

EXNESS (CY) LTD

Pillar III Disclosures

For the Year Ended 31 December 2025

This document has been prepared, for information purposes only, by Exness (CY) Ltd (authorized and regulated by the Cyprus Securities and Exchange Commission under license number CIF 178/12 dated 5 September 2012). The information herein is provided as at the date of this document according to 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 Introduction, Scope and Purpose of this Document

The present Disclosures document is prepared on a solo and consolidated basis and reflects information that relates to Exness (CY) (“Exness (CY)” or the “Company”) Ltd and Exness Investment Bank Limited. Where reference is made to the Group, the Group shall refer to the Company together with its fully-owned subsidiary, Exness Investment Bank Limited, a company incorporated and registered in Labuan.

On 26 May 2025, the Company acquired 100% of the share capital of Exness Investment Bank Limited. As a result, it prepared this report on both an individual (solo) and consolidated basis.

The Group does not meet the criteria of a large-sized group as defined under the Cyprus Companies Law, Cap. 113. Consequently, investments are accounted for at cost, and consolidated audited financial statements have not been prepared. Accordingly, this report comprises audited solo Pillar III disclosures alongside consolidated unaudited Pillar III disclosures.

Exness (CY) Ltd was incorporated in Cyprus on the 2nd of September 2011 as a private limited liability Company under the provisions of the Cyprus Companies Law, Cap. 113 with registration number HE 293057 and LEI code 213800TS6IQF7NLQSP32.

The Company is authorized and regulated by the Cyprus Securities and Exchange Commission (“CySEC” or the “Commission”) under license number 178/12 for the conduct of designated investment business in the Republic of Cyprus. The Company is a Class 2 Cyprus Investment Firm (“CIF”) and is required to hold €750k of initial capital set in accordance with Article 14 of Regulation (EU) 2019/2033 (the “Investment Firm Regulation” or “IFR”) and specified in Article 9 of EU Directive 2019/2034 (“the Investment Firm Directive” or “IFD”), as the latter has been harmonized with local legislation through the issuance of the Cyprus Law 165(I)/2021 for the Prudential Supervision of Investment Firms.

The Company’s operating license from CySEC permits it to undertake regulated investment and ancillary services, as these are indicated in the following table and analyzed further below.

The Company operates a Business-to-Business (“B2B”) model and offers services only to Per Se Professional Clients and Eligible Counterparties.

The Company’s revenue is primarily derived from acting as the counterparty to client trades and from providing trade execution services. The Company’s profitability is mainly affected by market conditions that influence customer’s behavior and market practices, as well as by the operating environment of the Company’s clientele.

Exness Investment Bank Limited (“Exness Investment Bank” or the “EIB”) was incorporated in Labuan, Malaysia on the 22nd of September 2021 as a private limited liability Company with registration number LL17593 and LEI code 98450006B63AK6C6A683.

EIB is authorized and regulated by the Labuan Financial Services Authority (hereinafter referred to as “LFS”) as an investment bank with license number 210141BI.

Table 1 – Company License Information

		Investment Services and Activities									Ancillary Services						
		1	2	3	4	5	6	7	8	9	1	2	3	4	5	6	7
Financial Instruments	1	√	√	√	√	-	-	-	-	-	√	√	-	√	-	-	-
	2	√	√	√	√	-	-	-	-	-	√	√			-		-
	3	√	√	√	√	-	-	-	-	-	√	√			-		-
	4	√	√	√	√	-	-	-	-	-	√	√			-		-
	5	√	√	√	-	-	-	-	-	-	√	√			-		-
	6	√	√	√	-	-	-	-	-	-	√	√			-		-
	7	√	√	√	-	-	-	-	-	-	√	√			-		-
	8	√	√	√	-	-	-	-	-	-	√	√			-		-
	9	√	√	√	-	-	-	-	-	-	√	√			-		-
	10	√	√	√	-	-	-	-	-	-	√	√			-		-

The Company is authorized to provide the following Investment and Ancillary Services listed in Part I of the first Appendix of the Law 87(I)/2017 regarding the provision of investment services, the exercise of investment activities and the operation of regulated markets (hereinafter, the “Law”):

Investment Services:

1. Reception and transmission of orders in relation to one or more financial instruments.
2. Execution of orders on behalf of clients.
3. Dealing on own account.
4. Portfolio Management.

Ancillary Services:

1. Safekeeping and administration of financial instruments for the account of clients, including custodianship and related services.
2. Granting credits or loans to one or more financial instruments, where the firm granting the credit or loan is involved in the transaction.
3. Foreign exchange services where these are connected to the provision of investment services.

The Company is authorized to provide the investment services in points (1) to (3) above and the ancillary services in points (1) and (2) above in relation to all the financial instruments listed below, as per Part III of the first Appendix of the Law:

1. Transferable Securities.
2. Money Market Instruments.
3. Units in Collective Investment Undertakings.
4. Options, futures, swaps, forward rate agreements and any other derivative contracts relating to securities, currencies, interest rates or yields, emission allowances or other derivatives instruments, financial indices or financial measures which may be settled physically or in cash.
5. Options, futures, swaps, forward rate agreements and any other derivative contracts relating to commodities that must be settled in cash or may be settled in cash at the option of one of the parties other than by reason of default or other termination event).
6. Options, futures, swaps, and any other derivative contract relating to commodities that can be physically settled provided that they are traded on a regulated market or/and an MTF, or an OTF,

- except for wholesale energy products traded on an OTF that must be physically settled.
7. Options, futures, swaps, forwards and any other derivative contracts relating to commodities, that can be physically settled not otherwise mentioned in point 6 above and not being for commercial purposes, which have the characteristics of other derivative financial instruments.
 8. Derivative instruments for the transfer of credit risk.
 9. Financial contracts for differences.
 10. Options, futures, swaps, forward rate agreements and any other derivative contracts relating to climatic variables, freight rates, or inflation rates or other official economic statistics that must be settled in cash or may be settled in cash at the option of one of the parties (otherwise than by reason of a default or other termination event), as well as any other derivative contract relating to assets, rights, obligations, indices and measures not otherwise mentioned in this Part, which have the characteristics of other derivative financial instruments, having regard to whether, inter alia, they are traded on a regulated market, OTF, or an MTF.

The ancillary service of "foreign exchange services where these are connected to the provision of investment services" is provided in relation to all financial instruments of Part III of the first Appendix of the Law.

Moreover, the Company is authorized to provide the investment service of Portfolio Management for the following financial instruments in accordance with the Law:

1. Transferable Securities.
2. Money Market Instruments.
3. Units in Collective Investment Undertakings.
4. Options, futures, swaps, forward rate agreements and any other derivative contracts relating to securities, currencies, interest rates or yields, emission allowances or other derivatives instruments, financial indices or financial measures which may be settled physically or in cash.

During 2025, the Company operated as a market maker, offering investment and ancillary services in relation to CFDs on foreign exchange via the website www.exness.eu and using the electronic platform of MetaTrader 5.

Further to the above, as already mentioned, EIB holds an investment banking license under the LFSA, which allows the firm to carry out various investment banking activities as listed below:

1. Providing credit facilities.
2. Providing consultancy and advisory services relating to corporate and investment matters, including dealing in securities, or making and managing investments on behalf of any person.
3. Undertaking foreign exchange transactions, interest rate swaps, dealings in derivative instruments or derivative financial instruments or any other similar risk management activities.
4. Labuan Islamic investment banking business.
5. Labuan financial business.
6. Other business as the LFSA, with the approval of the Minister, may specify.

Furthermore, as at 31 December 2025, the EIB had no operational activities and did not serve any clients.

1.1 Regulatory Context

This Pillar III Disclosures Report (the "Report") has been prepared in accordance with Part Six of the IFR and relates to the financial year ending on 31st of December 2025.

Since 26th of June 2021, the Company abides by the prudential rules set by the IFR & IFD framework. The IFR & IFD framework addresses the prudential requirements of Class 2 and Class 3 investment firms in a more customized and risk-sensitive manner than the previous, CRR & CRD framework, and has been established with the purpose of avoiding disproportionate administrative burden on this category. Moreover, a transitional period of five years from initial implementation is allowed, where necessary, to help investment firms adjust to the new risk quantification methodologies, by enabling them to adopt gradually the Pillar I methodologies set by the IFR.

On 26 May 2025, the Company acquired 100% of the share capital of EIB. As a result, it became subject to prudential consolidation pursuant to Article 7 of IFR and is therefore required to submit prudential reports to CySEC on both an individual (solo) and consolidated basis.

The Company monitors group-level governance, capital and liquidity adequacy, risk-management, internal controls and reporting to ensure ongoing compliance with prudential requirements.

1.1.1 The Three Pillars

The Regulatory framework consists of a three “Pillar” approach:

- Pillar I establishes minimum capital and liquidity requirements, ensuring that the Company maintains at all times a sufficient amount of capital and liquid assets that are above the minimum required thresholds, calculated using prescribed methods set by the IFR.
- Pillar II (Internal Capital Adequacy and Risk Assessment - “ICARA” - Process) requires investment firms and supervisors to take a view on whether a firm should hold additional capital and/or liquid assets against risks that are not fully captured by the Pillar I process (e.g. Credit Concentration risk); those risks not taken into account by the Pillar I process (e.g. Interest Rate risk in the Banking Book, Strategic risk, Reputation risk, Regulatory Compliance risk); and factors external to the Company (e.g. business cycle effects). Pillar II connects the regulatory capital and liquidity requirements to the Company’s ICARA process and to the reliability of its internal control structures. The function of Pillar II is to provide communication between supervisors and investment firms on a continuous basis and to evaluate how well the investment firms are assessing their capital and liquidity needs relative to their risks. If a deficiency arises, prompt and decisive action is taken to restore the appropriate relationship of capital- and liquidity-to risk.
- Pillar III requires the disclosure of information regarding the key risk management objectives and policies of the Company, its risk governance, its remuneration policies and practices, as well as the results of its capital adequacy calculations, on an annual basis.

According to the IFR, the Pillar III Disclosures should be provided in one medium or location, where possible. The Pillar III disclosure requirements are contained in relevant Articles of Part Six of the IFR. In addition, these Disclosures must be verified by the external auditors of the CIF, in accordance with CySEC’s expectations. The CIF will be responsible to submit its external auditors’ verification report to CySEC, five months after the end of each financial year, at the latest. The Company makes available its annual Pillar III Disclosures on its website as it does not publish its financial statements. In addition, the Company arranges for verification of these Disclosures to be carried out by its external auditors and sent to CySEC.

1.2. Pillar III Disclosure Policy

The Disclosures included in this Report are made on a solo and consolidated basis. This Report reflects information based on accounting figures that have been prepared in accordance with the International Financial Reporting Standards (“IFRS”) for the year ended 31 December 2025. The date of this document is April 2026. Where “reference date” is mentioned, this refers to 31 December 2025.

