



Finalto Financial Services Limited

Pillar III Disclosures for Financial Year 2025

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1 Introduction, Scope & Purpose of this Document

1.1 Background information

Finalto Financial Services Limited (“FFS” or the “Firm”) is a solo-regulated investment firm authorised by the Financial Conduct Authority (“FCA”), subject to the Investment Firm Prudential Regime (“IFPR”), and falls under the MIFIDPRU framework. The firm is incorporated in the United Kingdom under Firm reference number 481853, and with LEI Code 549300FSY1BKNGVUOR59 for the conduct of designated investment business in the United Kingdom. The firm is part of the Finalto Group, and its ultimate shareholder is TTB Partners, a company incorporated in the Cayman Islands.

In accordance with its FCA licence, the Firm is permitted to carry out the following activities:

1. Arranging (bring about) deals in investments.
2. Dealing in investments as agent.
3. Dealing in investment as principal.
4. Making arrangements with a view to transactions in investments.

The Firm is an online financial services provider and acts as the principal and market maker to its customers in Contracts for Differences (“CFDs”), on a range of financial instruments including Foreign Exchange, Commodities, Metals, Indices, Shares and Exchange Traded Funds. The Firm also decided to wind down its retail business.

The firm primarily earns revenue from liquidity and execution services through commissions and mark-ups applied to client trading activity. Commissions are generally charged by reference to trading volumes, while mark-ups are generated by applying a margin to the prices or spreads offered to clients. Revenue therefore varies with client activity levels, traded asset classes, market conditions and the pricing arrangements agreed with clients. The firm also generates revenue by accepting and managing market risk arising from client trading activity.

The firm has a varied customer base including regulated brokers, fund managers, hedge funds, banks, family offices, corporates entities and private individuals.

1.2 Regulatory context

The Firm is subject to the capital adequacy and overall risk management requirements that arise from the UK Investment Firm Prudential Regime (“IFPR”). FFS is authorised as a Markets in Financial Instruments Directive (“MiFID”) investment firm by the FCA and is in scope of the new regime.

The framework consists of the prudential requirements of UK investment firms (“Investment Firm Prudential Regulation” or “IFPR”). The IFPR rules focus on the specific methodologies that UK investment firms are required to apply for quantifying their exposure to risk and deriving their Capital Adequacy ratio, as well as to their required level of initial capital, their Internal Capital Adequacy & Risk Assessment (“ICARA”) Process and the Liquidity Requirement, among others.

The IFPR framework consists of three (3) Pillars that are used to regulate, supervise, and improve the risk management of firms in the financial services industry. The three (3) Pillars and their applicability to the Firm are summarised below:

- **Pillar I** - Minimum Capital Requirements - ensures that the Firm always maintains enough capital above the minimum requirement in relation to certain key risks, as calculated using prescribed methods.
- **Pillar II** - ICARA and Supervisory Review and Evaluation Process (“SREP”) - ensures that the Firm and its supervisor, FCA, actively assess, control, and mitigate the various risks that the Firm faces.

- **Pillar III** - Market Discipline - ensures the promotion of market discipline through the disclosure of the Firm's regulatory requirements, risk management and risk governance policies and procedures, allowing market participants to view and compare meaningful information relating to the Firm and its peers.

The Firm is a Non-SNI MIFIDPRU Firm, also referred to as Class 2 UK IF, and is required to hold £750.000 as at 31st of December 2025 of Permanent minimum capital requirement, set in accordance with MIFIDPRU 4.4.1 of the FCA Handbook.

FFS's Pillar III disclosures have been prepared in compliance with MIFIDPRU 8 standards of the FCA Handbook and relate to the financial year ending on 31st of December 2025. In accordance with MIFIDPRU 8.1.7, the disclosures included in this Report are made on an individual basis and are published annually. This Report should be read in conjunction with the audited financial statements of the Firm for the year ended 31st of December 2025, which are prepared in accordance with the UK adapted International Financial Reporting Standards ("IFRS") and Companies Act 2006. Where "reference date" is mentioned, this refers to 31st of December 2025.

In accordance with MIFIDPRU 8.1.7, the Firm's Pillar III disclosures are published on an annual basis on the Firm's website www.finalto.com/help-support/legal-information/.

Unless stated otherwise, all amounts are in thousands of United States Dollars (" \$" or "USD").

1.3 Implication from Global events

The Company has managed the uncertainty around global events, such as the ongoing Russia/Ukraine conflict, conflict in Middle East the global cost of living crisis and heightened tariff uncertainty stemming from recent international trade events.

The Management of FFS continue to monitor each situation and continually assess these, plus any other external events to ensure the Firm is prepared with business continuity and disaster recovery plans in any period of disruption.

2 Governance and Risk Management Objectives and Policies

2.1 The Board of Directors

The Firm's Board of Directors (the "Board") is required to assess and review the effectiveness of the policies, arrangements and procedures put in place for the Firm and to take appropriate measures to address any deficiencies. When managing and/or assessing risks, the responsibilities of the Board of Directors are summarized as follows:

- Approve and periodically review the strategies and policies for taking up, managing, monitoring, and mitigating the risks that the Firm is or might be exposed to, including those posed by the macroeconomic environment in which it operates.
- Ensure that all the Risk Management regulatory requirements are applied, and that appropriate systems and controls are introduced.
- Be actively involved in and ensure that adequate resources are allocated to the management of all material risks, the valuation of assets and the use of external credit ratings and internal models that relate to those risks.

As of 31st December 2025, the Board of Directors of the Firm comprised of three (3) Executive Directors and five (5) Non-independent Non-Executive Directors, with significant senior level knowledge and understanding of the industry and management expertise.

The Board is supported by a number of Committees established to provide oversight of key governance areas, including risk, compliance, audit, nomination and remuneration matters. Although the Firm is not subject to a regulatory requirement to establish separate Audit, Remuneration, Nomination, or Risk and Compliance Committees, having considered its size, business model, governance framework and growth strategy, it has voluntarily established each of these committees to support effective oversight, challenge and decision making. These Committees support and report to the Board by challenging management, monitoring emerging issues, overseeing regulatory obligations and strengthening the Firm's overall governance framework.

2.2 Diversity in the Selection of Members of the Management Body

The Firm is committed to promote a diverse and inclusive workplace and, to this end, part of the Nominations Committee remit is to promote diversity and harmonized criteria for the assessment of suitability of the members of the Management Body and of key function holders, to ensure sound assessment processes as part of the Firm's governance arrangements. One of the key roles of the Nomination Committee is to evaluate the balance of knowledge, skills, diversity, and experience of the management body to achieve a variety of views and experiences and facilitate independent opinions as well as sound decision-making.

