



**Disclosure and Market Discipline Report  
For the year ended 31<sup>st</sup> December 2025**

**ELIDI Securities Ltd**

**July 2026**

Regulated by the Cyprus Securities and Exchange Commission (License. No. 352/17)



## Disclosure

The Disclosure and Market Discipline Report or Pillar III Disclosures Report for the year ended 31st December 2025 has been prepared by ELIDI Securities Ltd based on the audited Financial Statements of 2025; as per the requirements of Regulation (EU) 2019/2033 (the “Investment Firms Regulation”, “IFR”) issued by the European Commission and the Law 165(I)/2021 on the prudential supervision of investment firms.

ELIDI Securities Ltd states that any information that was not included in this report was either not applicable on the Company’s business and activities or such information is considered as proprietary to the Company and sharing this information with the public and/or competitors would undermine our competitive position.

ELIDI Securities Ltd is regulated by the Cyprus Securities and Exchange Commission (License. No. 352/17)

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

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



## Table of Contents

|       |                                                                             |    |
|-------|-----------------------------------------------------------------------------|----|
| 1     | Introduction .....                                                          | 5  |
| 1.1   | Corporate information .....                                                 | 5  |
| 1.2   | Basis of preparation .....                                                  | 6  |
| 1.3   | Level of application .....                                                  | 7  |
| 1.4   | Reporting Frequency .....                                                   | 7  |
| 1.5   | Verification .....                                                          | 8  |
| 2     | Risk Governance – Board and Committees .....                                | 8  |
| 2.1   | Board of Directors .....                                                    | 8  |
| 2.1.1 | <i>Board of Directors’ responsibilities</i> .....                           | 8  |
| 2.1.2 | <i>Board of Directors meetings and quorum</i> .....                         | 9  |
| 2.1.3 | <i>Number of Directorships held by the Board members</i> .....              | 10 |
| 2.2   | Board recruitment policy .....                                              | 10 |
| 2.3   | Diversity Policy .....                                                      | 11 |
| 2.4   | Board Recruitment .....                                                     | 11 |
| 2.5   | Reporting and Control .....                                                 | 12 |
| 3     | Remuneration Policy and Practices .....                                     | 13 |
| 3.1   | Design and Structure of Remuneration .....                                  | 14 |
| 3.1.1 | <i>Pension Policy</i> .....                                                 | 16 |
| 3.1.2 | <i>Variable Remuneration</i> .....                                          | 16 |
| 3.2   | Link between Pay and Performance .....                                      | 17 |
| 4     | Risk Management Objectives and Policies .....                               | 19 |
| 4.1   | Approach to Risk Management .....                                           | 19 |
| 4.2   | Risk Appetite .....                                                         | 19 |
| 4.3   | Risk Management Function .....                                              | 20 |
| 4.4   | Risk Management Framework .....                                             | 20 |
| 4.4.1 | <i>Risk Identification</i> .....                                            | 21 |
| 4.4.2 | <i>Risk Assessment</i> .....                                                | 21 |
| 4.4.3 | <i>Risk monitoring and control</i> .....                                    | 21 |
| 4.4.4 | <i>Stress Testing</i> .....                                                 | 21 |
| 4.5   | <i>Internal Capital Adequacy Assessment &amp; Risk Process Report</i> ..... | 22 |
| 4.6   | Board Declaration - Adequacy of the Risk Management arrangements .....      | 23 |
| 4.7   | Board Risk Statement .....                                                  | 23 |
| 5     | Own Funds & Minimum Capital Requirements .....                              | 24 |
| 5.1   | Capital Base .....                                                          | 24 |
| 5.2   | Capital Requirements and Capital Adequacy .....                             | 25 |
| 5.3   | Permanent Minimum Capital Requirement .....                                 | 27 |
| 5.4   | Fixed Overhead Requirement .....                                            | 27 |
| 5.5   | K-Factor Requirement .....                                                  | 28 |
| 5.5.1 | <i>Client Money Held (K-CMH)</i> .....                                      | 29 |
| 5.5.2 | <i>Assets Safeguarded and Administered (K-ASA)</i> .....                    | 29 |
| 5.5.3 | <i>Client Orders Handled (K-COH)</i> .....                                  | 30 |
| 5.5.4 | <i>Net Position Risk (K-NPR)</i> .....                                      | 30 |
| 5.5.5 | <i>Concentration risk (K-CON)</i> .....                                     | 30 |



|    |                                                                                                                                                                                           |    |
|----|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----|
| 6  | Liquidity Requirements.....                                                                                                                                                               | 31 |
| 7  | Investment policy .....                                                                                                                                                                   | 32 |
| 8  | Environmental, social and governance risks (“ESG risks”).....                                                                                                                             | 32 |
| 9  | Appendix I – Own funds: main features of own instruments issued by the firm (EU CCA).....                                                                                                 | 33 |
| 10 | Appendix II: Composition of regulatory own funds (EU IF CC1.01) .....                                                                                                                     | 35 |
| 11 | Appendix III: Reconciliation between the Balance Sheet presented in audited Financial Statements of the Company with the Balance Sheet prepared for Regulatory Purposes (EU IF CC2) ..... | 38 |
| 12 | Glossary.....                                                                                                                                                                             | 40 |



# 1 Introduction

## 1.1 Corporate information

These disclosures relate to ELIDI Securities Ltd (the “Company”), which is authorized and regulated by “CySEC” as a Cyprus Investment Firm (“CIF”) to offer Investment and Ancillary Services in accordance with the Investment Services and Activities and Regulated Markets Law of 2017 (hereinafter, the “Law”), under license number 352/17 dated 28 December 2017.

The Company has the license to provide the following investment and ancillary services, in the financial instruments outlined below:

### *Investment Services and Activities:*

- (a) Reception and transmission of orders in relation to one or more financial instruments;
- (b) Execution of orders on behalf of clients;
- (c) Dealing on own account (approval was granted in December 2024); and
- (d) Provision of investment advice.

### *Ancillary Services:*

- (a) Safekeeping and administration of financial instruments, including custodianship and related services;
- (b) Foreign exchange services where these are connected to the provision of investment services.

### *Financial Instruments:*

- 1) Transferable securities;
- 2) Money-market instruments;
- 3) Units in collective investment undertakings;
- 4) Options, futures, swaps, forward rate agreements and any other derivative contracts relating to securities, currencies, interest rates or yields, or other derivatives instruments, financial indices or financial measures which may be settled physically or in cash;
- 5) Options, futures, swaps, forward rate agreements and any other derivative contracts relating to commodities that must be settled in cash or may be settled in cash at the option of one of the parties (otherwise than by reason of a default or other termination event);
- 6) Options, futures, swaps, forward rate agreements and any other derivative contracts relating to commodities that can be physically settled provided that they are traded on a regulated market or/and an MTF);
- 7) Options, futures, swaps, forward rate agreements and any other derivative contracts relating to commodities that can be physically settled not otherwise mentioned in point 6 of Part III and not being for commercial purposes, which have the characteristics of other derivative financial instruments, having regard to whether, inter alia, they are cleared and settled through recognized clearing houses or are subject to regular margin calls;
- 8) Derivative instruments for the transfer of credit risk;
- 9) Financial contracts for differences; and



- 10) Options, futures, swaps, forward rate agreements and any other derivative contracts relating to climatic variables, freight rates, emission allowances or inflation rates or other official economic statistics that must be settled in cash or may be settled in cash at the option of one of the parties (otherwise than by reason of a default or other termination event), as well as any other derivative contract relating to assets, rights, obligations and measures not otherwise mentioned in this Part, which have the characteristics of other derivative financial instruments, having regard to whether, inter alia, they are traded on a regulated market or an MTF, are cleared and settled through recognized clearing houses or are subject to regular margin calls.

## 1.2 Basis of preparation

In accordance with Part Six of IFR and Paragraph 37 of L.165(I)/2021, the Company is required to disclose information relating to its risk exposure and management, capital structure, capital adequacy as well as the most important characteristics of the Company's corporate governance including its remuneration system. The scope of this report is to promote market discipline and to improve transparency of market participants.

The Company falls under prudential consolidation as it acquired UK-registered subsidiary Elidi Advisers Ltd during the year 2025, therefore these Pillar III Disclosures are made on a consolidated basis and are updated and published annually; it will, however, be published more frequently if there are significant changes to the business, such as changes to the scale of operations and the range of activities.

CySEC is responsible for implementing and enforcing the Directive (EU) 2019/2034 (the "IFD") and the transposing Law L.165(I)/2021 (the "Prudential Supervision Law"), a capital adequacy framework consisting of three 'Pillars':

- Pillar I set out the minimum capital requirements firms are required to meet;
- Pillar II requires firms to assess their capital requirements in light of any specific risks not captured in the Pillar I calculations; and
- Pillar III seeks to improve market discipline by requiring firms to publicly disclose certain details of their risks, capital and risk management. Prudential disclosures under the Pillar III framework play a key role in promoting market discipline through the public reporting of meaningful information on the risks to their financial position, capital or liquidity, thus reducing asymmetry of information between investment firms and users of information.

The IFR and IFD were enacted and implemented to set out the specific prudential regime required for investment firms which are not systemic by virtue of their size and interconnectedness with other financial and economic actors.

Part Six of the IFR specifies the disclosure requirements for investment firms under the scope of application of the same regulation. In particular, article 47 of the IFR specifies the disclosure requirements on:

- Own Funds (Part Two of IFR),



- Capital and Own Funds Requirements (Part Three of IFR)
- Concentration risk (Part Four of IFR)
- Liquidity (Part Five of IFR)
- Governance; and.
- Remuneration policy and practices

The Disclosure and Market Discipline Report or Pillar III Disclosures report for the financial year ending 31 December 2025 (the ‘Report’) of the Company sets out both quantitative and qualitative information required in accordance with the above listed regulatory requirements. The Report includes tables prepared in line with the EBA guidelines published in March 2021, which are now in force for the purposes of this Report.

### **1.3 Level of application**

The Company meets the definition of a Union Parent Investment Firm. Together the CIF and the Elidi Advisers Ltd UK form an Investment Firm Group subject to prudential consolidation.

The Company meets a number of criteria specified in Article 12 of the IFR and therefore it is not a small and non-interconnected firm. Therefore, it is necessary to consider the calculated K-Factor capital requirement in the overall minimum capital assessment.