Unless stated otherwise, all amounts are in thousands of Euro (“€” or “EUR”).

In addition, for the year under consideration the Company did not meet the criteria of a significant CIF as per CySEC’s Circular 487 and therefore, this Report does not include details regarding the Investment Policy or the Environmental, Social and Governance Risks outlined in Articles 52 and 53 of the IFR, respectively.

The following provides a summary of certain important items of the Company’s Pillar III Disclosure Policy:

1.2.1 Information To Be Disclosed

Frequency

The Company’s policy is to publish the Disclosures required on an annual basis as per its obligations under the IFR.

Medium and Location of Publication

The Company’s Pillar III Disclosures are published on the Company’s website. Please refer to the following link: <https://www.exness.eu/legal-documents/>.

Verification

The Company has commissioned its External Auditors to verify its Pillar III Disclosures, to be aligned with the expectations of the CySEC, which require the submission by CIFs of their External Auditor’s Pillar 3 verification report within five months following their financial year-end.

1.3 Operating environment of the Company

On 31 December 2025, Cyprus enacted significant tax reform measures, with most changes effective from 1 January 2026. Among the most notable changes anticipated to impact most companies are, without limitation, the increase in the corporate income tax rate from 12.5% to 15%, the extension of the corporation tax loss carry forward period from 5 to 7 years, the abolishment of the deemed dividend distribution rules for corporate profits earned after 1 January 2026. Although current tax balances for reporting periods ending before 1 January 2026 are not affected by the tax reform, some of the new rules introduced will, in certain cases, require the remeasurement of deferred tax assets and liabilities at the revised corporate tax rate and/or lead to the recognition of deferred tax balances that were previously unrecognised, for periods ending after the enactment date of the tax reform but before 1 January 2026.

On 28 February 2026, the geopolitical situation in the Middle East escalated due to the armed conflict. The situation has created heightened uncertainty in international relations and financial markets, with potential implications for global trade, energy supply, and overall economic stability. Although the conflict is taking place outside Cyprus, it may have indirect effects on the Cypriot economy, given its

openness and reliance on international trade, tourism, shipping, and financial services. Potential consequences include 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 and transport. The extent and duration of the conflicts remain uncertain and its impact and cannot be reliably estimated at this stage.

2 Governance and Risk Management

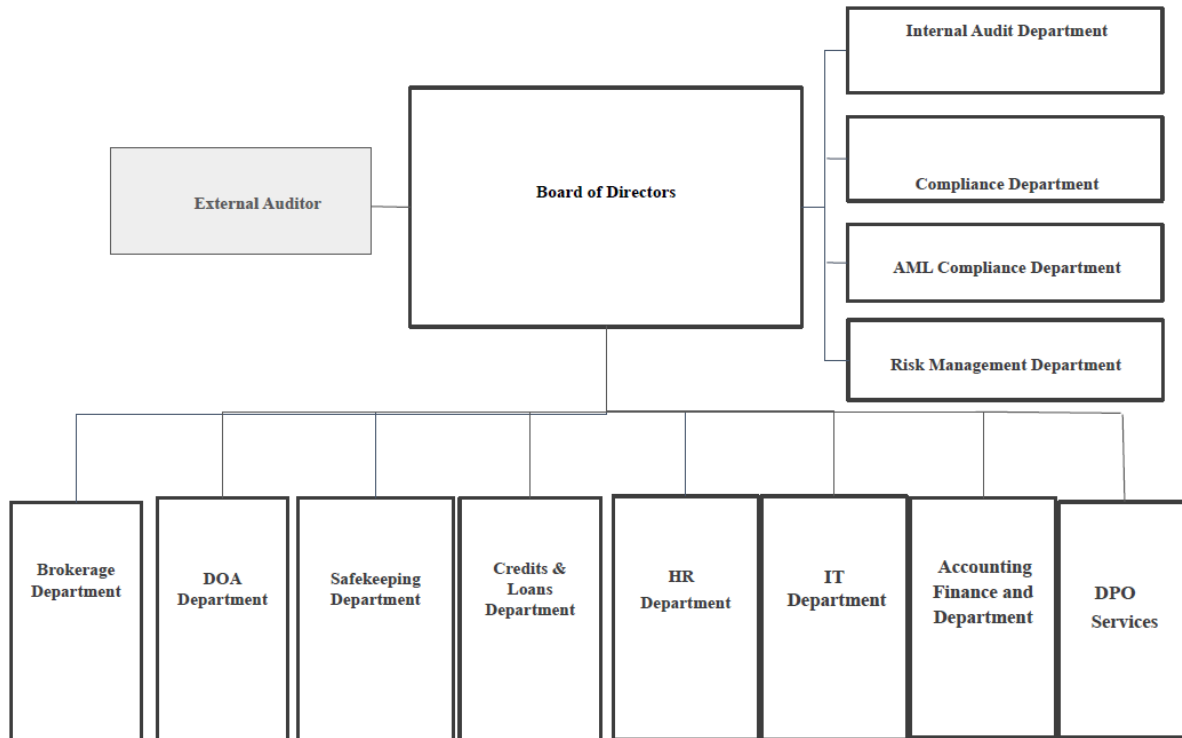
The Group's systems of risk management and internal control include risk assessment, management or mitigation of risks, including the use of control processes, information and communication systems, as well as processes for monitoring and reviewing their continuing effectiveness.

The risk management and internal control systems are embedded in the operations of the Group and are capable of responding quickly to evolving business risks, whether they arise from factors within the Group or from changes in the business environment.

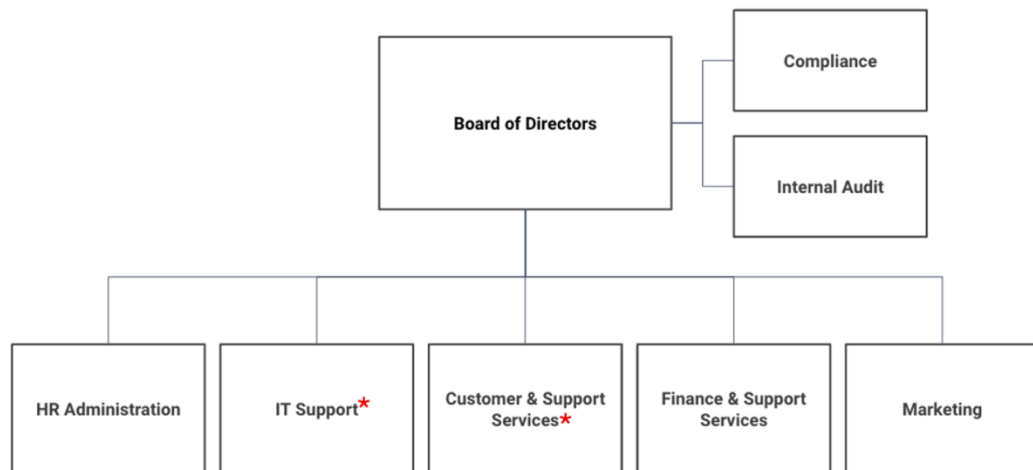
The Group has implemented a structured framework for systematically identifying, assessing, monitoring, and reporting the risks arising from its operations.

Based on its assessment and in accordance with CySEC Circular C487, the Company determined that it did not qualify as a "Significant CIF" for the year ended 31 December 2025; consequently, the establishment of a Nomination, Remuneration, or Risk Committee was not considered necessary at this time.

2.2 Organizational Structure of the Company



Organizational structure of EIB



** IT Support - outsourced function to Exness Global Limited*
** Customer & Support Services - outsourced function to Xevera Sdn. Bhd.*

2.3 The Board of Directors

The Company’s Board has the overall responsibility for the establishment and oversight of the Company’s Risk Management Framework. The Board satisfies itself that financial controls and systems of risk management are robust.

The Company and EIB have in place their own Internal Operations Manual (“IOM”) which lays down the activities, processes, duties and responsibilities of their Board, Senior Management and staff.

The Company implements and maintains adequate risk management policies and procedures which identify the risks relating to its activities, processes and systems, and where appropriate, set the level of risk tolerated by the Company. The Company adopt effective arrangements, processes and systems, in light of that level of risk tolerance, where applicable.

The Board is required to assess and review the effectiveness of the policies, arrangements and procedures put in place for the Company, to comply with its obligations under the applicable Law, as subsequently amended or replaced, as well as any relevant CySEC’s requirements, and also to take appropriate measures to address any deficiencies.

In particular, when managing and/or assessing risks, the responsibilities of the **Board of Directors** can be summarized as follows:

- Ensures that the Company complies with its obligations under primary and secondary legislation. The Board ensures that the Management Body defines, oversees and is accountable for the implementation of the governance arrangements that ensure effective and prudent management

of the Company, including the segregation of duties in the Company and the prevention of conflicts of interest and in a manner that promotes the integrity of the market and interest of clients.

- Has the overall responsibility for the Company and approves and oversees the implementation of the Company's strategic objectives, risk strategy and internal governance.
- Ensures that it receives on a frequent basis, and at least annually, written reports regarding Internal Audit, Compliance, Money Laundering & Terrorist Financing, Risk Management and ICARA issues, indicating, in particular, whether the appropriate remedial measures have been taken in the event of any deficiencies.
- Reviews the process of disclosure and announcements and is responsible for providing effective supervision of Senior Management.
- Monitors 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, and also ensures the identification of risks and the timely and adequate flow of information.

Additionally, members of the Company's Board must, in particular, fulfill the following requirements:

- Devote sufficient time in the performance of their role as Directors of the Company proportionally to the nature, size and complexity of the Company's operations.
- Expend sufficient human and financial capital for training the Board of Directors and keeping up to date with market trends, regulatory requirements and other relevant issues.
- Posses adequate collective knowledge, skills and experience to be able to understand the Company's activities, including the main risks arising from the Company's operations.

The major duties of EIB's Board of Directors include but are not limited to the following:

- Formulate and monitor the implementation of the entity's business strategy in terms of the development of existing and new services/products.
- Govern EIB by broad policies and objectives, formulated and agreed together with the Senior Management and Relevant Personnel.
- Provide all sufficient human and technical resources to EIB's Senior Managers and operational units which will enable them to discharge their functions, efficiently and effectively.
- Set, review, update and approve broad operating and departmental policies and procedures.
- Review the effectiveness of policies and procedures and update the same if and where necessary.

It is noted that the Company's Board of Directors monitors group-level governance, capital and liquidity adequacy, risk-management, internal controls and reporting to ensure ongoing compliance with prudential requirements.

On 31 December 2025, the Board of the Company comprised of two Executive Directors and three Non - Executive Directors, two of which were independent.

