



DISCLOSURE AND MARKET DISCIPLINE REPORT

in accordance with Regulation (EU) 2019/2033 of the European Council and the Parliament of the Prudential Requirements of Investment Firms (IFR) and Directive (EU) 2019/2034 of the European Council and the Parliament on the Prudential Supervision of Investment Firms (IFD)

31 December 2025

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1. Introduction

1.1 Corporate information

Ronin Europe Limited (the “Company”) was incorporated on 21 August 2006 as a private limited liability company under the Cyprus Companies Law, Cap. 113, with registration number HE 182457. The Company’s principal activity is the provision of investment and ancillary services as a licensed investment firm.

On 31 October 2007, the Company was authorised by the Cyprus Securities and Exchange Commission (“CySEC”) to operate as a Cyprus Investment Firm (“CIF”) under licence number 081/07. The licence authorises the Company to provide investment services both within Cyprus and on a cross-border basis outside Cyprus.

Subsequently, on 7 November 2011, the Company’s licence was extended to include the provision of dealing on own account services.

According to its CIF license, the Company is authorized to provide the following investment and ancillary services:

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
- Portfolio management
- Provision of investment advice

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
- Advice to undertakings on capital structure, industrial strategy and related matters and advice and services relating to mergers and the purchase of undertakings
- Foreign exchange services where these are connected to the provision of investment services
- Services Related to Underwriting
- Investment services and activities as well as ancillary services where these are connected to the provision of investment or ancillary services.

1.2 Pillar III Regulatory Framework

Regulatory framework overview:

The information below is disclosed in accordance with the legal framework currently in force:

- the Regulation (EU) 575/2013, issued on 26.6.2013 on prudential requirements for credit institutions and investment firms, amending Regulation (EU) No. 648/2012 (the “CRR”), in particular articles 432 and 433 of Part Eight thereto;
- the Directive 2013/36/EU issued on 26.06.2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms, amending Directive 2002/87/EC and repealing Directives 2006/48/EC and 2006/49/EC (the “CRD IV”) as amended by the Directive 2014/17/EU, Directive 2014/59/EU, Directive (EU) 2015/2366 and Directive (EU) 2018/843;

- Regulation (EU) 2019/2033, also known as the Investment Firms Regulation (IFR);
- Directive (EU) 2019/2034, also known as the Investment Firms Directive (IFD);
- EBA ITS on prudential disclosures under IFR;
- Law L. 165(I)/2021 to provide for the prudential supervision of Investment Firms.

The prudential framework applicable to investment firms under the Investment Firms Regulation (“IFR”) and Investment Firms Directive (“IFD”) is structured around three complementary pillars:

1. Pillar I establishes the minimum prudential requirements relating to own funds, concentration risk, liquidity and K-factor requirements for investment firms.
2. Pillar II relates to the Supervisory Review and Evaluation Process (“SREP”) and the Internal Capital and Risk Assessment (“ICARA”) process. Under this pillar, investment firms are required to maintain sound governance and risk management arrangements and to assess whether they hold adequate own funds and liquid assets to cover the risks to which they are exposed, including risks not fully captured under Pillar I requirements
3. Pillar III concerns market discipline and transparency through public disclosures. Investment firms are required to disclose information regarding their risk management objectives and policies, governance arrangements, own funds, own funds requirements, remuneration policies and practices, and other prudential information in accordance with Part Six of Regulation (EU) 2019/2033.

The disclosures contained in this report have been prepared by Ronin Europe Limited (the “Company” or “Ronin”) for the financial year ended 31 December 2025.

1.3 Disclosure policy: Basis and Frequency of Disclosure / Location and verification

The 2025 Pillar III Disclosures Report (the “Report”) of Ronin Europe Limited has been prepared in accordance with the disclosure requirements set out in Articles 46 to 53 of Regulation (EU) 2019/2033 on the prudential requirements of investment firms.

The purpose of this Report is to provide transparent and comprehensive qualitative and quantitative information regarding the Company’s prudential framework, including its governance arrangements, risk management objectives and policies, own funds, own funds requirements, capital adequacy, remuneration policies and practices, and exposure to material risks arising from its business activities.

The disclosures included in this Report are intended to enhance market discipline and enable clients, counterparties, regulators, and other stakeholders to assess the Company’s risk profile, capital strength, and risk management practices.

This Report has been prepared on an annual basis and is published in conjunction with the Company’s annual audited financial statements for the year ended 31 December 2025.

In determining the frequency and scope of the disclosures, the Company has taken into consideration the nature, scale, and complexity of its activities, as well as the proportionality principle under the IFR framework. The Company has assessed that its risk profile, business model, and capital position do not fluctuate materially over short periods of time. Accordingly, annual disclosure is considered appropriate and sufficient to provide users with meaningful and reliable information regarding the Company’s prudential position and risk management framework.

1.3.1 Location of publication

The Company’s Pillar III disclosures are published on the Ronin Europe Limited corporate website:

<https://ron.in/regulatory-framework/>

Additional information regarding the risks to which the Company is exposed, as well as the related risk management practices and financial position of the Company, can be found in the audited Annual Report and Financial Statements of Ronin Europe Limited for the year ended 31 December 2025.

<https://ron.in/financial-reports/>

1.3.2 Verification

The Company’s Pillar III disclosures are subject to internal review and validation processes prior to their submission to the Board of Directors for approval. The review process includes the involvement of the Directors, the Risk Manager, and the General Manager, in order to ensure the accuracy, completeness, and appropriateness of the disclosures.

The Pillar III disclosures have been reviewed and formally approved by the Board of Directors of the Company. In addition, the remuneration-related disclosures have been reviewed by the Remuneration Committee in accordance with the applicable governance and remuneration requirements under the Investment Firms Directive (“IFD”).

The disclosures are prepared based on the Company’s audited Annual Report and Financial Statements and are subject to external verification by Deloitte Ltd, the Company’s independent external auditors.

In accordance with the applicable regulatory requirements, the Company is required to submit the auditor’s verification report to the Cyprus Securities and Exchange Commission (“CySEC”) within five months from the financial year-end.

2. Scope of the Application

The disclosures contained in this Report are based on the audited financial statements of Ronin Europe Limited for the year ended 31 December 2025, which were approved and signed by the Board of Directors on 22 April 2025.

The Report has been prepared in accordance with the prudential disclosure requirements set out in Part Six of Regulation (EU) 2019/2033 (“IFR”) and is presented on an individual (solo) basis. Accordingly, the disclosures relate solely to Ronin Europe Limited and do not include the financial position, risk profile, or activities of any affiliated entities, subsidiaries, or group undertakings.

The prudential information disclosed in this Report is prepared using the same accounting basis as that applied in the preparation of the Company’s audited financial statements. The disclosures aim to provide a comprehensive overview of the Company’s governance arrangements, capital adequacy, own funds, risk management framework, and exposure to material risks arising from its operations as a Cyprus Investment Firm regulated by the Cyprus Securities and Exchange Commission (“CySEC”).

The Company assesses on an ongoing basis whether there have been any changes to its scope of prudential consolidation or regulatory classification that may affect the basis of preparation or presentation of these disclosures. During the reporting period, no such material changes occurred..

3. Classification and prudential requirements

The IFR/IFD framework introduced a new prudential regime specifically tailored to investment firms, taking into account the nature, scale, and complexity of their activities, as well as their systemic importance and level of interconnectedness with the wider financial system. The framework establishes differentiated prudential requirements and supervisory expectations based on the classification of investment firms into three categories: Class 1, Class 2, and Class 3 investment firms.

Class 1 Investment Firms

Class 1 investment firms are considered systemically important institutions. These are firms that are authorised to deal on own account and/or underwrite or place financial instruments on a firm commitment basis and whose consolidated assets exceed EUR 30 billion. Due to their size and systemic relevance, such firms are treated similarly to credit institutions and are subject to the prudential requirements of Regulation (EU) No 575/2013 (“CRR”) and Directive 2013/36/EU (“CRD”).

Class 2 Investment Firms

Class 2 investment firms comprise firms that are not classified as Class 1 and that exceed one or more of the thresholds established under the IFR framework. These firms are subject to the full prudential regime under IFR/IFD, including own funds, concentration risk, liquidity, governance, remuneration, and disclosure requirements.

An investment firm is generally classified as a Class 2 firm where it meets one or more of the following criteria:

- annual gross revenue from investment services and activities exceeding EUR 30 million, calculated as a two-year average;
- assets under management (“AUM”) exceeding EUR 1.2 billion;
- client orders handled exceeding:
 - EUR 100 million per day for cash trades; or
 - EUR 1 billion per day for derivatives trades;
- total on- and off-balance-sheet assets exceeding EUR 100 million;
- the firm holds client money or safeguards and administers client assets; or
- the firm is exposed to K-factor requirements relating to:
 - Assets Safeguarded and Administered (“K-ASA”),
 - Client Money Held (“K-CMH”),
 - Daily Trading Flow (“K-DTF”),
 - Trading Counterparty Default (“K-TCD”), or
 - Net Position Risk (“K-NPR”).

Class 2 investment firms are required to maintain own funds at all times equal to at least the higher of:

- the Permanent Minimum Capital Requirement (“PMR”),
- the Fixed Overheads Requirement (“FOR”), and
- the K-Factor Requirement (“KFR”).

In addition, Class 2 firms are required to comply with the Internal Capital and Risk Assessment (“ICARA”) process, liquidity requirements, concentration risk limits, governance standards, remuneration requirements, and public disclosure obligations under Part Six of the IFR.

Class 3 Investment Firms

Class 3 investment firms are defined as small and non-interconnected firms that do not exceed the thresholds applicable to Class 2 firms. Such firms are subject to a simplified prudential regime due to the limited scale and complexity of their activities.

Classification of the Company

Based on the assessment performed in accordance with the IFR and IFD requirements, Ronin Europe Limited is classified as a Class 2 Investment Firm.

Accordingly, the Company is subject to the prudential, governance, risk management, remuneration, liquidity, and disclosure requirements applicable to Class 2 investment firms under the IFR/IFD framework.

4. Risk Management Framework

Risk management forms an integral part of the Company’s business operations and strategic decision-making process. Due to the nature of its activities, Ronin Europe Limited (the “Company”) is exposed to a variety of risks arising from the provision of investment and ancillary services. The Company’s objective is to manage these risks effectively and prudently, while supporting sustainable business growth, safeguarding clients’ interests, and maintaining the safety and soundness of the Company.

The Company has established a comprehensive risk management framework designed to identify, assess, monitor, manage, and report the risks arising from its activities. The framework is proportionate to the nature, scale, and complexity of the Company’s operations and is aligned with the requirements of the Investment Firms Regulation (“IFR”) and Investment Firms Directive (“IFD”).

