Roemer Capital (Europe) Limited

PILLAR III DISCLOSURE report

YEAR ENDED 31 DECEMBER 2024

APRIL 2025

Contents

1. Introduction

1.1. CIF Information

Roemer Capital (Europe) Limited was incorporated in the Republic of Cyprus on 12 June 2014 as a private limited liability company with registration number 333287 and it is a Cyprus Investment Firm. Roemer Capital (Europe) Limited (the 'Company') is authorised by the Cyprus Security Exchange Commission (the 'CySEC') under License 305/16 issued 08 August 2016 to provide the following investment and ancillary services:

Investment Services

- Reception and transmission of orders in relation to one or more financial instruments
- Execution of orders on behalf of clients
- Dealing on own account
- Portfolio management
- Provision of investment advice
- Underwriting of financial instruments and/or placing of financial instruments on a firm commitment basis
- Placing of financial instruments without a firm commitment basis

Ancillary Services

- Safekeeping and administration of financial instruments, including custodianship and related services
- Granting credits or loans to one or more financial instruments, where the firm granting the credit or loan is involved in the transaction
- Advice to undertakings on capital structure, industrial strategy and related matters and advice and services relating to mergers and the purchase of undertakings
- Foreign exchange services where these are connected to the provision of investment services: :
- Investment research and financial analysis or other forms
- Services related to underwriting
- Investment services and activities as well as ancillary services where these are connected to the provision of investment or ancillary services

The Company is categorised as a 'Class 2 Firm' and supervised for compliance with prudential requirements under Directive (EU) 2019/2034 in relation to the following:

- own funds requirements relating to quantifiable, uniform and standardised elements of risk-to-firm, risk-to-client and risk-to-market;
- requirements limiting concentration risk;

- liquidity requirements relating to quantifiable, uniform and standardised elements of liquidity risk;
- reporting requirements related to points (a), (b) and (c);
- public disclosure requirements.

1.2. Scope of Application

The Pillar III disclosure Report (the 'Report') has been prepared in accordance with requirements as laid out in Part Six of the Regulation (EU) 2019-2033 (the 'IFR') and discloses the information after the Company publishes its annual financial statements for the year ended 31.12.2024.

As the parent company is a union parent investment holding company and the group meets the definition of an investment firm group as per IFR 4(25) as the activities of the parent entity is to acquire holdings, the Company is presenting the Pillar III report based on consolidated financial statements and consolidated regulatory requirements.

The consolidated perimeter consists of the Roemer Capital (Europe) Limited (the Company), Roemerberg Capital Limited (the Holding company or the Parent company) and Roemerberg Financial Products Limited (the Service company). Almost all of the business activity of the consolidated group is concentrated in the Company, so it is the company that is preparing Pillar III report on a consolidated basis. Numbers below are presented on consolidated basis unless explicitly marked as 'solo', where solo refers to the financial information of the Company.

It should be noted that the underlying calculations performed and figures disclosed in the Pillar III Report are based on the unaudited consolidated financial statements of the Parent company.

The Company's market disclosures are published on the Company's official website https://roemercapital.com/disclosures/

2. Risk Management Objectives and Policies

2.1. Risk Strategies and Processes

The risk management, as an integral part of the Company's corporate governance, aims:

- to help the Company achieve its targets and ensure its financial stability;
- to minimize possible financial losses for the Company or its clients;
- to ensure capital adequacy to cover material risks;
- to comply with regulatory requirements;
- to keep the Directors fully informed about the risks relating to the Company's activities.

The Risk Management Department (the 'RMD') is responsible for the establishing, implementing, maintaining the risk management function. RMD is a separate independent unit. The Head of RMD reports to the Risk & Compliance Director (acting on behalf of the Board) and the Board directly.

According to the Company's Risk Management Policy, the risk management function encompasses the following processes:

- risk identification and assessment;
- definition of Risk Appetite and ICARA;
- establishing risk limits and measures;
- monitoring and control of risks;
- risk reporting.

The risk identification recognizes fully the economic substance of all risk exposures including the risks the Company poses to *itself* and its *customers*. It takes both *regulatory* and *economic* perspectives into account. All risks identified as material are addressed in all parts of the annual Risk Management Report and Internal Capital Adequacy and Risk Assessment (the 'ICARA').

ICARA Report 2023 was approved by the Board in the year 2024, ICARA Report 2024 is planned to be approved in Jule of 2025.

The Company must have the available capital, which is at all times more than or equal to the capital needed to cover all the material risks on an ongoing basis.

To be consistent with the Company's business strategy, and risk appetite, a comprehensive risk management framework has been developed as an integral part of material business decisions, new product or risk limit approvals, and risk monitoring which is described in the ICARA.

A risk management procedure is established for every material risk including risk category set out in Parts Three, Four and Five of the IFR. The RMD provides its assessment of the risk and capital adequacy of the Company, supported by on-demand stress-test results and any other relevant information.

Risk limits are set to ensure that exposures are consistent with the capital adequacy. The Company has set up a number of procedures to monitor and control their exposures to market and credit risks.

The Company has no significant appetite to unhedged foreign-exchange risk. The Company also has limited appetite for the interest rate risk. The Company's limited interest rate exposure comes from the trading portfolio of fixed income instruments. This risk is managed by setting the DV01 limit for the trading position for different term buckets. The risk limit structure and risk reporting are tailored to monitor the risk limits daily and to escalate any limits breaches to the Executive Directors and the Board of Directors if needed.