Table 2 - Exness (Cy) Ltd Board of Directors

Name	Position
Mrs. Milica Nikolic	Managing Director, Executive Director (appointed on 23 March 2026)
Mrs. Marina Spanou	General Manager, Executive Director
Mr. Linos Zambas	Independent, Non-Executive Director (appointed on 30 September 2025)
Mr. Andreas Matsas	Independent, Non-Executive Director
Mrs. Vaso Mavromoustaki	Non-Executive Director
Mr. Socratis Fekkas	Non-Executive Director
Mr. Andreas Tifas	Non-Executive Director (resigned on 31 July 2025)

Mr. Socratis Fekkas resigned as Executive Director and was appointed Non-Executive Director on 23/03/2026.

2.4 Diversity Policy for the Selection of Members of the Management Body

The Group is committed to promoting equality and diversity across its workforce and to eliminating unlawful discrimination. It seeks to ensure that its workforce is genuinely representative of all sections of society and of its customers, and that employees are treated with respect and able to perform to their full potential. In delivering its services, the Group is likewise committed to preventing unlawful discrimination against customers and the public.

The purpose of the Diversity Policy is to:

- provide equality, fairness and respect for all in their employment, whether temporary, part-time or full-time;
- not unlawfully discriminate, based on the Equal Treatment and Labor Law, protected characteristics of race or ethnical origin, religion or belief, age or sexual orientation in the field of employment;
- not unlawfully discriminate and treat equally, based on the Disabled Persons Law, people with disabilities;
- oppose and avoid all forms of unlawful discrimination. This includes in pay and benefits, terms and conditions of employment, dealing with grievances and discipline, dismissal, redundancy, leave for parents, requests for flexible working and selection for employment, promotion, training, or other developmental opportunities.

The Company's Diversity Policy is fully supported by the Group's Senior Management and has been communicated to the relevant personnel.

2.5 Number of Directorships held by Board Members

All members of the Board commit sufficient time to perform their functions in the Company. The number of directorships which may be held by a member of the Company's Board at the same time shall take into account individual circumstances and the nature, scale and complexity of the Company's activities. In accordance with Section 9(4) of the Law, unless representing the Republic, members of the Board of a CIF that is significant in terms of its size, internal organization and the nature, the scope and the complexity of its activities shall not hold more than one of the following combinations of directorships at the same time:

- one executive directorship with two non-executive directorships,
- four non-executive directorships.

As previously mentioned, based on Company's internal assessment in relation to the conditions triggering "significance" under the Law and as per CySEC's Circular 487, the Company did not consider itself to be a significant CIF for the year ended 31st of December 2025, therefore the aforementioned limits on directorships did not apply.

The table below provides the number of directorships each member of the Company's Management body held at the same time in other entities, including the position in the Company, as at the time of preparation of this Report. Directorships in organizations which do not pursue predominantly commercial objectives, such as non-profit-making or charitable organizations, are not taken into account for the purposes of the below. Executive or non-executive directorships held within the same group are considered as a single directorship.

Table 3 - Number of directorships held by the Company’s Board members

Name	Position	Executive Directorships	Non-Executive Directorships
Mr. Socratis Fekkas	Managing Director, Executive Director	1	2
Mrs. Marina Spanou	General Manager, Executive Director	1	-
Mr. Linos Zambas	Independent, Non-Executive Director	-	1
Mr. Andreas Matsas	Independent, Non-Executive Director	-	2
Mrs. Vaso Mavromoustaki	Non-Executive Director	1	1
Mr. Andreas Tifas	Non-Executive Director	1	4

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

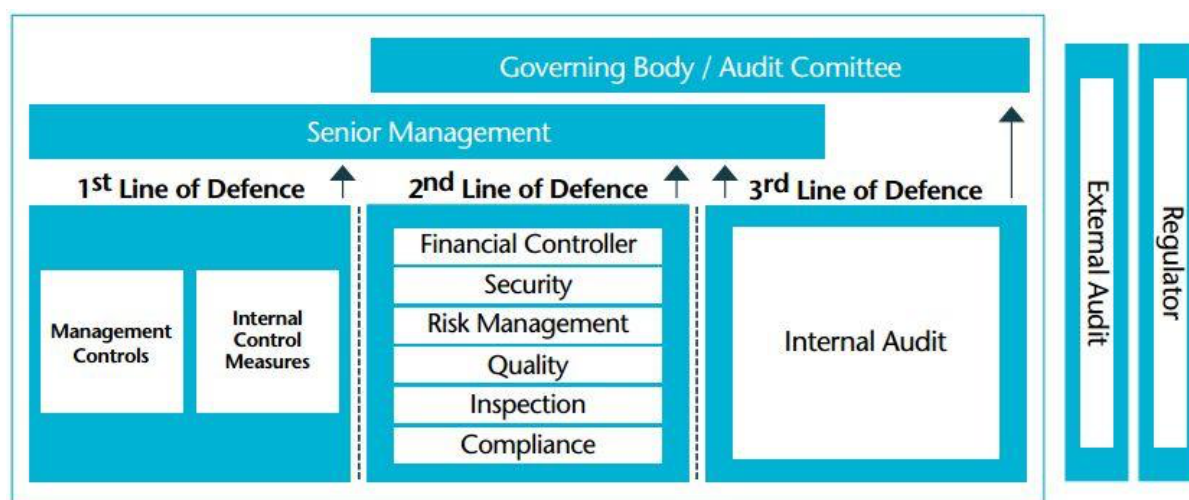
Mr. Andreas Tifas resigned from the position of Independent, Non-Executive Director on 31 July 2025.

Mrs. Milica Nikolic was appointed Executive Director on 23/03/2026.

2.6 Risk Management

Risk is inherent in the Company’s business and activities. The Company’s ability to identify, monitor and manage each type of risk to which it is exposed is an important factor in its financial stability and performance, and in the achievement of its strategic objectives.

To ensure effective risk management, the Company has adopted the Three Lines of Defence model, with clearly defined roles and responsibilities.



Source: Chartered Institute of Internal Auditors

First Line of Defence - Management: Operational management is responsible for maintaining effective internal controls and performing risk and control activities on a daily basis. They identify and assess risks, implement mitigation strategies, and ensure internal policies and procedures are aligned with the Company’s objectives.

Second Line of Defence - Risk Management and Compliance: The Risk Management and Compliance functions support management in overseeing and ensuring that risks are effectively controlled. They monitor the implementation of risk management practices, help define target risk exposure, and report risk-related information. The Compliance function specifically monitors adherence to laws and regulations and reports potential concerns to Senior Management.

Third Line of Defence - Internal Audit: Internal Audit provides independent assurance to the Board and Senior Management that the activities of the first and second lines are consistent with expectations. They evaluate and improve the effectiveness of risk management, controls, and governance processes, offering advice and recommendations to strengthen the Company's overall risk framework.

Further to the above, EIB relies on the "Internal Audit and Monitoring Cycles" methodology to manage and mitigate its exposure to risk. This approach not only supports the identification of potential risks but also enables precise assessment, control and response. At the core of the Internal Audit and Monitoring Cycles is the seamless integration of risk assessment. The Internal Audit & Monitoring Cycles methodology contain the following components:

- Identifying and Analyzing Risks.
- Conducting Risk Assessments.
- Determining the Scope and Frequency of Auditing/Monitoring.
- Assessing Internal Controls, Systems and Procedures.
- Evaluating Inherent and Residual Risks.
- Risk Response, Recommendations and Communication.
- Audit & Monitoring Cycle completion.

2.6.1 Risk Management Framework and Policy

As already mentioned, risk is an inherent element of the Company's operations and external environment. To achieve its strategic objectives and ensure long-term sustainability, the Company recognizes that effective risk management is essential. This framework is designed to integrate risk management into all levels of the organization, with particular emphasis on empowering front-line teams to actively participate in risk identification and mitigation.

The risk management is a continuous process, integrated within the Company's existing business procedures. Risk management is multidimensional, encapsulated by the culture, processes and structures that are directed towards realising potential opportunities whilst managing adverse scenarios involving the following key steps:

- Communicate and consult.
- Establish the context.
- Identify risks.
- Analyse and evaluate risks.
- Mitigate risks.
- Monitor and review .

The risk identification process is a fundamental component of the Company's overall Risk Management Framework. The Company utilizes a structured and collaborative approach to risk identification, ensuring all potential risks are recognized and addressed in a timely manner. The following process is followed:

- Regular Risk Reviews.
- External Risk Sources.
- Risk Reporting from Internal Audits.
- Scenario Analysis and Stress Testing.
- Risk Identification in New Initiatives.
- Emerging Risk Monitoring.

All identified risks of the Company are documented in the Risk Register, which includes:

- Risk description: A detailed explanation of the risk.
- Risk category: (e.g. financial, operational, reputational).
- Risk score: Based on probability and impact assessments.
- Mitigation Actions: The measures in place to reduce or manage the risk.

The Company's risk management governance is designed to ensure oversight of all risks, enable effective decision-making and ensure timely escalation to Senior Management. The Company has implemented a structured framework for systematically identifying, assessing, monitoring and reporting the risks arising from its operations.

The Company's Board meets regularly (at least quarterly) and receives updates from Management on risk and regulatory capital matters, including EIB. It also reviews regularly (at least annually) written reports concerning compliance, risk management and internal audit policies, procedures and work, as well as the Company's risk management policies and procedures as implemented by the Management.

As part of its business activities, the Company faces a variety of risks, the most significant of which are described further below. The Company holds regulatory capital against three all-encompassing main types of risk: Risk to Client, Risk to Market and Risk to Firm.

The Risk Management and Procedures Manual forms part of the Company's internal control and corporate governance arrangements. It explains the Company's underlying procedures with respect to risk management and documents the roles and responsibilities of the Risk Manager and other key parties. It also outlines key aspects of the risk management and control process and identifies the main monitoring and reporting procedures.

In addition, it describes the processes and mechanisms that are in place to manage and mitigate the risks, with special consideration to risks arising from the operations of the Dealing Room and the Own Account Trading departments in the process of the Reception and Transmission of Client orders, the Execution of Clients' orders and the Trading on the Company's behalf. The Risk Management and Procedures Manual is designed to support the Company in managing risks effectively by setting out specific methodologies, tools and responsibilities for risk management.

Regarding EIB, it has established a Risk Management, Audit & Monitoring Procedures Handbook which serves as a comprehensive document delineating standardized guidelines and directives for executing risk management, internal audit and monitoring procedures. The overarching mission of the Handbook is to provide assurance concerning the quality and effectiveness of EIB's internal controls, risk management practices, and governance systems. Furthermore, it entails making certain that the inherent risks associated with EIB's business activities are accurately identified, evaluated, and mitigated according to the risk tolerance levels established by the Board of Directors of EIB.

