

Key Risk Appetite Thresholds in 2025

	Total Ratio
● Comfortably above the limit	> 120%
● At the limit	100% - 120%
● Below the limit	< 100%

The Company strives to maintain its capital adequacy ratio at levels that exceed the Pillar I regulatory minimum requirement (100%), by the specified buffer reflected in the table above, by ensuring that its Own Funds are comfortably above its minimum capital requirements at any given point in time. As at 31st December 2025 the Company’s capital adequacy ratio was stood at 324,92% which as per above table is considered as comfortably above the limit.

2.11. Internal Capital Adequacy and Risk Assessment Process (“ICARA”)

The Internal Capital Adequacy and Risk Assessment (“ICARA”) Process describes the risk management and capital and liquidity position of the Company and sets out what the Company’s key risks are, how it manages those risks, and how the Company has satisfied and will satisfy the capital and liquidity requirements for now and for the next three years.

The ICARA report tests if the capital and liquidity of the Company are sufficient using stress testing on many cases scenarios and according to the risk appetite and financial projections of the Company, calculates the capital requirements needed in order to be complied with IFR and IFD framework.

The ICARA requires institutions to identify and assess the most material risks, maintain enough capital and liquidity levels to face these risks and apply appropriate risk-management techniques to maintain adequate capitalization on an ongoing and forward-looking basis, i.e., internal capital and liquidity supply to exceed internal capital and liquidity demand.

The ICARA falls under the scope of Pillar II of the prudential requirements of investment firms, which can be described as a set of relationships between the Regulator (i.e. CySEC) and the investment firm, the objective of which is to enhance the link between the investment firm’s risk profile, its risk

management and risk mitigation systems, as well as its capital and liquidity levels. Pillar II considers and evaluates any risk that is either not fully addressed, or not addressed at all in Pillar I.

The ICARA also serves as a stress testing tool used by the Company to rehearse the business response to a range of scenarios, based on variations of market, economic and other operating environment conditions. Stress tests are performed for both internal and regulatory purposes and serve an important role in:

- Understanding the risk profile of the Company;
- The evaluation of the Company’s ability in absorbing potential losses under stressed conditions (This takes place in the context of the Company’s ICARA on an annual basis);
- The evaluation of the Company’s strategy;
- The establishment or revision of risk limits.

2.12. Directorships held by Members of the Management Body

The Company’s members of the Management Body, and in particular of the Non-Executive positions, are often experienced professionals and businessmen that are invited to participate in other corporate boards. In line with this, the Company is responsible to approve and monitor such individuals in terms of conflicts of interest.

The BoD satisfies itself that financial controls and systems of risk management are robust. In accordance with Section 9, paragraph 4 of the Law, members of the BoD of a CIF that is significant in terms of its internal organization, size and the nature, the scope and the complexity of its activities, shall not hold more than one of the following combinations of directorships at the same time:

- one executive directorship with two non-executive directorships;
- four non-executive directorships

As for the year under review, the above-mentioned limits did not apply to the Company as the Company was not considered a significant CIF.

It is noted that directorships in organizations which do not pursue predominantly commercial objectives, such as non-profit or charitable organizations, are not taken into account for the purposes of the below. Furthermore, executive or non-executive directorships held within the same group, are considered as a single directorship.

The following table summarizes the number of positions that each member holds.

Directorships held by Members of the Management Body, including the directorship held in the Company, as at the time of preparation of this report:

Name of Director	Position within the Company	Executive Directorships ¹	Non-Executive Directorships ¹
Agathoclis Agathocleous	Non-Executive Director	1	2
Zacharias Georgiou	Non-Executive Director	1	1
Kleanthis Rousakis	Executive Director	1	-
Charalambos Stavrou	Executive Director ²	1	-

1. The information in this table is based only on representations made by the directors of the Company.

2. Mr. Charalambos Stavrou was appointed as a member of the Board of Directors (Executive Director) on 11 August 2025.

3. Principal Risks

Implementing an efficient risk management structure is a critical undertaking for the Company, in all businesses, asset classes and regions in which it operates. The Company’s risk management is supervised at the highest level to be compliant with the regulations enforced by CySEC and the European regulatory framework.

The Company operates in the financial services industry and considers the below risks as the most important, hence are continuously monitored in order to be mitigated the soonest possible:

Principal Risks- Main Pillar I Risks:

- Risk-to-Client (RtC);
- Risk-to-Market (RtM);
- Risk-to-Firm (RtF).