At a strategic level, the Company’s risk management objectives are to identify the material risks arising from its business activities, maintain an appropriate risk appetite framework aligned with its strategic objectives, support effective risk-taking and decision-making processes, and ensure that business growth is supported by adequate controls and sufficient financial resources. The framework also aims to enhance the coordination, oversight, and communication of risk management activities across the organisation.

The Company’s approach to risk management is based on a continuous process of risk identification, assessment, control, monitoring, and reporting. Risks arising from the Company’s activities, systems, processes, and external environment are assessed on an ongoing basis in order to determine their potential impact on the Company’s operations, financial position, and regulatory obligations. Appropriate policies, procedures, limits, and controls are implemented to ensure that risks remain within the Company’s approved risk appetite and tolerance levels.

The Company seeks to maintain an overall medium-to-low and predictable risk profile. The Board of Directors is responsible for approving the Company’s risk appetite and overseeing the effectiveness of the risk management framework. The Company continuously monitors its exposure to operational, market, liquidity, compliance, reputational, and other material risks and takes corrective measures where necessary.

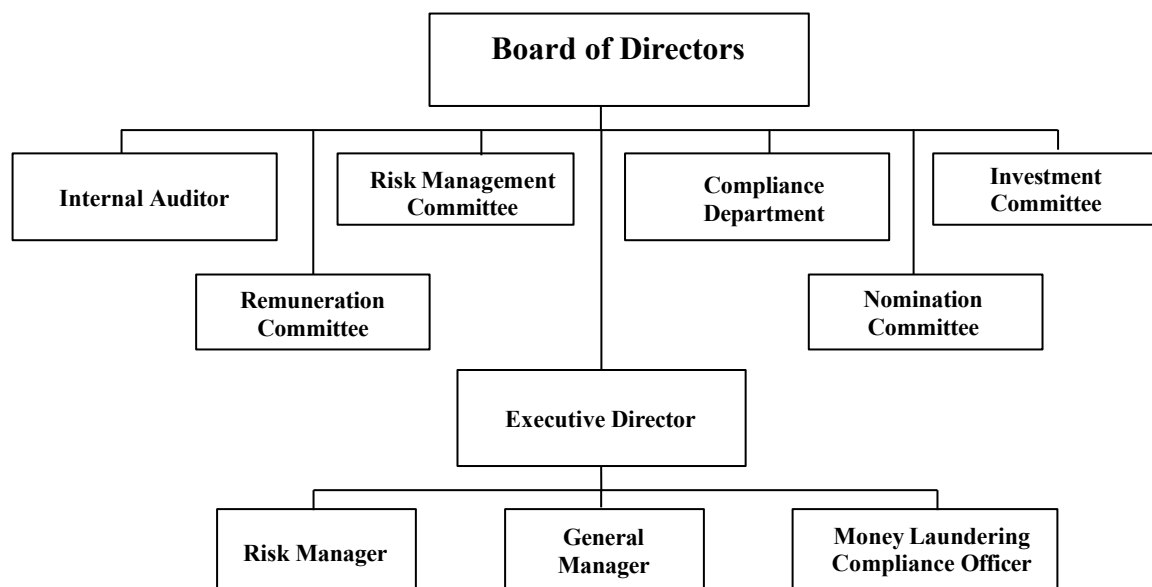
The risk management framework is supported by clearly defined organisational structures, reporting lines, and allocation of responsibilities. Internal reporting mechanisms are in place to provide management and the Board of Directors with timely, accurate, and relevant information regarding the Company’s risk exposures and control environment.

Oversight of the framework is exercised through the Company’s governance structure, including the Board of Directors and relevant management and control functions, as described further in Section 5 – Governance Arrangements. The framework and its components are subject to periodic review and assessment by the Risk Management Function, Compliance Function, Internal Audit Function, senior management, and the Board of Directors in order to ensure their ongoing adequacy, effectiveness, and compliance with applicable regulatory requirements.

The Company’s risk management strategy and overall framework remained broadly unchanged during 2025. The Board of Directors and senior management are satisfied that the Company’s risk management arrangements are appropriate and proportionate to the nature, scale, and complexity of the Company’s activities and risk profile.

5. Risk Governance – Board and Committees

Ronin Europe Limited recognises the importance of strong corporate governance and has established an effective governance framework designed to support sound and transparent decision-making, effective oversight, and prudent risk management. As part of this framework, the Company has established a number of committees and control functions to assist the Board of Directors in the discharge of its responsibilities and to ensure the effective management and monitoring of the Company’s activities and risks.



5.1 Board of Directors

The Board of Directors is the ultimate decision-making body of the Company and is responsible for the overall governance, strategic direction, and oversight of Ronin Europe Limited. The Board currently consists of two independent non-executive directors, one non-executive director, and two executive directors, thereby ensuring an appropriate balance between executive management and independent oversight.

The Board is responsible for ensuring that the Company complies with its obligations under the applicable legal and regulatory framework, including the requirements of the Investment Firms Regulation (“IFR”), Investment Firms Directive (“IFD”), the Investment Services and Activities and Regulated Markets Law, and relevant circulars and directives issued by the Cyprus Securities and Exchange Commission.

As part of its governance responsibilities, the Board establishes, oversees, and periodically reviews the adequacy and effectiveness of the Company’s governance arrangements, internal control mechanisms, policies, and procedures. The Board ensures that the Company maintains sound administrative and accounting procedures, effective risk management processes, and appropriate internal control systems proportionate to the nature, scale, and complexity of its activities.

The Board receives regular reporting from the Company’s control functions, including the Compliance Function, Internal Audit Function, Risk Management Function, and the AML Compliance Officer. Such reporting is provided on a periodic basis, and at least annually, in order to enable the Board to assess the effectiveness of the Company’s control environment and ensure that appropriate remedial actions are taken where deficiencies or weaknesses are identified.

The Board is also responsible for overseeing the Company's internal control framework and ensuring that adequate systems and controls are maintained to identify, monitor, and manage the risks arising from the Company's activities, prevent activities that fall outside the Company's approved business strategy and risk appetite, prevent unlawful or non-compliant transactions, ensure the integrity and reliability of financial and operational information, and maintain effective and timely internal reporting and escalation mechanisms.

In addition, the Board is responsible for approving material outsourcing arrangements and ensuring that any outsourced activities do not impair the quality of the Company's internal controls, operational resilience, or regulatory compliance.

The Board, in cooperation with the Risk Manager and the Risk Management Committee, oversees the implementation and ongoing effectiveness of the Company's risk management framework and internal control mechanisms.

The principal responsibilities and objectives of the Board include:

- setting the Company's strategic objectives and overall business direction;
- establishing and overseeing the Company's governance framework and corporate culture;
- appointing, supporting, and evaluating the performance of senior management, including the General Manager;
- ensuring the adequacy of the Company's financial, operational, and human resources;
- reviewing and approving the Company's annual budget and business plans;
- overseeing the integrity of the Company's accounting and financial reporting systems;
- approving key internal policies and procedures;
- overseeing remuneration arrangements and approving the Remuneration Policy;
- reviewing and approving the Company's audited Financial Statements;
- reviewing and approving the Annual Risk Management Report, Annual Compliance Report, Annual Internal Audit Report, AMLCO Annual Report, ICARA Report, Recovery and Resolution Plans, and other regulatory submissions.

5.1.1 Board recruitment policy

The Company recognises that the effectiveness of the Board of Directors depends on the collective competence, integrity, experience, and diversity of its members. The Board recruitment and appointment process is therefore designed to ensure that members of the Board possess the necessary knowledge, skills, experience, and independence required to perform their duties effectively and to contribute to the sound and prudent management of the Company.

The appointment of directors is based on a rigorous assessment of both technical expertise and competency-based criteria, taking into consideration the Company's business activities, strategic objectives, governance framework, and regulatory obligations. The recruitment process aims to ensure an appropriate balance of executive, non-executive, and independent non-executive representation on the Board, as well as a diversity of professional backgrounds, experience, and perspectives.

The Company applies fair and transparent recruitment practices designed to attract and select suitably qualified candidates through a merit-based process. The selection and appointment of directors are conducted in accordance with the principles of equal opportunity, diversity, and non-discrimination, without regard to gender, race, colour, nationality, ethnic origin, religion, age, disability, or any other

protected characteristic.

Prior to appointment, prospective directors undergo a fit and proper assessment to determine their suitability in accordance with applicable legal and regulatory requirements. The assessment includes consideration of the candidate's reputation, honesty and integrity, professional qualifications, knowledge of the financial services sector, experience, independence of mind, and ability to devote sufficient time to fulfil their responsibilities effectively.

The Board recruitment process also considers succession planning and the ongoing need to maintain an appropriate combination of skills and expertise within the Board to support the Company's long-term strategy, effective governance, and prudent risk management framework.

All appointments to the Board are formally approved by the competent corporate bodies of the Company and are subject to regulatory approval requirements imposed by the Cyprus Securities and Exchange Commission

5.1.2 Composition of the Board

The composition of the Board of Directors during 2025 reflected an appropriate balance of executive, non-executive, and independent non-executive directors, ensuring effective oversight, sound governance, and independent judgment in the decision-making process. The members of the Board possess a broad range of expertise and professional experience in financial services, investment management, law, governance, and business management.

Tatiana Elkina – Executive Director and General Manager

Mrs. Tatiana Elkina joined the Board of Ronin Europe Limited in 2010 and currently serves as Executive Director and General Manager of the Company. She has extensive experience in the financial services sector, having worked in the industry since 1995.

Mrs. Elkina holds a Bachelor's Degree with honours in Finance and Certificates of Professional Competence.

Artem Delendik – Executive Director

Mr. Artem Delendik joined the Board of Ronin Europe Limited in 2011 and currently serves as Executive Director of the Company. He is also responsible for the Investment Advice Department. Mr. Delendik has been active in the financial services sector since 2002.

He holds a Master's Degree in Economics and a Certificate of Professional Competence.

Alexander Papadopoulos – Independent Non-Executive Director

Mr. Alexander Papadopoulos joined the Board of Ronin Europe Limited in 2009 and currently serves as an Independent Non-Executive Director.

Mr. Papadopoulos holds a Master's Degree in Law and is a member of the Cyprus Bar Association as well as the Chartered Institute of Arbitrators.

Georgios Lakkotrypis – Independent Non-Executive Director

Mr. Georgios Lakkotrypis joined the Board of Ronin Europe Limited in October 2020 and currently serves as an Independent Non-Executive Director of the Company.

