



**Disclosures in accordance with Part Six of Regulation (EU) 2019/2033 of the European Parliament and of the Council of 27 November 2019 on the prudential requirements of investment firms as at 31 December 2025 (the “Disclosures”)**

**April 2026**

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## 1. Introduction

### 1.1. Corporate Information

Mega Equity Securities and Financial Services Public Ltd (hereinafter the “Company”) is a public limited liability company incorporated in the Republic of Cyprus on 17 December 1999 under the Cyprus Companies Law, Cap. 113. The Company is authorised and regulated by the Cyprus Securities and Exchange Commission (“CySEC”) as a Cyprus Investment Firm (“CIF”) under licence number 011/03, issued on 12 May 2003 (LEI: 213800Z38J623HQWC228).

The Company operates in accordance with the Investment Services and Activities and Regulated Markets Law of 2017, L.87(I)/2017, as amended (the “Law”), and is authorised to provide the following investment and ancillary services:

- i. Reception and transmission of orders;
- ii. Execution of orders on behalf of clients;
- iii. Dealing on own account;
- iv. Provision of investment advice;
- v. Safekeeping and administration of financial instruments including custodianship and related services;
- vi. Granting credits or loans to clients for transactions in financial instruments; and
- vii. Foreign exchange services where these are connected to the provision of investment services.

The Company is also authorised to provide cross-border services within the European Union. Further information on the Company’s licence is available on CySEC’s website (<https://www.cysec.gov.cy/en-GB/entities/investment-firms/cypriot/37640/>).

### 1.2. Regulatory Framework and Scope of Disclosures

The prudential framework applicable to Investment Firms is set out in Regulation (EU) 2019/2033<sup>1</sup> on the prudential requirements of investment firms (the “IFR”) and Directive 2019/2034<sup>2</sup> (the “IFD”), which entered into force on 26 June 2021, replacing the previously applicable Capital Requirements Regulation (CRR) and Capital Requirements Directive (CRD) regime.

The IFR/IFD framework was introduced by the European Commission to establish a proportionate and risk-sensitive prudential regime tailored specifically to the nature, scale and complexity of investment firm activities, recognising that certain investment firms had previously been subject to banking-oriented Basel III requirements that were not fully aligned with their risk profiles.

The IFR/IFD address the key vulnerabilities and risks inherent to investment firms and ensure proportionate requirements in relation to capital adequacy, liquidity and risk management arrangements. Accordingly, these Disclosures have been prepared in accordance with the following legislative and regulatory provisions, which have been applicable since 26<sup>th</sup> of June 2021:

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<sup>1</sup> 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.

<sup>2</sup> Directive (EU) 2019/2034 of the European parliament and of the council of 27 November 2019 on the prudential supervision of investment firms and amending Directives 2002/87/EC, 2009/65/EC, 2011/61/EU, 2013/36/EU, 2014/59/EU and 2014/65/EU.

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- Part Six of Regulation (EU) 2019/2033 (IFR), governing public disclosure requirements;
- Law 165(I)/2021 for the Prudential Supervision of Investment Firms, which transposes Directive (EU) 2019/2034 into Cyprus national law; and
- Commission Implementing Regulation (EU) 2021/2284 of 10 December 2021, laying down implementing technical standards on supervisory reporting and disclosures of investment firms.

IFR/IFD introduced significant changes to the methodologies that investment firms are required to apply, which include amongst others the following:

- revised approaches to the identification and quantification of risk exposures;
- a new framework for determining own funds and capital adequacy requirements;
- updated requirements regarding the level of permanent minimum capital;
- the replacement of the Internal Capital Adequacy Assessment Process (“ICAAP”) with the Internal Capital Adequacy and Risk Assessment (“ICARA”) process; and
- the introduction of a liquidity requirement, whereby firms are required to maintain liquid assets equal to at least one third of their Fixed Overhead Requirement.

The Disclosures are prepared on a solo basis and cover the year ended 31 December 2025.

### 1.3. Classification of the Company

In accordance with Article 12 of the IFR, the Company is classified as a Class 2 investment firm, as it does not meet the criteria to qualify as a small and non-interconnected investment firm.

Accordingly, the Company is required to:

- a) maintain minimum capital of €750,000;
- b) comply with own funds requirements based on the highest of fixed overheads, K-factor requirements and permanent minimum capital; and
- c) meet the liquidity requirement under Article 43 of the IFR.

As the Company falls within the scope of Part 6 of the IFR, it is required to publicly disclose information relating to its risk management, governance arrangements, own funds, capital requirements, liquidity and remuneration policies.

Furthermore, during 2024, the Company was classified by the Cyprus Securities and Exchange Commission (“CySEC”) as a significant Cyprus Investment Firm, in accordance with the criteria set out in CySEC Circular C487. This classification reflects the nature, scale and complexity of the Company’s activities and continues to apply during 2025. The significant CIF classification resulted in enhanced governance, organisational, and disclosure requirements. In response, the Company implemented a number of structural and governance enhancements, including the establishment of the following Board Committees:

- Nomination Committee;
- Risk Committee; and
- Remuneration Committee.

Further information on the Company’s governance structure and committee arrangements is provided in Section 3 of these Disclosures.

#### 1.4. Frequency, Basis and Means of Disclosures

The Disclosures are prepared annually, in accordance with Article 46 of the IFR and other applicable legislation or guidance, as applicable.

Unless otherwise stated, figures are presented in thousands of Euros (€). The Disclosures are published annually on the Company's website at <http://www.megaequity.com>.

#### 1.5. Governance and Verification

The Disclosures have been prepared by the Head of Risk Management, in accordance with the requirements of Part Six of Regulation (EU) 2019/2033 and are based on information derived from the Company's internal risk management, capital and liquidity assessment processes.

The disclosures have been reviewed and approved by the Board of Directors (the "Board" or "BoD"), which confirms that:

- a) the information disclosed is accurate, complete and consistent with the Company's internal risk management framework and ICARA process; and
- b) the risk management systems, internal control mechanisms and governance arrangements in place are adequate and appropriate for the nature, scale and complexity of the Company's activities.

The Board further acknowledges its responsibility for the overall oversight of the Company's risk management framework and the adequacy of own funds and liquidity resources.

The Disclosures should be read in conjunction with the Company's audited financial statements for the year ended 31 December 2025, with the view of explaining how the Company manages risks under the requirements of IFR/IFD and how much capital is assigned to these risks for their management. The Company's Financial Statements are prepared on a stand-alone basis, in accordance with the International Financial Reporting Standards ("IFRS").

#### 1.6. Operating Environment of the Company

During 2025, the Company operated in a financial and regulatory environment characterised by continued economic resilience in Cyprus, alongside heightened supervisory expectations for Cyprus Investment Firms, particularly those classified as significant CIFs.

## **Economic and Market Conditions**

The Cypriot economy continued to demonstrate solid growth during 2025, supported primarily by services activity, including financial and professional services, tourism and information and communication technologies. Official forecasts from European and national institutions indicated continued economic expansion, easing inflationary pressures and a resilient labour market, contributing to generally favourable conditions for investment services activity. At the same time, the external environment remained subject to elevated uncertainty arising from geopolitical developments and international trade tensions. While Cyprus has relatively limited direct exposure to global trade in goods, indirect effects through financial markets, investor sentiment and external demand continued to require close monitoring.

## **Operational and Business Environment**

Against this backdrop, the Company continued to operate as a Class 2 and significant CIF, providing brokerage, dealing on own account, investment advice and related services to a diversified client base, including through cross-border activities within the European Union.

During 2025, market conditions and interest rate expectations continued to evolve, with potential implications for trading activity and client behaviour across financial instruments. The Company monitored these developments through established risk limits, ongoing oversight of market and counterparty exposures, and prudent capital and liquidity planning in line with its ICARA framework.

The Company did not identify any material concentration of exposures or business dependencies that would adversely affect its ability to continue operating under stressed market conditions.

## **Regulatory and Supervisory Environment**

The regulatory environment for CIFs in Cyprus remained highly dynamic during 2025, with CySEC maintaining a strong supervisory focus on:

- prudential compliance under Regulation (EU) 2019/2033 and Law 165(I)/2021;
- governance arrangements for Class 2 and significant CIFs;
- consistency and accuracy of prudential reporting; and
- operational resilience, including ICT and outsourcing arrangements.

In parallel, the entry into force of the Digital Operational Resilience Act (DORA) and the related CySEC reporting obligations introduced additional requirements in relation to ICT risk management, incident reporting and third-party service provider oversight, further increasing compliance and operational demands on investment firms during the year.

The Company continued to enhance its internal control framework, governance structures and reporting processes to reflect these developments and to meet the heightened expectations applicable to significant CIFs.

## **Risk Assessment and Impact**

Based on management's assessment, the operating environment during 2025 did not give rise to any material adverse impact on the Company's:

- capital adequacy;
- liquidity position; or
- ability to comply with its prudential and regulatory obligations.

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The Company remained adequately capitalised and liquid throughout the year and continued to operate within its approved risk appetite.

## 2. Risk management objectives and policies

### 2.1. Risk Management Governance

#### 2.1.1. The Board of Directors

Risk management is an integral part of the Company's governance framework and is embedded in its strategy, decision-making processes and overall business model. The Board of Directors (the "Board") retains ultimate responsibility for the establishment, oversight and effectiveness of the Company's risk management framework.

The Board is responsible for:

- setting and approving the Company's Risk Appetite Statement;
- ensuring that appropriate arrangements are in place for the identification, assessment, monitoring and control of material risks arising from the Company's activities, and overseeing whether such risks remain within the Board-approved risk appetite in a prudent and proportionate manner; and
- overseeing the adequacy of the Company's capital, liquidity and internal control arrangements in accordance with the Investment Firms Regulation (EU) 2019/2033 and the ICARA framework.

While the Board does not engage in the day-to-day management of risks, it exercises effective oversight through:

- regular and ad-hoc reporting from the Risk Management Function;
- structured escalation of material risks, incidents, breaches or emerging risk themes; and
- periodic review and challenge of the risk management framework, risk assessments and mitigation measures.

The Board is supported by the Risk Committee in the exercise of its risk oversight responsibilities. The Risk Committee provides focused review, challenge and recommendations in relation to the Company's risk profile, key risk exposures, IFR K-factors, Pillar 2 risks and remediation actions. The Risk Committee reports to the Board on a regular basis and escalates material matters where required, without prejudice to the Board's ultimate responsibility for the oversight of the Company's risk management framework.

Policies, procedures and frameworks relating to risk management are presented to the Board for approval and periodic review. The Board ensures that the risk management framework remains appropriate to the nature, scale and complexity of the Company's activities and is aligned with its strategic objectives and regulatory obligations.

Notwithstanding the delegation of specific responsibilities to committees and control functions, the ultimate responsibility for risk management remains with the Board of Directors.

#### 2.1.2. Risk Committee

The Risk Committee has been established by the Company as part of its governance arrangements, in line with the enhanced organisational and oversight requirements applicable to Class 2 and significant Cyprus Investment Firms. The Risk Committee supports the Board in the effective oversight of the Company's risk management framework.