Additional risks not fully covered in Pillar I:

- Credit risk;
- ICT risks and digital operational resilience (DORA);
- Operational risk other than Daily Trading Flow (“DTF”);
- Regulatory risk;
- Reputational risk;
- Liquidity risk;
- Risks related to crypto assets and financial instruments relating to crypto assets.

Although the risks mentioned in the lists above are interconnected, for the purposes of these Disclosures, they are separated in order to be able to capture all the different components both from a regulatory as well as a general risk perspective.

3.1. Main Pillar I risks

This section sets out the Company’s policies and objectives in managing each key risk that arises from its activities and operations, as well as the strategies and processes it has put in place in order to manage and mitigate each such risk.

3.1.1. Risk-to-Client (RtC)

Risk to Client (“RtC”) is the risk that an investment firm poses to its clients in the event where it fails to properly carry out the services being offered to them. It reflects the risk covering the business areas of investment firms from which harm to clients can conceivably be generated in case of problems.

Failure to carry out its services or operations correctly will be a key risk that the Company would need to manage. The negative impact on clients of this failure could be substantial if not managed

appropriately.

There are four K-factors through which some of the core aspects of RtC are being captured and measured, and which act as proxies that cover the specific business areas that are referred to above.

These K-factors consist of the following:

- **K-AUM (Assets Under Management)** captures the risk of harm to clients from an incorrect discretionary management of client portfolios or poor execution and provides reassurance and client benefits in terms of the continuity of service of ongoing portfolio management and investment advice. As the Company has not yet activated the portfolio management investment service as at 31 December 2025, it was not subject to the risk relating to this K-factor.
- **K-CMH (Client Money Held)** captures the risk of potential harm where an investment firm holds money of its clients (subject to arrangements under applicable national law with respect to safeguarding client money) in the event of bankruptcy, insolvency, or entry into resolution or administration of the investment firm. As part of its business, the Company receives from its customers, cash deposits to enable them to perform transactions in financial instruments and to this end, it is subject to the risk captured by this K-factor.

Risk Mitigation Measures: The Company holds clients' money in segregated accounts with entities that are in accordance with paragraph 6(1) of the Directive DI87-01 of CySEC regarding the safekeeping of financial instruments and funds belonging to clients. Client funds reconciliation (platforms vs banks) is carried out daily. In addition, the Company has a Clients' Funds buffer policy. The buffer is monitored as part of the daily reconciliation, and it may not fall below the limit set in the policy. The Company continues its efforts to diversify the allocation of client funds across credit institutions. Furthermore, the capital requirements for K-CMH, are regularly calculated and monitored for internal risk management purposes and on a quarterly basis the XBRL file that monitor in detail K-CMH under RtC, is being produced by the Company and submitted to CySEC.

- **K-ASA (Assets Safeguarded and Administered)** the risk of safeguarding and administering client assets and ensures that investment firms hold capital in proportion to such balances, regardless of whether they are on its own balance sheet or in third-party accounts. This does not apply to the Company, as the Company solely provide CFDs which are treated as cash as of 31 December 2025 and thus its K-ASA requirements was equal to zero. In addition, the safeguarding of clients' positions in CFD products is captured under K-CMH in consideration of the nature of these products.
- **K-COH (Client Orders Handled)** captures the potential risk to clients of an investment firm which executes orders on behalf of, and in the name of clients. For the most part, the Company executes clients' orders as a principal. Nonetheless, this risk is applicable as the Company executes some client orders on an agency basis.

Risk Mitigation Measures: The Company's Head of Reception and Transmission Department is

responsible for monitoring best-execution of client orders utilizing a third-party best execution monitoring tool broadly used in the industry, which forms an integral part of the Company's monitoring framework, enhancing the effectiveness and consistency of its best execution oversight. Moreover, similarly to other k-factors, the capital requirements for K-COH, are regularly calculated and monitored for internal risk management purposes and on a quarterly basis the XBRL file that monitor in detail K-COH under RtC, is being produced by the Company and submitted to CySEC.

3.1.2. Risk-to-Market (RtM)

Risk to Market ("RtM") is the risk that an investment firm poses to the financial markets that it operates in and the counterparties that it trades with.

There are two K-factors that capture the principal risks under RtM:

- **K-NPR (Net Position Risk)** is based on the rules for Market risk for positions in equities, interest rate financial instruments, foreign exchange and commodities and is calculated in accordance with the methodologies set out in Regulation (EU) No. 575/2013 ("CRR"), as subsequently amended. K-NPR captures the exposure to Market risk, which is defined as the risk that changes in market prices will affect the Company's income or the value of its holdings of financial instruments. The Company's exposure to Market risk at any point in time depends primarily on market conditions and client activities during the trading day. The Company is subject to Market risk as a result of its trading activities where it acts as a counterparty to customers' CFD transactions, as well as from its on-balance sheet assets and liabilities that are denominated in a currency other than its reporting currency (the euro). The Company is therefore exposed to losses if adverse market movements cause the value of these items to decline.