Mr. Lakkotrypis holds a Bachelor of Science degree in Computer Science and Mathematics from the University of Keele and an MBA from the University of Colorado.

Yuliy Shleper – Non-Executive Director

Mr. Yuliy Shleper joined the Board of Ronin Europe Limited in October 2020 and currently serves as a Non-Executive Director of the Company. He has extensive experience in the financial sector, having worked in the industry since 1999.

Mr. Shleper holds a Master's Degree in Finance.

5.1.3 Number of directorships held by members of the Board

As a significant Cyprus Investment Firm, the Company is subject to enhanced governance requirements relating to the composition, suitability, and time commitment of members of the management body, including limitations on the number of directorships that may be held by members of the Board of Directors.

The Company monitors the number of directorships held by members of the Board in order to ensure that each director is able to dedicate sufficient time and attention to the proper performance of their duties and

responsibilities. The assessment forms part of the Company’s ongoing suitability and governance framework and is conducted in accordance with the requirements of the Investment Services and Activities and Regulated Markets Law of 2017, Law 87(I)/2017, as amended.

The table below sets out the number of directorships held by each member of the management body in other entities during the reporting period.

For the purposes of calculating the number of directorships, the Company has applied the provisions of Section 9(5) of Law 87(I)/2017, pursuant to which the following are considered as a single directorship:

- executive or non-executive directorships held within the same group; and
- executive or non-executive directorships held within:
 - institutions that are members of the same institutional protection scheme, provided that the conditions set out in Article 113(7) of Regulation (EU) No 575/2013 (“CRR”) are fulfilled; or
 - undertakings, including non-financial entities, in which the Company holds a qualifying holding.

In addition, pursuant to Section 9(6) of Law 87(I)/2017, directorships held in organisations that do not predominantly pursue commercial objectives, such as non-profit-making or charitable organisations, are excluded from the calculation.

Name	Position with Ronin Europe Ltd	Directorships - Executive	Directorships – Non Executive
Tatiana Elkina	Executive Director	0	1
Artem Delendik	Executive Director	0	1
Alexander Papadopoulos	Independent Non-Executive Director	1	1
Varnavas Playbell	Independent Non-Executive Director	1	0
Georgios Lakkotrypis	Independent Non-Executive Director	0	2
Yuliy Shleper	Non- Executive Director	2	0

5.2 Committees

5.2.1 Risk Management Committee

The Company has established a Risk Management Committee in accordance with its governance framework and the regulatory requirements. The Committee is responsible for supporting the Board of Directors in the effective oversight of the Company’s risk management framework and ensuring the prudent management of risks arising from the Company’s activities and operations.

The Risk Management Committee consists of two non-executive directors and the Risk Manager. The Committee is responsible for monitoring the Company’s overall risk profile and overseeing the implementation of appropriate risk management and mitigation measures.

The Company has adopted comprehensive risk management policies and procedures designed to identify, assess, monitor, manage, and report the risks associated with its activities, processes, systems, and business operations. These policies also establish the level of risk that the Company is willing to assume in pursuit

of its strategic and business objectives.

The Risk Management Committee is responsible for reviewing the adequacy and effectiveness of the Company's risk management framework, policies, and procedures, as well as monitoring the level of compliance by the Company and its relevant persons with the established controls and risk management requirements. The Committee also assesses whether appropriate corrective measures are implemented in response to identified deficiencies or weaknesses in the control environment.

In fulfilling its responsibilities, the Risk Management Committee:

- reviews and evaluates the material risks associated with the Company's operations and business activities;
- oversees the effectiveness and implementation of the Company's risk management policies and procedures;
- monitors the performance and activities of the Risk Management Function;
- ensures that clear risk management policies and procedures are communicated throughout the organisation;
- oversees the management of market risk, liquidity risk, operational risk, counterparty risk, and other material risks;
- reviews and approves risk limits, client and counterparty exposure limits, and stop-loss controls where applicable;
- monitors open positions and exposures against approved risk tolerance levels;
- reviews significant changes in the Company's financial position, operational structure, systems, or personnel that may impact the Company's risk profile;
- oversees the adequacy and security of the Company's information systems and access controls; and
- supervises and approves the Company's Disaster Recovery Plan and business continuity arrangements.

The Committee also ensures that the Company maintains an appropriate risk awareness culture and that all relevant persons involved in the provision of investment services understand the risks associated with the Company's products, services, and operations, including the relationship between expected returns and the level of risks undertaken.

During the year ended 31 December 2025, the Risk Management Committee held nine meetings.

5.2.2 Investment committee

The Company has established an Investment Committee responsible for overseeing the implementation of the Company's investment strategy and ensuring the provision of appropriate investment services to clients in accordance with the applicable regulatory framework, internal policies, and clients' investment objectives and risk profiles.

The Investment Committee operates as part of the Company's governance framework and supports the effective management and supervision of investment-related activities. The Committee is responsible for establishing, monitoring, and periodically reviewing the Company's investment policies, procedures, and practices, taking into consideration market conditions, regulatory developments, client interests, and the Company's strategic objectives.

The Committee oversees the investment decision-making framework and monitors the appropriateness of investment activities and portfolio management practices. In this respect, the Committee reviews

investment opportunities, analyses market and economic developments, and evaluates investment alternatives based on internal assessments and third-party research and reports.

The responsibilities of the Investment Committee include, among others:

- establishing, approving, monitoring, and updating the Company’s Investment Policy;
- overseeing the framework governing investment selection and investment decision-making processes;
- reviewing economic and market developments and assessing their impact on investment strategies and portfolios;
- contributing to the development and implementation of the Company’s investment strategy and pricing policy;
- reviewing the performance, returns, and associated risks of managed portfolios;
- determining the markets and financial instruments in which the Company may engage;
- selecting appropriate benchmarks for different portfolio strategies, where applicable;
- reviewing the Company’s portfolio management and investment advice policies at least annually, or more frequently where material changes occur;
- considering recommendations provided by the relevant business units and departmental heads, including the Head of the Portfolio Management Department and the Head of the Investment Advice Department;
- overseeing the adequacy of client information obtained through Know-Your-Client (“KYC”) procedures, investment questionnaires, and client interviews; and
- ensuring that clients are appropriately classified according to their investment objectives, financial situation, knowledge, experience, and risk tolerance profiles.

The Investment Committee also ensures that clients receive appropriate information and communication regarding investment services, portfolio performance, and investment risks, including the frequency and content of client reporting and disclosures.

Through its oversight activities, the Investment Committee contributes to the maintenance of prudent investment practices, effective portfolio oversight, and compliance with the Company’s regulatory and fiduciary obligations toward its clients.

5.2.3 Remuneration committee

The Company has established a Remuneration Committee as part of its corporate governance framework and in accordance with the regulatory requirements applicable to significant Cyprus Investment Firms. The Remuneration Committee supports the Board of Directors in the establishment, implementation, and ongoing oversight of the Company’s remuneration policies and practices.

The primary objective of the Remuneration Committee is to ensure that the Company’s remuneration framework promotes sound and effective risk management, supports the Company’s long-term business strategy and objectives, and aligns the interests of employees, management, shareholders, and clients. The Committee seeks to ensure that remuneration arrangements do not encourage excessive risk-taking and are consistent with the Company’s risk appetite, corporate values, and regulatory obligations.

The Remuneration Committee is also responsible for ensuring that the Company maintains a clear, transparent, and well-communicated remuneration policy and that employees and directors have an appropriate understanding of the remuneration framework and employment conditions applicable to them.

In fulfilling its responsibilities, the Remuneration Committee:

- establishes and reviews the principles, structure, and parameters of the Company’s remuneration policy and practices;
- oversees the implementation of remuneration arrangements across the Company and ensures consistency with the Company’s strategic objectives and risk management framework;
- reviews and approves amendments to incentive and variable remuneration schemes;
- oversees employee share schemes and other long-term incentive arrangements, where applicable;
- considers strategic recruitment and retention matters relevant to senior management and key personnel;
- reviews remuneration-related disclosures to ensure compliance with applicable legal and regulatory requirements and the accuracy of disclosed information;
- makes recommendations to the Board of Directors regarding the remuneration packages of executive and non-executive directors; and
- reviews and approves policies relating to material remuneration and compensation matters.

The Committee also considers the impact of remuneration policies on conduct risk, conflicts of interest, and the Company’s long-term financial stability. Particular attention is given to ensuring that remuneration arrangements are aligned with prudent risk-taking and do not create incentives that may adversely affect clients or the integrity of the market.

The Remuneration Committee reports directly to the Board of Directors and periodically reviews the effectiveness and appropriateness of the remuneration framework in light of regulatory developments, business performance, market practices, and the evolving risk profile of the Company.

5.2.4 Nomination committee

The Company has established a Nomination Committee in accordance with the applicable corporate governance and regulatory requirements for significant Cyprus Investment Firms. The Nomination Committee supports the Board of Directors in ensuring that the composition of the Board and senior management remains appropriate in terms of knowledge, skills, experience, diversity, and overall suitability.

The primary role of the Nomination Committee is to identify and recommend suitable candidates for appointment to the Board of Directors and, where applicable, senior management positions. In carrying out its responsibilities, the Committee evaluates the balance of knowledge, expertise, professional experience, diversity, and competencies within the Board and assesses the adequacy of the governance structure of the Company.

The Committee is also responsible for preparing descriptions of the roles and capabilities required for specific appointments and for assessing the expected time commitment necessary for directors to effectively perform their duties and responsibilities.

In fulfilling its responsibilities, the Nomination Committee:

- identifies and recommends candidates to fill vacancies on the Board of Directors for approval by the Board or the general meeting, as applicable;
- periodically, and at least annually, assesses the structure, size, composition, and performance of the Board and makes recommendations regarding any appropriate changes;
- periodically reviews and evaluates the knowledge, skills, experience, and effectiveness of the members

of the Board, both individually and collectively;

- reviews the Board’s policy regarding the selection, appointment, and succession planning of senior management; and
- ensures that the Board recruitment and succession planning processes support sound governance and the long-term strategic objectives of the Company.

The Nomination Committee also promotes diversity and inclusion within the Board and senior management structures of the Company. In this respect, the Committee periodically develops and submits diversity-focused initiatives and recommendations to the Board, including initiatives relating to gender diversity, with the objective of achieving balanced representation and enhancing the effectiveness of decision-making and governance processes.

The Committee takes into consideration a broad range of diversity criteria, including professional background, experience, educational background, gender, age, and expertise, recognising that diversity contributes to independent judgment, effective oversight, and sound decision-making within the Company.

6. Information flow on risk to the management body

The Company has established reporting and communication procedures designed to ensure that the Board of Directors and relevant committees receive timely, accurate, and comprehensive information regarding the Company’s risk profile, internal control environment, regulatory compliance, and overall financial position.

