Annual Prudential Disclosure Report (IFR Part Six)

Reporting Entity: Bitstamp Financial Services Ltd. (Bitstamp finančne storitve d.o.o.)

Registered Office: Dalmatinova ulica 2, 1000 Ljubljana, Slovenia

Registration Number: 9776745000

LEI Number: 4851007IRIW87EC5H697

Regulatory Scope: Part Six (Articles 46-53) of Regulation (EU) 2019/2033 (IFR)

Reporting Cycle: Financial Year ended 31 December 2025

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1. Corporate Overview & Scope of Application

1.1 Corporate Structure and Core Activities

Bitstamp Financial Services Ltd.(Bitstamp finančne storitve d.o.o.; "BFS" or the "Company") is incorporated in the Republic of Slovenia as a limited liability company with its registered corporate office at Dalmatinova ulica 2, 1000 Ljubljana. BFS is established as a dedicated institutional-grade MiFID investment firm specializing in derivatives markets. The Company holds a formal regulatory license as a MiFID investment firm with specific regulatory permissions for the reception, transmission, and execution of orders on behalf of clients (brokerage services) alongside explicit authorization for the operation of a regulated Multilateral Trading Facility (MTF).

In June 2025, Robinhood Markets, Inc., a publicly listed U.S. company, completed the acquisition of Bitstamp Limited and its subsidiaries, integrating the entity into the "Bitstamp by Robinhood" group. Following this acquisition, BFS has begun migrating to Robinhood's center-led (hub-and-spoke) governance model for the management of third-party and intra-group service arrangements. The Company is progressively aligning its internal policies, risk management, and operational processes with the broader Robinhood enterprise standards while maintaining strict compliance with local Slovenian regulatory requirements.

The Company has no subsidiaries and is not required to prepare consolidated financial statements.

1.2 Scope of Capital Disclosures & Regulatory Framework

This document serves as the Company's Pillar 3 Prudential Disclosure Statement, satisfying the public disclosure requirements mandated under Part Six of Regulation (EU) 2019/2033 of the European Parliament and of the Council on the prudential requirements of investment firms ("IFR"). To maintain strict regulatory harmony with the local jurisdiction, the report fully incorporates the qualitative additions set forth in the Slovenian domestic framework via the Decision on internal governance arrangements, the management body and the internal capital adequacy assessment process for investment firms (*Sklep o ureditvi notranjega upravljanja, upravljalnem organu in procesu ocenjevanja ustreznega notranjega kapitala za borznoposredniške družbe*, Official Gazette of the RS, No. 29/22 and 110/22).

2. Risk Management Objectives and Policies

2.1 Signed Consolidated Statement on Risk

This condensed statement has been prepared in accordance with Article 14 of the Decision on internal governance arrangements, the management body and the internal capital adequacy assessment process for investment firms.

Bitstamp Financial Services d.o.o. manages risks in accordance with its adopted Risk Management Policy. This policy establishes the risk management framework that ensures the long-term viability of the Company by enabling the real-time monitoring of risk exposures, timely intervention, and the mitigation or limitation of losses during the ordinary course of the Company's business.

Among the primary risks to which the Company is exposed are capital risk, profitability risk, and liquidity risk. All listed risks are managed in a manner that reduces the Company's overall risk profile.

The Company has established an internal adequacy assessment process for capital and liquidity through the ICAAP and ILAAP processes. Company Management ensures that the outcomes of the ICAAP/ILAAP are integrated into the Company's business and strategic decision-making. Furthermore, through sensitivity analyses and scenario testing, management focuses on the timely identification, evaluation, and management of all relevant risks. The Management Body is responsible for approving the ICAAP and ILAAP processes.

The Group has established a dedicated Risk Management Function, with a direct reporting line to the Bitstamp group Enterprise Risk Management led by the Director of Risk. A dedicated BFS Risk Manager is responsible for applying the Bitstamp (and, by extension) Robinhood Markets' Enterprise Risk Management policy requirements, including those relating to the ICAAP/ILAAP process, preparing regular written risk management reports, and performing risk reviews and assessments.

