HM GLOBAL HOLDINGS LIMITED

DISCLOSURE AND MARKET DISCIPLINE REPORT FOR 2025

23/10/2026

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The Disclosure and Market Discipline Report for the year 2025 has been prepared as per the requirements 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.

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

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1. Executive Summary

This Disclosure and Market Discipline Report (Pillar 3) provides a high-level overview of the risk profile of HM Global Holdings Limited (the "Group" or the "Company") and the way this profile interacts with the Group's risk appetite across its operations. Risk appetite describes the types and levels of risk the Group chooses to accept in pursuit of its strategy, while at the same time fulfilling applicable regulatory requirements.

The Company represents the EU corporate holding layer within the wider CFI Financial Group structure. The Group operates a diversified and sustainable business model, with a focus on maintaining sound governance, robust internal controls and disciplined risk management practices. For the year ended 31 December 2025, the Group's total revenue was USD 218,876,543 (2024: USD 200,144,139) and its net profit was USD 76,793,248 (2024: USD 100,189,716).

Key prudential metrics as at 31/12/2025 are presented below, including CET1, Tier 1 and Total Capital, the own funds requirement and the capital ratios. As at that date, the Group's own funds of USD 105,966,028 covered its total own funds requirement of USD 31,213,553, which is determined by the Fixed Overhead Requirement (FOR), by 339.49%. These metrics demonstrate that the Group maintains capital levels appropriate to the scale, nature and complexity of its regulated activities, supporting resilience under both baseline and stress conditions.

Capital Adequacy/Own Funds Requirements *USD*	**31/12/2025** **Audited**
CET1 Capital	105,966,028
Tier 1 Capital	105,966,028
Total Capital	105,966,028
Requirement Used	FOR
Total Own Fund Requirement	31,213,553
Total Ratio	339.49%
CET1 Ratio	339.49%

A core strategic pillar for the Group is to strive for a lean operating model in order to deliver shareholder value, without constraining investment in the business. The Group pursues a dynamic business model and aims to maintain a well-balanced capital allocation, a geographically diversified strategy, and a continued focus on maintaining strong compliance standards.

The Group considers its reputation to be an asset of great value that must be protected to support sustainable business development. The prevention and detection of reputational risks is integrated within operating practices and reinforced through staff awareness of responsibility, ethical behaviour and commitment.

The Board of Directors and Senior Management have overall responsibility for the internal control systems supporting capital adequacy and the broader risk management framework. Effective processes have been established to ensure that the full spectrum of risks faced by the Group is properly identified, measured, monitored and controlled, with particular attention to adherence with regulatory obligations, including in the area of anti-money laundering and counter-terrorism financing.

More detailed information is provided in the sections below.

1.1. Risk Statement and Declaration of the Management Body

The management body is ultimately responsible for the Group's risk management framework, being the sum of the systems, policies, processes and people that identify, assess, mitigate and monitor all sources of risk that could have a material impact on the Group's operations. The management body declares that the risk management arrangements in place are adequate with regard to the Group's risk profile and strategy.

The Group provides online foreign exchange and contracts for difference trading, brokerage and related services to retail, professional and institutional clients through electronic trading platforms, acting as counterparty to client transactions. Its principal risks are market risk arising from client flow and balance-sheet currency exposures, counterparty risk on balances held with banks, brokers and liquidity providers, operational and technology risk arising from its reliance on trading platforms, and regulatory and compliance risk arising from operating in multiple jurisdictions.

As at 31/12/2025, the Group's Total Capital Ratio was 339.49% (own funds of USD 105,966,028 against an own funds requirement of USD 31,213,553); own funds covered the internal capital need assessed under the ICARAP of USD 37,353,061 by 283.69%; and eligible liquid assets of USD 27,003,594 covered the IFR liquidity requirement of USD 10,404,518 by 259.54%. Net position risk accounted for 98% of the K-factor requirement.

This risk statement and declaration were approved by the management body on05/10/2026

2. Regulatory Supervision

All CIFs under CySEC's authority must meet the requirements with respect to capital adequacy and market discipline, as per the below legal framework:

- Law 87(I)/2017 regarding the provision of investment services, the exercise of investment activities and the operation of regulated markets (hereafter "the Law")
- Regulation (EU) No 600/2014 of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Regulation (EU) No 648/2012
- Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012 (Capital Requirements Regulation - CRR)
- Directive 2013/36/EU on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms, amending Directive 2002/87/EC and repealing Directives 2006/48/EC and 2006/49/EC (Capital Requirements Directive IV – CRD IV)
- 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 (Investment Firms Regulation - IFR)
- Directive (EU) 2019/2034 of the European Parliament and of the Council of 27 November 2019 on the prudential supervision of investment firms and amending Directives 2002/87/EC, 2009/65/EC, 2011/61/EU, 2013/36/EU, 2014/59/EU and 2014/65/EU (Investment Firms Directive - IFD)
- 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

3. Introduction

This report has been prepared in accordance with the disclosure requirements set out in Part Six of Regulation (EU) 2019/2033 (the "IFR"). The purpose of the disclosures is to promote market discipline by providing transparent and consistent information on the Group's governance arrangements, risk management objectives and policies, own funds, and capital requirements.