The Risk Committee acts in an advisory and oversight capacity and does not assume executive responsibilities. It assists the Board by providing focused review, challenge and recommendations in relation to the Company's risk profile, risk appetite and the adequacy of risk management arrangements.

In particular, the Risk Committee is responsible for:

- review and recommend for Board approval the Company's risk appetite, risk strategy and key risk management policies, and periodically assess whether they remain appropriate to the nature, scale and complexity of the Company's activities;
- review the Company's risk profile, key risk exposures, emerging risks, risk appetite metrics, breaches and remediation actions, and provide challenge and recommendations to the Board and Senior Management where appropriate;
- review the outcomes of the ICARA process, including material assumptions, stress testing results, capital and liquidity adequacy assessments and relevant prudential metrics, and recommend any necessary actions to the Board;
- oversee the adequacy, independence, authority and resources of the Risk Management Function and review whether the risk governance framework remains effective and proportionate;
- oversee key operational resilience and ICT risk topics (including outsourcing and third-party risk, business continuity and cyber risk), and ensure that material ICT-related risks are appropriately assessed, monitored and escalated;
- review material operational resilience, ICT, outsourcing and business continuity risk matters to the extent relevant to the Company's overall risk profile and regulatory obligations; and
- submit its findings, deliberations and recommendations to the Board, which retains ultimate responsibility and decision-making authority on risk matters.

The Risk Committee meets at least quarterly, and more frequently where required by the Company's risk profile or in response to emerging risks, incidents or regulatory developments. During 2025, the Risk Committee met four (4) times, convening once in each quarter. The Committee receives regular reporting from the Head of Risk Management and, where relevant, from other control functions.

The Risk Committee reports to the Board of Directors on its deliberations, findings and recommendations, thereby supporting the Board in discharging its ultimate responsibility for risk management and ensuring that the Company's risk governance framework remains sound, effective and aligned with regulatory expectations.

#### 2.1.3. Risk Management Department

The Company has established a dedicated Risk Management Department, which operates as an independent control function and forms an integral part of the Company's governance and internal control framework. The Risk Management Department is headed by the Head of Risk Management, who reports directly to the Board of Directors, and provides regular reporting to the Risk Committee, thereby supporting functional independence from operational activities and the effective escalation of material risk matters.

The Risk Management Department is responsible for the establishment, implementation and ongoing maintenance of a sound, effective and proportionate risk management framework, covering all material risks arising from the Company's activities, in line with:

- Regulation (EU) 2019/2033 (IFR) and Directive (EU) 2019/2034 (IFD);
- Law 87(I)/2017 and Law 165(I)/2021;
- CySEC Directives and Circulars; and
- the Company's Internal Operations Manual (IOM) and Board-approved policies.

The primary role of the Risk Management Department is to identify, assess, monitor and manage the Company's financial and non-financial risks, taking into account the nature, scale and complexity of its business model and supporting Management and the Board in ensuring that risks remain within the Board-approved Risk Appetite Statement.

In particular, the Risk Management Department is responsible for:

- a) establishing and maintaining risk management policies, procedures and methodologies for the identification, assessment and monitoring of risks arising from the Company's activities, processes and systems;
- b) coordinating and maintaining the risk assessment process, including the identification of existing and emerging risks, the evaluation of inherent and residual risks, and the assessment of the effectiveness of mitigating controls;
- c) maintaining and updating the Risk Register, ensuring that material risks, control weaknesses and required remedial actions are documented and subject to appropriate oversight;
- d) monitoring the adequacy and effectiveness of the Company's risk management arrangements and the level of compliance with adopted risk policies and procedures;
- e) identifying deficiencies or failures in risk controls and ensuring that appropriate corrective measures are proposed, implemented and monitored;
- f) preparing the Annual Risk Management Report, which is submitted to the Board of Directors for review, discussion and approval prior to its submission to CySEC, where applicable; and
- g) providing regular and ad-hoc risk reporting to the Board of Directors and the Risk Committee, supporting effective oversight of the Company's risk profile, ICARA outcomes and prudential risk metrics, including the calculation and ongoing monitoring of relevant Pillar 1 and Pillar 2 risk-related capital requirements in accordance with the IFR and the Company's ICARA framework.

The Company has adopted Risk Policy Guidelines, which form an integral part of the Company's Internal Operational Manual Framework. These guidelines define the Company's approach to risk identification, assessment, monitoring, mitigation and escalation and ensure that risk management is embedded across all business lines and support functions in a structured and documented manner. Through this framework, the Risk Management Department supports the Board of Directors in fulfilling its ultimate responsibility for risk management and ensures that the Company's risk governance arrangements remain robust, proportionate and aligned with regulatory and supervisory expectations.

## 2.2. Risk Management Framework

The Company has established and maintains a sound, effective and proportionate risk management framework, designed to identify, assess, monitor and manage all material risks arising from its activities, in line with the nature, scale and complexity of its business model and the requirements of Regulation (EU) 2019/2033 (the "IFR").

The Company operates under a non-trading business model, does not exercise its Dealing on Own Account license and does not maintain a trading book. Accordingly, the risk management framework is primarily focused on:

- Risk-to-Clients (RtC) arising from client money held, assets safeguarded and administered and client orders handled;
- Pillar 2 risks, including operational, compliance, concentration, liquidity, reputational and ICT risks; and

- the monitoring and management of any residual or incidental risks, including foreign-exchange related exposures identified during the reporting period.

The risk management framework is embedded across the Company's activities and supports the protection of clients, the maintenance of adequate capital and liquidity buffers, and ongoing compliance with regulatory and supervisory expectations.

#### 2.2.1. Risk Strategy and Governance

The Company's risk strategy aims to ensure that risks are identified and managed proactively and remain within acceptable limits, without compromising financial stability, regulatory compliance or reputation.

The Board of Directors, supported by the Risk Committee, defines the Company's overall risk strategy and provides effective oversight of the risk management framework. This includes:

- approval of the Risk Appetite Statement;
- review and challenge of the Company's risk profile and key risk drivers; and
- oversight of capital adequacy, liquidity and control effectiveness.

The risk strategy is communicated throughout the organisation and serves as a reference framework for Senior Management and employees in the execution of their responsibilities.

#### 2.2.2. Risk Appetite

The Company's Risk Appetite Statement defines the type and level of risk that the Company is willing to accept in the pursuit of its business objectives. It reflects the Company's conservative risk profile, particularly in light of:

- its non-trading business model;
- the importance of client asset protection; and
- its regulatory obligations as a Class 2 and significant CIF.

The Board monitors the Company's risk profile against the approved risk appetite on an ongoing basis. No breaches of approved risk appetite or tolerance levels were identified during 2025.

#### 2.2.3. Risk Identification, Assessment and Monitoring

##### 1. Risk Register

Risk identification and assessment are performed on both an enterprise-wide and activity-specific basis and are coordinated by the Risk Management Function.

Identified risks are documented in a formal Risk Register, which captures:

- a) the nature and source of each risk;
- b) inherent and residual risk assessments;
- c) existing mitigating controls; and
- d) any required remedial actions.

The Risk Register is maintained and periodically reviewed by the Risk Management Department and is submitted to the Risk Committee and the Board of Directors at least annually, and more frequently where

material changes in the Company's risk profile occur. The Risk Committee reviews and challenges the key findings arising from the Risk Register as part of its oversight responsibilities.

## **2. Capital Adequacy, Stress Testing and ICARA**

The Company assesses capital adequacy through the implementation of the Internal Capital Adequacy and Risk Assessment ("ICARA") process, in accordance with the IFR.

The ICARA framework evaluates:

- Risk-to-Firm, Risk-to-Clients and Risk-to-Market;
- Pillar 1 and Pillar 2 risks; and
- the adequacy of own funds and liquid assets under both normal and stressed conditions.

The Company performs a full ICARA assessment on an annual basis, supported by stress testing scenarios designed to assess the impact of adverse but plausible events on capital adequacy and liquidity. Stress testing outcomes are considered alongside budgeting and forward-looking business planning.

The Board of Directors reviews and challenges the ICARA outcomes and uses them to:

- validate or adjust the Company's risk appetite;
- inform strategic and operational decisions; and
- determine whether additional actions are required, such as limiting risk exposures or enhancing controls.

Where ICARA outcomes identify areas for improvement, including control effectiveness or operational resilience, the Board ensures that appropriate remedial actions are implemented and monitored.

### **2.2.4. Risk Mitigations controls**

In the course of its business activities, the Company is exposed to a range of financial and non-financial risks, arising from the provision of investment services, safeguarding of client assets, operational processes, regulatory obligations and external factors.

Identified risks are assessed in terms of their likelihood and potential impact, taking into account both inherent risk and residual risk after the application of mitigating controls. Appropriate mitigation measures are designed and implemented to ensure that risks are managed within the Board-approved Risk Appetite Statement.

In accordance with Article 47 of Regulation (EU) 2019/2033, this section of the Disclosures provides a description of each material category of risk faced by the Company, as reflected in:

- Part Three (Capital Requirements) of the IFR, including Risk-to-Firm, Risk-to-Clients and Risk-to-Market;
- Part Four (Concentration Risk); and
- Part Five (Liquidity),

together with a summary of the strategies, processes and mitigating controls applied by the Company to manage those risks.

The detailed assessment of individual risk categories, including the related monitoring arrangements and mitigating measures, is presented in the subsections that follow.

#### 2.2.5. Risks Categories

##### 1. Credit Risk

Credit risk is defined as the risk that the Company may incur financial losses arising from the failure of counterparties or clients to meet their contractual obligations as they fall due. The Company's credit risk exposure is limited and primarily arises from:

- cash balances and deposits held with credit institutions and other financial counterparties (e.g., Cyprus Stock Exchange ('CSE'), Athens Stock Exchange ('ASE'), Investors Compensation Fund, etc.); and
- trade and other receivables arising in the ordinary course of business.

The Company operates under a non-trading business model, does not exercise its Dealing on Own Account license, and does not maintain a trading book. As a result, its exposure to credit risk is predominantly operational in nature and does not give rise to Trading Book exposures under the IFR framework.

Counterparty relationships are established only with reputable and appropriately regulated financial institutions, including credit institutions and market infrastructures (such as the Cyprus Stock Exchange and Athens Stock Exchange). Where applicable, the Company considers for each counterparty the relevant ratings issued by recognised international credit rating agencies. The credit quality and financial soundness of such institutions are subject to ongoing review, taking into account prevailing market conditions and economic uncertainty

The Company applies diversification principles in the placement of cash balances to limit excessive exposure to a single counterparty and mitigate concentration risk. The actual exposures by financial institutions are reviewed daily.

From a qualitative perspective, the main forms of credit-related risk identified are:

- Counterparty Credit risk:** arises from the Company's credit exposure with other counterparties. The Company has policies to ensure that credit limits are granted to clients with an appropriate credit history and the ageing profile of each client is monitored on a daily basis.
- Settlement risk:** relates to the risk that counterparty fails to deliver the terms of a contract with the Company. Company has Athens Stock Exchange (ASE) and Cyprus Stock Exchange (CSE) that act as clearing houses and pledge funds from each party in order to ensure the settlement of all transactions.
- Concentration risk:** arises from the uneven distribution of exposures to individual counterparties or by industry, economic sector or geographical regions. Some concentration of credit risk exists with respect to trade receivables as the Company has high exposures to some clients. The Management monitors these amounts on a daily basis; where concentrations are identified, appropriate action is taken, which may include the application of client-level exposure limits, suspension of trading activity, escalation to senior management, and initiation of collections or recovery procedures.
- Country risk:** as the majority of the Company's activities and clientele are concentrated in Cyprus and trading is primarily conducted on the CSE and ASE.

