

X GLOBAL MARKETS LTD
Consolidated Disclosure of Information (Pillar 3)
For the year ended December 31st, 2024

April 2025

Contents

1.	Introduction	3
1.1.	VERIFICATION	3
1.2.	REPORTING DETAILS	4
1.3.	NON-MATERIAL, PROPRIETARY OR CONFIDENTIAL INFORMATION	4
2.	Corporate Governance – Board and Committees.....	4
2.1.	BOARD OF DIRECTORS.....	4
2.2.	BOARD RECRUITMENT POLICY	5
2.3.	POLICY ON DIVERSITY	6
2.4.	NUMBER OF DIRECTORSHIPS HELD BY THE BOARD MEMBERS	6
2.5.	GOVERNANCE COMMITTEE	7
2.6.	ORGANISATIONAL STRUCTURE.....	7
3.	Risk Management Objectives and Policies	7
3.1.	RISK APPETITE	8
3.1.1.	RISK IDENTIFICATION.....	8
3.1.2.	RISK ASSESSMENT	8
3.1.3.	RISK MANAGEMENT FUNCTION	9
3.1.4.	STRESS TESTING	9
3.1.5.	ICARAP AND APPROACH TO ASSESSING ADEQUACY OF INTERNAL CAPITAL	9
3.1.6.	CONTROL FUNCTIONS	10
3.1.6.1.	INTERNAL AUDIT	10
3.1.6.2.	COMPLIANCE OFFICER	10
3.1.6.3.	ANTI-MONEY LAUNDERING COMPLIANCE OFFICER	11
3.1.7.	INFORMATION FLOW ON RISK TO THE MANAGEMENT BODY	11
3.2.	BOARD DECLARATION - ADEQUACY OF THE RISK MANAGEMENT ARRANGEMENTS	12
3.3.	BOARD RISK STATEMENT	12
4.	Own Funds	14
5.	Own Funds requirements	14
5.1.	K- FACTOR REQUIREMENTS.....	15
5.1.1.	RISK TO CLIENTS (RTC).....	16
5.1.2.	RISK TO MARKET (RTM)	16
5.1.3.	RISK TO FIRM (RTF).....	16
5.2.	FIXED OVERHEADS REQUIREMENT	17
5.3.	LIQUIDITY REQUIREMENT.....	17
5.4.	OTHER RISKS	18
5.4.1.	STRATEGIC RISK.....	18
5.4.2.	REPUTATION RISK.....	18
5.4.3.	BUSINESS RISK	18
5.4.4.	CAPITAL RISK MANAGEMENT	18
5.4.5.	REGULATORY RISK	19
5.4.6.	LEGAL AND COMPLIANCE RISK	19
5.4.7.	INFORMATION TECHNOLOGY RISK.....	19
5.4.8.	PORTFOLIO MANAGEMENT RELATED RISK	20
6.	Remuneration Policy	21
7.	Investment Policy	23
8.	Environmental Social Governance Policy	23

1. Introduction

X GLOBAL HOLDING LTD (the “Group”) is a Cypriot Holding Group with registration number HE 398738 and the holding Group of X GLOBAL MARKETS LTD (the “Company”). X GLOBAL MARKETS LTD is a Cypriot Investment Firm (“CIF”) regulated by the Cyprus Securities and Exchange Commission (the Commission” or the “CySEC”) with license number 171/12 in line with the L. 87(I)/2017 LAW WHICH PROVIDES FOR THE PROVISION OF INVESTMENT SERVICES, THE EXERCISE OF INVESTMENT ACTIVITIES, THE OPERATION OF REGULATED MARKETS AND OTHER RELATED MATTERS (the “Law”).

On 26 June 2021, most investment firms became subject to a new prudential framework, composed of [Regulation \(EU\) 2019/2033, also known as the Investment Firms Regulation \(IFR\)](#), and [Directive \(EU\) 2019/2034, also known as the Investment Firms Directive \(IFD\)](#).

Pursuant to Article 14 of the Regulation (EU) 2019/2034 (the “Regulation” or “IFR”) and Article 9 of the Directive (EU) 2019/2033 (the “Directive” or “IFD”) the Company is categorised as “Limited Scope” CIF with minimum/initial capital requirement of €150,000.

According to Article 12 of the IFR the Company is not deemed to be small and non-interconnected Investment Firm and pursuant to Article 46 of the IFR is required to proceed to disclosures (Pillar III disclosures).

The above has resulted to the respective amendments of the Investment Services and Activities and Regulated Markets Law (Law 144(I)/2007) and the implementation of the respective Regulations and the release of Law L.165(I)/2021, for the purpose of harmonization with the actions of the European Directive (IFD) and Regulation (IFR).

Following the implementation of the above, the Group is required to disclose information relating to its capital, the risks that the Group is exposed to, its own funds, its remuneration policies and practices as well as its investment policy. These disclosures are for the year ended 31 December, 2021. The Group’s policy is to meet all required Pillar III disclosure requirements as detailed in the Prudential framework for Investment Firms Capital Requirements Regulations (IFR & IFD).

This report is published and will be available on the Group’s website at www.xglobalmarkets.com ; <https://www.xglobalinvest.com>

Reporting Frequency

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

1.1. Verification

The Group’s Pillar 3 disclosures are subject to internal review and validation prior to being submitted to the Board for approval. This includes approval by the CEO, the Risk Manager, the Head of Accounting and External Auditor.

The Group's Pillar III disclosures have been reviewed and approved by the Board. In addition, the Remuneration disclosures, as detailed in Section 6 of this document, have been reviewed by the Board, which has responsibility of the Remuneration Policy in the absence of a Remuneration Committee.

1.2. Reporting Details

The Group reports on a Consolidated basis and the reporting currency is EUR.

1.3. Non-Material, Proprietary or Confidential Information

This document has been prepared to satisfy the Pillar III disclosure requirements set out in the IFR. The Group does not seek any exemption from disclosure on the basis of materiality or on the basis of proprietary or confidential information.

