



iCFD Limited

Pillar III – Disclosures 2025

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

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1. Scope of Application

iCFD Limited (hereinafter the “Company”), is an investment firm incorporated in Cyprus as a private limited liability Company under the provisions of the Cyprus Companies Law, Cap. 113. The Company is authorized and regulated by the Cyprus Securities and Exchange Commission (hereinafter “CySEC”) under license number 143/11, and which has a LEI Code of 21380087DF767XENPB60 for the conduct of designated investment business in the Republic of Cyprus and other jurisdictions.

Under its license the Company offers the following investment and ancillary services:

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

The Company's principal activity during the year was the facilitation of clients' trading in Contracts for Differences (“CFDs”) through internet-based trading platform. In providing these services to its clients the Company acts as a market maker. At the same time, the Company hedges all its transactions with a liquidity provider within its group of companies under Risk Mitigation Agreement and receives commission in return. To this extent, the Company takes zero market risk from its trading book positions.

Furthermore, it is noted that the Company does not hold any real crypto assets. However, the Company offers through its internet-based trading platform a number of CFDs with crypto as their underlying instrument which are less than 5% of the total volume of CFDs of the Company in terms of notional value, exposure value and capital requirement as measured under K-TCD. Based on these figures, the Company considers that it does not have any material crypto-asset holdings.

The Company is making the disclosures on an individual (solo) basis. Also, it is noted that the Company’s financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as adopted by the European Union (“EU”) and the requirements of the Cyprus Companies Law, Cap. 113.

In addition, the Company meets the criteria referred to in Article 32(4)(a) of IFD, therefore, this report does not include details regarding the Investment Policy, nor Environmental, Social and Governance Risks outlined in Articles 52 and 53 of the IFR, respectively. Furthermore, the Company was not considered a Significant Cyprus Investment Firm (“CIF”) per the conditions of CySEC Circular C487, and following consideration of its size, internal organisation and the nature, scope and complexity of its business, the Company’s management did not deem it necessary to establish a Nomination or a Remuneration Committee.

1.1 Regulatory Framework

Since 26th June 2021, the Company abides by the prudential rules set by the EU Regulation 2019/2033 on the prudential requirements of investment firms (“Investment Firm Regulation” or “IFR”) and EU Directive 2019/2034 on the prudential supervision of investment firms (“Investment Firm Directive” or “IFD”) – harmonized through the issuance of the Cyprus Law on the Prudential Supervision of CIFs of 2021 (165(I)/2021). This prudential framework addresses the specific vulnerabilities and risks inherent to investment firms by means of proportionate and appropriate prudential arrangements. Also, the IFR permits a transitional period of five years, until the 26th of June 2026, for certain of the enhanced capital requirements.

The current regulatory framework comprises of three pillars:

- **Pillar I** – Minimum Capital Requirements - ensures that the Company maintains at all times a sufficient amount of capital above the minimum requirement in relation to certain key risks, as calculated using prescribed methods. In addition, it also covers the calculation of the Liquidity Requirement.
- **Pillar II** covers the Supervisory Review and Evaluation Process (‘SREP’), which assesses the Internal Capital Adequacy and Risk Assessment (“ICARA”) Process and provides for the monitoring and self-assessment of an institution’s capital adequacy and liquidity resources and internal processes.
- **Pillar III** covers external disclosures that are designed to provide transparent information on regulatory capital adequacy, risk exposures, risk management, remuneration principles and practices and internal control processes.

Based on the relevant provisions of the IFR & IFD framework, the Company qualifies as a Class 2 CIF and is required to hold €750k of initial capital, as per Article 14 of the IFR and Section 9 of IFD.

The Company’s Pillar III disclosures have been prepared in compliance with Part Six of the IFR and relate to the financial year ending on 31st of December 2025. This Report should be read in conjunction with the audited financial statements of the Company. The disclosures are made on a solo basis and are published annually. Further, the Company has commissioned its External Auditors to verify its Pillar III Disclosures. Where in this Report there are references to “reference date” this is the 31st of December 2025. The Company’s Pillar III disclosures are published on

the Company’s website through the ‘Legal agreements and documents’ section. Please refer to the following link: [Legal Agreements and Documents webpage](#).

Unless stated otherwise, all amounts are presented in thousands of Euros (“€”), which is the functional currency of the Company.

2. Governance – Board and Committees

2.1 The Board of Directors

The Board of Directors (hereinafter “Board”) is responsible, inter alia, for ensuring that the Company complies with its obligations under the relevant and applicable legislation. The Board assesses and periodically reviews the effectiveness of the policies, arrangements and procedures put in place to comply with the obligations under the relevant and applicable legislation, and to take appropriate measures to address any deficiencies.

The Board ensures that it receives at least annually, written reports regarding Risk Management, Compliance, Money Laundering & Terrorist Financing and Internal Audit issues, indicating, in particular, whether the appropriate remedial measures have been taken in the event of any deficiencies. The Board is responsible for the monitoring of the internal control mechanisms of the Company to enable prevention of activities outside the scope and strategy of the Company and of any unlawful transactions, the identification of risks, and the timely and adequate flow of information and monitors and periodically assesses the effectiveness of the Company’s governance arrangements and takes appropriate steps to address any deficiencies.

During the year 2025, the Board consisted of two Executive and two Independent, Non-Executive Directors.

2.2 Diversity in the selection of members of the Management Body

The Company promotes diversity on the Management Body, in order to promote a diverse pool of members. It aims to engage a broad set of qualities and competences when recruiting members of the Management Body, to achieve a variety of views and experiences and to facilitate independent opinions and sound decision-making within the Management Body.

The Company while assessing diversity considers the following aspects:

- a. Educational and professional background: The Management Body consists of members of different backgrounds to the financial services sector.
- b. Gender: The Management Body ensures gender balance in order to ensure adequate representation of population.
- c. Age: The Management Body consists of members of different age, to ensure adequate representation of population and target market.

- d. Geographical provenance: The Management Body consists of members of different jurisdictions to ensure that it collectively has sufficient knowledge and views on the culture, market specificities and legal frameworks of the areas the Company is active in.

In order to facilitate an appropriately diverse pool of candidates for the Management Body and Key Holders, the Company ensures that all diversity aspects are taken into consideration in the selection process and equal treatment and opportunities are provided for all staff of different genders, age, etc.

Employee representation within the Management Body is also included in order to add a day-to-day practical knowledge and experience of the internal workings of the Company.

The Company's Suitability and Diversity Policy for the suitability of the Management Body and key function holders, was designed considering the proportionality principle and the characteristics and size of the Company. The Company's Suitability and Diversity Policy is approved by Senior Management.

2.3 Board Committees

In order to support effective governance and management of the wide range of responsibilities the Board has established a Risk Management Committee and an Investment Committee, with the purpose of ensuring the implementation of a prudent investment policy, and the monitoring of the risks inherent in provision of the investment services to clients.