The Minimum Own Funds requirement is defined by the higher of the permanent (initial) capital requirements as per Article 9 of the IFD, this is €750,000 since the CIF is authorized to perform the investment activity of dealing on own account (point 3 of Section A of Annex I to MiFID II); the fixed overhead requirement or the K-factor requirement.

The Company is not exposed to or holds cryptocurrencies under either of the three ways stipulated in CySEC circular C462; therefore, no relevant disclosures are made in this Report in this respect.

The Company’s reporting currency is the Euro. The Company’s implements the International Financial Reporting Standards as accounting standard.

### **1.4 Reporting Frequency**

The Company’s policy is to publish the disclosures required on an annual basis. Should there be a material change in approach used for the calculation of capital, business structure or regulatory requirements, the frequency of disclosure will be reviewed.

This report is published and will be available on the Company’s website at [www.elidi.cy](http://www.elidi.cy).



## **1.5 Verification**

The Company's Pillar III disclosures are subject to internal review and validation prior to being submitted to the Board of Directors (the "Board" or the "BoD") for approval.

The Company's Pillar III disclosures have been reviewed and approved by the Board. Only firms that are considered 'significant' under the IFD are obligated to establish a Remuneration Committee and a Risk Management Committee. To be considered significant, the limit of Article 32(4)(a) must be breached, where a company must have more than 100 million average values of on- and off-balance-sheet assets over the preceding four-year period, so the company does not fall under this scope.

According to the IFR, the risk management disclosures should be included in either the financial statements of the investment firms if these are published, or on their website. In addition, these disclosures will be subject to verification by the external auditors of the CIF and the external auditors' verification report is submitted to CySEC.

## **2 Risk Governance – Board and Committees**

### **2.1 Board of Directors**

The Board has overall responsibility for the business. It sets the strategic aims for the business, in line with delegated authority from the shareholders and in some circumstances subject to shareholders' approval, within a control framework, which is designed to enable risk to be assessed and managed. The Board satisfies itself that financial controls and systems of risk management are robust.

#### **2.1.1 Board of Directors' responsibilities**

The Board shall be responsible for ensuring that the Company complies with its obligations under the Law. The Board assesses and periodically reviews the effectiveness of the policies, arrangements and procedures put in place to comply with the obligations under the Law and takes appropriate measures to address any deficiencies. In general, the Board shall:

- a) Determination of the Company's strategy;

The BoD is responsible for determining the Company's strategy. The BoD must from time to time determine and explicitly state the goals that the Company is aiming to achieve. It is then the BoD responsibility to monitor the Company's progress towards the achievement of its strategic goals and to identify and work towards the removal of any obstacles. The BoD shall meet at least twice a year, and whenever the need arises, to discuss strategic issues and to reformulate strategy where this is necessary on account of changes and developments, whether internal to the Company or external in its market environment. Any changes in the Company's strategy can be brought about only as a result of a decision of its BoD.





b) Determination of the Company's structure and hierarchy;

The BoD is responsible for determining the internal structure of the Company, by creating the appropriate departments and officers, each assigned with specific duties and responsibilities and endowed with the powers necessary for effectively carrying them out. The BoD shall also determine the hierarchy within which departments will be placed, the lines of communication and accountability between departments and within departments and the tasks which each department and each employee is to perform. It is the responsibility of the BoD to ensure that the structure of the Company is such that will further the achievement of the strategic goals of the Company.

c) Company's policy and internal operations manual;

Having set the Company's strategic goals and structure, the BoD is responsible for leading the Company towards their achievement through the creation of appropriate policies, procedures and rules for the Company's internal operations. These are described in great detail in this Manual, instructing the Company's employees on how each is expected to perform his or her duties. The suitability of the policies, rules and procedures described in this Manual is reviewed by the Board at least once a year.

d) Supervision of the Company's policies and procedures and their effectiveness;

The BoD shall meet at least once a year to determine, record and approve the general policy principles of the Company in relation to the prevention of money laundering and terrorist financing and communicates them to the compliance officer.

The BoD shall receive at least annually written reports on the policies and procedures designed to detect any risks associated with:

- Failure of the Company to comply with the Law;
- Deficiencies in the Company's activities, processes and systems; and
- Effectiveness of the Company's internal control mechanisms.

The report should also include measures to address any deficiencies in these policies and measures. The BoD shall establish a clear and quick reporting chain based on which information regarding suspicious transactions is passed without delay to the compliance officer. The BoD shall consider the Internal Auditor and the Compliance Officer's suggestions for improvements in the Company's audit and compliance risks and procedures and, where appropriate, accept these suggestions and amend these policies and procedures and the appropriate sections of this Manual. The minutes of the annual meeting of the BoD on Internal Audit and Compliance procedures shall be submitted to the Commission within 20 days from the day on which the meeting took place.

### **2.1.2 Board of Directors meetings and quorum**

The Company's BoD shall meet at least once a year to discuss issues relating to internal audit, risk management, AML and compliance (the control functions). Each control function shall prepare and submit to the BoD detailed reports as to the work performed during the past year and any



conclusions reached as to the effectiveness of the internal system, and any suggestions as to its improvement. The BoD will go through the control functions' reports and discuss the issues which have arisen. The BoD will reach its own conclusions and make any decisions it considers appropriate.

### 2.1.3 Number of Directorships held by the Board members

Directorships in organizations which do not pursue predominantly commercial objectives, such as non-profit making or charitable organizations, are not taken into account for the purposes of the below. As per Article 9(5)(a) of the Law 87(I)/2017, executive or non-executive directorships held within the same group, count as a single directorship. In this respect, the directorships in Elidi Securities and Elidi Advisers shall count as 1. The table below provides the number of directorships that each member of the management body of the Company holds at the same time in other entities, including the one in ELIDI Securities Ltd:

*Table 1: Directorships of Board Members*

| Full name of Director     | Position/Title          | Executive | Non-Executive |
|---------------------------|-------------------------|-----------|---------------|
| Sandugash Aimanova        | Chief Executive Officer | 1         | 1             |
| Anna Glazunova            | Executive Director      | 1         | -             |
| Savvas Zannetos           | Non-executive Director  | 2         | 1             |
| Alik Charalambidou Aresti | Non-executive Director  | -         | 3             |
| Ruslan Adilbaev           | Non-executive Director  | -         | 2             |

## 2.2 Board recruitment policy

Recruitment of Board members combines an assessment of both technical capability and competency skills referenced against the Company's regulatory and operational framework. It seeks to resource the specific experience and skills needed to ensure the optimum blend (diversity) of individual and aggregate capability having regard to the Company's long-term strategic plan.

The persons proposed for appointment to the Board should commit the necessary time and effort to fulfil their obligations. Prior to their appointment, the proposed persons should obtain the approval of the Commission.

Main factors influencing the decision to propose the appointment of potential Directors include:

- Integrity and honesty;
- High business acumen and judgment;
- Knowledge of financial matters including understanding of financial statements and important financial ratios;
- Knowledge and experience relevant to financial institutions;
- Risk Management experience; and
- Specialized skills and knowledge in finance, accounting, law, or related subject.



## 2.3 Diversity Policy

Diversity is increasingly seen as an asset to organizations and linked to better economic performance. It is an integral part of how the Company does business and imperative to commercial success.

The Company recognizes the value of a diverse and skilled workforce and management body, which includes and makes use of differences in the age, skills, experience, background, race and gender between them. A balance of these differences will be considered when determining the optimum composition.

The Company is committed to creating and maintaining an inclusive and collaborative workplace culture that will provide sustainability for the organization into the future. This is also documented as best practises in the Corporate Governance Code of many EU countries.

In line with the recent changes in the regulatory reporting framework, the Company is in the process of establishing a dedicated diversity policy (it is covered in the Policy for the Assessment of Suitability, Induction and Training of Board Members) in relation to the Management body.

## 2.4 Board Recruitment

One of the BoD's main responsibilities is to identify, evaluate and select candidates for the Board and ensure appropriate succession planning. The Senior Management is assigned the responsibility to review the qualifications of potential director candidates and make recommendations to the BoD.

The persons proposed for the appointment should have specialised skills and/or knowledge to enhance the collective knowledge of the BoD and must be able to commit the necessary time and effort to fulfil their responsibilities. The final approval of a member of the Management Body is given by CySEC.

- Factors considered in the review of potential candidates include:
- Specialized skills and/or knowledge in accounting, finance, banking, law, business administration or related subject.
- Knowledge of and experience with financial institutions ("fit-and-proper").
- Integrity, honesty and the ability to generate public confidence.
- Knowledge of financial matters including understanding financial statements and financial ratios.
- Demonstrated sound business judgment.
- Clean criminal record
- Risk Management experience.

The Company's BoD is chosen to be specialists in various fields in order to be able to offer diversity and the expertise required to oversee its smooth operations.



## 2.5 Reporting and Control

In line with the requirements set out in the Cyprus Investment Firms Law and subsequent Directives, the Company has maintained a good information flow to the BoD, as summarized below:

*Table 2: Information flow on risk to Board*

| Report Name                                                                            | Report Description                                                                                                                                | Owner                  | Recipient                      | Frequency | Due by date |
|----------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------|------------------------|--------------------------------|-----------|-------------|
| Annual AML Report                                                                      | To inform the Senior Management & the BoD of the Company regarding the Performance of AML function during the year                                | AML Compliance Officer | Senior Management , BoD, CySEC | Annual    | 31/03/2026  |
| Annual Compliance Report                                                               | To inform the Senior Management & the BoD of the Company regarding the Performance of Compliance function during the year                         | Compliance Officer     | Senior Management , BoD, CySEC | Annual    | 30/04/2026  |
| Annual Internal Audit Report                                                           | To inform the Senior Management & the BoD of the Company regarding the Internal Auditor during the year                                           | Internal Auditor       | Senior Management , BoD, CySEC | Annual    | 30/04/2026  |
| Annual Risk Management Report                                                          | To present the work undertaken by the Risk Manager during the year                                                                                | Risk Manager           | Senior Management , BoD, CySEC | Annual    | 30/04/2026  |
| Pillar III Disclosures (Market Discipline and Disclosure) based on the Audited figures | To disclose information regarding Company's risk management, capital structure, capital adequacy and risk exposures                               | Senior Management      | BoD, CySEC, Public             | Annual    | 31/05/2026  |
| Financial Reporting                                                                    | It is a formal record of the financial activities of the CIF                                                                                      | External Auditor       | BoD, CySEC                     | Annual    | 30/04/2026  |
| Suitability Report                                                                     | It's a formal report, which is required to be provided to the retail clients of the CIF in order to make a personal recommendation to the client. | External Auditor       | BoD, CySEC                     | Annual    | 30/04/2026  |



| Report Name                         | Report Description                                                                                                                                                                 | Owner                                        | Recipient                | Frequency                     | Due by date                                                        |
|-------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------|--------------------------|-------------------------------|--------------------------------------------------------------------|
| Audited Statement of Eligible Funds | A measure of the CIF's ICF. It is expressed based on a risk-based approach taking into account the reliability of the statement of eligible funds and financial instruments.       | External Auditor                             | BoD, CySEC               | Annual                        | 10/05/2026                                                         |
| Capital Adequacy Reporting          | A measure of the CIF's capital. It is expressed as a percentage and is used to protect depositors and promote the stability and efficiency of financial systems all over the world | Risk Management Function/ Finance Department | Senior Management, CySEC | Quarterly plus annual audited | 11/05/2025<br>11/08/2025<br>11/11/2025<br>11/02/2026<br>31/05/2026 |

### 3 Remuneration Policy and Practices

The Remuneration Policy (part of IOM) is the internal document approved by the BoD of the Company and its provisions are applicable to each Director, Officer and Employee. The remuneration varies for different positions/roles depending on each position's actual functional requirements, and it is set at levels, which reflect the knowledge level, experience, accountability, and responsibility needed for an employee to perform each position/role.

