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DISCLOSURE AND MARKET DISCIPLINE REPORT FOR Year 2024

April 2025

DISCLOSURE

The Disclosure and Market Discipline Report for the year 2022 has been prepared by Wise Wolves Group Ltd as per the requirements of Regulation (EU) No. 2019/2033 (the IFR) and the Directive (EU) No. 2019/2034 (the IFD) issued by the European Commission.

Wise Wolves Group Ltd states that any information that was not included in this report was either not applicable on the Group's business and activities -OR- such information is considered as proprietary to the Group and sharing this information with the public and/or competitors would undermine our competitive position.

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1 OVERVIEW

1.1 Introduction

Wise Wolves Group Ltd (hereinafter referred to as the “**Group**” and/or “**WWG**”), is a holding Company incorporated in the Republic of Cyprus through the Department of Registrar of Cyprus and Official Receiver with incorporation number HE 366896 with an incorporation date of 08/03/2017, The Group provides a wide range of services, including Management Consultancy, Finance, Investment, Payments, Corporate, Fund and Trust Administration, and Tax Consultancy to international and local clients globally.

In compliance with Regulation (EU) No. 2019/2033 (the “**Investment Firms Regulation**” or “**IFR**”), which took effect in 2021, Wise Wolves Group Ltd is obligated to disclose essential information. This includes risk management objectives, policies, own fund’s structure, requirements, and key features of our corporate governance, including the remuneration system. These disclosures are presented on a consolidated basis, as outlined in Article 7 of the IFR.

This report aims to enhance market discipline and transparency among market participants. It provides Pillar III disclosures for Wise Wolves Group Ltd and its regulated subsidiaries, Wise Wolves Finance Ltd (“**WWF**”) and Wise Wolves Payment Institution Ltd (“**WWPI**”). The information pertains to the year ended 31st December 2022 (based on unaudited management accounts) and is presented in a consolidated format.

1.2 Regulatory (Prudential) Framework

The Pillar III Disclosures have been prepared in accordance with the new regulatory regime for IFs adopted by the European Parliament, the IFR and the Investment Firms Directive (EU) 2019/2034 (the "**IFD**"), as well as the relevant provisions of "**The Prudential Supervisions for Investment Firms Law of 2021**", Law 165(1)/2021 (the "**Law**"), and "**The Capital Adequacy Investment Firms Law of 2021**", Law 164(1)/2021, amending Law 97(1)/2021 (the "**Capital Adequacy Law").**

The IFR on the prudential requirements of IFs amends the CRR, Markets in Financial Instruments Regulation (the "**MiFIR**" or "**Regulation 600/2014**"), Single Resolution Mechanisms Regulations (the "**UMW or "Regulation 806/2014**"), and Regulation 1093/2010. This regulation lays down uniform prudential requirements that apply to investment firms authorized and supervised under MiFID 11 and supervised for compliance with prudential requirements under IFD. The prudential requirements include the following:

- Own funds requirements relating to quantifiable, uniform, and standardized elements of risk to-firm, risk-to-client, and risk-to-market (Part Two and Three of IFR).
- Requirements limiting concentration risk (Part Four of IFR).
- Liquidity requirements relating to quantifiable, uniform, and standardized elements of liquidity risk (Part Five of IFR).
- Reporting requirements related to above mentioned points.
- Public disclosure requirements.

The IFD lays down rules on the initial capital of investment firms and on the supervisory powers and tools for prudential supervision of IFs by competent authorities. IFD amends Capital Requirements Directives (the "**CRD IV**" or "**Directive 2013/36/EU**"), Bank Recovery & Resolution Directive (the "**BRRD**" or "**Directive 2014/59/EU**"), Markets in Financial Instruments Directive (the "**MiFID II**" or "**Directive 2014/65/EU**"), Financial Conglomerates Directive (2002/87/EC), and Alternative Investment Fund Managers Directive (the "**AIFMD**" or "**Directive 2011/61/EU**").

Even though the IFR/IFD does not explicitly refer to Pillars, it adopts the same three Pillar approach used in the Basel standards and implemented in CRD IV:

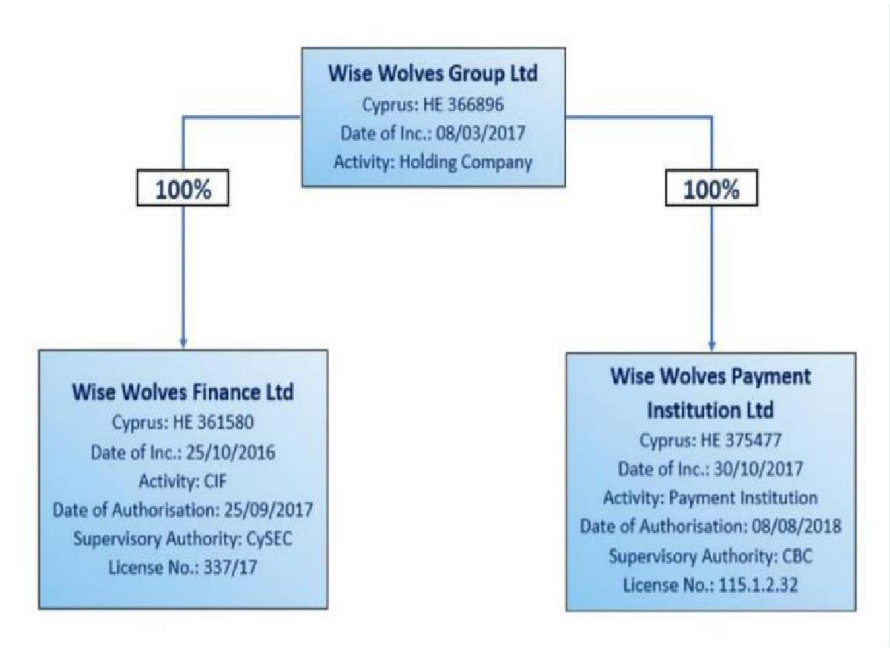
Pillar I- Capital Requirements: Covers minimum regulatory capital requirements, liquidity buffer and concentration risk limited (part three of IFR).

Pillar II- Internal Capital Adequacy and Risk Assessment Process (the "**ICARA**"): Risk-based assessment of risks not fully captured under Pillar I. The ICARA includes a complete risk assessment and analysis of monetary impact to determine any additional capital requirements, and include capital adequacy calculations, stress testing and scenario analysis, as well as all the relevant information on liquidity adequacy. The ICARA might be subject to regulatory review through the SREP which may trigger a 'Pillar 2R' (the "**P2P**") capital add-on, "Pillar 2g" (the "P2G")' capital buffer or a liquidity buffer (Chapter 2 of Title IV of IFD).

Pillar III- Public Disclosure: Based on the requirements of Part Six of the IFR, an obligation to publish information on risk management objectives and policies, governance, own funds requirements, remuneration policy and practices, investment policy, which may also extend to environmental, social and governance risks (ESG).

1.3 Group Structure

GROUP STRUCTURE OF WWG SUBJECT TO PRUDENTIAL SUPERVISION CONSOLIDATION



1.4 Subsidiaries Corporate Information

1. **Wise Wolves Finance Ltd ("WWF")**

Table 1: Illustrate Wise Wolves Finance Ltd corporate info.

Company Name	Wise Wolves Finance Ltd
Company Activity	Cyprus Investment Firm ("CIF")
Authorization Date	25-Sep-17
License Number	337/17

Company Registration Date	25-Oct-16
Company Registration Number	HE 361580

Wise Wolves Finance Limited ("WWF"), an independent investment company, holds a **CySEC license** (License Number 337/17). WWF is fully accredited to provide a comprehensive array of cross-border investment services within the European Union's financial market. All our dealings and activities strictly adhere to the relevant laws, directives, and regulations applicable across the entire EU territory.

The Company is authorized to provide the following Investment Services, in accordance with Part I of the First Appendix of the Law:

1) Reception and transmission, on behalf of investors, of orders in relation to one or more of the financial instruments.
2) Execution of orders on behalf of Clients.
3) Dealing on own account.