The Management Body confirms that the risk management framework, organized within an independent risk management function, is adequate. The risk management system aligns with the Company's business strategy and, consequently, its risk profile and risk appetite.

Ljubljana, 28.05.2026

Uroš Čečelič Signed by: Uroš Čečelič 207CDBB42D804A4...	Mladen Jovandić Signed by: Mladen Jovandić A01FDCEF53E44EE...

2.2.Risk Governance

BFS operates a two-tier governance structure consisting of a Management Board and a Supervisory Board, in accordance with Slovenian national law.

2.2.1 Supervisory Board

The Supervisory Board is responsible for supervising the Management Board. Its members have a duty to act openly, honestly and independently in order to effectively monitor and evaluate the decision-making of the Management Board. The Supervisory Board also appoints and removes members of the Management Board.

2.2.2 Management Body

The Management Board sets the Company's strategy and objectives and holds decision-making responsibility. It is also responsible for establishing clear governance and internal controls to ensure compliance with the laws and regulations applicable to BFS in Slovenia, and for setting the risk appetite and ensuring that the risk management framework is appropriate and effective.

2.2.3 Group-Level Risk Committees

BFS leverages Bitstamp Group committees, to which data is transmitted and at which BFS risk topics are discussed on a regular basis. Those are theBoard Risk and Audit Committee ("BRAC") and the Remuneration and Talent Committee, which formally report to the board of each legal entity and have authority to review and decide matters in relation to each entity, including BFS, and the Group as a whole.

2.2.4 Risk Reporting and Escalation

ERM reports the status of risk limits and breaches to the BRAC on a quarterly basis, and escalates to the BFS

Authorised Managers on an as-needed basis. Where a risk exceeds an established limit, the risk owner is required to pursue one of three remediation paths: full remediation of the breach; a request for a limit adjustment; or a request for a temporary limit exception. Each request for a limit adjustment or exception requires notification of the BRAC and, depending on the severity of the breach, approval by the Board.

Identified control gaps are documented and tracked through the Issue Management process, with remediation plans created and progress reported to the relevant stakeholders and governance bodies.

2.3 Risk Appetite Framework

Risk appetite is the foundation of the risk management process and is closely linked with Bitstamp's strategy and business objectives. It provides guidance for daily decision-making and is monitored using established risk tolerances. All strategies and policies for the management of the various risks within BFS are aligned with the risk appetite framework.

Bitstamp has developed a risk taxonomy with categories, types and definitions, which provides the underlying classification of the risk management framework, including the identification of material risk categories and the relevant risk appetite statements. The Risk Appetite Statements applicable to BFS are aligned with those of the wider Bitstamp Group.

The maximum acceptable level of residual risk is defined on a three-point scale:

- Low: little to no willingness to accept risks in pursuit of BFS's mission and objectives. Limit breaches are not acceptable and timely remediation is required.
- Medium: relatively limited willingness to accept risk in pursuit of BFS's mission and objectives. Risks are monitored on a regular basis and remediation actions implemented as needed.
- High: willingness to accept risks in pursuit of BFS's mission and objectives, where there is a reasonable expectation that BFS will profit from them.

Risk exposures are monitored against the risk appetite using a Green/Amber/Red tolerance dashboard covering technology downtimes, regulatory and legal breaches, fraud rates, capital adequacy, regulatory capital ratios, trading counterparty risk, and liquidity for both client assets and corporate funds. Risk limits are set at levels that prompt management to operate proactively before BFS's risk profile jeopardises the adequacy of its earnings, liquidity or capital.

2.4 Material Risks

In accordance with Article 47 IFR, this section sets out the risk management objectives and policies for each separate category of risk addressed in Parts Three (Capital Requirements), Four (Concentration Risk) and Five (Liquidity) of the IFR, together with a summary of the strategies and processes used to manage those risks.