2.3 Number of Directorships held by Board Members

The table below provides the number of directorships each member of the management body of the Firm holds at the same time in other entities (excluding the directorship in the Firm and its related entities that belong to the same group) as at 31 December 2025. Directorships in organizations which do not pursue predominantly commercial objectives, such as non-profit-making or charitable organizations, are not considered for the purposes of the below. Executive or non-executive directorships held within the same group, are considered as a single directorship.

Table 1: Number of directorships held by the Firm's Board members excluding position in the Group:

Name ¹	Position	Total number of Executive Directorships	Total number of Non-Executive Directorships
Mr Paul Groves	Executive Director (SMF1 & 3)	0	0
Mr Simon Ormrod	Executive Director (SMF3)	0	0
Mr Pablo Quiroga Gomez	Executive Director (SMF3)	0	0
Mr Yat Fan Ng ²	Non-Executive Director	2	0
Mr Chak Yan Leung ³	Non-Executive Director	0	0
Mr Kar Kok Ip ⁴	Non-Executive Director	0	0
Mr Hideo Haneda ⁵	Non-Executive Director	1	0
Mr Hidetoshi Furusho ⁶	Non-Executive Director	1	0

Note: the table represents the Board of Directors of the Firm as at 31 December 2025.

¹ The information presented in this table is based only on representations made by the directors of the Firm.

² Mr Matthew Maloney resigned on 31 January 2025 from his position as Non-Executive Director, and Mr Yat Fan Ng was appointed as Non-Executive Director on 30 July 2025.

³ Mr Stanislav Bunimovich resigned on 7 March 2025 from his position as Executive Director, and Mr Chak Yan Leung was appointed as Non-Executive Director on 6 June 2025.

⁴ Mr Kar Kok Ip was appointed as Non-Executive Director on 06 June 2025 and resigned from his position on 31 March 2026.

⁵ Mr Dan George resigned on 22 April 2025 from his position as Independent Non-Executive Director and Mr Hideo Haneda was appointed as Non-Executive Director on 23 June 2025.

⁶ Mr Paul Hearn resigned on 22 April 2025 from his position as Independent Non-Executive Director and Mr Hidetoshi Furusho was appointed as Non-Executive Director on 23 June 2025.

2.4 Nomination Committee

The main objective of the Nomination Committee is to review the structure, size and composition of the Board and its Committees and to make recommendations with regards to any changes considered necessary in the identification and nomination of new Directors, the removal of Directors, the reappointment of existing Directors and the appointment and removal of members of the Board's Committees. The Nomination Committee has a responsibility to assess the roles of the existing Directors in office to ensure that balance is maintained in the Board in terms of skills, knowledge, experience, and diversity.

2.5 Lines of Defence

The Firm has adopted a three (3) line defence framework to allocate responsibility for the identification, management, control, and oversight of the principal risks related to the Firm's business. The model forms a core part of Finalto's governance framework and supports the prudent management of the Firm, facilitates effective oversight of material risks identified and promotes accountability for risk management across all levels of the organisation.

- **First line:** Functions that own and manage risks – the Business Management and Operational Functions.
- **Second line:** Functions that oversee risks – primarily the Risk Management and Compliance Functions.
- **Third line:** Function that provide independent assurance – primarily the Internal Audit Function.



2.6 Risk & Compliance Committee

The Firm has a Risk & Compliance Committee (“RCC”) in place to oversee on behalf of the Board all matters relating to risk management and regulatory compliance. The Risk & Compliance Committee’s arrangements are proportionate to the size, complexity, and risk profile of the Firm. The Committee acts independently from the management of the Firm, comprising of four Directors (including two NEDs).

All members of the Committee must have appropriate knowledge, skills, and expertise to fully understand and monitor the risk strategy, risk appetite, risk management policies and risk management practices of the Firm.

The main objectives of the Risk & Compliance Committee are as follows:

- To advise the Board on risk strategy and assist the Board in overseeing its implementation.
- To provide the risk management framework to ensure risks are identified, and appropriate management and/or mitigation plans are in place.
- To keep the Board informed regarding all risk activities.
- To identify, analyse, manage, and monitor the key risks of the business review and approve key policies and related procedures of risk management activities.

As previously mentioned, the Firm qualifies for the exclusion in MIFIDPRU 7.1.4R and thus is not obliged to have in place a Risk Management Committee. Nevertheless, the Firm has decided prudently to continue having this Committee in place. During 2025 the Risk & Compliance Committee convened four (4) times.

2.7 Audit Committee

The Firm has in place an Audit Committee, that supports the Board by overseeing the integrity of financial reporting, the effectiveness of internal controls, and the independence and performance of Internal and External Audit. It provides challenge over financial, regulatory, and control issues, ensuring risks are appropriately identified, managed, and reported in line with FCA expectations.

During 2025 the Audit Committee convened four (4) times.

2.8 Risk Management Framework

The Risk Management Framework (RMF) describes the Firm’s approach to risk management and provides the infrastructure for the governance, management, and accountability of risk. It also sets out the processes in place to identify, assess, monitor, mitigate and report risks that could materially influence the firm’s ability to achieve its strategic objectives.

The RMF documents the tone from the top for the principles and policies, for how risk management is practically implemented, to include its Risk Registers, Risk Taxonomy, Risk Policies, Risk Monitoring, Stress & Scenario Analysis and Reporting.

Risk governance is the process that ensures all Firm employees perform their duties in accordance with the RMF and includes defining the roles of all employees, segregating duties, and assigning authority to individuals, committees, and the board for approval of key risks, risk limits, exceptions, and reports, and for general oversight. This includes collectively the Firm’s policies and procedures with respect to risk management and roles and responsibilities of the Risk & Compliance Committee, the Chief Risk Officer (“CRO”) and other key parties.

The Board recognises the importance of strong corporate governance and has adopted the three lines of defence model to ensure high levels of compliance and risk management. It is the Board's view that compliance and risk management are the responsibility of every single employee.

2.9 Risk Management Function

The Firm operates a dedicated Risk Management function under the Chief Risk Officer (CRO) who is responsible for implementing the Risk Management Policies, as this is set by the Board of Directors and the Risk & Compliance Committee. In addition, it ensures ongoing compliance with the Firm's Risk Management regulatory requirements and has a direct reporting line to the Board of Directors and the Risk & Compliance Committee.

The Risk Management function has an oversight role and individual types of risks are managed daily by first line functions. More specifically, as a second line of defence, the Risk Management function is in place to:

- Oversee processes across the Firm and ensure they comply with risk management policies.
- Assess and challenge the business processes and their effectiveness to implement the policies.
- Identify and assess new and existing exposures to risk which may impact the Firm.
- Monitor and review limits for key risks including mandates set by the key risk policies.
- Provide oversight and support to first line functions, as they are the business units that actively manage risks as part of their daily operations.