The Company is authorized to provide the following Ancillary Services, in accordance with Part II of the First Appendix of the Law:

1) Safekeeping and administration of financial instruments, including custodianship and related services.
2) Granting credits or loans to one or more financial instruments, where the firm granting the credit or loan is involved in the transaction:
3) Advice to undertakings on capital structure, industrial strategy and related matters and advice and services relating to mergers and the purchase of undertakings:
4) Foreign exchange services where these are connected to the provision of investment services:
5) Investment research and financial analysis or other forms:

The Company is authorized to provide the investment and ancillary services for the following Financial Instruments, in accordance with Part III of the First Appendix of the Law:

1) Transferable securities.
2) Money-market instruments.
3) Units in collective investment undertakings.
4) Options, futures, swaps, forward rate agreements and any other derivative contracts relating to
5) securities, currencies, interest rates or yields, or other derivatives instruments, financial indices or financial measures which may be settled physically or in cash.
6) 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).
7) Options, futures, swaps, and any other derivative contract relating to commodities that can be physically settled if they are traded on a regulated market or/and an MTF.
8) Options, futures, swaps, forwards and any other derivative contracts relating to commodities, that can be physically settled not otherwise mentioned in point 6 of Part II 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;
9) Derivative instruments for the transfer of credit risk.

10) Financial contracts for differences.
11) 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, indices and measures not otherwise mentioned in this Part, which have the characteristics of other derivative financial instruments, having regard to whether, inter alia, they are traded on a regulated market or an MTF, are cleared and settled through recognized clearing houses or are subject to regular margin calls.

Table 2: Illustrates the Company Licence Information (based on the First Appendix of the Law)

<table>
<tr><th colspan="2" rowspan="2"></th><th colspan="9">Investment Services/Activities</th><th colspan="7">Ancillary Services</th></tr>
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1. <u>Wise Wolves Payment Institution Ltd (“WWPI”)</u>

Table 3: Illustrate Wise Wolves Payment Institution Ltd corporate info.

Company Name	Wise Wolves Payment Institution Limited
Company Activity	Payment Institution
Authorization Date	08-Aug-18
License Number	115.1.2.32
Company Registration Date	30-Oct-17
Company Registration Number	HE 375477

Wise Wolves Payment Institution Ltd (WWPI) is a licensed payment institution regulated by the Central Bank of Cyprus (CBC). Our license bears the number **115.1.2.32**. WWPI specializes in providing a comprehensive suite of payment services, catering primarily to corporate clients within the Wise Wolves Group. Our business model emphasizes seamless, one-stop service solutions for our clientele.

<u>Authorized Payment Services</u>:

WWPI is authorized to offer the following payment services:

1. **Execution of Direct Debits**: This includes both regular and one-off direct debits.
2. **Execution of Credit Transfers**: This encompasses standing orders and other credit transfer arrangements.

Ancillary Products and Services:

In addition to core payment services, WWPI provides the following ancillary offerings:

- **Guarantees (Letters of Guarantees)**:
  - Issued in favor of the Civil Registry and Migration Department of the Ministry of Interior.
  - Necessary for obtaining work permits for alien employees or family members of customers.
  - Guarantees are valid for 10 years, with the amount determined by the employee's citizenship (as defined by the Migration Department).
- **Escrow Services:**
  - Available in two scenarios: (i) **Escrow Account**: WWPI executes escrow payments while a third party (the client) acts as the escrow agent. (ii) **Escrow Agent Services**: WWPI acts as the Escrow Agent, executing escrow payments on behalf of clients.
- **PI-Online Service:**
  - Enables remote access to accounts and submission of payment orders for initiating payment transactions.

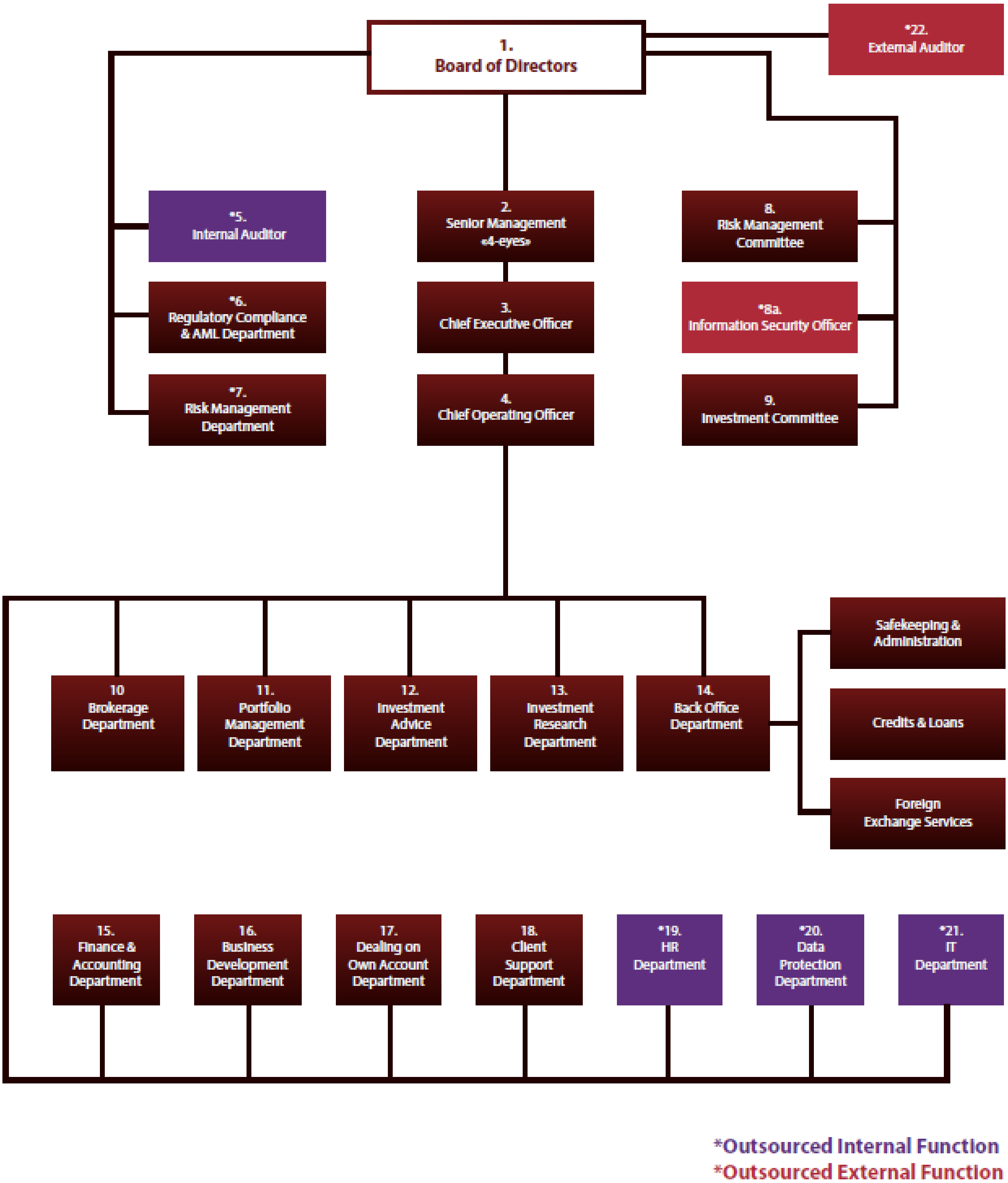
1.5 Organisational Structure

The risk oversight function of the board of directors has never been more critical and challenging than it is today. Rapidly advancing technologies, unstable economic conditions, pandemic outbreak, political and geographical issues increase the need for effective risk management procedures. Risk management is not simply a business and operational responsibility of management—it is a governance issue that is squarely within the oversight responsibility of the board.