2.4.1 Risk to Client (RtC)

Risk to Client ("RtC") is the risk that an investment firm poses to its clients if it fails to carry out its services or operations correctly. Three K-factors under RtC apply to BFS:

- K-CMH (Client Money Held): captures the risk of harm to clients where the Company holds their money. BFS holds client fiat funds with its banking partners as collateral for the financial instruments that clients enter into, and this K-factor is therefore required.
- K-ASA (Assets Safeguarded and Administered): captures the risk of harm associated with the safeguarding and administering of clients' financial instruments. Although the underlying client positions in derivatives do

not require traditional safekeeping (they exist only as open positions and require margin/collateral rather than the full notional), clients may use crypto-assets as collateral, which are held by a Bitstamp Group entity (BESA) under a custody arrangement on an off-balance-sheet basis. This K-factor is therefore required.

- K-COH (Client Orders Handled): captures the operational risk associated with handling clients' orders. As clients' orders are handled through BFS's derivatives trading platform, this K-factor is required.

K-AUM does not apply, as BFS does not provide investment advice or discretionary portfolio management in relation to the assets clients hold.

Strategies and processes – Client Money. BFS holds client fiat funds on segregated bank accounts with eligible institutions, kept separate from BFS's own funds in accordance with the applicable safeguarding requirements. The Group Payments & Treasury teams reconcile customer funds on bank accounts and on the blockchain to the accounting records and ensure that funds are fully segregated. Banking partners holding fiat are subject to a risk assessment, which is presented to ALCO for approval. Given that clients must have sufficient fiat funds in their accounts in order to trade, there is very little inherent intraday liquidity risk arising from the business activities.

Strategies and processes – Assets Safeguarded and Administered. BFS does not provide safekeeping or custody with respect to crypto-assets directly. Where clients elect to use crypto-assets as collateral for their derivative positions, those crypto-assets are held by Bitstamp Europe S.A. ("BESA"), a payment institution authorised and regulated by the Commission de Surveillance du Secteur Financier ("CSSF") in Luxembourg, which is also registered with the CSSF as a virtual asset service provider for AML/CFT supervision.

Strategies and processes – Client Orders Handled. BFS controls the operational risk arising from systems, processes, people and external events that affect client order handling. Orders are processed through the Group trading platform under a set of operational controls described in section 2.4.4 (Operational Risk) below.

2.4.2 Risk to Market (RtM)

Risk to Market ("RtM") is the risk that an investment firm poses to the financial markets in which it operates and to the counterparties with which it trades. The two K-factors under RtM are K-NPR (Net Position Risk) and K-CMG (Clearing Margin Given).

Neither K-factor applies to BFS. The Company does not act as an agent and does not deal on its own account; consequently K-NPR does not apply. The Company does not execute or settle transactions on its own account under the responsibility of a clearing member; consequently K-CMG does not apply.

BFS's role in the market is structurally limited: all positions opened or closed on the platform are initiated by clients directly (unless required to be blocked or terminated under internal procedures). BFS therefore does not hold a directional market exposure on its own balance sheet through its derivatives offering.

2.4.3 Risk to Firm (RtF)

Risk to Firm ("RtF") is the risk that an investment firm faces through its trading activity and market participation. The three K-factors under RtF are K-TCD (Trading Counterparty Default), K-DTF (Daily Trading Flow) and K-CON (Concentration Risk).

None of the three K-factors under RtF applies to BFS:

- K-DTF does not apply, as BFS does not deal on its own account or execute orders on behalf of clients in its own name.
- K-TCD does not apply, as BFS does not offer credit products or facilities and is not exposed to counterparty credit risk arising from its trading activities in the manner captured by K-TCD.

- K-CON does not apply, as BFS does not hold positions in the trading book and is therefore not exposed to trading book concentration risk.

Notwithstanding the non-application of K-CON, BFS monitors concentration with major banking counterparties (with which it holds both client and own funds) through its non-trading-book risk management processes.

2.4.4 Operational Risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and systems, or from external events. Operational risk is identified by BFS as the most material risk category in its internal risk assessment, and is the largest single contributor to the Company's internal capital allocation under Pillar II.

Execution, Delivery and Process Management. This is the risk that the internal processes running the derivative product do not work as expected, are not timely, or do not produce accurate outputs. The most significant sub-risk relates to potential failures in the liquidation process for client positions and collateral. While the liquidation process is designed with multiple layers (initial margin, maintenance margin, an insurance fund, position liquidation, collateral liquidation, and Auto-Deleveraging as a final layer), BFS recognises that the failure of one or more layers could result in losses. Risk capital is allocated against this scenario through the Pillar II process.