2. Corporate Governance – Board and Committees

2.1. Board of Directors

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

The principal responsibilities of the Board, the Senior Management, the Internal Auditor, the Risk Management Committee, and the Risk Management Function in relation to the management of the Company's risks are briefly described in the following subsections.

Board of Directors

The Board of Directors, which carries the ultimate responsibility for the approval of the ICARAP, has unequivocal responsibilities as regards the management of the Company's risks, their internal control and the Company's capital adequacy. With the Board, at all times, lies the responsibility for defining the Company's risk profile in terms of its risk tolerance and for making the necessary arrangements so as for the Company to operate within this predetermined profile at all times, as well as regarding the adequacy of the Company's capital allocated in proportion to the nature and level of material risks and the respective capital requirements.

The Board holds meetings where the written reports generated by the internal control functions of the Company are reviewed and approved. The BoD is responsible to address any deficiencies identified throughout the said reports at the soonest possible, especially where there is a breach of the regulatory framework which could potentially harm the Company. The said control functions are the Risk Management, the Internal Audit, the Compliance Department, and the Money Laundering Compliance Department. In this manner the Board remains up to date with the Company's position as regards the aforementioned functions.

Senior Management

The Senior Management reviews the written reports prepared by the internal control function of the company including the Risk Manager's report, applies the decisions of the Board with respect to risk management and monitors whether all the Company's risk management procedures are followed.

Risk Manager

The Risk Manager is responsible to identify, assess, quantify, monitor, and manage the Company's financial and non-financial risks ensuring that all the different types of risks assumed by the Company are in compliance with its obligations as those derive from applicable legislation and that all necessary risk management procedures are in place. Further, it is the responsibility of the Risk Manager to make recommendations and indicate whether the appropriate remedial measures have been taken in the event of any deficiencies identified.

Internal Auditor

The Internal Auditor evaluates the adequacy and effectiveness of the Company's internal control systems, policies, and procedures with respect to risk management. The Internal Audit function acts independently and is separated from the other functions and activities of the Company, with the Internal auditor being appointed by the Board of Directors and reports directly to the senior Management of the Company. The Internal Auditor is responsible for the application of an effective Internal Control System, and the performance at least on annual basis, of checks as these are required by the Internal Control System. The Internal Auditor is provided with access to the Company's personnel and books and any audit issues identified, are considered by the Board when these are presented to it through the appropriate reports.

2.2. Board Recruitment Policy

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

The persons proposed for appointment to the Board should commit the necessary time and effort to fulfill their obligations. Prior to their appointment the proposed persons should obtain the approval of the Commission. Main factors influencing the decision to propose the appointment of potential Directors include:

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

2.3. Policy on Diversity

The Group is committed to promote a diverse and inclusive workplace at all levels, reflective of the communities in which it does business. It approaches diversity in the broadest sense, recognizing that successful businesses flourish through embracing diversity into their business strategy, and developing talent at every level in the organisation.

For this purpose, the Group takes into consideration various aspects such as broad industry experience, knowledge, independence, gender, age, cultural and educational background, for the Board appointments.

2.4. Number of Directorships Held by the Board Members

According to Section 9 of the Investment Services and Regulated Markets Law of 2017 there is a limitation to the number of directorships held by members of the Board of a CIF that is significant in terms of its size, internal organisation and in terms of the nature, the scope and the complexity of its activities. Thus, only one of the below listed combinations of maximum directorships that can be held simultaneously is allowed:

- One executive directorship with two non-executive directorships;
- Four non-executive directorships

We note that the Company is not Significant as defined by the current definitions by the regulator, thus the application of the above restriction is not applicable.

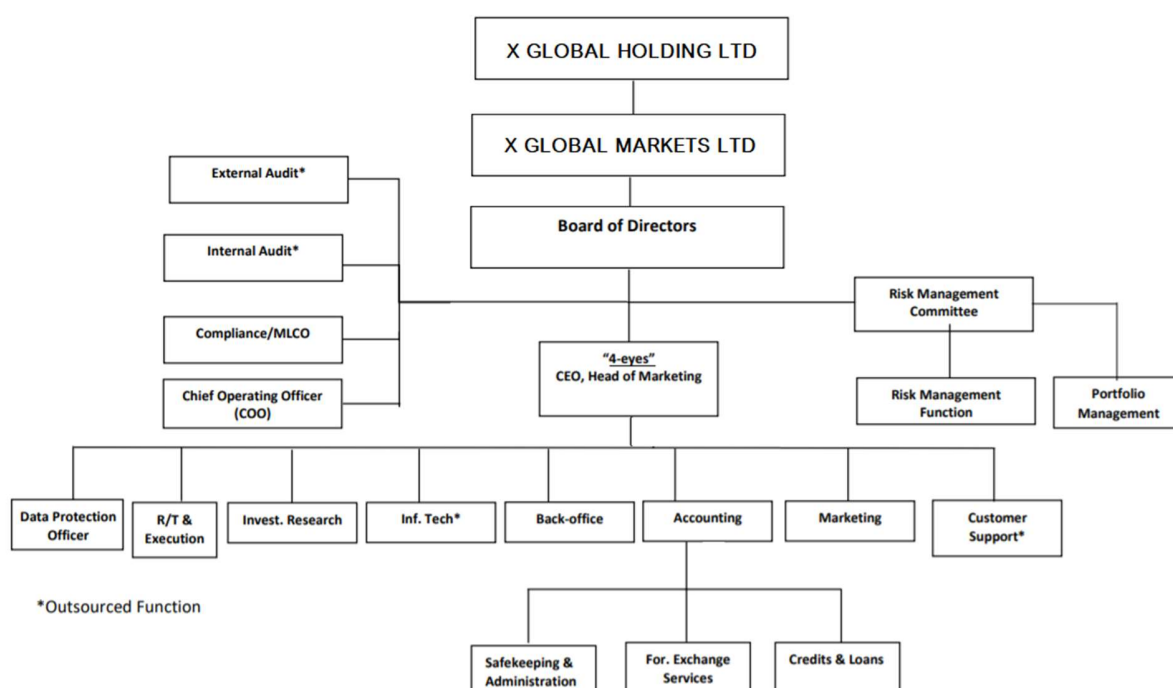
The number of executive and non-executive / independent directorships held with any entity by those who are also directors in the members of the group is listed below. It should be noted that Executive or non-executive directorships held within the same group shall count as a single directorship:

Full name of Director	Entity Name	Position/Title	# Executive	# Non-Executive	Country
Samir Dbouk	1. X GLOBAL HOLDING LTD 2. X GLOBAL MARKETS LTD	Executive Director	2	0	Cyprus
Ali Dbouk	1. X GLOBAL HOLDING LTD 2. X GLOBAL MARKETS LTD	Executive Director	2	0	Cyprus
Alexander Eliades	X GLOBAL MARKETS LTD	Executive Director	1	0	United Kingdom
Wael Dergham	X GLOBAL MARKETS LTD	Non-executive Director	0	1	Lebanon
Stavros Petrakides	X GLOBAL MARKETS LTD	Non-executive Director Independent	0	1	Cyprus
Panayiotis Damianou	X GLOBAL MARKETS LTD	Non-executive Director Independent	0	1	Cyprus

2.5. Governance Committee

The Group has not formed any governance committees since the current scale and complexity of its operations does not require such level of elaborate governance oversight to adequately monitor its operational effectiveness and its potential risks. There is a risk management committee at the Company level who met two times in 2024.

2.6. Organisational Structure



3. Risk Management Objectives and Policies

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

To ensure effective risk management the Group has adopted the “three lines of defense” model of governance with clearly defined roles and responsibilities.

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

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

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

3.1. Risk Appetite

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

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

The Board approves the Group's business plans, budget, Internal Capital Adequacy Assessment Process (the "ICARAP") and also monitor's the Group's risk profile, capital adequacy, liquidity and concentration position.

3.1.1. Risk Identification

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

3.1.2. Risk Assessment

The Risk Assessment process is the means through which the Group understands and estimates the effect of risk on the business lines and the processes, systems and controls that mitigate those risks to an acceptable level. This is achieved through the documentation and regular update of a detailed Risk Register /Map where all financial and non-financial risks the Group faces are identified and recorded by the Risk Manager as well as the relevant risk management controls. The Risk Register is discussed and finalised during the Risk Management Committee's meetings.

3.1.3. Risk Management Function

The Risk Management Function (the “RMF”) operates under the leadership of the Risk Management Officer (the “RMO”) who reports directly to the Senior Management and the Board. The Risk Management function comprises by individuals with specific expertise and is structured to provide analysis, challenge, understanding and oversight of each of the principal risks faced by the Group.

3.1.4. Stress Testing

Stress Testing is the process by which the Group’s business plans are subjected to severe stress scenarios in order to assess the impact of those potential stresses on the Group’s business including the projected capital and liquidity positions.

The Group is required to prepare and make available upon request periodic ICARAP reports which set out future plans, their impact on capital availability and requirements and the risks to capital adequacy under potential stress scenarios.

3.1.5. ICARAP and Approach to assessing adequacy of Internal Capital

The Group, in accordance with EU regulation 2019/2033 (IFR), is implementing an ICARAP (ICAAP+ILAAP) procedure in order to evaluate the risks to clients, risks to market and risks to the firm as well as any additional risks that are not covered by the IFR/IFD framework and the calculation of K-Factors. The ICARAP process considers all of the risks faced by the Group, the likely impact of them if they were to occur, how these risks can be mitigated and the amount of capital that it is prudent to hold against them both currently and in the future.

The Group performs a full ICARAP annually with approval provided by the Board. For this purpose, all departments of the organization will complete the Risk Records Charts. After the evaluation of the complete Risk Records charts, the Risk Manager creates a Risk Register with Assessments. The Financial department prepares Business Plans and Capital Plans for the next 3 years based on rolling P&L and Balance Sheet. The Risk Manager implements Stress Test of the Capital Plan, based on “What if” approach in each department of the Group. All stress tests are then summarized by the Risk Manager, assessed, identified, and submitted as a “Stress Test Register” to the Risk Committee and to ICARAP Committee. The Financial department prepares stress tests on the Capital Plan based on Stress Test Register. It also prepares Budget of the Group, based on stress tested Capital Plan. The Financial department compares the calculated Capital Plan and stress tested Capital Plan: Pillar I Risks + Pillar II risks (uncovered Pillar I Risks).

These measures allow the Management to evaluate Gap Analysis (what we have at hands and what we should have), and to create Action Plan to monitor and mitigate the consequences of the risks in order to make the Board of Directors to be able to assess and approve Action Plan along with outcomes of ICARAP.

3.1.6. Control Functions

3.1.6.1. Internal Audit

The Group, taking into account the nature, scale and complexity of its business activities, as well as the nature and the range of its investment services and activities, establishes and maintains an internal audit function through the appointment of a qualified and experienced Internal Auditor.

The Internal Auditor is appointed and reports to the Senior Management and the Board of the Company. The Internal Auditor is separated and independent of the other functions and activities of the Company. The Internal Auditor bears the responsibility to:

- (a) establish, implement, and maintain an audit plan to examine and evaluate the adequacy and effectiveness of the Company's systems, internal control mechanisms and arrangements
- (b) issue recommendations based on the result carried out in accordance with point (a)
- (c) verify compliance with the recommendations of point (b)
- (d) provides timely, accurate and relevant reporting in relation to internal audit matters to the Board of Directors and the Senior Management of the Company, at least annually.

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

The Internal Auditor has clear access to the Company's personnel and books. Likewise, the Company's employees have access to the Internal Auditor for the reporting of any significant deviations from the guidelines provided.