Exposures to other material risks (equity, counterparty and credit spread risks) are restricted by limits set up in line with the Company's risk appetite estimations. To manage these risks on the operational level each trading desk has a Desk Mandate. The Desk Mandate is a document that contains a description of the desk trading strategy, assessment of the desk risk profile, risk management instruments applicable for the desk, risk limits and the list of persons responsible for each aspect of risk management of the desk. The Company can also hedge these risks on a case-by-case basis.

The risk management system put in place is deemed adequate with regard to the Company's size, internal organization and the nature, scope and complexity of its activities.

2.2. Risk Profile

During 2024 the Company carried the 2023 strategy forward and broadened its scope, meeting most milestones on schedule and rolling several forward into the next planning cycle. Expansion into high-growth markets accelerated, widening the client base and lifting trading volumes; own funds rose again, liquid-asset buffers stayed well above internal thresholds, and capital ratios remained comfortably in excess of IFR minima, however they did marginally decrease.

Trading infrastructure kept pace with this growth. New broker links, custodial arrangements, and exchange memberships were added in the target jurisdictions, each integration passing through a strengthened vendor-onboarding and technical-risk review that minimised operational incidents and preserved system availability.

During 2024 the Company stepped up its investment in IT architecture, embedding new functionality within middle office that automates the most important limit checks, monitors counterparty concentrations daily, and produces margin analytics on demand. These upgrades have trimmed manual workloads and shortened reaction times by delivering immediate alerts to both the front office and the risk department.

Alongside the technology rollout, the control framework itself was deepened. Stress-testing was improved and covers combined market and liquidity risks and is no closer to fully comply with ECB guidance. The New Product Committee introduced a go-live readiness checklist that must be signed off by Risk, Compliance, and IT before any launch proceeds, ensuring that ownership and supporting responsibilities are locked down in advance. Internal Audit has noted a measurable drop in operational-risk indicators and a quicker trigger on early-warning thresholds since these measures took effect. Collectively, the enhancements have produced a more resilient, data-driven control environment that keeps pace with the Company's growing international footprint.

Governance documentation is still catching up with the developments, The Risk Management Policy, Risk Appetite Policy, and Risk Appetite Statement are scheduled for update to reflect the broader footprint, and the New Product Committee's remit was strengthened so that every new product is launched under a formal owner-and-support model. The remaining operational manuals are scheduled for approval in early 2025. Collectively, these developments keep the Company's risk profile low, enhance early-warning capabilities, and position the organization for further sustainable growth in 2025.

3. Governance

3.1. Board of Directors

The Company's Board of Directors:

- has the overall responsibility for the Company and approve and oversee the implementation of the Company's strategic objectives, risk prevention strategy and internal governance,
- ensures the integrity of the accounting and financial reporting systems, including financial and operational controls and compliance with the law and relevant standards,
- oversees the process of disclosure and announcements,
- is responsible for providing effective supervision of senior management.

The table below provides the number of directorships held by members of the Board of Directors at the same time. It shall be noted that, directorships in organizations which do not pursue predominantly commercial objectives, such as non-profitmaking or charitable organizations, are not taken into account for the purposes of the below. The table below includes all Directorships in the Group.

Table 1: Number of Directorships of the members of the Board of Directors (Group)

Director	Position	Number of Executive Directorships	Number of Non-Executive Directorships
Dr. Roman Lokhov	Non-Executive Director, Chairman of the Board	4	1
Mr. Christodoulos Christodoulou	Non-Executive Director	2	4
Ms. Irina Khrabrova	Executive Director, Managing Director	2	0
Mr. Charalambos Charalambous	Executive Director, Risk & Compliance Director	1	0
Mr. Yosef Dayan	Non-Executive Director	0	1
Mrs. Maria Tamarkina	Executive Director	1	0
Mr. Aleksandr Fedotov	Executive Director	2	0

3.2. Recruitment Policy

Members of the Board of Directors are the persons who effectively direct the business of the Company. They need to be of sufficiently good repute and possess sufficient knowledge, skills and experience to perform their duties. The Company Equal Opportunities Policy strictly prohibit any form of discrimination when selecting members of the Board of Directors and promotes diversity. All requirements of the Policy were achieved every time when the Company recruited any member of the Board.

According to the Company's recruitment policy, the overall composition of the Board of Directors needs to reflect an adequately broad range of experiences. The Board of Directors shall collectively possess adequate knowledge, skills and experience to be able to understand the Company's activities and principal risks. At least half of the Directors shall be Non-Executive Directors. The majority of the Directors shall be citizens of the Republic. At least two members of the management of the Company need to be classed as directors.

3.3. Risk Management

The top-level governing body of the Company is the Board of Directors (hereafter "the Board"). The Board is responsible for setting the main risk metrics such as economic capital and for approving high-level risk control procedures. Among the main functions and responsibilities of the Board regarding risk management process are:

• setting the Company's strategic aims and financial objectives;

• approving the appointment of any person to the office of Head of Risk;

• reviewing and approving the Company's policies and corresponding procedures and measures;

• setting and implementing the Company's risk strategy, risk culture and risk appetite;

• ensuring rigorous stress and scenario testing of the Company's business;

• assessing the setup, functioning and effectiveness of the risk management function and risk management systems and processes for identifying, measuring, assessing, controlling, responding to, and reporting on all the risks resulting from Company's activities, the integrity of the risk management information systems, including the accuracy, reliability and completeness of the data used, and adequacy of risk models including consistency, timeliness, independence and reliability of data sources used in such models.