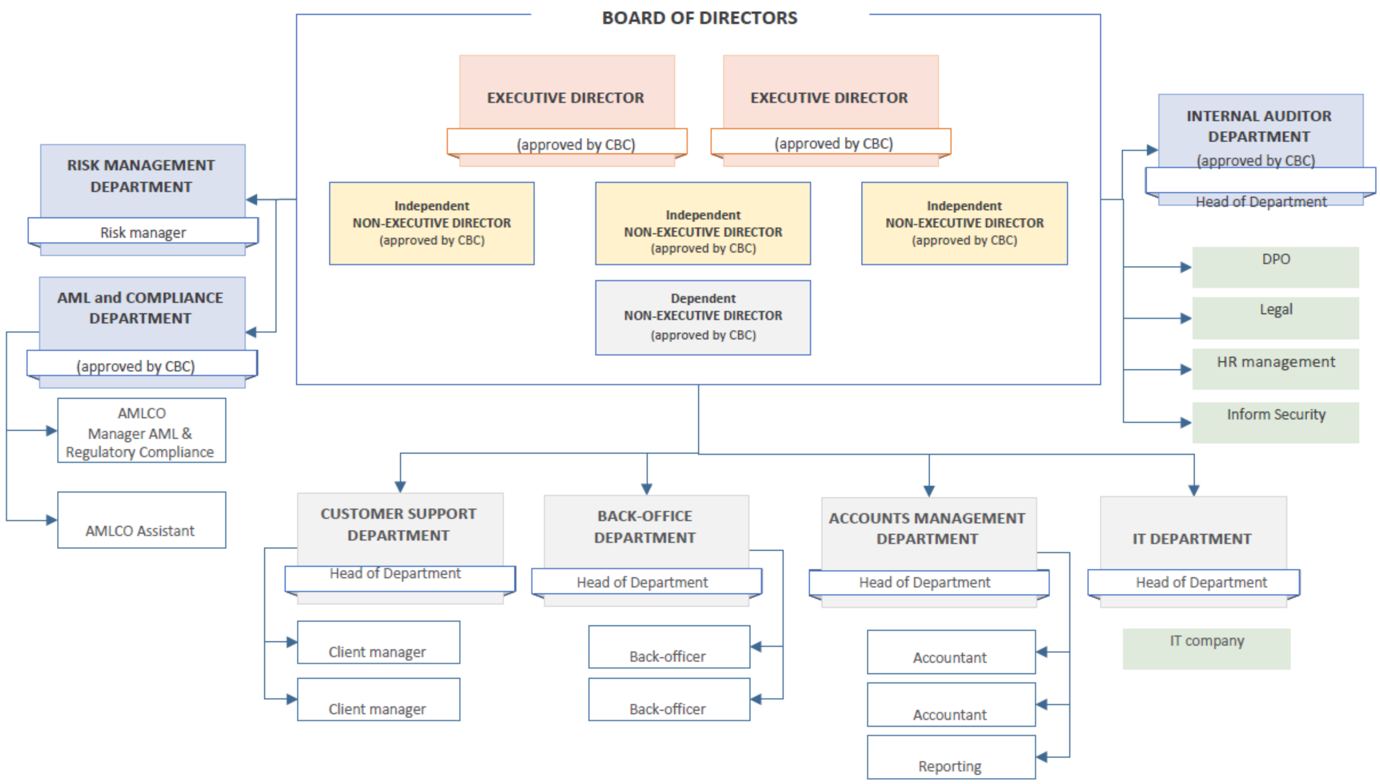
Directors should—through their risk oversight role prioritize risk management. Directors should satisfy themselves that the risk management policies and procedures designed and implemented by the Company's senior executives and risk manager are consistent with the Company's strategy and risk appetite; that these policies and procedures are functioning as directed; and that necessary steps are taken to foster an enterprise-wide culture that supports appropriate risk awareness, behaviors and judgments about risk, and that recognizes and appropriately addresses risk-taking that goes beyond the Company's determined risk appetite. The board and relevant committees should work with management to promote and actively cultivate a corporate culture and environment that meets the board's expectations and is aligned with the Company's strategy.

Each subsidiary within the Group operates as a distinct and self-reliant business. Their organizational structures remain entirely independent.

1.5.1 Organisational Structure of WWF



1.5.2 Organisational Structure of WWPI



2 CORPORATE GOVERNANCE

2.1 Board of Directors

The Board of Directors (“Board”) of the Group consists of one Executive Director and one Non- Executive Director. The members of the Board of Directors exercise effective control on the Group’s affairs and the non-executive members of the Board exercise control over the business carried out by the executive members of the Board. The main duties of the Board of Directors ("BoD") include:

- Define and oversee the implementation of governance arrangements for effective and prudent management, including segregation of duties and conflict of interest prevention, promoting market integrity and client interests.
- Formulate the Company's strategy for existing and new service development.
- Govern the organization through broad policies and objectives.
- Ensure implementation and maintenance of adequate internal control mechanisms.
- Ensure compliance with legal obligations to CySEC and relevant laws and directives/guidelines.
- Regularly assess policies and procedures to ensure compliance with applicable laws and CySEC directives/guidelines.
- Define, oversee, and approve policies for services, activities, products, and operations based on risk tolerance and client needs.
- Define, oversee, and approve a remuneration policy.
- Establish and document general principles for preventing money laundering and terrorist financing, informing the Compliance/AML Officer accordingly.
- Monitor internal control mechanisms and assess their adequacy in alignment with strategic objectives.
- Review and approve the Client Acceptance Policy.
- Ensure availability of sufficient and experienced resources for Company operations.

- Receive annual written reports from the Compliance Officer, Risk Management Officer, and Internal Audit function, and follow up on issues raised, ensuring remedial measures are taken.

The Board of Directors convenes regularly, holding meetings no less than four times annually at the Company's headquarters in Cyprus. These meetings adhere to a structured agenda, addressing matters requiring board decisions.

2.2 Board Recruitment

The management of a CIF must be undertaken by at least two persons meeting the requirements below:

- Members of the Board shall always be of sufficiently good repute and possess sufficient knowledge, skills, and experience to perform their duties. The overall composition of the Board of directors shall reflect and adequately board range of experiences.
- All Board members shall commit sufficient time to perform their functions in the Company.
- The number of directorships which may be held by a member of the Board at the same time shall consider individual circumstances and the nature, scale, and complexity of the Company's activities. Unless representing the Republic, members of the Board of Directors of the Company that is significant in terms of its size, internal organization and the nature, the scope and the complexity of its activities shall not hold more than one of the following combinations of directorships at the same time:
    - One executive directorship and two non-executive directorships.
    - Four non-executive directorships.
- For the purposes of subsection above, the following shall count as a single directorship:
    - Executive or non-executive directorships held within the same group.
    - Executive or non-executive directorships held within:
        - institutions which are members of the same institutional protection scheme provided that the conditions set out in Article 113, paragraph (7) of Regulation (EU) No 575/2013 are fulfilled; or
        - undertakings (including non-financial entities) in which the CIF holds a qualifying holding.
- Directorships in organizations which do not pursue commercial objectives shall not count for the purposes of the previous subsection.
- The Commission may allow members of the Board of Directors to hold additional non- executive directorships.
- The Board of Directors shall collectively possess adequate knowledge, skills experience to be able to understand the Company's activities, including the principal risks.
- Each member of the Board of Directors shall act with honesty, integrity, and independence of mind to effectively assess and challenge the decisions of the senior management where necessary and to effectively oversee and monitor the decision-making of the management.

The chair of the Board of Directors must not exercise simultaneously the functions of a chief executive officer within the Company, unless authorized by the Commission.

2.3 Staff Recruitment

The Company recognizes that effective recruitment and selection are critical for maintaining a high-quality workforce. We adhere to the principles outlined in our Equality and Diversity Policy (reference point: 3.3) to provide equal employment opportunities to all qualified individuals. Key Procedures:

- Authorization for Staff Recruitment: The relevant organizational unit manager obtains authorization for staff recruitment following the established procedure. The Human Resources (“HR”) department is promptly notified.
- Board Involvement in Expansion: In cases of planned activity expansion, the Board of Directors may authorize additional recruitment.
- Performance Measurement: Employee performance is assessed based on mutually agreed-upon goals. These goals align with core responsibilities outlined in each employee’s job description.
- Annual Performance Review: The Executive Director sets evaluation criteria against which job performance is measured. Formal performance appraisals occur annually. Written records document prior-period appraisals and future goal planning.
- Addressing Substandard Performance: The Executive Director completes an Appraisal Form, recognizing the performance spectrum. Corrective action is taken if substandard performance is identified. Employees receive a copy of the appraisal record.
- Documentation Retention: Records are retained for all employees for a minimum of five years.

2.4 Number Directorships held by Members of the Board

The composition of the Board of Directors significantly impacts business effectiveness. It encompasses diverse backgrounds and expertise among board members, a balanced distribution of power between dependent and independent members, and equally important gender diversity. While pursuing diversity, it should not diminish the significance of other factors like knowledge, skills, experience, background, and reputation.

The Company acknowledges that differences in ability, background, gender, age, and nationality within the top management team can enhance value creation and improve overall performance.

Efforts toward gender equality in leadership positions are essential. The Company has set and achieved a target of at least 25% female representation on the board of directors during the year.