##### **Risk to Firm (RtF) – IFR Perspective**

Under IFR, **Risk to Firm (RtF)** captures risks arising from the Company's trading activity and market participation that could affect its financial soundness or orderly operation. RtF is measured through the following K-factors:

There are three K-factors under RtF, which are also presented in **Section 5.2.3** of this Report:

- **K-TCD (Trading Counterparty Default):** Considers the risk of losses arising from the default of a counterparty with which a firm maintains open Trading Book positions in derivatives and other specified transactions. This includes both clients and liquidity providers.
- **K-DTF (Daily Trading Flow):** Captures the operational risk related to the value of trading activity that the investment firm conducts.
- **K-CON (Concentration Risk):** This seeks to apply additional own funds to manage concentration to a single counterparty or a group of connected counterparties to which a company incurs Trading Book exposures.

As the Company does not engage in proprietary trading, does not hold a trading book, and does not enter into derivative or other trading transactions, all RtF K-factors (K-TCD, K-DTF and K-CON) are equal to zero for both the current reporting period and the comparative period. Consequently, no own funds requirement arises in respect of RtF credit risk.

## 2. Market Risk

Market risk refers to the risk of losses arising from adverse movements in market prices such as changes in equity prices, interest rates and foreign exchange rates, which may eventually affect the Company's financial positions and/or results. Given the nature of the Company's business model, exposure to market risk is limited and does not arise from trading activities. The Company does not maintain a trading book and does not exercise its Dealing on Own Account license. Any market risk exposure is therefore incidental and non-trading in nature, arising primarily from temporary foreign-exchange positions linked to client money balances rather than from proprietary trading or strategic risk-taking by the Company.

Therefore, market risk arises mainly from the following, all of which are summarized below:

- **Price Risk:** The Company is exposed to equity securities price risk in relation to limited investments held at fair value through profit or loss.
- **Interest rate risk:** Interest rate risk arises from the potential for changes in market interest rates to adversely affect the fair value of interest-bearing assets and liabilities. Interest-bearing assets comprise cash balances held with credit institutions, while interest-bearing liabilities primarily relate to lease obligations recognised under IFRS 16. Changes in market interest rates may affect the present value and carrying amount of these lease liabilities; however, given that the Company's lease obligations are at fixed rates, exposure to cash-flow interest rate risk on the liability side is considered minimal.
- **Foreign exchange risk:** Currency risk is the risk that the fair value of future cash flows of financial instruments will fluctuate due to changes in foreign exchange rates. The Company's financial assets and liabilities are primarily denominated in Euro, which is the functional currency of the Company. The Company is not exposed to any significant foreign exchange risk as it does not have any significant financial assets or financial liabilities in a foreign currency.

The Company is not exposed to commodity risk.

### **Risk to Market (RtM) – IFR Perspective**

Under IFR, Risk to Market (RtM) represents the risk that an investment firm may pose to the financial markets and counterparties as a result of its trading activities and trading books positions. RtM is captured through the following K-factors:

There are two K-factors under RtM, which are further explained in **Section 5.2.3** of this Report:

- **K-NPR (Net Position Risk):** This is the risk where an investment firm is subject to market risk as a result of its trading activities and would be exposed to losses if adverse market movement caused the value of its trading positions to decline.
- **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.

As at 31 December 2025, the Company reported an exposure of €118.541 regarding K-NPR (2024: €60.427), arising exclusively from temporary foreign exchange positions linked to client money balances held in currencies other than Euro. This exposure did not result from proprietary trading activity, the maintenance of a trading book, or the exercise of the Dealing on Own Account license.

K-CMG remained equal to zero for both 2025 and 2024, as the Company does not engage in cleared trading activity requiring the posting of margin.

### **3. Operational Risk**

Operational risk is defined as the risk of loss resulting from inadequate or failed internal processes, systems and human resources or from external events. Operational risk is inherent in the Company's activities and may give rise to financial loss, regulatory breaches or harm to clients if not appropriately managed.

Operational risk includes, inter alia, risks arising from process failures, human error, systems or technology failures, unauthorised activities, fraud, and external events. It also encompasses related risk categories such as information security and ICT risk, legal and litigation risk, compliance risk and reputational risk, which are addressed within the Company's overall risk management framework and also assessed under ICARA.

### **Risk to Clients (RtC) – IFR Perspective**

Under IFR, Risk to Clients (RtC) represents the risk that an investment firm poses to its clients where it fails to carry out its services or operations correctly. RtC constitutes the primary risk for the Company, reflecting the nature of its authorised activities and service offering. RtC captures exposures arising from the Company's interaction with client assets (i.e. assets under management, client money held, assets safeguarded and administered) and client transactions (i.e. client orders handled) and is measured through the following K-factors:

There are four K-factors under RtC, which are presented in **Section 5.2.3** of this Report:

- **K-AUM (Assets Under Management):** Considers risks associated with discretionary portfolio management and non-discretionary arrangements constituting investment advice of an ongoing nature.

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- K-CMH (Client Money Held): Captures the risk of an investment firm causing potential harm to clients where it holds their money.
- K-ASA (Assets Safeguarded and Administered): The risk of harm associated with the safeguarding and administering of a client's financial instruments.
- K-COH (Client Orders Handled): Capturing risks arising from the execution and handling of client orders.

As at 31 December 2025, and 31 December 2024 the Company's RtC exposure was driven by K-CMH, K-ASA and K-COH, reflecting the scale of client money held, assets safeguarded and administered, and client order handling activity during the year. K-AUM remained equal to zero, consistent with the absence of discretionary portfolio management and ongoing investment advice activities.

Failure to carry out services or operations correctly could result in material detriment to clients; accordingly, operational risk and RtC remain key focus areas within the Company's prudential and governance framework.

The Company manages operational risk through a control-based environment supported by documented policies and procedures, defined roles and responsibilities, and key controls embedded within its processes. Operational processes and transactions are subject to ongoing monitoring and periodic reconciliation. Day-to-day operational risk and adherence to procedures across the Company are overseen by the Compliance Officer, the Risk Manager and the Internal Audit function. Operational incidents, control deficiencies and process breaches are recorded, escalated as appropriate, investigated and remediated on a timely basis. Corrective actions are tracked to completion, and the root causes are addressed to reduce the likelihood of recurrence. During the year under review, no material operational incidents were identified.

#### **4. Liquidity Risk**

Liquidity risk is defined as the risk that the Company may be unable to meet its financial obligations as they fall due, potentially affecting its earnings or capital position. For the purposes of this disclosure, liquidity risk relates exclusively to the Company's ability to meet its own financial obligations; it does not include client money balances, which are segregated and safeguarded in accordance with applicable client-asset requirements.

This risk arises primarily from the management of the Company's assets and liabilities. Liquidity is managed through a framework of internal policies and controls, including the maintenance of sufficient cash balances and other highly liquid assets, as well as the performance of daily reconciliations of cash balances and payments to ensure the timely identification of liquidity pressures.

In accordance with Part Five of Regulation (EU) 2019/2033 (the Investment Firms Regulation – IFR), the Company is required to hold liquid assets equal to at least one third of its fixed overhead requirement. As

at 31 December 2025, the Company held liquid assets amounting to €148 thousand (31 December 2024: €132 thousand<sup>3</sup>), comprising:

- a) **Unencumbered short-term deposits**, which meet the eligibility criteria for liquid assets under Article 43 of the IFR;
- b) **Eligible receivables**, being trade receivables due within 30 days that satisfy the conditions set out in Article 43(1) of the IFR, specifically that they are short-dated, not encumbered, and reasonably expected to be received within the required timeframe; and
- c) **Level 1 assets (coins and banknotes)**

As at 31 December 2025, the Company's short-term financial liabilities amounted to €251 thousand (31 December 2024: €515 thousand). These obligations were readily payable from the Company's available liquid assets. Throughout the reporting period, the Company maintained liquid assets and own funds above the applicable minimum regulatory requirements, and no breaches of regulatory liquidity thresholds were identified.

## 5. Legal, Compliance and Regulatory Risk

Legal, Compliance and Regulatory risk refers to the risk of financial loss, regulatory sanctions, litigation, fines or other penalties arising from the Company's failure to comply with applicable laws, regulations, contractual obligations or ethical standards. The materialisation of such risk may also have secondary effects on the Company's reputation and strategic position.

The Company operates in a highly regulated environment and may, from time to time, be subject to legal proceedings or regulatory scrutiny arising in the ordinary course of business. Litigation risk arises where actual or potential legal claims are brought against the Company and may impact its operations or financial position if not appropriately managed.

Overall, Legal, compliance and regulatory risk is considered material but appropriately managed, taking into account the Company's governance framework, internal policies and oversight arrangements by Compliance and Internal Audit Departments. No material legal or regulatory issues were identified that would adversely affect the Company's financial soundness or regulatory standing.

## 6. Reputational Risk

Reputational risk refers to the risk of adverse impact on the Company arising from negative perceptions among clients, counterparties, regulators, or the wider market, whether such perceptions are based on factual events or misinformation. Reputational risk is inherently cross-cutting and may arise as a consequence of failures or incidents related to other risk categories, including operational, compliance, legal, AML or financial risks.

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<sup>3</sup> The comparative liquid assets figure for 31 December 2024 has been restated to reflect the correct application of the eligibility criteria for liquid assets under Article 43 of Regulation (EU) 2019/2033, consistent with methodology applied in 2025. In the prior year, liquid assets were presented based on total current assets, which included balances that did not meet the IFR liquidity eligibility criteria. The restatement does not reflect a change in the Company's underlying liquidity position but ensures comparability of disclosures across periods.

A material adverse event in any area of the Company's operations has the potential to affect the reputation of the organisation as a whole. The loss of reputation may result in a reduction in client confidence, loss of business, decreased revenue, regulatory scrutiny, or legal actions against the Company. Due to its qualitative nature and the wide range of influencing factors, reputational risk cannot be easily quantified or isolated.

The Company recognises that its reputation is a critical intangible asset and a key differentiator in the market. Accordingly, reputational risk is considered a material Pillar 2 risk and is addressed through the Company's overall governance, control environment, and culture of compliance and ethical conduct.

## **7. Information Technology risk**

Technology and ICT risk refers to the risk of loss, disruption, or harm to the Company and its clients arising from the failure, inadequacy, or compromise of information and communication technology (ICT) systems. This includes risks related to cyber-attacks, data breaches, system outages, data integrity failures, and reliance on outsourced ICT service providers.

In line with the requirements of the Digital Operational Resilience Act (Regulation (EU) 2022/2554 – DORA), technology and ICT risks are recognised as a key component of the Company's operational-resilience and Pillar 2 risk framework, given their potential to disrupt critical business services and cause harm to clients.