2.10 Compliance and Money Laundering Functions

The Firm's Compliance function form part of the Firm's second line of defence and cover Regulatory Compliance to and Financial Crime. Responsible for providing independent oversight, challenge and assurance in relation to the Firm's regulatory and financial crime risk management framework, the Compliance function designs a risk-based compliance monitoring plan. The plan is reviewed on an annual basis having regard to the areas of material business activity or material business and regulatory risk, with the overall aim of always ensuring consistent regulatory compliance. The Compliance function advise the Board and senior management on applicable legal and regulatory requirements, monitor the adequacy and effectiveness of the Firm's systems and controls, oversee regulatory compliance and financial crim risk management activities, and support the identification, assessment and remediation of compliance and AML related tasks. The function also provides regular reporting to the Board and relevant committees on regulatory developments, monitoring outcomes, financial crime matters and the overall effectiveness of the Firm's compliance and AML control framework.

The Head of Regulatory Compliance and Money Laundering Reporting Officer ("MLRO") has direct access to the Board of Directors.

2.11 Internal Audit Function

The role of the Internal Audit function is the provision of ongoing review and evaluation of the operations and activities of the Firm in all respects, as well as the provision of recommendations and advice to ensure that the Firm operates at the highest standards and in accordance with best practices while remaining in line with the applicable legal and regulatory framework. The Internal Auditor is an independent and autonomous function with direct reporting line to the Board of Directors. The key responsibilities of the Internal Audit function include:

- Providing an objective and independent appraisal of all Firm activities (financial, operational and others).

- Giving assurance to the Board on all control arrangements, including management and corporate governance.
- Assisting the Board by evaluating and reporting the effectiveness of the controls for which the Board is responsible and issuing recommendations and suggestions.
- Keeping records and books with regards to the internal audit work performed.
- Establishing, implementing, and maintaining an audit plan to examine and evaluate the adequacy and effectiveness of the Firm's systems, internal control mechanisms and arrangements.
- Submitting Internal Audit Reports to the Board of Directors over the activities performed by the Internal Auditors.

2.12 Risk Management Strategies and Capital Management

The Firm deploys several risk management strategies to control its risks, which include maximum overall exposure levels and value at risk indicators. The Firm manages its capital structure and adjusts it, considering changes in economic conditions and the regulatory environment. The Capital Management framework of FFS is designed to manage its capital needs on an ongoing basis. The Firm has in place internal guidance to ensure that the capital adequacy ratio remains well above the regulatory minimum.

The Firm manages its capital and liquid resources to ensure that it will be able to continue as a going concern, while increasing the return to shareholders.

2.13 Internal Capital Adequacy and Risk Assessment ("ICARA") Process

Under the IFPR rules, MIFIDPRU investment firms are required to comply with the MIFIDPRU ICARA (Internal Capital Adequacy and Risk Assessment) process and the overall financial adequacy rule (OFAR).

The Internal Capital Adequacy and Risk Assessment ("ICARA") process, in summary, is the systems, controls and procedures set out in MIFIDPRU 7.4.9R(1) to (3) operated by a MIFIDPRU investment firm to:

- identify, monitor and, if proportionate, reduce all material potential harm that may result from the ongoing operation of, or winding down of, the firm's business; and
- assess whether the firm should hold additional own funds and/or liquid assets to address material potential harm.

The OFAR requires that a firm must always maintain overall financial resources, including capital resources and liquidity resources, which are adequate, both as to amount and quality,

- to ensure that there is no significant risk that its liabilities cannot be met as they fall due;
- the firm can remain financially viable throughout the economic cycle, with the ability to address any material potential harm that may result from its ongoing activities; and
- the firm's business can be wound down in an orderly manner, minimizing harm to consumers or to other market participants.

The additional amount of capital and liquidity, if necessary, is determined internally by the Firm through the performance of the ICARA, and upon FCA's request, the ICARA is collected and undergoes the Supervisory Review and Evaluation Process ("SREP"). Following the SREP, the FCA may decide for additional capital and liquidity requirements and accordingly communicated to the Firm and considered as an additional requirement affecting the minimum required Capital Adequacy Ratio and Liquidity Requirement for the Firm, respectively.

The Firm performs the ICARA and wind down analysis on at least a yearly basis in which it considers a series of stress scenarios to its base financial projections. At the same time stress testing is performed on an ongoing basis. Additionally, the process covers the Firm's business background, financial performance and governance arrangements

pertaining to Risk Management, and places emphasis on the impact of regulatory developments on business performance, compliance, and reputational risks. A core element of the ICARA process is to identify the risks associated with the activities of the Firm on a forward-looking basis. For each of the identified risks, the Firm assesses if the risk is sufficiently covered by the Own Funds Requirements (“OFR”) and Basic Liquid Assets Requirements (“BLAR”) or if additional capital and or liquidity requirements need to apply. The CRO is responsible for the preparation of the annual ICARA Report which is being submitted to the BoD for approval.

2.14 Board Risk Appetite Statements

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

The Risk Appetite Statements include some high-level principles and key risk indicators to alert Management and the Board of Directors of any risk concerns and triggering appropriate responsive actions. Specific limits are in place, which are embedded in the risk monitoring systems and reporting, to cap the amount of risk the Firm will take. All Key Risks as set out in the Firm’s risk taxonomy have a defined risks appetite statement which is supported by established policies and procedures to manage those risks which includes;

- Operational Risk.
- Liquidity Risk.
- Credit Risk.
- Market Risk.
- Compliance Risk.
- Business Risk.

This Risk and Compliance Committee assist the Board in completing its risk appetite statements on a quantitative and qualitative perspective and review its appetite statements on a regular basis.

3 Key Risks & Harms

The Firm continuously monitors its business activities to identify material harms (severe outcome or impacts) and risks (the probability of a harm occurring) which may result in as a result from the ongoing operations. The Firm refers to its "key risks" to explain its collective approach to both risk and harms and sets them out in a taxonomy which is consistent with the regulatory approach.