The Board ensures that internal audit issues are considered when presented to it by the Internal Auditor and appropriate actions shall be taken. The Board ensures all issues are dealt with and prioritised according to the Board's assessment.

3.1.6.2. Compliance Officer

Pursuant to the regulatory obligations of the Company and with the view to complement the Internal Governance framework of the Group, the Board has appointed a Compliance Officer, to head the Compliance Function of the Company in order to establish, implement and maintain adequate policies and procedures designed to detect any risk of failure by the Group to comply with its obligations, to put in place adequate measures and procedures designed to minimize such risks and to enable the competent authorities to exercise their powers effectively.

The Compliance Officer is independent and reports directly to the Senior Management of the Group, having at the same time the necessary authority, resources, expertise and access to all relevant information.

The Compliance Officer is responsible, inter alia, to:

- a) liaising with all relevant business and support areas within the Group

- b) monitor on a permanent basis and to assess, on a regular basis, the adequacy and effectiveness of the measures, policies and procedures put in place, and the actions taken to address any deficiencies in the firm's compliance with its obligations;
- c) monitor and assess the level of compliance risk that the Group faces, taking into account the investment and ancillary services provided, as well as the scope of financial instruments traded and distributed
- d) monitor the adequacy and effectiveness of the measures and procedures of the Group
- e) advise and assist the relevant persons responsible for carrying out the investment services to be in compliance with the Law.

3.1.6.3. Anti-Money Laundering Compliance Officer

The Board retains a person to the position of the Group's Anti-Money Laundering Compliance Officer (hereinafter the "AMLCO") to whom the Group's employees report their knowledge or suspicion of transactions involving money laundering and terrorist financing. The AMLCO belongs to the higher hierarchical levels/layers of the Group so as to command the necessary authority. The AMLCO leads the Group's Anti-Money Laundering Compliance procedures and processes and report to the Senior Management and the Board of the Group. Scope and objectives of the AMLCO:

- a) The improvement of mechanisms used by the Group for counteraction of legalization (laundering) of criminally earned income
- b) To decrease the probability of appearance among the Customers of the Group of any persons/organizations engaged in illegal activity and/or related with such persons/organizations
- c) To minimize the risk of involvement of the Group in any unintended holding and realization of operations with any funds received from any illegal activity or used for its financing
- d) To ensure compliance with anti-money laundering laws and directives issued by CySEC as well as the identification and proper reporting of any money laundering activity to the relevant authorities.

3.1.7. Information flow on risk to the management body

Risk information flows up to the Board directly from the business departments and control functions. The Board ensures that it receives on a frequent basis, at least annually written reports regarding Internal Audit, Compliance, Anti-Money Laundering and Terrorist Financing and Risk Management, Risk, and Investment Committees (where applicable) and approves the Group's ICARAP report.

Furthermore, the Group believes that the risk governance processes and policies are of utmost importance for its effective and efficient operation. The processes and policies are reviewed and updated on an annual basis or when deemed necessary and are approved by the Board.

3.2. Board Declaration - Adequacy of the Risk Management Arrangements

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

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

The Board considers that it has in place adequate systems and controls with regard to the Group's profile and strategy and an appropriate array of assurance mechanisms, properly resourced and skilled, to avoid or minimize loss.

3.3. Board Risk Statement

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

The operations of the Group expose it to the economies and financial markets and more specifically to a variety of risks, the most material of which are credit risk, market risk, operational risk, compliance risk, regulatory risk, reputational risk and liquidity risk.

The Company remains focused on key risks, including regulatory changes in the EU and other jurisdictions where it operates, as well as financial market volatility driven by geopolitical challenges and ongoing conflicts, such as the Russia-Ukraine war and the Israel-Hamas conflict. These crises have heightened uncertainty, disrupted regional economies, and intensified geopolitical tensions, raising concerns about energy security and trade stability. Consequently, financial markets have experienced fluctuations, impacting investor confidence in affected regions.

Despite these challenges, many countries continue to implement economic recovery measures, including stimulus packages and infrastructure investments. International trade and investment have also demonstrated resilience, contributing to economic growth and stability across various regions. Notably, U.S. President Donald Trump recently initiated discussions with Russian President Vladimir Putin to negotiate an end to the ongoing conflict in Ukraine. As a result, we anticipate further updates, with the potential for positive developments.

The Company has taken all necessary steps and adapted its business model to ensure that its employees have access to its technology infrastructures necessary for the completion of their tasks including access to sanction lists. It has further amended its Business Continuity Plan and monitors closely the financial impact of the pandemic.

The aim is to promptly identify, measure, manage, report, and monitor risks that interfere with the achievement of the Group's strategic, operational and financial objectives. The policy includes

adjusting the risk profile in line with the Group's stated risk tolerance to respond to new threats and opportunities in order to minimize risks and optimize returns.

Risk appetite measures are integrated into decision making, monitoring, and reporting processes, with early warning trigger levels set to drive any required corrective action before overall tolerance levels are reached. Risks are assessed systematically and evaluated as to the probability of a risk scenario occurring, as well as the severity of the consequences should they occur.

The following table sets out a number of key measures used to monitor the Group's risk profile:

Risk Area	Metrics	Comment	Measure as at 31/12/2024
Capital	Common Equity Tier1 (CET1) ratio, Tier 1 ratio and Total Own Funds ratio	The Group's objective is to maintain regulatory ratios well above the minimum thresholds set by CySEC. It therefore aims to maintain its capital ratios at least 2% points above the required level (regulator's current limits are 56% for CET1, 75% for Tier 1 and 100% for Total Own Funds ratio).	CET1 ratio: 462.15% Tier1 ratio: 462.15% Total own funds ratio: 462.15%
Liquidity	Liquid assets	The Group aims to keep its Liquid assets at least 10% above the required level (regulator's current limit is set to 1/3 (or 33%) of fixed overheads requirement).	Liquid Assets as percentage of minimum requirement: 1,500%
Credit Risk	Exposure to single financial institution	The Company's objective is to minimize the potential loss from counterparties. It thus aims to limit its exposure to a single financial institution holding either client funds or own funds of the company at levels of 80% or less of client funds or its own funds respectively	Current exposure: 60.72%

4. Own Funds

Own Funds (also referred to as capital resources) is the type and level of regulatory capital that must be held to enable the Group to absorb losses. Own funds consist of the sum of Common Equity Tier 1 capital, Additional Tier 1 Capital and Tier 2 Capital and the Group is required to hold own funds in sufficient quantity and quality in accordance with IFR which sets out the characteristics and conditions for own funds.