The table below provides the number of directorships held by each member of the management body of the Company at the same time in other entities, excluding Wise Wolves Group Ltd and any other companies belonging to the same group as Wise Wolves Group Ltd. 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 holds:

Table 4: Illustrates the Company’s Board of Directors

Name of Director	Position in the CIF	Directorships - Executive	Directorships – non-executive
Yaroslav Ashcheulov	Director	0	0
Gubaydulin Timur	Director	0	0

Note: The information in this table is based on representations made by the directors of the Company

2.5 Diversity Policy

All employees, regardless of their employment status—be it part-time, full-time, or temporary—will be treated equitably and with respect. When selecting candidates for employment, promotion, training, or any other benefit, the Company will base its decisions on their aptitude and abilities. Each employee will receive assistance and encouragement to unlock their full potential and leverage their unique talents. Thus, our organization's skills and resources will be fully harnessed, optimizing the efficiency of our entire workforce. Specifically, the Company is dedicated to:

- Cultivating an environment where individual differences and the contributions of all team members are acknowledged and valued.
- Establishing a working atmosphere that upholds dignity and respect for every employee.
- Zero tolerance for any form of intimidation, bullying, or harassment, with disciplinary actions taken against violators of this policy.
- Providing training, development, and advancement opportunities for all staff.
- Promoting workplace equality, which the Company views as good management practice and sound business strategy.
- Encouraging anyone who feels they have experienced discrimination to voice their concerns, enabling the Company to take corrective action.
- Encouraging employees to treat everyone with dignity and respect.
- Regularly reviewing all employment practices and procedures to always uphold fairness.

This policy is disseminated to all employees, and adherence to its requirements and promotion of fairness in the workplace is mandatory for all. The Company's equality and diversity policy enjoys full support from senior management.

Diversity is a key driver of organizational success and economic performance. Our Company integrates diversity into its core business practices, recognizing its critical role in achieving commercial success.

The Company value a diverse and skilled workforce and management team, leveraging differences in age, skill, experience, background, race, and gender to optimize team composition. We are committed to fostering an inclusive and collaborative workplace culture that ensures organizational sustainability. This aligns with best practices outlined in the Corporate Governance Code of many EU countries. The Equality and Diversity policy aims to:

- Create a positive, respectful, and inclusive work environment for all employees and customers.
- Prohibit discrimination based on protected characteristics (age, disability, gender, race, ethnicity, religion, sexual orientation, etc.).
- Ensure equal opportunities for all individuals, regardless of background.
- Promote diversity at all levels, including the Board of Directors.

Regular monitoring and/or annual reviews ensure the policy remains effective. We strive to build a workforce that reflects societal diversity, treating every employee with respect and empowering them to perform at their best.

Decisions regarding employment, promotion, training, and benefits are based solely on aptitude and ability. We provide support to help employees unlock their potential, maximizing organizational efficiency.

Key Principles

- Zero tolerance for harassment, bullying, or intimidation.
- Equal access to training, development, and advancement opportunities.
- Encouragement for employees to report discrimination concerns.
- Regular review of employment practices to maintain fairness.

2.6 Reporting and Control

In accordance with legal requirements and subsequent directives, Wise Wolves Finance Ltd has successfully maintained effective information flow regarding risk to the management body. The details are outlined below: Information of flow for Wise Wolves Finance Ltd

Table 5: Illustrates the Company's annnual regulatory obligations for Wise Wolves Finance Ltd

No.	Report Name	Owner of Report	Recipient	Frequency
1	Risk Manager's Report	Risk Manager	Senior Management, Board, CySEC	Annually
2	IF CLASS2 Ind	Risk Manager	Senior Management, Board, CySEC	Quarterly
3	ICARA Report	Risk Manager	Senior Management, Board	Annually
4	Disclosures & Market Discipline Report	Risk Manager	Senior Management, Board	Annually
5	Risk Register	Risk Manager	Senior Management, Board	Annually
6	Compliance Report	Compliance Officer	Senior Management, Board, CySEC	Annually
7	Internal Audit Report	Internal Auditor	Senior Management, Board, CySEC	Annually
8	Anti-money laundering (AMLCO) Report	Anti-money laundering Compliance Officer	Senior Management, Board, CySEC	Annually
9	Audited Financial Statements	External Auditor	Senior Management, Board, CySEC	Annually
10	Form 165-03 'Prudential Supervision Information'	Risk Manager	Senior Management, Board, CySEC	Annually
11	Form 20-01 (Recovery Plan) *	Risk Manager	Senior Management, Board, CySEC	Every Two Years
12	Resolution Templates (XBRL)	Risk Manager	Senior Management, Board, Resolution Authority (CBC)	Annually
13	Remuneration Reporting	Finance Department & Risk Manager	Senior Management, Board, CySEC	Annually
14.	IPU threshold monitoring	Risk Manager	Senior Management, Board, CySEC	Quarterly
15.	Prudential Form 165-03	Risk Manager	Senior Management, CySEC	Annually
16.	Prudential Form 165-05	Risk Manager	Senior Management, CySEC	Annually
17.	Remuneration Reporting	Risk Manager	Senior Management, CySEC	Annually

**CIFs which are subject to simplified obligations for the purpose of preparing their recovery plans according to CySEC's Directive DI20-01*

Table 6: Illustrates the Company's annual regulatory obligations for Wise Wolves Payment Institution Ltd

Report Name	Owner	Recipient	Frequency
AMLCO report	AMLCO	Board, CBC	Annual
Report about Risk management	Risk Manager	Board	Annual
External Audit Report	External auditor	Board	Annual
Internal Audit Report	Internal auditor	Board	Annual
The Company's AML risk assessment report	AMLCO	Board, CBC	Annual
Statement of Capital Adequacy	Accountant	CBC	Annual
Safeguarding measures -User's funds	Settlement Department	CBC	Annual
Users' funds (Total of all accounts in Euro)	Settlement Department	CBC	Monthly
Users' funds (per account)	Settlement Department	CBC	Monthly

Reconciliation of Users' funds	Settlement Department	CBC	Every six months
Statistical data for payment services	Settlement Department	CBC	Monthly
Statistical data on fraud	Settlement Department	CBC	Every six months
Statistical data - Suspicious Transactions Reports (STRs)	AMLCO	CBC	Monthly
Letter from External Auditor as per Art.17(4) of PSL	Accountant	CBC	As it arises
Internal Auditor's Report (with attachment of all reports issued during the year)	Internal auditor	CBC	Annual
Fraud Incident Report	Settlement Department	CBC	As it arises
Major Incident Reporting (Initial Report)	CEO	CBC	As it arises
Major Incident Reporting (Intermediate Report)	CEO	CBC	As it arises
Major Incident Reporting (Last Intermediate Report)	CEO	CBC	As it arises
Major Incident Reporting (Final Report)	CEO	CBC	As it arises
Risk assessment report (under Art. 95(2) of PSL)	Risk Manager	CBC	Annual

3 RISK MANAGEMENT OBJECTIVES AND POLICIES

Risk Management involves the identification, analysis, and assessment of uncertainties in investment decision-making. Consequently, risks are addressed appropriately; they are either accepted, leading to the allocation of additional capital by the Group, or they are mitigated. Risks must be continuously monitored and reviewed. Moreover, outcomes and results should be accurately reported, and new goals should be established.

The risk management function is reinforced by several control functions:

- Internal Audit (as a control function).
- Legal and Compliance (including Anti-Money Laundering and Counter-Terrorist Financing).
- Accounting and External Audit; and
- Risk Management itself.

The Group's Risk Management framework covers the range of risks to be managed, the processes, systems, and procedures for managing risks, and the roles and responsibilities of the individuals involved in risk management. This framework is sufficiently comprehensive to encompass all risks the Group faces and is adaptable to changes in business activities. The Risk Manager, who reports directly to the Board of Directors, operates independently with the responsibility of monitoring:

- The adequacy and effectiveness of the Group's risk management policies and procedures.
- The compliance level of the Group and its relevant personnel with the adopted arrangements, processes, and mechanisms; and
- The adequacy and effectiveness of actions taken to rectify any deficiencies in those policies, procedures, arrangements, processes, and mechanisms, including addressing failures by the Group's relevant personnel to adhere to such arrangements, processes, and mechanisms or to follow the established policies and procedures.

3.1 Risk Management Policy and Objectives

The Group's Risk Management Policy was established to clarify the Group's approach to the risks it faces and the guiding principles of this approach. The analysis addresses the risks encountered by the Group and the strategies implemented for their mitigation or elimination. Notably, the management's approach and the consequent policy regarding risk are consistently demonstrated.

The policy delineates the procedures and mechanisms related to risks and details the roles and responsibilities of the Risk Manager. Furthermore, it specifies the principal reporting procedures and describes the process used by Senior Management to assess the effectiveness of the Group's internal control measures.

The Board of Directors annually approves or revises proposed changes and conducts a strategic review and oversight of the Risk Management Policy. The Risk Manager is tasked with ensuring that all types of risks assumed by the Group are monitored and reported to Senior Management and the Board. Additionally, the Risk Manager is responsible for making recommendations, particularly noting whether suitable corrective actions have been implemented in response to any identified deficiencies.