Furthermore, the Company maintains a 'Senior Management - "4-Eyes"' structure, which is responsible to ensure compliance with its obligations under the applicable legislation, to assess and periodically review the effectiveness of the policies, arrangements and procedures put in place and to take appropriate measures to address any deficiencies.

Risk Management Committee

The Company maintains a Risk Management Committee, which is formed with the view to ensure the efficient monitoring of the risks inherent in the provision of the investment and ancillary services to clients, as well as the risks underlying the operation of the Company, in general.

The Risk Management Committee bears the responsibility to monitor the adequacy and effectiveness of the risk management policies and procedures in place, the level of compliance by the Company and its relevant persons with the policies and procedures adopted, as well as the adequacy and effectiveness of the measures taken to address any deficiencies with respect to those policies and procedures, including failures by the Company's relevant persons to comply with them.

During 2025, the Risk Management Committee met two times.

Investment Committee

The Investment Committee ensures the implementation of a prudent investment policy and the monitoring of the provision of adequate investment services to clients.

The Investment Committee is responsible to supervise the proper choice of investments and analyse the investment potential, as well as to contribute to the elaboration of the investment policy. The Committee also determines the Company's pricing policy and the mode, content, and frequency of the clients' briefing. Finally, the Investment Committee analyses the economic conditions and the investment alternatives based on a thorough examination of third-party reports, decide upon the market and types of financial instruments in which the Company is active and also review the established Company's investment policy and dealing on own account policy.

2.4 Risk Management Function

The Board appointed a Risk Manager to ensure that all the different types of risks assumed by the Company are in compliance with the relevant and applicable legislation, and that all the necessary procedures relating to risk management are in place and are functional on an operational level and on a day-to-day basis. The Risk Manager reports to the Company's Board via the Risk Management and Investment Committees.

As detailed above, this role is supported and monitored by the Risk Management Committee and is more operational than strategic. Risk Management Policy is set by the Board. The activities carried out by the Risk Management Function include, inter alia:

- The design of the overall risk management system of the Company;
- The preparation of the Risk Management policies and procedures;
- The identification of all risks faced by the Company;
- The establishment of methods for risk monitoring and measurement;
- The provision of assistance to the relevant persons responsible for carrying out investment services and activities to comply with their obligations under applicable legislation;
- The provision of training to the personnel of the Company on risk related issues; and
- The evaluation and provision of assurance that risk management control and governance systems are functioning as intended and will enable the Company's objectives and goals to be met.

Furthermore, the Risk Management Function of the Company bears the responsibility to supervise the construction of the Company's ICARA process, including the formation of the subjective decisions/policies on the relevant risks applicable to the Company, as well as to plan and organize the implementation and embedment of the ICARA process within the Company, on an operational level. In addition, the Risk Management Function is responsible to reviewing and

re-run, as well as presenting the Company's ICARA report to the Board, on an annual basis. The Risk Management Function operates independently.

The Company's ICARA report for the year 2024 has been reviewed and approved by the Board during a relevant Board meeting in September 2025. The ICARA Process for the year 2025 is scheduled to take place during May 2026.

2.5. Internal Capital Adequacy and Risk Assessment Process

The ICARA process under IFR/IFD prudential framework, determines the Pillar II capital and liquidity requirements. Further to the Pillar 1 minimum capital requirements as mentioned in sections 1 & 4 of this Report, the Company needs to keep additional capital and liquidity to cover its Pillar II risks. The amount of these capital and liquidity are determined internally by the Company through the performance of the ICARA, and upon CySEC's request, the ICARA is collected by the CySEC and undergoes the SREP. Following the SREP, the final Pillar II capital and liquidity deemed as necessary by the CySEC are communicated to the Company and considered as an additional requirement affecting the minimum required Capital Adequacy Ratio. Pillar II connects the regulatory capital and liquidity requirements to the Company's internal capital and liquidity and to the reliability of its internal control structures.

The ICARA Report presents the main business background aspects and developments of the Company, summary of the Company's business economic environment, the Company's financial summary for the previous and upcoming years, the business and strategic goals, organisational structure and the risk management framework, the overall assessment of the material risks as well as a forward-looking capital and liquidity planning.

The Company recognises the importance of the ICARA and appreciates that it enables it to justify its business strategy and risk assessments in such a way to be more diligent in the inclusion of risk factors in the business design process and also to hold less capital and liquidity than the gross risks to which it is exposed. The Board is committed to continuously update the ICARA at least annually to reflect the latest strategic plans and updates.

2.6 Number of directorships held by members of the Board

The table below provides information on the number of directorships each member of the Management Body of the Company holds at the same time in other entities, **excluding iCFD Limited**.

For the purposes of the below, executive or non-executive directorships held within the same group of companies are considered as a single directorship. Also, directorships in organizations which do not pursue predominantly commercial objectives, such as non-profit-making or charitable organizations, are not taken into account.

Taking into consideration the fact that the Company’s on- and off-balance sheet assets were not on average, over the last four financial years preceding the financial year 2025, greater than €100 million, the Company did not satisfy the definition of a significant CIF for the year ended 31st December 2025, as per the provisions of CySEC Circular C487, therefore, the provisions of section 9(4) of the Investment Services Law 87(I)/2017 (“the Law”) do not apply.

Table 1: Directorships of Board Members¹

| Name of Director | Position within iCFD Limited | Other Directorships – Executive | Other Directorships – Non-Executive |
|-------------------------|-------------------------------------|--|--|
| Theodotos Choraitis | Executive Director | - | - |
| Nicolas Mbakallouris | Executive Director | - | - |
| Pavlos Nacouzi | Independent, Non-Executive Director | 1 | - |
| Christakis Taoushanis | Independent, Non-Executive Director | - | 5 |

¹ The information presented in this table is based only on representations made by the Directors of the Company as at the time of preparation of this Report.

3. Board Risk Appetite Statement

The Risk Appetite Statement defines the level of risk the Board is willing to take in pursuit of its business objectives and strategic goals. It defines the parameters under which the Company can operate and the relevant risks it can assume, both on an individual as well as on an aggregated basis.

Risk Appetite is generally expressed through quantitative and qualitative means and considers extreme conditions, events and outcomes. In addition, the Risk Appetite reflects potential impact on earnings, capital and funding/liquidity.

The formation of the Company's Risk Appetite considers the following:

- The financial profile and position of the Company.
- The Company's capacity to manage, control and absorb risk.
- The Company's strategic, capital and financial plans as well as compensation programs.
- The requirements of the CySEC's regulatory framework.
- The CySEC's conditional requirements for license to operate in the Republic of Cyprus.
- Capital, liquidity and other regulatory requirements applicable.

The Risk Appetite Statement includes some high-level principles and key risk indicators to alert Management and the Board of Directors of any risk concerns and trigger appropriate responsive actions. Specific limits are in place, which are embedded in the risk monitoring and reporting systems, to cap the amount of risk the Company is willing to take.

The Company's Risk Appetite Statement is provided in Appendix I.