The Company when establishing and applying the total remuneration policies, including the salaries and discretionary pension benefits, for categories of staff, including senior management, risk takers, staff engaged in control functions and any employee receiving total remuneration that takes them into the same remuneration bracket as senior management and risk takers, whose professional activities have a material impact on their risk profile, must comply with the following principles in a manner and to the extent that is appropriate to their size, internal organization and the nature, scope and complexity of their activities:

1. The RP is consistent with and promotes sound and effective risk management and does not encourage risk-taking that exceeds the level of tolerated risk of the Company;
2. The RP is in line with the business strategy, objectives, values and long-term interests of the Company, and incorporates measures to avoid conflicts of interest;
3. The implementation of the RP is, at least annually, subject to central and independent internal review for compliance with policies and procedures for remuneration adopted by the BoD;
4. Staff engaged in control functions are independent from the business units they oversee, have appropriate authority, and are remunerated in accordance with the achievement of the objectives linked to their functions, independent of the performance of the business areas they control;



5. The remuneration of the senior officers in the risk management and compliance functions is directly overseen by the Board;
6. The RP, taking into account national criteria on wage setting, makes a clear distinction between criteria for setting:
  - a. Basic fixed remuneration, which should primarily reflect relevant professional experience and organizational responsibility as set out in an employee's job description as part of the terms of employment; and
  - b. Variable remuneration which should reflect a sustainable and risk adjusted performance as well as performance in excess of that required to fulfil the employee's job description as part of the terms of employment.

The BoD is responsible for determining and approving the Company's remuneration policy and practices. The BoD is also responsible to monitor the Company's compliance towards the approved policy and to identify and work towards any deficiencies. The BoD meets at least once a year, and whenever the need arises, to discuss issues and to reformulate the policy where this is necessary on account of changes and developments, whether internal to the Company or external in its market environment. Any changes in the Company's remuneration policy can be brought about only as a result of a decision of its BoD.

### **3.1 Design and Structure of Remuneration**

The Company believes that remuneration should as far as possible to be individually designed and with that encourage employees to perform according to the Company's goals, strategy and vision. The remuneration should also encourage employees to act according to the Company's values: simplicity, care and openness, since this is considered to be the foundation for a successful and long- term business. Further, the total remuneration should be designed in a way that makes the Company attracts employees with the needed skills within the existing margins of costs.

The employees' total remuneration consists of a fixed component and, under certain conditions, a bonus component. The Company's general structure of remuneration is detailed below:

#### *Board of Directors*

The Board of Directors in its supervisory function adopts and periodically reviews the general principles of the remuneration policy and is responsible for its implementation and it must ensure that the implementation of the remuneration policy is at least annually, subject to central and independent internal review for compliance with policies and procedures for remuneration adopted by the Board of Directors in its supervisory function.

#### *Senior Management*

The Senior Management must be able to demonstrate that its decisions in respect to remuneration practices are consistent with an assessment of the Company's financial condition and future prospects. In particular, practices by which remuneration is paid for potential future revenues



whose timing and likelihood remain uncertain should be evaluated carefully and the Board of Directors should work closely with the Company's risk function in evaluating the incentives created by its remuneration system.

The Senior Management is responsible for ensuring, at all times, that its remuneration policy is consistent with and promotes sound and effective risk management and does not encourage risk-taking that exceeds the level of tolerated risk of the Company.

The Senior Management is also responsible for ensuring, at all times that the remuneration policy is in line with the business strategy, objectives, values and long-term interests of the Company.

### ***Profit-based Measurement and Risk Adjustment***

Senior Management must ensure that any measurement of performance used to calculate variable remuneration components or pools of variable remuneration components:

- Include adjustments for all types of current and future risks and takes into account the cost and quantity of the capital and the liquidity required, and
- Takes into account the need for consistency with the timing and likelihood of the Company receiving potential future revenues incorporated into current earnings.

Senior Management must ensure that Company's total variable remuneration is generally considerably contracted where subdued or negative financial performance of the Company occurs, taking into account both current remuneration and reductions in pay-outs of amounts previously earned.

### ***Control Functions***

The Company ensures at all times that employees engaged in control functions:

- 1 are independent from the business units they oversee
- 2 have appropriate authority, and
- 3 are remunerated: adequately to attract qualified and experienced staff; and
- 4 in accordance with the achievement of the objectives linked to their functions, independent of the performance of the business areas they control.

The Company's Risk Management and Compliance functions should have appropriate input into setting the remuneration policy for other business areas. The procedures for setting remuneration must allow Risk and Compliance functions to have significant input into the setting of individual remuneration awards where those functions have concerns about the behaviour of the individuals concerned or the riskiness of the business undertaken. Contravention of this may be relied on as tending to establish contravention of the rule on employees engaged in control functions having appropriate authority.





The Company must ensure that the remuneration of the senior officers in the Internal Audit, Compliance (including anti-money laundering compliance) and Risk Management functions (where necessary) is directly overseen by the Board of Directors in its supervisory function and that:

- 1 This remuneration requirement is designed to manage the conflicts of interest which might arise if other business areas had undue influence over the remuneration of employees within control functions. Conflicts of interest can easily arise when employees are involved in the determination of remuneration for their own business area. Where these could arise, they need to be managed by having in place independent roles for control functions including notably Risk Management and Compliance.
- 2 The need to avoid undue influence is particularly important where employees from the control functions are embedded in other business areas. This remuneration requirement does not prevent the views of other business areas being sought as an appropriate part of the assessment process.

### ***3.1.1 Pension Policy***

The Company does not have any active pension policy for the time being. For information purposes, any pension policy should be in line with the business strategy, objectives, values and long-term interests of the Company.

### ***3.1.2 Variable Remuneration***

In case where the Company's Remuneration includes a variable component then the below apply inter alia:

- (1) Any variable remuneration awarded and paid by a CIF to categories of staff referred to in Section 24(1) of this Law complies with all of the following requirements under the same conditions as those set out in Section 24(3):
  - (a) where variable remuneration is performance related, the total amount of variable remuneration is based on a combination of the assessment of the performance of the individual, of the business unit concerned and of the overall results of the CIF;
  - (b) when assessing the performance of the individual, both financial and non-financial criteria are taken into account;
  - (c) the assessment of the performance referred to in paragraph (a) is based on a multi-year period, taking into account the business cycle of the CIF and its business risks;
  - (d) the variable remuneration does not affect the CIF's ability to ensure a sound capital base;
  - (e) there is no guaranteed variable remuneration other than for new staff only for the first year of employment of new staff and where the CIF has a strong capital base;
  - (f) payments relating to the early termination of an employment contract reflect performance achieved over time by the individual and shall not reward failure or misconduct;





- (g) remuneration packages relating to compensation or buy out from contracts in previous employments are aligned with the long-term interests of the CIF;
- (h) the measurement of performance used as a basis to calculate pools of variable remuneration takes into account all types of current and future risks and the cost of the capital and liquidity required in accordance with Regulation (EU) 2019/2033;
- (i) the allocation of the variable remuneration components within the CIF takes into account all types of current and future risks;
- (j) at least 50% of the variable remuneration consists of any of the following instruments:
  - (i) shares or equivalent ownership interests, subject to the legal structure of the CIF concerned;
  - (ii) share-linked instruments or equivalent non-cash instruments, subject to the legal structure of the CIF concerned;
  - (iii) Additional Tier 1 instruments or Tier 2 instruments or other instruments which can be fully converted to Common Equity Tier 1 instruments or written down and that adequately reflect the credit quality of the CIF as a going concern; and
  - (iv) non-cash instruments which reflect the instruments of the portfolios managed
- (k) Irrespective of paragraph (j), where a CIF does not issue any of the instruments referred to in that paragraph, the Commission may approve the use of alternative arrangements fulfilling the same objectives;
- (l) at least 40 % of the variable remuneration is deferred over a three- to five- year period as appropriate, depending on the business cycle of the CIF, the nature of its business, its risks and the activities of the individual in question, except in the case of variable remuneration of a particularly high amount where the proportion of the variable remuneration deferred is at least 60 %;
- (m) up to 100 % of the variable remuneration is contracted where the financial performance of the CIF is subdued or negative, including through malus or clawback arrangements subject to criteria set by CIFs which in particular cover situations where the individual in question:
  - (i) participated in or was responsible for conduct which resulted in significant losses for the CIF; and
  - (ii) is no longer considered fit and proper;
- (n) discretionary pension benefits are in line with the business strategy, objectives, values and long-term interests of the CIF.

### **3.2 Link between Pay and Performance**

Remuneration policies and practices implemented by the Company were intentionally simplified to the basic requirements of recruiting and maintaining high level professional personnel. The BoD considers such approach as the most practical at this stage as it corresponds to the scale and complexity of the Company's operations. To this respect, the Company has decided to follow fixed remuneration scales for all employees including top Management. More complex stimulating remuneration schemes are expected to be introduced in the future depending on the Company's results and growth.



Total staff cost for the year ending 2025 was €1,751,327 (2024: €677,646) including social insurance and other contributions for Directors.

The Company's value of its on and off-balance sheet assets is on average less than €100 million over the four-year period immediately preceding the 2025 financial year.