1. Unless otherwise stated, the information in this report is prepared as at 31 December 2025 and relates to the financial year ended on that date. The report is published on the Group's website at: CFI_Ltd_Pillar_III_Disclosures_FY2025_v4.pdf

. In accordance with Article 46 IFR, the report is published on the same date as the Group's audited consolidated financial statements for 2025.

3.1. Company information

HM Global Holdings Limited (the "Company" or the "Parent") is a holding company incorporated in Cyprus on 03/10/2007 under company number HE209374 (LEI Code 213800M7NZZB8KSTLL41), with registered office at Gr. Xenopoulou 17, 3106, Limassol, Cyprus. The Company is ultimately controlled by Mr Hisham Mansour, who holds 100% of the Company's issued share capital and 85% of the Group; the remaining 15% of the Group is held by Mr Eduardo Fakhoury as a non-controlling interest.

The Company is the parent undertaking of Credit Financier Invest (CFI) Ltd, a regulated Cyprus Investment Firm (the "CIF"), authorised and supervised by the Cyprus Securities and Exchange Commission ("CySEC"). The CIF provides investment services and/or activities under the applicable Markets in Financial Instruments framework (MiFID II / MiFIR), including 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

Ancillary Services
Safekeeping and administration of financial instruments, including custodianship and related service
Granting credits or loans to one or more financial instruments, where the firm granting the credit or loan is involved in the transaction
Foreign exchange services where these are connected to the provision of investment service
Investment research and financial analysis or other forms

The Group carries on regulated activity through authorised subsidiaries in Cyprus, the United Kingdom, Jordan, Lebanon, Egypt, the United Arab Emirates, Bahrain, Palestine, Azerbaijan, South Africa, Mauritius, the Seychelles and Vanuatu, and offers services to clients in Europe through the CIF in accordance with its regulatory permissions. Its activities comprise online foreign exchange and contracts for difference trading, brokerage comprising the reception and transmission of orders and the execution of orders on behalf of clients, dealing in securities, margin lending and foreign exchange services, provided to retail, professional and institutional clients through electronic trading platforms. As at 31 December 2025, the Group employed 719 staff.

During 2025, two subsidiaries were incorporated, CFI Financial (Bahrain) B.S.C. (Closed) and CFIX Virtual Assets Broker and Dealer Services L.L.C S.O.C (Dubai), and CFI Financial LLC (Oman) was placed into voluntary liquidation. On 17 March 2025, the Company's share capital was increased from USD 1,000,000 to USD 14,000,000. There were no changes to the regulatory permissions of any Group entity during the year.

The below figure presents the Group's simplified ownership structure as at 31 December 2025, showing the Company's shareholder and relation with overall CFI Financial Group.



The Group's strategy focuses on maintaining a well-governed and compliant operating model, including robust arrangements in areas such as risk management, internal controls, anti-money laundering and counter-terrorist financing.

Group entities: The Company has the following subsidiaries:

Name of Entity	**License Activity**
Credit Financial Invest for Financial Brokerage Limited	Jordan Securities Commission
Credit Financial Investment for Securities Exchange	Egyptian Securities Commission
CFI International Ltd	Financial Services Commission of Mauritius
Credit Financial Invest for Financial Brokerage Limited	Palestine Capital Market Authority
Credit Financier Invest Ltd	Financial Conduct Authority UK
Credit Financier Invest S.A.L.	Central Bank of Lebanon
CFI Financial Investment Company	Ministry of Taxes of the Republic of Azerbaijan
Credit Financier Invest International Limited	Financial Services Authority of Seychelles
CFI International Ltd	Financial Services Commission of Vanuatu
CFI Financial Markets LLC	Securities and Commodities Authority UAE
Credit Financier Invest (CFI) Ltd	Cyprus Securities & Exchange Commission
CFI Financial (PTY) Ltd	Financial Sector Conduct Authority South Africa
CFI Financial LLC	Capital Market Authority Sultanate of Oman (in voluntary liquidation since 2025)
Credit Financier Invest (International) Limited	Financial Services Commission of Vanuatu
CFIX Virtual Assets Broker and Dealer Services L.L.C S.O.C (Dubai)	Incorporated in 2025; not yet operational as at 31/12/2025
CFI Financial (Bahrain) B.S.C. (Closed)	Incorporated in 2025; not yet operational as at 31/12/2025

3.2. Scope

In accordance with Regulation (EU) 2019/2033 (the Investment Firm Regulation, "IFR"), the Company is required to disclose information relating to its risk management, capital structure and capital adequacy as well as the most important characteristics of the Company's corporate governance. The Company is making the disclosures on a consolidated basis in line with Article 7 of the Regulation (EU) 2019/2033.

This document is based on and published along the audited consolidated Financial Statements on an annual basis. The prudential figures are taken from the Group's consolidated IFR regulatory return as at 31 December 2025.

Credit Financier Invest (CFI) Ltd publishes separate disclosures on an individual basis.

