

# Plus500

## World's Trading Machine

PLUS500CY LIMITED

### Pillar III Disclosures and Market Discipline for the year ended 31 December 2025

Disclosures in accordance with Part Six of Regulation (EU) 2019/2033 of the European Parliament and of the Council of 27 November 2019 on the prudential requirements of investment firms and amending Regulations (EU) No 1093/2010, (EU) No 575/2013, (EU) No 600/2014 and (EU) No 806/2014

March 2026

## Contents

1.	Introduction .....	2
1.1	Corporate Information.....	2
1.2	Pillar III Regulatory Framework.....	2
2.	Risk Management Arrangements .....	4
2.1	Risk Management Objectives and Policies .....	4
2.1.1.	<b>The Company’s Approach to Risk Management</b> .....	4
2.1.2.	<b>Risk Management Function</b> .....	4
2.1.3.	<b>Internal Audit</b> .....	4
2.1.4.	<b>Compliance Function</b> .....	4
2.1.5.	<b>Anti-Money Laundering Compliance Function</b> .....	5
2.1.6.	<b>Risk Appetite Statement</b> .....	5
2.1.7.	<b>Internal Capital Adequacy and Risk Assessment Process</b> .....	6
2.2	Risk Governance – Board and Committees .....	6
2.2.1.	<b>Board of Directors</b> .....	6
2.2.2.	<b>Board Committees</b> .....	7
2.2.3.	<b>Number of directorships held by members of the Board</b> .....	7
2.2.4.	<b>Diversity Policy</b> .....	8
3.	Principal Risks.....	10
3.1	Risk to Client .....	10
3.2	Risk to Market .....	11
3.3	Risk to Firm .....	13
3.4	Other Risks .....	15
3.4.1.	<b>Compliance Risk</b> .....	15
3.4.2.	<b>Cybersecurity Risk</b> .....	15
3.4.3.	<b>Reputation Risk</b> .....	15
3.4.4.	<b>Liquidity Risk</b> .....	15
3.4.5.	<b>Geopolitical Risk</b> .....	15
3.4.6.	<b>Environmental, Social and Governance Risk</b> .....	15
4.	Own Funds .....	18
5.	Minimum Capital Requirements.....	20
5.1	Capital Requirements.....	20
5.1.1.	<b>Fixed Overheads Requirement (FOR)</b> .....	20
5.1.2.	<b>Permanent Minimum Capital Requirement (PMCR)</b> .....	20
5.1.3.	<b>K-Factors (RtC, RtM, RtF)</b> .....	20
5.1.4.	<b>Capital Excess Ratio</b> .....	21
6.	Remuneration Policy and Practices .....	22
6.1	Performance Appraisal .....	22
6.2	Design and Structure of Remuneration .....	22
	Appendix – Main Features of Own Funds.....	25

# 1. Introduction

## 1.1 Corporate Information

These disclosures (the “Pillar III Disclosures”) relate to Plus500CY Limited (“the Company” or “Plus500CY”), which is authorised and regulated by the Cyprus Securities and Exchange Commission (“CySEC”) as a Cyprus Investment Firm (“CIF”) to offer Investment and Ancillary Services under license number 250/14 dated October 10, 2014, and which has a LEI Code of 213800FSNQRNIGGGGM03.

The Company offers a number of Investment and Ancillary Services enabling clients to trade in financial contracts for difference (“CFDs”) on forex, shares, indices, exchange-traded funds (“ETFs”), commodities, options, precious metals and cryptocurrencies, through the Plus500 CFD trading platform, as well as in shares dealing, i.e., trading in stocks listed on various underlying markets/trading venues, through the Plus500 Invest trading platform.

## 1.2 Pillar III Regulatory Framework

Since 26<sup>th</sup> of June 2021, the Company abides by the prudential rules set by the IFR & IFD framework, which consists of EU Regulation 2019/2033 on the prudential requirements of investment firms (“Investment Firm Regulation” or “IFR”) and EU Directive 2019/2034 on the prudential supervision of investment firms (“Investment Firm Directive” or “IFD”), as the latter has been harmonized into local legislation through the issuance of the Cyprus Law for the Prudential Supervision of Investment Firms (165(I)/2021 – “Prudential Law”).

Based on the relevant provisions of the IFR & IFD framework, the Company qualifies as a Class 2 CIF and is required to hold €750k of initial capital, as per Article 14 of the IFR and Section 9 of the Prudential Law. Furthermore, for the year under consideration the Company was classified as a “significant CIF”, in accordance with the criteria set by CySEC Circular C487.

The IFR and IFD rules focus on specific methodologies that investment firms are required to apply for quantifying their exposure to risk and deriving their Capital Adequacy ratio, as well as to their required level of initial capital, their Internal Capital Adequacy & Risk Assessment (“ICARA”) Process, and the Liquidity Requirement, among others.

The IFR & IFD framework consists of three Pillars which are used to regulate, supervise and improve the risk management of firms in the financial services industry. The three Pillars and their applicability to the Company are summarised below:

- Pillar I - Minimum Capital Requirements - ensures that the Company maintains at all times a sufficient amount of capital above the minimum requirement in relation to certain key risks, as calculated using prescribed methods.
- Pillar II - ICARA Process and Supervisory Review and Evaluation Process (“SREP”) - ensures that the Company and its supervisor, CySEC, actively assess, control and mitigate the various risks that the Company faces.
- Pillar III - Market Discipline - ensures the promotion of market discipline through the disclosure of the Company's regulatory requirements, risk management and risk governance policies and procedures, allowing market participants to view and compare meaningful information relating to the Company and its peers.

The present Pillar III Disclosures have been prepared in compliance with Part Six of the IFR and relate to the financial year ending on 31<sup>st</sup> of December 2025. Unless stated otherwise, all amounts are in thousands (“k”) of Euro (“€”), which is the reporting currency of the Company. The Company is making these Disclosures on an individual (solo) basis, as it does not fall under the scope of prudential consolidation based on the provisions of Article 7 of the IFR. The Company also prepares its Financial Statements on an individual (solo) basis, in accordance with the International Financial Reporting Standards (“IFRS”).

The Company prepares its Pillar III Disclosures document and arranges for its review and verification by its external auditors on an annual basis. Furthermore, it uploads its annual Pillar III Disclosures on its website (<https://www.plus500.com/el/aboutus>), not later than four months following its immediately preceding financial year, while it also submits them to CySEC accompanied by its external auditors’ verification report within five months after its financial year-end.

## **2. Risk Management Arrangements**

### **2.1 Risk Management Objectives and Policies**

#### **2.1.1. The Company's Approach to Risk Management**

Managing risk effectively in a multi-dimensional organization and operating in a continuously changing risk environment requires strong risk management principles. As a result, the Company has established an effective risk oversight structure and the necessary internal organisational controls to ensure that it identifies and manages its risks adequately, establishes the necessary policies and procedures, sets and monitors relevant limits, complies with the applicable legislation, takes informed decisions and improves the probability of achieving its strategic and operational objectives.