The main types of Market risk the Company is exposed to are the following:

- **Foreign Exchange risk:** is the effect that unanticipated changes in foreign exchange rates may have on the Company's assets and liabilities. Foreign Exchange risk arises when future commercial transactions and recognized assets and liabilities are denominated in a currency that is not the Company's functional currency, as already mentioned. The Company is exposed to FX and gold CFDs, as well as from its on-balance sheet assets and liabilities that are denominated in non-reporting currencies (mainly USD, CHF, AUD, NZD, CAD and JPY) as at 31 December 2025.
- **Equity risk:** is the risk of loss from movements in the price of equities. The Company, during the year under review, is also subject to Equity risk when executing clients' orders for CFDs on equities and equity indices.
- **Commodity risk:** is the risk of loss from movements in the price of commodities. The Company is subject to Commodity risk arising from executing clients' orders for CFDs on commodities, which as at 31 December 2025 included agricultural and energy products, precious metals and base metals and cryptocurrencies.

Risk Mitigation Measures: The Company implements the Standardised Approach of the CRR to

quantify the Capital Requirements that correspond to all types of Market Risk it exposed to, i.e. Foreign Exchange risk, Equity risk and Commodity risk.

Capital requirements, as regards Market risk, are calculated by the Risk Manager for CAD reporting purposes. In addition, similarly to other k-factors, the capital requirements for Market risk are regularly calculated and monitored, and capital adequacy reports (XBRL file) that monitor in detail the capital requirements for K-NPR are being reported on a quarterly basis to the CySEC. The Company's Management monitors the Market risk on a continuous basis and acts accordingly.

- **K-CMG (Clearing Margin Given)** is an alternative to K-NPR to provide for Market Risk for trades that are subject to clearing as set out in Article 23 of IFR. CMG means the amount of total margin required by a clearing member or qualifying central counterparty, where the execution and settlement of transactions of an investment firm dealing on own account take place under the responsibility of a clearing member or a qualifying central counterparty. Bearing in mind the Company's size of relevant operations during 2025, this K-factor is not applicable to the Company.

3.1.3. Risk-to-Firm (RtF)

Risk to Firm ("RtF") captures an investment firm's exposure to the Risk of Default of its Trading Counterparties (K-TCD), the Concentration risk arising from its exposures to counterparties and their connected persons (K-CON) and Operational Risks from its Daily Trading Flow of transactions (K-DTF).

There are three K-factors that capture the key aspects of RtF, namely:

- **K-TCD (Trading Counterparty Default)** captures the Counterparty Credit Risk arising from an investment firm's exposures to the default of their trading counterparties. In particular, TCD means the exposures in the trading book of an investment firm in specific instruments and transactions (includes positions with both clients and Liquidity Providers) giving rise to the risk of trading counterparty default. The Company is exposed to TCD due to its Over-The-Counter CFD derivative transactions executed on principal basis.

Risk Mitigation Measures: For the most part the Company applies a Dealing on Own account model. Where third party execution venues are used to route client orders, the Company evaluates such venues. Part of the evaluation process includes an assessment of the execution policies and arrangements. Client's Counterparty Credit risk is mitigated through the implementation of margin calls and position close outs. The clients are required to deposit collateral (margin) against their positions, which act as a mitigant for the Company's K-TCD risk. Similarly, to other k-factors the capital requirements for K-TCD are regularly calculated and monitored for internal risk management purposes and capital adequacy reports (i.e. XBRL file) that monitor in detail the K-TCD are being reported on a quarterly basis to the CySEC.

- **K-DTF (Daily Trading Flow)** captures the risk of transactions that an investment firm enters through dealing on own account or the execution of orders on behalf of clients in its own name. It excludes the value of orders that an investment firm handles for clients through the reception and transmission of client orders and through the execution of orders on behalf of

clients and not in its own name, which are taken into account under the COH K-factor. K-DTF applies to the Company since it performs Dealing on Own Account (i.e. acting as principal) for executing client orders.

Risk Mitigation Measures: The Company's dealers monitor exposures continuously for excessive risk. Given the Company's business model hedging is modest and as such the Company maintains a robust capital base. Similarly to other k-factors the capital requirements for K-DTF are regularly calculated and monitored and capital adequacy reports (i.e. XBRL file) are being reported on a quarterly basis to the CySEC.