The Company manages technology and ICT risks through a structured and proportionate ICT risk management framework, integrated into the broader enterprise risk management framework. From a risk-management perspective, this framework supports the identification, assessment, and monitoring of ICT-related risks, including cyber risk, system availability risk, data protection risk, and ICT outsourcing risk.

While the implementation of technical controls (such as cybersecurity measures, system maintenance, encryption, and disaster-recovery solutions) is performed by the relevant operational and outsourced ICT functions, the Risk Management function is responsible for overseeing ICT-related risks, assessing their potential impact, monitoring key risk indicators, and ensuring appropriate escalation and reporting to Senior Management and the Board of Directors.

Technology and ICT risks are reviewed on an ongoing basis as part of the Company's operational-risk and DORA governance framework, ensuring continued alignment with regulatory expectations, the Company's risk appetite, and its obligation to maintain the continuity and quality of services provided to clients.

## **8. Other risks**

In addition to the principal risk categories identified above, the Company is exposed to a number of external and systemic risks inherent to the financial services sector and the structure of the local capital markets. These risks arise, inter alia, from the operation of the common Cyprus Stock Exchange (CSE) – Athens Stock Exchange (ASE) trading platform and from the broader interdependence between the local market and regional and international markets.

Capital markets are susceptible to external influences, including international market volatility, liberalisation trends, regional political and economic developments, and contagion effects. Adverse developments in foreign markets or geopolitical events may transmit rapidly to local markets, potentially

resulting in market instability, reduced liquidity, or heightened volatility, which could indirectly affect the Company's operations, clients, and risk profile.

The Company is also exposed to business and competitive risks, including increased competition within the financial services sector and potential pressure on profit margins. These risks are assessed as inherent to the operating environment and are considered within the Company's overall risk assessment.

In addition, the Company remains exposed to risks related to financial crime and business continuity, including anti-money laundering and counter-terrorist financing (AML/CFT), know-your-customer (KYC), internal and external fraud, and continuity of operations. These risks are addressed within the Company's broader governance and risk management framework.

It should be noted that for the year ended 31 December 2025 and 31 December 2024, the Company did not hold any crypto assets and therefore had no exposure to crypto-asset-related risks.

### 2.3. Risk Management Declaration

The Board has ultimate responsibility for the establishment, implementation and oversight of the Company's risk management framework and internal control environment. The Board ensures that appropriate and effective arrangements are in place for the identification, assessment, monitoring and mitigation of all material risks arising from the Company's activities.

The Board is supported in its oversight role by the Risk Committee, which provides focused review and challenge in relation to the Company's risk profile, risk appetite and key prudential metrics. The Risk Committee reviews risk assessments, monitors compliance with approved risk limits and thresholds, and reports to the Board on material risk developments.

The Board conducts ongoing and at least annual reviews of the effectiveness and adequacy of the risk management framework and internal controls, taking into account the nature, scale and complexity of the Company's business model, regulatory obligations and strategic objectives. The effectiveness and adequacy of the risk management framework have been assessed as part of the Company's ICARA process. Based on the assessments performed for the year ended 31 December 2025, the Board considers that the Company has established effective, sound and proportionate risk management arrangements and that its existing own funds and liquid asset levels are adequate to support its risk profile and business strategy.

### 2.4. Concise Risk Statement

The Company maintains a structured process for the ongoing monitoring of key regulatory ratios and prudential requirements, including capital adequacy, liquidity and IFR K-factors. Monitoring is performed on a regular basis to ensure continued compliance with applicable regulatory thresholds. Where regulatory limits are approached or breached, Senior Management and the Board are promptly informed, and appropriate actions are taken in accordance with internal governance and escalation procedures.

The Company monitors a set of key prudential indicators on a frequent basis and assesses them against its approved risk appetite, using a traffic-light approach to support timely oversight, escalation and decision-making.

Risk Appetite Statement - Quantitative Indicators			
Quantitative Indicators	Normal	Warning	Limit
Total Capital Adequacy (Own Funds / Own Funds Requirement)	>130%	<110%	100%
Concentration Risk – Client Money (Largest single placement with one credit institution / Total client money held)	≤25.00%	>25.00%	>50.00%
Liquidity Risk (liquid assets / minimum requirement under IFR Art. 43 - maintain a minimum of 33% of FOR)	>110.00%	≤110.00%	>100.00%

Figure 1: Risk Appetite Statement - Quantitative Indicators

Key Risk Area	Threshold (Regulatory or Internal)	Level (%) at 31 December 2025	Comments
Total Capital Adequacy	100%	232%	<p>The Company considers the current level of the ratio to be acceptable and comfortably above both the regulatory threshold. The Company monitors its capital position on an ongoing basis and aims to maintain adequate own funds to meet at all times its regulatory own funds requirements.</p> <p>Where the ratio approaches <b>100%</b> (i.e. where own funds are close to the minimum required level), the Company's Management will consider and implement appropriate actions to restore or maintain the capital position, which may include, where relevant, the raising of additional capital.</p>
Concentration Risk - Client money held	25% of total CMH	52%	<p>The Company applies an internal diversification threshold of 25% for the placement of client money with credit institutions. This threshold reflects an internal risk management benchmark and does not represent a regulatory concentration limit under Article 37 of the IFR, which governs concentration risk in the context of the K-CON requirement and is not applicable to client money placements.</p> <p>As at the reporting date, the largest single placement represented 52% of total client</p>

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Key Risk Area	Threshold (Regulatory or Internal)	Level (%) at 31 December 2025	Comments
			<p>money held, exceeding this internal threshold.</p> <p>The observed concentration levels are primarily attributable to client-driven bond redemptions during the period, which resulted in temporary variances in cash allocations across banks. The Company is in the process of further diversifying its credit institution placements, and allocations are monitored on an ongoing basis with the objective of returning within the internal 25% threshold.</p>
Liquidity Risk	maintain a minimum of 33% of fixed overhead requirement in liquid assets	191%	The Company considers the current level of the ratio is acceptable and well above the minimum regulatory limit. The Company constantly monitors the relevant amount of liquid assets against the fixed overhead balance, to be in line with the law and thus satisfy its liquidity requirements.

**Table 1: Concise Risk Statement**

### 3. Governance arrangements

#### 3.1. Number of directorships

In accordance with Section 9 of the Investment Services and Activities and Regulated Markets Law 87(I) of 2017, as amended (the “Investment Services Law”), members of the Board of Directors of a Cyprus Investment Firm that is classified as significant in terms of its size, internal organization and the nature, scope and complexity of its activities are subject to limitations on the number of directorships they may hold concurrently. Specifically, a member of the Board of Directors of a significant CIF may not hold more than one of the following combinations of directorships at the same time:

- one (1) executive directorship together with two (2) non-executive directorships; or
- four (4) non-executive directorships.

For the purposes of the above:

- executive or non-executive directorships held within the same group are counted as a single directorship; and
- directorships in organisations which do not pursue predominantly commercial objectives are excluded from the calculation, in accordance with the provisions of the Investment Services Law.

Following its classification as a significant CIF, the Company is required to comply with the above requirements. The Board of Directors retains overall responsibility for the approval and monitoring of the Company’s strategy, governance arrangements and policies for managing risks. The table below presents the members of the Board of Directors of the Company and the respective number of directorships held by each (including the directorship in the Company) as at the date of these Disclosures.

Director Name	Position	Executive Directorships	Non-Executive Directorships
Andreas Papacharalambous <sup>4</sup>	Non-executive Chairman	2	1
Nicolas Papacostas <sup>1</sup>	Executive Director	2	2
Charidemos Charidemou <sup>2</sup>	Executive Director	2	0
Nicos Hadjiioseph <sup>3</sup>	Non-executive Director	20	2

**Table 2: Number of Directorships**

1 One (1) out of two (2) executive and two (2) non-executive directorships are of a commercial nature.

2 One (1) out of the total two (2) executive directorships is of commercial nature.

3 Out of a total of twenty (20) executive directorships, only one (1) is of a commercial nature. All two (2) non-executive directorships are of a commercial nature.

4 One (1) out of two (2) executive and the one (1) non-executive directorships are of a commercial nature.

All members of the Board of Directors have been approved by CySEC in accordance with the applicable fit and proper requirements.

#### 3.2. Risk Committee

For the Risk Committee’s role and responsibilities, refer to Section “2.1. Risk Management Governance”.

#### 3.3. Nomination Committee

The Nomination Committee operates as a standing committee of the Board of Directors and supports the Board in ensuring that its composition, structure and decision-making remain effective, balanced and free from undue influence by any single individual or group. In performing its duties, the Committee seeks to promote sound governance, collective responsibility and independent judgment in line with the Company's risk profile and regulatory obligations. The Committee is authorised to access any information and resources it deems necessary for the proper performance of its duties, including the engagement of external advisers, where appropriate.

The key responsibilities of the Nomination Committee are detailed below.

#### **Board Structure, Diversity, and Succession Planning**

- Regularly reviews the structure, size, and composition of the Board, with particular attention to the balance of Executive and Non-Executive Directors, including Independent Non-Executives. This includes promoting diversity of skills, experience, background, and gender.
- Reviews and makes recommendations on succession planning for Directors and Executive Management, considering the Company's strategic needs and opportunities to further enhance diversity and inclusion at senior levels.

#### **Identification, Evaluation, and Nomination of Candidates**

- Identifies and nominates, for Board approval, candidates to fill Board vacancies as they arise, ensuring candidates are considered on merit and against objective criteria, with due regard for diversity and time commitment.
- Before recommending an appointment, evaluates the current and future balance and diversity of the Board, prepares a description of the role and capabilities required, and considers candidates from a wide range of backgrounds using open advertising or external advisers if necessary.
- For the appointment of a Chair, prepares a job specification including expected time commitment and discloses any significant commitments to the Board before appointment.

#### **Performance Evaluation and Board Effectiveness**

- Annually assesses the knowledge, skills, experience, and performance of Board members individually and collectively, and reports findings to the Board.
- Reviews the results of Board performance evaluations relating to Board composition and ensures Non-Executive Directors receive a formal letter of appointment outlining expectations for time commitment, committee service, and involvement outside Board meetings.
- Reviews annually the time required from Non-Executive Directors, using performance evaluation to assess whether they fulfil their duties.

#### **Reporting, Disclosure, and Resources**

- Produces a report for inclusion in the Company's Annual Report detailing its activities, the appointment process, use of external consultancies or advertising, and the Board's policy on diversity and inclusion, including measurable objectives and progress.
- Discloses in the Annual Report the gender balance of senior management and direct reports, and how annual Board evaluations have been conducted.

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- When an externally facilitated Board evaluation occurs (at least every three years), discloses the evaluator's identity and any connection to the Company or Directors.
- Has access to sufficient resources, including the Company Secretary and external advice, to carry out its duties.

#### **Committee Operations**

- Meetings are duly convened with quorum present; decisions are made by majority vote, with the Chair holding a casting vote in case of equality. Minutes of all meetings are prepared and filed.
- Works and liaises as necessary with all other Board Committees.
- Makes recommendations to the Board concerning succession planning for Directors and key roles (Chair and CEO), suitable candidates for Independent Director roles, membership of Board Committees, and re-appointment of Non-Executive Directors at the end of their term, considering performance, skills, experience, and independence.