Executive Directors act in accordance with the resolutions of the Board and facilitate implementation of the general business strategy as well as specific decisions of the Board. Among the main functions and responsibilities of the Executive Directors regarding risk management process are:

• ensuring the identification and communication to the Board of all material risks along with mitigation plans and procedures;

• effectively manage operational or financial matters to deliver on the mandate of the Company and to address risks that arise proactively and effectively;

• oversee risk matters to deliver on the mandate of the Company and to address risks that arise proactively and effectively; and

• ensure that the Company has in place all necessary risk management systems.

The Risk Management Department assists the Board in setting the general principles of the risk management framework, quantify the economic capital requirements and in promoting the risk awareness culture across the Company. Risk Management Department also performs the necessary day-to-day risk management functions such as identification, quantification, and control of risks. Among the main functions and responsibilities of the Risk Manager are:

• establishing, implementing, maintaining, and updating risk management policies and procedures with due regard to regulations and directives as issued by the Regulator;

• identifying and assessing the risks inherent in investment services provided, or investment activities performed by the Company;

• providing the Executive Directors with the necessary information and the tools to effectively manage the risks of the Company, such as material violations of limits, measures, or procedures as well as appropriate remedial actions, the adequacy and effectiveness of measures taken to address deficiencies in the risk management etc;

• assigning and controlling the limits to the businesses and trading desks and assuring these limits are following the economic capital allocation guidelines;

• monitoring and controlling the risks and limits;

• performing stress-testing; and

• producing the necessary regulatory reports, including capital adequacy statement according to the ICARA.

The Company doesn’t have a separate Risk Committee established as of reporting date.

3.4. Investment Policy

In accordance with Article 52 of the IFR, investment firms should disclose the following information in relation to their investment policy, where value of their on and off-balance sheet assets is on average more than 100 million euro over the four-year period immediately preceding the given financial year:

a) the proportion of voting rights attached to the shares held directly or indirectly by the investment firm, broken down by Member State and sector;

b) a complete description of voting behaviour in the general meetings of companies the shares of which are held in accordance with paragraph 2 of Article 52, an explanation of the votes, and the ratio of proposals put forward by the administrative or management body of the company which the investment firm has approved; and

c) an explanation of the use of proxy advisor firms;

d) the voting guidelines regarding the companies the shares of which are held in accordance with paragraph 2 of Article 52.

As at 31st of December 2024 the Company does not meet the requirement therefore, no further disclosure is made. The Company will meet the criteria in the year 2025, so the corresponding changes in disclosures are expected in next year's Pillar III Report.

3.5. Environmental, social and governance risks

In accordance with Article 53 of the IFR, from 26 December 2024, IFs should disclose information on environmental, social and governance risks, including physical risks and transition risks, as defined in the report referred to in Article 35 of Directive (EU) 2019/2034, where value of their own on and off-balance sheet assets is on average more than 100 million euro over the four-year period immediately preceding the given financial year.

As at 31st of December 2024 the Firm does not meet the requirement therefore, no further disclosure is made. The Company will meet the criteria in the year 2025, so the corresponding changes in disclosures are expected in next year's Pillar III Report.

4. Own Funds

The Company is required to hold sufficient own funds in accordance with the provisions of the IFR.

The Company's total capital resources as of 31 December 2024 are shown in the table below. The Company's Capital Resources consist of Tier 1 Capital only.

Table 2: Own Funds Composition, EUR '000 (Template EU IF CC1.03)

Ref	Item	€'000	Cross reference to Table 3
1	**OWN FUNDS**	6,657	
2	**TIER 1 CAPITAL**	6,657	
3	**COMMON EQUITY TIER 1 CAPITAL**	6,585	
4	Fully paid up capital instruments	20,500	Ref 16
5	Share premium	-	Ref 17
6	Retained earnings	-12,914	Ref 20
13	(-)TOTAL DEDUCTIONS FROM COMMON EQUITY TIER 1	-955	
15	(-) Losses for the current financial year	-	
17	(-) Other intangible assets	-812	Ref 2
23	(-) Other deductions	-143	Ref 22
24	CET1: Other capital elements, deductions and adjustments	-46	Ref 3
25	**ADDITIONAL TIER 1 CAPITAL**	72	
26	Fully paid up, directly issued capital instruments	2,198	
30	(-) TOTAL DEDUCTIONS FROM ADDITIONAL TIER 1	-2,126	
33	**TIER 2 CAPITAL**	-	
36	(-) TOTAL DEDUCTIONS FROM TIER 2	-	

Table 3: Reconciliation of Regulatory Own Funds to Balance Sheet, EUR '000 (Template EU IFCC2)

Ref	Item	Balance sheet as in solo audited financial statements, 31.12.2024	Under regulatory scope of consolidation	Cross reference to Table 2
	Assets			
1	PPE	66	71	
2	Intangible assets	607	812	Ref 17
3	Contribution to the Investor's Compensation fund	46	46	Ref 24
4	Non-financial assets	352	352	
5	Financial assets at amortised cost	101,906	100,506	
6	Financial assets at FV through PnL	81,173	144,192	
7	Financial assets at FV through PnL (pledged)	61,035	-	
8	Cash at bank	36,962	36,989	
9	Cash & cash equivalents	32,909	32,951	
10	**Total Assets**	**315,056**	**315,918**	
	Liabilities			
11	Borrowings at amortised cost	77,752	77,752	
12	Trade and other payables	188,419	188,481	
13	Financial liabilities at FV through PnL	27,535	27,535	
14	Derivative financial liabilities	9,730	9,730	
15	**Total Liabilities**	**303,437**	**303,498**	
	Shareholders' Equity			
16	Share capital	13,130	20,500	Ref 4
17	Share premium	538	-	Ref 5
18	Subordinated debt	2,198	2,198	Ref 26
19	Accumulated losses, incl.	-4,258	-10,278	
20	Retained earnings for the previous years	-7,105	-12,914	Ref 6
21	Dividends declared and paid	-350	-	
22	Interest paid on subordinated debt	-143	-143	Ref 23
23	Net income for the year 2024	3,340	2,779	
24	Advance from shareholders	11	-	
25	**Total Shareholders' equity**	**11,619**	**12,419**	

Own funds details are presented in the Annex I.