The information flow to the management body forms an integral part of the Company’s governance and risk management framework and supports effective decision-making, oversight, and monitoring of the Company’s activities and risk exposures.

To facilitate effective oversight, the Board of Directors receives regular reports prepared by the Company’s control functions and senior management. These reports provide an assessment of the adequacy and effectiveness of the Company’s risk management arrangements, internal controls, compliance framework, and capital adequacy position.

The following reports are prepared and submitted to the Board of Directors at least annually:

- the Annual Risk Management Report prepared by the Risk Manager;
- the Annual Compliance Report prepared by the Compliance Function;
- the Annual Report of the Anti-Money Laundering Compliance Officer (“MLCO”);
- the Internal Audit Report, prepared by the Company’s outsourced Internal Auditors, KPMG;
- the Internal Capital and Risk Assessment (“ICARA”) Report;
- the Recovery and Resolution Plans;
- the Suitability Report; and
- management financial information, including the statement of financial position and estimated income tax calculations.

These reports enable the Board to assess the Company’s exposure to material risks, monitor compliance with applicable legal and regulatory requirements, evaluate the effectiveness of internal controls, and determine whether adequate remedial actions are taken where necessary.

In addition, the Board of Directors reviews and approves significant transactions and strategic decisions affecting the Company’s risk profile. Based on recommendations and assessments provided by the Risk

Management Committee and relevant functions, the Board undertakes appropriate actions in relation to matters.

Furthermore, the Board of Directors receives and reviews the minutes of meetings of the Risk Management Committee, Investment Committee, Remuneration Committee, and Nomination Committee. This reporting structure ensures that the Board remains adequately informed regarding the activities, decisions, recommendations, and key matters discussed by the various governance committees of the Company.

7. Internal Control Functions

7.1 Risk Management Function

The Company has established an independent Risk Management Function in accordance with the applicable regulatory requirements and proportionality principles. The Risk Management Function is responsible for ensuring the effective identification, assessment, monitoring, management, and reporting of risks arising from the Company's activities and operations.

The Risk Management Function is headed by the Risk Manager, who is responsible for implementing and maintaining the Company's risk management framework and ensuring that the Company operates within its approved risk appetite and risk tolerance levels.

One of the key responsibilities of the Risk Manager is the classification and assessment of risks based on their nature, significance, and potential impact on the Company. This risk-based approach enables the Company to allocate greater attention and resources to areas, transactions, services, clients, or investments that are considered to present higher levels of risk.

Where risks can be quantified, the classification is primarily based on exposure levels, financial impact, market conditions, the Company's capital base, and approved risk limits. In cases where risks are less quantifiable, the Risk Manager, in cooperation with senior management and the Board of Directors, establishes appropriate qualitative criteria and assessment methodologies for the identification and categorisation of such risks.

The Risk Manager operates independently from the business functions and is responsible for monitoring the effectiveness of the Company's risk management policies and procedures, as well as the adequacy of the Company's internal controls in relation to its risk profile.

The main responsibilities of the Risk Management Function include:

- ensuring compliance with the Company's internal policies and procedures, applicable legal and regulatory requirements, and relevant CySEC directives and communications;
- monitoring the Company's exposure to material risks and assessing the adequacy of risk mitigation measures;
- evaluating the impact of market developments and trends on the Company's risk profile, where applicable;
- assessing the potential risks associated with the introduction of new products, services, or activities and providing recommendations to senior management and the Board of Directors;
- monitoring the Company's capital adequacy, liquidity position, and overall risk exposures;
- preparing periodic risk management reports and recommendations for senior management and the Board of Directors, including the identification of deficiencies and proposed remedial actions;
- establishing, monitoring, and reviewing client and counterparty exposure limits;
- maintaining records relating to client, counterparty, and market risk exposures;
- overseeing policies and controls relating to information systems, operational resilience, and backup and recovery procedures; and
- supporting the implementation and maintenance of effective risk monitoring and reporting systems across the Company.

The Risk Manager prepares written reports and assessments regarding the effectiveness of the Company's

risk management framework and internal controls. These reports are submitted to senior management, the Board of Directors, and the Internal Auditor for review and consideration.

In accordance with the applicable regulatory requirements, the Annual Risk Management Report is also submitted to the Cyprus Securities and Exchange Commission within the prescribed regulatory deadlines.

7.2 Internal Audit Function

The Company has established an independent Internal Audit Function in accordance with the applicable regulatory requirements and proportionality principles. The Internal Audit Function has been outsourced to KPMG Ltd., which operates independently from the Company’s operational and business functions.

The Internal Audit Function reports directly to the Board of Directors and provides independent assurance regarding the adequacy, effectiveness, and efficiency of the Company’s governance arrangements, internal control framework, and risk management processes.

The scope of the Internal Audit Function covers all areas of the Company’s operations and business activities. Through periodic reviews, testing, and evaluations, the Internal Audit Function assesses:

- the effectiveness and adequacy of the Company’s internal controls and governance framework;
- the effectiveness of risk management processes and procedures;
- compliance with applicable laws, regulations, directives, and internal policies;
- the reliability and integrity of financial and operational information; and
- the adequacy of systems and controls designed to mitigate operational, regulatory, and financial risks.

The Internal Audit Function also identifies areas for improvement and provides recommendations aimed at strengthening the Company’s internal control environment and enhancing the effectiveness of governance and risk management arrangements.

The Internal Audit Function operates independently from the day-to-day management and business activities of the Company in order to ensure objectivity and impartiality in the performance of its duties. Findings, recommendations, and assessments are communicated directly to the Board of Directors through formal written Internal Audit Reports prepared on at least an annual basis.

The Board of Directors reviews the findings and recommendations of the Internal Audit Function and monitors the implementation of corrective and remedial actions where necessary.

In accordance with the applicable regulatory requirements, the Annual Internal Audit Report is submitted to the Cyprus Securities and Exchange Commission (“CySEC”) within four months from the financial year-end.

7.3 Compliance function and Money Laundering officer

The Company has established an independent Compliance Function and appointed a Compliance Officer and Anti-Money Laundering Compliance Officer (“AMLCO”) in accordance with the applicable regulatory requirements and the proportionality principles.

The Compliance Officer and AMLCO operate independently from the Company’s operational and business functions and report directly to the Board of Directors. The function is responsible for monitoring and assessing the adequacy and effectiveness of the Company’s policies, procedures, systems, and controls established to ensure compliance with the applicable legal and regulatory framework.

The Compliance Function supports the Board of Directors and senior management in managing compliance risk and ensuring that the Company conducts its activities in accordance with applicable laws, regulations, directives, professional standards, and accepted market practices.

The principal responsibilities of the Compliance Function and AMLCO include:

- ensuring that the Company conducts its business activities in compliance with all applicable legal and regulatory requirements, as well as internal policies and procedures;
- monitoring and assessing the adequacy, effectiveness, and implementation of the Company’s compliance framework and internal controls;
- conducting compliance monitoring reviews and coordinating internal compliance assessments and routine audits;
- identifying, assessing, and monitoring compliance risks arising from the Company’s activities and operations;
- overseeing the day-to-day operation of the Compliance Department and supervising compliance-related activities;
- preparing written compliance and anti-money laundering reports for submission to the Board of Directors, including recommendations and corrective measures where deficiencies are identified;
- ensuring the timely submission of regulatory reports to the Cyprus Securities and Exchange Commission (“CySEC”) and other competent authorities, where applicable;
- reviewing and approving client files during the onboarding process and periodic reviews in accordance with Know-Your-Client (“KYC”) and anti-money laundering requirements;
- reviewing and approving counterparty files during the onboarding and ongoing monitoring processes;
- acting as the primary point of contact and coordinator for regulatory inspections, investigations, and external inquiries relating to the Company’s operations;
- reviewing internal suspicious transaction or activity reports and acting as the primary liaison with the Unit for Combating Money Laundering (“MOKAS”);
- providing training and ongoing guidance to employees regarding compliance obligations, anti-money laundering requirements, and regulatory developments; and
- promoting a strong compliance culture throughout the Company and ensuring that employees are able to identify, escalate, and report potential breaches of legal or regulatory obligations.

The Compliance Function also monitors developments in the regulatory environment and advises the Board of Directors and senior management on the potential impact of regulatory changes on the Company’s operations and control framework.

The Board of Directors receives regular reporting from the Compliance Function and AMLCO regarding the effectiveness of the Company’s compliance and anti-money laundering framework, material compliance matters, identified deficiencies, and the status of remedial actions undertaken by the Company.

7.4 Board Declaration – Adequacy of the Risk Management Arrangements

The Board of Directors is responsible for reviewing and assessing the adequacy and effectiveness of the Company’s risk management framework, governance arrangements, and systems of internal and financial controls. The Board ensures that the Company maintains appropriate policies, procedures, systems, and controls designed to support the achievement of its strategic and business objectives and to safeguard the sound and prudent management of the Company.

The Company's risk management and internal control framework is designed to provide reasonable assurance regarding the effectiveness and efficiency of operations, the reliability of financial and regulatory reporting, compliance with applicable laws and regulations, and the prevention and mitigation of fraud, operational failures, material misstatements, and financial losses.

The Board of Directors, taking into consideration the nature, scale, and complexity of the Company's activities and risk profile, is satisfied that the Company has established and maintains adequate and effective risk management arrangements, internal control mechanisms, and governance structures. These arrangements are considered appropriate to support the Company's business model, market positioning, strategic objectives, and regulatory obligations.

Furthermore, the Board is satisfied that the Company maintains adequate assurance functions, resources, expertise, and oversight mechanisms necessary to identify, assess, monitor, manage, and mitigate the material risks arising from its operations and activities.

The Board remains committed to the continuous monitoring and enhancement of the Company's risk management and internal control framework in line with regulatory developments, industry practices, and the evolving risk environment.

7.5 Risk Statement

The Company's Risk Statement is provided in Annex I to this Report and has been reviewed and approved by the Board of Directors.

The Risk Statement sets out the Company's overall risk appetite and risk tolerance framework and explains how these are aligned with the Company's business strategy, strategic objectives, and governance arrangements. It outlines the level and types of risk that the Company is willing to assume in the course of its business activities, taking into consideration its capital resources, liquidity position, operational capabilities, and regulatory obligations.

The Risk Statement also describes the key principles governing the Company's approach to risk management and provides an overview of the material risks to which the Company is exposed, together with the mechanisms established to monitor, manage, and mitigate such risks.