#### **2.1.2. Risk Management Function**

The Risk Management Function is independent from other operational functions, possesses the necessary authority for the fulfilment of relevant duties and responsibilities, and has adequate access to the Company's Board of Directors ("Board"). The Risk Manager shall act as an independent senior professional with distinct responsibility for the Risk Management Function. The Risk Manager shall not be removed without prior approval of the Board. The Risk Manager reports to the Senior Management and the Board of the Company.

As an additional control, the Risk Committee is responsible for monitoring and controlling the Risk Manager in the performance of his/her duties and the effectiveness of the Risk Management Department.

#### **2.1.3. Internal Audit**

The Company, 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, has outsourced its Internal Audit Function through the appointment of a qualified and experienced Internal Auditor. The Internal Auditor has been appointed and reports to the Board of the Company.

The Internal Auditor is responsible for applying the internal control mechanism, which shall confirm the accuracy of the reported data and information. Furthermore, the role of the Internal Auditor includes the programming, on an at least annual basis (as applicable), of checks on the degree of application of the required internal control mechanisms.

#### **2.1.4. Compliance Function**

The Compliance Officer leads the Compliance Function and is responsible to establish, implement and maintain adequate and effective policies and procedures, as well as appropriate systems and controls designed to detect any risk of failure by the Company to comply with its obligations. Further to this, the Compliance Officer is responsible to put in place adequate measures and procedures designed to minimize such risk and to enable the competent authorities to exercise their powers effectively. The Compliance Officer reports to the Board and the Management of the Company.

The Compliance Officer is independent and has the necessary authority, resources, expertise and access to all relevant information.

### **2.1.5. Anti-Money Laundering Compliance Function**

The Board has appointed a person to the position of the Company's Anti-Money Laundering Compliance Officer (hereinafter the "AMLCO"), to whom the Company's employees should report their knowledge or suspicion of transactions involving money laundering and terrorist financing. The AMLCO belongs to the higher hierarchical layers of the Company, is independent and has the necessary authority, resources, expertise and access to all relevant information. The AMLCO reports to the Board and to Senior Management.

### **2.1.6. Risk Appetite Statement**

The Company recognizes that achieving its strategic objectives requires a disciplined approach to risk-taking, guided by a clearly defined Risk Appetite approved by its Board. The Risk Appetite balances the necessity to pursue growth opportunities with the imperative to manage risks effectively and safeguard shareholder value. While the Company strives to mitigate risks, it acknowledges that controls can provide reasonable, but not absolute assurance against losses.

The Board accepts that in its pursuit of its strategic and business goals, the Company will be exposed to risk. Some risks will be consciously assumed in the pursuit of profit. Other risks will be an indirect consequence of profit-making activities. Accordingly, it is important that the Company's overall risk-taking activities are undertaken within acceptable and approved limits and tolerances so that the potential impact of such risks on the earnings and capital ratios of the Company can be managed.

It is accepted that the risk profile of the Company will vary and that, at times, the Company may be exposed to a higher level of risk, especially when market or environmental conditions are volatile.

The Company's Risk Appetite Statement ("RAS") is directly linked to its business strategy, risk strategy, risk capacity, funding capacity and capital planning. The Company's risk capacity is the maximum level of risk that the Company can assume, given its available financial resources, earnings profile and obligations to stakeholders. Plus500CY's risk capacity is a maximum measure which is not intended to be reached and is thus being used to guide the setting of the Company's Risk Appetite, which is meant to set boundaries to prevent reaching the risk capacity.

The Board has set specific limits on the levels of risk the Company is willing to accept during its operations. These limits, integrated within the Company's risk management processes and reporting practices, ensure alignment with the defined Risk Appetite. Any breaches of these thresholds trigger corrective actions to realign exposures with the approved risk parameters. This disciplined approach promotes a proactive risk management culture, focusing on continuous monitoring and adherence to established boundaries.

Risk appetite is expressed in both quantitative and qualitative terms and covers all risks, both on and off-balance sheet. Such risks include, but are not limited to, Credit, Market, Operational, Liquidity, Business, Reputational and Compliance Risk.

The RAS is integrated into the Company's decision-making, monitoring and reporting processes, with early warning trigger levels set to initiate any required corrective action before overall tolerance levels are reached. These elements provide a structured approach to shaping the Company's risk profile and ensuring its alignment with strategic objectives.

In addition, the RAS plays a critical role in guiding the Company's governance processes and fostering a risk-aware culture. By embedding risk considerations into day-to-day operations, the Company reinforces its commitment to sustainable growth and long-term resilience. The qualitative aspects of the RAS set the

tone for risk tolerance across key areas, while quantitative metrics support ongoing compliance with established risk thresholds.

The Board expresses its Risk Appetite through a number of key Risk Appetite measures which define the level of risk acceptable across the following categories:

- **Financial:** Credit Risk, Market Risk, Liquidity Risk and Capital Risk.
- **Reputational:** Client Relations, Regulatory and external Reputational Risk.
- **Operational and People:** The risk associated with the failure of key processes and/or systems (Information Technology (ICT) Risk) and the risk of not having the right quality and quantity of people to operate those processes and systems. It includes Legal Risk.
- **Other:** Business Risk, Regulatory Risk and Compliance Risk.

### **2.1.7. Internal Capital Adequacy and Risk Assessment Process**

The ICARA is embedded in the core of the Company's operations and serves as a valuable risk management tool which ensures that the Company's Risk Management framework receives the necessary attention from all the related functions/personnel of the Company, while contributing towards a robust organization by promoting a risk-averse culture within the Company.

The Board of the Company and the Senior Management ensure the appropriate design, adoption and implementation of the Company's ICARA, by performing their ICARA-related duties and responsibilities as these are detailed in the relevant manual of the Company.

The Company's ICARA is forward-looking and includes capital and liquidity planning based on the financial projections of the Company's management, as well as stress testing by considering the effect of extreme yet plausible scenarios on profitability, capital and liquidity. These in turn support the Company to make an informed decision as to whether there is a need for keeping aside additional capital and/or liquid assets, in order to more properly reflect the risks to which it is exposed, at the point of performing the exercise and in the future.

The Company performs the ICARA process annually, in accordance with the prudential framework for investment firms. The ICARA is clearly owned and approved by the Board.

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

### **2.2.1. Board of Directors**

The Board is responsible for ensuring that the Company complies with its obligations under the applicable legislation. The Board assesses and periodically reviews the effectiveness of the policies, arrangements and procedures put in place to comply with the regulatory obligations, and takes appropriate measures to address any deficiencies. The Board shall ensure that it receives on a frequent basis, and at least annually, written reports regarding Internal Audit, Compliance, Anti-Money Laundering & Terrorist Financing and Risk Management issues, indicating in particular, whether the appropriate remedial measures have been taken in the event of any deficiencies. The Board is responsible for the monitoring of the internal control mechanisms of the Company to enable prevention of activities outside the scope and strategy of the Company and of any unlawful transactions, as well as to ensure the identification of risks, and the timely and adequate flow of information.