The IFPR regime provides the taxonomy for assessing principal harms as they relate to the client, the firm, and the market, named as Risk to Client (RtC), Risk to market (RtM) and Risk to firm (RtF) and assess where they are applicable for the firm;

3.1 Risk to Client (RtC)

Risk to Client ("RtC") reflects the risk covering the business areas of investment firms from which harm to clients can occur. The K-factors that are assessed under RtC based on the IFPR Pillar I methodologies, are the following:

K-AUM (Assets Under Management)
K-AUM captures the risk of harm to clients from an incorrect discretionary management of client portfolios or poor execution and provides reassurance and client benefits in terms of the continuity of service of ongoing portfolio management and investment advice. <i>The firm does not provide portfolio management or investment advice and so, this K-factor does not apply.</i>
K-CMH (Client Money Held)
K-CMH captures the risk of potential for harm where an investment firm holds the money of its clients, considering whether they are on its own Balance Sheet or in third-party accounts and arrangements under applicable national law provide that client money is safeguarded in the event of bankruptcy, insolvency, or entry into resolution or administration of the investment firm. K-CMH excludes client money that is deposited on a (custodian) bank account in the name of the client itself, where the investment firm has access to the client money via a third-party mandate. <i>The firm offered safeguarding services only in relation to the CFD positions of its clients, which is captured under K-CMH in consideration of the nature of CFD products.</i>
K-ASA (Assets Safeguarded and Administered)
K-ASA captures the risk of safeguarding and administering client assets and ensures that investment firms hold capital in proportion to such balances, regardless of whether they are on their own Balance Sheet or in third-party accounts. <i>During the year under review, the Firm offered safeguarding services only in relation to the CFD and spread bet positions of its clients, which is captured under K-CMH in consideration of the nature of CFD and spread bet products. Therefore, the Firm was not subject to the risk relating to this K-factor.</i>
K-COH (Client Orders Handled)
K-COH captures the potential risk to clients of an investment firm which executes client orders in the name of the client, and not in the name of the investment firm itself, for example as part of execution-only services to clients or when an investment firm is part of a chain for client orders. <i>The Firm executes its clients' orders by acting as principal to their trades, therefore the risk reflected by this K-factor does not apply.</i>

3.1.1 K - CMH

The Firm is subject to CMH that captures the risk of potential for harm where an investment firm holds the money of its clients and provides that client money is safeguarded in the event of bankruptcy, insolvency, or entry into resolution or administration of the investment firm. This risk from a capital point of view covers the Firm's Off-Balance Sheet items that are segregated.

The Firm monitors and assesses its CMH daily and accordingly allocates capital for this risk. Capital requirements for RtC and specifically CMH, are calculated and monitored on an ongoing basis via an internal tool, by the Dealing and Risk Departments. Capital Adequacy Reports that monitor in detail CMH under RtC are being reported by the Risk Department to some Senior Management members on a weekly basis and on a quarterly basis to the FCA. The Board of Directors and the Risk & Compliance Committee members are also informed about the Capital adequacy and the equivalent capital requirements under RtC on a quarterly basis, in which the Risk department shares with all members end of month results.

3.2 Risk to Market (RtM)

Risk to Market ("RtM") is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as equity prices, interest rates, foreign exchange rates and commodity prices. Market risk arises from the Firm's exposures to financial instruments and to changes in the market prices of these financial instruments. Market risk comprises of Equity risk, Interest Rate risk, Foreign Exchange risk and Commodity risk. There are two K-factors that capture the principal risks under RtM:

K-NPR (Net Position Risk)

This k-factor is measured in accordance with the CRR rules for Market risk for positions in equities, interest rate financial instruments, foreign exchange, and commodities. K-NPR captures the Market risk, which is defined as the risk that the Firm's income or the value of its holdings of financial instruments will change due to the change in Market risk factors (market prices, non-Trading Book interest rates, non-Trading Book foreign exchange rates). Exposure to Market risk at any point in time depends primarily on short term market conditions and the levels of client activity.

Based on the reference year, this K-factor is applicable to the Firm.

K-CMG (Clearing Margin Given)

This is an alternative to K-NPR to provide for Market risk for trades that are subject to clearing or on a portfolio basis, where the whole portfolio is subject to clearing or margining as set out in MIFIDPRU 4.13 of the FCA Handbook and IFPR. CMG means the amount of total margin required by a clearing member or qualifying central counterparty, where the execution and settlement of transactions of an investment firm dealing on own account take place under the responsibility of a clearing member or qualifying central counterparty.

Based on the reference year, this K-factor is not applicable to the Firm due to the nature of its operations.

3.2.1 K-NPR

The Firm deems Market risk as one of the main risks that the Firm bears. The Firm's exposures to Market risk arise from the clients' trading on the Firm's online platforms, as well as from some on Balance Sheet banking book exposures, which give rise to Market FX risk.

The Firm has in place a Market risk Policy which outlines how Market risk is managed. In particular, the policy establishes market position limits reflecting the Firm's risk appetite, for each financial market in which clients can trade. These limits are determined based on the trading levels, volatilities and the market liquidity of the underlying financial product or asset class. The Firm acts as a market maker in CFDs where the underlying instruments are FX, Commodities, Indices, Exchange Traded Funds, Equities and Bonds. There is a high degree of natural hedging in the trading of clients across instruments and asset classes. This mitigates significant single instrument Concentration risk within the Firm's trading portfolio and reduces the Firm's net Market risk exposure.

The Firm continually monitors its market exposure against these limits so that relevant action is initiated. This can include hedging the excess exposure using hedging accounts maintained with Banks, other brokers, or limit locks, without any more exposure being accepted. More specifically, Market risk is monitored on a continuous basis by the Dealing and risk team, which acts accordingly, depending on the internal hedging strategy and limits. Market risk is monitored both for Capital Adequacy ratio purposes and for meeting Group Market risk limits. It is monitored via the Firm's internal online Capital Adequacy tool that follows the IFPR rules, as well as the Firm's inhouse Risk App, that provides enhanced Market risk assessment and monitoring for all the Group entities on both entity and consolidated level.

3.3 Risk to Firm (RtF)

Risk to Firm ("RtF") captures an investment firm's exposure to the Risk of Default of its Trading Counterparties (K-TCD), the Concentration Risk arising from its exposures to counterparties and their connected persons (K-CON) and Operational Risks from its Daily Trading Flow of transactions (K-DTF).

K-TCD (Trading Counterparty Default)
K-TCD means the exposures in the Trading Book of an investment firm in specific instruments and transactions giving rise to the risk of trading counterparty default. This methodology replaces the Counterparty Credit Risk that used to be applicable under the previously applicable framework, CRR. <i>The Firm, throughout the year under review, was exposed to TCD due to it's over the counter ("OTC") Trading Book derivative transactions (i.e., CFDs).</i>
K-DTF (Daily Trading Flow)
K-DTF means the daily value of transactions that an investment firm enters through dealing on own account or the execution of orders on behalf of clients in its own name. No similar risk was captured under the previously applicable, CRR regime. DTF aims to capture the Operational risks from an investment firm's daily trading flow. <i>The Firm is exposed to DTF since it executes its clients' trades on a principal basis (i.e., through dealing on own account).</i>
K-CON (Concentration Risk)
K-CON means the exposures in the Trading Book of an investment firm to a client/counterparty or a group of connected clients/counterparties, the value of which exceeds the limits specified in MIFIDPRU 5.5 of the FCA handbook and IFPR and includes the Firm's TCD exposures towards its clients and counterparties, as well as its Market risk (NPR) exposure towards issuers of equity and interest-rate instruments in the Trading Book. <i>This is a risk which may apply to the firm and is monitored for but does not apply at this time.</i>

3.3.1 K-TCD

The Firm's key counterparties under the Trading Book are its clients, as well as its hedging counterparties. With respect to client-related K-TCD, the Firm ensures that client accounts are funded before trading takes place (i.e., the clients need to have enough equity in their accounts to maintain their margin requirements and keep their positions open).