The table below presents the remuneration of the members of the BoD and other key management personnel whose professional activities have a material impact on the risk profile of the Company for the reporting period:

Table 3: Quantitative information on remuneration

| EUR                                                  | No. of Beneficiaries | Fixed Rem  | Variable Rem | Of which in cash | Of which in shares | Of which in share-linked instr. | Of which other type of instr. | Total        | % of Fixed Remuneration | % of Variable Remuneration |
|------------------------------------------------------|----------------------|------------|--------------|------------------|--------------------|---------------------------------|-------------------------------|--------------|-------------------------|----------------------------|
| Senior Management – Executive Directors <sup>1</sup> | 2                    | 128,354.08 | 10,500.00    | 10,500.00        | -                  | -                               | -                             | 138,854.08   | 92.44%                  | 7.56%                      |
| Non-executive directors                              | 2                    | 36,776.28  | 4,758.65     | 4,758.65         | -                  | -                               | -                             | 41,534.93    | 88.54%                  | 11.46%                     |
| Heads of departments <sup>1</sup>                    | 7                    | 444,562.80 | 661,801.93   | 661,801.93       | -                  | -                               | -                             | 1,106,364.73 | 40.18%                  | 59.82%                     |

Note 1: Both executive directors are also heads of departments. The 'Heads of departments' line does not re-include their remuneration already presented in 'Executive directors' line.

It is noted that for the reporting period and in respect of the members of the BoD and other key management personnel whose professional activities have a material impact on the risk profile of the Company there were zero amounts of:

- deferred remuneration awarded for previous performance periods of neither amounts due to vest in the current reporting period nor due to vest in subsequent years.
- deferred remuneration due to vest and paid out in the current reporting period and that is reduced through performance adjustments.
- amounts of guaranteed variable remuneration awards during the reporting period.
- amounts of severance payments awarded and paid out during the reporting period.



## 4 Risk Management Objectives and Policies

### 4.1 Approach to Risk Management

There is a formal structure for monitoring and managing risks across the Company comprising of detailed risk management frameworks (including policies and supporting documentation) and independent governance and oversight of risk.

First line of defence - Managers are responsible for establishing an effective control framework within their area of operations and identifying and controlling all risks so that they operate within the organizational risk appetite and are fully compliant with Company policies and where appropriate defined thresholds.

Second line of defence - the Risk Management Function, along with the input of the other control functions, is responsible for proposing to the Board appropriate objectives and measures to define the Company's risk appetite and for devising the suite of policies necessary to control the business including the overarching framework and for independently monitoring the risk profile, providing additional assurance where required. Risk Manager will leverage his/her expertise by providing frameworks, tools and techniques to assist management in meeting their responsibilities, as well as acting as a central coordinator to identify enterprise-wide risks and make recommendations to address them.

Third line of defence comprises the Internal Audit Function which is responsible for providing assurance to the Board and senior management on the adequacy of design and operational effectiveness of the systems of internal controls.

### 4.2 Risk Appetite

Risk Appetite limits the risks which the business can accept in pursuit of its strategic objectives. Risk Appetite is formally reviewed annually and is monitored on an ongoing basis for adherence. The Company's strategy, business plan and capital and liquidity plans are set with reference to Risk Appetite.

The Board approves the Risk Appetite, which defines the level of risk that the Company is prepared to accept to achieve its strategic objectives and is translated into specific risk measures that are tracked, monitored, and reported to the Board. The Risk Appetite framework has been designed to create clear links to the strategic long-term plan, capital planning, stress testing and the Company's risk management framework. The review and approval process are undertaken at least annually.

The Company's Risk Appetite covers three core areas, financial risk, reputational risk, and operational risk. The risk appetite measures are integrated into decision making, monitoring, and reporting processes, with early warning trigger levels set to drive any required corrective action before overall tolerance levels are reached.



### 4.3 Risk Management Function

The Risk Management function is independent from other operational functions, possesses the necessary authority for the fulfilment of relevant duties and responsibilities, as well as direct access to the Company's Board of Directors.

The Risk Management Function operates under the leadership of the Risk Manager who reports directly to the Senior Management and the Board. The role of the Risk Manager is undertaken in-house by the person with specific expertise and structured to provide analysis, challenge, understanding and oversight of each of the principal risks faced by the Company.

The Risk Manager is responsible for the following tasks:

- a) to establish, implement and maintain adequate risk management policies and procedures which identify the risks relating to the Company's activities, processes and systems, and where appropriate, set the level of risk tolerated by the Company;
- b) to adopt effective arrangements, processes and mechanisms to manage the risks relating to the Company's activities, processes and systems, in light of that level of risk tolerance;
- c) to monitor the following:
  - i. the adequacy and effectiveness of the Company's risk management policies and procedures;
  - ii. the level of compliance by the Company and its relevant people with the arrangements, processes and mechanisms adopted in order to manage relevant risks; and
  - iii. the adequacy and effectiveness of measures taken to address any deficiencies in those policies, procedures, arrangements, processes and mechanisms, including failures by the relevant persons of the Company to comply with such arrangements, processes and mechanisms or follow such policies and procedures.
- d) to provide reports and advice to the BoD at least annually, on the adequacy of risk management policies and procedures designed to identify and manage risks relating to the Company's activities, indicating whether the appropriate remedial measures have been taken in the event of any deficiencies; and
- e) Provision of ICARAP training to relevant employees and senior management.

### 4.4 Risk Management Framework

The Company's aim is to embed explicit and robust risk management practices across its entire business operations, in order to ensure that the level of risk it faces is consistent with its corporate objectives and its level of risk tolerance. This is achieved through the implementation of a comprehensive risk management framework for the identification, assessment, monitoring and control of all relevant risks. The framework also enables the Company to continually align its business objectives against a background of changing risks and uncertainty.

The risk management framework:

- Enables the Company to proactively manage its risks in a systematic manner;
- Ensures that appropriate measures are in place to mitigate risks;
- Creates a culture of risk awareness within the Company; and



- Ensures that risk management is an integral part of the Company's decision-making process.

#### **4.4.1 Risk Identification**

The Risk Identification process provides guidance on the sources to investigate and research in order to identify new and emerging risks and sets out consistent principles, which should be applied.

#### **4.4.2 Risk Assessment**

The Risk Assessment process is the means through which the Company understands and estimates the effect of risk on the business and the processes, systems and controls that mitigate those risks to an acceptable level.

#### **4.4.3 Risk monitoring and control**

Based on the Risk Assessment findings and having the Risk Appetite as a benchmark the Company decides to eliminate, mitigate, or tolerate the risks faced and accordingly takes appropriate actions and measures to achieve the decision being made. The actions and measures are monitored for performance and change achievement.

#### **4.4.4 Stress Testing**

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

- Understanding the risk profile of the Company.
- The evaluation of the Company's capital adequacy in absorbing potential losses under stressed conditions: This takes place in the context of the Company's ICARAP on an annual basis.
- The evaluation of the Company's strategy: Senior management considers the stress test results against the approved business plans and determines whether any corrective actions need to be taken. Overall, stress testing allows senior management to determine whether the Company's exposures correspond to its risk appetite.
- The establishment or revision of limits: Stress test results, where applicable, are part of the risk management processes for the establishment or revision of limits across products, different market risk variables and portfolios.

The ultimate responsibility and ownership of the Company's stress testing policy rests with the BoD. If the stress testing scenarios reveal vulnerability to a given set of risks, the management should make recommendations to the BoD for mitigation measures or actions. These may vary depending on the circumstances and include one or more of the following:

- Review the overall business strategy, risk appetite, capital and liquidity planning.
- Review limits.



- Reduce underlying risk positions through risk mitigation strategies.
- Consider an increase in capital.
- Enhance contingency planning.

The Company performs financial modelling and stress analysis on a frequent basis, especially when year-end financial results are available or when it revises its business plan, mainly through its ICARAP report.

#### ***4.5 Internal Capital Adequacy Assessment & Risk Process Report***

The Company has established an ICARAP which is documented in an annual ICARAP Report in accordance with Section 18 of the Prudential Supervision Law. Upon CySEC's request the ICARAP Report shall be submitted to CySEC.

The ICARAP report describes how the Company has implemented and embedded the management of the various risks to which it is exposed to the capital planning and capital allocation process. ICARAP also describes the Company's Risk Management framework, which includes, inter alia, its risk profile and risk appetite, the risk management limits, the measures that need to be taken and, where necessary, the Pillar II capital to be held for the most material risks faced by the Company.

In performing its ICARAP, the Company has adopted the "Pillar I" approach. In particular, the Company uses simple methods to quantify the capital requirements, over and above the Pillar I minimum requirement, as more advanced approaches are considered unsuitable for the size and complexity of the Company and require extensive use of resources and time to produce.

In particular, the Company will focus its assessment on the identification of key risks, quantification of these risks and the mechanisms used for allocating capital for these risks. The ICARAP will be structured around the following elements:

- Pillar I capital (i.e., capturing the capital requirements in line with IFR;
- Risks covered by Pillar II (e.g., capturing additional requirements on capital – self-imposed by the Company or imposed by the Commission);
- The forward-looking capital planning, i.e., the credibility of the assumptions used and the evolution of capital adequacy in the planning horizon; and
- Stress testing, i.e., the breadth and depth of the stress and reverse stress scenarios as well as the outcome of the stress testing.

Based on the assessment of risks and all internal and risk external factors, the main deficiencies and weaknesses found by the application of the ICARAP should be summarized and, if found to be significant, an action plan should be put together and presented as part of the ICARAP report by the RM. This action plan may include, inter alia, the following measures:

- Modification of the Company's risk profile, i.e., reduction of a certain activity or activities, application of new risk mitigation techniques, revision of limits, etc.;



- Improvements in internal governance and internal organization as well as improvements in risk management and internal control; and
- Modification of the own funds target, stating the related adaptation period, if appropriate.

#### **4.6 Board Declaration - Adequacy of the Risk Management arrangements**

The BoD is ultimately responsible for the risk management framework of the Company. The risk management framework is the totality of systems, structures, policies, processes and people within the Company that identify, assess, mitigate and monitor all internal and external sources of risk that could have a material impact on the Company's operations.

The Board is responsible for reviewing the effectiveness of the Company's risk management arrangements and systems of financial and internal control. These are designed to manage rather than eliminate the risks of not achieving business objectives, and - as such - offer reasonable but not absolute assurance against fraud, material misstatement and loss.