The Company maintains continuous oversight of group-level governance, capital and liquidity adequacy, risk-management, internal controls and reporting to ensure sustained compliance with prudential requirements.

2.6.2 Risk Appetite Statement

The Risk Appetite defines the extent of risk the Company is prepared and capable of accepting to achieve its mission and strategic objectives, ensuring a balanced approach to risk and return. The Risk Appetite Statement (“RAS”) aims to align the Company’s risk-taking activities with its overall strategy and business model. It establishes the Company’s risk tolerance levels in pursuing its business operations and strategic goals, while ensuring these remain within its risk-bearing capacity.

The RAS incorporates high-level principles and Key Risk Indicators (“KRIs”) designed to alert the Company and its Management to emerging risk concerns, prompting appropriate remedial actions. Predefined boundaries are embedded within the Company’s risk management and reporting framework, ensuring that risk exposure stays within established thresholds.

The RAS is applicable to the Company, its Management and employees, who are expected to adhere to it consistently in the performance of their daily responsibilities. It also extends to third parties to whom Exness (CY) outsource critical functions or operations. The Company takes all necessary measures to ensure such parties are informed of the latest RAS, its meaning and its purpose.

The Board of the Company is responsible for approving the RAS, as well as any important updates that need to be made to it from time to time, and carries ultimate responsibility for overseeing its implementation by the Company’s Management and staff, and by external parties to which the Company’s functions and/or operations are outsourced. The Board of the Company is also responsible for establishing the Risk Appetite, monitoring the risk profile, and ensuring alignment between them. It ensures that the Company considers the relevant types and levels of risks and allocates adequate resources for their management and control. Senior Management of the Company is liable for achieving the desired risk profile and managing risks on an ongoing basis.

The Company recognizes that achieving its strategic objectives requires a disciplined approach to risk-taking, guided by a clearly defined Risk Appetite established by its Board. This Risk Appetite balances the necessity of pursuing growth opportunities with the imperative of managing risks effectively to safeguard shareholder value. While the Company strive to mitigate risks, it acknowledges that controls can provide reasonable, but not absolute, assurance against significant losses.

The Board of the Company has set specific limits on the levels of risk the Company is willing to accept during its operations. These limits, integrated within the Company’s risk management processes and reporting practices, ensure alignment with the defined Risk Appetite. Any breaches of these thresholds trigger corrective actions to realign exposures with the approved risk parameters. This disciplined approach promotes a proactive risk management culture, focusing on continuous monitoring and adherence to established boundaries.

The RAS is a critical tool in guiding the Company’s governance and decision-making processes. It articulates both qualitative and quantitative parameters that frame the Company’s risk-taking philosophy. Qualitative statements set the tone for risk tolerance across key areas, while quantitative metrics enable precise monitoring of compliance with risk thresholds. Together, these elements provide a structured approach to shaping the Company’s risk profile.

Additionally, the RAS contributes to building a risk-aware culture. By embedding risk considerations into daily operations, the Company ensures that decision-making at all levels reflects its commitment to sustainable growth and resilience. The RAS also underscores the importance of aligning risk-taking with long-term strategic goals, providing a comprehensive framework for managing uncertainties in a dynamic operating environment.

Among the wide spectrum of risks, the Company considers the following risks as the most material to its financial position and viability:

- Regulatory Risk.
- Operational Risk.
- Liquidity Risk.
- Concentration Risk.
- Market Risk.
- Strategic Risk.

Further to the above, the Company incorporates a set of quantitative indicators designed to assist in monitoring risk and ensure adherence to the risk appetite established by the Board. These metrics serve as practical tools to guide the Company in maintaining its risk exposure within approved boundaries. To achieve this, a structured process has been implemented to regularly track and assess these quantitative risk appetite metrics and thresholds against the defined risk capacity and tolerance limits.

The Company is responsible for ensuring that EIB operates within its risk appetite thresholds and for taking remedial action if any breaches occur.

2.6.3 Risk Culture

The Company promotes a strong risk culture throughout the organization. The aim is to help reinforce the Company's resilience by encouraging a holistic approach to the management of risk and return throughout the organization, as well as the effective management of the risk, capital and reputational profile. The Company actively takes risks in connection with the business and as such the following principles underpin the risk culture within the organisation:

- Risk is taken within a defined risk appetite.
- Every risk taken is approved within the Risk Management Framework.
- Risk taken needs to be adequately compensated.
- Risk is continuously monitored and managed.

Employees at all levels are responsible for the management and escalation of risks. The Company expects all employees to exhibit behaviors that support a strong risk culture. To promote this, the policies require that behavior assessment is incorporated into the performance assessment and compensation processes of employees. The Company has communicated the following risk culture behaviors through various communication vehicle:

- Being fully responsible for Company's risks.
- Being rigorous, forward looking and comprehensive in the assessment of risk.
- Inviting, providing and respecting challenges.
- Trouble shooting collectively.
- Placing the Company and its reputation at the heart of all decisions.

With respect to the EIB, all risks are assumed and managed in strict accordance with the institution's Risk Management, Audit and Monitoring Procedures Handbook.

2.7 Risk Management Function

The Company operates a dedicated Risk Management function under which the Risk Manager is responsible for implementing the Risk Management Policy, as this is defined and approved by the Board.

The Management Body appoints the Risk Manager to ensure that all the different types of risks taken by the Company remain in compliance with the applicable law and the obligations of the Company, and that all the necessary procedures, relating to risk management are in place. The Risk Manager reports to the Management Body of the Company and is responsible, among others, for:

- Complying and implementing the relevant provisions of the applicable law, relating to risk management issues.
- Educating and training the personnel of the Company on risk-related issues.
- Examining the capital adequacy and the exposures of the Company.
- Drafting written reports to the Management Body including recommendations as well as indicating in particular whether the appropriate remedial measures have been undertaken in the event of any deficiencies, at least annually. These reports are presented to the Management Body and discussed during its meetings, at least annually.
- Managing the overall risks faced by the Company, with a particular focus on the client-side risks where fraud, dispute, client identification and due diligence and funding/deposit risks are handled and monitored accordingly in coordination with the MLCO, as applicable.
- Engaging into and fulfil his/her ICARA related duties and responsibilities as these are detailed in the ICARA Report of the Company.
- Preparing and submitting to the Board the Annual Risk Management Report.

For the year under review, the Company had an in-house dedicated Risk Manager.

2.8 Compliance Function

The Management Body of the Company ensures regulatory compliance through a comprehensive and pro-active compliance strategy. To this end, the Management Body appoints a Compliance Officer in order to establish, implement and maintain adequate and effective policies and procedures, as well as appropriate systems and controls designed to detect any risk of failure by the Company to comply with its obligations. Further to this, the Compliance Officer is responsible to put in place adequate measures and procedures designed to minimize such risk and to enable the competent authorities to exercise their powers effectively. The Compliance Officer reports to the Management Body of the Company.

The Compliance Officer is independent and has the necessary authority, resources, expertise and access to all relevant information.

The Compliance Officer of the Company is responsible, among others, for the following:

- Liaising with all relevant business and support areas within the Company.
- Monitoring and assessing the level of compliance risk that the Company faces, taking into account the investment and ancillary services provided, as well as the scope of financial instruments traded and distributed.
- Monitoring on a permanent basis and assessing, on a regular basis, the adequacy and effectiveness of the measures, policies and procedures put in place, and the actions taken to address any deficiencies in the Company's compliance with its obligations.
- Advising and assisting the relevant persons responsible for carrying out the investment services to be in compliance with the applicable law.
- Preparing and presenting to the Board of the Company the Annual Compliance Report.

Moreover, the Board of Directors of EIB has appointed a designated Compliance Officer who is responsible for ensuring the ongoing compliance of the entity with the applicable laws and regulations and its duties include but are not limited to:

- Ensure the ongoing compliance of EIB with its licensing conditions, as applicable.
- Monitor, assess and advise on EIB's compliance with the regulatory requirements.
- Put in place adequate policies, procedures and controls designed to minimize the compliance risk.
- Evaluate and advise on the suitability of the internal controls in mitigating the compliance risk.

2.9 Anti-Money Laundering Compliance Function

The Management Body retains a person to the position of the Company's Anti-Money Laundering Compliance Officer (hereinafter the "AMLCO") to whom the Company's employees report their knowledge or suspicion of transactions involving money laundering and terrorist financing. The AMLCO belongs to the higher hierarchical levels of the Company so as to command the necessary authority.

The AMLCO leads the Company's Anti-Money Laundering Compliance procedures and processes and reports to the Senior Management of the Company.

The main responsibilities of the AMLCO include, inter alia, the following:

- To design, based on the general policy principles of the Company, the internal practice, measures, procedures and controls relevant to the prevention of money laundering and terrorist financing, and describe and explicitly allocate the appropriateness and the limits of responsibility of each department that is involved.
- To develop and establish the clients' acceptance policy and submit it to the Board of the Company for consideration and approval.
- To detect, record, and evaluate, at least on an annual basis, all risks arising from existing and new clients, new financial instruments and services and update and amend the systems and procedures applied by the Company for the effective management of the aforesaid risks.
- To provide advice and guidance to the employees of the Company on subjects related to money laundering and terrorist financing.
- To acquire the knowledge and skills required for the improvement of the appropriate procedures for recognising, preventing and obstructing any transactions and activities that are suspected to be associated with money laundering or terrorist financing.
- To train the Company's employees on AML matters.
- To prepare and submit to the Board the Anti-Annual Money Laundering Compliance Report.

The AMLCO function discharges its responsibilities properly and independently.

Subject to LFSA approval, the AML function at EIB is performed by the Compliance Officer, who is also responsible for ensuring EIB's compliance with laws and regulations relating to money laundering and terrorist financing. Furthermore for AML/CFT/CPF controls, EIB has prepared a Business-Wide Risk Assessment Report that identifies risks related to clients, products, services, transactions and jurisdictions, describes the internal controls in place to mitigate those risks, confirms that residual risk falls within the firm's risk appetite, and documents the methodology used for the assessment.

2.10 Internal Audit Function

The role of the Internal Audit function is the ongoing review and evaluation of the operations and activities of the Company in all respects, as well as the provision of recommendations and advice to ensure that the Company operate at the highest standards and in accordance with best practices, while remaining in line with the applicable legal and regulatory framework. The Internal Auditor is an independent and autonomous function with direct reporting line to the Management Body of the Company.

The Internal Auditor is responsible for applying the Internal Control System (hereinafter, the “ICS”), which confirms the accuracy of the reported data and information. Furthermore, the role of the Internal Auditor is the programming, on at least annual basis (as applicable), of checks on the degree of application of the required ICS.