### **2.2.2. Board Committees**

In order to support effective governance and management of the wide range of its responsibilities and to align with CySEC's Circular C487, the Board has established a Risk Committee, a Remuneration Committee and a Nomination Committee. Furthermore, the Company maintains a Senior Management – “four-eye” structure, which is responsible to ensure that it complies with its obligations under the applicable legislation, to assess and periodically review the effectiveness of the policies, arrangements and procedures put in place and to take appropriate measures to address any deficiencies.

#### **Risk Committee**

The Risk Committee is formed in line with Section 22(4) of the Prudential Law and with a view to ensure the efficient monitoring of the risks inherent in the provision of the investment services to clients, as well as the risks underlying the operation of the Company in general. Towards this direction, the Company has formed a robust ICARA process and has adopted and maintains risk management policies which identify the risks relating to its activities, processes and systems and set its risk tolerance levels. The Risk Committee bears the responsibility to monitor the adequacy and effectiveness of the ICARA process and of the risk management policies and procedures that are in place, the level of compliance by the Company and its relevant persons with the policies and procedures adopted, as well as the adequacy and effectiveness of measures taken to address any deficiencies with respect to those policies and procedures, including compliance failures by the Company's relevant persons. During 2025, the Risk Committee met four times.

#### **Nomination Committee**

The Company has established and maintains an independent Nomination Committee in line with Section 10(2)(a) of the Investment Services and Activities and Regulated Markets Law 87(I)/2017 (“Investment Services Law”), which is responsible for leading the process for the appointment of new Directors to the Company's Board and for making relevant recommendations to the Board. Furthermore, the Nomination Committee must ensure that the Company's Board Diversity Policy is upheld by regularly reviewing the structure, size and composition (including the skills, knowledge, experience and diversity) of the Board and making recommendations to the Board with regard to any changes.

#### **Remuneration Committee**

The Company has established a Remuneration Committee in order to ensure that remuneration arrangements support the strategic aims of the business and enable the recruitment, motivation and retention of senior executives, while also complying with the requirements of the IFR & IFD framework and other relevant legislation. Furthermore, the Remuneration Committee is responsible for the preparation of decisions regarding remuneration, including those which have implications for the risk management of the Company, and which are to be taken by the Board.

### **2.2.3. Number of directorships held by members of the Board**

The table below provides the number of directorships that each member of the Management Body of the Company holds at the same time in other entities, including the one in the Company, at the time of preparation of this Report. For the purposes of the below, executive or non-executive directorships held within the same group of companies are considered as a single directorship. In addition, directorships in organizations which do not pursue predominantly commercial objectives, such as non-profit-making or charitable organizations, are not taken into account.

**Table 1: Directorships of Board Members<sup>1</sup>**

Name of Director	Position within Plus500CY	Number of Directorships	
		Executive	Non-Executive
Ofir Chudin <sup>2</sup>	Executive Director	1	-
Amalia Ioannou	Executive Director	1	-
Elad Even-Chen <sup>3</sup>	Non-Executive Director	1	-
Andreas Aloneftis	Non-Executive, Independent Director	-	3
Petros Petrocostas	Non-Executive, Independent Director	-	2

Taking into consideration the fact that the Company’s on- and off-balance sheet assets were on average, over the last four financial years, greater than €100 mln, the Company satisfied the definition of a “Significant CIF” for the financial year 2025, as per the provisions of CySEC Circular C487, as already mentioned in the previous Section. To this end, it is noted that directorships of the Board’s members are within the limits referred to in Section 9(4) of the Investment Services Law and which apply to Significant CIFs.

#### 2.2.4. Diversity Policy

Plus500CY recognises and embraces the benefits of having a diverse Board, and sees increasing diversity at Board level as an essential element in maintaining a competitive advantage. Plus500CY believes that board diversity enhances decision-making capability and that a diverse Board is more effective in dealing with organisational changes. The Company believes that the Board should be characterized by a broad range of views arising from different experiences. Additionally, the Board should have sustainable development as its core value, which will promote the interests of all Company stakeholders, particularly the long-term interests of its shareholders, fairly and effectively.

The Company considers that the concept of diversity incorporates a number of different aspects, therefore all Board appointments are made on merit, in the context of the skills, experience, knowledge, business perspectives, industry or related experience, independence, gender, age, cultural, educational background and more general experience which the Board as a whole requires in order to be effective.

#### Skills and Experience

Members of the Board possess sufficient knowledge, skills and experience to perform their duties. The overall composition of the Board reflects an adequately broad range of experiences in order to be able to understand the CIFs’ activities and main risks to ensure the sound and prudent management of the Company, as well as sufficient knowledge of the legal framework governing the operations of a CIF.

The Board should possess a balance of skills appropriate for the requirements of the business of the Company, in order for the Company to benefit from its directors’ experience in a range of activities including varied industries, education, government, investment and the professions. Reference is made to the Company’s Board Skills review matrix included in the Board Diversity Policy, which aims to assess the specific experience and skills needed to ensure the optimum blend of the potential individual and the aggregate capability having regard to the Company’s long-term strategic plan.

<sup>1</sup> The information in this table is based only on representations made by the directors of the Company.

<sup>2</sup> Mr. Ofir Chudin held one (1) directorship as Executive Director and two (2) directorships as Non-Executive Director under the same group.

<sup>3</sup> Mr. Elad Even-Chen held two (2) directorships as Executive Director and thirteen (13) directorships as Non-Executive Director under the same group.

**Independence**

The Board includes a composition of Executive, Non-Executive and Independent Non-Executive Directors so that there is a strong element of independence in the Board. The Independent Non-Executive Directors shall be of sufficient calibre and stature for their views to carry weight. Each member of the Board must act with independence of mind to properly assess and challenge the decisions of the Senior Management where necessary and to effectively oversee and monitor management decision-making.

**Gender**

Plus500CY is committed to maintaining an environment of respect for people regardless of their gender in all business dealings and achieving a workplace environment free of harassment and discrimination on the basis of gender, physical or mental state, race, nationality, religion, age or family status. The same principle is applied to the selection of potential candidates for appointment to the Board. At the date of adoption of the most recent Diversity Policy, the Board's aim was to ensure that at least 20% of the Board was made up of women, which for the year under reference was successfully met.

### 3. Principal Risks

This section sets out the Company's policies and objectives in managing each key risk that arises from its activities and operations, as well as the strategies and processes it has put in place in order to manage and mitigate each such risk.

#### 3.1 Risk to Client

Risk to Client ("RtC") is the risk that an investment firm poses to its clients in the event where it fails to properly carry out the services being offered to them. It reflects the risk covering the business areas of investment firms from which harm to clients can conceivably be generated in case of problems.

Failure to carry out its services or operations correctly is a key risk that the Company needs to manage. The negative impact on clients of this failure could be substantial if not managed appropriately.