5. Own Funds Requirements

5.1. Capital Requirements

The regulatory capital adequacy is assessed according to the own funds requirements set out in the IFR. According to Article 9 of the IFR, the Company shall at all times satisfy the following own funds requirements:

CET 1 Ratio	56%
Tier 1 Ratio	75%
Total Own Funds Ratio	100%

There are three main top-level components contributing to the resulting own fund requirements –

- Permanent minimum capital requirement
- Fixed overhead requirement
- Total K-Factor Requirement

The Company's own fund requirements as of 31 December 2024 are shown in the table below.

Table 5: Own Funds Requirements, EUR '000

OWN FUNDS	**2024**	**2023**
COMMON EQUITY TIER 1 CAPITAL	6,585	6,828
ADDITIONAL TIER 1 CAPITAL	72	2,198
TIER 1 CAPITAL	6,657	9,025
TIER 2 CAPITAL	0	0
TOTAL OWN FUNDS	***6,657***	***9,025***
OWN FUNDS REQUIREMENTS	1,922	1,196
Permanent minimum capital requirement	750	750
Fixed overhead requirement	1,922	1,196
Total K-Factor Requirement	1,331	753
Total own funds requirement	*1,922*	*1,196*
CET 1 Ratio	***342.64%***	***570.83%***
Tier 1 Ratio	***346.39%***	***754.58%***
Own Funds Ratio	***346.39%***	***754.58%***

5.1.1. Permanent minimum capital requirement

As per Article 5 of the IFR and following reference to the Directive (EU) 2019/2034, the initial capital of an investment firm required pursuant to Article 15 of Directive 2014/65/EU for the authorisation to provide any of the investment services or perform any of the investment activities listed in points (3) and (6) of Section A of Annex I to Directive 2014/65/EU shall be EUR 750 000.
As the Company is authorized to conduct both activities listed in the points 3 (Dealing on own account) And 6 (Underwriting of financial instruments and/or placing of financial instruments on a firm commitment basis), permanent minimum capital requirement is set at EUR 750 000.

5.1.2. Fixed overhead requirement

Article 13 of the IFR introduces the fixed overhead element of the minimal capital requirement, it mandates that investment firms maintain capital equal to at least one-quarter of the fixed overheads incurred during the preceding year, as reported in the firm's annual financial statements. The primary objective of this requirement is to ensure that firms have sufficient financial resources to cover administrative and operating expenses, thereby enhancing financial stability and resilience against adverse business conditions. The fixed overhead requirement acts as a financial safeguard, preventing firms from operating with excessively low levels of capital that could compromise their ability to sustain operations during periods of economic downturn or financial stress. The fixed overheads requirement is applicable to all CIFs. As of the year 2024, the fixed overhead requirement requirements the Company were EUR 1 921 880.

5.1.3. K-factors

IFR introduced K-Factors, quantitative and qualitative measures designed to assess and address the risks inherent to the activities of investment firms. Each K-factor targets a specific risk domain, ensuring that firms maintain adequate capital levels and robust risk management practices.
The K -Factors are not mapped to a specific type of risk but in the most cases one type of risk is more prevalent, and the Company may use a number of K-factors as a proxy for a certain risk exposure, or an exposure profile that is a combination of several prominent types of risk.

Table 6. A CIFs K-Factor Requirement shall amount to at least the sum of RtC, RtM and RtF factors.

K-factor		Requirement, EUR '000
Risk to Market	RtM	800
Risk to Firm	RtF	411
Risk to Client	RtC	120
Total K-Factor requirement		1,331

5.1.3.1. Risk to Market

K-NPR (Net Position Risk Factor) - Assesses the market risk associated with the firm’s trading book, particularly the volatility in the market values of positions held and the firm's ability to liquidate these positions without significant losses.
K-CMG (Credit and Counterparty Margin Given Risk Factor) - Evaluates the risk involved in extending credit or margins to clients and counterparties, focusing on the potential for default and the firm's exposure to credit losses.

Table 7. RtM K-factors

RtM K-factor		K-factor requirement, EUR '000
K-Net positions risk requirement	K-NPR	800
including:		
Position Risk		773
Foreign exchange risk		27
Clearing margin given	K-CMG	0
Total RtM K-Factor requirement		800

Risk to Market K-factors are mostly associated with Market risk. Market risk refers to the risk of losses due to fluctuations in interest rates, exchange rates, and market prices.

The main source of Market risk for the Company is its own book trading. Market risk is managed by setting both single name limits on securities and portfolio limits. Portfolio limits are set in the Desk Mandate in accordance with the economic capital allocated to the desk. Due to the comparatively simple structure of the current portfolios the limits are mostly simple cost price notional and mark-to-market value limits, with the addition of the specific sensitivity limits such as DV01 limits for the fixed income instruments and vega limits for the vanilla exchange-traded options. As the structure and scope of the portfolios become more complex, a transition to full sensitivity and VaR metrics-based limit system is planned.