The Members of the Nomination Committee are appointed by the Board of Directors and are Non-Executive Directors, all of whom are independent.

As of 31 December 2025, the Committee consisted of two Non-Executive Directors.

#### **3.4. Remuneration Committee**

The Remuneration Committee assists the Board of Directors in fulfilling its oversight responsibilities in relation to remuneration matters, with particular emphasis on ensuring that remuneration policies and practices are consistent with sound and effective risk management and do not encourage excessive risk-taking. The Committee prepares recommendations for consideration and approval by the Board of Directors and ensures that remuneration arrangements are aligned with the Company's long-term interests, business strategy, risk appetite and regulatory requirements under the Investment Services and Activities and Regulated Markets Law.

The key responsibilities of the Remuneration Committee include:

- proposing and periodically reviewing the overall remuneration policy and framework applicable to executive directors, senior management and other staff whose professional activities have a material impact on the Company's risk profile;
- recommending the structure and level of remuneration for Senior Management, including fixed and variable components;
- approving the design, performance criteria and payout parameters of any performance-related remuneration schemes, and authorising total annual payments under such schemes;
- determining the total remuneration packages of executive directors, senior managers and identified risk takers, ensuring proportionality and alignment with prudent risk-taking;
- monitoring the implementation of the remuneration policy and assessing its continued appropriateness in light of the Company's risk profile and regulatory expectations.

The Members of the Remuneration Committee are appointed by the Board of Directors and are Non-Executive Directors, all of whom are independent.

As of 31 December 2025, the Remuneration Committee consisted of two Non-Executive Directors.

### 3.5. Recruitment policy

The responsibility for the identification, evaluation and selection of candidates for appointment to the Board of Directors lies with the Board of Directors, supported by the Nomination Committee.

Board members are selected based on objective criteria, taking into account their academic and professional qualifications, integrity, independence of mind and relevant experience in financial services and capital markets at both local and international level. The recruitment process aims to ensure that the Board, collectively, possesses the skills and expertise necessary to oversee the Company's activities and risks effectively.

Diversity considerations form an integral part of the recruitment and succession planning process, with the objective of achieving a balanced composition of the Board that supports sound decision-making and effective oversight.

As at the date of these disclosures, the Board of Directors is composed of two Executive Directors and two Non-Executive Directors.

### 3.6. Diversity policy

The Company recognises that diversity within the Board of Directors contributes to enhanced governance, improved decision-making and a broader range of perspectives. Diversity is considered in terms of skills, experience, professional background, nationality and gender.

In accordance with Article 10(2)(b)(ii) of the Investment Services and Activities and Regulated Markets Law, institutions are required to:

- set a target for the representation of the underrepresented gender on the Board of Directors; and
- adopt a policy outlining the measures to be taken to increase representation in order to achieve the set target, with the relevant information made publicly available.

At the date of these Disclosures, the Company has not yet formally adopted a quantitative target or a standalone diversity policy for Board gender representation. This reflects the proportionate approach adopted by the Company in light of its size, internal structure and the complexity of its operations, and should not be construed as an oversight gap or a failure to recognise the importance of gender diversity at Board level. Nevertheless, the Board remains committed to promoting diversity and equal opportunity in its composition and succession planning.

The Company intends to define and implement an appropriate gender diversity target and supporting policy within a three- to five-year timeframe, taking into account the size, structure and complexity of its operations, as well as the principle of proportionality.

### 3.7. Reporting and Information flow

The Company has established a structured and effective reporting and information flow framework to ensure that the management body receives timely, accurate and comprehensive information necessary for the sound and prudent management of the Company and the effective oversight of risks.

The heads of all key control and operational functions report, through formalised reporting channels, to Senior Management and the Board of Directors within their respective areas of responsibility. This reporting

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framework supports the Board's oversight of the Company's business strategy, risk profile, internal control environment, capital adequacy and regulatory compliance. Information is provided to the management body on a regular, periodic and ad-hoc basis, depending on the nature and materiality of the matter.

Indicatively, examples of information circulated include but are not limited to the quarterly management accounts, capital adequacy calculations, risk and compliance reports, portfolio performance information, regulatory developments, CySEC circulars and updates to the applicable legislative framework.

The reporting structure ensures that material risks, breaches, emerging issues and regulatory developments are escalated to the Board of Directors in a timely manner, enabling informed decision-making and effective supervision.

The following table presents the Flow of Risk-Related Information to the Management Body:

Report Name	Report Description	Owner	Recipient	Frequency
Compliance Report	Annual assessment of compliance with applicable laws, directives and internal policies	Compliance Officer	Board, CySEC	Annual
AML Report	Annual report on the effectiveness of AML/CFT policies, procedures, risk assessment, monitoring activities and identified deficiencies	AML Compliance Officer	Board, CySEC	Annual
Internal Audit Report	Independent assessment of the adequacy and effectiveness of internal controls and procedures	Internal Auditor	Board, CySEC	Annual
Risk Management Report	Assessment of the Company's risk profile, risk management framework and material risks	Risk Manager	Board, CySEC	Annual
Public Disclosures Report (IFR – Part Six)	Disclosure of information on risk management, capital structure, capital adequacy and minimum capital requirements	Risk Manager, Financial Controller	Board, CySEC, Public	Annual
Financial Statements	Audited annual financial statements	Financial Controller	Board, CySEC	Annual

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Report Name	Report Description	Owner	Recipient	Frequency
ICARA Report	Assessment of internal capital adequacy and liquidity in relation to current and forward-looking risks	Risk Manager, Financial Controller	Board	Annual
Capital Adequacy Report (Form 165-01 – XBRL)	Calculation and monitoring of regulatory capital requirements	Financial Controller	Senior Management, CySEC	Quarterly

**Table 3: Flow of Information**

## 4. Own Funds (Regulatory Capital)

Own Funds represent the financial resources maintained by the Company to ensure its ability to absorb losses and to support the orderly continuation of its activities. In accordance with Regulation (EU) 2019/2033 on the prudential requirements of investment firms (the “IFR”), the Company’s Own Funds consist of the sum of its Common Equity Tier 1 (“CET1”) capital, Additional Tier 1 (“AT1”) capital and Tier 2 (“T2”) Capital.

The Company is classified as an investment firm other than small and non-interconnected, as defined under Article 12 of the IFR, and is therefore subject to the full Own Funds requirements and disclosure obligations set out in Part Two of the IFR and in Commission Implementing Regulation (EU) 2021/2284, as amended and in force during the reporting period.

### 4.1. Regulatory requirements

Pursuant to Article 9 of IFR, investment firms are required at all times to maintain Own Funds which exceed all of the following thresholds:

- a) CET1 capital of at least 56% of Own Funds Requirements;
- b) CET1 and AT1 capital of at least 75% of Own Funds Requirements; and
- c) CET1, AT1 and T2 capital of at least 100% of Own Funds Requirements.

For the year ended 31 December 2025 the Company complied at all times with all three Own Funds requirements set out in Article 9 of the IFR.

### 4.2. Own Funds level and composition

As at 31 December 2025, the Company’s Own Funds amounted to €1.742.982 exceeding its capital requirement of €750.000 applicable to the Company. Accordingly, the Company maintained a capital position well above the minimum regulatory thresholds throughout the reporting period.

The Company’s own funds consist exclusively of Common Equity Tier 1 capital and are composed of paid-up share capital and retained earnings. Current year profits are included in CET1 capital only where these have been audited and approved, in accordance with the applicable prudential requirements. Contributions to the Investors’ Compensation Fund are deducted from CET1 capital, as required by CySEC Circular C162, as such amounts do not meet the loss-absorbing criteria applicable to regulatory capital.

The Company has not issued any Additional Tier 1 or Tier 2 capital instruments. Accordingly, there were no AT1 or T2 capital instruments outstanding as of 31 December 2025 and 31 December 2024, nor as at the date of this Report. As a result, the Company’s Own Funds structure remains stable and of high quality, consisting solely of CET1 capital.

### 4.3. Supervisory reporting and reconciliation

During the reporting period, the Company fulfilled its supervisory reporting obligations by submitting, on a quarterly basis, all required capital adequacy and Own Funds reporting templates, in accordance with the applicable regulatory timelines, unless an explicit exemption had been granted by the competent authority.

The Own Funds figures disclosed in this Report are reconciled to the Company’s audited financial statements and are subject to internal review controls to ensure consistency between supervisory reporting and public disclosures.

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#### 4.4. Disclosure of Own Funds

The composition of the Company's Own Funds as at 31 December 2025 and 31 December 2024, together with the reconciliation of Own Funds to the audited Balance Sheet, are presented in the tables below.

These disclosures have been prepared in accordance with the format and instructions set out in the Draft Implementing Standards issued by the European Banking Authority on reporting and disclosure requirements of investment firms under the IFR (EBA/ITS/2021/02) and the EU Implementing Technical Standards 2021/2284, as per Annex VI and VII of the latter.

**Appendix I** provides a description of the main features of capital instruments eligible as CET1. As the Company has not issued AT1 or T2 capital instruments, the corresponding disclosures are not applicable.

Template EU IF CC1.01				
Ref	Item	31 December 2025 €'000	31 December 2024 €'000	Source based on reference numbers/letters of the Balance Sheet in the audited Financial Statements
<b>1</b>	<b>OWN FUNDS (CET1+T1)</b>	<b>1.743</b>	<b>1.681</b>	
<b>2</b>	<b>TIER 1 CAPITAL</b>	<b>1.743</b>	<b>1.681</b>	
<b>3</b>	<b>COMMON EQUITY TIER 1 CAPITAL</b>	<b>1.743</b>	<b>1.681</b>	
4	Fully paid-up capital instruments	4.832	4.832	Ref 1 (Shareholders' Equity)
5	Share premium	182	182	Ref 2 (Shareholders' Equity)
6	Retained earnings	(3.127)	(3.195)	Ref 3 (Shareholders' Equity)
12	(-) TOTAL DEDUCTIONS FROM COMMON EQUITY TIER 1	<b>(144)</b>	<b>(138)</b>	
21	(-) Qualifying holding outside the financial sector which exceeds 15% of own funds	-	-	
27	CET1: Other capital elements, deductions and adjustments	(144)	(138)	Ref 3 (Assets)
<b>28</b>	<b>ADDITIONAL TIER 1 CAPITAL</b>	-	-	
<b>40</b>	<b>TIER 2 CAPITAL</b>	-	-	

**Table 4: Template EU IF CC1.01 – Composition of Regulatory Own Funds**

**Note:**

- (1) As at 31 December 2025, the Company's Own Funds amounted to €1.743 thousand, compared to €1.681 thousand as at 31 December 2024. The movement reflects mainly the impact of current year profitability €72 thousand). The Company's Own Funds continue to consist entirely of Common Equity Tier 1 capital.
- (2) The Company's contribution to the Investors' Compensation Fund ("ICF"), as presented in the table above (included in line 27), has been deducted from Common Equity Tier 1 ("CET1") capital in the calculation of regulatory own funds. This treatment reflects the irrecoverable and non-realizable nature of the contribution, which is not available to the Company in the ordinary course of business and therefore does not qualify as a freely available capital resource. This approach is consistent with the guidance set out in CySEC Circular C334, which addresses the regulatory capital treatment of ICF contributions for Cyprus Investment Firms, and with the prudential framework established under Regulation (EU) No 575/2013 ("CRR") as applicable to the Company. This treatment is consistent across periods.