The Board of Directors is responsible for defining, approving, and periodically reviewing the Company's risk appetite framework to ensure that it remains appropriate in light of the Company's business model, market environment, strategic plans, and overall risk profile. The Board also ensures that the Company's risk management arrangements and internal controls are consistent with the approved risk appetite and support the sound and prudent management of the Company.

8. Principal Risks

8.1 Identification and measurement of key risks

The Company performs an Internal Capital and Risk Assessment process on a regular basis, which forms an integral part of the Company’s overall governance, strategic planning, capital management, and risk management framework.

The ICARA process is embedded within the Company’s decision-making processes and is used to assess the nature and extent of the material risks arising from the Company’s activities and operations. It also supports the determination of the level of own funds and liquid assets required to ensure that the Company remains financially sound under both normal and stressed operating conditions.

As part of the ICARA process, the Company identifies, evaluates, measures, monitors, and manages the risks to which it is exposed, taking into consideration its business model, operational activities, strategic objectives, market environment, and regulatory obligations. The process also includes forward-looking assessments and stress testing analyses to evaluate the potential impact of adverse scenarios on the Company’s capital adequacy, liquidity position, and overall resilience.

The Company’s risk assessment framework is designed to ensure that material risks are appropriately identified and mitigated through effective controls, governance arrangements, policies, procedures, and monitoring mechanisms.

The principal risks to which the Company is exposed include:

- credit risk;
- liquidity risk;
- currency risk;
- debt securities price risk;
- capital risk;
- operational risk;
- reputational risk;
- strategic risk;
- business risk;
- regulatory risk;
- legal and compliance risk;
- information and communication technology (“ICT”) risk; and
- political risk.

The Company continuously monitors these risks and assesses their potential impact on its operations, financial condition, and regulatory capital position. Appropriate risk mitigation measures and internal controls are implemented to manage exposures within the Company’s approved risk appetite and tolerance levels.

Further information regarding each of the principal risks identified by the Company, together with the corresponding risk management and mitigation measures, is provided in the sections below.

8.2 Credit Risk

Credit risk refers to the risk of financial loss arising from the failure of a client, counterparty, or financial

institution to fulfil its contractual obligations when due. The Company's exposure to credit risk primarily arises from cash and cash equivalents held with financial institutions, receivables from clients and counterparties, and exposures relating to investment and treasury activities.

The Company seeks to maintain a prudent and controlled approach to credit risk management and does not maintain significant concentrations of credit risk. Credit exposures are continuously monitored and managed within approved risk limits and in accordance with the Company's internal risk management framework and risk appetite.

The Company's credit risk management framework includes the establishment and maintenance of comprehensive policies, procedures, and controls designed to identify, assess, monitor, and mitigate credit risk exposures arising from its activities and operations.

Key elements of the Company's credit risk management framework include:

- the establishment of a comprehensive credit risk policy framework;
- ongoing monitoring and management of credit exposures across different counterparties and asset classes;
- monitoring and management of exposures considered to present elevated or increased credit risk;
- assessment of expected credit losses and maintenance of adequate capital resources to cover credit risk exposures; and
- the establishment of counterparty and concentration limits in accordance with the Company's risk appetite.

The Company has implemented procedures to ensure that services are provided to clients and counterparties that satisfy appropriate due diligence and creditworthiness criteria. Client and counterparty relationships are assessed during the onboarding process and are subject to ongoing monitoring thereafter.

Cash balances are maintained with financial institutions of high credit quality and reputable standing. The Company also maintains internal limits in order to restrict excessive concentration of exposures to individual financial institutions, counterparties, or geographic regions.

Wholesale credit risk exposures are monitored on a regular basis at portfolio, industry, counterparty, and individual client level. Concentration limits and exposure thresholds are established and periodically reviewed by management and the Risk Management Function, taking into consideration market conditions, counterparty quality, and the Company's overall risk profile.

The Company also monitors the ageing profile of receivables and assesses the recoverability of outstanding balances on an ongoing basis. Appropriate provisions and impairment assessments are performed where necessary in accordance with applicable accounting standards and internal policies.

The Board of Directors and Risk Management Committee receive periodic reporting regarding the Company's credit risk exposures, concentration levels, and the adequacy of risk mitigation measures and controls.

8.3 Market risk

Market risk refers to the risk of losses arising from adverse movements in market prices and rates, including changes in interest rates, foreign exchange rates, credit spreads, and the prices of financial instruments such as equities, bonds, and derivatives. Such movements may negatively affect the Company's earnings, capital position, liquidity, or the value of its assets and exposures.

Given the nature, scale, and complexity of its activities, the Company maintains a conservative approach

toward market risk exposure and seeks to limit exposures that could materially impact its financial position or operational stability.

The Company's market risk exposure is limited through a number of internal controls and risk management measures, including:

- the absence of a trading book;
- the absence of proprietary equity holdings;
- the application of conservative investment limits for debt securities and treasury investments; and
- the maintenance of minimal or no open foreign exchange positions.

The Company's exposure to market risk primarily arises from treasury and liquidity management activities, including the holding of debt instruments and cash balances with financial institutions. Such exposures are monitored on an ongoing basis by the Risk Management Function and are subject to approved internal limits and oversight by management and the Board of Directors.

Key components of market risk and their potential impact on the Company's capital position and earnings are analysed in the sections below.

8.4 Liquidity risk

Liquidity risk refers to the risk that the Company may be unable to meet its financial obligations as they fall due, without incurring unacceptable losses or adversely affecting its financial position. Liquidity risk may arise from mismatches between the maturities of assets and liabilities, unexpected cash outflows, or an inability to convert assets into cash within an appropriate timeframe.

The Company maintains a prudent and conservative liquidity management approach aimed at ensuring that sufficient liquid resources are available at all times to meet operational, regulatory, and financial obligations under both normal and stressed market conditions.

The Company continuously monitors the maturity profile of its assets and liabilities in order to minimise liquidity mismatches and ensure the maintenance of an adequate liquidity buffer.

As at 31 December 2025, the Company maintained liquid assets significantly in excess of its regulatory liquidity requirements under the IFR framework, demonstrating a strong liquidity position and prudent treasury management practices.

The Liquidity Requirement analysis as at 31 December 2025 is presented in the table below:

Item	Amount (USD '000)
Liquidity Requirement	269
Total liquid assets	39.171
Unencumbered short-term deposits	892
Level 1 assets	9.904
Level 2A assets	15.506
Level 2B assets	12.869

8.5 Currency Risk

Currency risk refers to the risk that the value of financial instruments, assets, liabilities, income, or expenses may fluctuate as a result of changes in foreign exchange rates. Currency risk arises where financial assets and liabilities, as well as future commercial transactions, are denominated in currencies other than the Company's functional and reporting currency.

The Company is exposed to foreign exchange risk primarily in relation to exposures denominated in Euro. Such exposures mainly arise from cash balances, receivables, payables, and other financial assets and liabilities denominated in foreign currencies.

However, the Company conducts the majority of its operations and transactions in its functional currency and, as a result, its overall exposure to foreign exchange risk remains limited.

The Company's currency risk management framework includes continuous monitoring of foreign exchange exposures, maintenance of limited open foreign exchange positions, regular assessment of exchange rate fluctuations and market developments, and implementation of appropriate corrective measures where necessary to mitigate material exposures.

8.6 Debt Securities Price Risk

Debt securities price risk refers to the risk of financial loss arising from adverse changes in the market value of debt securities held by the Company. The value of debt instruments may fluctuate due to changes in interest rates, credit spreads, market conditions, or deterioration in the creditworthiness of issuers.

The Company maintains investments in debt securities as part of its liquidity and treasury management strategy. These investments primarily consist of high-quality debt instruments and are managed within conservative investment limits and risk parameters approved by the Board of Directors.

The majority of debt securities held by the Company are classified and managed under a business model aimed primarily at collecting contractual cash flows, including coupon payments and principal repayments at maturity. Consequently, the Company's exposure to short-term market price volatility is limited, as these instruments are generally not held for active trading or speculative purposes.

The Company considers its exposure to debt securities price risk to be adequately managed and consistent with its conservative risk appetite and overall investment strategy.

8.7 Capital Risk

Capital risk refers to the risk that the Company may fail to maintain sufficient own funds to meet its regulatory capital requirements or support its ongoing operations and business activities. Effective capital management is essential to ensure the financial soundness, stability, and going concern of the Company, as well as the protection of clients, counterparties, and other stakeholders.

The Company maintains a comprehensive capital management framework, including policies, procedures, controls, and monitoring mechanisms designed to ensure ongoing compliance with the prudential requirements of the Investment Firms Regulation ("IFR") and Investment Firms Directive ("IFD").

As part of its capital management process, the Company continuously monitors its capital adequacy position against both internal capital thresholds and regulatory minimum requirements. The Company also performs periodic capital planning, stress testing, and forward-looking capital assessments through its Internal Capital and Risk Assessment ("ICARA") process.

The Company is required to maintain minimum own funds requirements consisting of Common Equity Tier 1 (“CET1”) capital, Tier 1 capital, and Total Own Funds. As at 31 December 2025, the Company was required to maintain:

- a CET1 capital ratio of at least 56%;
- a Tier 1 capital ratio of at least 75%; and
- a Total Capital ratio of at least 100%, including Tier 2 capital where applicable.

The Company maintained capital levels significantly in excess of the applicable regulatory minimum requirements throughout the reporting period.

Management monitors the Company’s capital position on an ongoing basis through regular financial and prudential reporting. This includes the preparation of monthly management accounts and periodic capital adequacy calculations in order to assess the Company’s financial performance, own funds position, and compliance with regulatory requirements.

In addition, the Company submits quarterly capital adequacy reports to the Cyprus Securities and Exchange Commission in accordance with the applicable prudential reporting obligations.

8.8 Operational Risk

Operational risk refers to the risk of loss arising from inadequate or failed internal processes, systems, human factors, or external events that are unrelated to market or credit risk. Operational risk is inherent in the Company’s business activities and may arise from fraud, unauthorised activities, business interruptions, human error, deficiencies in internal controls, cyber incidents, system failures, or non-compliance with applicable legal and regulatory requirements.

Such events may result in financial losses, regulatory sanctions, litigation, reputational damage, or disruption to the Company’s operations and services.

The Company’s objective is to maintain operational risk exposures within acceptable levels that are consistent with its financial strength, operational structure, business activities, regulatory obligations, and overall risk appetite.

To achieve this objective, the Company has established a comprehensive operational risk management framework designed to identify, assess, monitor, and mitigate operational risks across all business areas and operational processes. The framework is supported by internal policies, procedures, governance arrangements, and control mechanisms intended to ensure the effective, secure, and resilient operation of the Company.