External Fraud. External fraud is the risk of theft from BFS or client assets by an external party, or the risk that an external party commits fraudulent acts intended to result in financial or personal gain. Identified vectors include account takeovers, attempts to bypass sanctions requirements, market manipulation, fraudulent use of BFS branding (support scams), and theft of credentials (including phishing). A Group-wide Fraud Operations team is alerted by automated controls and conducts investigations. Specific controls in place include dedicated account takeover protection software (Castle.io) with real-time blocking and 2FA prompts; sanctions monitoring against all relevant lists, with new addresses promptly added to either an internal blacklist or to Chainalysis KYT; dedicated market surveillance personnel for market manipulation; brand protection via Netcraft for phishing, scam and support-scam takedowns; and credential protection through Castle and 2FA combinations.

Other operational risk types. Other operational risk sub-categories identified in the risk taxonomy (including internal fraud, employment practices and workplace safety, and business disruption arising from non-technology causes) are managed primarily at Group level through the intercompany outsourcing arrangements and are not currently considered material at BFS entity level for the purposes of internal capital allocation.

2.4.5 Compliance, Regulatory and Legal Risk

Compliance and Regulatory Risk. This is the risk of legal or regulatory sanctions, material financial loss, or loss to reputation to which BFS may be exposed arising from a failure to comply with applicable laws, policies, rules and regulations. BFS has a low risk appetite for any action which could result in a regulatory risk. The Group has appointed a General Counsel to manage compliance and AML risks at Group level. BFS has a local Compliance Officer who: oversees business principles, practices and rules of conduct in BFS; identifies and evaluates compliance risks within BFS; establishes and maintains effective compliance risk management and control systems, including monitoring and reporting; reports to the Management Board and Supervisory Board; and provides timely advice on relevant changes in the compliance environment. Group policies are leveraged where there are common requirements, supplemented by BFS-specific policies including the client categorisation policy, the KYC reliance policy, and policies relating to the algorithmic trading venue and investment recommendations.

Anti-Money Laundering. This is the risk of having inadequate or ineffective governance and other company wide practices related to financial products and services which includes the risk of not establishing a robust Anti Money Laundering (AML) Program to monitor and report potential money laundering/terrorist financing activity at the level of BFS.BFS clients must already be customers of BESA or another Group entity. These clients will have completed onboarding and Know Your Client ("KYC") processes, and any other applicable AML controls (including transaction monitoring and any blocking controls). BFS places reliance on this work and may top up documentation where required. The risk is therefore primarily borne at Group level rather than at BFS, although BFS retains responsibility for non-compliance with the KYC reliance policy at entity level.

Legal Risk. Legal risk arises from negligence or a deliberate failure to comply with legal obligations. The Group has appointed a General Counsel to manage Group-level legal risk. Litigation risk is managed through detailed Terms of Use (including disclosure of risks associated with the product and BFS's liability in the event of losses) and operational controls such as the retail leverage cap of 2x, which limits customer losses and in turn reduces the likelihood of litigation.

2.4.6 Technology Risk

Technology risk (also referred to as information technology risk) is the risk of a technology failure disrupting BFS's business, including through cyber-attacks, data loss, service outages, or equipment no longer fulfilling its purpose. BFS provides its consolidated trading service to retail and institutional clients via a set of purely digital channels (web, mobile and API), and is therefore highly reliant on the underlying technology platform.

Risks considered material at the BFS entity level include the monitoring and remediation of incidents specific to the derivative product, conformance testing, and specific failures such as spot trading/matching order book failures impacting the liquidation of collateral, and derivatives trading/matching order book failures impacting the ability to close positions.

BFS leverages Group-wide controls including the Information Security function's internal control programme, robust change management processes coordinated by the Technology team, and a range of preventative, detective and responsive cyber-security measures.