- **K-CON (Concentration Risk)** seeks to apply additional capital requirements to manage concentration to a single counterparty/ issuer of financial instruments or a group of connected counterparties/issuers to which a Company incurs Trading Book exposures. Pillar I Concentration risk could arise through the Company's TCD exposures towards its clients and Liquidity Providers for which it acts as the counterparty for executing their CFD transactions. In addition, it could arise from the Company's open positions in equity CFDs, as a result of concentration to the issuers of these underlying instruments (As per its XBRL file the Company did not exceed reportable concentration thresholds as at 31 December 2025). Moreover, Concentration risk may also arise from the concentration to a single product, currency, country, sector and industry. The Company is also subject to concentration towards credit institutions, payment and electronic service providers with which it holds both client and own funds. It should be noted that this risk reflects non-Trading Book exposures and is therefore not captured under the Company's Pillar I K-CON calculations, but in its ICARA process instead.

Risk Mitigation Measures: The Company monitors the exposure value of each trading counterparty and if excess occurs then the relevant capital requirements are calculated as per the provisions of IFR. Similarly, to other k-factors, relevant capital requirements are calculated through the capital adequacy reports (i.e. -XBRL file) that monitor in detail the K-CON capital requirements and submitted quarterly to the CySEC.

3.2. Other risks

3.2.1. Credit Risk

Credit risk arises from all transactions where actual, contingent or potential claims against any counterparty, borrower, obligor or issuer (which are referred to collectively as "counterparties") exist.

The Company measures, manages/mitigates and reports/monitors its Credit risk by consolidating all credit exposures to each obligor, in line with regulatory requirements and regularly monitoring the credit rating of all obligors.

Although the capital requirement of Credit risk has been essentially removed from the minimum capital requirements reporting under IFR, the Company continues to consider Credit risk as a key risk category under its broader risk management approach and it follows various credit risk mitigation strategies in order to minimize the possibility of occurrence of this risk, such as:

- Periodically the Company carries out credit reviews of counterparties, and when risks are identified, they are reported to the BoD, which then determines the Company's risk appetite for the said counterparties;
- The Company places funds in EU and EEA and/or highly rated credit institutions. The Company also apportions its holding of funds across several credit institutions, thus mitigating credit risk exposure efficiently;

Further to the above, the Company monitors credit risk concentration to any single (or related group of) counterparty(ies), and where such incidents manifest it takes action to diversify Credit Concentration risk.

3.2.2. ICT risks and digital operational resilience (DORA)

In the context of the Digital Operational Resilience Act (DORA), ICT risk means any reasonably identifiable circumstance related to the use of network and information systems which, if materialized, may compromise the security of systems and processes or disrupt the provision of services, potentially resulting in adverse operational, financial and/or reputational impacts. In 2025, following the entry into application of DORA, the Company formally incorporated ICT risk as a distinct risk category within its broader risk management framework and the ICARA assessment.

The Company's ICT risk profile includes, inter alia, risks relating to cybersecurity and information security, data privacy and data governance, access and identity management, system availability and infrastructure resilience, software vulnerabilities and patch management, and critical third-party ICT dependencies. These risks may arise from external threat actors, internal errors or misuse, technology failures, inadequate controls, or disruption at service providers.

ICT risks are managed through the Company's governance and control framework, including defined roles and responsibilities for ICT risk oversight, the maintenance of policies and procedures, and the operation of preventive and detective controls. Key measures include monitoring and escalation arrangements, incident management and reporting processes, business continuity and disaster recovery arrangements (including periodic testing), access controls and segregation of duties, employee awareness activities, and oversight of third-party ICT service providers through due diligence and ongoing monitoring.

The Company continues to monitor ICT risks on an ongoing basis and to enhance controls and resilience measures where appropriate, taking into account regulatory requirements and evolving threat and operational environments.

3.2.3. Operational Risk other than DTF

Operational risk corresponds to the risk of losses resulting from inadequate and/or failed internal processes, people, and systems or from external events.

The Company has in place processes, management tools and a control infrastructure to enhance the Company-wide control of its Operational risk. These include, among others, formalized procedures,

permanent supervision, business continuity plans, and functions dedicated to the oversight and management of specific types of operational risks, such as fraud, settlement risk, risk from excessive leverage, security risk, personnel issues, systems failure risks related to external events.

The Company manages Operational risk through a control-based environment in which processes are documented and transactions are reconciled and monitored. The Company's Risk Management Department has procedures in place for the identification, measurement, assessment, monitoring and mitigation of Operational risk. It provides guidance and advice to the business lines and acts as a channel of communication between the business lines and the BoD.