The Internal Auditor has clear access to the Company’s personnel and books. Likewise, the Company’s employees have access to the Internal Auditor for the reporting of any significant deviations from the guidelines provided. The Board ensures that internal audit issues are considered when presented to it by the Internal Auditor and appropriate actions are taken. The Board ensures that all issues are dealt with and prioritized according to the Board’s assessment.

The key responsibilities of the Internal Audit function include:

- Providing an objective and independent appraisal of all Company activities (financial, operational and others).
- Giving assurance to the Board on all control arrangements, including management and corporate governance.
- Assisting the Board by evaluating and reporting the effectiveness of the controls for which the Board is responsible and issuing recommendations and suggestions.
- Keeping records and books with regards to the internal audit work performed.
- Establishing, implementing and maintaining an audit plan to examine and evaluate the adequacy and effectiveness of the Company’s systems, internal control mechanisms and arrangements.
- Submitting the Internal Auditor’s annual report to the Board for review and approval.

2.11 Risk Management Strategies and Capital Management

The Company deploys several risk management strategies in order to control its risks, which include maximum overall exposure levels and value at risk indicators. These strategies are designed to ensure that risks are effectively managed within the Company’s defined Risk Appetite and aligned with its long-term objectives. The objectives of the risk management strategy are the following:

- To protect the Company’s assets, reputation, and long-term sustainability by systematically identifying and managing risks across all business functions.
- To ensure that risk-taking is aligned with the Company’s strategic goals and Risk Appetite, facilitating informed decision-making.
- To continuously improve risk management practices, ensuring resilience in the face of emerging and evolving risks.

Key elements of the risk management strategy are risk identification, risk assessment and risk mitigation and control.

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the regulatory environment. The Capital Management framework of Exness CY is designed to manage its capital needs on a permanent basis. The Company has in place internal guidance in order to ensure that the capital adequacy ratio remains well above the regulatory minimum thresholds. This is achieved through the regular monitoring of the financial and capital position of the Company. In addition, the Group ensures that it maintains its liquid resources at sufficient levels that exceed the minimum liquidity requirement Article 43 of IFR.

The primary objective of the Company's capital management is to ensure that it maintains a strong credit standing and healthy capital ratios over and above all applicable thresholds, in order to support its business and maximize shareholder value.

2.12 Internal Capital Adequacy and Risk Assessment (ICARA) Report

The ICARA is embedded to the core of the Company's operations and comprises as well as aligns the Company's overall Risk Management System, Governance Framework, ICS, the definition of its financial budget and corporate strategy, and the alignment of those with the Company's available capital and liquid assets and the risks faced. The ICARA serves as a valuable risk management tool which ensures that the Company's Risk Management Framework receives the necessary attention from all the related functions/personnel of the Company and ensures the forging of a robust organization by promoting a risk-averse culture within the Company. The Company has included the Internal Liquidity Adequacy Assessment Process (ILAAP) within its ICARA.

The Company has designed and implemented its ICARA in the following steps:

1. Identification and articulation of future business plans and objectives.
2. Procedure for identification and assessment of risks before and after internal controls.
3. Aggregation of identified risks.
4. Assessment of the impact of stress test scenarios on the forecasted capital and liquidity plan.
5. Allocation of capital and liquid resources, as deemed necessary, in accordance with the profile of the risks identified and in line with stress test results.

The Board and the Senior Management of the Company ensure the appropriate design, adoption and implementation of the Company's ICARA, by performing their ICARA related duties and responsibilities as these are detailed in the ICARA Report of the Company.

The ICARA Report is drafted and reported to the Board, at least on an annual basis. The ICARA Report is also comprehensively and formally documented. The ICARA Report is also submitted to CySEC upon request of the latter, for the performance of the Supervisory Review and Evaluation Process ("SREP").

3 Own Funds

Own Funds (also referred to as capital resources) is the type and level of regulatory capital that must be held to enable the Company to absorb losses. The Company is required to hold Own Funds in sufficient quantity and quality in accordance with the IFR & IFD prudential framework, which sets out the characteristics and conditions for Own Funds.

The Group throughout the year under review managed its capital structure in light of the changes in the economic and business conditions and the risk characteristics of its activities. During the 12-month accounting period to 31 December 2025, the Group complied fully with all capital and liquidity requirements and operated well within the regulatory requirements.

As per the rules set by the IFR, investment firms are required to maintain Own Funds consisting of the sum of their Common Equity Tier 1 (CET1) capital, Additional Tier 1 capital and Tier 2 capital, and shall meet all the following conditions at all times:

1. CET1 capital of at least 56% of Minimum Capital Requirements.
2. CET1 capital and Additional Tier 1 Capital of at least 75% of Minimum Capital Requirements.
3. CET1 capital, Additional Tier 1 Capital and Tier 2 Capital of at least 100% of Minimum Capital Requirements.

Tables 4.1, 4.2, 5.1 & 5.2 have been prepared using the format set out in Commission Implementing Regulation (EU) 2021/2284 laying down implementing technical standards for the application of Regulation (EU) 2019/2033 with regard to supervisory reporting and disclosures of investment firms. Tables 4.1 & 4.2 present the composition of the Company's and the Group's Own Funds as at 31 December 2025, while Tables 5.1 & 5.2 indicate how these Own Funds reconcile with the Company's audited Balance Sheet and with the Group's Balance Sheet (based on accounting consolidation) as of this date. As shown below, the Company's and the Group's Own Funds as of 31 December 2025 consisted solely of CET1 capital resources and amounted to €6.812K and €50.768K respectively.

Table 4.1 - Template EU IF CC1.01 - Composition of Regulatory Own Funds of the Company

Template EU IF CC1			
Ref	Own Funds component	31 Dec 2025 (€'000)	Source based on reference numbers/letters of the Balance Sheet in the audited Financial Statements (cross reference to EU IF CC2)
1	OWN FUNDS	6.811	
2	TIER 1 CAPITAL	6.811	
3	COMMON EQUITY TIER 1 CAPITAL	6.811	
4	Fully paid up capital instruments	40	Ref. 1 (Shareholders' Equity)
5	Share premium	50.433	Ref. 2 (Shareholders' Equity)
6	Retained earnings	830	Ref. 4 (Shareholders' Equity)
8	Other reserves	(29)	Ref. 3 (Shareholders' Equity)
10	Adjustments to CET1 due to prudential filters	(0)	
24	CET1 instruments of financial sector entities where the institution has a significant investment	(44.400)	Ref. 3 (Assets)

27	CET1: Other capital elements, deductions and adjustments	(63)	Ref. 1 & 2 (Assets)
28	ADDITIONAL TIER 1 CAPITAL	-	
40	TIER 2 CAPITAL	-	

Table 4.2 - Template EU IF CC1.01 - Composition of Regulatory Own Funds of the Group

Template EU IF CC1			
Ref	Own Funds component	31 Dec 2025 (€'000) Unaudited	Source based on reference numbers/letters of the Balance Sheet in the Unaudited Financial Statements (cross reference to EU IF CC2)
1	OWN FUNDS	50.768	
2	TIER 1 CAPITAL	50.768	
3	COMMON EQUITY TIER 1 CAPITAL	50.768	
4	Fully paid up capital instruments	40	Ref. 1 (Shareholders' Equity)
5	Share premium	50.433	Ref. 2 (Shareholders' Equity)
6	Retained earnings	1.999	Ref. 4 (Shareholders' Equity)
8	Other reserves	44	Ref. 3 (Shareholders' Equity)
10	Adjustments to CET1 due to prudential filters	(0)	
19	Other intangible assets	(1.686)	Ref. 3 (Assets)
27	CET1: Other capital elements, deductions and adjustments	(63)	Ref. 1 & 2 (Assets)
28	ADDITIONAL TIER 1 CAPITAL	-	
40	TIER 2 CAPITAL	-	

Table 5.1 - Template EU IF CC2: Own Funds: Reconciliation of Regulatory Own Funds to Balance Sheet in the Audited Financial Statements of the Company

Template EU IF CC2			
(€'000)		Balance Sheet as in audited Financial Statements	Cross reference to EU IF CC1
31 December 2025			
Ref			
	Total Assets	52.191	
	of which:		
1	CYSEC Investor Compensation Fund (Financial assets at fair value through other comprehensive income)	57	Ref 27
2	Additional Cash Buffer (part of Cash and cash equivalents)	6	Ref 27
3	Investments in subsidiaries	44.400	Ref 24

	Total liabilities	916	
	Total Shareholders' Equity	51.274	
	of which:		
1	Share capital	40	Ref. 4
2	Share premium	50.433	Ref. 5
3	Other reserves	(29)	Ref. 8
4	Retained earnings	830	Ref. 6

Table 5.2 - Template EU IF CC2: Own Funds: Reconciliation of Regulatory Own Funds to Balance Sheet in the unaudited Financial Statements of the Group

Template EU IF CC2			
Ref	Ref	Balance Sheet as in unaudited Financial Statements	Cross reference to EU IF CC1
	Total Assets	54.332	
	of which:		
1	CYSEC Investor Compensation Fund (Financial assets at fair value through other comprehensive income)	57	Ref 27
2	Additional Cash Buffer (part of Cash and cash equivalents)	6	Ref 27
3	Intangible assets	1.686	Ref 19
	Total liabilities	1.815	
	Total Shareholders' Equity	52.516	
	of which:		
1	Share capital	40	Ref. 4
2	Share premium	50.433	Ref. 5
3	Other reserves	44	Ref. 8
4	Retained earnings	1.999	Ref. 6

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 the Fixed Overheads Requirement (“FOR”), the Permanent Minimum Capital Requirement (“PMCR”) and the K-factors that apply to each investment firm.

4.2 Fixed Overhead Requirement (“FOR”)

The Company monitors FOR at least on a quarterly basis. It complies with Article 13 of the IFR, according to which the Company shall hold own funds of at least one quarter of its fixed overhead expenses of the preceding year. The FOR as at 31 December 2025 amounted to €686K for the Company and €1.018K for the Group.

4.3 Permanent Minimum Capital Requirement (“PMCR”)

The Company monitors Own Funds on a continuous basis and ensures that it remains above the Permanent Minimum Capital Requirement of €750K which corresponds to the initial capital that applies to it in accordance with Article 9 of the IFD. The Consolidated Permanent Minimum Capital Requirement as at 31 December 2025 was €1.500K.

4.4 K-Factor Requirement

The Company’s K-factor requirement is calculated in accordance with Articles 16 through to 33 of the IFR.

Tables 6.1 & 6.2 below break down the Pillar I Minimum Capital Requirements that the Company and the Group were required to hold as of 31st of December 2025.