4. Minimum Capital Requirements

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

4.1 Fixed Overheads Requirement (“FOR”)

The Company calculates its FOR by taking the one quarter of the fixed overhead expenses of the preceding year in accordance with the provisions of Article 13 of the IFR. The Fixed Overheads Requirement of the Company as of 31st December 2025 amounted to €519 thousand. The Company monitors its expenses and calculates the projected fixed overheads requirement for every year. In case of a material change (change by 30% in the Company’s projected fixed overheads of the current year or €2m in the Company’s own funds requirements based on projected fixed overheads of the current year), the Company should recalculate its FOR based on the projected figures and assess whether appropriate capital resources are in place to comply with the provisions of the IFR.

4.2 Permanent Minimum Capital Requirement (“PMCR”)

The Company monitors its Own Funds on a continuous basis and ensures that they remain above the Permanent Minimum Capital Requirement of €750 thousand, which corresponds to the initial capital that applies to the Company, in accordance with Section 9 of IFD.

4.3 K-Factors Requirement

The Company’s K-factor requirement is calculated in accordance with Articles 16 through to 33 of the IFR. As per Article 15 of the IFR, an investment firm’s capital requirement equals the sum of the following K-factor requirements:

- **Risk-to-Client:** Risk-to-Client covers risks carried by an investment firm during its services, actions or responsibilities, which could negatively impact its clients.
- **Risk-to-Market:** Risk-to-Market captures the net position risk (“K-NPR”) from the trading book in accordance with the market risk provisions of the CRR or, where permitted by the competent authority for specific types of investment firms which deal on own account through clearing members, based on the total margins required by an investment firm’s clearing member (“K-CMG”).
- **Risk-to-Firm:** Risk to Firm covers the risk of an investment firm’s exposure to the default of its trading counterparties, concentration exposure in its large trading book exposures to specific counterparties and operational exposures from its daily trading flow.

The K-factor requirement is tailored to the investment firms based on the type and scale of the investment firm’s activities. The investment firms are required to calculate the K-factor requirement only for the K-factor components that are relevant to the services and activities that they are authorized to provide.

During the year under review, the Company, based on its type and scale of activities and the services authorized to provide, was exposed to risks arising from the potential harm that an investment firm can do to its clients (RtC), can do to the markets in which it operates (RtM) and to itself (RtF).

The Company monitors the value of its K-factors in order to detect any trend that could leave the Company with a materially different own funds requirement and reports these exposures on a quarterly basis.

Table 2 below breaks down the Pillar I minimum capital requirement that the Company was required to hold as of 31st of December 2025.

Table 2: Minimum Capital Requirements

| Minimum Capital Requirements | | |
|--|-------|-------------------------------------|
| K-Factor Requirement | | 31 December 2025 (€'000) |
| Risk-to-Client (RtC) | k-AUM | - |
| | k-CMH | 12 |
| | k-ASA | - |
| | k-COH | - |
| Risk-to-Market (RtM) | k-NPR | 85 |
| | k-CMG | - |
| Risk-to-Firm (RtF) | k-TCD | 423 |
| | k-DTF | 2 |
| | k-CON | 104 |
| Total K-Factor Requirement | | 626 |
| Fixed Overhead Requirement | | 519 |
| Permanent Minimum Capital Requirement | | 750 |

5. Principal Risks

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

5.1 Risk to Client

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

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

- **K-AUM (Assets Under Management)** captures the risk of harm to clients from an incorrect discretionary management of client portfolios or poor execution and provides reassurance and client benefits in terms of the continuity of service of ongoing portfolio management and investment advice. Since the Company is not authorised for the portfolio management or investment advice services, the K-AUM is not applicable.
- **K-CMH (Client Money Held)** captures the risk of potential for harm where an investment firm holds the money of its clients, taking into account whether they are on its own balance sheet or in third-party accounts and whether arrangements under applicable national law provide that client money is safeguarded in the event of bankruptcy, insolvency, or entry into resolution or administration of the investment firm. K-CMH excludes client money that is deposited on a (custodian) bank account in the name of the client itself, where the investment firm has access to the client money via a third-party mandate. Based on the reference year, as part of its business, the Company receives from its customers, cash deposits to enable them to perform transactions in financial instruments and to this end, it is subject to the risk captured by this K-factor.

Risk Mitigation Measures: The Company holds money on behalf of clients in accordance with the client money rules set out in the CySEC’s Directive DI87-01 for the Safeguarding of Client Assets, Product Governance Obligations and Inducements. Such money is classified as “segregated client funds” in accordance with the CySEC regulatory requirements. Segregated client money accounts hold statutory trust status, according to regulatory requirements, restricting the Company’s ability to control the money and accordingly such amounts are not presented on the Company’s statement of financial position. Furthermore, the Head of Finance & Accounting Department conducts on a daily basis the reconciliations between the Company’s internal accounts and records and those of any third parties by whom those assets are held, such as between clients’ bank accounts and the custodian’s balances (debit side) and client’s credit balances and financial instrument balances (credit side). The reconciliations are reviewed by the CFO on a daily basis and on a weekly basis these reconciliations are sent to the Compliance Department for review, while the external auditors monitor the reconciliations annually.

The Company maintains clients funds in four (4) banking institutions. In addition, the Company further diversified placements of its clients’ funds, by setting maximum limits in each financial institution considering, among others, the credit ratings of each financial institution.

- **K-ASA (Assets Safeguarded and Administered)** captures the risk of safeguarding and administering client assets and ensures that investment firms hold capital in proportion to such balances, regardless of whether they are on its own balance sheet or in third-party accounts. Since the safeguarding of clients’ positions in CFD products is captured under K-CMH in consideration of the nature of CFD products, the Company was not subject to the risk relating to this K-factor.

- **K-COH (Client Orders Handled):** K - COH captures the potential risk to clients of an investment firm which executes orders (in the name of the client, and not in the name of the investment firm itself), for example as part of execution - only services to clients or when an investment firm is part of a chain of client orders. The Company executes its clients' orders by acting as principal to their trades, therefore the risk reflected by this K-factor does not apply.

5.2 Risk to Market

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

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

- **K-NPR (Net Position Risk)** is based on the rules for Market Risk for positions in equities, interest rate financial instruments, foreign exchange and commodities in accordance with Regulation (EU) No. 575/2013 ("CRR"). The Company operates a back-to-back hedging model, where all the positions in the trading book are fully hedged with the Liquidity Provider. Therefore, there is no Market risk resulting from exposures to Foreign exchange risk, Position risk (Equities risk) and Commodities risk in the ordinary course of business (CFDs positions). However, the Company is subject to Market risk arising solely from the banking book assets and liabilities that are denominated in a currency other than its reporting currency (the euro).

The Company is exposed to Market Risk resulting from its exposure to:

- FX Risk.
- Commodity Risk.
- Equity Risk

Foreign Exchange Risk

Foreign exchange risk is the effect that unanticipated exchange rate changes have on the Company. In the ordinary course of business, the Company is exposed to foreign exchange risk, which is monitored through various control mechanisms.