2.4.7 Reputational Risk

Reputational risk is the risk that an adverse perception of BFS by clients, counterparties, shareholders, investors or regulators may impact earnings and capital. Reputational risk is recognised by BFS as a cross-cutting risk that may materialise as a consequence of other risk events, including operational failures, technology incidents, compliance breaches, and forced liquidations of profitable client positions through Auto-Deleveraging. Conduct risk – broadly, any action of the firm or an individual that leads to consumer or investor detriment, or has an adverse effect on market stability or competition – is treated as a sub-category of reputational risk. Reputational risk also captures the possible impact on BFS from actions taken by the wider Bitstamp or Robinhood group, or by an outsourcing partner.

Reputational risk is integrated into BFS's correlation framework for Pillar II purposes, recognising the high degree of dependence between reputational risk and other material risk categories (in particular technology, execution/delivery and compliance risks). It is allocated dedicated capital under the Pillar II process.

2.4.8 Liquidity Risk

Liquidity risk is the risk that BFS cannot meet its financial obligations as they come due, potentially related to being unable to convert an asset into cash without giving up capital or income due to a lack of buyers or an inefficient market.

In accordance with Part Five of the IFR (Article 43), BFS maintains liquid assets equal to at least one-third of its Fixed Overheads Requirement ("FOR"). BFS has set a low liquidity risk tolerance, consistent with its business model, and segregates its liquidity management framework into two streams:

- Liquidity management of corporate (own) funds: BFS's working capital is held in bank accounts with eligible institutions or in other highly liquid instruments. Liquidity needs are managed on a daily/weekly basis, with cash outflows planned at the level of individual suppliers and closely monitored.

- Liquidity management of client safeguarded bank accounts: client funds are held on segregated bank accounts with eligible institutions. Given the operating model (clients must hold sufficient fiat funds to trade), there is very little inherent intraday liquidity risk arising from the business activities.

Liquidity positions are monitored daily, reported to management weekly and monthly, and shared with the Management Board. Clear segregation of duties is implemented between front office, back office and reconciliation functions. Liquidity stress tests are performed for corporate funds, leveraging methodologies developed for other Group entities, with the stress-test methodology subject to ongoing upgrade as the Company's experience develops.

2.4.9 Other Risk Categories Monitored

In addition to the risks set out above, BFS monitors the following risk categories as part of its broader Enterprise Risk Management framework. While these were not assessed as requiring dedicated Pillar II capital in the 2025 assessment, they remain subject to ongoing identification, monitoring and reporting:

- Strategic and Business Risk: the risk of adverse strategic decisions, improper implementation, or insufficient client/market-maker liquidity. Mitigated through Group-wide commercial and business development support, and product approval processes that include risk analysis and Risk Committee/Board approval for new products.
- Market Risk: BFS does not take own-account market exposure as it does not deal on own account or act as an agent. Residual market exposure from any collateral or position liquidation processes is monitored, with Auto-Deleveraging providing a final layer of protection.
- Model Risk: BFS relies on standard methodologies for its risk models, adapted with the support of independent consultants, and uses expert judgement for inputs where the firm's own loss data is not yet available.

2.5 Internal Capital Adequacy Assessment Process (ICAAP/ILAAP)

In accordance with EU Directive 2019/2034, BFS has implemented sound, effective, and comprehensive arrangements to assess and maintain on an ongoing basis the amounts, types, and distribution of internal capital and liquid assets deemed adequate to cover the nature and level of risks it may pose to others or face itself.

Through the ICAAP and ILAAP frameworks, the Company assesses its internal capital and liquid asset requirements to ensure they are proportionate to the nature, scale, and complexity of its activities. To quantify its potential losses for risk events, the Company employs a Single Loss Distribution Approximation (SLDA) methodology. This statistical technique estimates the distribution of potential losses by combining the frequency and severity of risk events, allowing BFS to determine the capital requirement based on extreme stress scenarios at the 99.9th percentile (a Value-at-Risk approach).

The assessment incorporates forward-looking considerations and applies a rigorous correlation matrix to account for interdependencies among these individual risks (for example, the high correlation between technology outages, execution delivery failures, and reputational damage).

Following this thorough evaluation, the results are reviewed and approved by the Company’s management body, which confirms that the comprehensive risk management system is adequate. The Company manages its capital through a formal Risk Appetite Framework, establishing Key Risk Indicators (KRIs) for capital adequacy.