<b>Template EU IF CC2</b>				
<b>EUR '000</b>		<b>Balance Sheet as in audited Financial Statements</b>		<b>Cross reference to EU IF CC1</b>
		<b>31/12/2025</b>	<b>31/12/2024</b>	
<b>Ref</b>				
<b>1</b>	Property, Plant and Equipment	52	17	
<b>2</b>	Intangible assets	78	0	
<b>3</b>	Right of Use of Assets	56	0	
<b>4</b>	Investment Property	642	635	
<b>5</b>	Contribution to the Investors Compensation Fund	98	98	Ref 3
<b>6</b>	Receivables	1.167	1.412	
<b>7</b>	Financial Instruments	17	26	
<b>8</b>	Cash and cash equivalents	69	117	
<b>9</b>	Contract Assets	0	30	
	<b>Total Assets</b>	<b>2.179</b>	<b>2.334</b>	
	<b>Liabilities- Breakdown by liability classes according to the Balance Sheet in the audited Financial Statements</b>			
<b>1</b>	Current Liability - Payables	187	488	
<b>2</b>	Lease Liabilities	58	0	
<b>3</b>	Income tax payable	47	27	
<b>4</b>	<b>Total Liabilities</b>	<b>292</b>	<b>515</b>	
	<b>Shareholders' Equity</b>			
<b>1</b>	Share capital	4.832	4.832	Ref 4
<b>2</b>	Share premium	182	182	Ref 5
<b>3</b>	Accumulated losses	(3.127)	(3.195)	Ref 6
<b>4</b>	<b>Total Shareholders' Equity</b>	<b>1.887</b>	<b>1.819</b>	

**Table 5: Template EU IFCC2: Own Funds: Reconciliation of Regulatory Own Funds to Balance Sheet in the audited Financial Statements**

**Note:** In accordance with the Commission Implementing Regulation (EU) 2021/2284 (Annex VII, paragraph 11), the column of template EU IFCC2, entitled "Under regulatory scope of consolidation" is not reported, as the Company complies with the disclosure requirements of Part Six of Regulation (EU) 2019/2033 (IFR) on an individual basis.

## 5. Own fund requirements

### 5.1. Assessment of Capital Adequacy

The Company assesses and monitors its capital adequacy on a quarterly basis to ensure ongoing compliance with the externally imposed prudential requirements under the Investment Firms Regulation and Directive (IFR/IFD). Capital adequacy is reviewed by Management to ensure that the Company maintains sufficient Own Funds to support its activities and to continue operating as a going concern.

The Company's capital management objectives are to:

- (i) comply at all times with the regulatory capital requirements set by the competent authority;
- (ii) safeguard the Company's ability to continue as a going concern and meets its obligations as they fall due, and;
- (iii) maintain a strong and sustainable capital base to support the development and growth of its business.

The Company's capital management policy is designated to maintain the capital levels that preserve the confidence of clients, counterparties, creditors, other market participants while supporting the long-term strategic objectives of the Company. Capital adequacy and the utilisation of the regulatory capital are monitored on an ongoing basis by Management,

and the relevant information is submitted to the competent authority on a quarterly basis, in accordance with applicable supervisory reporting requirements.

As a Class 2 investment firm, the Company is required to calculate the own funds requirement as the highest of the following:

- the Fixed Overhead Requirement (FOR);
- the Permanent Minimum Capital Requirement (PMC); and
- the K-Factor Capital Requirement (KFR).

At 31 December 2025, the Company's Own funds ratio amounted to 232% (31 December 2024: 224%), which exceeds the minimum requirement of 100% as this is stated in article 9 of the IFR. During the years ended 31 December 2025 and 31 December 2024, the Company's Own funds ratio did not fall below the minimum regulatory threshold at any time.

### 5.2. Minimum Capital Requirements

#### 5.2.1. Fixed Overheads Requirement

In accordance with Article 13 of the IFR, the Fixed Overheads Requirement is calculated as one quarter of the fixed overheads of the preceding year, based on the figures derived from the applicable accounting framework. The Company monitors compliance with the Fixed Overheads Requirement at least on a quarterly basis as part of its internal capital adequacy monitoring process. As at 31 December 2025, the Company's Fixed Overheads Requirement amounted to €232 thousands (31 December 2024: €322 thousands).

#### 5.2.2. Permanent Minimum Capital Requirement

The Company is subject to a Permanent Minimum Capital Requirement of €750.000, corresponding to the initial capital applicable to its authorisation, in accordance with the relevant provisions of the Investment Firms Directive (IFD). The Company monitors its Own Funds on a continuous basis to ensure that they remain above this minimum threshold at all times.

#### 5.2.3. K-Factor requirements

The K-Factor framework, introduced under the IFR/IFD regime, establishes risk-sensitive capital requirements tailored to the nature, scale and complexity of an investment firm's activities. K-Factors are quantitative metrics designed to capture the key risks arising from an investment firm's business model and are categorised into three main risk groups:

- Risk-to-Clients (RtC);
- Risk-to-Markets (RtM); and
- Risk-to-Firm (RtF).

The Company calculates its K-Factor Requirement in accordance with Articles 16 to 33 of the IFR, taking into account the investment services and activities for which it is authorised. Further details on the applicable K-Factors and their calculation are provided in Section 2.2 of this Report.

#### 5.2.4. Quantitative Information

In accordance with Article 11(1) of IFR, the Company is required to maintain Own Funds equal to at least the highest of (i) its K-Factor Requirement, (ii) its Fixed Overhead Requirement and (iii) its Permanent Minimum Capital Requirement. Accordingly, the Table below presents the minimum capital requirement applicable to the Company as at 31 December 2025 and 31 December 2024.

Minimum Capital Requirements		As at 31/12/2025	As at 31/12/2024
K-Factor Requirement		EUR '000	EUR '000
Risk-to-Clients (RtC)	K-AUM	-	-
	K-CMH	155	253
	K-ASA	165	170
	K-COH	2	1
Risk-to-Markets (RtM)	K-NPR	119	60 <sup>4</sup>
	K-CMG	-	-
Risk-to-Firm (RtF)	K-TCD	-	-
	K-DTF	-	-
	K-CON	-	-
<b>Total K-Factor Requirement</b>		<b>441</b>	<b>484<sup>4</sup></b>
<b>Fixed Overhead Requirement ('FOR')</b>		<b>232</b>	<b>322</b>
<b>Permanent Minimum Capital</b>		<b>750</b>	<b>750</b>
<b>Minimum Own Funds Requirement</b>		<b>750</b>	<b>750</b>

Table 6: Minimum Capital Requirements

<sup>4</sup> The comparative figure of K-NPR as at 31 December 2024 has been restated to reflect the exposure arising from temporary foreign exchange positions linked to client money balances held in currencies other than the Company's base currency at the specific reporting date, following the change in the calculation methodology applied in 2025.

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**Note:** The Total K-Factor Requirement decreased to €441 thousand as at 31 December 2025 (31 December 2024: €484 thousand). This decrease was primarily driven by movements within the Risk-to-Clients (RtC) and increase in Risk-to-Markets (RtM). The €98 thousand decrease in the K-CMH requirement is mainly attributable to a lower average balance of client money held, reflecting changes in client behaviour and transactional volumes during the reporting period. The K-NPR exposure identified during 2025 and 2024 arose exclusively from temporary foreign exchange positions linked to client money balances held in currencies other than the Company's base currency at specific reporting dates. Despite the increase in the K-Factor Requirement, the Company's regulatory capital requirement continued to be driven by the Permanent Minimum Capital Requirement of €750 thousand, which exceeded both the Fixed Overheads Requirement and the K-Factor Requirement at the reporting date.

Additionally, the table below presents the Company's excess capital of €993 thousands above the minimum required. This corresponds to a capital ratio of 232%, exceeding the minimum threshold of 100% set out in Article 9(1)(c) of IFR.

EUR '000	31 December	31 December	Reference
Capital	2025	2024	
Common Equity Tier 1	1.743	1.681	
Additional Tier 1	-	-	
Tier 2	-	-	
<b>Total Own Funds</b>	<b>1.743</b>	<b>1.681</b>	<b>a</b>
<b>Own Funds Requirement</b>			
K-factor Requirement	441	484	b
Fixed Overhead Requirement	232	322	c
Permanent Minimum Capital Requirement	750	750	d
<b>Minimum Own Funds Requirement</b>	<b>750</b>	<b>750</b>	<b>e = (higher of b, c, d)</b>
<b>Capital Adequacy Ratios</b>			
Capital Excess (€000)	993	931	a-e
Capital Ratio (%)	232%	224%	a/e

**Table 7: Capital Excess/Ratio**

## 6. Investment Policy

The Company has established and maintains a formal Investment Policy setting out the principles governing its approach to investments in equity instruments and the associated exercise of voting rights, in accordance with the requirements of Regulation (EU) 2019/2033 ("IFR") and Directive (EU) 2019/2034 ("IFD").

The disclosure obligations under Article 52(2) of the IFR apply only where the proportion of voting rights directly or indirectly held by the investment firm in a company admitted to trading on a regulated market exceeds 5%. Furthermore, pursuant to Article 32(4)(a) of the IFD, the investment policy disclosure requirements do not apply to investment firms whose average on- and off-balance sheet assets do not exceed €100 million over the preceding four-year period.

The Company does not exercise its authorisation to deal on own account and does not maintain proprietary investment positions in equity instruments. Accordingly, the Company does not hold shares carrying voting rights in issuers admitted to trading on a regulated market, and the 5% threshold prescribed under Article 52(2) of the IFR is not exceeded. The Company is therefore exempt from the disclosure obligations relating to voting rights, voting behaviour, the use of proxy advisors and voting guidelines for the reporting period.

The Investment Policy is maintained on a precautionary basis and to ensure governance readiness, by to documenting this assessment of non-applicability and to ensure that an appropriate regulatory framework is in place should the Company's business model or activities change in the future. Periodic confirmatory assessments of the Company's investment positions and voting rights exposure are performed by the Risk Management and Compliance functions and reported to the Board of Directors.

## 7. Remuneration Policy and Practices

### 7.1. Remuneration Policy (Qualitative Disclosure)

The Company has established and maintains a Remuneration Policy in accordance with the qualitative disclosure requirements of Article 51 of Regulation (EU) 2019/2033 (IFR), Directive (EU) 2019/2034 (IFD), the EBA Guidelines on Sound Remuneration Policies under IFD (EBA/GL/2021/13), and relevant CySEC guidance.

The Policy applies to all Directors, Senior Management, employees and tied agents, including staff whose professional activities may have a material impact on the Company's risk profile. Its objectives are to:

- Promote sound and effective risk management;
- Prevent incentives for excessive risk-taking;
- Support the long-term interests of the Company, its clients and stakeholders;
- Ensure compliance with conflicts of interest, conduct of business and governance requirements; and
- Ensure that remuneration policies and practices are gender neutral, in line with Article 51 IFR.