Table 6.1 - Minimum Capital Requirements of the Company

Minimum Capital Requirements		
K-Factor Requirement		31 December 2025 (€'000)
Risk-to-Client (RtC)	k-AUM	-
	k-CMH	1
	k-ASA	-
	k-COH	-
Risk-to-Market (RtM)	k-NPR	573
	k-CMG	-
Risk-to-Firm (RtF)	k-TCD	4
	k-DTF	29
	k-CON	-
Total K-Factor Requirement		607
Fixed Overhead Requirement – FOR		686
Permanent Minimum Capital Requirement – PMCR		750

Table 6.2 - Minimum Capital Requirements of the Group

Minimum Capital Requirements		
K-Factor Requirement		31 December 2025 (€'000) Unaudited
Risk-to-Client (RtC)	k-AUM	-
	k-CMH	1
	k-ASA	-
	k-COH	-
Risk-to-Market (RtM)	k-NPR	4.064
	k-CMG	-
Risk-to-Firm (RtF)	k-TCD	4
	k-DTF	29
	k-CON	-
Total K-Factor Requirement		4.098
Fixed Overhead Requirement – FOR		1.010
Permanent Minimum Capital Requirement – PMCR		1.500

Tables 6.1 & 6.2 above show that for the Company the total PMCR of €750K and for the Group the total K-Factor requirement of €4.098K constitute the Minimum Capital Requirement that the Company and the Group must hold at all times.

Tables 7.1 & 7.2 below present the components of the Company's and the Group's Capital Adequacy Ratio as at the end of 2025. As it can be seen, the Company's and the Group's Own Funds comprised entirely of CET1 capital and amounted to €6.812K and €50.768K, thus exceeding their minimum capital requirement of €750K and €4.098K, resulting to a capital surplus of €6.062K and €46.671K respectively.

This is reflected by a Capital Adequacy Ratio of 908,31% for the Company and 1.238,69% for the Group which exceeded the minimum required threshold of 100% set out in Article 9(1)(c) of IFR.

Table 7.1 - Capital Excess/Ratio of the Company

31 December 2025	(€'000)	Reference
Capital		
Common Equity Tier 1	6.812	
Additional Tier 1	-	
Tier 2	-	
Total Own Funds	6.812	a
Own Funds Requirement		
K-factor Requirement	607	b
Fixed Overhead Requirement	686	c
Permanent Minimum Capital Requirement	750	d
Minimum Own Funds Requirement	750	e = (higher of b, c, d)

Capital Excess/Ratio		
Capital Excess	6.062	a-e
Capital Ratio	908,31%	a/e

Table 7.2 - Capital Excess/Ratio of the Group

31 December 2025	(€'000) Unaudited	Reference
Capital		
Common Equity Tier 1	50.768	
Additional Tier 1	-	
Tier 2	-	
Total Own Funds	50.768	a
Own Funds Requirement		
K-factor Requirement	4.098	b
Fixed Overhead Requirement	1.010	c
Permanent Minimum Capital Requirement	1.500	d
Minimum Own Funds Requirement	4.098	e = (higher of b, c, d)
Capital Excess/Ratio		
Capital Excess	46.670	a-e
Capital Ratio	1.238,69%	a/e

5 Principal Risks

As part of its business activities, the Group faces a variety of risks, the most significant of which are described further below. It should be emphasized that as at 31 December 2025, EIB had no operational activities and did not serve any clients.

5.2 Risk to Client

Risk to Client (“RtC”) is 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 under RtC:

- **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. During the year under review, the Company did not provide portfolio management service, thus the Company was not subject to the risk relating to this K-factor.
- **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 exist to ensure that client money is safeguarded in the event of bankruptcy, insolvency, or entry into resolution or administration of the investment firm. As part of its business, the Company holds and safeguards funds on behalf of its customers, in order to enable them to perform transactions in financial instruments, and to this end, it is subject to the risk captured by this K-factor.
- **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 their own balance sheet or in third-party accounts. For the year under review, the Company’s clients traded solely in CFD products, which due to their inherent nature are captured under K-CMH, thus this K-factor did not apply to the Company.
- **K-COH (Client Orders Handled)** 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. The Company executes its clients’ orders by acting as principal to their trades, therefore the risk reflected by this K-factor does not apply. It is noted that these orders are captured under K-DTF.

5.2.1 K-CMH

The Company holds clients’ funds as part of its day-to-day trading operations. As such, the Company has in place adequate arrangements to safeguard the clients’ rights and prevent the use of client funds for its own account. Further to the above, the Single Officer for the safeguarding of client assets is responsible for ensuring that the Company does not mix its own funds with clients’ funds 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.

The client bank accounts are segregated from the bank accounts of the Company and the external auditors of the Company report annually to CySEC on the adequacy of arrangements so as to safeguard the clients’ ownership rights and to prevent the use of the client funds for the Company’s own account. Additionally, the Company performs reconciliations between its internal records and those of any third parties by whom the clients’ money is held on a regular basis, in line with its written policies in place.

5.3 Risk to Market

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

- **K-NPR (Net Position Risk)** captures the exposure towards Market risk, which is defined as the risk that the value of an investment will decrease due to changes in market factors (such as currency fluctuations, changes in interest rates and movements in equity and commodity prices). K-NPR is measured according to the Pillar I rules that apply under the CRR for Market risk exposures arising from an investment firm’s positions in interest rate instruments, equities, foreign exchange and commodities. The Company’s exposure to Market risk at any point in time depends primarily on short-term market conditions and client activities during the trading day. The Company is subject to Market Risk as a result of its trading activities where it acts as a counterparty to its clients’ CFD transactions as well as from its on-balance sheet assets and liabilities that are denominated in a currency other than its reporting currency (the euro). With regards to EIB’s exposures towards Market Risk stems from on-balance sheet assets and liabilities denominated in a currency other than its reporting currency.
- **K-CMG (Clearing Margin Given)** This is an alternative to K-NPR to provide for Market risk for trades that are subject to clearing as set out in Article 23 of IFR. CMG means the amount of total margin required by a clearing member or qualifying central counterparty, where the execution and settlement of transactions of an investment firm dealing on own account take place under the responsibility of a clearing member or qualifying central counterparty. This K-factor was not applicable to the Company for the year ended 31 December 2025.

5.3.1 K-NPR

As already mentioned, the Company’s exposure to Market risk at any point in time depends primarily on short-term market conditions and the levels of client activity. The Company implements market position limits for operational efficiency and does not take proprietary positions based on an expectation of market movements. These limits are regularly reviewed and closely monitored to ensure compliance. As a result, not all net client exposures are hedged, and the Company may have a substantial net position in any of the financial markets in which it offers products. The Company has set up market position limits and actions as per its RAS, that reflect its risk appetite, for each financial instrument or markets in which the Company’s clients can trade.

The Company continually monitors its Market risk exposure against these limits so that relevant action is initiated. This can include the initiation of appropriate hedging strategies or limit locks, without any more exposure being accepted.

Additionally, the Company has established a comprehensive Market risk policy that outlines the internal procedures for identifying, measuring, and mitigating Market risk. This policy defines the approach to managing risks related to price changes in equity, interest rates, currencies, and commodities.

- **Market Price Risk**
Market Price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices. As mentioned above, the Company is exposed to fluctuations in market prices on its open positions on CFDs. The exposure is constantly monitored by the Risk Management department. If there is significant exposure, then immediate actions are taken by the Risk Management department to mitigate it.

- **Interest Rate Risk**

Interest Rate risk is the risk that the value of financial instruments will fluctuate due to changes in market interest rates. The Company is exposed, to some extent, to interest rate risk in relation to its bank deposits. The Company's income and operating cash flows are substantially independent of changes in market interest rates as the Company has no significant interest-bearing assets. The Company's Management monitors the interest rate fluctuations on a continuous basis and acts accordingly.

- **Foreign Exchange Risk**

Foreign Exchange risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. It arises when future commercial transactions and recognised assets and liabilities are denominated in a currency that is not the Group's measurement currency. The solo results show foreign exchange risk from various currencies primarily the US Dollar and British Pound, whereas, the consolidated results show exposure to US Dollar and the Japanese Yen. The Company's Management monitors the exchange rate fluctuations on a continuous basis and acts accordingly.

As at 31 December 2025, the Company did not have any proprietary open positions in CFDs other than FX CFDs.

5.4 Risk to Firm

Risk to Firm ('RtF') is the risk that an investment firm faces through its trading activity and market participation.

There are three K-factors under RtF:

- **K-TCF (Trading Counterparty Default)** captures the Counterparty Credit Risk arising from an investment firm's exposure to the default of its trading counterparties for specified Trading Book transactions, where such transactions include but are not limited to derivatives such as CFDs. In particular, TCF means the exposures in the Trading Book of an investment firm in specific instruments and transactions (includes positions with both clients and liquidity providers), giving rise to the risk of trading counterparty default. As at 31 December 2025, the Company was subject to this risk but to a very limited extent, as a result of its positions in equity CFDs opened in the process of executing client's Over-The-Counter transactions on a principal basis, which were small in number and volume.
- **K-DTF (Daily Trading Flow)** captures the Operational Risk related to the value of trading activity that an investment firm conducts. It reflects the risk of transactions that an investment firm enters through dealing on own account or executing orders on behalf of clients in its own name. This applies to the Company, as its permissible services include dealing on own account and execution of client orders, and as previously mentioned, during 2025 the Company executed its trades on a principal basis (dealing on own account).
- **K-CON (Concentration Risk)** seeks to apply additional own fund requirements to manage concentration to a single counterparty or an issuer of financial instruments, or to a group of connected counterparties/issuers to which an investment firm incurs Trading Book exposures, and which exceed prescribed limits. Concentration risk is partly being addressed through diversification of counterparties, namely banking institutions. The Company assesses and monitors the Concentration Risk in regards to assets safeguarded and administered, non-trading book, on and off balance sheet items, client money held, total own cash deposited and total earnings, trading book exposures, non-trading book exposures on a quarterly basis through the Capital Adequacy calculations. The Company maintains a Risk Appetite threshold in regard to the Concentration Risk

which is closely monitored for ensuring that actions will be taken prior a potential of its regulatory requirement. In addition, as at 31 December 2025 the prescribed K-CON limits were not exceeded. Hence, the Company considers that its exposure to this K-factor for the referenced period was maintained at low levels.

5.4.1 K-TCD

For the referenced year the Company's TCD risk resulted from its open CFD positions towards its clients, which were classified into the Trading Book. The Company offers a real-time mark-to-market leveraged trading facility where clients are required to deposit collateral (margin) against positions, which acts as a mitigant for its TCD risk. Any profits and losses generated by clients are credited and debited automatically to their accounts. To manage the risks arising from Dealing on Own Account transactions, particularly with CFDs, the Company employs hedging strategies where needed. These strategies are implemented to reduce exposure to price movements in the underlying assets of CFD contracts. The Company defines these hedging strategies in its Hedging policy, ensuring they align with the Company's risk appetite and regulatory capital requirements.