3.2.4. Reputational risk

Reputational risk could materialise after an incident urges the Company's clients, counterparties, investors or regulators to adopt an adverse perception about the Company and its image. It may also occur as an effect of poor customer service or from potential fines/sanctions imposed by CySEC, due to the loss of a key director, the loss of large clients, fraud or theft, client claims, legal actions against the Company and from negative publicity relating to the overall Company's operations whether such fact is true or false.

The Company is inevitably exposed to Reputational risk due to the nature of its business and the potential for negative comments placed by clients or other parties in forums and other forms of social media, which may often be false or misleading and can spread widely and in a relatively short timeframe.

The Company aims to minimise Reputational risk through the implementation of a strong internal control system and adequate policies and procedures (including in the area of client complaint handling). The Company has in place a Complaint Handling Policy. Compliance monitors the nature and frequency of complaints and provides guidance on complaints' handling on an ongoing basis. Furthermore, the Company aims to also mitigate this risk by ensuring that all employees are adequately trained and equipped with the required skills to fulfil their duties.

3.2.5. Liquidity risk

Liquidity risk is the possibility that, over a specific horizon, the Company will be unable to meet its demands/needs for money (i.e., cash) through a probable mismatch of assets and liabilities. Furthermore, liquidity risks can also arise either via extreme market conditions and/or failures of designated counterparties that the Company associates with. Further to the above, and subject to the positions of the Directive DI87-01 of CySEC, the CySEC is exposed to Liquidity risk with respect to the accounts that the client funds are kept. Extreme market conditions can lead to failure of multiple counterparties (i.e., Liquidity Providers, credit institutions, payment service providers, etc.) that will lead the Company to face liquidity issues.

In addition to the Minimum Capital Requirements, a Liquidity Requirement was introduced by the IFR (Article 43(1)) according to which the Company is required to maintain liquidity levels equal to at least one third of its Fixed Overhead Requirement ("FOR"). As at 31st of December 2025 the Company satisfied the Liquidity Requirement.

3.2.6. Risk related to crypto assets and financial instruments relating to crypto assets

The Company offers to its clients CFDs in various assets. The Company is treating exposures coming from CFDs in Crypto assets as market commodity risk and is calculated according to Articles 355 to 361 of the CRR.

Crypto-asset exposure amounts and capital requirements:

As at 31st of December 2025, the Company held material exposure in crypto-asset holdings and therefore, is under the disclosure requirements of CySEC’s C462 “Prudential treatment of crypto assets and enhancement of risk management procedures associated with crypto assets”.

Under K-TCD, the overall exposure amount from CFDs in crypto assets as at 31st of December 2025 was EUR 91K, while the overall capital requirement was EUR 9K. Under Market (Commodity) Risk, the Net Position of the Company on CFDs in cryptos was EUR1.090K short, resulting to total Market Risk capital requirements of EUR 196K. Both the Company’s exposure amounts and capital requirements in relation to CFDs in cryptos are computed based on the provisions of Circular C462 that issued by CySEC on August 3rd, 2021.

4. Own Funds

The Company monitors Minimum Capital Requirements, Capital Adequacy ratio, Liquidity Requirement and the use of the regulatory capital at least on a quarterly basis, in accordance with the IFR & IFD prudential framework. As at 31 of December 2025, the Company’s Own Funds comprised entirely out of Common Equity Tier 1 (“CET1”) Capital.

As per the IFR/IFD rules, investment firms are required to maintain Own Funds consisting of the sum of their CET1 Capital, Additional Tier 1 capital and Tier 2 capital, and shall meet all of the following conditions at all times:

- a. CET1 Capital of at least 56% of Minimum Capital Requirements;
- b. CET1 Capital and Additional Tier 1 Capital of at least 75% of Minimum Capital Requirements;
- c. CET1 Capital, Additional Tier 1 Capital and Tier 2 Capital of at least 100% of Minimum Capital Requirements.

4.1. Capital Management

As part of managing its capital, the Company ensures that its solvency level is always compatible with the following objectives:

- Maintaining its financial solidity and respecting the Risk Appetite targets;
- Maintaining the Company’s resilience in the event of stress scenarios;
- Meeting the expectations of the regulator and shareholders.

The Company determines its capital adequacy thresholds in accordance with the above and the Senior Management is tasked to monitor the capital on a constant basis.