Operational risk is managed through a strong control environment in which key processes and procedures are formally documented and transactions are regularly reconciled, reviewed, and monitored. Appropriate segregation of duties and approval controls are implemented in order to minimise the risk of errors, unauthorised activities, or control failures. Operational incidents and control deficiencies are recorded, monitored, investigated, and addressed through corrective actions aimed at preventing recurrence.

The Company’s operational risk framework is further supported by periodic reviews and audits performed by the Internal Auditors and External Auditors, onsite compliance inspections, employee training and awareness programmes, and continuous monitoring of operational risk incidents and control effectiveness.

In addition, the Company maintains a Disaster Recovery Plan (“DRP”), Business Continuity Plan (“BCP”), and Information Security Policy designed to support operational resilience and ensure continuity of critical operations in the event of disruptions or adverse incidents.

The Company continuously monitors operational risk indicators and tolerance thresholds, including system availability, operational incidents, and control failures. The Company maintains a low appetite for operational risk and applies zero tolerance toward fraud, material control failures, and unauthorised activities.

Operational risk exposures and key operational risk indicators are monitored on a monthly and quarterly basis by management, the Risk Management Function, and the Board of Directors.

8.9 Reputation Risk

Reputational risk refers to the current or prospective risk to the Company's earnings, capital, or business operations arising from negative public opinion or adverse perception of the Company by clients, counterparties, shareholders, investors or regulators.

Reputational risk may arise from a variety of factors, including poor financial performance, operational failures, regulatory breaches, inadequate customer service, fraud, misconduct, litigation, adverse media coverage, customer complaints, or the loss of key personnel or significant clients. Such events could adversely affect the Company's reputation, client relationships, business opportunities, and overall financial position.

The Company recognises that maintaining a strong reputation and high standards of professional conduct is essential to the sustainability and long-term success of its business activities. Accordingly, the Company seeks to manage reputational risk through the implementation of sound governance arrangements, effective internal controls, ethical business practices, and transparent communication with clients, regulators, and other stakeholders.

The Company has established policies and procedures for the handling and resolution of client complaints and other customer-related matters in order to ensure that concerns are addressed promptly, fairly, and effectively. The Company aims to provide a high standard of client service and maintain strong professional relationships with its clients and counterparties.

The Company also benefits from the experience, integrity, and professional standing of its Board of Directors and senior management, whose expertise and reputation contribute positively to the Company's overall market presence and credibility within the financial services industry.

The Company maintains a very low tolerance for reputational risk and continuously monitors potential reputational issues and incidents. Key indicators monitored by management include the level of client complaints, the timely resolution of complaints and incidents, regulatory matters, and any events that may negatively affect the Company's reputation or market standing.

Reputational risk is monitored by management and the Risk Management Function on a monthly basis as part of the Company's overall risk management framework.

8.10 Strategic & Business Risk

Strategic risk refers to the risk of adverse effects on the Company's earnings, capital position, or business objectives arising from inappropriate business decisions, ineffective implementation of strategic initiatives, inadequate allocation of resources, or failure to respond appropriately to changes in the economic, regulatory, competitive, or market environment.

The Company recognises that strategic risk may arise from evolving market conditions, technological developments, increased competition, regulatory changes, shifts in client behaviour, or external geopolitical and economic factors that may affect the Company's business model and long-term objectives.

The Company maintains a moderate exposure to strategic risk, taking into consideration the nature and scale of its operations and the continuously evolving financial services environment in which it operates. Strategic risk is managed through the Company’s governance framework, strategic planning process, and ongoing oversight by the Board of Directors and senior management.

The Company seeks to mitigate strategic risk through the implementation of clearly defined business objectives, prudent business planning, regular review of strategic initiatives, and continuous monitoring of market developments and emerging risks. Management periodically evaluates the Company’s strategic direction, operational performance, and competitive positioning in order to ensure that the Company remains responsive and adaptable to changes in the business environment.

In assessing and monitoring strategic risk, the Company considers a number of key performance and risk indicators, including revenue diversification, client concentration levels, revenue growth trends, client retention rates, operational performance, and market developments.

Strategic and business risk indicators are monitored by management and the Risk Management Function on a quarterly and annual basis as part of the Company’s overall risk management and governance framework.

8.11 Regulatory & Compliance Risk

Regulatory and compliance risk refers to the risk of legal or regulatory sanctions, financial loss, reputational damage, or operational disruption arising from the Company’s failure to comply with applicable laws, regulations, directives, guidelines, or regulatory expectations.

As a regulated Cyprus Investment Firm, the Company is subject to an extensive regulatory framework, including the requirements of the Cyprus Securities and Exchange Commission (“CySEC”), European Union Regulations and Directives, the Investment Firms Regulation (“IFR”), the Investment Firms Directive (“IFD”), anti-money laundering legislation, as well as applicable guidelines and recommendations issued by the European Securities and Markets Authority (“ESMA”).

The Company recognises that regulatory and compliance risk may adversely affect its reputation, strategic objectives, operational activities, and financial position if not appropriately managed. Accordingly, the Company maintains a strong compliance culture and a comprehensive compliance framework designed to ensure ongoing adherence to all applicable legal and regulatory obligations.

The Company has established documented policies, procedures, and internal controls based on the requirements of applicable laws, regulations, directives, circulars, and regulatory guidance. These are incorporated within the Company’s Internal Operations Manual and related internal policies and procedures, which are regularly reviewed and updated to reflect regulatory developments and changes in business activities.

The Compliance Function continuously monitors the adequacy and effectiveness of the Company’s compliance arrangements and internal controls and performs ongoing compliance monitoring activities across all operational areas of the Company. Compliance with internal procedures and regulatory requirements is further assessed through periodic reviews conducted by the Internal Auditors, who evaluate and test the effectiveness of the Company’s control framework at least annually.

Where deficiencies or areas for improvement are identified, management implements appropriate remedial actions and corrective measures in a timely manner.

The Company maintains a zero-tolerance approach toward material regulatory breaches and continuously monitors key compliance indicators, including regulatory filings, anti-money laundering monitoring

activities, suspicious activity reporting procedures, and the timely resolution of compliance and screening alerts.

Regulatory and compliance risk indicators are monitored by management, the Compliance Function, and the Risk Management Function on a monthly and quarterly basis as part of the Company's overall governance and risk management framework.

As a result of the controls, policies, and monitoring mechanisms currently in place, management considers the Company's exposure to regulatory and compliance risk to be low.

8.12 Legal Risk

Legal risk refers to the risk of financial loss, regulatory sanctions, or reputational damage arising from breaches of applicable laws, regulations, contractual obligations, or ethical standards.

The Company maintains a low exposure to legal risk through the implementation of comprehensive internal policies, procedures, and controls designed to ensure compliance with applicable legal and regulatory requirements. The Company's governance structure promotes clear allocation of responsibilities, effective oversight, and strong internal controls.

The Compliance Function and Internal Auditors periodically review the adequacy and effectiveness of the Company's legal and compliance framework, while management implements corrective measures where necessary.

The Board of Directors periodically reviews legal and compliance matters affecting the Company and supports the continuous enhancement of the control environment and governance framework.

The Company maintains a very low appetite for legal risk and continuously monitors legal exposures and contractual arrangements. During the reporting period, the Company was not involved in any material legal proceedings or litigation that could have a significant impact on its operations or financial position.

8.13 ICT / Cyber Risk

ICT and Cyber Risk refers to the risk of loss, disruption, or damage arising from inadequate or failed information technology systems, cybersecurity threats, system vulnerabilities, or ineffective IT governance and controls.

The Company relies on information technology systems to support its operations and the provision of investment services and therefore recognises the importance of maintaining a secure, resilient, and reliable IT environment.

To mitigate ICT and cyber risks, the Company has implemented policies and procedures relating to information security, software and hardware maintenance, data backup and recovery, internet usage, access controls, and anti-virus and cybersecurity protection measures. The Company also maintains a Business Continuity Plan and Disaster Recovery procedures designed to ensure the continuity of critical operations in the event of system failures or cyber incidents.

The Company maintains a low appetite for ICT and cyber risk and applies zero tolerance toward major security breaches and material system failures. ICT and cybersecurity controls are continuously monitored, including system availability, backup success rates, and operational resilience indicators, in order to minimise the likelihood and impact of adverse incidents.

8.14 Political / Geopolitical Risks

Political and geopolitical risk refers to the risk of financial loss, operational disruption, regulatory restrictions, or reputational damage arising from political instability, geopolitical tensions, economic sanctions, changes in government policies, armed conflicts, or other adverse international developments affecting the jurisdictions in which the Company or its counterparties operate.

On 28 February 2026, geopolitical tensions in the Middle East escalated due to the outbreak of armed conflict in the region. The situation has created increased uncertainty in international relations and global financial markets, with potential implications for global trade, energy supply, inflationary pressures, and overall economic stability. Although the conflict is taking place outside Cyprus, indirect effects on the Cypriot economy may arise due to the country's dependence on international trade, tourism, shipping, and financial services.

Potential consequences may include increased volatility in energy and commodity prices, disruptions in global supply chains, fluctuations in foreign exchange and capital markets, and heightened uncertainty in sectors such as tourism, transport, and international investments. At the reporting date, the extent, duration, and overall economic impact of these developments remain uncertain and cannot be reliably estimated.

The Company recognises that geopolitical developments and international sanctions regimes may affect financial markets, counterparties, clients, and investment activities. Accordingly, the Company continuously monitors political and geopolitical developments that may impact its operations, liquidity position, counterparties, or overall risk profile.

The Company maintains policies and procedures designed to identify and manage exposures to high-risk jurisdictions, sanctioned individuals or entities, and politically sensitive transactions. Sanctions screening and ongoing monitoring controls form part of the Company's compliance and anti-money laundering framework.

The Company maintains a low to moderate appetite for political and geopolitical risk and seeks to minimise exposures that could adversely affect its operations, financial position, or regulatory standing. Exposure to high-risk jurisdictions and sanctions-related matters is monitored on an ongoing basis by management and the Compliance Function, with periodic reporting provided to the Board of Directors.

9. Own Funds

The Company's Own Funds as at 31 December 2025 consisted entirely of Common Equity Tier 1 ("CET1") capital. CET1 capital comprised fully paid-up share capital, share premium, retained earnings net of any distributions, and investment revaluation reserves arising from the fair value measurement of financial assets.

The Company did not issue or maintain any Additional Tier 1 ("AT1") or Tier 2 ("T2") capital instruments during the reporting period.

In accordance with the prudential requirements introduced under the Investment Firms Regulation ("IFR") and Investment Firms Directive ("IFD"), which became applicable on 26 June 2021, the Company is required to maintain minimum capital ratios relating to Common Equity Tier 1 capital, Tier 1 capital, and Total Own Funds.