The Board considers that it has in place adequate systems and controls regarding the Company's profile and strategy and an appropriate array of assurance mechanisms, properly resourced and skilled, to avoid or minimize loss. The Risk Manager is responsible for preparation of the Risk Management report at least annually which is submitted to the BoD for review and approval. The members of the BoD are responsible for reviewing the issues identified and see that the senior management take mitigating actions where necessary by taking into account the principle of proportionality.

#### **4.7 Board Risk Statement**

Considering its current nature, scale and complexity of operations, the Company has developed a policy that establishes and applies processes and mechanisms that are most appropriate and effective in monitoring activities.

The aim is to promptly identify, measure, manage, report and monitor risks that interfere with the achievement of the Company's strategic, operational and financial objectives. The policy includes adjusting the risk profile in line with the Company's stated risk tolerance to respond to new threats and opportunities in order to minimize risks and optimize returns.

Risk appetite measures are integrated into decision making, monitoring and reporting processes, with early warning trigger levels set to drive any required corrective action before overall tolerance levels are reached. Risks are assessed systematically and evaluated as to the probability of a risk scenario occurring, as well as the severity of the consequences should they occur. The following table sets out several key measures used to monitor the Company's risk profile:





Table 4: Material Risks

| Risk Type             | Metrics                                                      | Comment                                                                                                                                                                                                                                                                                         | Measure as at 31/12/2025                                                                 |
|-----------------------|--------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------|
| Capital adequacy risk | Core Equity Tier1 (CET1), Tier 1 (T1), Own Funds ratio (OFR) | The Company's objective is to maintain regulatory ratios well above the minimum thresholds set by the IFR and CySEC. It therefore aims to maintain its capital ratios at least 200 basis points above the required level based on the IFR transitional provisions (56% CET1, 75% T1, 100% OFR). | CET1: <b>1287.07%</b><br>Tier 1: <b>1287.07%</b><br>Total capital ratio: <b>1287.07%</b> |
| Liquidity risk        | Headroom to Liquidity Requirement                            | The Company aims to keep its Liquid assets higher than the liquidity requirement as defined by IFR                                                                                                                                                                                              | Liquidity requirement headroom: <b>€ 2,552K</b>                                          |

## 5 Own Funds & Minimum Capital Requirements

### 5.1 Capital Base

Own Funds consists mainly of paid-up ordinary share capital, share premium, retained earnings less current year losses; whereas, current year profits are not added to own funds unless these are audited. The Company has recorded a net profit for the financial year ending 31 December 2025. The Company as per the Law and the IFR is obliged to deduct the Investor Compensation Fund amount held as an asset on its balance sheet.

The Composition of the Company's Own Funds as of 31 December 2025 are presented in **Table 5** below, supplemented by

#### Investment policy

The disclosure requirements under **Article 52 of Regulation (EU) 2019/2033** relating to investment policy are not applicable to the Company, as the Company does not hold qualifying participations in companies with shares admitted to trading on a regulated market that would trigger the disclosure requirements of Article 52 IFR.

## 6 Environmental, social and governance risks ("ESG risks")

The Company meets the proportionality threshold set out in Article 32(4)(a) of Directive (EU) 2019/2034 (IFD). As a result, the disclosure provisions relating to Environmental, Social and Governance (ESG) Risks pursuant to Article 53 of the IFR do not apply to the Company and thus have not been included in this Report.





Appendix I – Own funds: main features of own instruments issued by the firm, **Appendix II: Composition of regulatory own funds (EU IF CC1.01)** and **Appendix III: Reconciliation between the Balance Sheet presented in audited Financial Statements of the Company with the Balance Sheet prepared for Regulatory Purposes (EU IF CC2).**

*Table 5: Regulatory Own Funds Composition (IF1)*

| As of 31 December 2025,                                                    | EUR thousand |
|----------------------------------------------------------------------------|--------------|
| <b>OWN FUNDS</b>                                                           | 43,780       |
| <b>TIER 1 CAPITAL</b>                                                      | 43,780       |
| <b>COMMON EQUITY TIER 1 CAPITAL</b>                                        | 43,780       |
| Fully paid-up capital instruments                                          | 37,878       |
| Share premium                                                              | 1,106        |
| Retained earnings                                                          | 4,814        |
| Previous years retained earnings                                           | 3,338        |
| Profit eligible                                                            | 1,477        |
| Other reserves                                                             | 273          |
| <b>(-) TOTAL DEDUCTIONS FROM COMMON EQUITY TIER 1</b>                      | <b>(181)</b> |
| (-) Other intangible assets                                                | -            |
| (-) Losses for the current financial year                                  | (181)        |
| CET1: Other capital elements, deductions and adjustments ( <i>Note 1</i> ) | (111)        |
| <b>ADDITIONAL TIER 1 CAPITAL</b>                                           | <b>-</b>     |
| <b>TIER 2 CAPITAL</b>                                                      | <b>-</b>     |

## 6.1 Capital Requirements and Capital Adequacy

The Company's objectives when managing capital are:

- to comply with the capital requirements set by the CySEC;
- to safeguard its ability to continue as a going concern; and
- to maintain a strong capital base to support the development of its business.

The primary objective of the Company's capital management is to ensure that the Company complies with externally imposed capital requirements and that the Company maintains capital ratios with a reasonable headroom in order to support its business strategy.

The Company's policy on capital management focuses on maintaining the capital base sufficient in order to keep the stakeholder's confidence and to secure the future development of the Company. Capital adequacy and the use of the regulatory capital are monitored by the Company's management through its Internal Capital & Liquidity Adequacy Assessment Process. The Company is further required to report on its capital adequacy quarterly to CySEC. Management



monitors such reporting and has policies and procedures in place to help meet the specific regulatory requirements. All reports are submitted to the Regulator within the deadlines set out.

Since the CIF is a Class 2 investment firm, it shall at all times have own funds in accordance with Article 9 of the IFR which amount to at least D, where D is defined as the highest of the following:

- a) the fixed overheads requirement (“FOR”) calculated in accordance with Article 13 of the IFR;
- b) the permanent minimum capital requirement (“PMR”) in accordance with Article 14 of the IFR;
- c) their K-factor requirement (“KFR”) calculated in accordance with Article 15 of the IFR.

Investment firms shall have own funds consisting of the sum of their Common Equity Tier 1 capital, Additional Tier 1 capital and Tier 2 capital, and shall meet all the following conditions at all times:

- (a) 
$$\frac{\text{Common Equity Tier 1 capital}}{D} \geq 56 \%$$
- (b) 
$$\frac{\text{Common Equity Tier 1 capital} + \text{Additional Tier 1 capital}}{D} \geq 75 \%$$
- (c) 
$$\frac{\text{Common Equity Tier 1 capital} + \text{Additional Tier 1 capital} + \text{Tier 2 capital}}{D} \geq 100 \%$$

The IFR provides for transitional provisions to facilitate the gradual phase-in of the new capital requirements. By way of derogation from points (a) and (c) of Article 11(1) – i.e., *if D is defined either by FOR or by KFR*, the Company may apply lower own funds requirements for a period of five years from 26 June 2021, *equal to twice* the relevant own funds requirement pursuant to Chapter 1 of Title I of Part Three of CRR, with reference to levels of initial capital set by Title IV of MIFID II, that would have applied if the investment firm had continued to be subject to the own funds requirements of the CRR (i.e., €745k for the Company). In addition, by way of derogation from point (b) of Article 11(1) – i.e., *if D is defined by PMR*, the Company may limit its PMR to those provided under CRR and CRD, that would have applied if the investment firm had continued to be subject to CRR and CRD, subject to an annual increase in the amount of those requirements of at least EUR 5 000 during the five-year period. This means that for the third year since IFR implementation (i.e., from June 2024 to June 2025) the PMR will be €745k under these transitional provisions.

The Company’s Own Funds requirement as of 31 December 2025 was €3,407K as defined by the KFR since it is larger than FOR and PMR calculated as of the same date, and this represents the fully loaded Own Funds Requirement. As per transitional arrangements, the transitional own funds requirement is €1,490k defined as double the €745k minimum capital requirement under CRR.

Table 6: Own Funds Requirements (IF2.1)

| As of 31 December 2025, | EUR thousand |
|-------------------------|--------------|
| Own Funds requirement   | 3,407        |



|                                                                                                                |       |
|----------------------------------------------------------------------------------------------------------------|-------|
| Permanent minimum capital requirement                                                                          | 1,500 |
| Fixed overhead requirement                                                                                     | 330   |
| Total K-Factor Requirement                                                                                     | 3,407 |
| <b>Transitional own funds requirements</b>                                                                     |       |
| Transitional requirement <i>based on CRR own funds requirements</i>                                            | 1,490 |
| Transitional requirement <i>based on fixed overhead requirements</i>                                           | -     |
| Transitional requirement <i>for investment firms previously subject only to an initial capital requirement</i> | -     |
| Transitional requirement <i>based on initial capital requirement at authorisation</i>                          | -     |
| Transitional requirement for investment firms that are not authorised to provide certain services              | -     |
| Transitional requirement of at least 250 000 EUR                                                               | -     |

Table 7: Capital Ratios – fully loaded (IF2.2)

| As of 31 December 2025,                   | Regulatory requirement | EUR thousand |
|-------------------------------------------|------------------------|--------------|
| CET 1 Ratio                               | ≥56.00%                | 1287.07%     |
| Surplus (+)/Deficit (-) of CET 1 Capital  |                        | 41,872       |
| Tier 1 Ratio                              | ≥75.00%                | 1287.07%     |
| Surplus (+)/Deficit (-) of Tier 1 Capital |                        | 41,224       |
| Own Funds Ratio                           | ≥100.00%               | 1287.07%     |
| Surplus (+)/Deficit (-) of Total capital  |                        | 40,373       |

## 6.2 Permanent Minimum Capital Requirement

In accordance with Article 9 of the IFD and Article 9 of the Cyprus Prudential Supervision Law, the initial capital of an investment firm required pursuant to Article 15 of Directive 2014/65/EU for the authorization to provide any of the investment services or perform any of the investment activities listed in points (3) and (6) (dealing on own account and Underwriting of financial instruments and/or placing of financial instruments on a firm commitment basis) of Section A of Annex I to Directive 2014/65/EU shall be €750,000. As described in Section 5.2, transitional arrangements can apply for the first 5 years of IFR implementation that gradually scale up the previous €730k permanent minimum capital requirement up to the IFD defined €750k. Total Permanent minimum capital ( $€750K \times 2 = €1500K$ ) reflects the sum of the two entities for prudential consolidation purposes. This represents the Permanent Minimum Capital Requirement of the Company which is the absolute minimum capital requirement should FOR or KFR not be greater than that.