The Foreign exchange risk in the Company is effectively managed by setting and controlling Foreign exchange risk limits, such as through the establishment of maximum value of exposure to a particular currency pair as well as through the utilization of sensitivity analysis.

The Company's Foreign exchange risk capital requirement is €85 thousand based on the latest relevant calculations of the Company's capital requirements, as at 31st of December 2025. The Company continues to regularly monitor the impact of exchange rate risks and if deemed necessary, takes corrective actions to minimize the effect.

Position Risk

Position risk is the risk involved with a certain trading position, commonly incurred due to the changes in price of the debt and equity (i.e., stocks and indices) instruments. The Company calculates its capital requirements for Position risk as the sum of the own funds' requirements for the general and specific risk of its positions in debt and equity instruments.

Commodity Risk

Commodity risk is the risk of loss from movements in the price of commodities. As at 31 December 2025, the Company was exposed to Commodity risk as it held positions in CFD commodity instruments and cryptocurrency, however, the relevant Market risk capital requirement amounted to zero (as a result of back-to-back transactions).

- **K-CMG (Clearing Margin Given)** is an alternative to K-NPR to provide for market risk for trades that are subject to clearing or on a portfolio basis, where the whole portfolio is subject to clearing or margining as set out in Article 23 of IFR. CMG means the amount of total margin required by a clearing member or qualifying central counterparty, where the execution and settlement of transactions of an investment firm dealing on own account take place under the responsibility of a clearing member or qualifying central counterparty. Based on the reference year, this K-factor is not applicable to the Company due to the nature of its operations.

Equity Risk

Equity risk is the risk that the fair value of a financial instrument fluctuates as a result of changes in market prices other than due to the effect of transactional foreign currency exposures or interest rate risks.

The sum of the absolute values of all of the Company's net long positions and all its net short positions is its overall gross position. The Company calculates, separately for each market, the difference between the sum of the net long and the net short positions. The sum of the absolute values of those differences is its overall net position. The specific risk on this individual equity can be ignored if the stock-index future in question is exchange traded and represents a relevant appropriately diversified index.

As of 31st December 2025, the Market risk capital requirements due to Position risk in equities amounted to zero.

5.3 Risk to Firm

The Risk to Firm ("RtF") captures the Company's exposure to the Risk of Default of its Trading Counterparties (K-TCD), the Concentration Risk arising from its exposures to counterparties and their connected persons as well as issuers of equity and interest-rate instruments in the trading book (K-CON) and Operational Risks from its Daily Trading Flow of transactions (K-DTF).

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

- **K-TCD (Trading Counterparty Default)** captures the risk to an investment firm by counterparties to over-the-counter (OTC) derivatives, repurchase transactions, securities and commodities lending or borrowing transactions, long settlement transactions, margin lending transactions, or any other securities financing transactions, as well as by recipients of loans granted by the investment firm on an ancillary basis as part of an investment service that fails to fulfil their obligations, by multiplying the value of the exposures, based on replacement cost and an add-on for potential future exposure, accounting for the mitigating effects of effective netting and the exchange of collateral. The Company, throughout the year under review, was exposed to K-TCD due to its OTC derivative transactions (i.e., CFDs).

Risk Mitigation Measures: The Company's key counterparties under the Trading book are its retail and corporate clients as well as its hedging counterparty. With respect to client transactions, client accounts are funded before trading takes place (i.e., the Company does not execute a client order without the necessary funds available in its clients' accounts, unless the clients were granted credits for conducting these transactions).

Moreover, the Company is required to apply margin requirements as a minimum to support the clients' investment or trading activities with it. Any open positions held by the client in OTC derivatives are included with 100% of their prevailing mark-to-market values (i.e. including the unrealized profit or loss related to each such position), in support of the client's margin collateral requirements at any time. The Company must, on an ongoing basis, monitor and control the clients' Net Free Equity and related margin requirements. Net Free Equity represents the prevailing margin collateral (the sum of the cash and securitised collateral plus/minus the mark-to market value of the client's prevailing open positions minus the margin requirements arising from the client's current open positions), which is available on any given client's investment trading account(s) held with the Company at any given time.

- **K-DTF (Daily Trading Flow)** captures the Operational risks to an investment firm in large volumes of trades concluded for its own account or for clients in its own name in one day which could result from inadequate or failed internal processes, people and systems or from external events, based on the notional value of daily trades, adjusted for the time to maturity of interest rate derivatives in order to limit increases in own funds requirements, in particular for short-term contracts where perceived operational risks are lower.

DTF means 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, excluding the value of orders that an investment firm handles for clients which are already taken into account in the scope of client orders handled. The Company is exposed to K-DTF due to the fact that it executes its trades on a principal basis (i.e., dealing on own account).

Risk Mitigation Measures: As previously mentioned, DTF aims to capture the Operational risks from a CIF's daily trading flow. The Company's calculates its K-DTF based on the

provisions of Article 15 and Article 33 of IFR. Company's capital requirements towards K-DTF are calculated and monitored once a month.

- **K-CON (Concentration Risk)** is an additional own funds requirement, which only applies to exposures in the trading book for investment firms, which deal on own account, or execute orders on behalf of clients in the name of the investment firm. The K-CON aims to provide additional own funds for managing concentration risk to a single counterparty or group of connected counterparties. The investment firms shall monitor and control their concentration risk and where the trading book exposures with regard to a client or group of connected clients exceeds the limits as set out in the IFR shall meet an own funds requirement in accordance to Article 39 of the IFR and shall notify the competent authorities of the excess, the name of the individual client concerned and where applicable the group of connected clients concerned without delay as per Article 38 of the IFR.

As per Article 37 of the IFR these limits are in line with those set out for large exposures purposes in the CRR and are:

- 25% of own funds of the investment firm in case of an individual client or group of connected clients other than credit institution or investment firm.
- The higher of 25% of own funds of the investment firm or €150 million where individual client is a credit institution or investment firm or where a group of connected clients includes one or more credit institutions or investment firms. However, where the €150 million is higher than the 25% of own funds of the investment firm, the applicable limit shall not exceed 100% of the investment firm's own funds.

As of 31st December 2025, the Company's TCD exposures towards its clients, affiliate and issuers of equity and interest-rate instruments in the trading book exceed the allowable thresholds as per Article 37 of the IFR and thus the Company was subject to K-CON requirement.

Risk Mitigation Measures: The Company calculates its K-CON requirement based on the provisions of Articles 37 & 39 of IFR. Similarly, to other K-factors, Company's capital requirements towards K-CON are calculated and monitored once a month. Additionally, the Company has established quantitative Risk Appetite thresholds regarding K-CON which are monitored by the Risk Manager.

6. Other Risks

Operational Risk (other than daily trading flow)

Operational risk is defined as the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events, including legal risk. It is inherent in every business organization, and it is managed by the Company through a control-based environment in which processes are documented and transactions are reconciled and monitored. This is supported by continuous monitoring of operational risk incidents to ensure that past failures are not repeated.