Senior Management is charged with overseeing the sufficiency and efficacy of the risk management policies and procedures in place, ensuring the Group and its relevant personnel comply with the adopted policies and procedures, and verifying the adequacy and effectiveness of measures to rectify any shortcomings, including non-compliance by relevant personnel.
The Group's Board regularly receives written reports that describe the implementation and effectiveness of the overall control environment for investment services, ancillary services, and other business activities, as well as an evaluation of the identified risks, planned strategies, and corrective actions taken or to be taken.

Review processes are continually evaluated with the aim of further enhancement through the adoption of industry guidance and new regulatory requirements. Moreover, the entire Risk Management Policy framework has been restructured to define an updated, comprehensive, and coherent approach to risk management, aligned with the Group's risk appetite.

3.2 Risk Appetite Framework (RAF)

The Company's Risk Management Framework (the "RMF") is an integral part of our business processes, supported by a uniform policy which has been developed to manage these risks. One of the Company's major priorities is the development of a forward-looking risk management strategy, through a sound control environment. This has enabled the Company to deal appropriately with changes in the economic, social, and regulatory context in which it operates, contributing to the progress of people and businesses.

The development of a consistent risk culture throughout the Company is considered as one of the most crucial elements of the Company's RMF and procedures. Risk culture is the heart of the human decisions that govern the day-to-day activities of every organization. In view of this, management considers that risk awareness and risk culture within the Company is an important part of the effective risk management process. The Company ensures that all employees are educated on the various risks that could impact their day-to-day work and are able to quickly notify management, executives, Board, and any other individual impacted, so that action can be taken swiftly to mitigate or respond to the risk.

The Company's RMF aims to establish, implement, and maintain adequate policies and procedures designed to manage the risks relating to the Company's activities and where appropriate, to set the level of risk tolerated by the Company. The current RMF sets the process implemented across the Company, designed to identify potential events that may affect its business, to manage risks within its risk appetite parameters, and to provide reasonable assurance regarding the achievement of its mission and its objectives.

The Accounts Department, the Operations Department, the Internal Auditor, Risk Management and Compliance Functions work in concert considering the nature, scale, and complexity of the business of the Company, and the nature and range of investment services and activities undertaken during the Company's business. The integrated objective of these distinct functions is to enhance the accuracy and overall effectiveness of the Company's risk management and monitoring structure.

Risk appetite statement

The Group's **risk appetite** is established by its Board, informed by the Risk Manager's recommendations, and considering the Group's capacity to bear risk. This appetite defines the maximum level of risk the Group is prepared to accept to achieve its business objectives. To align the Group's strategic risk considerations with everyday decisions, the Board regularly reviews and updates the Group's risk appetite statement as needed.

The Group's risk appetite is determined based on its current risk profile. The key risk appetite statements applicable to all the Group's activities include:

- Maintaining available own funds above the total requirement for Pillar I risks with combination of minimum capital of Wise Wolves Finance Ltd and Wise Wolves Payment Institution Limited the minimum level is at a minimum EUR **1090K**.
- Ensuring the **CET1 ratio** never falls below the minimum regulatory requirement set by CySEC, which is **56%** of the total own fund's requirement.
- Upholding a zero-tolerance policy towards internal fraud and regulatory non-compliance, mandating all departments to consistently adhere to relevant regulations.
- Exhibiting limited tolerance for operational risks/losses such as internal fraud, unauthorized trading limit breaches, data security, and GDPR compliance. These inherent operational risks are proactively managed.

The Group's risk-bearing capacity is its available capital's ability to withstand adverse risks. Currently, the Group's available paid-up capital is composed exclusively of CET1 capital, calculated after necessary deductions.

The Group's risk appetite reflects the collective level and types of risk it is willing to undertake within its risk capacity to fulfill its strategic aims and business plan. Consequently, the Risk Appetite and Strategic Plan develop concurrently. The Risk Appetite framework ensures that the Group's strategic achievements are not merely due to chance.

It is crucial to note that establishing a corporate risk appetite without considering the Group's risk capacity can lead to grave outcomes. While risk capacity can be quantified in terms of capital or required funding, gauging the point at which the Group's reputation may suffer irreparable damage is more complex.

The Board and Senior Management are cognizant of how risk capacity influences the business and have implemented necessary measures to maintain constant vigilance and mitigate any potential risks.

3.3 Risk Culture

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

- Risk is taken within a defined risk appetite.
- Every risk taken needs to be approved within the RMF.
- Risk taken needs to be adequately compensated.
- Risk should be continuously monitored and managed.
- Employees at all levels are responsible for the management and escalation of risks. The Company expects all employees to exhibit behaviors that support a strong risk culture. The Company has communicated the following risk culture behaviors through various communication vehicles:
- Being fully responsible for the risks
- Being rigorous, forward looking, and comprehensive in the assessment of risk
- Inviting, providing, and respecting challenges
- Troubleshooting collectively and
- Placing the Company and its reputation at the heart of all decisions.

4 OWN FUNDS

The primary objective of the Company with respect to capital management is to ensure that the Company complies with the minimum own fund's requirements stipulated in the IFR/IFD (under Pillar 1) regarding the minimum Common Equity

- Tier Common Equity Tier1("CET1") ratio of at least 56%, where CET1ratio is the Company's CET1 capital expressed as a % of its total Own Funds Requirement.

- A Tier 1(CET1+AT1) ratio of at least 75%, where Tier 1ratio is the Company's Tier 1capital expressed as a %of its Own Funds Requirement.

- A Total ratio (Tier1and Tier 2) ratio of 100%, where total capital ratio is the Company's own funds expressed as a %of its total Own Funds Requirement.

During the Supervisory review and evaluation process, CySEC can require investment firms to hold more capital if there are material changes to a firm's business or risk profile (under Pillar 2). The Company has not received any requirement regarding Pillar 2.

4.1 Composition of the regulatory own funds

The following information provides a reconciliation between the balance sheet presented in the audited Financial Statements and the balance sheet prepared for prudential purposes on an individual basis. Own funds composition as at 31.12.2024:

Table 7: Composition of regulatory own funds (Investment firms other than small and non- interconnected) based on Template EU IFCC1.01

Common Equity Tier 1 (CET1) Capital: Instruments and Reserves	31.12.2024 EUR '000	Source Based on Reference Numbers/Letters of The Balance Sheet in The Audited Financial

1	**Own funds**	4,045	N/A
2	**Tier 1 Capital**	4,045	N/A
3	**Common Equity Tier 1 Capital**	4,045	N/A
4	Fully paid-up capital instruments	8595	Note 22
5	Share premium	201	N/A
6	Retained earnings	-3097	N/A
7	Previous years retained earnings	-3097	N/A
8	Profit eligible	-	N/A
9	Accumulated other comprehensive income	-	N/A
10	Other reserves	-	N/A
11	Minority interest given recognition in CET1 capital	-	N/A
12	Adjustments to CET1 due to prudential filters	-	N/A
13	Other funds	-	N/A
14	(-) Total deductions from Common Equity Tier 1	-1654	N/A
15	(-) Own CET1 instruments	-	N/A
16	(-) Direct holdings of CET1 instruments	-	N/A
17	(-) Indirect holdings of CET1 instruments	-	N/A
18	(-) Synthetic holdings of CET1 instruments	-	N/A
19	(-) Losses for the current financial year	-1603	N/A
20	(-) Goodwill	-	N/A
21	(-) Other intangible assets	-9	Notes 16
22	(-) Deferred tax assets that rely on future profitability and do not arise from temporary differences net of associated tax liabilities	-	N/A
23	(-) Qualifying holding outside the financial sector which exceeds 15% of own funds	-	N/A
24	(-) Total qualifying holdings in undertaking other than financial sector entities which exceeds 60% of its own funds	-	N/A
25	(-) CET1 instruments of financial sector entities where the investment firm does not have a significant investment	-	N/A
26	(-) CET1 instruments of financial sector entities where the investment firm has a significant investment	-	N/A
27	(-) Defined benefit pension fund assets	-	N/A
28	(-) Other deductions	-	N/A
29	CET1: Other capital elements, deductions, and adjustments	-	Note 20
30	**Additional Tier 1 Capital**	-	N/A
31	Fully paid up, directly issued capital instruments	-	N/A
32	Share premium	-	N/A
33	(-) Total deductions from Additional Tier 1	-	N/A
34	(-) Own AT1 instruments	-	N/A
35	(-) Direct holdings of AT1 instruments	-	N/A
36	(-) Indirect holdings of AT1 instruments	-	N/A
37	(-) Synthetic holdings of AT1 instruments	-	N/A
38	(-) AT1 instruments of financial sector entities where the investment firm does not have a significant investment	-	N/A
39	(-) AT1 instruments of financial sector entities where the investment firm has a significant investment	-	N/A
40	(-) Other deductions	-	N/A
41	Additional Tier 1: Other capital elements, deductions, and adjustments	-	N/A
42	**Tier 2 Capital**	-	N/A
43	Fully paid up, directly issued capital instruments	-	N/A
44	Share premium	-	N/A
45	(-) Total deductions from Tier 2	-	N/A