The Group throughout the year under review managed its capital structure and made adjustments to it in light of the changes in the economic and business conditions and the risk characteristics of its activities. During the year under review, the Group complied fully with its initial capital requirement (i.e. €150,000) and fulfilled its obligations by successfully submitting, on a quarterly basis, the IFR/IFD Forms.

Tier 1 & Tier 2 Regulatory Capital

Investment Firms shall disclose information relating to their own funds. Furthermore, Investment Firms shall disclose a description of the main features of the Common Equity Tier 1 and Additional Tier 1 instruments and Tier 2 instruments issued by the Investment Firm. In this respect, the Group's Tier 1 capital is wholly comprised of Common Equity Tier 1 Capital and other reserves.

At 31st of December 2024 the Capital base of the Company was as indicated in the Tables of Appendix 1.

Under the Law, Own Funds consists mainly of paid-up share capital, retained earnings less any proposed dividends, translation differences, investor compensation fund and un-audited current year losses. Current year profits are not added to own funds unless these are audited.

5. Own Funds requirements

The primary objective of the Group's capital management is to ensure that the Group complies with externally imposed capital requirements and that the Group maintains healthy capital ratios in order to support its business and maximize shareholders' value.

Based on the Company's classification belonging to the Group, quarterly Capital Adequacy Reports are prepared and submitted to the CySEC. The Capital Adequacy Reports is prepared on a consolidated basis and the reporting currency is Euro.

It should be noted that the Company does not have any material Crypto-asset holdings and the risks emanating from trading in crypto assets, and/or in financial instruments relating to crypto assets for its clients is immaterial. Therefore, no information is included in this report on:

- the exposure amounts of different crypto-asset exposures,
- the capital requirement for such exposures and
- the accounting treatment of such exposures.

At 31st of December 2024 the composition of the Group's Capital base and its capital ratios were as follows:

Item	€000
Own Funds	716
Common Equity Tier 1 Capital	716
Additional Tier 1 Capital	-
Tier 1 Capital	716
Tier 2 Capital	
Own Funds requirement	-
Permanent minimum capital requirement	150
Fixed overhead requirement	155
Total K-Factor Requirement	14
Total own funds requirement	155

According to the Regulation and the Law, the minimum CET1, Tier 1 and Own Funds ratios of the Group should be 56%, 75% and 100% respectively. As at 31 December, 2024, the Group's ratios are presented below and they are higher than the minimum requirements.

Capital Ratios	
CET 1 Ratio	462.15%
Tier 1 Ratio	462.15%
Own Funds Ratio	462.15%

The Company has already taken action and rectified its shortage on its own funds and the respective capital ratio.

The Company is classified as Class 2 and is therefore required to calculate its Own Funds requirements as the highest of:

- a) its Permanent Minimum Capital (PMC)
- b) K-Factor capital Requirement (KFR)
- c) Fixed Overheads Requirements (FOR)

where the permanent minimum capital (PMC) of the Company is €150,000 and a summary of the Group's K-Factor and Fixed overheads requirements is provided in the following sections.

5.1. K- Factor requirements

The K-factor requirements are calculations introduced by the new framework of IFR/IFD and are tailored to the respective activities of an investment firm according to its authorisation. K-factors are quantitative indicators targeting the services and business practices that are most likely to

generate risk to the Company. K-Factors are categorised into three main groups, risk to clients, risk to markets and risk to the firm, reflecting the risk of the Company on each of these areas.

5.1.1. Risk to Clients (RtC)

Risk to Clients refers to the Company's aspects of operation which could cause harm to clients and as such they pose a risk. RtC captures the Company's exposure to risk to clients taking into consideration assets under management, client money held, assets safeguarded and administered and client orders handled.

5.1.2. Risk to Market (RtM)

This is the risk the Company may pose to the markets and it relates to the trading book positions of the Company either they are for its clients or for its own account. RtM is not applicable to the Company due the limited scope of its authorisation

5.1.3. Risk to Firm (RtF)

Risk to Firm refers to the Company's exposure to its trading counterparties, concentration risk from large exposures and operational risk from daily trading flow which could affect the orderly operation of the firm. The respective K-Factor Captures the Company's exposure to these risks. RtF is not applicable to the Company due the limited scope of its authorisation

The Group has been constantly monitoring its K-Factors during the year under review and the K-Factor and the respective requirements of the Group as at 31st of December 2024 are presented below:

	Factor amount	K-factor requirement
TOTAL K-FACTOR REQUIREMENT		14
Risk to client (RtC)		-
Assets under management		-
Client money held - Segregated	143	1
Client money held - non-segregated		-
Assets safeguarded and administered		-
Client orders handled - Cash trades		-
Client orders handled - Derivatives Trades	138	-
Risk to market (RtM)		13
K-Net positions risk requirement		13
Clearing margin given		-
Risk to firm (RtF)		-
Trading counterparty default		-
Daily trading flow - Cash trades		-
Daily trading flow - Derivative trades		-
K-Concentration risk requirement		-

5.2. Fixed Overheads Requirement

The fixed overheads requirement shall amount to at least one quarter of the fixed overheads of the preceding year. Investment firms shall use figures resulting from the applicable accounting framework and where an investment firm has not been in business for one year from the date on which it started providing investment services or performing investment activities, it shall use the projected fixed overheads included in its projections for the first 12 months' trading.