4. Risk Governance

Implementing an efficient risk management structure is a critical undertaking for the Group across all businesses, markets and regions in which it operates. The Group's risk management framework is supervised at the highest level to ensure ongoing compliance with the requirements of CySEC and the applicable European regulatory framework.

The Group operates in the financial services industry and is exposed to a variety of risks. For the purposes of these disclosures, risks are presented under two complementary perspectives:

- Enterprise risks: risks arising from the Group's day-to-day operations and business model (e.g., credit, market, operational and compliance-related risks).
- IFR related risks: risks assessed and captured within the IFR prudential framework, including Risk-to-Client (RtC), Risk-to-Market (RtM), Risk-to-Firm (RtF) and Concentration Risk, which are linked to the regulatory own-funds requirements (K-factors).

Although these risks are interconnected, they are presented separately in order to provide a clear view of the Group's risk profile from both an enterprise risk management perspective and a prudential (IFR) perspective.

4.1. Enterprise Risks

4.1.1. Risk management framework

The Group maintains a risk management framework designed to identify, assess, monitor and mitigate risks that could have a material impact on its operations, clients, financial position or reputation. The framework consists of governance arrangements, policies and procedures, reporting lines and internal controls, supported by appropriate systems and management information.

Risk oversight is conducted under the responsibility of the Board of Directors ("BoD") and Senior Management. Key control functions support the framework, including Risk Management, Compliance, Anti-Money Laundering Compliance (AMLCO) and Internal Audit. Risk information and key exposures are escalated to the BoD and relevant committees as appropriate, enabling timely decision-making and effective oversight.

4.1.2. Credit Risk

Credit risk (enterprise risk) corresponds to the risk of financial loss arising from the inability of the Group's customers, issuers or other counterparties to meet their financial commitments. For the Group, credit risk primarily arises from (i) cash and deposits held with credit and financial institutions, and (ii) receivables from debtors or prepayments made.

The Group manages and mitigates enterprise credit risk through measures that include, among others:

- Segregation of client funds: client monies are held in segregated accounts, separated from the Group's own funds.
- Counterparty selection and monitoring: the Group performs regular reviews of credit institutions and key counterparties, identifies key risks and reports them to the BoD.
- Use of reputable credit institutions: funds are placed with reputable credit institutions in the jurisdictions in which the Group operates; counterparties are selected with consideration of external credit assessments (where available) and ongoing monitoring of relevant regulatory compliance.
- Diversification and concentration controls: the Group diversifies deposits across more than one credit institution and applies policies to limit excessive exposure to any single counterparty (concentration risk).

Regulatory own-funds requirement drivers (IFR): while credit risk is managed as an enterprise risk, the Group's regulatory own-funds requirements are primarily determined under the IFR through the applicable K-factor requirements.

4.1.3. Market Risk

Market risk corresponds to the risk of losses arising from adverse movements in market parameters and related volatility, including (but not limited to) exchange rates, interest rates and prices of financial instruments. Market risk may arise, for example, from:

- Position risk: risk of loss due to changes in market prices affecting long or short positions.
- Interest rate risk: risk that the value of financial instruments or cash flows will fluctuate due to changes in interest rates.
- Foreign exchange risk: risk arising when exposures are denominated in a currency other than the base currency.
- Commodity risk (where applicable): risk arising from fluctuations in commodity prices.

The Group monitors market risk exposures on an ongoing basis. Where foreign exchange exposures arise, they are managed through defined limits and monitoring processes (e.g., exposure limits per currency/currency pair) and the use of relevant sensitivity analysis.

For prudential reporting purposes, the Group reports market risk exposures (where applicable) to CySEC on a quarterly basis through the Net Position Risk (NPR) approach under the IFR framework.

4.1.4. Operational Risk

Operational risk corresponds to the risk of losses or failure arising from inadequacies or failures in internal processes, people and systems, or from external events, including low-probability events with potentially high impact.

The Group has in place processes, management tools and a control infrastructure to support the effective management of operational risk. These include, among others, documented procedures, supervision and controls, business continuity arrangements, and oversight of specific operational risk categories such as fraud, outsourcing and third-party risks, legal risks, information security risks and compliance risks.

Operational risk management is focused on:

- maintaining a strong internal control framework and appropriate governance arrangements;
- applying consistent processes for risk identification, assessment, monitoring and control; and
- promoting operational risk awareness across the organisation.

Key mitigation measures include:

- robust internal controls and segregation of duties, including a four-eyes principle and appropriate Board oversight;
- management information and reporting to support timely decision-making and escalation;
- fraud prevention and detection measures, supported by ongoing monitoring;
- periodic review and enhancement of the Business Continuity Plan (BCP) and disaster recovery arrangements; and
- training and awareness initiatives for staff.

In addition, Senior Management uses tools and methodologies to identify, assess, mitigate and monitor operational risk, including incident collection, key risk indicators (KRIs), business continuity management and training & awareness programmes.

For prudential reporting purposes under the IFR, the Group calculates the operational risk-related requirement through the Fixed Overhead Requirement (FOR).