The Firm operates a real-time mark-to-market trading platform with customers' profits and losses being credited and debited automatically to their accounts. If the market moves adversely by more than the customer's maintenance margin, the Firm exercises margin calls and stop outs to prevent the account from going into deficit, hence managing TCD risk effectively (through the margin acting as a collateral for risk management).

3.3.2 K-DTF

As previously mentioned, DTF aims to capture the Operational risks from the investment firm's daily trading flow. Similarly, to TCD and CMH previously mentioned, DTF is calculated and monitored on an ongoing basis via the Firm's internal IFPR tool, by the Dealing and Risk Departments, and in case of a limit breach, actions are taken place to rectify the issue immediately.

3.4 Other Risks

3.4.1 Operational Risk (other than DTF)

Operational risk is defined as the risk of loss that can result from inadequate or failed internal processes, people, system errors or external events, as well as other risks such as fraud, legal or physical and environmental risks. The Firm, due to its nature, is primarily exposed to Operational risks arising from potential system/trading platform failures or delays, internal practices, as well as Legal and Compliance risks. The Firm is partially dependent on third parties, including its own Group, for the key technological systems, infrastructure suppliers, data providers and data sources. The Operational risk assessment is performed through the active participation of all areas and departments of the Firm on a regular basis, at least annually.

In line with the three levels of defence model, the primary responsibility for Operational risk lies with each individual business unit of the Firm. The Head of each Department is responsible for managing and mitigating Operational risks within their area of responsibility. Annual review and assessment of the Operational risk per department are performed to assess any new risks and the effectiveness of existing procedures. The Firm tracks all operational incidents and general events that might have occurred throughout the Group and records them in a central register so the event and the action to address it are documented formally. An Operational Risk Committee meet monthly to review incidents, focusing on the mitigation to ensure they do not happen again. All material operational incidents are escalated to the Risk & Compliance Committee for review and discussion.

3.4.2 Compliance (Regulatory) Risk

Regulatory and compliance risk is the risk that the Firm fails to comply with applicable laws, regulations, regulatory expectations, industry standards or internal policies and procedures. This could arise from deficiencies in governance arrangements, systems and controls, regulatory reporting, client onboarding, conduct of business obligations, market conduct requirements, product governance, outsourcing oversight, data protection obligations or change management processes. Such failures could result in regulatory intervention, financial penalties, customer detriment, remediation costs, litigation, restrictions on business activities and reputational damage.

Increased regulatory scrutiny of the industry in which the Firm operates could adversely affect the Group's revenue, business, and profitability. Changes to the UK regulatory framework, current and proposed UK regulations and directives, could restrict the Firm's business. The implementation of necessary changes to comply with the increased regulatory framework could potentially result in significantly additional demand on the Firm's resources.

The Firm seeks to mitigate this risk through a robust compliance framework comprising documented policies and procedures, ongoing regulatory horizon scanning, compliance monitoring activities, staff training, advisory support, governance oversight and regular reporting to senior management and the Board. External legal advice is obtained on new regulations affecting the Firm's product offering. Relevant actions are then initiated by the Firm to always ensure comprehensive and consistent compliance.

3.4.3 Financial Crime Risk

Financial crime risk is the risk that the Firm is used, knowingly or unknowingly, to facilitate money laundering, terrorist financing, sanctions evasion, fraud, bribery and corruption, market abuse or other forms of financial crime. Given the Firm's international client base, cross-border activities and dealings with professional and institutional counterparties, financial crime risk may arise through client onboarding, payments and transfers, third-party relationships, trading activity or weaknesses in customer due diligence and transaction monitoring controls. Financial crime events may expose the Firm to regulatory sanctions, financial losses, criminal liability, remediation costs and significant reputational harm.

The Firm maintains a risk-based financial crime framework incorporating customer due diligence, sanctions screening, transaction monitoring, periodic client reviews, suspicious activity reporting procedures, financial crime training and ongoing oversight by the AML and Compliance functions, supported by regular reporting to senior management and the Board.

Any updates to the regulatory framework which affect the Firm's Financial Crime processes are brought to the attention of the Risk & Compliance Committee and the Board at least on a quarterly basis, accompanied by any changes in the Firm's process and suggestions for relevant improvements. The Firm's enterprise AML, Sanctions, Fraud and MAR risk assessment is reviewed on a yearly basis.

3.4.4 Liquidity Risk

Liquidity risk is the risk that the Firm is unable to maintain sufficient liquid financial resources to meet its obligations as they fall due under both normal and stressed conditions. The risk may arise from adverse market movements, increased client trading activity, elevated margin requirements from liquidity providers, operational disruptions, counterparty stress events, or a reduction in available cash resources. A liquidity shortfall could affect the Firm's ability to fund its day-to-day operations, meet obligations to liquidity providers and other counterparties, and continue providing services to clients.

The Firm's obligations are monitored daily. The Firm is adequately capitalised and has cash available to meet both its short and long term obligations. The Firm's approach to managing liquidity is to ensure it will have sufficient liquidity to meet its financial liabilities when due, under both normal circumstances and stressed conditions. Therefore, the Firm considers Liquidity risk in relation to all clients' trading activity to be significantly low. In addition, the Firm follows the Liquidity requirement set by the IFPR framework. Liquidity adequacy is assessed as part of the Firm's ICARA process and is subject to ongoing oversight by senior management and the Board. As at 31st of December 2025, the Firm satisfied the Liquidity Requirement.

4 Own Funds

The prudential framework for MIFIDPRU investment firms set out in the IFPR and the FCA Handbook is designed to reflect the nature, size, and complexity of investment firms' activities. As per the rules set by the IFPR, MIFIDPRU investment firms are required to maintain Own Funds consisting of the sum of their Common Equity Tier 1 (CET1) capital, Additional Tier 1 (AT1) capital and Tier 2 (T2) capital, and shall always meet all the following conditions:

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

Table 2 below presents the composition of the Firm's Own Funds as at 31st of December 2025, while Table 3 indicates how these Own Funds reconcile with the Firm's audited Balance Sheet as of this date, and they have been prepared using the format set out in MIFIDPRU 8, Annex 1 R.

As at 31st of December 2025, the Firm's Own Funds comprised entirely of Common Equity Tier 1 capital. As shown below, the Firm's Own Funds amounted to \$66,059k.