The Company has developed, implemented and maintained an Operational Risk Management Framework, congruent with the policy and the principles of the Capital Requirements Framework. Furthermore, the Company has in place additional policies and processes whose implementation assists with the evaluation and management of any exposures to operational risk such as the Business Continuity and Disaster Recovery Plan. The Company acknowledges that a significant hazard exists to its ability to continue normal business procedures following unexpected incidents. Moreover, the Company has an important dependency with its automatic systems and processes. As a result, a Recovery Plan is needed in order to deal with the risk of potential disaster.

The objectives of this Plan are to provide:

- a) continuing operations so that the Company can offer its services to the clients,
- b) business and records protection,
- c) a framework for risk and exposure controlling,
- d) measures against risks.

Moreover, the following list presents some event-type categories, included in Operational risk:

- Internal Fraud.
- External Fraud.
- Employment Practices and Workplace Safety.
- Clients, Products, & Business Practice.
- Damage to physical assets.
- Business Disruption & Systems Failures.
- Execution, Delivery, & Process Management.
- Information Technology (“IT”) Risk

Further to the above, IT risk could occur as a result of inadequate information technology and processing, inadequate IT strategy and policy or from inadequate use of the Company’s information technology.

The aim of the Company is for the materialization of the IT risk to be minimized to the lowest possible level and, as such, the Company shall take the respective rectifying measures, as and when deemed necessary.

Policies have been implemented regarding back-up procedures, software maintenance, hardware maintenance, use of the internet, anti-virus processes, data protection procedures, and disaster recovery while this risk is constantly monitored by the IT department of the Company. The Company's systems are evaluated, maintained and upgraded accordingly.

Further to the above, the Company has a low tolerance for damages arising from cyber-attacks or internally malicious actions affecting its information technology systems. In this respect, it closely monitors the requirements introduced under the newly implemented regulatory framework (DORA – Digital Operational Resilience Act). The Company has proceeded and performed a gap analysis report in order to identify the actions needed to fully adhere to the requirements of DORA. The Company ensures to undertake the necessary steps to ensure full adherence of DORA requirements.

Liquidity Risk

Liquidity risk is defined as the risk that arises when the maturity of assets and liabilities does not match. An unmatched position potentially enhances profitability but can also increase the risk of losses.

The Company has procedures with the objective of minimizing such losses, such as maintaining sufficient cash and other highly liquid current assets as well as having available an adequate amount of committed credit facilities. The Company manages Liquidity risk by ensuring that its liquidity levels remain appropriate at all times in relation to its operations, while also taking into account the overall liquidity conditions in the financial sector. It continuously evaluates and monitors its funding resources to maintain financial stability. In addition, the Company has established documented procedures to measure and monitor both its current and future liquidity needs, under normal as well as stressed conditions, enabling it to respond effectively to potential liquidity challenges.

According to Article 43 of IFR, the Company is required to maintain a basic Liquidity Requirement equal to at least one third of its Fixed Overhead Requirement. As of 31st of December 2025 the Company satisfied the Liquidity Requirement.

As per the Company's current operational status, Liquidity risk is not considered significant because the Company maintains high cash balances with banks which meet the criteria of liquid assets as per Article 43(1), paragraph 3 of IFR.

Reputational Risk

The risk of loss of reputation arising from the negative publicity relating to the Company's operations (whether true or false) may result to a reduction of its clientele and its revenue and legal cases against the Company.

The Company is aware that, operating in a demanding industry, with many competitors, could introduce risks of reputational nature. The possibility of having to deal with serious incidents is limited as the Company exerts its best efforts in providing high quality services to its clients. In addition, the Company's Board members and Senior Management comprise of experienced professionals who are recognized in the industry for their integrity and ethos, and, as such, add value to the Company. Furthermore, the Company has policies and procedures in place when dealing with possible client complaints in order to handle the issue in a timely manner and provide the best possible assistance and service under the specific circumstances.

Compliance Risk

Compliance risk is the current and prospective risk to earnings or capital arising from violations of, or non-conformance with, laws, bylaws, regulations, prescribed practices, internal policies, and procedures, or ethical standards. This risk exposes the Company to financial loss, fines, civil money penalties, payment of damages, and the voiding of contracts. Compliance risk can lead to diminished reputation, reduced Company value, limited business opportunities, reduced expansion potential, and an inability to enforce contracts. Additionally, if material, Compliance risk could trigger the effects of Regulatory and Money Laundering and Terrorist Financing risk. The Company has documented procedures and policies based on the requirements of relevant laws and directives issued by the CySEC. Compliance with these procedures and policies is further assessed and reviewed by the Company's Internal Auditors and suggestions for improvement are implemented by management. The Internal Auditors evaluate and test the effectiveness of the Company's internal control framework at least annually.

Moreover, Money Laundering and Terrorist Financing risk mainly refers to the risk that the Company may be used as a vehicle to launder money and/or finance terrorism. The Company has policies, procedures and controls in place in order to mitigate the Money Laundering and Terrorist Financing risk. Among others, these policies, procedures and controls include the following:

- the adoption of a risk-based approach that involves specific measures and procedures in assessing the most cost effective and appropriate way to identify and manage the Money Laundering and Terrorist Financing risk faced by the Company.
- the adoption of adequate Client Due Diligence and Identification Procedures in line with the clients' assessed Money Laundering and Terrorist Financing risk.

- setting certain minimum standards of quality and extent of the required identification data for each type of client (i.e. documents from independent and reliable sources, third party information, documentary evidence).
- obtaining additional data and information from clients, where this is appropriate and relevant, for the proper and complete understanding of their activities and source of wealth and for the effective management of any increased risk emanating from a particular Business Relationship or an Occasional Transaction.
- on-going monitoring of high-risk Clients' transactions and activities, as applicable.
- ensuring that the Company's personnel receive the appropriate training and assistance.

During the year under review, the Company maintained its policies, procedures and controls with respect to Money Laundering and Terrorist Financing and provides, inter alia, details and further information with respect to the abovementioned points.

During the year under review, the Internal Auditor and Anti-Money Laundering Compliance Officer, as well as the Compliance Team undertook on-site inspections and desk-based reviews in order to assess the Company's compliance with the AML regulatory framework. Following the inspections, the abovementioned have provided the Company with a list of recommendations for improvement in AML compliance related areas. The aim of the Company is for the materialization of the Money Laundering and Terrorist Financing risk to be minimized to the lowest possible level and, as such, the Company has reviewed and examined in detail the Internal Auditor's recommendations with respect to anti-money laundering issues and shall take the relevant rectifying measures and actions, as and when required.

Finally, the Company monitors developments in applicable tax regulations. Following the recent changes introduced by the Cyprus Tax Reform, the Company is expected to incur higher tax charges on profits from 2026 onwards, due to the increase in the corporate tax rate. Other tax changes are not expected to have a direct impact on the Company's operations.