5.4.2 K-DTF

The Company is primarily exposed to Operational risks regarding potential system/trading platform failures or delays, inadequate or failed internal processes, people, systems or external events, as well as other risks such as Fraud, Legal, Physical and Environmental risks. The Company is partially dependent on third parties for the key technological systems, infrastructure suppliers, data providers and data sources.

The Company's operations are highly dependent on technology and advanced information systems. It's ability to provide its clients with reliable, real-time access to its systems is fundamental to the success of its business. This dependency upon technology exposes the Company to significant risk in the event that such technology or systems experience any form of damage, interruption or failure. Where the Company is dependent upon providers of data, market information, telephone and internet connectivity, the Company mitigates against the risk of failure of any of these suppliers by ensuring that, where possible, multiple providers and data routes are utilized. To remain competitive, the Company continues to enhance and improve the responsiveness, functionality, accessibility and other features of its software, network distribution systems and technologies.

The Company has business continuity procedures and policies in place which are designed to allow it to continue trading in its core markets. Its systems are designed to mitigate the risk of failure of any component, enabling it to continue to function in the event of an incident, adverse event or business disruption. Furthermore, the Company has developed a Key Risk Indicators' framework enabling it to monitor at regular intervals it's performance versus key business areas.

6 Other Risks

6.2 Reputational Risk

Reputational risk is the current or prospective risk to earnings and capital arising from an adverse perception of the image of the Group on the part of customers, counterparties, shareholders, investors or regulators. Reputational risk could be triggered by poor performance, the loss of one or more of the Company's and EIB's key directors, the loss of large customers, poor customer service, fraud or theft, customer claims, legal action and regulatory fines.

The Group has transparent policies and procedures in place when dealing with possible customer complaints in order to provide the best possible assistance and service under such circumstances. The Company has defined Reputational risk appetite limits in the Company's RAS to ensure that the number of client complaints over the total number of active clienteles stays within acceptable levels. These limits are regularly reviewed and closely monitored to ensure compliance, The possibility of having to deal with customer claims is very low as the Company provides high quality services to customers.

6.3 Business Risk

Business risk includes the current or prospective risk to earnings and capital arising from changes in the business environment, including the effects of deterioration in economic conditions. Research on economic and market forecasts are conducted with a view to minimize the Group's exposure to Business risk. These are analyzed and taken into consideration when implementing the Group's strategy.

Strategic risk could occur as a result of adverse business decisions, improper implementation of decisions or lack of responsiveness to changes in the business environment. The Group's exposure to Strategic risk is moderate as policies and procedures to minimize this type of risk are implemented in the overall Group's strategy.

Capital Management risk is the risk that the Group will not comply with capital adequacy requirements. The Group's objectives when managing capital are to safeguard their ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders. For instance, the Company has a regulatory obligation to monitor and implement policies and procedures for capital risk management. Specifically, the Group is required to test its capital against regulatory requirements and has to maintain a minimum level of capital and liquid assets. This ultimately ensures the going concern of the Group. Such procedures are explained in the Risk Management and Procedures Manual of the Company. With regards to EIB such procedures are explained in its Risk Management, Audit & Monitoring Procedures Handbook.

The Company is further required to report on its capital adequacy quarterly. Management of the Company monitors such reporting and has policies and procedures in place to help meet the specific regulatory requirements. This is achieved through monitoring on a monthly basis of the Company's financial and capital positions.

Both Strategic and Capital Management risks have been defined as part of overall Business risk.

6.4 Regulatory Risk

Regulatory risk is the risk the Group faces by not complying with relevant laws and directives issued by the relevant supervisory bodies. If materialized, Regulatory risk could trigger the effects of Reputation and Strategic risk. The Group has documented procedures and policies based on the requirements of relevant laws and directives issued by the Commission and LFSA, which can be found in the Risk Management and Procedures Manual of the Company and EIB's Risk Management, Audit & Monitoring Handbook.

The Company's Internal Auditor reviews its procedures and policies, and management implements any improvement suggestions. The Company's Compliance department consists of skilled employees with experience in the CFD industry with high understanding of the CySEC and EU regulatory framework and requirements. The Internal Auditors evaluate and test the effectiveness of the Company's control framework at least annually. Therefore, the risk of non-compliance is considered to be very low.

Legal and Compliance risk could arise as a result of breaches or non-compliance with legislation, regulations, agreements or ethical standards and could have an effect on earnings and capital. The probability of such risks occurring is relatively low due to the detailed internal procedures and policies implemented by the Group and regular reviews conducted by the Group entities' Compliance Officers and the Internal Auditor for the Company. The structure of the Group is such as to promote clear coordination of duties and the Management consists of individuals with suitable professional experience, ethos and integrity, who have accepted responsibility for setting and achieving the Group's strategic targets and goals. In addition, the Board of the Company meets at least once per quarter to discuss such issues and any suggestions to enhance compliance implemented by the Management.

The Company has defined Regulatory Risk Appetite limits to ensure that the number of penalties / administrative fines imposed by regulator / other authority, the number of supervisory or regulatory deadlines missed without obtaining approval for extension, the number of money laundering / terrorist financing incidents encountered, as well as the number of client complaints over the total number of active clientele stay within acceptable levels. These limits are regularly reviewed and closely monitored to ensure compliance.

Legal and Compliance risk has been defined as part of overall Regulatory risk.

6.5 Operational Risks other than DTF

IT risk could occur as a result of inadequate information technology and processing, or it could arise from an inadequate IT strategy and policy or from insufficient use of the Group's information technology. Policies have been implemented regarding systems failure, servers failure, back-up procedures, software maintenance, hardware maintenance, the use of the internet and anti-virus protection in order for materialization of this risk to be minimized to the lowest possible degree. In addition, the Group's entities have in place a Disaster Recovery and Business Continuity Plan to mitigate potential IT risks.

6.6 Liquidity Risk

Liquidity risk is 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 Group's approach to managing liquidity is to ensure it will have sufficient liquidity to meet its financial liabilities when due, under both normal circumstances and stressed conditions.

The Company maintains a Risk Appetite threshold in regard to its Liquid Assets, which is closely monitored for ensuring that actions will be taken prior a potential breach of its regulatory requirement. The Company monitors and reports the level of its liquidity position through the IF Class 2 form via the CySEC's XBRL portal (XBRL file) on a quarterly basis or when the need arises (i.e. failure to comply with its minimum liquidity requirement).

In accordance with the CySEC's client money rules, the Company holds in segregated, clearly designated as clients' money bank accounts, all the funds of its clients. Therefore, the Company considers Liquidity risk in relation to all clients' trading activity to be significantly low. According to Article 43 of IFR, the Company is required to maintain liquid assets (proprietary, not client-related) equal to at least one third of its Fixed Overheads Requirement. As at 31 of December 2025 the Company and the Group had available liquid assets amounting to €7.054K and €50.020K, which exceeded the minimum threshold of €229K and €341K respectively, and hence satisfied the Liquidity Requirement.

6.7 Credit Risk

Credit risk arises from all transactions that were actual, contingent or potential claims against any counterparty, borrower, obligor, or issuers. These transactions are typically part of traditional non-trading activities or direct trading with clients. The Company has set internal limits per counterparty following an internal credit review and the perceived ability to protect funds, however, it does not maintain limits regarding credit worthiness of its counterparties. Moreover, the Company monitors its credit risk exposure to each counterparty individually and implements a targeted action and risk assessment strategy to address any identified risks. In addition, the Company is exposed to Credit Concentration risk arising from its banking book exposures. Nevertheless, in accordance with the IFR/IFD framework there are no limits on the banking book exposures under Pillar I risks. In this respect, the Company takes into consideration the level of its banking book concentration risk it is exposed to, within its ICARA Report.

7 Remuneration Policy

The Group's entities have adopted a Remuneration Policy that complies with applicable legal and regulatory requirements and is proportionate to each entity's size, internal organisation and the nature, scope and complexity of its activities.

In brief, the Remuneration Policy describes the Group's entities remuneration practices designed to promote sound risk management, prevent conflicts of interest, and align pay with client interests. "Remuneration" covers any payments or benefits, direct or indirect, provided by the Group's entities to all staff members and "Identified Staff" for delivering investment and/or ancillary services to clients.

The Group defines Identified Staff to be those employees whose professional activities have a material impact on an institution's risk.

Staff members shall be deemed to have a material impact on an investment firm's risk profile or that of the assets it manages where one or more of the following **qualitative criteria** are met:

- the staff member is a member of the management body in its management function;
- the staff member is a member of the management body in its supervisory function;
- the staff member is a member of the senior management;
- in investment firms with a total balance sheet equal to or more than EUR 100 million, staff members with managerial responsibility for business units that are providing at least one of the services that require authorisation listed under points (2) to (7) of Annex I, Section A, to Directive 2014/65/EU of the European Parliament and of the Council;
- the staff member has managerial responsibilities for the activities of a control function;
- the staff member has managerial responsibilities for the prevention of money laundering and terrorist financing;
- the staff member is responsible for managing a material risk as referred to in Article 28(3) of Directive (EU) 2019/2034 within the investment firm or is a voting member of a committee responsible for managing a material risk to which the investment firm is exposed;
- in an investment firm that is authorised for providing at least one of the services listed under points (2) to (7) of Annex I, Section A to Directive 2014/65/EU, the staff member is responsible for managing one of the following activities:
 - economic analysis,
 - information technology,
 - information security,
 - outsourcing arrangements of critical or important functions as referred to in Article 30(1) of Commission Delegated Regulation (EU) 2017/565.
- the staff member meets either of the following criteria with regard to decisions for approving or vetoing the introduction of new products:
 - the staff member has authority to take such decisions,
 - the staff member is a voting member of a committee which has authority to take such decisions.