Under the applicable prudential framework, the Company is required to maintain:

- a minimum CET1 ratio of 56%;
- a minimum Tier 1 ratio of 75%; and
- a Total Capital ratio of 100%, including Tier 2 capital where applicable.

As at 31 December 2025, the Company maintained a capital adequacy ratio of 4,029.14%, significantly exceeding the applicable regulatory minimum requirements. The Company's strong capital position reflects its conservative risk profile, prudent capital management practices, and limited exposure to material risks.

The table below presents the composition of the Company's Own Funds as at 31 December 2025.

Item	Amount (USD '000)
OWN FUNDS	74.290
TIER 1 CAPITAL	74.290
COMMON EQUITY TIER 1 CAPITAL	74.290
Fully paid-up capital instruments	2.000
Share premium	874
Retained earnings	71.124
Accumulated other comprehensive income and reserves	363
Adjustments to CET1 due to prudential filters	-71

Adjustments to Common Equity Tier 1 ("CET1") capital are calculated in accordance with the prudent valuation requirements applicable to fair-valued positions. These prudent valuation filters apply to all positions measured at fair value, irrespective of whether such positions are classified within the trading book or the banking book.

In accordance with the applicable prudential framework, institutions may apply the simplified approach for the calculation of Additional Valuation Adjustments ("AVAs"), provided that the aggregate absolute value of fair-valued assets and liabilities does not exceed EUR 15 billion.

Under the simplified approach, the required AVA is calculated as 0.1% of the aggregate absolute value of all fair-valued positions held by the institution. This adjustment is deemed to cover all prudent valuation requirements relating to AVAs.

The Company applies the simplified approach for the calculation of prudent valuation adjustments, as its fair-valued positions remain below the applicable threshold.

Share capital

Authorised capital

The authorised share capital of the Company remained unchanged during the year 2025, at 2.000.000 ordinary shares of nominal value of USD1.00 each.

Issued capital

Similarly, the Company issued and allotted to the shareholders 2.000.000 ordinary shares of nominal value USD1,00 each.

Further breakdown of the own funds is provided in Annex II and III.

10. Capital Requirements

In accordance with the Investment Firms Regulation (“IFR”), Class 2 Investment Firms are required to maintain own funds at all times equal to or greater than the highest of the following prudential requirements:

- the Permanent Minimum Capital Requirement;
- the Fixed Overheads Requirement; and
- the K-Factor Requirement.

The Permanent Minimum Capital Requirement represents the minimum level of initial capital that an investment firm must maintain on an ongoing basis, depending on the investment services and activities for which it is authorised.

Pursuant to the Investment Services and Activities and Regulated Markets Law and the IFR/IFD prudential framework, investment firms authorised to provide the investment services and activities listed in points (3) and (6) of Part I of Annex I of the Law are required to maintain initial capital of at least EUR 750,000.

Ronin Europe Limited falls within this category, as the Company is authorised to provide the investment service of dealing on own account.

In addition to the Permanent Minimum Capital Requirement, the Company is required to calculate and monitor its Fixed Overheads Requirement and K-Factor Requirement in accordance with the applicable prudential rules.

Item	Capital Requirements (USD ‘000)
Fixed overhead requirement	808
Permanent minimum capital requirement	881
Total K-Factor requirement	1.844

As shown in the Table above, the total capital requirements of Ronin Europe Limited as at 31 December 2025, which is the highest of the above three amounts, amounted to USD 1.844 million producing the following capital ratios:

Item	Amount (USD ‘000)
CET 1 Ratio	4.029,14%
Surplus(+)/Deficit(-) of CET 1 Capital	73.257
Tier 1 Ratio	4.029,14%
Surplus(+)/Deficit(-) of Tier 1 Capital	72.907
Own Funds Ratio	4.029,14%
Surplus(+)/Deficit(-) of Total capital	72.446

10.1 **K-Factor Requirement**

The Company calculates its own funds requirement by reference to several K-factors which capture:

Risk-To-Client (RtC) - which reflects client assets under management and ongoing advice (K- AUM), client money held (K-CMH), assets safeguarded and administered (K-ASA), and client orders handled (K-COH).

K-AUM – represents Clients’ Assets under management under both discretionary portfolio management and nondiscretionary advisory arrangements. For the purpose of calculating K-AUM, AUM shall be the rolling average of the value of the total monthly assets under management, measured on the last business day of each of the previous 15 months, excluding the three most recent monthly values.

K-CMH – represents the amount of Clients’ money that an investment firm holds. For the purpose of calculating K-CMH, CMH shall be the rolling average of the value of total daily client money held, measured at the end of each business day for the previous nine months, excluding the three most recent months.

K-ASA - represents the value of assets that an investment firm safeguards and administers for Clients. For the purpose of calculating K-ASA, ASA shall be the rolling average of the value of the total daily assets safeguarded and administered, measured at the end of each business day for the previous nine months, excluding the three most recent months.

K-COH – represents the value of orders that Company handles for clients, through the reception and transmission of client orders and through the execution of orders on behalf of clients. For the purpose of calculating K-COH, COH shall be the rolling average of the value of the total daily client orders handled, measured throughout each business day over the previous six months, excluding the three most recent months. COH shall exclude transactions executed by the Company in its own name either for itself or on behalf of a client. All client orders are executed by the Company in its own name, consequently COH shall be zero.

Risk-to-Market (RtM)– which reflects requirement for the trading book positions of Company dealing on own account, whether for itself or on behalf of a client shall be either net position risk (K-NPR) or clearing margin given (K-CMG).

K-NPR – represents s the value of transactions recorded in Company’s the trading book. The Company does not have trading book exposure, consequently K-NPR shall be zero.

K-CMG – represents the amount of total margin required by a clearing member or qualifying central counterparty, where the execution and settlement of transactions of a Company dealing on own account take place under the responsibility of a clearing member or qualifying central counterparty. The Company is not dealing under responsibility of a clearing member or qualifying central counterparty, consequently K-CMG shall be zero.

Risk-to-Firm (RtF) - which reflects Company’s exposure to the default of their trading counterparties (K-TCD), concentration risk in an investment firm’s large exposures to specific counterparties (K-CON), and operational risks from an investment firm’s daily trading flow (K- DTF).

K-DTF – represents the daily value 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. For the purpose of calculating K-DTF, DTF shall be the rolling average of the value of the total daily trading flow, measured throughout each business day over the previous nine months, excluding the three most recent months. DTF shall be measured as the sum of the absolute value of buys and the absolute value of sells for both cash trades and

derivatives in accordance with the following:

- for cash trades, the value is the amount paid or received on each trade;
- for derivatives, the value of the trade is the notional amount of the contract. The notional amount of interest rate derivatives shall be adjusted for the time to maturity (in years) of those contracts.

K-TCD – represents exposures in the trading book of an investment firm in instruments and transactions giving rise to the risk of trading counterparty default. The company does not have trading book exposure, consequently K-TCD shall be zero.

K-CON – represents the exposures in the trading book of the Company to a client or a group of connected clients the value of which exceeds the limits set to 25% of own funds. The company does not have trading book exposure, consequently K-CON shall be zero.

The K-Factor breakdown, as at 31 December 2025, is shown in the table below.

Item	K-factor requirement (USD '000)
TOTAL K-FACTOR REQUIREMENT	1.844
Risk to client	1.712
Assets under management (average amounts)	1
Client money held - Segregated	953
Assets safeguarded and administered	758
Risk to firm	132
Daily trading flow - Cash trades	51
Daily trading flow - Derivative trades	81

10.2 Fixed Overhead Requirements

The Fixed Overheads Requirement (“FOR”) applies to all Cyprus Investment Firms (“CIFs”) and is designed to ensure that investment firms maintain sufficient capital resources to absorb losses and support an orderly wind-down of operations, if required.

The FOR represents a minimum level of capital that the Company must maintain on an ongoing basis in order to cover its fixed operational expenses in the event of a stressed scenario or business cessation.

In accordance with Article 13 of the Investment Firms Regulation (“IFR”), the FOR is calculated as one quarter of the Company’s fixed overheads of the preceding financial year, after applying the relevant regulatory adjustments and deductions.

As at 31 December 2025, the Company’s Fixed Overheads Requirement amounted to USD 808 thousand.

The table below presents the calculation of the Company’s Fixed Overheads Requirement as at 31 December 2025.

Item	Amount (USD ‘000)
Fixed Overhead Requirement	808
Annual Fixed Overheads of the previous year after distribution of profits	3.233
Total expenses of the previous year after distribution of profits	6.180
(-) Total deductions	-2.947
<i>(-) Staff bonuses and other remuneration</i>	-273
<i>(-) Fees, brokerage and other charges paid to CCPs that are charged to customers</i>	-1.582
<i>(-) Non-recurring expenses from non-ordinary activities</i>	-534
<i>(-) Expenditures from taxes</i>	-544
<i>(-) Losses from trading on own account in financial instruments</i>	-14

11. Remuneration

The Company has established a Remuneration Committee responsible for proposing to the Board of Directors the remuneration framework applicable to executives and employees whose professional activities may have a material impact on the Company's risk profile.

The identified staff group includes:

- Executive Directors;
- Non-Executive Directors;
- the General Manager;
- Heads of Departments;
- the AML Compliance Officer;
- the Compliance Officer;
- the Risk Manager; and
- any other employee whose total remuneration falls within the same remuneration bracket as senior management and material risk takers.

The Remuneration Committee reviews the composition of this group annually to ensure that all relevant individuals continue to be appropriately identified in accordance with regulatory requirements and the Company's risk management framework.

Remuneration practices

The Company applies a balanced remuneration structure consisting of fixed remuneration and variable remuneration in the form of discretionary cash bonuses.

Fixed remuneration represents a sufficiently high proportion of total compensation and reflects professional experience, level of responsibility, market conditions, individual competencies and the complexity of the role performed.

Variable remuneration is discretionary, performance-based, and sufficiently flexible to allow the Company to reduce or eliminate such remuneration where appropriate. Variable remuneration is linked to both individual performance and the overall financial performance of the Company.

The Company does not apply guaranteed variable remuneration arrangements and does not operate complex formula-driven or highly leveraged incentive structures. Bonuses are awarded at the discretion of the Company, generally on an annual basis, taking into consideration profitability, business performance, and individual contribution.

During 2025, employee performance and contribution were recognised through the Company's discretionary annual cash bonus arrangements, while individual performance continued to be reflected through salary levels and bonus allocations.

Non-executive Directors

The remuneration of Non-Executive Directors consists solely of fixed fees intended to remain competitive with those paid by comparable financial services companies of similar size and complexity.