At 31st of December 2024 the Group's Capital fixed overhead requirement was as follows:

	€000
Fixed Overhead Requirement	155
Annual Fixed Overheads of the previous year after distribution of profits	620
Total expenses of the previous year after distribution of profits	620
Of which: Fixed expenses incurred on behalf of the investment firms by third parties	-
(-) Total deductions	-

5.3. Liquidity Requirement

An additional requirement for Investment firms is the Liquidity requirement. According to it the Group must hold an amount of liquid assets equivalent to at least one third of its fixed overhead requirement.

Liquidity risk is the risk that the Group may not have sufficient liquid financial resources to meet its obligations when they fall due or would have to incur excessive costs to do so. The Group's policy is to maintain adequate liquidity and contingent liquidity to meet its liquidity needs under both normal and stressed conditions. To achieve this, the Group monitors and manages its liquidity needs on an ongoing basis. The Group also ensures that it has sufficient cash on demand to meet expected operational expenses. It also monitors the Group's exposures and diversification avoiding high concentration risk. This excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters. Currently the Group is not subject to any liquidity risk as it maintains Liquid assets above its Liquidity requirement as indicated in the table below.

	€000
Liquidity Requirement	51
Client guarantees	-
Total liquid assets	791
Unencumbered short-term deposits	791
Total eligible receivables due within 30 days	-
Level 1 assets	-

5.4. Other Risks

5.4.1. Strategic Risk

Strategic risk corresponds to the unintended risk that can result as a by-product of planning or executing the strategy. A strategy is a long-term plan of action designed to allow the Group to achieve its goals and aspirations. Strategic risks can arise from:

- Inadequate assessment of strategic plans;
- Improper implementation of strategic plans; or
- Unexpected changes to assumptions underlying strategic plans.

Risk considerations are a key element in the strategic decision-making process. The Group assesses the implications of strategic decisions on risk-based return measures and risk-based capital in order to optimize the risk-return profile and to take advantage of economically profitable growth opportunities as they arise.

5.4.2. Reputation Risk

Reputational risk can arise from direct Group actions or by actions of third parties that it may or may not have a relationship with. Such Group actions may include internal security breaches, employee fraud, client misinformation, mistakes in handling client requests and any other actions that can lead to significant negative public opinion and subsequently loss of business and income. Third party actions can include problems with the provision of the outsourced services that can lead to operational interruptions, database hosting and security, spreading of rumors and unsubstantiated information.

The Group strives to preserve its reputation by adhering to applicable laws and regulations, and by following the core values and principles of the Group, which includes integrity and good business practice. The Group centrally manages certain aspects of reputation risk, for example communications, through functions with the appropriate expertise. It also places great emphasis on the information technology security which is one of the main causes of such reputational risk manifestation.

5.4.3. Business Risk

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

5.4.4. Capital Risk Management

This is the risk that the Group will not comply with capital adequacy requirements. The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going

concern in order to provide returns for shareholders and benefits for other stakeholders. The Group has a regulatory obligation to monitor and implement policies and procedures for capital risk management. Specifically, the Group is required to test its capital against regulatory requirements and has to maintain a minimum level of capital. This ultimately ensures the going concern of the Group.

The Group is further required to report on its capital adequacy on a regular basis and has to maintain at all times a minimum own funds ratio which is set at 100%. The capital adequacy ratio expresses the capital base of the Group as a proportion of the total risk weighted assets. Management monitors such reporting and has policies and procedures in place to help meet the specific regulatory requirements. This is achieved through the preparation on a monthly basis of Group's Management Accounts to monitor the financial and capital position of the Group.

5.4.5. Regulatory Risk

This may arise as a result of negligent actions by the Group's Senior Management and / or staff members, and may lead to fines, loss of license and / or other form of disciplinary action by the regulatory authority. As a result, the Group's reputation will be adversely affected.

The Group maintains strong compliance / internal audit departments, which perform frequent inspections on the Group's processes and procedures. Should a non-compliance issue arise, all appropriate measures are immediately taken to rectify the issue. Both the compliance officer and the internal auditor are qualified and well trained and remain abreast with any new regulatory developments. The potential of such risk arising is considered low.

5.4.6. Legal and Compliance Risk

The Group may, from time to time, become exposed to this type of risks, which could manifest because of non-compliance with local or international regulations, contractual breaches, or malpractice.

The probability of such risks manifesting is relatively low due to the detailed internal procedures and policies implemented by the Group and regular reviews performed by the compliance officer. Additionally, the management consists of individuals of suitable professional experience, ethos, and integrity, who have accepted responsibility for setting and achieving the Group's strategic targets and goals. In addition, the Board meets regularly to discuss such issues and any suggestions to enhance compliance are implemented by management. From the Group initiation until the date of this report no legal or compliance issues arose. Any changes to local, EU and third country Regulations, Directives, and Circulars are being constantly monitored and acted upon ensuring that the Group is always compliant with them.

5.4.7. Information Technology Risk

Information technology risk could occur because of inadequate information technology security, or inadequate use of the Group's information technology. For this purpose, policies have been implemented regarding back-up procedures, software maintenance, hardware maintenance, as well as use of both hardware and software intrusion aversion measures such as (but not limited to) firewalls, anti-virus software, use of security keys, access restrictions, network fencing, and

encryption techniques. Materialization of this risk has been minimized to the lowest possible level given the Group's current complexity of its operations and the services it offers to its clients.

5.4.8. Portfolio management related Risk

The Company provides the investment service of portfolio management which creates exposure to risk. This risk is comprised of several material sub risks, as presented below:

- Preferential treatment of specific clients
- False presentation of portfolio performance
- Delay in providing clients with an analytical statement of holdings
- Churning of the clients' accounts in order to benefit from trading commissions and/or spreads
- Use of material non-public information to purchase/sell CFDs on shares for a client's portfolio
- Portfolio manager or other company employee to be the counterparty in a client transaction

Frequent sample checks are conducted by the Company's Compliance Officer and also the Internal Auditor aiming (1) to verify the priority of transactions related to managed accounts and (2) to determine whether there are consistent patterns that seem to benefit specific clients.