4.1.5. Compliance, Reputational and Legal Risks

Compliance risk corresponds to the risk of legal, administrative or disciplinary sanctions or material financial losses arising from a failure to comply with laws, regulations and standards applicable to the Group's activities, as well as internal policies and procedures. Conduct that ensures fair treatment of clients and integrity in business practices is also a key factor in protecting the Group's reputation.

The Group manages compliance and related reputational risk through an established compliance framework. The Compliance Officer verifies adherence to applicable legal and regulatory requirements and internal standards, supports day-to-day operations, performs compliance monitoring and controls, and contributes to the prevention of reputational damage through oversight and escalation arrangements.

Independent compliance policies and procedures are in place across relevant business areas to identify, prevent and manage risks of non-compliance.

4.1.6. Anti-Money Laundering and Terrorist Financing Risk

Money laundering and terrorist financing risk refers to the risk that the Group may be used as a vehicle to launder money and/or facilitate terrorist financing. The Group maintains policies, procedures and internal controls aimed at mitigating AML/CTF risks, consistent with a risk-based approach.

Key elements of the AML/CTF framework include, among others:

- risk-based assessment and management of AML/CTF risks faced by the Group;
- client due diligence (CDD) and identification procedures proportionate to the client risk profile;
- minimum standards for the quality and reliability of identification data and supporting documentation;
- obtaining additional information where appropriate to understand the client's activities and source of wealth/funds;
- enhanced monitoring and review of relationships involving higher-risk clients and/or jurisdictions; and

- ongoing staff training and awareness to ensure effective implementation of AML/CTF controls.

The Group periodically reviews and updates its AML/CTF policies and controls to ensure continued compliance with applicable legal and regulatory requirements.

4.1.7. Liquidity Risk

Liquidity risk is the risk that the Group is unable to meet its obligations as they fall due, or can do so only at excessive cost. It comprises funding liquidity risk, including the ability to meet margin requirements with liquidity providers, operating expenses and regulatory requirements, and client funds liquidity risk, arising from timing mismatches between client deposits and withdrawals and from restrictions on the movement of funds across jurisdictions.

The Group manages liquidity risk by holding liquid assets in excess of the IFR liquidity requirement, monitoring liquidity positions and client fund balances on a daily basis, maintaining diversified banking relationships, and assessing liquidity under stressed and orderly wind-down conditions through the ICARAP. Client money is held in segregated accounts and is not used to meet the Group's own obligations.

4.1.8. Concentration Risk

Concentration risk arises from large exposures to individual counterparties, groups of connected counterparties, currencies or jurisdictions. The Group's main concentrations arise from own funds and client funds held with credit institutions, brokers, payment service providers and liquidity providers.

The K-CON requirement was nil as at 31/12/2025. The Group manages concentration risk through internal limits on the maximum exposure to any single bank, to payment service providers and to any single liquidity provider, a minimum number of active liquidity providers, and monthly monitoring against those limits. Counterparty exposure is concentrated by currency, principally in US dollars.

4.2. Risk Appetite

The Group defines Risk Appetite as the level of risk, by risk type and business activity, that it is prepared to assume in pursuing its strategic objectives. Risk appetite is a key oversight tool of the management body. The Group's risk/return profile and overall risk profile are analysed and

approved by the BoD and implemented by Senior Management across the organisation through relevant processes and controls.

Key indicators used to monitor risk appetite are reviewed on a regular basis to identify events that may result in unfavourable developments in the Group's risk profile. Where necessary, remedial actions may be taken, up to and including implementation of contingency measures in severe scenarios.

Throughout 2025, the Group's own funds and liquid assets remained above the applicable regulatory requirements.

4.3. Diversity Policy

The Group recognises the value of a diverse and skilled workforce and management body, as diversity is an asset to organisations and linked to better economic performance. When considering the composition of the management body, the Group takes into account educational and professional background, gender, age and geographical provenance.

The Group and its shareholders rely on a strong BoD and therefore apply a careful approach to the recruitment of Directors and succession planning. Proposed appointments are evaluated to ensure that the BoD collectively has the skills, knowledge and time commitment required for effective oversight.

Senior Management is responsible for reviewing the qualifications of potential director candidates and making recommendations to the BoD.

Key factors considered include:

- integrity, honesty and ability to generate public confidence;
- knowledge and experience relevant to financial institutions (fit-and-proper considerations);
- understanding of financial matters (including financial statements and ratios);
- sound business judgement; and
- specialised skills and/or knowledge (e.g., accounting, finance, banking, law, business administration or related fields).

4.4. Remuneration

Remuneration refers to payments or compensation received for services or employment. The Group's remuneration framework includes base salary and, where applicable, variable remuneration (bonuses) or other benefits. Remuneration arrangements are reviewed periodically to ensure they remain appropriate to the size, internal organisation and the nature, scope and complexity of the Group's activities.

The Group's remuneration policy applies to all staff, with particular focus on those categories of staff whose professional activities have a material impact on the Group's risk profile (including Senior Management, Heads of Departments and members of the BoD). For members of the BoD, the remuneration policy is designed to support the Group's strategic objectives and promote sound and effective risk management.