There are four K-factors through which some of the core aspects of RtC are being captured and measured, and which act as proxies that cover the specific business areas that are referred to above. These K-factors consist of the following:

- **K-AUM (Assets Under Management)** captures the risk of harm to clients from incorrect discretionary management of client portfolios or poor execution and provides reassurance and client benefits in terms of the continuity of service of ongoing portfolio management and investment advice. As the Company did not provide portfolio management or investment advice services during the year ending 31 December 2025, the Company was not subject to the risk relating to this K-factor.
- **K-CMH (Client Money Held)** captures the risk of potential for harm where an investment firm holds the money of its clients, taking into account whether they are on its own balance sheet or in third-party accounts and whether arrangements under applicable national law provide that client money is safeguarded in the event of bankruptcy, insolvency, or entry into resolution or administration of the investment firm. As part of its business, the Company receives from its customers, cash deposits to enable them to perform transactions in financial instruments and to this end, it is subject to the risk captured by this K-factor.

**Risk Mitigation Measures:** The Company holds money on behalf of clients in accordance with the client money rules set out in CySEC Directive DI87-01 for the Safeguarding of Client Assets, Product Governance Obligations and Inducements. Such funds are classified as "segregated client funds" in accordance with the CySEC regulatory requirements. Segregated client money accounts hold statutory trust status, according to regulatory requirements, restricting the Company's ability to control the funds and accordingly such amounts are not presented on the Company's statement of financial position. The Safekeeping Department is responsible for implementing all measures necessary to ensure that the Company complies with its obligations regarding the safeguarding of client funds, which include but are not limited to, the segregation of client funds from the Company's own balances, proper internal record-keeping, regular client money reconciliations and identification and justification of any reconciling items, due diligence of third party sub-custodians with which client money are being held and regular re-assessment of their financial standing and of their client money safeguarding arrangements. All these tasks are being monitored and overseen by the Chief Financial Officer ("CFO"), who is also the Head of the Safekeeping Department. Furthermore, the Finance & Accounting Department is responsible for monitoring and supervising the reconciliation of the client balances to any table entries used and to the corresponding General Ledger Account balances, in order to ensure that client money is properly and adequately safeguarded.

- **K-ASA (Assets Safeguarded and Administered)** captures the risk of safeguarding and administering client assets and ensures that investment firms hold capital in proportion to such balances, regardless of whether they are on their own Balance Sheet or in third-party accounts. During the year under review, the Company offered safeguarding services in relation to the real equity positions of its clients, and was therefore subject to the risk relating to K-ASA for these client trades. It is noted that the safeguarding of clients' positions in CFD products is captured under K-CMH in consideration of the nature of CFD products.

**Risk Mitigation Measures:** The Company safeguards the real equity positions of its clients in accordance with the rules prescribed by CySEC's Directive DI87-01 for the Safeguarding of Client Assets, Product Governance Obligations and Inducements. As part of these safeguarding measures, the Company delegates the custodianship of its clients' assets to reputable sub-custodians, taking into account the expertise and market reputation of the third-party sub-custodian, as well as any legal requirements or market practices related to the holding of the financial instruments that could adversely affect clients' rights. Similarly with client funds, the Safekeeping Department is responsible for implementing the established procedures so as to ensure ongoing compliance with regulatory requirements and supervisory expectations for the safeguarding of clients' financial instruments, under the oversight of the CFO, as the Head of the Safekeeping Department.

- **K-COH (Client Orders Handled)** captures the potential risk to clients posed by an investment firm which executes orders in the name of the client. The Company executes all its clients' orders by acting as principal to their trades, therefore the risk reflected by this K-factor does not apply to the Company (instead, the Company is subject to K-DTF which is discussed further below).

### 3.2 Risk to Market

Risk to Market ("RtM") is the risk that an investment firm poses to the financial markets that it operates in and the counterparties that it trades with.

There are two K-factors that capture the principal risks under RtM:

- **K-NPR (Net Position Risk)** is based on the rules for Market Risk for positions in equities, interest rate financial instruments, foreign exchange and commodities and is calculated in accordance with the methodologies set out in Regulation (EU) No. 575/2013 ("CRR"). K-NPR captures the exposure to Market Risk, which is defined as the risk that changes in market prices will affect the Company's income or the value of its holdings of financial instruments. The Company's exposure to Market Risk at any point in time depends primarily on short-term market conditions and client activities during the trading day. The Company is subject to Market Risk as a result of its trading activities where it acts as a counterparty to its clients' CFD and real equity transactions. The Company is therefore exposed to losses in the case where adverse market movements cause the value of its open positions to decline.

**Risk Mitigation Measures:** The Company has an agreement with its Parent Company to economically hedge fully all CFD transactions entered with its customers. In this way, the Company is not materially exposed to Market Risk with regards to its open positions in financial instruments, because each CFD transaction with the client is fully hedged with corresponding identical transactions executed with the parent company.

With regards to the Company's Share Dealing service, the Company acts as an intermediary in the clients' trade execution process, with the Equity Market Risk being assumed entirely by the third-party execution broker, therefore no Market Equity Risk arises for the Company with respect to the real share trades of its clients.

The Risk Management Department continuously monitors the Market Risk exposure of the Company through the daily capital adequacy calculations performed by the Finance & Accounting Department under the oversight of the CFO and ensures that the k-NPR exposure remains at all times within anticipated levels.

- **K-CMG (Clearing Margin Given)** – This is an alternative to K-NPR to provide for Market Risk for trades that are subject to clearing as set out in Article 23 of IFR. CMG means the amount of total margin required by a clearing member or qualifying central counterparty, where the execution and settlement of transactions of an investment firm dealing on own account take place under the responsibility of a clearing member or a qualifying central counterparty. Bearing in mind the Company's size of relevant operations during 2025, this K-factor is not applicable to the Company.

### **Foreign Currency Risk**

Foreign Currency Risk arises when future commercial transactions and recognized assets and liabilities are denominated in a currency that is not the Company's functional currency. The Company is exposed to Foreign Currency Risk arising from various currency exposures. Furthermore, funds deposited by clients may not always be maintained in the clients' user currency, which represents the currency at which the Company has an obligation to repay clients' account balances, but may be converted instead to other currencies on the basis of the Management's decisions. This may expose the Company to Foreign Currency Risk. The Company's Management monitors the exchange rate fluctuations on a continuous basis and acts accordingly.

As at 31 December 2025, the foreign currency positions arising from the clients' trading positions were fully hedged, therefore the Company's net open position in foreign currencies was due to Balance Sheet positions denominated and funded in currencies other than its reporting currency.

### **Market Interest Rate Risk**

Interest Rate Risk is the risk that the value of financial instruments will fluctuate due to changes in market interest rates. The Company is exposed to Interest Rate Risk in relation to deposits with banks, however bank balances are held in accounts that bear insignificant interest. The Company's Management nevertheless monitors the interest rate fluctuations on a continuous basis and acts accordingly.