Geopolitical Risk

Geopolitical risk reflects the risk of loss resulting from unfavourable geopolitical conditions or developments. 2025 has been a year of high geopolitical instability in numerous regions of the world including Israel and the Middle East, with the situation exacerbating within the first quarter of 2026 through the intensification of the conflict between Israel and USA on the one hand, and Iran on the other hand. The conflicts have caused significant volatility in global energy markets and disruptions to the supply of oil and gas, contributing to increased uncertainty in commodity prices and potential inflationary pressures. Broader consequences have also been observed in financial markets and global supply chains, particularly affecting energy and transportation sectors, as heightened geopolitical tensions around key shipping routes add to market uncertainty.

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

The financial effect of the current crisis on the global economy and overall business activities cannot be estimated with reasonable certainty at this stage, due to the pace at which the conflict is evolving and the high level of uncertainties arising from the inability to reliably predict the outcome.

The Company's Management is monitoring the geopolitical developments that may affect the Company's operations and risk profile and is prepared to take any required steps, where and if deemed applicable. The Company has no direct exposure to Middle East, as such, does not expect any direct impact. Although the Company has no direct exposure, the conflicts may still create negative effects on the world economy. Rising energy prices, fluctuations in foreign exchange rates, increased financial market volatility, supply chain disruptions and intensified inflationary pressures may indirectly impact the operations of the Company. The indirect implications will depend on the extent and duration of the crisis and remain uncertain.

Management has considered the unique circumstances and the risk exposures of the Company and has concluded that there is no significant impact on the Company's financial position, financial performance and cash flow position. The events are not expected to have an immediate material impact on the business operations. Management will continue to monitor the situation closely and will assess the need for any necessary reassessment of its risk exposure, capital adequacy and liquidity planning in case the effects become prolonged.

Credit Risk

The Company exposes to the following types of Credit risk:

- Client risk – occurs when the Company executed client's order without respective coverage from the client.
- Bank risk – potential losses of the Company caused by bankruptcy of a bank where it holds its own and clients' funds/assets.
- Counterparty risk – potential losses resulting from the fact that a counterparty refused to fulfil its obligations after the movement of assets begun (failed to repay the amount or deliver stocks it owes to the Company, i.e. defaulted on its obligations). The risk is equal to the amount of money or stocks owed to the Company by the counterparty but not repaid plus any recovery costs incurred.

The Company has in place processes and procedures to identify, measure, monitor and control all types of the above-mentioned types of Credit risk which arise from its trading activities with clients and counterparties with whom the Company collaborates as part of its daily financial trading and investment activities.

Interest Rate Risk

Interest rate risk is the risk that the value of financial instruments (including currencies) will fluctuate due to changes in the market interest rates. The Company is exposed to interest rate risk in relation to its bank deposits and from the interest charged on the derivative financial instruments that remain open overnight.

The Company monitors interest rate fluctuations and based on the fluctuations of the relevant rates, the necessary hedging activities will be undertaken, as and where applicable.

7. Own Funds

The prudential framework for investment firms set out in the IFR and IFD is designed to reflect the nature, size, and complexity of investment firms' activities. A key feature of the IFR/IFD framework is the introduction of simpler and more tailored capital requirements for investment firms.

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

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

As at 31 of December 2025, the Company's Own Funds comprised entirely of Common Equity Tier 1 capital, amounted to €4.100 thousand.

Table 3 below presents the composition of the Company's Own Funds as of 31st December 2025, while **Table 4** indicates how these Own Funds reconcile with the Company's audited Balance Sheet as of this date, and they have been prepared using the format set out in Commission Implementing Regulation (EU) 2021/2284 laying down implementing technical standards for the application of IFR with regard to supervisory reporting and disclosures of investment firms.

Table 3: Template EU IF CC1.01 - Composition of regulatory own funds

| | | (a) | (b) |
|---|--|---------------------|---|
| | | Amounts (€' 000) | Source based on reference numbers/letters of the balance sheet in the audited financial statements (Cross Reference to EU IF CC2) – Table 4 below |
| Common Equity Tier 1 (CET1) capital: instruments and reserves | | | |
| 1 | OWN FUNDS | 4.100 | |
| 2 | TIER 1 CAPITAL | 4.100 | |
| 3 | COMMON EQUITY TIER 1 CAPITAL | 4.100 | |
| 4 | Fully paid-up capital instruments | 1.295 | Ref. 1 (Shareholder's Equity) |
| 5 | Share premium | 1.575 | Ref. 2 (Shareholder's Equity) |
| 6 | Retained earnings | 1.286 | Ref. 3 (Shareholder's Equity) |
| 10 | Adjustments to CET1 due to prudential filters | (5) | |

| | | | |
|----|---|------|-----------------------------------|
| 27 | CET1: Other capital elements, deductions, and adjustments | (51) | Ref. 1 (Assets) & Ref. 2 (Assets) |
| 28 | ADDITIONAL TIER 1 CAPITAL | - | |
| 40 | TIER 2 CAPITAL | - | |

Table 4: Template EU IF CC2 - Own funds: reconciliation of regulatory own funds to balance sheet in the audited financial statements

| As at financial year end 31 Dec 2025 (€' 000) | | a | c |
|--|--|--|--|
| | | Balance sheet as in audited financial statements | Cross reference to EU IF CC1 – Table 3 above |
| Assets - Breakdown by asset classes according to the balance sheet in the audited financial statements | | | |
| | Total Assets | 4.319 | |
| | of which: | | |
| 1 | CYSEC Investor Compensation Fund (part of Trade and other receivables) | 41 | Ref. 27 |
| 2 | Additional Cash Buffer (part of Cash and cash equivalents) | 10 | Ref. 27 |
| Liabilities - Breakdown by liability classes according to the balance sheet in the audited financial statements | | | |
| | Total Liabilities | 163 | |
| Shareholders' Equity | | | |
| | Total Shareholder's Equity | 4.156 | |
| | of which: | | |
| 1 | Share capital | 1.295 | Ref. 4 |
| 2 | Share premium | 1.575 | Ref. 5 |
| 3 | Retained earnings | 1.286 | Ref. 6 |

As indicated in **Table 5** below, as of 31st December 2025 the CAD ratio of the Company amounted to 546,68%, exceeded the minimum required threshold of 100%, and had a capital surplus of €3.350 thousand.

Table 5: Capital Excess/Ratio

| 31 Dec 2025 | (€'000) |
|--|----------------|
| Capital | |
| Common Equity Tier 1 (a) | 4.100 |
| Additional Tier 1 (b) | - |
| Tier 2 (c) | - |
| Total Own Funds (d = a + b +c) | 4.100 |
| Own Funds Requirement | |
| K-factor Requirement (e) | 626 |
| Fixed Overhead Requirement (f) | 519 |
| Permanent Minimum Capital Requirement (g) | 750 |
| Minimum Own Funds Requirement (h = higher of e, f, g) | 750 |
| Capital Excess/Ratio | |
| Capital Excess (d – h) | 3.350 |
| Capital Ratio (d / h) | 546,68% |

8. Remuneration policy

The principles applied under the Company's Remuneration Policy are commensurate to its size, internal organisation and the nature, the scope and the complexity of its activities, whilst adhering to the provisions of the applicable legislation.