46	(-) Own T2 instruments	-	N/A
47	(-) Direct holdings of T2 instruments	-	N/A
48	(-) Indirect holdings of T2 instruments	-	N/A
49	(-) Synthetic holdings of T2 instruments	-	N/A
50	(-) T2 instruments of financial sector entities where the investment firm does not have a significant investment	-	N/A
51	(-) T2 instruments of financial sector entities where the investment firm has a significant investment	-	N/A
52	Tier 2: Other capital elements, deductions, and adjustments	-	N/A

Table 8: Own funds: Reconciliation of regulatory own funds to balance sheet in the audited financial statements based on Template EU IFCC2

	Balance Sheet As in Audited Management Accounts	**Cross Reference to EU IFCC1**
	31/12/2024 (AUDITED) EUR '000	31/12/2024
Assets - Breakdown by Asset Classes According to Balance Sheet in Published Audited Financial Statements		
Non-current assets		
Property, plant, and equipment	8	N/A
Intangible assets	9	Ref. 25
Cash at banks and with brokers	1919	N/A
Investment in Subsidiaries	1819	N/A
Total non-current assets	**3,755.00**	Ref. 29
Non-current assets		
Current Assets		
Trade receivables	313	N/A
Financial assets at FVTPL	197	N/A
Cash and cash equivalents	679	N/A
Total current assets	**1189**	N/A
Total assets	**4,944.00**	
Equity		N/A
Share capital	201	Ref. 4
Share premium	8594	Ref. 3
Retained earnings	-4700	Ref. 19
Total equity	**4,095.00**	
Liabilities - Breakdown by Liability Classes According to Balance Sheet in Published Audited Financial Statements		
Current liabilities		
Trade and other payables	775	N/A
Accruals	74	N/A
Total current liabilities	**849**	N/A
Total equity and liabilities	**4,944.00**	

5 OWN FUND REQUIREMENTS

The Company's primary goal in terms of capital management is to ensure compliance with the capital requirements regulation enforced by the European Union and overseen by CySEC.

Within this framework, the Company is required to monitor its capital base and maintain a robust capital adequacy ratio. This enables the Company to present itself as fully compliant and financially sound, support its operations, and maximize shareholder value. In this context, capital requirements should not be viewed as a business constraint, but rather as initiative-taking risk management measures designed to benefit both the Company and its clientele.

The Board and the Risk Manager oversee the reporting requirements and have established policies and procedures to meet specific regulatory requirements. This is accomplished by preparing accounts to monitor the Company's financial status and capital position.

The Company manages its capital structure and adjusts it in response to changes in economic and business conditions and the risk profile of its operations.

WWF is classified under Class 2 (IFs that exceed the categorization thresholds for Small and Non-interconnected Investment Firms) within the prudential framework for Investment Firms (IFR/IFD). The minimum Pillar 1 Capital Requirement for the Company is the highest of:

- **A Permanent Minimum Capital Requirement of 1090K EUR**, as a sum of Wise Wolves Finance Ltd and Wise Wolves Payment Institution Limited.
- **A Fixed Overhead Requirement, set at 25% of the firm's fixed overheads** from the previous year; and
- **A K-factors Requirement,** which is based on risk exposure indicators ("K-factors") designed to measure risk to customers, counterparty credit risk, trading book market risk, and concentration risk (in the trading book and securities financing transactions, including REPOs).

5.1 Capital Ratios

The total Pillar I capital requirement for the Company on a consolidated basis for the year 2024 total to 1090k EUR (minimum capital requirements as a highest).

Table 9: Total Own Funds Requirement, capital ratios and capital levels based on IFR1.

	31.12.2024 EUR '000
1. Total Own Funds	4,045
2. Total Own Funds Requirement (As Max of Lines 2.1 -2.3)	1090
2.1. Permanent Minimum Capital Requirement	1090
2.2. Fixed Overheads Requirement	613
2.3. Total K-Factor Requirement	230
3. CET 1 Ratio	371%
Surplus (+)/Deficit (-) of CET 1 Capital	3,435
4. Tier 1 Ratio	371%
Surplus (+)/Deficit (-) of Tier 1 Capital	3,228
5. Own Funds Ratio	371%
Surplus (+)/Deficit (-) of Total capital	2,955

5.2 Permanent Minimum Capital Requirement

Article 9 of the IFD outlines the initial capital requirements for investment firms. These requirements are contingent on the types of activities the IF is authorized to undertake and range from 75,000 to 750,000 EUR.

A CIF that is authorized to provide any of the investment services or carry out any of the investment activities listed in points (3) and (6) of Part I of Annex I to the Investment Services and Activities and Regulated Markets Law, is required to have an initial capital of 750k EUR.

Additionally for Payment Institution Ltd (WWPI) Authorized Payment Services (a) Execution of Direct Debits: This includes both regular and one-off direct debits. (b) Execution of Credit Transfers: This encompasses standing orders and other credit transfer arrangements. The Minimum capital requirements is 340k EUR.

Given that the Company holds a license for Dealing on own account, the minimum capital requirement is set at 1090k EUR.

5.3 Fixed Overheads requirement

In line with Article 13 of the IFR, an investment firm must maintain fixed overheads at least equal to one quarter of the preceding year's fixed overheads. These fixed overheads are calculated by subtracting variable expenses, as outlined in the EBA's December 2020 Regulatory Technical Standards (RTS). The Company's Fixed Overhead Requirement was determined accordingly.

Table 10: Calculation of Fixed Overheads Requirement as at 31.12.2024

Fixed Overhead Requirement	283.22
Annual Fixed Overheads of The Previous Year After Distribution of Profits	**616**
Total Expenses of The Previous Year After Distribution of Profits	2,466.00
Of Which: Fixed Expenses Incurred on Behalf of The Investment Firms by Third Parties	2,466.00
(-) Total Deductions	
(-) Staff Bonuses and Other Remuneration	0
(-) Employees', Directors,' and Partners' Shares in Net Profits	
(-) Other Discretionary Payments of Profits and Variable Remuneration	
(-) Shared Commission and Fees Payable	
(-) Fees, Brokerage and Other Charges Paid to Ccps That Are Charged to Customers	
(-) Fees To Tied Agents	
(-) Interest Paid to Customers on Client Money Where This Is at The Firm's Discretion	
(-) Non-Recurring Expenses from Non-Ordinary Activities	
(-) Expenditures From Taxes	
(-) Losses From Trading on Own Account in Financial Instruments	
(-) Contract Based Profit and Loss Transfer Agreements	
(-) Expenditure On Raw Materials	
(-) Payments Into a Fund for General Banking Risk	
(-) Expenses Related to Items That Have Already Been Deducted from Own Funds	

5.4 K-factor requirement

The K-factor Requirement is predicated on risk exposure indicators ("K-factors"), which capture not only the risks associated with the balance sheet but also P&L risks. The K-factors Requirement is at least the sum of the following:

- Risk-to-Client (RtC) K-factors encompass client assets under management and ongoing advice (K-AUM), client money held (K-CMH), assets safeguarded and administered (K-ASA), and client orders managed (K-COH).

- Risk-to-Market (RtM) K-factors capture net position risk (K-NPR) in line with the market risk provisions of Regulation (EU) No 575/2013 or, where allowed by the competent authority, based on the total margins required by an investment firm's clearing member (K-CMG). The Company does not engage in dealing on its own account through clearing members.

- Risk-to-Firm (RtF) K-factors capture an investment firm's exposure to the default of their trading counterparties (K-TCD) in line with simplified provisions for counterparty credit risk based on Regulation (EU) No 575/2013, concentration risk in an investment firm's large exposures to specific counterparties based on the provisions of that Regulation that apply to large exposures in the trading book (K-CON), and operational risks from an investment firm's daily trading flow (K-DTF).