The tables below have been prepared using the format set out in Commission Implementing Regulation (EU) 2021/2284 laying down implementing technical standards for the application of Regulation (EU) 2019/2033 with regard to supervisory reporting and disclosures of investment firms. Template EU IF CC1.01 presents the composition of the Company's Own Funds as at 31 December 2025, while EU IF CC2 indicates how these Own Funds reconcile with the Company's audited Balance Sheet as of this date. As shown below, the Company's Own Funds as of 31 December 2025 consisted solely of CET1 Capital resources and amounted to €16.799K.

Template EU IF CC1.01 - Composition of Regulatory Own Funds

Template EU IF CC1.01			
Ref	Own Funds component	31 Dec 2025 (€'000)	Source based on reference numbers/letters of the Balance Sheet in the audited Financial Statements (cross reference to EU IF CC2)
1	OWN FUNDS	16.799	
2	TIER 1 CAPITAL	16.799	
3	COMMON EQUITY TIER 1 CAPITAL	16.799	
4	Fully paid up capital instruments	13	Ref 1 (Shareholders' Equity)
5	Share premium	1.182	Ref 2 (Shareholders' Equity)
6	Retained earnings	10.864	Ref 4 (Shareholders' Equity)
10	Adjustments to CET1 due to prudential filters	(6)	
11	Other funds	4.863	Ref 3 (Shareholder's Equity)
27	CET1: Other capital elements, deductions and adjustments	(117)	Ref 1 (Assets)
28	ADDITIONAL TIER 1 CAPITAL	-	
40	TIER 2 CAPITAL	-	

Template EU IF CC2: Own Funds: Reconciliation of Regulatory Own Funds to Balance Sheet in the Audited Financial Statements

Template EU IF CC2			
(€'000)		Balance Sheet as in audited Financial Statements	Cross reference to EU IF CC1
		31 December 2025	
Ref			
	Total Assets	17.241	
	Of which:		

1	Deposit with Investor's Compensation Fund ("ICF") and additional cash buffer for ICF (part of trade and other receivables)	117	Ref 27
	Total liabilities	319	
	Total Shareholders' Equity	16.922	
	of which:		
1	Share capital	13	Ref 4
2	Share premium	1.182	Ref 5
3	Other reserves	4.863	Ref 11
4	Retained earnings	10.864	Ref 6

5. Minimum Capital Requirements

Under the IFR & IFD framework, Class 2 investment firms are required to derive their Minimum Capital Requirements by taking the highest of the FOR, the Permanent Minimum Capital Requirement ("PMCR") and the K-factors that apply to them.

5.1. Fixed Overhead Requirement (FOR)

The Company's policy is to monitor its FOR at least on a quarterly basis. The Company calculates its FOR by taking the one quarter of the fixed overhead expenses of the preceding year, calculated using figures resulted from the most recent audited annual financial statements, where available, after the distribution of profits, in accordance with the provisions of Article 13 of the IFR. The Company's FOR as at 31 December 2025 amounted to €1.270K.

5.2. Permanent Minimum Capital Requirement (PMCR)

The Company monitors on a continuous basis its Own Funds in order to ensure that they remain at all times above the PMCR of €750K, which corresponds to its initial capital requirement under Article 14 and Article 9 of the IFR and IFD respectively, according to the investment and ancillary activities it is authorised to carry out.

5.3. K-Factors (RtC, RtM, RtF)

The Company's K-factor requirement is calculated in accordance with Articles 16 through to 33 of the IFR. For the year under review, the Company is exposed to all types of k-factors as these described in Section 3 above. The total K-Factor requirement of the Company as at 31 December 2025 amounted to €5.170K.

The below table breakdowns the Pillar I Minimum Capital Requirements that the Company is required to hold as of 31st of December 2025.

Minimum Capital Requirements		
K-Factor Requirement		31 December 2025 (€'000)
Risk-to-Client (RtC)	K-AUM	-
	K-CMH	111
	K-ASA	-
	K-COH	1
Risk-to-Market (RtM)	K-NPR	4.183
	K-CMG	-
Risk-to-Firm (RtF)	K-TCD	816
	K-DTF	59
	K-CON	-
Total K-Factor Requirement		5.170
Fixed Overhead Requirement – FOR		1.270
Permanent Minimum Capital Requirement – PMCR		750

The table above shows that as at 31 December 2025, the K-Factor requirements of €5.170K is the highest amount of Minimum Capital Requirement that the Company must hold at all times.

5.4. Capital Adequacy Ratio

The capital adequacy ratio is a key metric for a financial institution and is calculated by comparing the institutions' Own Funds with the highest of the three Capital Requirements (K-Factor Requirement, Fixed Overhead Requirement and Permanent Minimum Capital Requirement) as mentioned in Section 4 above. The calculation always follows a strict set of rules as defined by IFR. The minimum Total Capital Ratio that must be maintained at all times is 100% as set out in Article 9(1)(c) of IFR.