During the reporting period, the Company materially increased its proprietary-trading activities. The portfolio remains anchored by short-dated U.S. Treasuries and German Bunds, which are held chiefly for liquidity-management purposes. In 2024, the Company further diversified these holdings by committing up to €1.5 million to a basket of highly liquid, diversified European equities.

The Company risk appetite to the FX risk is low, the Company reduces its open FX position to a predefined limit. The Company as of the reporting period lacks all the necessary tools for detailed attribution of FX exposure and FX PL to a certain desk or a business line. Risk Management only controls overall balance sheet level FX exposure. Despite overall FX exposure is under control, we need to develop more fine tools to be able to control FX exposure in more fine detail.

5.1.3.2. Risk to Firm

K-TCD (Trading Counterparty Default Risk Factor) - This factor quantifies the risk of financial loss due to a counterparty's failure to fulfill its financial obligations in a trading relationship, particularly relevant in derivatives, securities financing, and other trading activities.
K-DTF (Daily Trading Flow Risk Factor) - Measures the risks related to the volume of trading activities conducted by the firm each day, considering factors such as market liquidity and the firm's capacity to execute large transaction volumes without adverse effects.
K-CON (Concentration Risk Factor) - Assesses the risks arising from any large exposures to a single counterparty, client, or group of connected clients, which could lead to significant losses if the counterparty fails to meet its obligations.

Table 8. RtF K-factors

RtF K-factor		K-factor requirement, EUR '000
Trading counterparty default	K-TCD	390
Daily trading flow - Cash trades	K-DTF	21
Daily trading flow - Derivative trades	K-DTF	
K-Concentration risk requirement	K-CON	
Total RtF K-Factor requirement		411

Risk to Firm K-factors are generally considered as a proxy for the Credit risk. Credit risk arises from the potential for default by borrowers and counterparties, which can lead to financial losses for the company. The Company's direct credit exposure is mostly money kept with regulated entities such as banks and brokers.
Another source of credit risk for the Company is margin lending. Clients' margin trading doesn't create direct credit exposure but have a possibility of a potential exposure in a scenario where market volatility exceeds securities haircuts. The Company manages this risk by setting conservative haircuts and margin call levels to reduce the risk probability. The Company also includes its margin trading portfolio into its stress testing scenarios where also conservatively models clients' defaults if the Company have any credit exposure on them in a stress scenario. The Company had relatively low margin lending activity in the reporting period, thus didn't have major credit exposure or potential credit exposure to the clients deriving from margin activity.
Another important source of the credit exposures is the trades with the counterparties. The Company manages this risk by setting counterparty limits that are based on the assessment of the counterparties' creditworthiness based both on the external credit ratings as well as in-house credit quality analysis.
To align the limits with the economic capital, credit VaR is calculated for the whole portfolio of credit exposures assuming zero correlations between the defaults.
Daily Counterparty Limit report is prepared by the risk management department, which allows for the monitoring of the counterparty trades exposures. As of the end of the reporting period, the Risk Management Department was actively monitoring more than 80 counterparties in relation to settlement limits.

The Company as a CIF (Cyprus Investment Firm) is subject to the Large Exposures Regime (Concentration Risk), as part of the IFR. As a result, the Company takes active steps to limit its exposure to groups of connected counterparties. This is subject to regular forecasting and daily monitoring and reporting. Where excesses occur, capital is set aside and the CySEC are notified. The Company follows the regulatory guidelines and sets its concentration appetite accordingly – up to 100% of eligible capital for the institutions and 25% of eligible capital for non-institutions. Where the exposure exceeds these levels, the Company calculates additional capital requirements (K-CON).

During the year 2024, the Company has had no excess of the Large Exposure Limit.

5.1.3.3. Risk to Client

K-AUM (Assets Under Management Risk Factor) – This factor quantifies risk based on the total value of assets managed on behalf of clients. It assesses the potential for financial loss due to mismanagement or unfavorable market changes affecting client portfolios.

K-CMH (Client Money Held Risk Factor) – Evaluates the risk associated with holding client funds. It addresses the potential financial impact and compliance requirements of managing and safeguarding these funds against misappropriation or operational errors.

K-ASA (Assets Safeguarded and Administered Risk Factor) – Relates to the risks incurred from safeguarding and administering assets that are not owned by the firm but are held in custody, including duties such as ensuring the integrity of asset ownership, record-keeping, and protection against fraud.

K-COH (Client Orders Handled Risk Factor) – Measures the risk associated with the volume and nature of client orders handled by the firm, focusing on the potential for financial loss due to errors in order processing or execution failures.

<u>Table 9. RtC K-factors</u>

RtC K-factor		K-factor requirement, EUR ‘000
Assets under management	K-AUM	0
Client money held – Segregated	K-CMH	81
Client money held – Non-segregated	K-CMH	0
Assets safeguarded and administered	K-ASA	39
Client orders handled – Cash trades	K-COH	0
Client orders handled – Derivatives trades	K-COH	0
Total RtC K-Factor requirement		120

Risk to Client K-factors are considered mostly covering operational risk of the client related activity. Operational risk arises from internal processes, people, systems, and external events that can lead to financial losses or reputational damage. The Company manages operational risk by implementing robust internal controls, regularly conducting risk assessments, and developing contingency plans for potential risk events. For every significant process, the Company develops a procedure and/or a methodology that describes this process, establishes roles of all participants, and regulates interactions between them regarding the process. The Company established New Product Committee (NPC) to assess all new types of business activities and identify risks that these activities can expose the Company to. For each new business activity or a product, a separate NPC meeting resolution must be prepared that describes the activity or the product, highlights key risks and lays groundwork for managing these risks even before the activity or the product goes live.