Aggregate remuneration for 2025 (broken down by business area / staff category):

USD thousands	**No. of staff**	**Fixed**	**Variable**	**Non-cash**	**Total**
Board of Directors	1	1,036.00	62,475.00	-	63,511.00
Senior Management	19	4,216.00	1,672.00	-	5,888.00
Independent control functions	49	1,086.00	322.00	-	1,408.00
Members of staff whose actions have a material impact on the risk profile of the institution and other staff	650	14,348.00	4,962.00	-	19,310.00

4.5. Directorships held by Members of the Management Body

In accordance with Article 48(a) of Regulation (EU) 2019/2033, the Company discloses the number of directorships held by members of its Management Body.

The Company has one executive director, Mr. Hisham Mansour. He does not hold any other non-executive directorships. For the purposes of this disclosure, executive or non-executive directorships held within the same group of companies are considered as a single directorship.

Directorships (as at 31/12/2025)

Name	Position in the Company	Executive directorships	Non-executive directorships
Mr. Hisham Mansour	Executive Director	1	0

There are no non-executive directors appointed to the Company's Management Body during 2025.

5. Capital Adequacy

This Chapter provides information on the Group's own funds, capital requirements and capital adequacy position in accordance with Regulation (EU) 2019/2033 (the "IFR").

Under the IFR, the Group must at all times maintain own funds at least equal to the highest of:

- the K-factor Requirement (KFR),
- the Fixed Overhead Requirement (FOR), and
- the Permanent Minimum Requirement (PMR).

Unless otherwise stated, figures are presented in USD and are based on the position as at 31 December 2025.

5.1. IFR Risks and related requirements

The IFR introduces an own funds framework designed to ensure that investment firms hold sufficient capital in relation to the risks generated by their activities. Under this framework, capital requirements are largely driven by K-factors, which are intended to capture the potential harm that an investment firm may pose to its clients, to markets, and to the firm itself.

The Group's prudential capital requirements are predominantly generated by the activities of the regulated CIF included in the prudential consolidation perimeter, while the parent holding company is included for consolidation purposes.

For clarity, K-factors are grouped as follows:

- Risk-to-Client (RtC) requirements;
- Risk-to-Market (RtM) requirements; and
- Risk-to-Firm (RtF) requirements.

The Group's K-factor metrics and related capital requirements are presented in the tables included in this Chapter. As at 31/12/2025, the total K-factor Requirement amounted to USD 3,283,337.

5.1.1. Risk-to-Client (RtC)

RtC requirements are intended to capture the risks the Group may pose to clients through the provision of investment services, including portfolio management, investment advice, client money handling and order handling/arranging. The main RtC K-factors typically include:

- K-AUM (Assets Under Management): captures risks arising from portfolio management activity;
- K-CMH (Client Money Held): captures risks arising from holding client money;
- K-ASA (Assets Safeguarded and Administered): captures risks arising from safeguarding and administering client assets; and
- K-COH (Client Orders Handled): captures risks arising from handling client orders.

As at 31/12/2025, the Group's RtC K-factor requirement amounted to USD 45,165, made up as follows:

Risk-to-Client	K-factor Requirement
K-AUM	0
K-CMH	21,467
K-ASA	6,922
K-COH	16,776

5.1.2. Risk-to-Market (RtM)

RtM requirements are intended to capture risks the Group may pose to the market and primarily arise from trading and position-taking activities and related market exposures.

Where applicable, the RtM requirement is captured through K-NPR (Net Position Risk), reflecting market risks such as:

- Position risk in financial instruments,
- Foreign exchange risk, and
- Commodity risk (where applicable).

As at 31/12/2025, the Group's RtM K-factor requirement amounted to USD 3,216,389, made up as follows:

Market risk capital requirements based on NPR	K-factor Requirement
Position risk	1,531,501
Foreign exchange risk	1,660,398
Commodity risk	24,490
Total (NPR)	3,216,389

5.1.3. Risk-to-Firm (RtF)

RtF requirements are intended to capture risks to the firm itself, including operational risks and other risks that may impact the Group's ongoing viability. The RtF K-factors include K-DTF (Daily Trading Flow) and, where applicable:

- K-TCD (Trading Counterparty Default), and/or
- K-CON (Concentration Risk).

As at 31/12/2025, the Group's RtF K-factor requirement amounted to USD 21,783, made up as follows:

Risk-to-Firm	K-factor Requirement
K-TCD	1,624
K-DTF	20,160
K-CON	0

5.1.4. Liquidity Requirement

In addition to own funds requirements, the IFR requires investment firms to maintain a minimum level of liquid assets to support short-term resilience.

The Group calculates the minimum liquidity requirement in accordance with the IFR as one third of the Fixed Overhead Requirement and monitors liquidity on an ongoing basis. The Group maintains liquid assets in excess of the minimum requirement.

The table below shows the Group's liquidity requirement as at 31/12/2025.