The Company's remuneration framework takes into account:

- The nature, scale and complexity of its activities;
- The competitive environment in which it operates;
- The financial sustainability and capital position of the Company; and
- The need to attract, retain and motivate qualified staff, while ensuring that remuneration is not excessive and not detrimental to clients.

### 7.2. Governance and Oversight

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Ultimate responsibility for remuneration matters rests with the Board of Directors, which approves, implements and reviews the Remuneration Policy at least annually.

A Remuneration Committee, composed of Independent Non-Executive Directors, assists the Board by:

- Overseeing the design and implementation of remuneration policies and practices;
- Ensuring alignment with the Company's strategy, risk appetite and regulatory obligations;
- Monitoring that remuneration does not encourage excessive risk-taking; and
- Ensuring compliance with gender neutrality and equal pay principles.

Where proportionality considerations apply, the Board may assume these responsibilities directly, without prejudice to regulatory compliance. Any amendments to the Policy are properly documented and approved by the Board of Directors.

### 7.3. Design Characteristics of the Remuneration System

#### Fixed Remuneration

Fixed remuneration constitutes the predominant component of total remuneration for all staff. It is determined by reference to the individual's role, responsibilities, professional experience, qualifications and relevant market benchmarks. Fixed remuneration is set at a level sufficiently high to allow the Company to operate a fully flexible policy on variable remuneration, thereby precluding excessive reliance on performance-related pay.

#### Variable Remuneration Framework

The Company maintains a variable remuneration framework as formally established under its Remuneration Policy. Where variable remuneration is awarded, it is designed to promote sound risk management and sustainable performance, and is assessed against both financial and non-financial criteria. Performance assessment incorporates ex-ante and ex-post risk adjustment mechanisms, ensuring that financial performance alone cannot justify the award of variable remuneration. Any material compliance breach, regulatory finding or failure of risk management may override financial performance outcomes and result in the reduction or non-payment of variable remuneration.

Variable remuneration is exceptional, discretionary and non-guaranteed in nature. No variable remuneration, bonuses, sign-on payments or other performance-related awards were granted during the financial years 2025 and 2024. The existence of the variable remuneration framework does not imply that awards are made routinely; rather, any award is subject to Board approval and a full assessment of the Company's risk profile, financial position and long-term interests at the relevant time.

#### Malus and Clawback

The Company maintains the ability to apply malus and clawback mechanisms to variable remuneration in accordance with EBA/GL/2021/13 and the national transposition of the IFD under Law 165(I)/2021. Malus may be applied to reduce or cancel unvested variable remuneration; clawback may be applied to recover remuneration already paid. The decision to apply either mechanism rests with the Board of Directors, acting on a case-by-case basis and supported by the Compliance and Risk Management functions. As no variable remuneration was awarded during 2025 or 2024, no malus or clawback adjustments were applied during either year.

#### 7.4. Proportionality Derogation under Article 32(4) IFD

In accordance with Article 32 of Directive (EU) 2019/2034 (IFD) and the proportionality principle, the Company applies a proportionality-based derogation from the following requirements that would otherwise apply to variable remuneration:

- Deferral of variable remuneration;
- Payment of variable remuneration in instruments; and
- Retention periods.

This derogation is applied having regard to the Company's classification as a non-interconnected Class 2 Cyprus Investment Firm ("CIF"); the nature, scale and limited complexity of its activities; its size, structure and risk profile; the limited use, quantum and risk impact of variable remuneration; and the roles and responsibilities of identified Material Risk Takers, including members of the Board of Directors and Senior Management. The appropriateness of this approach is reviewed at least annually by the Board of Directors and remains subject to supervisory review by CySEC.

#### 7.5. Ratio of Fixed to Variable Remuneration

Article 51(b) of the IFR requires disclosure of the ratio between fixed and variable remuneration set in accordance with Article 30(2) of the IFD. As no variable remuneration was awarded to any member of staff during the financial years 2025 and 2024, no ratio between fixed and variable remuneration was set or applied in either year. Total remuneration across all staff categories consisted entirely of fixed remuneration. This position is consistent with the Company's remuneration framework, under which variable remuneration is exceptional, discretionary and non-guaranteed.

#### 7.6. Gender Neutrality and Gender Pay Gap

In accordance with Article 51 of the IFR, which explicitly requires remuneration disclosures to address aspects related to gender neutrality and the gender pay gap, the Company is committed to maintaining gender-neutral remuneration policies and practices across the organisation.

Remuneration is determined on the basis of objective, role-related criteria including responsibilities, skills, performance, experience and qualifications. No differentiation is made on the basis of gender. Recruitment, promotion and remuneration decisions are aligned with the Company's equal opportunity and diversity principles.

The Company monitors remuneration data on an ongoing basis to identify and assess any potential gender pay gap, taking into account proportionality and the size of the organisation. Where unjustified discrepancies are identified, appropriate corrective measures are considered and implemented by the Board of Directors. These measures support transparency, equal opportunities and compliance with the gender neutrality requirements of Article 51 IFR.

#### 7.7. Link Between Pay and Performance

The remuneration of the Company's employees is predominantly based on fixed remuneration, which represents the primary component of total remuneration. Fixed remuneration is set at a level sufficiently high to allow the Company to operate a fully flexible approach to variable remuneration, thereby precluding any excessive reliance on performance-related pay. The Company maintains a variable remuneration framework, as formally established under its Remuneration Policy. Under this framework, variable remuneration may be awarded on an exceptional, discretionary and non-guaranteed basis, subject to assessment against both financial and non-financial criteria, incorporating ex-ante and ex-post risk

adjustments. Notwithstanding the above, no variable remuneration, bonuses, sign-on payments or other performance-related awards were granted during the financial years 2025 and 2024. The absence of variable remuneration awards in the reporting period does not imply the absence of a variable remuneration framework; rather, it reflects the Board's exercise of its discretion, having regard to the Company's financial performance, risk profile and long-term interests during the periods under review.

The Company does not operate any share-based compensation schemes. The Board of Directors retains full responsibility for approving any salary increases, bonuses or variable remuneration awards, ensuring that any such decisions remain aligned with the Company's risk appetite, long-term interests and applicable regulatory requirements under the IFR/IFD framework.

In accordance with Article 32 of the IFD and the proportionality principle, the Company applies a proportionality-based exemption from the requirements relating to deferral of variable remuneration, payment in instruments and retention periods, having regard to its classification as a non-interconnected Class 2 CIF and the nature, scale and limited complexity of its activities.

**Senior Management:** The remuneration of Senior Management is structured to ensure an appropriate linkage between remuneration outcomes and the overall performance of the Company, with the objective of incentivising the achievement of key business objectives while supporting prudent risk-taking and long-term sustainability.

**Non-executive directors:** The remuneration of Non-Executive Directors is not linked to the profitability or performance of the Company and is not subject to any incentive-based programs. Remuneration is fixed and determined based on the number of the Board meetings they attended, reflecting the qualifications, experience and level of responsibility required, taking into account the nature, scale and complexity of the Company's activities. No retirement benefit schemes, share options, other benefits are granted to Non-Executive Directors.

**Executive directors:** The remuneration of Executive Directors is determined by the Board with the aim of attracting and retaining suitably qualified individuals and supporting effective succession planning. Remuneration is assessed annually, taking into consideration market practices and the Company's financial performance, and consists of a fixed salary and, where applicable, a discretionary bonus linked to the Company's financial results. No bonus was recommended or paid by the Board of Directors for the financial year 2025 and 2024. The performance of Executive Directors is assessed on an annual basis.

#### 7.8. Material Risk Takers (MRTs)

In accordance with Article 30 IFD and EBA/GL/2021/13, the Company has established procedures to identify staff whose professional activities have a material impact on its risk profile. Based on the annual assessment performed and having regard to the nature, scale and complexity of the Company's activities, the following categories of staff were identified as MRTs within the meaning of Article 30 IFD:

- 1) the members of the Board of Directors, due to their ultimate responsibility for the Company's strategy, governance arrangements and risk appetite; and
- 2) Senior Management, due to their executive responsibilities and ability to influence the Company's risk profile through operational and strategic decision-making.

Apart from the above, no other staff members are currently identified as having a material impact on the Company's risk profile.

This assessment is documented, reviewed annually and reassessed on an ad-hoc basis following any material changes to the Company's business model or risk profile.

#### 7.9. Aggregate Quantitative Information on Remuneration

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The following tables below presents the aggregate remuneration of all members of staff whose professional activities have a material impact on the Company's risk profile, , in accordance with Article 51 IFR, for the years ended 31 December 2025 and 31 December 2024.

The amounts disclosed comprise fixed remuneration only, as no variable remuneration was awarded during the respective financial years.

<b>31 December 2025</b>				
<b>Members of staff whose professional activities have material impact on the Company's risk profile</b>	<b>No of beneficiaries</b>	<b>Total Fixed Remuneration (€)</b>	<b>Total Variable Remuneration (€)</b>	<b>Total Remuneration for the year (€)</b>
Non-Executive Directors fees	2	-	-	-
Executive Directors Remuneration	2	95.410	-	<b>95.410</b>
Senior Management	2	75.761	-	<b>75.761</b>
<b>Total</b>	<b>6</b>	<b>171.171</b>	<b>-</b>	<b>171.171</b>

**Table 8: Remuneration – Aggregate quantitative information – 2025**

<b>31 December 2024</b>				
<b>Members of staff whose professional activities have material impact on the Company's risk profile</b>	<b>No of beneficiaries</b>	<b>Total Fixed Remuneration (€)</b>	<b>Total Variable Remuneration (€)</b>	<b>Total Remuneration for the year (€)</b>
Non-Executive Directors fees	2	-	-	-
Executive Directors Remuneration	2	95.676	-	<b>95.676</b>
Senior Management	1	58.500	-	<b>58.500</b>
<b>Total</b>	<b>5</b>	<b>154.176</b>	<b>-</b>	<b>154.176</b>

**Table 9: Remuneration – Aggregate quantitative information – 2024**

Additional disclosures:

- 1) The Non-Executive Directors waived their right to receive remuneration in both 2025 and 2024.
- 2) No individuals received total remuneration exceeding €1 million in both years.
- 3) As no variable remuneration was awarded or paid during 2025 or 2024, each of the following items is confirmed as not applicable:

- (i) Amounts and forms of awarded variable remuneration, split into cash, shares, share-linked instruments and other types, separately for the upfront and deferred portions — not applicable; no variable remuneration was awarded.
  - (ii) Amounts of deferred remuneration awarded for previous performance periods, split into amounts due to vest in the financial year and amounts due to vest in subsequent years — not applicable; no deferred remuneration exists.
  - (iii) Amount of deferred remuneration due to vest in the financial year that was paid out and reduced through performance adjustments — not applicable; no deferred remuneration exists.
  - (iv) Guaranteed variable remuneration awards during the financial year and the number of beneficiaries — not applicable; no guaranteed variable remuneration was awarded.
  - (v) Severance payments awarded in previous periods that were paid out during the financial year — not applicable; no such payments were made.
  - (vi) Severance payments awarded during the financial year, split into upfront and deferred, number of beneficiaries, and highest single payment awarded — not applicable; no severance payments were awarded during 2025 or 2024.
- 4) No sign-on payments or other benefits were awarded or paid during 2025 or 2024.
  - 5) No malus or clawback adjustments were applied, as no variable remuneration was awarded.