### **Market Price Risk**

This is the risk that the fair value of a financial instrument fluctuates as a result of changes in market prices other than due to the effect of transactional foreign currency exposures or interest rate risks.

The Company incurs Market Price Risk as a result of its trading activities in CFDs on stocks, indices, commodities, ETFs, foreign currencies and cryptocurrencies, part of which is naturally hedged as part of the overall Market Risk management. Exposure limits are set for each product and also for groups of products where it is considered that their price movements are likely to be positively correlated. This risk is further mitigated due to the fact that trading positions are fully hedged with the Company's Parent Company.

### 3.3 Risk to Firm

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

There are three K-factors that capture the key aspects of RtF, namely:

- **K-TCD (Trading Counterparty Default)** captures the Counterparty Credit Risk arising from an investment firm’s exposure to the default of its trading counterparties. In particular, it looks at the risk of losses arising from the default of a counterparty with which a company maintains open Trading Book positions in derivatives and other specified transactions, and includes positions with both clients and liquidity providers.

Counterparty Credit Risk arises primarily as a result of the Company’s open CFD positions maintained with clients, as well as from the CFD trades it opens with its Parent Company for the purposes of hedging its Market Risk exposure. Additionally, the Company is exposed to additional Credit Risk as its Share Dealing business model is inextricably linked to its third-party execution broker.

**Risk Mitigation Measures:** For the open positions with clients, the Company sets principles to monitor and manage this risk on a real-time basis. Under the Company’s policy, each open CFD position with a client must be at all times collateralized by a portion of the client’s funds (margin), and if client funds fall below the required margin level, client positions are liquidated (margin call). Moreover, the Company mitigates its Counterparty Credit Risk exposure towards its Parent Company via a netting agreement signed between the two parties, in line with Article 31 of the IFR.

As regards the Credit Risk resulting from the Share Dealing service, the risk that the third-party execution broker becomes insolvent cannot be mitigated directly, and this risk is accepted. The Company will continually assess the appropriateness, reputation, reliability, financial performance and credit standing of its third-party execution broker, their execution venues and sub-custodian relationships on an ongoing basis. Moreover, there will not be any Credit Risk towards the Company’s clients in relation to the Share Dealing services, since they will always fully fund all such trading activity and will therefore not require the granting of any credit by the Company.

- **K-DTF (Daily Trading Flow)** captures the Operational Risk related to the value of trading activity that an investment firm conducts. It reflects the risk of transactions that an investment firm enters through dealing on own account or executing orders on behalf of clients in its own name.

Operational Risk is defined by the Basel Committee for Banking Supervision as “the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events”. The main sources of Operational Risk include inadequate operational processes, IT security, dependence on key service providers and implementation of strategic change, fraud, human error, recruitment training and retention of staff.

**Risk Mitigation Measures:** The Company’s systems and controls are evaluated, maintained and upgraded continuously. Furthermore, the Company has a “four-eye” structure and Board oversight ensuring the separation of power and authority regarding vital functions of the Company.

Also, the Company has in place policies and processes whose implementation supports the evaluation and management of almost any exposure to Operational Risk. The Company has implemented an Operational Risk management framework designed to ensure that Operational Risks are assessed, mitigated and reported in a consistent manner.

The Operational Risk management framework consists of the following, inter alia, components:

- Lower human interaction - the majority of actions occurring in the Company's systems are automated and therefore it is less likely that a human error will occur;
  - Reviewing risks and controls as part of the Internal Audit Function; regular review and updating of policies;
  - Monitoring the effectiveness of policies, procedures and controls by Internal Audit;
  - Maintaining Risk Register by following the risk monitoring program in order to ensure that past failures are not repeated;
  - Maintaining a four-eye structure and implementing Board oversight over the strategic decisions made by the heads of departments;
  - Minimizing fraud activities and further enhancing AML/KYC procedures by using a third-party software system, which provides access to a database;
  - Financial accounts are audited by one of the big-four audit firms;
  - A Disaster Recovery Plan has been designed in order to be used in the event of a force majeure event affecting the Company's internal systems and databases;
  - A Business Continuity Plan has been implemented which helps protect all of the Company's information databases including data, records and facilities.
- **K-CON (Concentration Risk)** seeks to apply additional own funds to manage concentration to a single counterparty/issuer of financial instruments or a group of connected counterparties/issuers to which a company incurs Trading Book exposures.

K-CON reflects Name Concentration Risk, to which the Company is exposed through its open CFD positions with customers and its open hedging CFD positions with its Parent Company. Moreover, Concentration Risk may also arise from the concentration to a single product, currency, country, sector and industry.

**Risk Mitigation Measures:** The Company mitigates its Concentration Risk towards its parent through the use of cash collateral and the establishment of a netting arrangement, both of which are supported by a relevant bilateral agreement.

In addition, the Company calculates and keeps aside additional capital requirement for any amount that exceeds the applicable k-CON limit, as this is prescribed by Article 37 of the IFR for Pillar 1 calculation purposes. The CFO monitors on an ongoing basis the sufficiency of the cash collateral from the Parent Company and additionally ensures, together with the Risk Manager, that any k-CON capital requirement arising remains within levels that do not severely impact the Company's capital adequacy levels. As at 31 December 2025, the Company did not incur any exposures that exceeded the applicable k-CON limits, and to this end it was not subject to a minimum capital requirement for this K-factor.

As for the risk due to concentration towards a single product, currency, country, sector and industry, the Company manages this risk by selecting the countries of its bankers and assessing the banks' and significant counterparties' credit quality and financial stability prior to cooperating with them, so as to ensure that both its own and its clients' funds are well protected and properly safeguarded. The Company aims to maintain a client base made up mostly of EU (or EU equivalent)-based customers. The Company has developed a high-level country risk assessment matrix, monitors regulatory developments in its key markets, and takes appropriate measures to comply with such.

## **3.4 Other Risks**

### **3.4.1. Compliance Risk**

Compliance Risk is the risk of financial loss, including fines and other penalties, which arises from non-compliance with laws and regulations of the state. This risk is limited to a significant extent due to the supervision applied by the Compliance Officer, the implementation of the compliance risk assessment and monitoring programme, as well as the monitoring controls applied by the Company.

### **3.4.2. Cybersecurity Risk**

Cybersecurity Risk reflects the potential loss or harm related to technical infrastructure and use of technology. Major sources of cybersecurity risk include, poor configuration of cloud services, employees falling for phishing emails or downloading links/documents that turn out to be malware, use of weak passwords, and insider threats.

### **3.4.3. Reputation Risk**

Reputation risk is the risk of loss of reputation arising from negative publicity relating to the Company's operations (whether true or false), that may result in a reduction of its clientele, reduction in revenue and/or legal cases against the Company.

### **3.4.4. Liquidity Risk**

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations arising from its financial liabilities that are settled by delivering cash or other financial assets. The Company's approach to managing this risk is to ensure it will have sufficient liquidity to meet its financial liabilities when due, under both normal circumstances and stressed conditions. The Company's approach is to ensure that there will be no material liquidity mismatches with regards to liquidity maturity profiles due to the very short-term nature of its financial assets and liabilities.