The Company's internal own funds consistently and significantly exceed both the regulatory Pillar I minimums and its own internal capital requirements (Pillar II), ensuring a robust solvency ratio and safeguarding its financial stability.

Simultaneously, through the ILAAP, BFS ensures that its highly liquid assets easily exceed the regulatory liquidity requirement to hold at least one-third of its Fixed Overheads Requirement (FOR) in liquid assets.

4. Governance Arrangements

4.1 Governance Structure

The Company's governance framework reflects the nature and scale of its business activities and is designed to ensure effective oversight, clear allocation of responsibilities, and robust internal control arrangements. The governance structure of BFS comprises a two-tier system with a Management Board and a Supervisory Board.

In accordance with the internal Policy for Selecting Suitable Candidates for the Management Body, only candidates who meet the prescribed terms and conditions according to the laws governing the Company's operations may be considered for appointment. In addition to all legal and statutory requirements, candidates must have appropriate experience, skills, knowledge, and competence, including personal integrity. Crucially, candidates must demonstrate the ability to devote sufficient time to the performance of their position, considering their other potential activities, which enables them to perform their work conscientiously, responsibly, and efficiently.

In compliance with Article 48(a) of the IFR, the firm publicly discloses the number of directorships held by members of the management body. The active external directorship matrix as of 31 December 2025 is outlined below:

- Supervisory board members: 3
- Executive Directorships: 2
- Non-Executive Directorships: 0

4.2 Diversity practices

The Company integrates diversity, equity, and non-discrimination principles throughout its entire personnel framework. A zero-tolerance policy toward discrimination, harassment, and bullying is enforced across all employment processes, including the recruitment, evaluation, and appointment of members of the management body.

Selection for the management body is strictly merit-based, focusing on individual qualifications, professional experience, integrity, and capability. Alongside diversity considerations, the appointment framework ensures that the management body collectively possesses the comprehensive knowledge, competency, and technical skills required to effectively govern the Company and manage its material risk profile.

5. Own Funds

5.1 Composition of Regulatory Own Funds

The Company is compliant with the prudential requirements in line with IFR and Directive (EU) 2019/2034 of the European Parliament and of the Council of 27 November 2019 on the prudential supervision of investment firms ("IFD"), which establishes prudential requirements for investment firms.

Based on the nature, scale and complexity of its activities and the thresholds established under the IFR/IFD framework, the Company is classified as a Class 2 investment firm and applies the prudential requirements applicable to such firms.

Template EU IF CC1.01 – Composition of Regulatory Own Funds

IF CC1.01 – Composition of Regulatory Own Funds		Amount (€)	Source based on reference numbers/letters of the balance sheet in the audited financial statements
1	*OWN FUNDS*	*3,305,270.00*	
2	*TIER 1 CAPITAL*	*3,305,270.00*	
3	*COMMON EQUITY TIER 1 CAPITAL*	*3,305,270.00*	
4	*Fully paid up capital instruments*	*3,450,000.00*	*Equity 1*
5	*Share premium*	*1,214,955.00*	*Equity 2*
6	*Retained earnings*	*-1,050,179.00*	*Equity 5 + Equity 6*
7	*Accumulated other comprehensive income*	*0.00*	
8	*Other reserves*	*0.00*	
9	*Minority interest given recognition in CET1 capital*	*0.00*	
10	*Adjustments to CET1 due to prudential filters*	*0.00*	
11	*Other funds*	*0.00*	
12	*(-)TOTAL DEDUCTIONS FROM COMMON EQUITY TIER 1*	*-309,506.00*	
13	*(-) Own CET1 instruments*	*0.00*	
14	*(-) Direct holdings of CET1 instruments*	*0.00*	
15	*(-) Indirect holdings of CET1 instruments*	*0.00*	
16	*(-) Synthetic holdings of CET1 instruments*	*0.00*	