Table 11: the total K-factor requirement for the Company and the individual K-factors that constitute it:

	31.12.2024 EUR '000
Total K-Factor requirement	208.12
Risk to client	38.85
Assets under management	-
Client money held - Segregated	25.80
Client money held - non-segregated	-
Assets safeguarded and administered	13.06
Client orders handled - Cash trades	-
Client orders handled - Derivatives trades	-
Risk to market	169.07
K-Net positions risk requirement	169.07
Clearing margin given	-
Risk to firm	0.20
Trading counterparty default	-
Daily trading flow - Cash trades	0.20
Daily trading flow - Derivative trades	-
K-Concentration risk requirement	-

5 CONCENTRATION RISK REQUIREMENT

The calculation of limits for large exposures follows the specifications in the IFR/IFD, applying a simplified version of the CRR requirements. These limits apply exclusively to large exposures in the trading book. A 'large exposure' is defined as an investment firm's exposure to an individual or a group of connected individuals where its value equals or exceeds 10% of the Company's eligible own funds. The Company must adhere to the following Large Exposure limits:

- The concentration risk limit for an exposure value, after considering credit risk mitigation, to an individual client or group of connected clients is 25% of own funds.
- If the client is an institution, or a group of connected clients includes one or more institutions, the limit is the higher of 25% of the Company's own funds or EUR 150m.
- If EUR 150m exceeds 25% of the Company's own funds, the limit is capped at 100% of the Company's own funds.

As per the IFR, exceeding these limits requires notifying the authorities and meeting the own funds requirement for the excess amount (K-CON). The exposure value regarding an individual client or group of connected clients must not exceed:

- 500% of the investment firm's own funds within 10 days of the excess occurring.
- In aggregate, 600% of the investment firm's own funds for any excesses persisting beyond 10 days.

No breaches of the large exposure limits occurred during the four quarters of 2024, maintaining the own funds requirement for concentration risk at zero.

6 LIQUIDITY REQUIREMENT

Liquidity risk arises from mismatches in the maturity of assets and liabilities, potentially increasing profitability but also exposure to losses. To mitigate this, the Company maintains procedures such as holding sufficient cash and highly liquid assets, and ensuring access to credit facilities.

Under IFR/IFD regulations, investment firms must maintain liquidity levels equivalent to at least one-third of their Fixed Overhead Requirement (FOR). As of 31 December 2024, the Company's liquid assets, as reported in its latest audited financial statements, exceeded this requirement, confirming compliance with the liquidity standards.

7 OTHER RISKS

7.1 Reputational Risk

Reputational risk is characterized as the possibility that negative publicity concerning a financial organization's business practices and affiliations, whether true or not, will lead to a loss of faith in the institution's integrity. Specifically, reputational risk can arise in instances of non-compliance with regulations, violation of ethical standards, or when customers perceive a significant discrepancy between the company's offerings and the actual practices of its staff. The Company mitigates its reputational risk through the following corporate governance and internal control measures:

- The Company exercises control over all marketing communications released to the public, staying abreast of new regulatory requirements and obligations to uphold a strong reputation. Additionally, it seeks legal advice on new jurisdictions it intends to operate in to ensure no laws are violated. It adjusts its marketing materials in accordance with the requirements of the third country.

- The Company has clear policies and procedures for handling potential customer complaints, aiming to provide the best possible support and service under such circumstances. The likelihood of dealing with customer claims is exceptionally low, given the high-quality services provided by the Company.

- Moreover, employees are bound by confidentiality policies, and several controls are in place to minimize the risk of internal fraudulent activities going unnoticed or unprevented.

- Furthermore, the management ensures that the Company is responsive to market or regulatory changes that could impact its reputation in the marketplace.

7.2 Strategic Risk

Strategic Risk may arise due to unfavorable business decisions, incorrect execution of decisions, or a lack of adaptability to changes in the business landscape. The Company's susceptibility to strategic risk is deemed low, as it has implemented policies and procedures within its overall strategy to mitigate this type of risk.

7.3 Business Risk

Business risk is a unique form of risk that is not accounted for in the Pillar I capital requirement. It is characterized as the potential for economic loss resulting from unfavorable strategic and business decisions, incorrect implementation of these decisions, or a lack of adaptability to changes in the business environment, including technological advancements. The Company manages strategic risk through its regular business operations, while business risk is further scrutinized during the annual ICARA process.

7.4 Regulatory Risk

Regulatory risk refers to the risk that the Company may encounter by failing to comply with applicable Laws and Directives issued by its regulatory authority. If realized, regulatory risk could instigate the effects of reputational and strategic risk. The Company has established documented procedures and policies in line with the requirements of relevant Laws and Directives issued by CySEC. Adherence to these procedures and policies is further evaluated and reviewed by the Company's Internal Auditor, and management implements any suggestions for enhancement. The Internal Auditor assesses and tests the effectiveness of the Company's control framework at least once a year. As such, the risk of non-compliance is deemed to be low.

7.5 Compliance / Money Laundering and Terrorist Financing Risk

Compliance risk is the present and prospective risk to earnings or capital resulting from breaches of, or non-compliance with, laws, by laws, regulations, prescribed practices, internal policies and procedures, or ethical standards. The risk of Money Laundering and Terrorist Financing primarily pertains to the possibility that the Company may be exploited as a conduit for money laundering and/or involvement in financing terrorism.

The Company has implemented and continues to update, as necessary, specific policies, procedures, and controls to mitigate Compliance / Money Laundering and Terrorist Financing Risks. Among others, the Company has established or is in the process of establishing the following policies, procedures, and controls:

- Adoption of a risk-based approach involving specific measures and procedures to assess the most cost-effective and suitable way to identify and manage the Money Laundering and Terrorist Financing Risks faced by the Company.
- Adoption of Client due diligence and identification procedures in accordance with the Clients' assessed Money Laundering and Terrorist Financing Risk, both prior to and after establishing a business relationship with a client.
- Monitor and reviewing the business relationship or an occasional transaction with clients and potential clients from high-risk countries.
- Development and establishment of a Customers' Acceptance Policy (CAP), which is also included in its AML Manual and reflects the actual policies and procedures followed by the Company.
- Several policies (i.e., Conflicts of Interest Policy, Best Interest and Order Execution, Complaints Policy, Client Classification Policy, etc.) have been uploaded to the Company's website with the aim of providing its clients with all necessary information before establishing a business relationship.
- The Company's Compliance Officer, in collaboration with the Board and the Heads of the Front-line Departments, has designed effective organizational and administrative arrangements with the aim of taking all reasonable steps to prevent conflicts of interest from adversely affecting the interests of the Company's clients.
- Establishment of mechanisms that enable the Company to submit the EMIR and MIFIR reporting daily in accordance with the provisions of the relevant Laws and Directives; h. electronic submission to CySEC of the Risk Based Supervision Framework ('RBS-F').
- Submission of the Common Reporting Standard (CRS) reporting to the Cyprus Tax Department.
- Registration with the goAML system implemented by MOKAS.
- The Company's Compliance Officer and Senior Management will ensure on an ongoing basis that the Product Governance Requirements under MiFID II are met; and l. Ensuring that the Company's personnel receive the appropriate training and assistance.

The Company has reviewed its policies, procedures, and controls regarding money laundering and terrorist financing to ensure compliance with the applicable legislation and has incorporated, as applicable, any new information issued/available in this regard.

7.6 IT Risk

IT risk can arise due to insufficient information technology and processing, or from an inadequate IT strategy and policy, or from improper use of the Company's information technology. Specifically, the Company has implemented policies related to back-up procedures, software maintenance, hardware maintenance, internet usage, data protection procedures, and disaster recovery, as applicable. The Company conducts Business Continuity Plan (BCP) stress tests at least annually to ensure the effective operation of its systems and back-up procedures, and to minimize the likelihood of such risks materializing.

8 REMUNERATION DISCLOSURES

The Company's Remuneration Policy, an integral part of its corporate governance, aligns with its operational model and strategic objectives. Designed in compliance with ESMA's "Guidelines on Remuneration Policies and Practices (MiFID)", the EBA's "Guidelines on Sound Remuneration Policies under Directive (EU) 2019/2034", and Cyprus Law 165(I)/2021, the Policy ensures competitive compensation to attract and retain skilled personnel. It emphasizes alignment with the Company's business strategy, objectives, values, and long-term interests, while mitigating conflicts of interest and discouraging excessive risk-taking beyond the Company's approved risk tolerance.

The Policy establishes that employee rewards are linked to behaviors and results defined by the Board and the Company's documented policies. Applicable to all employees, it places particular emphasis on roles with significant impact on the Company's risk profile, including front-office and back-office staff, Head of Accounting, Senior Management, Risk Manager, and Compliance/AML Officer.