## 6.3 Fixed Overhead Requirement



The Company's fixed overhead expenditure is limited to the extent of its current scale and complexity. The Company has a diligent accounting and cost control framework to identify, assess, monitor, and control costs or overlays. Overall planning, coordination, and monitoring is centralized; with most fixed overheads managed by senior management which undertakes a prudent approach in optimizing the benefit-service to client and cost basis of the Company.

The Company calculates the Fixed Overhead Requirement based on Article 13 of the IFR. As such the FOR is defined as at least one quarter of the fixed overheads of the preceding year. Investment firms shall use figures resulting from the applicable accounting framework which is further interpreted as figures of the investment firm's most recent audited annual financial statements after distribution of profits.

Therefore, the calculation shown in **Table 88** below is based on the fixed overheads as derived from the audited financial statements of the Company for the year ending 31 December 2025.

*Table 8: Fixed Overheads Requirement Calculation (IF3):*

| As of 31 December 2025,                                                          | EUR thousand |
|----------------------------------------------------------------------------------|--------------|
| <b>Fixed Overhead Requirement</b>                                                | <b>330</b>   |
| <b>Annual Fixed Overheads of the previous year after distribution of profits</b> | <b>1,321</b> |
| <b>Total expenses of the previous year after distribution of profits</b>         | <b>1,366</b> |
| <b>(-) Total deductions</b>                                                      | <b>(45)</b>  |

#### 6.4 K-Factor Requirement

The quantification of the capital requirements is split by factor (the "K-Factors") based on the applicable activity of the CIF and is classified to risks derived from client ("RtC"), risks derived from market ("RtM") and risks derived from the firm ("RtF"). A factor amount is measured based on this activity at a reference date and based on historical information and then multiplied by a factor-coefficient provided by Article 15 of the IFR.

The CIF does not provide investment services that would trigger the Assets under Management K-Factor and has not made a derogation to utilize the Clearing Margin Given K-factor as opposed to quantifying the Net Position Risk and Trading Counterparty Default. The Company has placed trades on its own account during the year and hold positions during the year.

In the sub-sections below details of the methodology and assumptions for the quantification of each relevant K-Factor are provided. **Table 9** below demonstrates the summary of the quantified capital requirements for each K-Factor and the total KFR as of 31 December 2025:

*Table 9: Total K-Factor Requirement Calculations (IF4)*



| As of 31 December 2025<br>EUR thousand     | Factor amount | K-factor<br>requirement |
|--------------------------------------------|---------------|-------------------------|
| <b>TOTAL K-FACTOR REQUIREMENT</b>          |               | 3,407                   |
| <b>Risk to client</b>                      |               | 24                      |
| Assets under management                    | -             | -                       |
| Client money held - Segregated             | 3,254         | 13                      |
| Client money held - Non - segregated       | 1,509         | 8                       |
| Assets safeguarded and administered        | 8,033         | 3                       |
| Client orders handled - Cash trades        | -             | -                       |
| Client orders handled - Derivatives Trades | -             | -                       |
| <b>Risk to market</b>                      |               | 2,852                   |
| K-Net positions risk requirement           |               | 2,852                   |
| Clearing margin given                      | -             | -                       |
| <b>Risk to firm</b>                        |               | 531                     |
| Trading counterparty default               |               | 397                     |
| Daily trading flow - Cash trades           | 132,112       | 132                     |
| Daily trading flow - Derivative trades     | 15,917        | 2                       |
| K-Concentration risk requirement           |               | -                       |

#### 6.4.1 Client Money Held (K-CMH)

CMH means the amount of client money that an investment firm holds, taking into account the legal arrangements in relation to asset segregation and irrespective of the national accounting regime applicable to client money held by the investment firm.

The K-CMH is split into segregated and non-segregated accounts. Segregated accounts, for the purpose of the K-CMH, means accounts with entities where client money held by an investment firm is deposited in accordance with Article 4 of Commission Delegated Directive (EU) 2017/593 and, where applicable, where national law provides that, in the event of insolvency or entry into resolution or administration of the investment firm, the client money cannot be used to satisfy claims in relation to the investment firm other than claims by the client. The Company only uses segregated client accounts.

For the purpose of calculating K-CMH, CMH is the rolling average of the value of total daily client money held, measured at the end of each business day for the previous nine months, excluding the



three most recent months. CMH is the arithmetic mean of the daily values from the remaining six months. The average amount is shown in Factor amount column in **Table 9** which is then multiplied by the coefficient 0.4%.

#### **6.4.2 Assets Safeguarded and Administered (K-ASA)**

ASA means the value of assets that an investment firm safeguards and administers for clients, irrespective of whether assets appear on the investment firm's own balance sheet or are in third-party accounts.

For the purpose of calculating K-ASA, ASA is the rolling average of the value of total daily assets safeguarded and administered, measured at the end of each business day for the previous nine months, excluding the three most recent months. ASA is the arithmetic mean of the daily values from the remaining six months. The average amount is shown in Factor amount column in **Table 9** which is then multiplied by the coefficient 0.04%.

#### **6.4.3 Client Orders Handled (K-COH)**

COH means the value of orders that an investment firm handles for clients, through the reception and transmission of client orders and through the execution of orders on behalf of clients.

For the purpose of calculating K-COH, COH is the rolling average of the value of the total daily client orders handled, measured throughout each business day over the previous six months, excluding the three most recent months. COH is the arithmetic mean of the daily values from the remaining three months.

The COH is measured as the sum of the absolute value of buys and the absolute value of sells for both cash trades (the value is the amount paid or received on each trade) and derivatives (the value of the trade is the notional amount of the contract). The average amount is shown in Factor amount column in **Table 9** which is then multiplied by the coefficient 0.01% for derivative instruments and 0.1% for fully funded/cash trades.

#### **6.4.4 Net Position Risk (K-NPR)**

The K-NPR requirement applies to all trading book positions, which include in particular positions in debt instruments (including securitization instruments), equity instruments, collective investment undertakings (CIUs), foreign exchange and gold, and commodities (including emission allowances). In addition, the K-NPR of an investment firm includes positions other than trading book positions where those give rise to foreign exchange risk or commodity risk.

For the purpose of calculating K-NPR, the own funds requirement for the trading book positions of an investment firm dealing on own account, whether for itself or on behalf of a client, is calculated using the approaches available under Title IV, Part three of the CRR.

The Company is authorized to Deal on its own account which means that it can have an own trading book which can be both speculative as well as acting as a market maker on the trading



positions of its clients. During the year and in line with its strategy, the Company did make use of its dealing on own account investment service. NPR may only arise for the foreign exchange risk in respect of trade receivable and corporate fund balances denominated in foreign exchange other than euro.

#### 6.4.5 Concentration risk (K-CON)

Part Four of the IFR specifies the limits, monitoring obligations and calculation methodology for concentration risk capital requirement for CIFs. The exposure value with regard to a client or group of connected clients for the purposes of concentration risk is the sum of:

- a) the positive excess of the investment firm's long positions over its short positions in *all the trading book financial instruments* issued by the client in question, the net position for each instrument calculated in accordance with the provisions referred to in points (a), (b) and (c) of Article 22;
- b) the exposure value of contracts and transactions referred to in Article 25(1) with the client in question, calculated in the manner laid down in Article 27.

An investment firm's limit with regard to the concentration risk of an exposure value with regard to an individual client or group of connected clients shall be 25 % of its own funds. Where that individual client is a credit institution or an investment firm, or where a group of connected clients includes one or more credit institutions or investment firms, the limit with regard to concentration risk shall be the higher of 25 % of the investment firm's own funds or EUR 150 million provided that for the sum of exposure values with regard to all connected clients that are not credit institutions or investment firms, the limit with regard to concentration risk remains at 25 % of the investment firms' own funds. Where the amount of EUR 150 million is higher than 25 % of the investment firm's own funds, the limit with regard to concentration risk shall not exceed 100 % of the investment firm's own funds. Based on the Company's profile the below are deemed large exposures for which a K-CON should be calculated:

- i. Any exposure by counterparty which is not a credit institution or an investment firm which is above 25% of own funds
- ii. Any exposure by counterparty which is a credit institution or an investment firm which is above 100% of own funds.

The Company carries out regular analyses of the exposures, including estimates of the trends, and takes into account the results of these analyses in setting and verifying the adequacy of the processes and limits, thresholds or similar concepts for concentration risk management. Examples of elements of such analysis, although not exhaustive are:

- undertaking a more detailed review of the risk environment in particular sector(s);
- reviewing with greater intensity the economic performance of borrowers;
- reviewing approval levels for business;
- reviewing risk mitigation techniques, their value and their legal enforceability;
- reviewing outsourced activities and contracts signed with third parties (vendors);
- reviewing the funding strategy, so as to ensure the maintenance of an effective diversification in the sources and tenor of funding; and



- reviewing the business strategy.

It is noted that the Company did not hold any position on trading or non-trading intent that would trigger the calculation of K-CON. Management has established relevant monitoring procedures to detect early any breaches of the exposure limits to each counterparty. Management will ensure that such limits are not breached and based on its operating model and nature of the business, this is well within its discretion to allow and control or disallow.

## 7 Liquidity Requirements

Article 43 of the IFR specifies the minimum liquidity requirement for investment firms which is an amount of liquid assets equivalent to at least one third of the fixed overhead requirement calculated in accordance with Article 13(1). As shown in **Table 3** below, the Company is well above this minimum regulatory requirement as of the year-end 31 December 2025.

The Company's liquidity base is currently comprised only of level 1 liquid assets which are mainly derived from corporate funds held in institutions within unencumbered short-term deposits.

Management takes a prudent approach in the liquidity management of the Company with ongoing cost and overhead control and liquidity micro-management. It is emphasized that this style of liquidity management is enabled due to the size and complexity of the Company.