Further to the above, clients receive an account statement from the Company with all transactions performed along with the prevailing floating profits and/or losses per transaction and a statement of their current holdings is also sent in a prompt and accurate manner. Such account statements are generated automatically by the Company's systems to which each managed account's manager has limited access; hence, possibility of false presentation is essentially immunized. The Company's Compliance Officer ensures that such statements are being submitted at least on a monthly basis to each client.

"Churning" is strictly prohibited, and the turnover of client portfolios is monitored by the Compliance Officer and any unusually high turnover is always investigated with relevant findings being reported to the board of directors. The Company maintains a restricted or watch list where the Company or the portfolio manager place any financial instruments that are related to any material non-public information, the Company or the Portfolio manager might hold; the Compliance Officer is responsible to monitor transactions on an ex-post basis in order to identify potential trading in restricted instruments. In the case of an important announcement related to a company, the compliance officer checks if there was any abnormal trading activity prior to such an announcement.

In the unlikely event that any person working with the Company or is related to the portfolio manager(s) happens to be the counterparty to a transaction, the portfolio manager is responsible to inform the client prior to such transaction. The Compliance Officer checks all transactions and identifies those for which the Company acts both as a buyer and a seller. In such circumstances, he inspects the transactions to see if there was any breach in relevant procedures and applicable laws and regulations and reports such breach directly to the board of directors. Apart from the efficient implementation of the aforementioned mechanisms, allocation of additional capital towards exposure to such risk (within the context of the Company's internal risk assessment) is included under exposure to Legal and Compliance Risk.

6. Remuneration Policy

The purpose of the Group's Remuneration Policy is to ensure the consistent implementation of the MiFID conflicts of interest and conduct of business requirements in the area of remuneration.

The remuneration policy and practices of the Group are designed in such a way to avoid exposing the Group into excessive or undue risks. Moreover, they are targeted to avoid creating incentives that may lead relevant persons to favor their own interest, or the firm's interests, to the potential detriment of clients. The Group has set up adequate controls for compliance with the regulatory requirements on the remuneration policy and practices. The controls are implemented throughout the Group and subject to periodic review.

The Group's remuneration policy takes into consideration a number of factors in relation to the remuneration of senior management, risk takers, staff engaged in control functions and any employee receiving remuneration equal to at least the lowest remuneration received by the senior management, or risk takers whose professional activities have material impact on the risk profile of the Group or of the assets it manages. These factors are:

- (a) the remuneration policy is clearly documented and proportionate to the size, internal organisation and nature, as well as to the scope and complexity of the activities of the investment firm;
- (b) the remuneration policy is a gender-neutral remuneration policy;
- (c) the remuneration policy is consistent with and promotes sound and effective risk management;
- (d) the remuneration policy is in line with the business strategy and objectives of the investment firm, and also takes into account long term effects of the investment decisions taken;
- (e) the remuneration policy contains measures to avoid conflicts of interest, encourages responsible business conduct and promotes risk awareness and prudent risk taking;
- (f) the investment firm's management body in its supervisory function adopts and periodically reviews the remuneration policy and has overall responsibility for overseeing its implementation;
- (g) the implementation of the remuneration policy is subject to a central and independent internal review by control functions at least annually;
- (h) staff engaged in control functions are independent from the business units they oversee, have appropriate authority, and are remunerated in accordance with the achievement of the objectives linked to their functions, regardless of the performance of the business areas they control;
- (i) the remuneration of senior officers in the risk management and compliance functions is directly overseen by the remuneration committee referred to in Article 33 of the IFD or, where such a committee has not been established, by the management body in its supervisory function;

- (j) the remuneration policy, taking into account national rules on wage setting, makes a clear distinction between the criteria applied to determine the following:
 - i. basic fixed remuneration, which primarily reflects relevant professional experience and organizational responsibility as set out in an employee's job description as part of his or her terms of employment;
 - ii. variable remuneration, which reflects a sustainable and risk adjusted performance of the employee, as well as performance in excess of the employee's job description;
- (k) the fixed component represents a sufficiently high proportion of the total remuneration so as to enable the operation of a fully flexible policy on variable remuneration components, including the possibility of paying no variable remuneration component

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

The Group's annual remuneration to senior management and members of staff whose actions have a material impact on the risk profile of the investment firm for 2024 was as follows:

	Senior Management	Staffs whose actions have material impact on the Company's Risk Profile
Fixed Remuneration	41,580	77,816
Variable Remuneration	0	0
Total	41,580	77,816
Number Of beneficiaries	4	2

The forms of variable remuneration awarded by the Company is broken down as below

	Senior Management	Staffs whose actions have material impact on the Company's Risk Profile
Cash	0	0
Shares	0	0
Share linked instruments	0	0
Other	0	0

Guaranteed variable remuneration awarded by the Company is broken down as below

	Senior Management	Staffs whose actions have material impact on the Company's Risk Profile
Total	0	0
Number Of beneficiaries	0	0

Deferred remuneration breakdown for previous performance periods:

	Senior Management	Staffs whose actions have material impact on the Company's Risk Profile
Amount Due to vest in the financial year	0	0
Of which: Amount of which was paid	0	0
Of which: Amount which was reduced through performance adjustments	0	0
Amount Due to vest in the subsequent years	0	0
Total	0	0

Severance Payments breakdown:

	Senior Management	Staffs whose actions have material impact on the Company's Risk Profile
Awarded in previous periods and paid during the financial year	0	0
Awarded during the financial year	0	0
Of which: amount paid upfront	0	0
Of which: amount deferred	0	0
Number Of beneficiaries	0	0
Highest amount awarded to a single person	0	0

When implementing its remuneration Policy, the investment firm does not benefit from the derogation laid down in Article 32(4) of Directive (EU) 2019/2034.

7. Investment Policy

Investment firms shall disclose information on their Investment policy risks, including physical risks and transition risks as listed in Article 52 of the IFR.