The table below indicates that, as at 31/12/2025, the Company had a Total Capital Ratio of 324,92% and capital excess of EUR 11.629K.

(€'000) - 31 December 2025	Fully phased in	Reference
Capital		
Common Equity Tier 1	16.799	a
Additional Tier 1	-	b
Tier 2	-	c
Total Own Funds	16.799	$d = (a + b + c)$
Minimum Capital Requirements		
K-factor Requirement	5.170	e
Fixed Overhead Requirement	1.270	f

Permanent Minimum Capital Requirement	750	<i>g</i>
Minimum Capital Requirements	5.170	<i>h = (higher of e, f, g)</i>
Capital Excess/Ratio		
Capital Excess	11.629	<i>d - h</i>
Capital Ratio	324,92%	<i>d / h</i>

6. Remuneration Policy

The Company has established a remuneration policy, the purpose of which is to set out the remuneration practices of the Company taking into consideration the salaries and benefits of the employees, in accordance with the remuneration principles set out in Section 24(1) of the Prudential Law and any other relevant guidelines in a way and to the extent that is appropriate and proportionate to the Company's size, internal organization and the nature, scope and complexity of its activities.

Remuneration refers to payments or compensations received for services or employment. The Company's remuneration can be either financial (such as cash, shares, options, cancellations of loans to relevant persons at dismissal, pension contributions, remuneration by third parties for instance through carried interest models, wage increases) or non-financial (such as career progression, health insurance, discounts or special allowances, generous expense accounts or seminars in exotic destinations, etc.). These benefits are frequently reviewed in order to ensure that they are appropriate to the Company's size, internal organization and the nature, scope and complexity of its activities.

The Company's remuneration policy is gender neutral. Gender neutrality emphasizes the equal treatment of men and women and people of any other gender legally with no discrimination whatsoever.

The Company has defined and implemented remuneration policies and practices under appropriate internal procedures taking into account the interests of all the clients of the Company, with a view to ensuring that clients are treated impartially, and their interests are not impaired by the remuneration practices adopted by the Company in the short, medium or long term.

The Company's policy is that remuneration should not be solely or predominantly based on quantitative commercial criteria and should take fully into account appropriate qualitative criteria reflecting compliance with the applicable regulations, the fair treatment of clients and the quality of services provided to clients.

The Company's policy is in line with its business strategy, objectives, values and long-term interests and incorporates measures to avoid conflicts of interest (e.g., when it comes to the remuneration of its employees, having directly or indirectly an impact on clients' best interests) and to promote code of conduct requirements as well as promote investor protection and serve clients' best interest.

Moreover, the Company's policy is consistent with sound and effective risk management and does not encourage risk-taking at the "management" and/or "own trading" levels, which exceeds the thresholds of risk appetite and tolerated risk. Further, staff engaged in control functions is only remunerated in accordance with the achievement of the objectives linked to their functions, independent of the performance of the business areas they control. The employees are informed at the outset of criteria used to determine the amount of their remuneration the steps and timing

of performance review.

The employees' total remuneration currently consists of a fixed component while variable components may also occur. Fixed remuneration varies for different positions/roles depending on each position's actual functional requirements, and it is set at levels which reflect the educational level, experience, accountability, and responsibility needed for an employee to perform each position/role.

The Company's fixed remuneration is approved by the Board of Directors for all the relevant employees. Benefits provided to the Company's employees, such as medical, indemnity & insurance protection, card and rent allowances are not employee performance-related and are considered part of the fixed remuneration.

The Company does not guarantee any variable remuneration for the year under review. Nevertheless, the Company is dedicated to recognizing the contribution of the employees to its success by payment of bonuses whenever it is financially appropriate and depending on the performance of the Company as a whole. Moreover, the variable remuneration is also allocated to employees based on the individual performances. The Company does not offer any option schemes, or any reward linked to shares of the Company. The current portion of the variable remuneration is capped at 100% of annual fixed salary and this was adhered for 2025.

The Board of Directors for the payment of any variable remuneration to employees takes into financial and non-financial performance of the financial year against targets and a quantitative and qualitative assessment of a number of variables during the aforementioned year.

Where remuneration is performance related, the total amount of remuneration is based on a combination of the assessment of the performance of the individual and of the business unit concerned and of the overall results of the Company and when assessing individual's performance, financial as well as non-financial criteria are taken into account.

A balance between fixed and variable components of remuneration is maintained at all times, so that the remuneration structure does not favour the interests of the Company or its relevant persons against the interests of any client. It is noted that, for the year under review, no remuneration is payable under deferral arrangements (with vested or unvested portions), nor share options were offered or new sign-on, nor there are any severance payments.