	Amount
Liquidity Requirement	10,404,518
Client guarantees	0
Total liquid assets	27,003,594
Unencumbered short-term deposits	27,003,594
Total eligible receivables due within 30 days	0
Level 1 assets	0
Level 2A assets	0
Level 2B assets	0
Qualifying CIU shares/units	0
Total other eligible financial instruments	0

5.1.5. Fixed Overhead Requirement (FOR)

The Fixed Overhead Requirement (FOR) is intended to ensure that the Group maintains sufficient own funds to cover a period of stressed operations, by linking minimum capital to the level of fixed overheads.

The Group calculates the FOR based on the applicable IFR methodology as one quarter of the fixed overheads of the preceding year and monitors changes in the level of fixed overheads. Where there is no material change in the business that would require an adjustment, the FOR is calculated based on the latest audited figures in line with the applicable approach. For 2025, the fixed overheads comprise administration expenses of USD 57,299,179 and selling and distribution expenses of USD 67,555,031.

The table below indicates the calculations used for our reporting, as at 31/12/2025:

	Amount
Fixed Overhead Requirement	31,213,553
Annual Fixed Overheads of the previous year after distribution of profits	124,854,210
Total expenses of the previous year after distribution of profits	124,854,210
(-) Total deductions	0

5.1.6. Permanent Minimum Capital Requirement (PMR)

The Permanent Minimum Requirement (PMR) represents the minimum level of own funds that the Group must hold on an ongoing basis, linked to the investment services and activities for which the entities within the scope of prudential consolidation are authorised.

On a consolidated basis, the Group's PMR is the aggregate of the permanent minimum requirements of the entities within the scope of consolidation.

As at 31/12/2025, the Group's PMR was USD 5,463,750, being the aggregate requirement of EUR 4,650,000 translated at the European Central Bank reference rate of 1.1750.

5.2. Environmental, Social and Governance (ESG) risks

The Group recognises that Environmental, Social and Governance ("ESG") risks may affect its business model and risk profile, primarily through transition-related factors (e.g., regulatory change, market expectations, and reputational considerations) and, to a lesser extent, through physical risks that may disrupt operations. Given the nature of the Group's activities and prudential consolidation perimeter (parent holding company and the regulated CIF), ESG risks are mainly assessed through: (i) potential impacts on the Group's operational resilience (including reliance on third-party service providers and business continuity arrangements), (ii) conduct and reputational considerations in client-facing activities, and (iii) governance and compliance standards, including adherence to applicable regulatory expectations. ESG considerations are incorporated into the Group's risk identification and monitoring processes, and are reviewed periodically by Senior Management and, where appropriate, escalated to the Board of Directors as part of the overall risk governance framework.

Physical and transition risks (Article 53 IFR): physical risks arise mainly from extreme weather and other events affecting the Group's offices, data centres and third-party service providers, and are addressed through business continuity and disaster recovery arrangements. Transition risks arise mainly from regulatory change, client and investor expectations and reputational considerations, and are not currently assessed as having a material effect on the Group's own funds or liquidity requirements.

5.3. Composition of own funds

In line with the International Financial Reporting Standards (IFRS) and IFR, the Company's regulatory capital mainly consists of Common Equity Tier 1 Capital, composed primarily of

ordinary shares and related share premium accounts and retained earnings. As at 31/12/2025, all of the Group's own funds consisted of Common Equity Tier 1 capital; no Additional Tier 1 or Tier 2 capital was held.

In some cases, additional capital tiers can come into force such as the Tier 2 Capital which could introduce the use of loans to support the business and operational capital. Such loans are highly regulated and are always subordinated to other claims.

Restrictions applied to the calculation of own funds (Article 49(1)(c) IFR): intangible assets of USD 22,006,570 are deducted in full from Common Equity Tier 1 capital; prudential filters of USD 36 and other Common Equity Tier 1 adjustments of USD 46,597 are applied; no Additional Tier 1 or Tier 2 instruments are included; and no minority interests or accumulated other comprehensive income are recognised in Common Equity Tier 1 capital.

The composition of own funds and the reconciliation to the Group's financial statements are presented using the applicable regulatory templates:

- EU IF CC1.01 – Composition of regulatory own funds
- EU IF CC2 – Reconciliation of regulatory own funds to the financial statements
- EU IF CCA – Main features of own funds instruments (where applicable)

EU IF CC1.01 - Composition of regulatory own funds (Investment firms other than small and non-interconnected).