*Table 30: Liquidity Requirements (IF9)*

| As of 31 December 2025,                              | EUR thousand |
|------------------------------------------------------|--------------|
| <b>Liquidity Requirement</b>                         | <b>110</b>   |
| <b>Total liquid assets</b>                           | <b>2,662</b> |
| <b>Unencumbered short-term deposits</b>              | 881          |
| <b>Total eligible receivables due within 30 days</b> | -            |
| <b>Level 1 assets</b>                                | <b>1,781</b> |
| Coins and banknotes                                  | 0            |
| Central government assets                            | 1,781        |
| <b>Level 2A assets</b>                               | -            |
| <b>Level 2B assets</b>                               | -            |
| <b>Qualifying CIU shares/units</b>                   | -            |
| <b>Total other eligible financial instruments</b>    | -            |

## 8 Investment policy

The disclosure requirements under Article 52 of Regulation (EU) 2019/2033 relating to investment policy are not applicable to the Company, as the Company does not hold qualifying participations





in companies with shares admitted to trading on a regulated market that would trigger the disclosure requirements of Article 52 IFR.

## 9 Environmental, social and governance risks (“ESG risks”)

The Company meets the proportionality threshold set out in Article 32(4)(a) of Directive (EU) 2019/2034 (IFD). As a result, the disclosure provisions relating to Environmental, Social and Governance (ESG) Risks pursuant to Article 53 of the IFR do not apply to the Company and thus have not been included in this Report.

## 10 Appendix I – Own funds: main features of own instruments issued by the firm (EU CCA)

*Main features of the ordinary shares of the Company*

|    |                                                                     | 2025                 |
|----|---------------------------------------------------------------------|----------------------|
| 1  | Issuer                                                              | ELIDI Securities Ltd |
| 2  | Unique identifier (e.g. CUSIP, ISIN or Bloomberg identifier for     | N/A                  |
| 3  | Public or private placement                                         | Private              |
| 4  | Governing law(s) of the instrument                                  | Cyprus Law           |
| 5  | Instrument type (types to be specified by each jurisdiction)        | Ordinary shares      |
| 6  | Amount recognised in regulatory capital                             | € 35,000K            |
| 7  | Nominal amount of instrument                                        | € 1                  |
| 8  | Issue price                                                         | € 1                  |
| 9  | Redemption price                                                    | N/A                  |
| 10 | Accounting classification                                           | Shareholders' Equity |
| 11 | Original date of issuance                                           | 28 December 2017     |
| 12 | Perpetual or dated                                                  | Perpetual            |
| 13 | Original maturity date                                              | No maturity          |
| 14 | Issuer call subject to prior supervisory approval                   | N/A                  |
| 15 | Optional call date, contingent call dates and redemption amount     | N/A                  |
| 16 | Subsequent call dates, if applicable                                | N/A                  |
|    | Coupons / dividends                                                 | N/A                  |
| 17 | Fixed or floating dividend/coupon                                   | Floating             |
| 18 | Coupon rate and any related index                                   | N/A                  |
| 19 | Existence of a dividend stopper                                     | No                   |
| 20 | Fully discretionary, partially discretionary or mandatory (in terms | Fully discretionary  |
| 21 | Fully discretionary, partially discretionary or mandatory (in terms | Fully discretionary  |
| 22 | Existence of step up or other incentive to redeem                   | No                   |
| 23 | Noncumulative or cumulative                                         | Non-cumulative       |
| 24 | Convertible or non-convertible                                      | N/A                  |
| 25 | If convertible, conversion trigger(s)                               | N/A                  |
| 26 | If convertible, fully or partially                                  | N/A                  |
| 27 | If convertible, conversion rate                                     | N/A                  |
| 28 | If convertible, mandatory or optional conversion                    | N/A                  |
| 29 | If convertible, specify instrument type convertible into            | N/A                  |
| 30 | If convertible, specify issuer of instrument it converts into       | N/A                  |



|    |                                                                      |     |
|----|----------------------------------------------------------------------|-----|
| 31 | Write-down features                                                  | N/A |
| 32 | If write-down, write-down trigger(s)                                 | N/A |
| 33 | If write-down, full or partial                                       | N/A |
| 34 | If write-down, permanent or temporary                                | N/A |
| 35 | If temporary write-down, description of write-up mechanism           | N/A |
| 36 | Non-compliant transitioned features                                  | N/A |
| 37 | If yes, specify non-compliant features                               | N/A |
| 38 | Link to the full term and conditions of the instrument (signposting) | N/A |

| 2025 |                                                                     |                                                                                                                                                                                        |
|------|---------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1    | Issuer                                                              | ELIDI Advisers Ltd                                                                                                                                                                     |
| 2    | Unique identifier (e.g. CUSIP, ISIN or Bloomberg identifier for     | N/A                                                                                                                                                                                    |
| 3    | Public or private placement                                         | Private                                                                                                                                                                                |
| 4    | Governing law(s) of the instrument                                  | Laws of England and Wales, including the Companies Act 2006                                                                                                                            |
| 5    | Instrument type (types to be specified by each jurisdiction)        | Ordinary shares                                                                                                                                                                        |
| 6    | Amount recognised in regulatory capital                             | € 2,878K (of which 2,534K participating shares, 344K non-participating shares)                                                                                                         |
| 7    | Nominal amount of instrument                                        | £ 1                                                                                                                                                                                    |
| 8    | Issue price                                                         | £ 1                                                                                                                                                                                    |
| 9    | Redemption price                                                    | N/A                                                                                                                                                                                    |
| 10   | Accounting classification                                           | Shareholders' Equity                                                                                                                                                                   |
| 11   | Original date of issuance                                           | 1 share - 01/12/2016<br>200,000 shares - 31/08/2017<br>10,748 shares - 17/08/2018<br>840 shares - 17/03/2020<br>300,000 shares - 15/11/2021 (non-part)<br>2,000,000 shares- 23/09/2025 |
| 12   | Perpetual or dated                                                  | Perpetual                                                                                                                                                                              |
| 13   | Original maturity date                                              | No maturity                                                                                                                                                                            |
| 14   | Issuer call subject to prior supervisory approval                   | N/A                                                                                                                                                                                    |
| 15   | Optional call date, contingent call dates and redemption amount     | N/A                                                                                                                                                                                    |
| 16   | Subsequent call dates, if applicable                                | N/A                                                                                                                                                                                    |
|      | Coupons / dividends                                                 | N/A                                                                                                                                                                                    |
| 17   | Fixed or floating dividend/coupon                                   | Fully discretionary                                                                                                                                                                    |
| 18   | Coupon rate and any related index                                   | N/A                                                                                                                                                                                    |
| 19   | Existence of a dividend stopper                                     | No                                                                                                                                                                                     |
| 20   | Fully discretionary, partially discretionary or mandatory (in terms | Fully discretionary                                                                                                                                                                    |
| 21   | Fully discretionary, partially discretionary or mandatory (in terms | Fully discretionary                                                                                                                                                                    |
| 22   | Existence of step up or other incentive to redeem                   | No                                                                                                                                                                                     |
| 23   | Noncumulative or cumulative                                         | Non-cumulative                                                                                                                                                                         |
| 24   | Convertible or non-convertible                                      | N/A                                                                                                                                                                                    |
| 25   | If convertible, conversion trigger(s)                               | N/A                                                                                                                                                                                    |
| 26   | If convertible, fully or partially                                  | N/A                                                                                                                                                                                    |
| 27   | If convertible, conversion rate                                     | N/A                                                                                                                                                                                    |
| 28   | If convertible, mandatory or optional conversion                    | N/A                                                                                                                                                                                    |
| 29   | If convertible, specify instrument type convertible into            | N/A                                                                                                                                                                                    |



|    |                                                                      |     |
|----|----------------------------------------------------------------------|-----|
| 30 | If convertible, specify issuer of instrument it converts into        | N/A |
| 31 | Write-down features                                                  | N/A |
| 32 | If write-down, write-down trigger(s)                                 | N/A |
| 33 | If write-down, full or partial                                       | N/A |
| 34 | If write-down, permanent or temporary                                | N/A |
| 35 | If temporary write-down, description of write-up mechanism           | N/A |
| 36 | Non-compliant transitioned features                                  | N/A |
| 37 | If yes, specify non-compliant features                               | N/A |
| 38 | Link to the full term and conditions of the instrument (signposting) | N/A |

## 11 Appendix II: Composition of regulatory own funds (EU IF CC1.01)

|                                                                      |                                                                                                                                         | (a)                                      | (b)                                                                        |
|----------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------|----------------------------------------------------------------------------|
|                                                                      |                                                                                                                                         | As of 31 December 2025 (audited)<br>€000 | Source based on reference<br>numbers of the audited trial<br>balance sheet |
| <b>Common Equity Tier 1 (CET1) capital: instruments and reserves</b> |                                                                                                                                         |                                          |                                                                            |
| <b>1</b>                                                             | <b>OWN FUNDS</b>                                                                                                                        | 43,780                                   |                                                                            |
| <b>2</b>                                                             | <b>TIER 1 CAPITAL</b>                                                                                                                   | 43,780                                   |                                                                            |
| <b>3</b>                                                             | <b>COMMON EQUITY TIER 1 CAPITAL</b>                                                                                                     | 43,780                                   |                                                                            |
| 4                                                                    | Fully paid-up capital instruments                                                                                                       | 37,878                                   | 610010                                                                     |
| 5                                                                    | Share premium                                                                                                                           | 1,106                                    |                                                                            |
| 6                                                                    | Retained earnings                                                                                                                       | 4,814                                    | 620030                                                                     |
| 7                                                                    | Accumulated other comprehensive income                                                                                                  | -                                        |                                                                            |
| 8                                                                    | Other reserves                                                                                                                          | 273                                      | 620020                                                                     |
| 9                                                                    | Minority interest given recognition in CET1 capital                                                                                     | -                                        |                                                                            |
| 10                                                                   | Adjustments to CET1 due to prudential filters                                                                                           | -                                        |                                                                            |
| 11                                                                   | Other funds                                                                                                                             | -                                        |                                                                            |
| 12                                                                   | (-) TOTAL DEDUCTIONS FROM COMMON EQUITY TIER 1                                                                                          | (181)                                    |                                                                            |
| 13                                                                   | (-) Own CET1 instruments                                                                                                                | -                                        |                                                                            |
| 14                                                                   | (-) Direct holdings of CET1 instruments                                                                                                 | -                                        |                                                                            |
| 15                                                                   | (-) Indirect holdings of CET1 instruments                                                                                               | -                                        |                                                                            |
| 16                                                                   | (-) Synthetic holdings of CET1 instruments                                                                                              | -                                        |                                                                            |
| 17                                                                   | (-) Losses for the current financial year                                                                                               | (181)                                    |                                                                            |
| 18                                                                   | (-) Goodwill                                                                                                                            | -                                        |                                                                            |
| 19                                                                   | (-) Other intangible assets                                                                                                             | -                                        | 150002,151002                                                              |
| 20                                                                   | (-) Deferred tax assets that rely on future profitability and do not arise from temporary differences net of associated tax liabilities | -                                        |                                                                            |
| 21                                                                   | (-) Qualifying holding outside the financial sector which exceeds 15% of own funds                                                      | -                                        |                                                                            |