In addition to the Own Funds Requirements, a Liquidity Requirement is set by the IFR according to which the Company is required to maintain liquidity levels equal to at least one third of its Fixed Overhead Requirement ("FOR"). As at 31<sup>st</sup> of December 2025 the Company satisfied the Liquidity Requirement. The Company monitors the level of its liquid assets on a monthly basis.

### **3.4.5. Geopolitical Risk**

Geopolitical risk reflects the risk of loss resulting from unfavorable geopolitical conditions or developments. 2025 has been a year of high geopolitical instability in numerous regions of the world including Israel and the Middle East, with the situation exacerbating within the first quarter of 2026 through the intensification of the conflict between Israel and USA on the one hand, and Iran on the other hand. To date, the Company has not experienced any adverse impacts resulting from the conflicts in Israel and the wider Middle East. Despite the ongoing geopolitical developments, the Company continues to operate normally and without interruption. There has been no impact or disruption to any aspect of the Company's operations or to the services offered to existing or potential clients. The Company maintains comprehensive IT, Business Continuity, Security and Disaster Recovery Policies, which incorporate the Parent Company's Group Disaster Recovery Plan, ensuring the continuity of operations in the event of geopolitical or operational disruptions.

### **3.4.6. Environmental, Social and Governance Risk**

ESG risks are the risks of any negative financial impact on the investment firm stemming from the current or prospective impacts of ESG factors on its counterparties or invested assets. Based on its assessment, the Company has considered the following ESG risk drivers, among others:

- **Physical Risk drivers**
  - Wildfires
  - Drought and water scarcity
- **Transition Risk drivers**
  - Changes in regulation
  - Litigation/legal impact
- **Social Risk drivers**
  - Conduct risk
  - Discrimination allegations
- **Governance Risk drivers**
  - Non-compliance with tax laws
  - Corruption allegations
  - Cybersecurity risk

The assessment has demonstrated that the risk drivers of changes in regulation, cyber security risk and non-compliance with tax laws are likely to have a more significant impact on the Company's Operational, Financial, Business and Regulatory Compliance risks. The identified risk drivers will be selected for further analysis in future assessments. The results of this assessment will be reviewed regularly by the Company to ensure its relevance and applicability going forward.

**Risk Mitigation Measures:** The Compliance Officer is responsible for monitoring on an ongoing basis all regulatory requirements and for acting in line with the internal policies, encouraging others in the Company to do the same. The Company's compliance efforts are also supported by the annual internal and external audit inspections by its Internal Auditor and External Auditor respectively. Specifically in respect to climate and environmental regulatory developments, the Company monitors regulatory and supervisory updates with an aim to ensure that all applicable requirements are addressed.

Furthermore, the Company monitors developments in the applicable tax rules with the assistance of expert external tax advisors, who also support the Company through the review of its tax calculations. More specifically in regards to tax, on 22 December 2025 the Cyprus Parliament passed a comprehensive tax reform and the relevant laws were published in the Government Gazette on 31 December 2025. Based on this reform, the corporation tax rate increases to 15% effective from 1 January 2026. The Company's Management has assessed the impact of the tax rate increase and has concluded that it does not significantly affect the Company's operations.

Moreover, the Company maintains a secure and highly sophisticated operating system, which is not considered an easy target for hackers. There is always a strict oversight of compliance with confidentiality rules by control functions, senior management and heads of departments over all Company staff, while there are policies in place for GDPR compliance as well.

In addition, an ongoing training on cybersecurity is offered to all staff members on a monthly basis and a Group Cybersecurity Policy is in place and implemented across the Company. The Company has focused on establishing an action plan, including the establishment of relevant policies and procedures to ensure compliance with the Digital Operational Resilience Act (DORA) (Regulation (EU) 2022/2554). The Company remains fully committed to ensuring compliance with DORA by strengthening its ICT risk management framework and operational resilience. Therefore, the Company continues to enhance its security measures, monitor evolving risks and implement necessary controls. It will also continue to follow relevant circulars and technical documentation periodically issued by the competent authorities that clarify regulatory expectations.

In regard to Liquidity risk, the Risk Manager and the CFO monitor the level of regulatory liquid assets monthly and take actions whenever deemed necessary in order to prevent breaches of this limit. Moreover, liquidity risk is assessed and measured by the Risk Management Department within the ICARA

process, whereby with the support of the CFO and the Finance & Accounting Department, the Company's liquid assets are identified and stress scenarios are executed to examine the sufficiency of such assets under extreme yet plausible conditions. Expert judgement is subsequently applied to determine the need for additional measures to strengthen the liquidity position of the Company, thus mitigating its exposure to, and better controlling this risk.

## 4. Own Funds

### Capital Adequacy Ratio

The Company's objectives when managing capital are:

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

The Company monitors Own Funds and Capital adequacy requirements at least on a monthly basis, in accordance with the IFR & IFD prudential framework. As at 31<sup>st</sup> of December 2025, the Company's Own Funds comprised entirely of Common Equity Tier 1 capital.

As per the IFR rules, investment firms are required to maintain Own Funds consisting of the sum of their Common Equity Tier 1 capital, Additional Tier 1 capital and Tier 2 capital, and shall at all times meet all of the following conditions:

- Common Equity Tier 1 Capital of at least 56% of minimum Own Funds Requirements;
- Common Equity Tier 1 Capital and Additional Tier 1 Capital of at least 75% of minimum Own Funds Requirements;
- Common Equity Tier 1 Capital, Additional Tier 1 Capital and Tier 2 Capital of at least 100% of minimum Own Funds Requirements.

Table 2 below presents the composition of the Company's Own Funds as at 31 December 2025, while Table 3 indicates how these Own Funds reconcile with the Company's audited Balance Sheet as of this date, and they have been prepared using the format set out in the Commission Implementing Regulation (EU) 2021/2284 laying down implementing technical standards for the application of Regulation (EU) 2019/2033 with regard to supervisory reporting and disclosures of investment firms.

As shown below, the Company's Own Funds as at 31 December 2025 amounted to €125.079k.