8.1 Remuneration System

The Company's remuneration system adopts the requirements of the applicable legislation to ensure that the rewards of both the 'executive management' and other employees are connected to a combination of: (i) the assessment of the employee's performance; (ii) the relevant business unit in which they are employed; and (iii) the Company's overall performance, so as, each employee is incentivized to the extent possible under the applicable law to achieve the Company's key business aims.

One of the key factors that is taken into consideration is the appropriate link between bonus reward and performance-based remuneration whilst at the same time ensuring base salary levels are not set at artificially low levels. The remuneration mechanisms implemented are well-known management and human resources tools and take into account the staff's skills, relevant professional experience and performance, whilst at the same time supporting the Company's long-term business objectives.

In addition, the Remuneration Policy is gender-neutral (i.e., there is not a gender pay gap).

Taking into consideration the industry in which the Company operates and its business model, the remuneration mechanisms aim to prevent potential conduct of business and conflict of interest risks from adversely affecting the interests of the Company's clients and to ensure that the Company adequately manages any related residual risk.

The Company's remuneration system takes into account the highly competitive sector in which the Company operates, and the considerable number of resources the Company invests in each member of staff.

As a rule, in setting variable remuneration models qualitative criteria are introduced so as to encourage the employees to act in the best interests of the clients and mitigate if not eradicate any relevant conflicts of interest.

The Company ensures that employees engaged in control functions are independent from the business units they oversee, have appropriate authority and are remunerated adequately to attract qualified and experienced staff and in accordance with the achievement of the objectives linked to their functions.

The Company ensures that its remuneration system is consistent with and promotes sound and effective risk management and does not encourage risk-taking that exceeds the level of tolerated risk of the Company.

Assessments of financial performance used to calculate fixed or variable remuneration are based on profits as well as the compliance of the employee receiving such remuneration with the qualitative criteria set by the Company from time to time. The Company also ensures that its total remuneration system is in line with the business strategy, objectives, values and long-term interests of the Company. Where the Company makes a loss, it is generally expected that no variable remuneration shall be awarded.

The various remuneration components:

a. Base Salaries (Fixed Remuneration)

Fixed remuneration varies for different positions/roles depending on each position's functional requirements, and it is set at levels which reflect the educational level, professional experience, accountability and responsibility needed for an employee to perform each position/role. In order to ensure that the Company's Remuneration Policy is in line with the business strategy, objectives, values and long-term interests of the Company and that it is consistent with and promotes sound and effective risk management, the Company distinguishes between three categories of staff remuneration: Top Earners, Medium Earners and Normal Earners as below:

- Top Earners: Includes the Senior Management (the Executive and the Managing Directors), and risk takers whose professional activities have a material impact on the risk profile of the Company (the Head of the Compliance Function and Risk Management Function amongst others)
- Medium Earners: Includes the Heads of each Department and Senior Employees, who are classified as senior due to their seniority, knowledge and experience on the duties assigned
- Normal Earners: Includes all other staff.

b. Performance-based Bonus Scheme & Commissions (Variable Remuneration)

Variable remuneration is designed to ensure that the total remuneration remains at competitive levels and to reward the staff for its performance whilst remaining aligned with the department's and/or the Company's performance. Other factors taken into account are the following:

- The financial viability of the Company
- The general financial situation of the state in which the Company operates, and
- The employee's personal objectives (such as personal development, compliance with the regulatory requirements (including the "best execution policy" and other protective policies aiming towards the best interest of the client), systems and controls, commitment and work ethics).

The variable remuneration component is mainly awarded in the form of an additional money payment on top of the base salary, while no remuneration is payable under deferral arrangements (with vested or unvested portions).

The Company acknowledges that the nature of the qualitative criteria used in order to decide on the eligibility of an employee to a variable remuneration, varies depending on the function an employee holds and more specifically, depending on the contact the employee has with the Company's customers. As such the Company:

- has established appropriate ratios between the fixed and variable components of total remuneration and ensures that these components are appropriately balanced. The variable component does not exceed 100% of the fixed component of total annual remuneration for Senior Management and the Front and Back Office Departments. For other functions, the maximum threshold is set at 25%.
- has produced certain variable remuneration schemes for the employees working in the Front Office (Sales and Retention) Department based only on qualitative performance. Due to the higher risk of occurrence of a conflict of risk to the potential detriment of the Company's clients, specific guidelines are issued for the positions of the Front Office.
- has produced certain variable remuneration schemes for Employees working in the Back Office Department, who are also eligible to receive variable remuneration for extraordinary performance.
- has decided that employees working in any other functions (e.g., Compliance, Finance & Accounting, HR etc.) are only entitled to variable remuneration on extraordinary performance based on the below principles:
 - It is exceptional and cannot exceed 25% of the total annual salary.
 - It is suggested by Senior Management and reviewed by the Compliance Officer.
 - It is granted upon the overall performance of the employee during a specific period of time, which in exceptional cases should be monthly and in regular cases annually.
 - Does not in any case create any conflict of interest against the employee and the Company or the Company's clients and does not incentivize the employee to act outside its duties and responsibilities.

c. Provident Fund

Provident and Pension schemes guarantee employees a basic cover in the event of illness or death, and a suitable pension payment on retirement. In general, from the 7th month of employment, employees shall be entitled to be covered by defined contribution plans with a pension insurance entity, and the Company typically pays 5% of the pension contributions.

d. Other Benefits

Other benefits (company phone, company car, coupons etc.) are awarded based on individual employment contracts and local market practice.

e. Severance payment

Severance payments are payable in accordance with relevant employment laws.

8.2 Performance Appraisal

The Company through its Compliance Department and HR Department implements a performance appraisal method, which is based on a set of qualitative indicators, developed for each business unit.

The appraisal is performed as follows:

- Qualitative objectives are set at the beginning of each month, quarter and/or year (each department is being appraised on different periods) defining what the Company functions, departments and individuals are expected to achieve over an upcoming period.
- Performance checks and feedback: Managers provide support and feedback to the staff in question during the time periods decided, during the daily activities or during formal or informal performance reviews; the aim is to assist the staff to develop their skills and competencies.

8.3 Remuneration of Key Management Personnel and Directors

The remuneration of risk takers and employees in control functions is subject of approval of the Board of Directors, who at least annually identifies employees who may take material risks on behalf of the Company:

- Employees dealing in financial instruments;
- Employees who monitor compliance with risk taking limits;
- Senior Officers in the Risk Management and Compliance Function;
- Other employees with a material impact on the Company's risk profile.