	Amount	Source based on reference numbers/letters of the balance sheet in the audited financial statements
Common Equity Tier 1 (CET1) capital: Instruments and reserves		
OWN FUNDS	105,966,028	(a), (b), (c)
TIER 1 CAPITAL	105,966,028	(a), (b), (c)
COMMON EQUITY TIER 1 CAPITAL	105,966,028	(a), (b), (c)
Fully paid up capital instruments	14,000,000	(a)
Share premium	0	
Retained earnings	114,019,231	(b)
Previous years retained earnings	37,225,983	(b)
Profit or loss eligible	76,793,248	(b)
Accumulated other comprehensive income	0	
Other reserves	0	
Minority interest given recognition in CET1 capital	0	
Adjustments to CET1 due to prudential filters	-36	
Other funds	0	
(-)TOTAL DEDUCTIONS FROM COMMON EQUITY TIER 1	-22,006,570	(c)
(-) Own CET1 instruments	0	
(-) Direct holdings of CET1 instruments	0	
(-) Indirect holdings of CET1 instruments	0	
(-) Synthetic holdings of CET1 instruments	0	
(-) Losses for the current financial year	0	
(-) Goodwill	0	
(-) Other intangible assets	-22,006,570	(c)
(-) Deferred tax assets that rely on future profitability and do not arise from temporary differences net of associated tax liabilities	0	
(-) Qualifying holding outside the financial sector which exceeds 15% of own funds	0	
(-) Total qualifying holdings in undertaking other than financial sector entities which exceeds 60% of its own funds	0	
(-) CET1 instruments of financial sector entites where the institution does not have a significant investment	0	
(-) CET1 instruments of financial sector entities where the institution has a significant investment	0	
(-) Defined benefit pension fund assets	0	

	Amount	Source based on reference numbers/letters of the balance sheet in the audited financial statements
(-) Other deductions	0	
CET1: Other capital elements, deductions and adjustments	-46,597	
ADDITIONAL TIER 1 CAPITAL	0	
Fully paid up, directly issued capital instruments	0	
Share premium	0	
(-) TOTAL DEDUCTIONS FROM ADDITIONAL TIER 1	0	
(-) Own AT1 instruments	0	
(-) Direct holdings of AT1 instruments	0	
(-) Indirect holdings of AT1 instruments	0	
(-) Synthetic holdings of AT1 instruments	0	
(-) AT1 instruments of financial sector entities where the institution does not have a significant investment	0	
(-) AT1 instruments of financial sector entities where the institution has a significant investment	0	
(-) Other deductions	0	
Additional Tier 1: Other capital elements, deductions and adjustments	0	
TIER 2 CAPITAL	0	
Fully paid up, directly issued capital instruments	0	
Share premium	0	
(-) TOTAL DEDUCTIONS FROM TIER 2	0	
(-) Own T2 instruments	0	
(-) Direct holdings of T2 instruments	0	
(-) Indirect holdings of T2 instruments	0	
(-) Synthetic holdings of T2 instruments	0	
(-) T2 instruments of financial sector entities where the institution does not have a significant investment	0	
(-) T2 instruments of financial sector entities where the institution has a significant investment	0	
Tier 2: Other capital elements, deductions and adjustments	0	

EU IF CC2: Own funds: reconciliation of regulatory own funds to balance sheet in the (un)audited financial statements.

	Balance sheet as in published/audited financial statements	**Cross reference to EU IF CC1**
	As at period end	
Assets		
Cash, cash balances at central banks and other demand deposits	**104,814,939**	
Other assets	**28,844,971**	
Tangible assets	**7,876,789**	
Intangible assets	**22,006,570**	(c) – CC1: (-) Other intangible assets
Total Assets	**163,543,269**	
Liabilities		
Other liabilities	**35,524,038**	
Total Liabilities	**35,524,038**	
Shareholder's Equity		
Capital	**14,000,000**	(a) – CC1: Fully paid up capital instruments
Retained earnings	**114,019,231**	(b) – CC1: Retained earnings
Total Shareholders' equity	**128,019,231**	

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

	A
Issuer	HM Global Holdings Limited
Unique identifier (e.g. CUSIP, ISIN, or Bloomberg identifier for private placement)	N/A
Public or private placement	Private
Governing law(s) of the instrument	Cyprus Company Law
Instrument type (types to be specified by each jurisdiction)	Ordinary Shares
Amount recognised in regulatory capital (Currency in million, as of most recent reporting date)	14,000,000
Nominal amount of instrument	14,000,000
Issue price	100,000 shares of USD 10.00 100,000 shares of USD 130.00
Redemption price	N/A
Accounting classification	Shareholders' equity
Original date of issuance	03/10/2007 (share capital increased on 17/03/2025)
Perpetual or dated	Perpetual
Original maturity date	No maturity
Issuer call subject to prior supervisory approval	No
Optional call date, contingent call dates and redemption amount	N/A
Subsequent call dates, if applicable	N/A
Coupons / dividends	
Fixed or floating dividend/coupon	Floating
Coupon rate and any related index	N/A
Existence of a dividend stopper	No
Fully discretionary, partially discretionary, or mandatory (in terms of timing)	Fully discretionary
Fully discretionary, partially discretionary, or mandatory (in terms of amount)	Fully discretionary
Existence of step-up or other incentive to redeem	No
Noncumulative or cumulative	Non-cumulative
Convertible or non-convertible	Non-convertible
If convertible, conversion trigger(s)	N/A
If convertible, fully or partially	N/A
If convertible, conversion rate	N/A
If convertible, mandatory or optional conversion	N/A
If convertible, specify instrument type convertible into	N/A
If convertible, specify issuer of instrument it converts into	N/A

	A
Write-down features	N/A
If write-down, write-down trigger(s)	N/A
If write-down, full or partial	N/A
If write-down, permanent or temporary	N/A
If temporary write-down, description of write-up mechanism	N/A
Non-compliant transitioned features	N/A
If yes, specify non-compliant features	N/A
Link to the full term and conditions of the instrument (signposting)	N/A

5.4. Capital Ratio

The Group's total own funds requirement is determined as the maximum of KFR, FOR and PMR. The minimum Total Capital Ratio that must be maintained **AT ALL** times is 100%.