In the year 2024 the Company started to have regular NPC meetings and is planning to expand this committee in the year 2025.

We still have some gaps in our operational policies and manuals, and the New Product Committee (NPC) needs further refinement—an even bigger priority as we move into new markets. Each product must go through a clear approval process, with one owner and well-defined roles for every supporting team. Rapid product rollouts have made it tough to keep the paperwork current, but solid procedures are essential for managing operational risk. We closed a lot of this gap by year-end, and tightening the NPC framework remains high on the agenda.

The Company includes information and communication technology risks into the operational risk category. First-line risk management and mitigation of this type of risk as well as day-to-day monitoring is done by the IT Department, and the supervision and the risk audit function is performed by the Risk Management Department. A major project to harmonize the Company's documents, practices and procedures with Digital Operational Resilience Act (DORA) regulations is scheduled for the year 2025.

5.1.4. Other risks

There is a number of major risks, that are not easily mapped to the K-factors are affecting the company in an indirect way or are equally impacting all operations covered by K-factors. These risks are presented in this paragraph.

5.1.4.1. Liquidity risk

Liquidity risk refers to the risk of not being able to meet financial obligations as they become due. The Company manages liquidity risk by performing liquidity gap analysis based on the stressed cashflow, that highlights liquidity gaps for different term buckets. From there the Company aims to align its assets and liabilities term structure to cover the short-term liquidity gaps and have robust redundant plans to cover the long-term gaps.

The Company still has a part of its funds temporary blocked due to the sanctions imposed on the previous beneficiary of the company. Since the change of ownership most of the accounts were unblocked but a significant part of its liquidity is still inaccessible for the Company. However, strong financial result in the reporting period allowed the company to remedy liquidity constraint significantly and by the end of the reporting period liquidity risk of the Company was considered low compared to its estimation as "high" in the previous period.

Despite this, liquidity management remains a major focus of the Risk Management team. To manage

liquidity risk the Company performs daily liquidity assessment. Daily liquidity assessment report contains information about current short-term liquidity, its usage and liquidity capacity for business units.
In addition to the regular daily Treasury report and gap analysis, Risk Management Department also monitors the liquidity closely to identify potential liquidity shortages and work closely with the Treasury to implement necessary measures to eliminate the liquidity gaps.
According to the IFR, the Company shall hold an amount of liquid assets equivalent to at least one third of the Fixed Overhead Requirement.

Table 10. Liquidity requirements

€'000	2024	2023
Liquidity Requirement	641	399
Total liquid assets	33 017	8 927

The Company still has a part of its funds temporary blocked due to the sanctions imposed on the previous beneficiary of the Company. Since the change of ownership most of the accounts were unblocked but a significant part of its liquidity is still inaccessible for the Company. However, since 2023 this fact does not critically affect the business of the Company, as the Company has attracted a lot of new assets and is perfectly viable even without access to blocked assets.

Despite this, liquidity management remains a major focus of the Risk Management team. To manage liquidity risk the Company performs daily liquidity assessment. Daily liquidity assessment report contains information about current short-term liquidity, its usage and liquidity capacity for business units.

In addition to the regular daily Treasury report and gap analysis, Risk Management Department also monitors the liquidity closely to identify potential liquidity shortages and work closely with the Treasury to implement necessary measures to eliminate the liquidity gaps.

During the reporting period the liquidity usage was low in general with periods of high trading activity where the Company was using significant part of its available liquidity. Restricted cash is not counted towards liquid assets.

5.1.4.2. Interest Rate Risk

Interest rate risk arises from changes in interest rates that can affect the company's net interest income and the market value of its assets and liabilities. During 2024, the Company had low exposure to this type of risk in its liquidity management portfolio due to small exposure to the interest risk sensitive instruments and generally tightly matched assets and liabilities term structure.
Most of the Company’s interest risk comes from the high cost of the funding which also concentrated in a few big clients. The main interest revenue estimations that come from margin lending to its retail clients and from the security financing of one big client can't be predicted accurately using the current Company financial planning system. It puts a major part of interest earning at risk.
The Company is striving to decrease its interest risk and is taking steps to mitigate it by diversifying its

liquidity sources, decreasing cost of borrowing, and developing better financial planning in regard to interest revenue.

5.1.4.3. Compliance Risk

Compliance risk refers to the risk of non-compliance with laws, regulations, and internal policies, which can result in financial penalties, reputational damage, and loss of business. The Company manages compliance risk by maintaining a strong compliance culture, providing regular compliance training, and implementing effective compliance monitoring and reporting processes. All counterparties of the Company, no matter how small, are passing through the compliance review and get equal treatment from the compliance standpoint.
No compliance findings identified during the reporting period pose material risk to the viability of the Company.

5.1.4.4. Business Risk

Business risk stems from shifts in the competitive landscape, macro-economic conditions, and the Company's strategic priorities. It is managed through continuous review of the business plan, structured market and competitor intelligence, and a disciplined strategic-planning process that explicitly weighs potential risks and opportunities.