As already mentioned above, the Company is not significant in terms of its size, internal organisation and the nature, the scope and the complexity of its activities and thus decided not to have a Remuneration Committee in place for the year under review. The BoD of the Company is responsible for the day-to-day implementation of the remuneration policy and the monitoring of compliance risks related to the policy.

The Company's remuneration policy is designed to regulate the benefits of all employees with particular focus on those categories of staff whose professional activities have a material impact on its risk profile, such as the Senior Management, Heads of the Departments and the members of the Board of Directors. In the case of the latter, the remuneration policy is designed in such a

way as to provide the right incentives to achieve the key business aims of the Company.

The remuneration of the Senior Management personnel, including BoD and members of staff whose actions have a material impact on the risk profile of the Company is shown in the following table:

Aggregate Remuneration for 2025 broken down by business area

€' 000	No. of staff	Fixed (€' 000)	Variable (€' 000)	Non-cash	Total (€' 000)
Senior Management (including Executive and Non-Executive Directors)	4	273	8	-	281
Members of staff whose actions have a material impact on the risk profile of the Company	10	409	59	-	468
Grand Total	14	682	67	-	749

7. Investment policy

In accordance with Article 52 of the IFR, Investment Firms should disclose the following information in relation to their investment policy, where value of their on and off-balance sheet assets is, on average, more than 100 million EUR over the four-year period immediately preceding the given financial year:

- the proportion of voting rights attached to the shares held directly or indirectly by the investment firm, broken down by Member State and sector;
- a complete description of voting behavior in the general meetings of companies the shares of which are held in accordance with paragraph 2 of Article 52 of IFR, an explanation of the votes, and the ratio of proposals put forward by the administrative or management body of the company which the investment firm has approved;
- an explanation of the use of proxy advisor firms; and
- the voting guidelines regarding the companies the shares of which are held in accordance with paragraph 2 of Article 52 of IFR.

As at December 31st 2025, the Company does not meet the above requirement, therefore, no further disclosure is required to be made.

8. Environmental, social and governance risks (“ESG risks”)

In accordance with Article 53 of the IFR, from 26 December 2022, Investment Firms shall disclose information on ESG risks, including physical risks and transition risks, as defined in the report referred to in Article 35 of IFD, where the value of their own on and off-balance sheet assets is, on average, more than 100 million EUR over the four-year period immediately preceding the given financial year.

As at December 31st 2025, the Company does not meet the above requirement, therefore, no further disclosure is required to be made.

Appendix I – Main Features of Own Funds

EU IF CCA: Own funds: main features of own instruments issued by the Company

<i>Common Equity Tier 1 instruments</i>	
Issuer	Company
Unique identifier (e.g. CUSIP, ISIN or Bloomberg identifier for private placement)	N/A
Public or private placement	Private
Governing law(s) of the instrument	Cyprus Companies Law
Instrument type (types to be specified by each jurisdiction)	Ordinary Shares
Amount recognised in regulatory capital (in thousands of EUR)	EUR 1.195K
Nominal amount of instrument	EUR 13K
Issue price	Various
Redemption price	N/A
Accounting classification	Shareholder's Equity
Original date of issuance	15/06/2016
Perpetual or dated	N/A
Original maturity date	No maturity
Issuer call subject to prior supervisory approval	N/A
Optional call date, contingent call dates and redemption amount	N/A
Subsequent call dates, if applicable	N/A
<i>Coupons / dividends</i>	
Fixed or floating dividend/coupon	N/A
Coupon rate and any related index	N/A
Existence of a dividend stopper	N/A
Fully discretionary, partially discretionary or mandatory (in terms of timing)	N/A
Fully discretionary, partially discretionary or mandatory (in terms of amount)	N/A
Existence of step up or other incentive to redeem	N/A
Non-cumulative or cumulative	N/A
Convertible or non-convertible	N/A
If convertible, conversion trigger(s)	N/A
If convertible, fully or partially	N/A
If convertible, conversion rate	N/A

If convertible, mandatory or optional conversion	N/A
If convertible, specify instrument type convertible into	N/A
If convertible, specify issuer of instrument it converts into	N/A
Write-down features	No
If write-down, write-down trigger(s)	N/A
If write-down, full or partial	N/A
If write-down, permanent or temporary	N/A
If temporary write-down, description of write-up mechanism	N/A
Non-compliant transitioned features	No
If yes, specify non-compliant features	N/A
Link to the full term and conditions of the instrument (signposting)	N/A