Table 2: Template MIFIDPRU 8, Annex 1 R - Composition of Regulatory Own Funds (OF1)

OF1		(a)	(b)
31 st December 2025		Amounts (\$'000)	Source based on reference numbers/letters of the Balance Sheet in the audited Financial Statements
Ref.	Common Equity Tier 1 (CET1) capital: instruments and reserves		
1	OWN FUNDS	66,059	
2	TIER 1 CAPITAL	66,059	
3	COMMON EQUITY TIER 1 CAPITAL	66,059	
4	Fully paid-up capital instruments	14,181	Ref. 1 (Shareholders' Equity)
5	Share premium	10,033	Ref. 2 (Shareholders' Equity)
6	Retained earnings	42,241	Ref. 3 (Shareholders' Equity)
10	Adjustments to CET1 due to prudential filters	(51)	Trading Book
11	(-) TOTAL DEDUCTIONS FROM CET1	(345)	
11.2	(-) Other intangible assets	(345)	Ref. 2&4 (Assets)
11.3	(-) deferred tax assets that rely on future profitability	-	
19	CET1: Other capital elements, deductions & adjustments	-	
20	ADDITIONAL TIER 1 CAPITAL	0	
25	TIER 2 CAPITAL	0	

Table 3: Template MIFIDPRU 8, Annex 1 R: Own Funds: Reconciliation of Regulatory Own Funds to Balance Sheet in the Audited Financial Statements

31 st December 2025		(a)	(c)
		Balance Sheet as in audited Financial Statements (\$'000)	Cross reference to template OF1
Ref.	Assets - Breakdown by asset classes according to the Balance Sheet in the audited Financial Statements		
1	<i>Tangible Assets (computer equipment)</i>	193	
2	<i>Tangible Assets (software licences)</i>	5	Ref. 11.2 (OF1)
3	<i>Right of use of asset</i>	5,910	
4	<i>Intangible Assets</i>	339	Ref. 11.2 (OF1)
5	<i>Debtors</i>	48,940	
6	<i>Corporate Tax receivable</i>	2,713	
7	<i>Cash and Cash Equivalents</i>	179,145	
8	Total Assets	237,245	
Ref.	Liabilities - Breakdown by liability classes according to the Balance Sheet in the audited Financial Statements		
1	<i>Creditors -Amount failing due within one year</i>	163,839	
2	<i>Deferred tax liability</i>	24	
3	<i>Creditors -Amount failing due within more than a year</i>	6,927	
4	Total Liabilities	170,790	
Ref.	Shareholders' Equity		
1	<i>Called up share capital</i>	14,181	Ref. 4 (OF1)
2	<i>Share premium</i>	10,033	Ref. 5 (OF1)
3	<i>Reserves</i>	42,241	Ref. 6 (OF1)
4	Total Shareholders' Equity	66,455	

5 Minimum Capital Requirements

The IFPR framework's approach for the calculation of the Minimum Capital Requirements for Non-Small MIFIDPRU investment firms such as FFS, is by taking the highest of the Fixed Overhead Requirement ("FOR"), the Permanent Minimum Capital Requirement ("PMCR") and the K-factors that apply to the firm.

The Firm reports its Capital Requirements to the CEO, CFO and some Senior Management members on a weekly basis and on a quarterly basis to the regulator. The Board of Directors and the Risk & Compliance Committee members are also informed about the Capital Requirements on a quarterly basis and when the Risk department shares with all members end of month results.

5.1 Fixed Overheads Requirement (FOR)

FFS calculates its FOR by taking the one quarter of its fixed overhead expenses of the preceding year in accordance with the provisions of MIFIDPRU 4.5 of the FCA Handbook and IFPR. The Fixed Overheads Requirement as of 31st December 2025 amounted to \$11,869k.

5.2 Permanent Minimum Capital Requirement (PMCR)

The Firm monitors its Own Funds on a continuous basis and ensures that they remain above the Permanent Minimum Capital Requirement of £750k (\$1,010k) which corresponds to the initial capital that applies to the Firm in accordance with MIFIDPRU 4.4 of the FCA Handbook and IFPR.

5.3 "K-factor" Capital Requirement

The Firm calculates its overall "K-factor" capital requirement on a continuous basis as the sum of the "K-factor requirements" grouped in three categories: Risk-to-Client (RtC), Risk-to-Market (RtM) and Risk-to-Firm (RtF), in accordance with MIFIDPRU 4.6 of the FCA Handbook and IFPR. (and as described in further detail in Section 3).

The total K-Factors as of 31st December 2025 amounted to \$5,427K.

Table 4 breaks down the Pillar I minimum capital requirement that the Firm was required to hold as of 31st of December 2025.

Table 4: Minimum Capital Requirements

Minimum Capital Requirements		31 Dec 2025 (\$'000)
K-Factor Requirement		
Risk-to-Client (RtC)	K-AUM	-
	K-CMH	183
	K-ASA	-
	K-COH	-
Risk-to-Market (RtM)	K-NPR	2,596
	K-CMG	-
Risk-to-Firm (RtF)	K-TCD	1,797
	K-DTF	851
	K-CON	-
Total K-Factor Requirement		5,427
Fixed Overhead Requirement ('FOR')		11,869
Permanent Minimum Capital Requirement ('PMCR')		1,010

According to the IFPR requirements, the Firm's Minimum Capital Requirement as at 31st of December 2025 was determined by the Fixed Overhead Requirement and amounted to \$11,896K.

As indicated in Table 5 below, as at 31st of December 2025 the Capital Adequacy ("CAD") ratio of the Firm stood at 557% and exceeded the minimum capital requirement of 100% and Internal Early Warning Indicator of 236%.

The Firm's Own Funds comprised entirely of Common Equity Tier 1 capital and amounted to \$66,059k which exceeds the Minimum Own Funds Requirement of \$11,869K, thus resulting to a capital surplus \$54,190k.

Table 5: Capital Excess/Ratio

Item Description	31 st Dec 2025 (\$'000)	Reference
Capital		
Common Equity Tier 1	66,059	
Additional Tier 1	-	
Tier 2	-	
Total Own Funds	66,059	a
Own Funds Requirement		
K-factor Requirement	5,427	b
Fixed Overhead Requirement	11,869	c
Permanent Minimum Capital Requirement	1,010	d
Minimum Own Funds Requirement	11,869	e = (higher of b, c, d)
Capital Excess/Ratio		
Capital Excess	54,190	a-e
Capital Ratio	557%	a/e

6 Remuneration disclosure

FFS is a solo-regulated £750k IFPRU investment firm authorised by the FCA. Under MIFIDPRU, the Firm has assessed itself as a non-SNI MIFIDPRU investment firm and was required to perform the test in SYSC19G.1.1R to assess whether certain provisions of the MIFIDPRU Remuneration Code are disapplied. For FY 2025, the Firm was not required to apply the extended remuneration requirements.