Following the reassessment of the long-term strategy in 2022 and 2023, prompted by the war in Ukraine and the resulting loss of access to key markets, clients, and products, the Board approved a new busines0073 plan that took effect in 2023 and is continued into 2024. The plan pivots the Company toward high-growth emerging markets and a client base located outside the Russian Federation, and it is underpinned by quantifiable milestones that allow for precise measurement of interim progress and early detection of strategic slippage.

During the 2024 reporting period, execution has progressed broadly in line with these milestones; however, initial implementation challenges—chiefly slower-than-expected client onboarding in certain jurisdictions and logistical frictions—have emerged. These issues may elevate business-risk levels over the short term. Management is therefore employing enhanced monitoring through monthly performance dashboards and stands ready to reallocate resources, adjust sequencing of market entry, or recalibrate individual targets to mitigate any adverse impact as soon as it becomes apparent. The business plan will continue to be reviewed at least annually, with an interim review scheduled for 2025 as well to incorporate first-year execution insights.

A further material source of business risk remains the delay in the SEOK ruling needed to unlock restricted assets held at Raiffeisen Bank. The ongoing uncertainty imposes opportunity costs and poses reputational challenges. The Company maintains active engagement with the relevant authorities while developing contingency liquidity solutions should the restrictions persist.

5.1.4.5. Country risk

As the Company broadens its operational footprint to encompass additional jurisdictions within the European Union and beyond, it inevitably encounters risks that are unique to each market. These risks can materially affect operations and span regulatory-compliance challenges, unforeseen legal developments, and abrupt market fluctuations. As of the reporting date, the Company is actively pursuing opportunities in new territories. To that end, it undertakes rigorous due-diligence across several dimensions—market dynamics, legal frameworks, compliance obligations, and broader regulatory environments—with the aim of minimising risk and maximising adherence to local requirements, thereby safeguarding operations and sustaining competitive advantage. The underlying assessment process has not yet been fully formalised, a gap the Company intends to address in the near term.

In parallel, the Company is extending its trading infrastructure by securing additional broker relationships, custodial arrangements, and exchange memberships in these new markets. While this expansion supports strategic growth, it also introduces heightened operational and information-technology risks—ranging from integration failures and service-provider outages to cyber-security vulnerabilities. To manage these exposures, every infrastructure initiative undergoes stringent project-approval and vendor-onboarding protocols, supported by continuous technical oversight and performance monitoring throughout the lifecycle of each implementation.

5.2. Capital Management

To always satisfy the minimal capital requirements, the Company implements several daily controls that aimed at limiting daily operations with a number of limits and restrictions that ensure that the resulting trades and operation wont lead to the exceeding of the regulatory requirements.

The Company uses a combination of quantitative and qualitative metrics for its internal capital management. Quantitative metrics are based on statistical methods and mostly are variations of Value-at-Risk methodology. Quantitative metrics are preferable to the qualitative and are used for the calculation of the internal capital where possible, especially for its trading activity. Qualitative metrics are used where statistical or other numerical approaches cannot be used directly (such as with political or legal risks), however even in these cases resulting internal capital requirements figures are expressed in numerical terms.

The company calculates both current internal capital requirements and maximal potential capital requirements based on its business plan for a period up to a year.

5.3. Remuneration Policy and Practices

5.3.1. Remuneration System

The Remuneration Policy aims to ensure that the staff's compensation is sufficient to retain and attract individuals with appropriate skills and experience to help the Company achieve its targets. The Policy also aims to ensure that conflicts of interest are avoided, and that the remuneration awarded is such that it does not encourage risk-taking that exceeds the Company's approved risk appetite.

Accordingly, the operating standards and mechanisms which have been adopted ensure that the level of rewards provided to employees are directly linked to the desired behaviors and results set by the Board of Directors as well as the Company's documented policies and procedures.

The Company's Remuneration Policy takes into account national criteria on wage setting and makes a clear distinction between criteria for setting basic fixed remuneration and variable remuneration. Basic fixed remuneration primarily reflects relevant professional experience and organizational responsibility as set out in an employee's job description and as part of the terms of employment of each employee. Variable remuneration reflects a sustainable and risk adjusted performance as well as performance in excess of that required to fulfil the employee's job as part of the terms of employment of each employee. It includes all forms of payments or benefits provided directly or indirectly by the Firm to relevant persons.

5.3.2. Remuneration Practices

Even though the Policy applies to all Company employees, the Company wishes to take a more specific risk approach by identifying and assigning higher emphasis and responsibility to persons who are client-facing staff, Senior Management, risk takers, individuals whose total remuneration takes them into the same remuneration level as the aforementioned categories, individuals who perform control duties as well as any other individuals whose professional activities have a significant impact on the Company's risk profile.

Performance appraisals are conducted on a regular basis. In order to perform performance appraisals, key objectives / goals are set for each employee at the beginning of each year. Performance is then assessed against these objectives / goals.

Both fixed and variable components are balanced with the fixed component representing a sufficiently high proportion of the total remuneration for the majority of the personnel to allow the operation of a fully flexible policy.

The Company benefits from a derogation laid down in Article 32(4) of Directive (EU) 2019/2034 on the basis of the point a) as at 31st of December 2024 the value of the Firm on and off-balance sheet assets were on average less than 100 million euro over the four-year period immediately preceding the given financial year. The Company will not benefit from the said derogation in the year 2025, so the corresponding changes in disclosures are expected in next year's Pillar III Report.

All remuneration, both fixed and variable, is paid in cash and is not deferred.

The tables below present the remuneration analysis by the Company's during the year 2024.