Non-Executive Directors are not eligible to participate in bonus schemes, long-term incentive arrangements or performance-related remuneration programmes.

Fees payable to Non-Executive Directors are reviewed periodically by the Board of Directors. No material changes to the remuneration approach for Non-Executive Directors are anticipated in the current or forthcoming financial years.

Executive Directors and Senior Management

The Company's policy is to remunerate Executive Directors, the General Manager, and Heads of Departments at levels broadly aligned with prevailing market conditions for comparable roles within organisations of similar size, complexity, and operational profile. Remuneration takes into account individual performance, leadership responsibilities, achievement of business objectives, professional expertise and the overall performance of the Company.

The remuneration structure aims to balance performance incentives with prudent risk management considerations and the long-term interests of the Company.

Control Functions

The remuneration of staff performing independent control functions, including the AML Compliance Officer, Compliance Officer, and Risk Manager, is directly overseen by the Remuneration Committee in order to preserve the independence and objectivity of these functions.

Variable remuneration for these officers is determined independently of the performance of the business areas they oversee, is based primarily on individual performance and achievement of control objectives and does not include share-based incentives or similar performance-linked arrangements.

This approach supports the effective operation of the Company's governance and control framework and mitigates potential conflicts of interest.

Performance Appraisal Framework

The Company maintains a formal performance appraisal framework designed to support effective performance management, employee development, and the alignment of remuneration practices with the Company's strategic objectives and risk management principles.

Performance evaluations are conducted periodically in order to assess individual performance, professional competencies, achievement of objectives, and overall contribution to the Company's operations and control environment. The appraisal process also supports organisational development, succession planning, identification of training needs, and the enhancement of operational effectiveness across the Company.

Formal performance appraisals are generally conducted on an annual basis by the General Manager for employees and relevant staff members. The performance of Directors is assessed separately by a representative appointed by the Company's main shareholder, ensuring an appropriate level of independence and oversight in the evaluation process.

The assessment process considers a range of qualitative and quantitative factors, including the achievement of predefined objectives, professional conduct, level of responsibility, quality of work performed, compliance with internal policies and regulatory obligations, and contribution to the Company's overall performance and strategic goals.

The Company's appraisal framework also promotes accountability, effective communication of expectations, and continuous professional development. The results of the performance assessment process may be taken into consideration when determining salary reviews, career progression, and discretionary bonus allocations, while ensuring that remuneration practices remain aligned with prudent risk management and the long-term interests of the Company.

Aggregate Remuneration by Senior Management & Executive Directors and Other Staff 31 December 2025 (USD '000)				
Role	No. of employees	Fixed (Cash)	Variable (Cash)	Aggregated Remuneration
Directors and Senior Management	11	1.017	128	1.145
Members of staff whose actions have a material impact on the risk profile of the institution	0	0	-	0
Total	11	1.017	128	1.145

The table below presents the variable remuneration awarded during the year ended 31 December 2025 to Senior Management, Executive Directors, and other members of staff whose professional activities have a material impact on the risk profile of the Company.

Variable Remuneration by Senior Management & Executive Directors and Other Staff 31 December 2025 (USD '000)				
Role	Cash	Shares	Share-linked and other types	Total Variable Remuneration
Directors and Senior Management	128	-	-	128
Members of staff whose actions have a material impact on the risk profile of the institution	-	-	-	-
Total	128	0	0	128

Table below presents the aggregate remuneration by Senior Management & Executive Directors and Other Staff broken into business areas:

Aggregate Remuneration by Senior Management & Executive Directors and Other Staff into business areas	Aggregate quantitative information on remuneration
Business Area	31 December 2025 (USD '000)
Management, including members of staff who has a material impact on the risk profile of the institution	173
Accounting and control functions	152
Brokerage and PM function	358
Back-office and Settlement function	247
Other functions	215
Total	1.145

Total wages and salaries paid by the Company during the year ended 31 December 2025 are disclosed in the Company's audited Financial Statements, which are available on the Company's corporate website.

The Company does not operate a pension scheme or provident fund for its employees.

As at 31 December 2025, the Company had no deferred remuneration arrangements in place. In addition, during the reporting period, the Company did not make any sign-on payments, guaranteed variable remuneration awards, severance payments, or other extraordinary remuneration payments.

12. Annexes

12.1 Annex I - Board Approved Risk Statement

The Company defines its Risk Appetite as the amount and type of risk it is willing to accept, tolerate, or be exposed to in pursuit of its strategic and business objectives. This is implemented through a structured Risk Appetite Framework, which supports risk-based decision-making, capital allocation, and effective risk management across all business activities.

The Company adopts a Risk-Based Approach (RBA) to identify, assess, monitor, and manage risks, ensuring that resources are allocated proportionately to the level of risk exposure. Under this approach, greater focus and control are applied to higher-risk areas, while maintaining efficiency and proportionality in lower-risk activities.

Risk Appetite is expressed through a combination of qualitative principles and quantitative limits, including Key Risk Indicators (KRIs), thresholds, and internal limits, which are integrated into the Company's business planning, capital planning, and Risk Management Framework (RMF).

Risk Governance & Framework Elements	
Framework Component	Description
Risk Principles & Governance	Defined through policies and Board oversight
Risk Objectives & Controls	Quantitative limits and KRIs aligned with business strategy
Risk Measurement Framework	Combination of stress testing, scenario analysis, and statistical methods
Roles & Responsibilities	Defined across Risk, Compliance, Management, and Board
Risk Reporting	Regular internal, external, and regulatory reporting
Risk Monitoring	Aggregated risk reports reviewed by Risk Manager, RM Committee, Senior Management, and Board

In line with its strategic objectives and risk-based approach, the Company has defined the following risk profile parameters for the year 2025, reflecting the acceptable distribution of revenue and activities across its core and ancillary business lines:

Primarily Lines of business	Brokerage	Up to 50%
	Portfolio management	Up to 10%
	Financial income	Up to 25%
Additional lines	Custody, Investment advice etc.	Up to 30%

The table below outlines the Company's Risk Appetite and Risk Tolerance by risk category, translating its overall risk strategy into specific, measurable thresholds and limits.

For each material risk, the Company defines the level of risk it is willing to accept (Risk Appetite) and the maximum acceptable deviation (Risk Tolerance), supported by quantitative metrics and Key Risk Indicators (KRIs).

These parameters are subject to regular monitoring at defined frequencies and are designed to ensure that the Company operates within its approved risk boundaries, maintains adequate capital and liquidity, and

remains resilient under both normal and stressed conditions.

Risk Category	Risk Appetite	Risk Tolerance	Monitoring Frequency
Market Risk	Low	<ul style="list-style-type: none"> - Limited proprietary trading - Fixed income instruments \geq BB rating - No exposure to equities/derivatives - P&L volatility within expected range 	Daily / Monthly
Credit Risk	Moderate	<ul style="list-style-type: none"> - \leq 25% of capital per counterparty - \leq 25% per issuer/group - \leq 30% per jurisdiction - \leq 70% per asset class (80% sovereigns) - Investment grade focus 	Daily / Monthly / Quarterly
Liquidity Risk	Low	<ul style="list-style-type: none"> - Liquidity ratio \geq 1 - Minimum 10% in cash/highly liquid assets - Sufficient daily cash buffer - Low cash flow forecast deviation 	Daily / Quarterly
Operational Risk	Low	<ul style="list-style-type: none"> - System availability \geq 99% - Operational incidents within thresholds - Zero tolerance for fraud/control failures 	Monthly / Quarterly
ICT / Cyber Risk	Low	<ul style="list-style-type: none"> - Zero tolerance for major breaches - System downtime within limits - 100% backup success rate 	Continuous / Monthly
Regulatory & Compliance Risk	Zero	<ul style="list-style-type: none"> - 0 regulatory breaches - 0 late filings - SARs monitored monthly - Screening alerts resolved timely 	Monthly / Quarterly
Business / Strategic Risk	Moderate	<ul style="list-style-type: none"> - Revenue concentration within limits - Positive revenue growth YoY - High client retention rate 	Quarterly / Annual
Capital Adequacy Risk	Very Low	<ul style="list-style-type: none"> - Capital ratio \geq regulatory minimum - Strong capital buffer - No breach under stress scenarios 	Quarterly
Reputational Risk	Zero	<ul style="list-style-type: none"> - Low/zero complaints - Resolution \leq 2 days - No reputational incidents 	Monthly
Legal Risk	Very Low	<ul style="list-style-type: none"> - 0 legal cases - Minimal contract deviations 	Annual
Political / Geopolitical Risk	Low to Moderate	<ul style="list-style-type: none"> - Exposure to high-risk jurisdictions monitored - 0 sanctions breaches 	Monthly / ad hoc

12.2 Annex II – Balance sheet reconciliation

As at 31 December 2025	USD '000
<i>Eligible Own Funds</i>	
Share capital	2.000
Share premium	874
Retained Earnings	67.010
Other Reserves	363
Audited profit/(loss) for the period	4.114
Accumulated other comprehensive income	-
Total equity and reserves as per Audited Financial Statements	74.361
Deductions	-71
<i>Original Own Funds (Tier 1 Capital)</i>	74.290
<i>Own Funds requirement</i>	
Fixed overhead requirement	808
Permanent minimum capital requirement	881
Total K-Factor Requirement	1.844
Transitional own funds requirements	-
Memorandum items	-
<i>Total Own Funds requirement</i>	1.844
<i>Own Funds Ratio</i>	4.029,14%
<i>Surplus(+)/Deficit(-) of Total capital</i>	72.446

12.3 Annex III – Own funds disclosure template

At 31 December 2025	USD '000
Common Equity Tier 1 capital	
Fully paid-up capital instruments	2.000
Share premium	874
Retained earnings	71.124
Accumulated other comprehensive income	363
Common Equity Tier 1 (CET1) capital before regulatory adjustments	74.361
Common Equity Tier 1 (CET1) capital: regulatory adjustments	
Adjustments to CET1 due to prudential filters	-71
Contribution to ICF	0
Total regulatory adjustments to Common Equity Tier 1 (CET1)	-71
Common Equity Tier 1 (CET1) capital	74.290
Additional Tier 1 (AT1) capital	0
Tier 1 capital (T1 = CET1 + AT1)	74.290
Tier 2 (T2) capital	0
Total capital (TC = T1 + T2)	74.290
Capital ratios and buffers	
CET 1 Ratio	4,029.14%
Surplus(+)/Deficit(-) of CET 1 Capital	73.257
Tier 1 Ratio	4,029.14%
Surplus(+)/Deficit(-) of Tier 1 Capital	72.907