The Firm is required to comply with provisions set out under SYSC19F and 19G of the FCA Handbook which specifically outlines the remuneration codes and principles. The Firm is aware that the codes do not apply to all firms in the same way and are divided into proportionality levels based on the nature, scope, and complexity of its activities. Each tier of proportionality has a different compliance obligation with the provisions under SYSC19.

The Firm's Remuneration policy provides an overview of the Remuneration Code and of how the firm is adhering to the FCA's regulations and requirements. The Firm operates in a business area which is subject to enhanced regulatory requirements and the Remuneration Policy has been developed to comply with these. It covers the practices of rewarding and incentivising the Firm's staff and encourages responsible business conduct, whilst also making sure conflicts of interest do not arise and that all clients are treated fairly. It also meets updated FCA guidance regarding the proportionality of different remuneration structures. The Firm's remuneration policy and arrangements apply to all staff defined as including directors, officers, senior managers, employees (whether permanent, part time, fixed term or temporary).

6.1 Decision making procedures and governance.

The Firm has established a Remuneration Committee (the 'Committee') which exercises competent and independent judgment on the Firm's Remuneration Policy, practices, and incentives. This has developed sound management of risks, capital, and liquidity in-line with the regulatory requirements, such as those imposed by the FCA IFPRU requirements, to which the Firm adheres. They consider the varying types of employees considered for remuneration, including MRTs and SMFs. Alongside the Compliance, Risk and Internal Audit departments, the Committee provides a pillar of independence which reviews and manages the Remuneration Policy of the Firm.

The Remuneration Committee ("REMCO") determines and applies a Remuneration Policy on behalf of the Board and to ensure compliance with best practice surrounding the remuneration and reward FCA Handbook provisions. The CRO and Head of Compliance will attend meetings as necessary and will be consulted concerning payment of variable pay as to whether any member of staff has fallen short of expected standards in these areas.

The REMCO is mandated to:

- Make suitable arrangements to achieve prudent recognition of any deficiencies identified in terms of remuneration within the Firm.
- Design and determine the Firm's remuneration policy considering the need to promote the long-term success of the Firm, business strategy and risk appetite, managing conflicts of interest and preventing undue risks.
- Assess the mechanisms and systems adopted to ensure that the remuneration system properly considers all types of risks, liquidity and capital levels and that the overall policy is consistent with and promotes sound and effective risk management and is in line with the business strategy, objectives, corporate culture and values, risk culture and the long-term interest of the Firm.
- Assess the achievement of performance targets and the need for ex post risk adjustment, including the application of malus and clawback arrangements.

- Review and agree the remuneration practices of Directors, Senior Management, material risk takers, and all other employees of the Firm that receive (or may in the future receive) any form of variable pay.
- Support the Board in overseeing the remuneration policies, practices and processes and the general compliance with the policy.
- Check whether the existing policy is still up to date and if necessary, make proposals for changes.
- Review the appointment of external remuneration consultants that the supervisory function may decide to engage for advice or support.
- Ensure the adequacy of the information provided to shareholders on remuneration policies and practices.

The Senior Management makes recommendations to the REMCO for any changes in remuneration practices. Furthermore, it makes recommendations to the REMCO for bonus/variable pay pools, taking into consideration the Firm's Financial Results, Department performance and individual employee performance, as well as the feedback from the Firm's Compliance and Risk Management functions. The Senior Management directs and oversees the implementation of remuneration practices by the policy owners who are the CEO and the Human Resources Manager.

6.2 Material risk takers (MRTs)

MRTs are staff whose professional activities have a material impact on the risk profile of the Firm. Certain aspects of the FCA Remuneration Code (the "Code") such as variable pay and termination payments, apply to all staff. However, certain implications of the Code depend on whether the staff member is a Material Risk Taker ("MRT").

The types of staff and criteria which the Firm assesses as having met the FCA definition of MRTs, and individuals who specifically may have a material impact on the Firm's risk profile are considered as:

- Members of the management body and senior management.
- Staff members managing business units carrying on at least one of the following regulated activities: Arranging deals in investments, dealing in investments as agent, and/or dealing in investments as principal.
- Staff members who have managerial responsibilities for the activities of a control function and/or the prevention of money laundering and terrorist financing.
- Staff responsible for managing material risk within the firm.
- Staff members responsible for managing one of the following: information technology, information security, and/or outsourcing arrangements of critical or essential functions.
- Staff members with authority take decisions approving or vetoing the introduction of new products.

6.3 Fixed and Variable Remuneration Components and Design

Remuneration is delivered via a combination of fixed and variable elements, which includes base salary, pension and other benefits, an annual discretionary bonus and/or commissions.

6.3.1 Compensation Mix

The remuneration arrangements support the Firm's strategic direction, which exists to encourage business growth and support shareholder goals. The output of the Firm's strategy is based on building long-term relationships with internal and external stakeholders who support business direction and decisions across the economic cycle of the Firm.

The policy is designed to provide a scope for remuneration packages which aim to attract and retain employees of all levels and motivate staff performance to the highest standards. In line with this, individual rewards align with the Group's performance, shareholder interests and ensure a compliant approach to our risk management practices.

The REMCO, when determining remuneration awards, considers an appropriate ratio between fixed and variable pay so that the Firm and the Group can operate a fully flexible incentive policy under a hybrid remuneration model. This includes the ability to pay no bonuses or other incentive pay, should performance of the Firm, the Group and/or an individual require this. The Firm has in place an appropriate maximum ratio between fixed and variable remuneration.

6.3.2 Fixed Remuneration

Fixed remuneration serves to compensate employees according to their qualifications, experience, and skills, as well as the requirements, significance, and scope of their work. Specifically, it includes the contractually agreed monthly recurring salary and benefits which are permanent, pre-determined, non-discretionary, and non-revocable. It is paid irrespective of Firm's performance.

The appropriate amount for an employee's fixed remuneration is determined based on a market comparison of their role, general salary levels within the Firm, the labour market situation in the industry and at the respective location and the regulatory requirements for the structures applicable to total remuneration. Competitive fixed remuneration plays an important role in attracting and retaining employees. This guarantees that the Firm and the Group have the competencies required to meet their strategic goals. The Firm's employees are awarded with a fixed monthly remuneration.

6.3.3 Variable Remuneration

It is important that variable remuneration is based on sustainable, and risk adjusted performance as well as performance more than that required to fulfil the employee's job description as part of the terms of employment. The assessment for variable pay is completed based on SYSC 19G.6.4R which considers (a) the performance of the individual, (b) the business unit (where applicable) and (c) the overall results of the Firm and is based on financial and non-financial metrics. These criteria reflect the desired conduct of the employees to act in the best interest of the clients and in a manner that has regard to focusing on the long-term sustainable performance of the Firm versus short term risk taking or malpractices. Variable remuneration also has the benefit that it can differentiate performance results and promote practices by means of suitable incentive systems, which in turn affect the corporate culture. Non-financial metrics considered are based on staff appraisals and include attitude to risk and compliance issues, completion of compliance training, teamwork, work ethic, office attendance in accordance with Firm policy and maintaining good outcomes for customers.