Table 11: Remuneration Analysis by Senior Management and Members of Staff

	Members of staff	Senior Management (Executive Directors)	Non-Executive Directors
Fixed Remuneration, EUR '000	929	531	65
Variable Remuneration, EUR '000	2,047	186	-
Total	2,976	717	65
Fixed-to-Variable Remuneration Ratio	45%	285%	-
Number of Beneficiaries	12	5	3

Table 12: Remuneration Analysis by Business Area

Business Area	Remuneration, EUR '000
Business Departments	2,529
Control Functions	1,024
Operations	27
Finance and Accounting	35
Customer Support Department	89
IT Services	55
Administration	-
Total	3,758

Annex I. Composition of the Own funds (Template EU IF CCA).

Table 13. Roemer Capital (Europe) Limited

		Common Equity Tier 1 instruments	Additional Tier 1 instruments	Additional Tier 1 instruments
1	Issuer	Roemer Capital (Europe)	Roemer Capital (Europe)	Roemer Capital (Europe)
2	Unique identifier	21380027LW8AF6I1WA03	N/A	N/A
3	Public or private placement	Private	Private	Private
4	Governing law(s) of the instrument	Cyprus	Cyprus	Cyprus
5	Instrument type	Ordinary shares	Subordinated loan	Subordinated loan
6	Amount recognized in regulatory capital, EUR	13,130,000	2,000,000	197,802
7	Nominal amount of instrument, EUR	1,000	2,000,000	197,802
8	Issue price, EUR	1,000	N/A	N/A
9	Redemption price	N/A	N/A	N/A
10	Accounting classification	Shareholders' equity	Additional Tier 1 equity	Additional Tier 1 equity
11	Original date of issuance	12.06.2014	27.06.2023	18.08.2023
12	Perpetual or dated	Perpetual	Perpetual	Perpetual
13	Original maturity date	N/A	N/A	N/A
14	Issuer call subject to prior supervisory approval	No	No	No
15	Optional call date, contingent call dates and	N/A	N/A	N/A
16	Subsequent call dates, if applicable	N/A	N/A	N/A
	Coupons / dividends			
17	Fixed or floating dividend/coupon	Floating	Fixed	Fixed
18	Coupon rate and any related index	N/A	N/A	N/A
19	Existence of a dividend stopper	No	No	No
20	Fully discretionary, partially discretionary or	N/A	N/A	N/A
21	Fully discretionary, partially discretionary or	N/A	N/A	N/A
22	Existence of step up or other incentive to	N/A	N/A	N/A
23	Noncumulative or cumulative	N/A	N/A	N/A
24	Convertible or non-convertible	Non-convertible	Convertible	Convertible
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	N/A	N/A	N/A
29	If convertible, specify instrument type	N/A	N/A	N/A
30	If convertible, specify issuer of instrument it	N/A	N/A	N/A
31	Write-down features	N/A	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	N/A	N/A	N/A
36	Non-compliant transitioned features	N/A	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	N/A	N/A	N/A

Table 14. Roemerberg Capital Limited

		Common Equity Tier 1 instruments
1	Issuer	Roemerberg Capital Limited
2	Unique identifier	254900U7W9LQ58FSEB88
3	Public or private placement	Private
4	Governing law(s) of the instrument	Cyprus
5	Instrument type	Ordinary shares
6	Amount recognized in regulatory capital, EUR	20,500,000
7	Nominal amount of instrument, EUR	1
8	Issue price, EUR	1
9	Redemption price	N/A
10	Accounting classification	Shareholders’ equity
11	Original date of issuance	27.10.2020
12	Perpetual or dated	Perpetual
13	Original maturity date	N/A
14	Issuer call subject to prior supervisory approval	No
15	Optional call date, contingent call dates and redemption amount	N/A
16	Subsequent call dates, if applicable	N/A
	Coupons / dividends	
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	N/A
23	Noncumulative or cumulative	N/A
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	N/A
32	If write-down, write-down trigger(s)	N/A
33	If write-down, full or partial	N/A
34	If write-down, permanent or temporary	N/A
35	If temporary write-down, description of write-up mechanism	N/A
36	Non-compliant transitioned features	N/A
37	If yes, specify non-compliant features	N/A
38	Link to the full term and conditions of the instrument (signposting)	N/A

Table 15. Roemerberg Financial Products Limited

		Common Equity Tier 1 instruments
1	Issuer	Roemerberg Financial Products Limited
2	Unique identifier	254900BFEXGQSWXQRF14
3	Public or private placement	Private
4	Governing law(s) of the instrument	Cyprus
5	Instrument type	Ordinary shares
6	Amount recognized in regulatory capital, EUR	1,501,000
7	Nominal amount of instrument, EUR	1,000
8	Issue price, EUR	1,000
9	Redemption price	N/A
10	Accounting classification	Shareholders' equity
11	Original date of issuance	25.05.2015
12	Perpetual or dated	Perpetual
13	Original maturity date	N/A
14	Issuer call subject to prior supervisory approval	No
15	Optional call date, contingent call dates and redemption amount	N/A
16	Subsequent call dates, if applicable	N/A
	Coupons / dividends	
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	N/A
23	Noncumulative or cumulative	N/A
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	N/A
32	If write-down, write-down trigger(s)	N/A
33	If write-down, full or partial	N/A
34	If write-down, permanent or temporary	N/A
35	If temporary write-down, description of write-up mechanism	N/A
36	Non-compliant transitioned features	N/A
37	If yes, specify non-compliant features	N/A
38	Link to the full term and conditions of the instrument (signposting)	N/A