**Table 2: Template EU IF CC1.01 - Composition of Regulatory Own Funds**

Template EU IF CC1			
Ref	(€'000)	31 Dec 2025 (€'000)	Source based on reference numbers of the Balance Sheet in the audited Financial Statements (cross reference to EU IF CC2)
1	<b>OWN FUNDS</b>	<b>125.079</b>	
2	<b>TIER 1 CAPITAL</b>	<b>125.079</b>	
3	<b>COMMON EQUITY TIER 1 CAPITAL</b>	<b>125.079</b>	
4	Fully paid up capital instruments	350	Ref. 1 (Shareholder's Equity)
5	Share premium	14.641	Ref. 2 (Shareholder's Equity)
6	Retained earnings	109.918	Ref. 4 (Shareholder's Equity)
8	Other reserves	588	Ref. 3 (Shareholder's Equity)
10	Adjustments to CET1 due to prudential filters	(46)	
27	CET1: Other capital elements, deductions and adjustments	(372)	Ref. 1 & 2 (Assets)

28	ADDITIONAL TIER 1 CAPITAL	-	
40	TIER 2 CAPITAL	-	

**Table 3: Template EU IF CC2: Own Funds: Reconciliation of Regulatory Own Funds to Balance Sheet in the Audited Financial Statements**

Template EU IF CC2			
(€'000)		Balance Sheet as in audited Financial Statements	Cross reference to EU IF CC1
		31 December 2025	
<b>Ref</b>	<b>Assets</b>		
	<b>Total Assets</b>	<b>157.412</b>	
	of which:		
1	Deposit with Investors' Compensation Fund ("ICF")	92	Ref. 27
2	Bank of Cyprus – ICF buffer	280	Ref. 27
	<b>Liabilities</b>		
	<b>Total liabilities</b>	<b>31.915</b>	
	<b>Shareholders' Equity</b>		
	<b>Total Shareholders' equity</b>	<b>125.497</b>	
	of which:		
1	Share capital	350	Ref. 4
2	Share premium	14.641	Ref. 5
3	Share based compensation	588	Ref. 8
4	Retained earnings	109.918	Ref. 6

## 5. Minimum Capital Requirements

### 5.1 Capital Requirements

Under the IFR & IFD framework, Class 2 investment firms are required to derive their minimum capital requirements by taking the highest of their FOR, the Permanent Minimum Capital Requirement ("PMCR") and the K-factors that apply to them.

#### 5.1.1. Fixed Overheads Requirement (FOR)

The Company's policy is to monitor its FOR at least on a quarterly basis. The Company calculates its FOR by taking one quarter of its fixed overhead expenses based on its most recent audited annual financial statements after distribution of profits, in accordance with the provisions of Article 13 of the IFR and Article 1 of Commission Delegated Regulation (EU) 2022/1455. The Company's FOR as at 31 December 2025 amounted to €10.147k.

#### 5.1.2. Permanent Minimum Capital Requirement (PMCR)

The Company monitors its Own Funds on a continuous basis and ensures that they remain above the PMCR of €750k, which corresponds to the initial capital that applies to the Company in accordance with Section 9 of the Prudential Law.

#### 5.1.3. K-Factors (RtC, RtM, RtF)

The Company's K-factor requirement is calculated in accordance with Articles 16 through to 33 of the IFR. The total K-Factor requirement of the Company as at 31 December 2025 amounted to €22.568k.

Table 4 below breaks down the Pillar I minimum capital requirement that the Company was required to hold as of 31<sup>st</sup> of December 2025 (i.e. the highest of the FOR, the PMCR and the total K-Factor requirement).

**Table 4: Minimum Capital Requirements**

Minimum Capital Requirements		31 December 2025 (€'000)
<b>K-Factor Requirement</b>		
Risk-to-Client (RtC)	k-AUM	-
	k-CMH	377
	k-ASA	3
	k-COH	-
Risk-to-Market (RtM)	k-NPR	9.891
	k-CMG	-
Risk-to-Firm (RtF)	k-TCD	12.176
	k-DTF	121
	k-CON	-
<b>Total K-Factor Requirement</b>		<b>22.568</b>
<b>Fixed Overhead Requirement – FOR</b>		<b>10.147</b>
<b>Permanent Minimum Capital Requirement – PMCR</b>		<b>750</b>

Therefore, under the IFR & IFD requirements, the Company's minimum capital requirement as at 31 December 2025 amounted to the total K-Factor Requirement i.e. €22.568k.

### 5.1.4. Capital Excess Ratio

As at 31 December 2025, the Company's Own Funds comprised entirely of Common Equity Tier 1 capital and amounted to €125.079k, thus exceeding the minimum capital requirement of €22.568k, resulting to a capital surplus of €102.511k.

Furthermore, the CAD ratio of the Company as at 31 December 2025 amounted to 554,23%, which exceeded the minimum required threshold of 100,00% set out in Article 9 of the IFR.

**Table 5: Capital Excess/Ratio**

31 Dec 2025	(€'000)	Reference
<b>Capital</b>		
Common Equity Tier 1	125.079	
Additional Tier 1	-	
Tier 2	-	
<b>Total Own Funds</b>	<b>125.079</b>	<b>a</b>
<b>Own Funds Requirement</b>		
K-factor Requirement	22.568	b
Fixed Overhead Requirement	10.147	c
Permanent Minimum Capital Requirement	750	d
<b>Minimum Own Funds Requirement</b>	<b>22.568</b>	<b>e = (higher of b, c, d)</b>
<b>Capital Excess/Ratio</b>		
<b>Capital Excess</b>	<b>102.511</b>	<b>a-e</b>
<b>Capital Ratio</b>	<b>554,23%</b>	<b>a/e</b>

## 6. Remuneration Policy and Practices

The Remuneration Policy has been reviewed by the Company's Remuneration Committee and approved by the Board, after also obtaining the advice of the Compliance Function, and subsequently implemented by the Senior Management of the Company to promote the principles of checks and balances, accountability and good corporate governance. The Board of Directors is responsible for the implementation of the Remuneration Policy and relevant practices and for preventing and dealing with any relevant risks that these can create. Furthermore, the Remuneration Policy benefits from the full support of Senior Management or, where appropriate, the supervisory function, so that necessary steps can be taken to ensure that relevant persons effectively comply with the conflicts of interest and conduct of business policies and procedures. The Compliance Function of the Company is also involved in the review process of the Company's Remuneration Policy and relevant practices, as well as in their periodic assessment.

Furthermore, this policy is consistent with the objectives of the Company's business and risk strategy, including Environmental, Social and Governance ("ESG") risk-related objectives, corporate culture and values, risk culture, including with regard to ESG risk factors, long-term interests of the investment firm, and the measures used to avoid conflicts of interest, encourage prudent risk taking and responsible business conduct.

### 6.1 Performance Appraisal

The Company shall ensure that, where remuneration is linked with performance, the total amount of remuneration is based on a combination of the performance assessment of:

- The individual (quantitative as well as qualitative criteria are taken into account, including annual performance evaluation and performance rating);
- The business unit concerned; and
- The overall results of the Company.

The Company implements a performance appraisal program, mainly to foster talent and promote healthy competition amongst personnel, which is based on a set of Key Performance Indicators ("KPIs") and Targets, developed for each department.

In general, performance appraisal is performed in a multi-year framework in order to ensure that the appraisal process is based on longer-term performance and that in the future (i.e. when applicable), the actual payment of performance-based components of remuneration will be spread over a period which will take into account the Company's underlying business cycle and risks.