The Company does not meet the criteria mentioned in Article 52 of the IFR thus it is not required to make any disclosures on Investment Policy Risks.

8. Environmental Social Governance Policy

Investment firms shall disclose information on environmental, social and governance risks (ESG risks), including physical risks and transition risks, as defined in the EBA's report referred in Article 35 of the IFD. The information on ESG shall be disclosed once in the first year and biannually thereafter.

The Company does not meet the criteria mentioned in Article 53 of the IFR thus it is not required to make any disclosures on ESG Risks.

Publication of disclosures

According to the IFR/IFD Framework adopted by CySEC, the risk management disclosures should be included in either the financial statements of the investment firms if these are published, or on their websites. In addition, these disclosures must be verified by the external auditors of the investment firm. The investment firm will be responsible to submit its external auditors' verification report to CySEC. The Group has included its risk management disclosures as per the Directive on its website as it does not publish its financial statements. Verification of these disclosures have been made by the external auditors and sent to CySEC.

Appendix 1

Template EU IF CC1.01 - Composition of regulatory own funds		Amounts €000	Source based on reference numbers/letters of the balance sheet in the audited financial statements
Common Equity Tier 1 (CET1) capital: instruments and reserves			
1	OWN FUNDS	716	
2	TIER 1 CAPITAL	716	
3	COMMON EQUITY TIER 1 CAPITAL	716	
4	Fully paid up capital instruments	0.1	
5	Share premium	-	
6	Retained earnings	-1,919	
7	Accumulated other comprehensive income	-	
8	Other reserves	3,441	
9	Minority interest given recognition in CET1 capital		
12	(-)TOTAL DEDUCTIONS FROM COMMON EQUITY TIER 1		
17	(-) Losses for the current financial year	-751	
27	CET1: Other capital elements, deductions and adjustments	-55	
28	ADDITIONAL TIER 1 CAPITAL		
40	TIER 2 CAPITAL		

Template EU IF CC2 - Own funds: reconciliation of regulatory own funds to balance sheet in the audited financial statements		Balance sheet as in published/audited financial statements €000	Under regulatory scope of consolidation €000	Cross reference to EU IF CC1
		As at period end	As at period end	
Assets - Breakdown by asset classes according to the balance sheet in the published/audited financial statements				
1	Non-Current Assets	-	461.0	
2	Current Assets	-	1,552.7	
	Total Assets	-	2,013.7	
Liabilities - Breakdown by liability classes according to the balance sheet in the published/audited financial statements				
1	Non-Current Liabilities	-	-	
2	Current Liabilities	-	1,242.1	
	Total Liabilities	-	1,242.1	
Shareholders' Equity				
1	Share Capital	-	0.1	
2	Reserves	-	3,441.3	
3	Retained Earnings	-	-2,669.8	
	Share Premium	-		
	Total Shareholders' equity	-	771,6	

Template EU IF CCA - Own funds: main features of own instruments issued by the firm

		<i>Common Equity Tier 1</i>	<i>Additional Tier 1</i>	<i>Tier 2</i>
1	Issuer	X GLOBAL HOLDING LTD	n/a	n/a
2	Unique identifier (e.g. CUSIP, ISIN or Bloomberg identifier for private placement)	n/a	n/a	n/a
3	Public or private placement	n/a	n/a	n/a
4	Governing law(s) of the instrument	The Companies Law (Cap.113)	n/a	n/a
5	Instrument type (types to be specified by each jurisdiction)	Ordinary Shares	n/a	n/a
6	Amount recognised in regulatory capital (as of most recent reporting date)	€716,000	n/a	n/a
7	Nominal amount of instrument	€111	n/a	n/a
8	Issue price	1	n/a	n/a
9	Redemption price	n/a	n/a	n/a
10	Accounting classification	Shareholder's equity	n/a	n/a
11	Original date of issuance	10/06/2019	n/a	n/a
12	Perpetual or dated	Perpetual	n/a	n/a
13	Original maturity date	No maturity	n/a	n/a
14	Issuer call subject to prior supervisory approval	No	n/a	n/a
15	Optional call date, contingent call dates and redemption amount	n/a	n/a	n/a
16	Subsequent call dates, if applicable	n/a	n/a	n/a
	<i>Coupons / dividends</i>	<i>Floating</i>	n/a	n/a
17	Fixed or floating dividend/coupon	<i>Floating</i>	n/a	n/a
18	Coupon rate and any related index	n/a	n/a	n/a
19	Existence of a dividend stopper	Yes	n/a	n/a
20	Fully discretionary, partially discretionary or mandatory (in terms of timing)	Fully discretionary	n/a	n/a
21	Fully discretionary, partially discretionary or mandatory (in terms of amount)	Fully discretionary	n/a	n/a
22	Existence of step up or other incentive to redeem	No	n/a	n/a
23	Noncumulative or cumulative	Non-cumulative	n/a	n/a
24	Convertible or non-convertible	Non-Convertible	n/a	n/a
25	If convertible, conversion trigger(s)	n/a	n/a	n/a
26	If convertible, fully or partially	n/a	n/a	n/a
27	If convertible, conversion rate	n/a	n/a	n/a
28	If convertible, mandatory or optional conversion	n/a	n/a	n/a
29	If convertible, specify instrument type convertible into	n/a	n/a	n/a
30	If convertible, specify issuer of instrument it converts into	n/a	n/a	n/a
31	Write-down features	No	n/a	n/a
32	If write-down, write-down trigger(s)	n/a	n/a	n/a
33	If write-down, full or partial	n/a	n/a	n/a
34	If write-down, permanent or temporary	n/a	n/a	n/a
35	If temporary write-down, description of write-up mechanism	n/a	n/a	n/a
36	Non-compliant transitioned features	No	n/a	n/a
37	If yes, specify non-compliant features	n/a	n/a	n/a
38	Link to the full term and conditions of the instrument (signposting)	n/a	n/a	n/a