## 8. Environmental, Social and Governance (“ESG”) risks

### 8.1. Regulatory Context and Scope of Disclosure

Pursuant to Article 53 of the IFR, investment firms that do not meet the criteria referred set out in Article 32 (4) of the IFD, are required to disclose information on environmental, social and governance (“ESG”) risks, including physical and transition risks, as defined in Article 35 of the IFD.

The Company does not qualify for the exemption provided under Section 26(8)(a) of Law 87(I)/2017, as its average on- and off-balance sheet assets over the preceding four-year period exceed EUR 100 million. Furthermore, following its classification as a significant CIF, the Company is required to publish ESG risk disclosures in accordance with Article 53 IFR.

These disclosures are prepared on a proportionate basis, having regard to the nature, scale and complexity of the Company’s activities. The Company operates a primarily advisory-based business model and does not engage in discretionary portfolio management, proprietary trading or balance sheet investment activity.

### 8.2. Definition of ESG Risks (Article 53(a) IFR)

For the purposes of this disclosure, ESG risks are defined as environmental, social or governance events or conditions which, if they occur, could have an actual or potential material financial impact on the Company, primarily through its counterparties, issuers of financial instruments or third-party service providers.

**Environmental risks** primarily relate to climate-related risks and are classified as:

- Physical risks, arising from acute or chronic environmental events (e.g. extreme weather events, rising temperatures); and
- Transition risks, arising from regulatory, technological, market or reputational changes associated with the transition to a more sustainable economy, including the potential re-pricing or depreciation of assets.

**Social risks** relate to matters such as labour standards, human rights, employee relations, client protection and market conduct, which may affect the financial condition or reputation of issuers or counterparties.

**Governance risks** relate to deficiencies in governance structures, internal controls, ethical conduct, remuneration practices and compliance with applicable laws and regulations.

### 8.3. ESG Risk Identification and Assessment (Article 53(a) and (c) IFR)

The Company identifies and assesses ESG risks on a qualitative basis, integrated within its existing governance, risk management and compliance framework.

Given the nature of its activities, ESG risks are assessed:

- indirectly, through exposure to issuers, counterparties and financial instruments relevant to the provision of investment services;
- in conjunction with traditional financial and conduct risks, rather than as a standalone risk category
- across short-, medium- and long-term horizons, recognising that climate-related and sustainability risks may materialise gradually.

The Company does not apply quantitative ESG risk metrics, scenario analysis or stress testing at firm level, as it does not hold proprietary positions or exercise discretion over client portfolios. ESG risks are considered material only where they are reasonably expected to affect the risk profile, valuation or suitability of financial instruments recommended to clients.

### 8.4. Concentration Risk and ESG Exposure (Article 53(b) IFR)

The Company does not maintain proprietary investment positions and does not have material balance-sheet exposure to financial instruments. As a result, it does not anticipate significant concentrations of specific assets that could increase its exposure to ESG-related physical or transition risks at firm level.

Client portfolios are assessed individually within the suitability framework, taking into account diversification, risk tolerance and investment horizon. ESG-related factors are incorporated into suitability assessments where relevant, in line with applicable regulatory requirements. As a result, ESG-related concentration risk is not considered to arise at the level of the firm.

### 8.5. Governance and Management of ESG Risks (Article 53(c) IFR)

Oversight of ESG risks is embedded within the Company's existing governance arrangements and is not managed through a separate, standalone framework. The Board of Directors retains overall responsibility for the oversight of material risks, including ESG risks, while Senior Management is responsible for their day-to-day management. The Risk Management Function and Compliance Function monitor ESG-related risks within their respective mandates, including alignment with applicable regulatory requirements.

### 8.6. Supervisory Assessment of ESG Risks (Article 53(d) IFR)

For the purposes of the supervisory review and evaluation process, ESG risks are assessed using qualitative criteria, including:

- the adequacy of governance and oversight arrangements;
- the integration of ESG considerations within risk management and compliance processes;
- the nature and scale of the Company's exposures and activities;
- alignment with applicable disclosure requirements under IFR/IFD and related EU legislation.

At the reporting date, ESG risks are not considered to have a material impact on the Company's financial position, capital adequacy or business model. This assessment will be revisited in future reporting periods as supervisory expectations and the Company's business profile evolve.

### 8.7. Forward-Looking Considerations

The regulatory and supervisory landscape in relation to ESG risks continues to develop, including through the ongoing implementation of the EU Sustainable Finance framework and evolving EBA guidance on the integration of ESG factors within the SREP. The Company continues to monitor these developments and will, where necessary and taking into account the principle of proportionality, enhance its ESG risk assessment methodologies and disclosure approach in future reporting periods.

## APPENDICES

### Appendix I: Main Features of Common Equity Tier 1

The following table, namely EU IF CCA, has been prepared in accordance with Article 49(1)(b) of the IFR and presents the main features, including full terms and conditions, of the ordinary shares of the Company, as at 31 December 2025 and 31 December 2024 and as at the date of this report.

CAPITAL INSTRUMENTS MAIN FEATURES TEMPLATE		Common Equity Tier 1 instruments
1	Issuer	Mega Equity Securities and Financial Services Public Ltd
2	Unique identifier (ISIN)	N/A
3	Governing law(s) of the instrument	Cyprus Law
4	Transitional CRR rules	Common Equity Tier 1
5	Post-transitional CRR rules	Common Equity Tier 1
6	Eligible at solo/ (sub-)consolidated/ solo & (sub-) consolidated	Solo
7	Instrument type	Ordinary Shares
8	Amount recognised in regulatory capital (in thousands of €)	€4.832
9	Nominal amount of instrument (in thousands of €)	€8,500
9a	Issue price (in thousands of €)	€4,832
9b	Redemption price	N/A
10	Accounting classification	Shareholders' equity
11	Original date of issuance	N/A
12	Perpetual or dated	N/A
13	Original maturity date	No maturity
14	Issuer call subject to prior supervisory approval	N/A
15	Original call date, contingent call dates and redemption amount	N/A
16	Subsequent call dates	N/A
17	Fixed or floating dividend/ coupon	N/A
18	Coupon date and any related index	N/A

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CAPITAL INSTRUMENTS MAIN FEATURES TEMPLATE		Common Equity Tier 1 instruments
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	Noncumulative or cumulative	Non-cumulative
23	Convertible or non-convertible	Non-convertible
24	If convertible, conversion trigger(s)	N/A
25	If convertible, fully or partially	N/A
26	If convertible, conversion rate	N/A
27	If convertible, mandatory or optional conversion	N/A
28	If convertible, specify instrument type convertible info	N/A
29	If convertible, specify issuer of instrument it converts into	N/A
30	Write-down features	No
31	If write-down, write-down trigger(s)	N/A
32	If write-down, full or partial	N/A
33	If write down, permanent or temporary	N/A
34	If temporary write-down, description of write-up mechanism	N/A
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	N/A
36	Non-compliant transitioned features	No
37	If yes, specify non-compliant features	N/A

**Table 10: EU IF CCA: Own funds: main features of own instruments issued by the firm**

## Appendix II: References to Investment Firm Regulation (“IFR”)

IFR Article ref.	High-level summary	- Disclosures Section Reference
<b>Scope</b>		
46 (1)	Publicly disclosure of the information specified in Part Six on the same date as the publication of the annual financial statements.	Section 1.2
46 (2)	Investment firms that meet the conditions for qualifying as small and non-interconnected investment firms which issue Additional Tier 1 instruments shall publicly disclose the information set out in Articles 47, 49 and 50 on the same date as they publish their annual financial statements.	Not applicable – the Company is a Class 2 Investment Firm
46 (3)	Investment firms no longer meeting all the conditions for qualifying as a small and non-interconnected investment firm, shall publicly disclose the information set out in Part 6 of IFR as of the financial year following the financial year in which it ceased to meet those conditions.	Not applicable – the Company is a Class 2 Investment Firm
46 (4)	Determine the appropriate medium and location to comply effectively with the disclosure requirements referred to in Article 46(1) and 46(2). All disclosures shall be provided in one medium or location, where possible.	Section 1.4
<b>Risk management objectives and policies</b>		
47	Disclosure of information on strategies and processes to manage each separate category of risk set out in Parts Three – Five of the IFR, and a concise risk statement describing the investment firm’s overall risk profile associated with the business strategy.	Section 2.4
<b>Governance</b>		
48 (a)	Number of directorships held by member of the management body.	Section 3.1
48 (b)	Diversity policy with regard to the selection of members of the management body, its objectives and any relevant targets set out in that policy, and the extent to which those objectives and targets have been achieved.	Section 3.6
48 (c)	Disclosure of whether a separate risk committee is in place, and number of meetings in the year.	Section 2
<b>Own Funds</b>		
49	Information regarding the Company’s Own Funds.	Section 4
<b>Own Funds Requirements</b>		
50 (a)	Summary of institution’s approach to assessing adequacy of capital levels.	Sections 2.2 & 5.1
50 (b)	The result of the investment firm’s internal capital adequacy assessment process, upon a request from the competent authority.	Not applicable – the Competent authority did not make such request.
50 (c)	The K-factor requirements in aggregate form RtM, RtF and RtC, based on the sum of the applicable K-factors.	Section 5.2.3
50 (d)	The fixed overhead requirement.	Section 5.2.1
<b>Remuneration policy and practices</b>		
51	Investment firms shall disclose the information disclosed in this Article of the IFR, regarding their remuneration policy and practices, including aspects related	Section 7

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IFR Article ref.	High-level summary	- Disclosures Section Reference
	to gender neutrality and the gender pay gap, for those categories of staff whose professional activities have a material impact on investment firm’s risk profile.	
<b><i>Investment Policy</i></b>		
52	Investment Policy	Section 6
<b><i>Environmental, social and governance risks</i></b>		
53	Information on environmental, social and governance risks, including physical risks and transition risks.	Section 8

**Table 11: References to Investment Firm Regulation(“IFR”)**

## Appendix III: Abbreviations

Abbreviation	Description
AML	Anti-Money Laundering
ASE	Athens Stock Exchange
BoD	Board of Directors
CET1	Common Equity Tier 1
CIF	Cyprus Investment Firm
COO	Chief Operating Officer
CRD	Capital Requirement Directive
CRR	Capital Requirements Regulation
CSE	Cyprus Stock Exchange
CySEC	Cyprus Securities and Exchange Commission
EBA	European Banking Authority
EU	European Union
ICAAP	Internal Capital Adequacy Assessment Process
ICARA	Internal Capital Adequacy and Risk Assessment
ICF	Investor Compensation Fund
IFR	Investment Firms Regulation
IFD	Investment Firms Directive
IT	Information Technology
ITS	Implementing Technical Standards
PMCR	Permanent Minimum Capital Requirement
SREP	Supervisory Review Process

**Table 8: Abbreviations**

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