In addition, a staff member shall be deemed to have a material impact on an investment firm's risk profile or that of the assets it manages where any one of the following **quantitative criteria** is met:

- the staff member has been awarded a total remuneration which is equal to or greater than EUR 500 000 in or for the preceding financial year;
- where the investment firm has over 1 000 staff members, the staff member is within the 0,3 % of staff, rounded to the next higher integral figure, who has, within the investment firm, been awarded the highest total remuneration in or for the preceding financial year;

- the staff member was in or for the preceding financial year awarded total remuneration that is equal to or greater than the lowest total remuneration awarded in that financial year to a member of staff who meets one or more of the criteria set out below:
 - the staff member is a member of the management body in its management function,
 - the staff member is a member of the senior management,
 - in investment firms with a total balance sheet equal to or more than EUR 100 million, staff members with managerial responsibility for business units that are providing at least one of the services that require authorisation listed under points (2) to (7) of Annex I, Section A, to Directive 2014/65/EU of the European Parliament and of the Council,
 - in an investment firm that is authorised for providing at least one of the services listed under points (2) to (7) of Annex I, Section A to Directive 2014/65/EU, the staff member is responsible for managing one of the following activities:
 - economic analysis,
 - information technology,
 - information security,
 - outsourcing arrangements of critical or important functions as referred to in Article 30(1) of Commission Delegated Regulation (EU) 2017/565.
 - the staff member meets either of the following criteria with regard to decisions for approving or vetoing the introduction of new products:
 - the staff member has authority to take such decisions,
 - the staff member is a voting member of a committee which has authority to take such decisions.

The criteria laid down above shall not apply where the investment firm determines that the staff member, or the category of staff to which the staff member belongs, has no material impact on the risk profile of the investment firm or of the assets it manages.

The Remuneration Policy aims to provide for sufficient incentives so as for the personnel of the Group's entities, including Identified Staff, to achieve the business targets, to deliver an appropriate link between reward and performance, whilst at the same time consisting of a comprehensive, consistent and effective risk management tool that prevents excessive risk taking and miss-selling practices in light of financial incentives, which could lead to compliance risks for the Group's entities in the long-run.

The Remuneration Policy is in line with Group's entities business strategy, objectives, values and long-term interests and based on the applicable legislations, designed in such a way as not to create incentives that may lead Identified Staff, to favour Group's entities interest or/and their own interest and act against the best interest of the clients. It also incorporates measures to avoid and/or mitigate conflicts of interest situations (e.g. when remuneration has a possible direct or indirect negative impact on clients' best interests) and to promote code of conduct and investor protection requirements as well as serve clients' best interests.

Moreover, the Remuneration Policy is consistent with sound and effective risk management and intended to deter risk-taking beyond the Group's expressed risk appetite and risk tolerance levels. Further, staff engaged in control functions (Compliance Officer and Money Laundering Compliance Officer, Internal Auditor, Risk Manager), are only remunerated in accordance with the achievement of the objectives linked to their functions, independent of the performance of the business areas they control.

The Board approves the Remuneration Policy and is ultimately responsible for its implementation, monitoring and review, ensuring it remains current and is revised as needed. Additionally, Group

entities' Management must ensure that all individuals remunerated by the entities are informed about and comprehend the Remuneration Policy.

It is noted that the Company, for the year under review, has taken into account its size, internal organization and the nature, the scope and the complexity of its activities and it does not deem necessary the establishment of a Remuneration Committee.

7.2 Remuneration System

The Group's entities remuneration systems inevitably take into account the highly competitive sector in which they operate, and the considerable number of resources they invest in each member of the staff. Thus, the Group's entities consider remuneration as a significant method of attracting and retaining key employees whose talent can contribute to the Group's short- and long-term success; whilst simultaneously ensuring that the clients' interests will not be impaired by the remuneration policies and practices adopted by the Group's entities in the short, medium and long term.

Based on Remuneration Policy there are two different types of remuneration, fixed and variable. Identified Staff are prohibited to be remunerated only with variable components. The Identified Staff's total remuneration consists of a fixed component and may include a variable component.

The fixed component represents a sufficiently high proportion of the total remuneration to enable the operation of a fully flexible policy on variable remuneration components, including the ability of paying no variable remuneration component.

It is noted that, the ratio between the fixed and variable components of the remuneration is appropriate in order to take into account the best interest of the clients. The Company ensure that in case there is variable remuneration, the variable component does not exceed 100% of the fixed component of the total remuneration.

The remuneration mechanisms employed are well-known management and human resources tools that take into account the following factors in order to determine the remuneration of each staff member:

- The financial viability of the Group's entities;
- The general financial situation and the state in which the Group's entities operate;
- Each employee's personal objectives (such as personal development, compliance with the Group's entities systems and controls, compliance with regulatory requirements, commitment and work ethics) performance evaluation and the rating received based on their performance in relation to the objectives set up at the beginning of the period;
- Each employee's professional conduct with clients (such as acting in the best interest of the client, fair treatment of clients and inducing client satisfaction), as applicable.

Additionally, remuneration provided by the Group's entities encompasses all benefits offered to their staff and may be financial or non-financial. For instance, as set below for the Company:

- **Financial Remuneration** (i.e. cash, wage increases), and/or
- **Non-Financial Remuneration** which includes the following:
 - Career progression;
 - Health Insurance;
 - Subscription to the Gym;
 - The use of a corporate automobile.

Fixed Remuneration

Fixed remuneration varies for different positions/roles depending on each position's actual functional requirements, and it is set at levels which reflect the educational qualifications, experience, accountability and responsibility needed for a staff member to perform each position/role. The remuneration is also set in comparison with standard market practices employed by the other market participants/ competitors.

The Group's entities fixed remuneration is approved by the Senior Management for all the Identified Staff and it is reviewed at least annually and according to the relevant legislation without affecting the other terms of employment.

Variable Remuneration

The Group's entities have in place a "variable remuneration scheme" whereby the Identified Staff may receive variable remuneration in addition to their monthly fixed salary/fixed fee (as well as in case of third-party service providers) according to the results of the relevant person's performance appraisal.

Nevertheless, the Group's entities do not award, pay or provide guaranteed variable remuneration.

The Variable remuneration is provided when qualitative criteria are fulfilled in according with the remuneration policy.

7.3 Performance Appraisal

The Group ensures that, where remuneration is linked with performance, the total amount of remuneration is based on a combination of the performance assessment of:

- the individual (quantitative as well as qualitative criteria-except those who perform their duties on Control Functions where only qualitative criteria apply- are taken into account; performance evaluation and performance rating are taken into account),
- the business unit concerned, and
- the overall results of the Group's entities and provided that conflicts of interest are mitigated, as described in the Remuneration Policy.

The Group implements a performance appraisal program, mainly to foster talent and promote healthy competition amongst personnel, which is based on a set of Key Performance Indicators and Targets, developed for each department.

In general, performance appraisal is performed in order to ensure that the appraisal process is based on longer-term performance and that in the future (i.e. when applicable), the actual payment of performance-based components of remuneration will be spread over a period which will take into account the Group's underlying business cycle and risks.

Additionally, performance appraisal on medium and short-term is being performed as follows:

- Objectives can be set in the beginning of each year, semi-annually or quarterly (depending on the department appraisal process), defining what the entities' functions, departments and individuals are expected to achieve.
- Performance checks and feedback: Managers provide support and feedback to the concerned staff, during formal or informal performance reviews; the aim is to assist the staff to develop their skills

and competencies.

- Performance review: The variable elements of the remuneration depend on the performance evaluation of each employee, the fulfilment of their performance-related targets and the financial performance of the Group’s entities.

7.4 Remuneration of Senior Management Personnel and Directors

The remuneration of the Senior Management is intended to ensure that the Group will attract and retain the most qualified Executive Board members. Moreover, the remuneration of the Company’s non-executive directors is fixed and it is set at a level that is aligned to the market and reflects the qualification and competencies required based on the Company’s size and complexity, the responsibilities and the time that the non-executive directors are expected to consume in order to serve the Company.

The remuneration of the Senior Management personnel of the Company for 2025, including Board and Other Risk Takers is shown in the following table:

Table 8.1 - Quantitative information on remuneration by Exness (CY) Ltd

Description	No. of beneficiaries	Fixed Remuneration €'000	Variable Remuneration €'000
Senior Management	10	835	463
Other Risk Takers	-	-	-
Total	10	835	463

Notes:

1. The ‘Senior Management’ category includes the Executive Directors (who hold the titles of Managing Director & Head of Brokerage Department, General Manager) and Non-Executive Directors, Head of Dealing on Own Account Department, Chief Financia Officer, Head of Risk Management Department, Head of IT Department and the Head of Compliance/AML Department.
2. The variable remuneration paid by the Company during 2025 was entirely in the form of cash.

Furthermore, the Company for members of Senior Management and Other Risk Takers:

- Awarded deferred variable remuneration in 2024 amounting to €263K to members of Senior Management, which was paid in early 2025.
- Awarded during 2025 deferred variable remuneration of €101K to members of Senior Management, which was paid in early 2026.
- Did not award any guaranteed variable remuneration during 2025.
- Did not award any severance payments in previous periods, that have been paid out during 2025.

The remuneration of the Senior Management personnel of the Group for 2025, including Board and other Risk Takers are shown in the following table:

Table 8.2 - Quantitative information on remuneration by Group

Description	No. of beneficiaries	Fixed Remuneration €'000 Unaudited	Variable Remuneration €'000 Unaudited
Senior Management	17	1.415	555
Other Risk Takers	-	-	-
Total	17	1.415	555

Furthermore, the Group for members of Senior Management and Other Risk Takers:

- Awarded deferred variable remuneration in 2024 amounting to €294K to members of Senior Management, which was paid in early 2025.
- Awarded during 2025 deferred variable remuneration of €127K to members of Senior Management, which was paid in early 2026.
- Did not award any guaranteed variable remuneration during 2025.
- Did not award any severance payments in previous periods, that have been paid out during 2025.

As per EBA Q&A 2018/7286 and Capital Requirement Directive (CRD) 2013/36 as amended or replaced, following the Group's entities assessment, the Identified Staff (whose professional activities have a material impact on the Group's entities operations) is considered to fall under the category of Senior Management as per the above tables.

5. Appendix I – Main Features of Own Funds

Table 9 - Template EU IF CCA: Own Funds: Main features of own instruments issued by the Company

Template EU IF CCA		Common Equity Tier 1 instruments
1	Issuer	Exness (CY) Ltd
2	Unique identifier (e.g. CUSIP, ISIN or Bloomberg identifier for private placement)	N/A
3	Public or private placement	Private
4	Governing law(s) of the instrument	Cyprus Law
5	Instrument type	Ordinary Shares
6	Amount recognised in regulatory capital (in EUR)	EUR 50.473K
7	Nominal amount of instrument	EUR 40K
8	Issue price (in EUR)	Various
9	Redemption price	N/A
10	Accounting classification	Shareholders' equity
11	Original date of issuance	02/09/2011
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	N/A
	<i>Coupons / dividends</i>	
17	Fixed or floating dividend/ coupon	Floating
18	Coupon date and any related index	N/A
19	Existence of a dividend stopper	No
20	Fully discretionary, partially discretionary or mandatory (in terms of timing)	N/A
21	Fully discretionary, partially discretionary or mandatory (in terms of amount)	N/A
22	Existence of step up or other incentive to redeem	No
23	Non-Cumulative or cumulative	Non-cumulative
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 info	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