Variable remuneration may take the form of:

- Annual discretionary performance-based bonus, and/or
- Commission based payment – available to certain sales employees servicing B2B clients.

Variable remuneration is available to all staff, except members of the board who do not perform any executive function in the Firm (in line with SYSC19G.2.12R). Therefore, all staff are eligible to receive annual discretionary performance-based bonus, unless mentioned otherwise in their contractual agreement.

Additional ad hoc variable remuneration types:

- **Guaranteed variable remuneration** – Guaranteed variable remuneration may be referred to as a sign on bonus but can also be used to compensate new staff members where they have lost the opportunity to receive variable remuneration by leaving previous employment. The Firm does not offer any types of guaranteed variable remuneration apart from retention, buy out or new hire in which case approval should be obtained from the CEO,

the REMCO, and the Chief Compliance Officer. No guaranteed variable remuneration may be offered to an MRT unless it occurs in the context of a new hire within their first year of service subject to the Firm having a strong capital base.

- **Severance pay** - Where the Firm awards severance pay, the Firm will demonstrate the reasons for the settlement, the appropriateness of the amount of severance pay and the criteria used to determine the amount. When determining the amount of severance pay the Firm considers performance achieved over time and assess the severity of any relevant Firm or individual failure.

Any variable remuneration is subject to Clawback and, where performance adjustment is required, Malus will be used.

- Clawback is applied to variable remuneration that has already been paid out. The clawback period is three years. Clawback would apply particularly in cases of fraud or other conduct with intent or severe negligence which led to significant losses.
- Malus refers to the reclaim of variable remuneration due that has not yet been paid out and would apply when the variable remuneration should be reduced due to poor performance including:
 - The member of staff's misbehaviour, conduct rule breach or material error; and/or
 - The Firm or relevant business unit (or both) suffering material downturn in its performance; and/or
 - The Firm or relevant business unit (or both) suffering a material failure of risk management.

The Firm will assess all relevant factors, including (in the case of risk management failures), the proximity of the staff member to the failure in question and their level of responsibility.

6.4 Annual performance-based remuneration pool Determination (including risk adjustment)

The discretionary annual bonus pool for the employee remuneration is suggested on a group level, a percentage of which is then allocated to each Firm. The Firm's management presents the amount to REMCO for its consideration and evaluation. The REMCO makes final recommendations to the Board of Directors, which has the responsibility for the final sign off. The work of all relevant Committees is based on an assessment of the financial performance for each financial year against targets and a quantitative and qualitative assessment of the risks taken during each financial year, as well as matters relating to capital management and regulatory compliance.

The Board of Directors reviews the annual bonus pool to ensure (a) that all relevant business risks have been assessed and considered and (b) that sufficient amounts are allocated to ensure the Firm and the Group are able to maintain a robust capital base.

6.5 Performance Management Approach

The Firm and the Group operate an annual appraisal process which can establish objectives for all staff covering both financial and non-financial metrics, specific behavioural competencies, including compliance and risk management behaviours with regards to the Firm's and the Group's values, Code of Conduct, policies, and procedures.

Under the remuneration framework, remuneration decisions are made based on a combination of business results, performance against objectives set out in performance scorecards, general individual performance of the role and adherence to the Firm's policies and procedures. Poor performance against non-financial metrics will result in reduction of an employee's performance award. Annual performance ratings provided by managers are independently reviewed (and challenged where appropriate) and calibrated at a Firm and Group level to ensure that ratings have been applied consistently and performance has been effectively differentiated.

The table below provides the aggregate remuneration of Senior Management (Executive Directors), Other Material Risk Taker's (MRTs) and other staff whose activities have a material impact on the risk profile of the Firm, broken down by fixed and variable cash remuneration.

Table 6: Quantitative information on remuneration

Staff category (2025)	No. of persons	(S'000)		
		Fixed Remuneration	Variable Remuneration	Total Remuneration
Senior Management (Executive Directors)	3	763	283	1,046
Other Material Risk Takers (MRTs)	9	1,286	102	1,388
Other staff	72	4,833	1,129	5,962
Total	84	6,882	1,514	8,396

During 2025 the Firm did not award any deferred remuneration in 2025 or in previous performance periods, that was due to vest in 2025 or in subsequent years, and it did not award any guaranteed variable remuneration during the year.

7 Appendix: Main Features of Own Funds Instruments

Template MIFIDPRU 8, Annex 1 R		a
		Common Equity Tier 1 Capital
1	Issuer	Finalto Financial Services Limited
2	Unique identifier (e.g., CUSIP, ISIN or Bloomberg identifier for private placement)	N/A
3	Public or private placement	Private
4	Governing law(s) of the instrument	UK Law
5	Instrument type (types to be specified by each jurisdiction)	Ordinary Shares
6	Amount recognised in regulatory capital (USD, as of most recent reporting date)	14,181,029
7	Nominal amount of instrument	12,846,259
8	Issue price	EUR 1 each
9	Redemption price	N/A
10	Accounting classification	Shareholder's Equity
11	Original date of issuance	10/04/2008-23/12/2021
12	Perpetual or dated	Perpetual
13	Original maturity date	No maturity
14	Issuer call subject to prior supervisory approval	N/A
15	Optional call date, contingent call dates and redemption amount	N/A
16	Subsequent call dates, if applicable	N/A
	<i>Coupons / dividends</i>	
17	Fixed or floating dividend/coupon	Floating
18	Coupon rate and any related index	N/A
19	Existence of a dividend stopper	No
20	Fully discretionary, partially discretionary, or mandatory (in terms of timing)	N/A
21	Fully discretionary, partially discretionary, or mandatory (in terms of amount)	N/A
22	Existence of step up or other incentive to redeem	No
23	Noncumulative or cumulative	Non-cumulative
24	Convertible or non-convertible	Non-convertible
25	If convertible, conversion trigger(s)	N/A
26	If convertible, fully or partially	N/A
27	If convertible, conversion rate	N/A
28	If convertible, mandatory, or optional conversion	N/A
29	If convertible, specify instrument type convertible into	N/A
30	If convertible, specify issuer of instrument it converts into	N/A
31	Write-down features	No
32	If write-down, write-down trigger(s)	N/A
33	If write-down, full or partial	N/A
34	If write-down, permanent or temporary	N/A
35	If temporary write-down, description of write-up mechanism	N/A
36	Non-compliant transitioned features	No
37	If yes, specify non-compliant features	N/A
38	Link to the full term and conditions of the instrument (signposting)	N/A