The Company has implemented a competitive compensation package that balances career advancement opportunities with the minimization of conflicts of interest. This package, which does not incentivize excessive risk-taking, comprises various components including fixed and variable remuneration, benefits, and long-term incentives.

8.1 Fixed remuneration

Fixed remuneration is determined based on the role of the individual employee, including responsibilities and job complexity, performance, and local market conditions. Furthermore, fixed remuneration takes into consideration everyone's "work" characteristics, including:

- Skills and competencies required to generate results.
- Relevant professional experience and organisational responsibility as set out in an employee's job description as part of the terms of employment.
- Contribution to the team and the Company as a whole.
- The value and contribution of the individual in the context of the external market.

In respect of the above, the General Manager may perform annual reviews of the fixed remuneration of the employees, following which, a recommendation for salary increases may be made to the BoD.

8.2 Variable remuneration

The Company's remuneration policies are simplified to meet the basic requirements for hiring and retaining professional staff, reflecting the Board's view that this approach is practical for the current stage of business growth. As the Company grows, more detailed variable components may be introduced to support long-term goals.

Performance measurements for variable remuneration consider current and future risks, liquidity, capital requirements, and the timing and likelihood of future revenues. The fixed and variable components are balanced, with the fixed component being a considerable proportion of total remuneration, allowing flexibility in variable remuneration, including the possibility of zero variable components.

Under Article 32 of the IFD, variable remuneration typically requires at least 50% to be in shares or share-linked instruments and at least 40% to be deferred over three to five years. However, these provisions do not apply to the Company as it does not meet the ‘significant CIF’ criteria (off-balance sheet assets averaging less than €100 million over the preceding four years).

8.3 Aggregate Remuneration

During 2024, the Company’s remuneration structure for management and staff consisted of a fixed cash salary component and non-cash benefits, including medical insurance. Additionally, cash bonuses were awarded to recognize exceptional employee performance throughout the year.

The aggregate remuneration for Senior Management and staff whose actions significantly impact the Company’s risk profile, as of 31 December 2024, reflects the Company’s commitment to aligning compensation with its strategic objectives and risk tolerance. This structure is designed to attract and retain talent while ensuring that remuneration practices support the Company’s long-term goals and regulatory compliance.

Table 12: Illustrate the aggregate remuneration split by the business area.

Remuneration as of 31st December 2024		Annual Remuneration (EUR)		
Business Area	**No. of Beneficiaries**	**Fixed**	**Variable**	**TOTAL**
Portfolio Manager	1	14,981	0	14,981
Investment Advisor	1	21,351	0	21,351
Safekeeping officer	3	57,102	0	57,102
Dealing on Own Account	2	50,647	0	50,647
Reception, Transmission and Execution	1	38,529	0	38,529
Other Staff	37	1,015,921	0	1,015,921
Control Function	9	285,567	0	285,567
Total	**54**	**1,484,097**	0	**1,484,097**

***Note:** *Control Function involves Compliance Officer, Risk Manager and Money Laundering Compliance Officer.*

Table 13: Illustrate the aggregate remuneration split by stuff who have a material impact on the Company’s risk profile.

Remuneration as of 31st December 2024		Annual Remuneration (EUR)		
Position/ Role	**No. of Beneficiaries**	**Fixed (cash) Remuneration**	**Variable (cash) Remuneration**	**Aggregated Remuneration**
Senior Management (incl. executive directors)	5	230,727	0	230,727
Other staff	49	1,253,370	0	1,253,370
Total	**54**	**1,484,097**	0	**1,484,097**

9 ESG DISCLOSURES

In accordance with Article 53 of the IFR, from 26 December 2022, IFs should disclose information on environmental, social and governance risks, including physical risks and transition risks, as defined in the report referred to in Article 35 of Directive (EU) 2019/2034, where value of their own on and off balance sheet assets is on average more than 100 million euro over the four-year period immediately preceding the given financial year.

As at 31st of December 2024 the Firm does not meet the requirement therefore, no further disclosure is made.

10 APPENDIX - SPECIFIC REFERENCES TO THE

IFR Reference (Article)	High Level Summary	Compliance Reference
Scope of Disclosure Requirements		
46 (1)	Requirement To Publish Disclosures for Class 2 Ifs	1.2
46 (2)	Requirement To Publish Disclosures for Class 3 Ifs, Issuing Ati Instruments	N/A
46 (3)	Requirement To Publish Disclosures When a Class 3 Ifs No Longer Meets the Criteria to Be Considered a Small and Non interconnected If	N/A
46 (4)	Determination Of the Appropriate Medium and Location To Publish the Disclosures	1.2
Risk management objectives and policies		
47	Investment Firms Shall Disclose Their Risk Management Objectives and Policies for Each Separate Category of Risk, Including A Summary of The Strategies and Processes to Manage Those Risks and A Concise Risk Statement Approved by The Investment Firm's Management Body Succinctly Describing the Investment Firm's Overall Risk Profile Associated with The Business Strategy.	3.5.6.7.8
Governance		
48 (a)	Disclosure Of the Number of Directorships Held by Members of The Management Body	2.4
48 (b)	Diversity Policy	2.5
48 (c)	Risk Committee and Number of Times the Risk Committee Has Met Annually	2.1
Own Funds Composition		
49 (1) (a)	Full Reconciliation of Common Equity Tier 1 Items, Additional Tier 1 Items, Tier 2 Items and Applicable Filters and Deductions Applied to Own Funds of The Investment Firm and The Balance Sheet in The Audited Financial Statements of The If:	N/A
49 (1) (b)	Description Of the Main Features of The Common Equity Tier 1 And Additional Tier 1 Instruments and Tier 2 Instruments Issued by The If	4
49 (1) (c)	Description Of All Restrictions Applied to The Calculation of Own Funds in Accordance with The Ifr and The Instruments and Deductions to Which Those Restrictions Apply	4.1
49 (2)	Eba Shall Develop Implementation Standards for Points (A), (B), (C) Above.	N/A
Own Funds Requirements		

50 (a)	Summary Of If'S Approach to Assessing Adequacy of Its Internal Capital to Support Current and Future Activities.	5.1
50 (b)	Result Of Icaap Upon Request of The Competent Authority.	N/A
50 (c)	K-Factor Requirements Calculated in Aggregate Form for Rtm, Rtf, And Rtc, Based on The Sum of The Applicable K-Factors	5.4
50 (d)	Fixed Overheads Requirement	5.3
Remuneration policy and practices		
51	Remuneration Policy, Including Aspects Related to Gender Neutrality and The Gender Pay Gap, For Those Categories of Staff Whose Professional Activities Have a Material Impact on The Risk Profile	8
51 (a)	Design Characteristics of The Remuneration System, Including the Level of Variable Remuneration and Criteria for Awarding Variable Remuneration, Payout in Instruments Policy, Deferral Policy, and Vesting Criteria	8
51 (b)	Ratios Between Fixed and Variable Remuneration	8
51 (c)	Aggregated Quantitative Information on Remuneration, Broken Down by Senior Management and Members of Staff Whose Actions Have a Material Impact on The Risk Profile of The Investment Firm	8
51 (c) (i)	The Amounts of Remuneration Awarded in The Financial Year, Split into Fixed and Variable Remuneration, And the Number of Beneficiaries	8
51 (c) (ii)	The Amounts and Forms of Awarded Variable Remuneration	N/A
51 (c) (iii)	The Amounts of Deferred Remuneration Awarded for Previous Performance Periods	N/A
51 (c) (iv)	The Amount of Deferred Remuneration Due to Vest in The Financial Year	N/A
51 (c) (v)	The Guaranteed Variable Remuneration Awards During the Financial Year and The Number of Beneficiaries of Those Awards	N/A
51 (c) (vi)	The Severance Payments Awarded in Previous Periods, Which Have Been Paid Out During the Financial Year	N/A
51 (c) (vii)	The Amounts of Severance Payments Awarded During the Financial Year, Split into Paid Upfront and Deferred, The Number of Beneficiaries of Those Payments and The Highest Payment That Has Been Awarded to A Single Person	N/A
51 (d)	Whether The If Benefits from A Derogation Laid Down in Article 32(4) Of the Ifd	8
Investment policy		
52	Not Applicable Due to Criteria Referred to In Point (A) Of Article 32 (4) Of the Ifd	N/A
Environmental, social and governance risks		
53	Not Applicable Due to Criteria Referred to Article 53 of the IFR	9