### 6.2 Design and Structure of Remuneration

The employees' total remuneration consists of a fixed component (i.e. monthly salary), as well as a variable component represented by a variable amount of an annual performance bonus that is determined and awarded solely at the discretion of the Company and the Senior Management, depending also on the Company's strategy and financial position, and should under no circumstances impact in any way the Company's capital adequacy.

#### Fixed Remuneration

Fixed remuneration varies for different positions/roles depending on each position's actual functional requirements, and is set at levels which reflect the educational level, experience, accountability and responsibility needed for an employee to perform the relevant position/role. The fixed remuneration is

also set in comparison with standard market practices employed by other market participants/competitors.

Fixed remuneration is gender neutral and absolutely no distinction is made in terms of gender in setting the fixed remuneration of a staff member. The amount of fixed remuneration is determined by objective criteria reflecting the level of professional experience and seniority of staff. The fixed remuneration of staff members does not provide any incentives for risk taking.

### Variable Remuneration

The Company may offer staff members two types of variable remuneration:

- A **Cash Bonus** paid at the Company’s discretion at the end of each calendar year. It is not guaranteed that staff members will receive the annual bonus each year.
- **Share Appreciation Rights (“SARs”)**: In addition, the Company grants SARs to selected employees, upon approval of the Parent Company, Plus500 Ltd. This is a deferred cash incentive subject to continued employment over a long-term period and tied to the long-term performance of the Parent Company’s ordinary shares.

The ratio between fixed and variable remuneration set in accordance with Article 30(2) of the IFD, as per the Company’s Remuneration Policy, has been specified by position and ranges between 50% to 300%, depending on whether it concerns associates and junior staff, senior and executive staff, heads of control functions/departments or executive directors.

The table below provides aggregate quantitative information on remuneration, broken down by Senior Management and members of staff whose actions have a material impact on the risk profile of the Company:

**Table 6: Quantitative information on remuneration paid by Plus500CY during 2025**

Description	No. of beneficiaries	Fixed Remuneration €'000	Variable Remuneration €'000			Total Remuneration €'000
			Total	Of which: Cash	Of which: Share-linked	
Senior Management	2	527	1.982	540	1.442	2.509
Heads of Depts & Other Staff	6	678	402	201	201	1.080
<b>Total</b>	<b>8</b>	<b>1.205</b>	<b>2.384</b>	<b>741</b>	<b>1.643</b>	<b>3.589</b>

#### Notes:

- The amounts reported under “Variable Remuneration: Of which: Cash”, reflect variable remuneration that was awarded and paid in 2025 in cash, whereas the amounts under “Variable Remuneration: Of which: Share-linked”, reflect share-linked variable remuneration that was awarded in previous performance periods and was paid in 2025, either in the form of cash (SAR) or shares (LTIP-see below).
- In December 2023 variable SAR remuneration of €330k was awarded to members of Senior Management and €179k to Heads of departments and other staff whose actions have material impact on the risk profile of the Company, with vesting date 31 December 2025 and due to be paid in cash in 2026 (Note: these figures exclude amounts forfeited due to departing staff).
- In December 2024 variable SAR remuneration of €435k was awarded to members of Senior Management and €205k to Heads of departments and other staff whose actions have material impact on the risk profile of the Company, with vesting date 31 December 2026 and due to be paid in cash in 2027.
- In December 2025 variable SAR remuneration of €575k was awarded to two (2) members of Senior Management and €240k to six (6) Heads of departments and other staff whose actions have material impact on the risk profile of the Company, with vesting date 31 December 2027 and due to be paid in cash in 2028.
- During 2025, the Company did not pay or award any sign-on or severance payments, nor any guaranteed variable remuneration. There were also no severance payments that were awarded in previous periods, and which have been paid out during 2025.

A Long-Term Incentive Plan (“LTIP”) was granted by the Company’s immediate holding company to a member of the Company’s Senior Management. The LTIP is a form of deferred variable remuneration and has fair value 100.000 GBP per year, it is equity-settled via shares of the immediate holding company and subject to a vesting period, contingent on the achievement of specified KPIs. The number of ordinary shares of the immediate holding company to be allotted on the vesting date shall be calculated based on the ordinary share price at the beginning of the grant year, as adjusted for dividends.

During the lock-up period (i.e. the period between the grant date and the vesting date):

- Shares are not transferable or disposable, and
- The beneficiary shall be entitled to dividends and voting rights.

Further details of the LTIP granted are provided below:

**Table 7: Long Term Incentive Plan**

Grant Date	1/1/2020	1/1/2021	1/1/2022	15/2/2023	31/12/2023	31/12/2024	Total (\$)
Vesting Date	31/12/2022	31/12/2023	31/12/2024	31/12/2025	31/12/2026	31/12/2027	
<b>Provided for in<sup>1</sup></b>							
2020	\$43.704	-	-	-	-	-	\$43.704
2021	\$43.704	\$45.427	-	-	-	-	\$89.131
2022	\$43.704	\$45.427	\$44.987	-	-	-	\$134.118
2023	-	\$45.427	\$44.987	\$39.876	-	-	\$130.290
2024	-	-	\$44.987	\$39.876	\$42.489	-	\$127.352
2025	-	-	-	\$39.876	\$42.489	\$41.822	\$124.187
<b>Total</b>	<b>\$131.112</b>	<b>\$136.281</b>	<b>\$134.961</b>	<b>\$119.628</b>	<b>\$84.978</b>	<b>\$41.822</b>	<b>\$648.782</b>
<b>Total (€) Audited Financial Statements</b>							<b>€ 588.258</b>

<sup>1</sup> Note: In the accounting records of the Company.

## Appendix – Main Features of Own Funds

Table 8: Template EU IF CCA: Own Funds: Main features of own instruments issued by the Company

Template EU IF CCA		Common Equity Tier 1 instruments
1	Issuer	Plus500CY Limited
2	Unique identifier (e.g. CUSIP, ISIN or Bloomberg identifier for private placement)	N/A
3	Public or private placement	Private Placement
4	Governing law(s) of the instrument	Cyprus Law
5	Instrument type	Ordinary Shares
6	Amount recognised in regulatory capital (as of most recent reporting date)	€350.000
7	Nominal amount of instrument	350.000
8	Issue price	€1,00
9	Redemption price	N/A
10	Accounting classification	Shareholders' equity
11	Original date of issuance	16/06/2014
12	Perpetual or dated	Perpetual
13	Original maturity date	No maturity
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	N/A
	<i>Coupons/dividends</i>	
17	Fixed or floating dividend/ coupon	Floating
18	Coupon date and any related index	N/A
19	Existence of a dividend stopper	N/A
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	Non-cumulative 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 info	N/A
30	If convertible, specify issuer of instrument it converts into	N/A
31	Write-down features	No
32	If write-down, write-down trigger(s)	N/A
33	If write-down, full or partial	N/A
34	If write down, permanent or temporary	N/A
35	If temporary write-down, description of write-up mechanism	N/A
36	Non-compliant transitioned features	No
37	If yes, specify non-compliant features	N/A
38	Link to the full term and conditions of the instrument (signposting)	N/A