|    |                                                                                                                      |       |        |
|----|----------------------------------------------------------------------------------------------------------------------|-------|--------|
| 22 | (-) Total qualifying holdings in undertaking other than financial sector entities which exceeds 60% of its own funds | -     |        |
| 23 | (-) CET1 instruments of financial sector entities where the institution does not have a significant investment       | -     |        |
| 24 | (-) CET1 instruments of financial sector entities where the institution has a significant investment                 | -     |        |
| 25 | (-) Defined benefit pension fund assets                                                                              | -     |        |
| 26 | (-) Other deductions                                                                                                 | -     |        |
| 27 | CET1: Other capital elements, deductions and adjustments                                                             | (111) | 230001 |
| 28 | <b>ADDITIONAL TIER 1 CAPITAL</b>                                                                                     | -     |        |
| 29 | Fully paid up, directly issued capital instruments                                                                   | -     |        |
| 30 | Share premium                                                                                                        | -     |        |
| 31 | (-) TOTAL DEDUCTIONS FROM ADDITIONAL TIER 1                                                                          | -     |        |
| 32 | (-) Own AT1 instruments                                                                                              |       |        |
| 33 | (-) Direct holdings of AT1 instruments                                                                               | -     |        |
| 34 | (-) Indirect holdings of AT1 instruments                                                                             | -     |        |
| 35 | (-) Synthetic holdings of AT1 instruments                                                                            | -     |        |
| 36 | (-) AT1 instruments of financial sector entities where the institution does not have a significant investment        | -     |        |
| 37 | (-) AT1 instruments of financial sector entities where the institution has a significant investment                  | -     |        |
| 38 | (-) Other deductions                                                                                                 | -     |        |
| 39 | Additional Tier 1: Other capital elements, deductions and adjustments                                                | -     |        |
| 40 | <b>TIER 2 CAPITAL</b>                                                                                                | -     |        |
| 41 | Fully paid up, directly issued capital instruments                                                                   | -     |        |
| 42 | Share premium                                                                                                        | -     |        |
| 43 | (-) TOTAL DEDUCTIONS FROM TIER 2                                                                                     | -     |        |
| 44 | (-) Own T2 instruments                                                                                               | -     |        |
| 45 | (-) Direct holdings of T2 instruments                                                                                | -     |        |

**Disclosure and Market Discipline Report**  
**December 31<sup>st</sup>, 2025**



|    |                                                                                                              |   |  |
|----|--------------------------------------------------------------------------------------------------------------|---|--|
| 46 | (-) Indirect holdings of T2 instruments                                                                      | - |  |
| 47 | (-) Synthetic holdings of T2 instruments                                                                     | - |  |
| 48 | (-) T2 instruments of financial sector entities where the institution does not have a significant investment | - |  |
| 49 | (-) T2 instruments of financial sector entities where the institution has a significant investment           | - |  |
| 50 | Tier 2: Other capital elements, deductions and adjustments                                                   | - |  |



## 12 Appendix III: Reconciliation between the Balance Sheet presented in audited Financial Statements of the Company with the Balance Sheet prepared for Regulatory Purposes (EU IF CC2)

|                                                                                 |                                                                                            | a                                                          | b                                                   | c                            |
|---------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------|------------------------------------------------------------|-----------------------------------------------------|------------------------------|
|                                                                                 |                                                                                            | Balance sheet as in published/audited financial statements | Under regulatory scope of consolidation             | Cross reference to EU IF CC1 |
|                                                                                 |                                                                                            | As at period end 31 December 2025 (audited) in 000s        | As at period end 31 December 2025 (audited) in 000s |                              |
| <b>Assets - Breakdown by asset classes according to the audited FS</b>          |                                                                                            |                                                            |                                                     |                              |
| 1                                                                               | Property, plant and equipment                                                              | 686                                                        | 686                                                 | 12                           |
| 2                                                                               | Right-of-use assets                                                                        | 235                                                        | 235                                                 |                              |
| 3                                                                               | Intangible assets                                                                          | 3                                                          | 3                                                   |                              |
| 4                                                                               | Investment in subsidiary undertaking                                                       | 3,632                                                      | 3,632                                               | 13                           |
| 5                                                                               | Non-current receivable (ICF)                                                               | 43                                                         | 43                                                  |                              |
| 6                                                                               | Deposits and prepayments                                                                   | 118                                                        | 118                                                 |                              |
| 7                                                                               | Trade and other receivables                                                                | 115                                                        | 115                                                 |                              |
| 8                                                                               | Amount due from brokers                                                                    | 6,751                                                      | 6,751                                               | 18                           |
| 9                                                                               | Financial assets at fair value through profit or loss under securities lending arrangement | 2,580                                                      | 2,580                                               | 15                           |
| 10                                                                              | Financial assets at fair value through profit or loss                                      | 37,847                                                     | 37,847                                              | 16                           |
| 11                                                                              | Derivative financial instruments                                                           | 244                                                        | 244                                                 | 14                           |
| 12                                                                              | Refundable taxes                                                                           | 73                                                         | 73                                                  |                              |
| 13                                                                              | Cash and Cash equivalents                                                                  | 571                                                        | 1,002                                               | 17                           |
| 14                                                                              | Investment                                                                                 | -                                                          | 458                                                 |                              |
| 15                                                                              | Debtors: amounts falling due within one year                                               | -                                                          | 433                                                 |                              |
| 16                                                                              | Current asset investments                                                                  | -                                                          | 2,313                                               |                              |
|                                                                                 | <b>Total Assets</b>                                                                        | <b>52,899</b>                                              | <b>56,534</b>                                       |                              |
| <b>Liabilities - Breakdown by liability classes according to the audited FS</b> |                                                                                            |                                                            |                                                     |                              |

**Disclosure and Market Discipline Report**  
**December 31<sup>st</sup>, 2025**



|                                                                     |                                                   |               |               |    |
|---------------------------------------------------------------------|---------------------------------------------------|---------------|---------------|----|
| 1                                                                   | Trade and Other payables                          | 5,588         | 7,278         | 21 |
| 2                                                                   | Financial liabilities under repurchase agreements | 6,348         | 6,348         | 20 |
| 3                                                                   | Derivative financial instruments                  | 901           | 901           | 14 |
| 4                                                                   | Lease liabilities (current)                       | 123           | 123           |    |
| 5                                                                   | Lease Liabilities (non-current)                   | 116           | 116           |    |
|                                                                     | <b>Total Liabilities</b>                          | <b>13,077</b> | <b>14,766</b> |    |
| <b>Shareholders' Equity - Breakdown according to the audited FS</b> |                                                   |               |               |    |
| 1                                                                   | Share capital                                     | 35,000        | 37,878        | 19 |
| 2                                                                   | Other reserves                                    | 8             | 1,379         |    |
| 3                                                                   | Retained earnings                                 | 4,814         | 2,511         |    |
|                                                                     | <b>Total Shareholders' equity</b>                 | <b>39,822</b> | <b>41,768</b> |    |



## 13 Glossary

| Term                          | Description                                                                                                                                                                                                                                                                                                                                                              |
|-------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| BoD                           | BoD                                                                                                                                                                                                                                                                                                                                                                      |
| CIF                           | Cyprus Investment Firm                                                                                                                                                                                                                                                                                                                                                   |
| Commission Regulator or CySEC | Cyprus Securities and Exchange Commission –the independent public supervisory Authority responsible for the supervision of the investment services market, transactions in transferable securities carried out in the Republic of Cyprus and the collective investment and asset management sector                                                                       |
| Company                       | ELIDI Securities Ltd is a limited liability company with share capital, incorporated in accordance with the Laws of the Republic (registration number HE 360073). As a CIF, the Company is regulated in the conduct of its business by the Cyprus Securities and Exchange Commission with license number 352/17.                                                         |
| CRR                           | Means the Capital Requirements Regulation 2013 - Regulation (EU) N° 575/2013                                                                                                                                                                                                                                                                                             |
| MiFID II                      | Directive 2014-65-EC on markets in financial instruments                                                                                                                                                                                                                                                                                                                 |
| EU Member                     | Member states of the European Union                                                                                                                                                                                                                                                                                                                                      |
| FOR                           | Fixed Overhead Requirement as defined by Article 13 of IFR                                                                                                                                                                                                                                                                                                               |
| ICARAP                        | Internal Capital Adequacy Assessment Process/ Internal Liquidity Adequacy Assessment Process                                                                                                                                                                                                                                                                             |
| IOM                           | Internal Operations/Procedures Manual of the Company                                                                                                                                                                                                                                                                                                                     |
| IFR                           | 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                                                                                                                       |
| IFD                           | Jointly the 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 and the transposing Republic of Cyprus law: L. 165(I)/2021 on the prudential supervision of investment firms. |
| KFR                           | K-Factor Requirement calculated in accordance with Article 15 of the IFR                                                                                                                                                                                                                                                                                                 |
| KRIs                          | Key Risk Indicators                                                                                                                                                                                                                                                                                                                                                      |
| Law                           | Investment Services and Activities and Regulated Markets Law of 2017 – L.87(I)/2017                                                                                                                                                                                                                                                                                      |
| LQR                           | Liquidity Requirement calculated in accordance with Article 43 of IFR                                                                                                                                                                                                                                                                                                    |
| PMR                           | Permanent Minimum (Capital) Requirement as per IFD and the Prudential Supervision Law                                                                                                                                                                                                                                                                                    |
| Prudential Supervision Law    | Cyprus Law 165(I)/2021 on the prudential supervision of investment firms                                                                                                                                                                                                                                                                                                 |
| RAS                           | Means the Risk Appetite Statement                                                                                                                                                                                                                                                                                                                                        |
| Republic                      | Means the Republic of Cyprus                                                                                                                                                                                                                                                                                                                                             |
| SREP                          | Supervisory Review and Evaluation Process                                                                                                                                                                                                                                                                                                                                |
| SREP Guidelines               | Joint EBA and ESMA Guidelines on common procedures and methodologies for the supervisory review and evaluation process (SREP) under Directive (EU) 2019/2034 (EBA/GL/2022/09)                                                                                                                                                                                            |