The Group's capital adequacy ratio is calculated as:

Capital Adequacy Ratio = Own Funds / max(KFR, FOR, PMR)

As at 31 December 2025, the Group's binding constraint is the Fixed Overhead Requirement (FOR). The Group's own funds of USD 105,966,028 exceeded the total own funds requirement of USD 31,213,553 by USD 74,752,475, a Total Capital Ratio of 339.49%. The own funds composition requirements are also met, with Common Equity Tier 1 capital exceeding 56% and Tier 1 capital exceeding 75% of the own funds requirement.

Capital Adequacy/Own Funds Requirements *USD*	**31/12/2025** **Audited**
CET1 Capital	105,966,028
Tier 1 Capital	105,966,028
Total Capital	105,966,028
Permanent Minimum Capital Requirement (PMR)	5,463,750
Fixed Overhead Requirement (FOR)	31,213,553
K-Factor Requirement (KFR)	3,283,337
Requirement Used	FOR
Total Own Fund Requirement	31,213,553
Total Ratio	339.49%
CET1 Ratio	339.49%

5.5. Capital Management

The Group's objective is to maintain a strong capital position that:

- supports the execution of its business strategy;
- ensures ongoing compliance with prudential requirements under the IFR; and
- provides resilience under adverse but plausible stress scenarios.

Capital is managed through an internal governance framework overseen by the Board of Directors and Senior Management. This includes:

- periodic monitoring of own funds and own funds requirements (KFR, FOR and PMR);
- monitoring of the IFR liquidity requirement and liquid assets;
- forward-looking capital planning (including budgeting and forecasts); and
- escalation and decision-making processes where capital or liquidity indicators approach internal thresholds.

5.6. Internal Capital Adequacy and Risk Assessment Process

The Group maintains an Internal Capital Adequacy and Risk Assessment Process ("ICARAP") in accordance with Article 24 of Directive (EU) 2019/2034 (the "IFD"). The ICARAP assesses, on an ongoing basis, the internal capital and liquid assets that the Group considers adequate to cover the nature and level of the risks it may pose to others and to which it is or may be exposed, on a current, forward-looking, stressed and orderly wind-down basis.

The assessment starts from the Group's IFR own funds and liquidity requirements and supplements them with the Group's internal risk measures: a scenario-based operational risk model (operational Value at Risk), a market risk Value at Risk model and a counterparty credit risk model (Credit Value at Risk), the latter two calibrated at a 99.5% confidence level. The internal risk amounts are aggregated without recognising any diversification benefit. These are complemented by business model analysis, a 12-month capital and liquidity forecast, an adverse and a severe-but-plausible stress scenario, regulatory buffer breakpoint analysis, an assessment of recovery and management actions, and an orderly wind-down assessment over a nine-month wind-down period.

Stress tests are performed for both internal and regulatory purposes and serve an important role in:

- Understanding the risk profile of the Group.
- The evaluation of the Group's capital and liquidity adequacy in absorbing potential losses under stressed conditions.

- The evaluation of the Group's strategy.
- The establishment or revision of risk limits.

The Group undertakes at least semi-annual reviews of its ICARAP, as well as ad-hoc reviews where a material change occurs in its business model, risk profile, regulatory position or financial resources. The ICARAP with reference date 31 December 2025 was approved by the governing body on 2 October 2026. Its main figures are summarised below:

ICARAP summary as at 31/12/2025	**USD**
Own funds	105,966,028
Regulatory own funds requirement (FOR)	31,213,553
Internal capital need	37,353,061
Surplus of own funds over the internal capital need	68,612,967
Eligible liquid assets	27,003,594
IFR liquidity requirement	10,404,518
Surplus of liquid assets over the liquidity requirement	16,599,076
Internal capital coverage ratio (own funds / internal capital need)	283.69%
Regulatory own funds ratio (own funds / own funds requirement)	339.49%
Liquidity coverage ratio (eligible liquid assets / IFR liquidity requirement)	259.54%

Based on the ICARAP, the governing body concluded that the Group's own funds and liquid assets are adequate to cover the nature and level of its risks. No additional own funds requirement, additional own funds guidance or specific liquidity requirement has been imposed on the Group by CySEC.

The detailed results of the ICARAP are made available to CySEC upon request, in accordance with Article 50(b) IFR.

5.7. Investment Policy

Article 52 IFR requires investment firms that do not meet the criteria of Article 32(4)(a) IFD to disclose information on their investment policy in respect of companies whose shares are admitted to trading on a regulated market, where the proportion of voting rights held exceeds 5%. As at 31/12/2025, the Group did not hold, directly or indirectly, shares carrying more than 5% of the voting rights of any such company.