The remuneration to Company's staff whose actions had a material impact on the Company's risk profile for the year ended 31st December 2025, is analyzed in the following table:

| 31 December 2025 | Number of Beneficiaries | Fixed Remuneration | Variable Remuneration | Total Remuneration |
|---|-------------------------|--------------------|-----------------------|--------------------|
| | | €000 | | |
| Senior management ² | 4 | 177 | - | 177 |
| Members of staff whose actions have a material impact on the risk profile of the institution ³ | 7 | 314 | 56 | 370 |
| Total | 11 | 491 | 56 | 547 |

² Senior management includes Executive and Non-executive directors.

³ This category includes the Heads of the Company's main functions and operations, including the Head of Customer Support/Sales Department, Head of Compliance and Risk Manager, Data Protection / IT Manager, Marketing Director, Head of Back Office Department, Head of Reception & Transmission and Execution Departments, and the AMLCO.

Fixed remuneration of the Company’s risk takers as shown on the table above includes the gross salaries and total contributions (including contributions to provident fund, employee medical scheme and social insurance contributions) paid by the Company to these employees excluding any bonuses, as these are included on variable remuneration. Also, regarding the Company’s Non-Executive Directors, the fees paid to them throughout the year are included in their Fixed remuneration.

During 2025, the Company did not pay or award any non-cash variable remuneration, deferred remuneration, severance payment, or guaranteed variable remuneration. There were also no deferred remuneration or severance payments awarded in previous periods that were paid out during 2025.

9. Appendix I: Board Approved Risk Appetite Statement

As already mentioned, risk appetite is the level and type of risk a firm is able and willing to assume in its exposures and business activities, given its business objectives and obligations to stakeholders. Risk appetite is generally expressed through both quantitative and qualitative means and should consider extreme conditions, events and outcomes. In addition, risk appetite should reflect potential impact on earnings, capital and funding/liquidity.

The Company has a low-risk appetite in respect to investing and to managing business and operational activities. The Company has adopted a risk appetite statement which is approved by the Board to guide the decision makers in formulating business plans and regulatory responses. An appropriate risk appetite framework (RAF) enables risk capacity, risk appetite, risk limits, and risk profile to be considered for business lines and legal entities as relevant, and within the group context. The risk appetite framework is defined as the overall approach, including policies, processes, controls, and systems through which risk appetite is established, communicated, and monitored. It includes a risk appetite statement, risk limits, and an outline of the roles and responsibilities of those overseeing the implementation and monitoring of the RAF.

The RAF considers material risks to the financial institution, as well as to the institution's reputation vis-à-vis policyholders, depositors, investors and customers. The RAF aligns with the Company's strategy. Consequently, the Risk Appetite Statement is defined as the articulation in written form of the aggregate level and types of risk that a financial institution is willing to accept, or to avoid, in order to achieve its business objectives. It includes qualitative statements as well as quantitative measures expressed relative to earnings, capital, risk measures, liquidity and other relevant measures as appropriate. It also addresses more difficult to quantify risks, such as reputation and conduct risks as well as money laundering and unethical practices. Moreover, risk target is the Company's optimal positioning within the risk appetite. Every strategic and tactical objective has a certain return and a certain level of risk. The target is where the Company is aiming for both.

Once the risk target is reached, this is the threshold where the Company starts to take steps to bring risk back within the risk appetite. This could mean selling off risk, hedging, increasing monitoring, adding capital, increasing reserves or any other credit mitigation controls. Risk limit is the Company's maximum risk of the risk appetite area.

Additionally, the risk tolerance is the level of risk to which an organization is willing and able to be exposed, taking into account the Company's financial strength, its nature, scale and complexity, liquidity, and the physical resources needed to adequately manage the risk. Furthermore, the risk capacity is defined as the maximum level of risk the financial institution can assume given its current level of resources before breaching constraints determined by regulatory capital and liquidity needs, the operational environment (e.g. technical infrastructure, risk management capabilities, expertise) and obligations, also from a conduct perspective, to

depositors, policyholders, shareholders, fixed income investors, as well as other customers and stakeholders.

Specifically, the Company’s risk tolerance is the maximum allowable large exposure that the Company is able to be exposed to and maintain the respective additional capital and still be compliant with the capital requirements. For the formulation of the risk appetite, the following approach is followed by the Company in order to ensure that the different stakeholders’ perspectives and risk types are considered:



10. Appendix II: Main Features of Own Instruments issued by the Company

| | | <i>Common Equity Tier 1 Capital</i> |
|----|--|---|
| 1 | Issuer | ICFD Limited |
| 2 | Unique identifier (Legal Entity Identifier) | N/A |
| 3 | Public or private placement | Private Placement |
| 4 | Governing law(s) of the instrument | Cyprus Law |
| 5 | Instrument type (types to be specified by each jurisdiction) | Ordinary Shares |
| 6 | Amount recognised in regulatory capital | 2.870k € |
| 7 | Nominal amount of instrument | 1.295k € |
| 8 | Issue price | Various |
| 9 | Redemption price | N/A |
| 10 | Accounting classification | Shareholder's Equity |
| 11 | Original date of issuance | 07/09/2009 1.000.000 shares 07/07/2011 120.000 shares 27/06/2017 100.000 shares 31/08/2018 75.000 shares |
| 12 | Perpetual or dated | Perpetual |
| 13 | Original maturity date | No maturity |
| 14 | Issuer call subject to prior supervisory approval | N/A |
| 15 | Optional call date, contingent call dates and redemption amount | N/A |
| 16 | Subsequent call dates, if applicable | N/A |
| | <i>Coupons / dividends</i> | N/A |
| 17 | Fixed or floating dividend/coupon | Floating |
| 18 | Coupon rate and any related index | N/A |
| 19 | Existence of a dividend stopper | No |
| 20 | Fully discretionary, partially discretionary or mandatory (in terms of timing) | Fully discretionary |
| 21 | Fully discretionary, partially discretionary or mandatory (in terms of amount) | Fully discretionary |
| 22 | Existence of step up or other incentive to redeem | N/A |
| 23 | Noncumulative or cumulative | N/A |
| 24 | Convertible or non-convertible | Non-convertible |
| 25 | If convertible, conversion trigger(s) | N/A |
| 26 | If convertible, fully or partially | N/A |
| 27 | If convertible, conversion rate | N/A |
| 28 | If convertible, mandatory or optional conversion | N/A |
| 29 | If convertible, specify instrument type convertible into | N/A |
| 30 | If convertible, specify issuer of instrument it converts into | N/A |
| 31 | Write-down features | No |
| 32 | If write-down, write-down trigger(s) | N/A |
| 33 | If write-down, full or partial | N/A |
| 34 | If write-down, permanent or temporary | N/A |
| 35 | If temporary write-down, description of write-up mechanism | N/A |
| 36 | Non-compliant transitioned features | No |
| 37 | If yes, specify non-compliant features | N/A |
| 38 | Link to the full term and conditions of the instrument (signposting) | N/A |