17	*(-) Losses for the current financial year*	*0.00*	
18	*(-) Goodwill*	*0.00*	
19	*(-) Other intangible assets*	*0.00*	
20	*(-) Deferred tax assets that rely on future profitability and do not arise from temporary differences net of associated tax liabilities*	*-299,185.00*	*Assets 3*
21	*(-) Qualifying holding outside the financial sector which exceeds 15% of own funds*	*0.00*	
22	*(-) Total qualifying holdings in undertaking other than financial sector entities which exceeds 60% of its own funds*	*0.00*	
23	*(-) CET1 instruments of financial sector entities where the investment firm does not have a significant investment*	*0.00*	
24	*(-) CET1 instruments of financial sector entities where the investment firm has a significant investment*	*0.00*	
25	*(-) Defined benefit pension fund assets*	*-10,321.00*	*Equity 4*
26	*(-) Other deductions*	*0.00*	
27	*CET1: Other capital elements, deductions and adjustments*	*0.00*	
28	*ADDITIONAL TIER 1 CAPITAL*	*0.00*	
29	*Fully paid up, directly issued capital instruments*	*0.00*	
30	*Share premium*	*0.00*	
31	*(-) TOTAL DEDUCTIONS FROM ADDITIONAL TIER 1*	*0.00*	
32	*(-) Own AT1 instruments*	*0.00*	
33	*(-) Direct holdings of AT1 instruments*	*0.00*	

34	*(-) Indirect holdings of AT1 instruments*	*0.00*	
35	*(-) Synthetic holdings of AT1 instruments*	*0.00*	
36	*(-) AT1 instruments of financial sector entities where the investment firm does not have a significant investment*	*0.00*	
37	*(-) AT1 instruments of financial sector entities where the investment firm has a significant investment*	*0.00*	
38	*(-) Other deductions*	*0.00*	
39	*Additional Tier 1: Other capital elements, deductions and adjustments*	*0.00*	
40	*TIER 2 CAPITAL*	*0.00*	
41	*Fully paid up, directly issued capital instruments*	*0.00*	
42	*Share premium*	*0.00*	
43	*(-) TOTAL DEDUCTIONS FROM TIER 2*	*0.00*	
44	*(-) Own T2 instruments*	*0.00*	
45	*(-) Direct holdings of T2 instruments*	*0.00*	
46	*(-) Indirect holdings of T2 instruments*	*0.00*	
47	*(-) Synthetic holdings of T2 instruments*	*0.00*	
48	*(-) T2 instruments of financial sector entities where the investment firm does not have a significant investment*	*0.00*	
49	*(-) T2 instruments of financial sector entities where the investment firm has a significant investment*	*0.00*	
50	*Tier 2: Other capital elements, deductions and adjustments*	*0.00*	

Template EU IFCC2: Own Funds: Reconciliation of Regulatory Own Funds to Balance Sheet in the Audited Financial Statements

		Balance sheet as in published/ audited financial statements (€)	**Cross reference to EU IF CC1.01**
		as at period end 31.12.2025	
1	Long-term assets	324,903.00	
2	Fixed assets	25,718.00	
3	Deferred tax assets	299,185.00	IF CC1.01, row 20
4	Long-term financial investments	-	
5	Short-term assets	4,172,170.00	
6	Long-term financial investments	69,896.00	
7	Receivables from customers and other receivables	341,904.00	
8	Cash and cash equivalents	3,760,370.00	
	Assets	**4,497,073.00**	
1	Long-term liabilities	21,627.00	
2	Provisions	21,627.00	
3	Short-term liabilities	870,991.00	
4	Payables to suppliers and other obligations	870,991.00	

	Liabilities		**892,618.00**	
1	*Share capital*		*3,450,000.00*	*IF CC1.01, row 4*
2	*Equity reserves*		*1,214,955.00*	*IF CC1.01, row 5*
3	*Revenue reserves*		-	
4	*Fair value reserves*	-	*10,321.00*	*IF CC1.01, row 25*
5	*Retained earnings / (loss)*	-	*794,482.00*	*IF CC1.01, row 6*
6	*Result of the year*	-	*255,697.00*	*IF CC1.01, row 6*
	Shareholders' Equity		**3,604,455.00**	

6. Capital Requirements

The Own Funds Requirements, according to the IFR Article 11, shall be the highest of:

- The Permanent Minimum Capital Requirement, it is set out in the IFR Article 14 and is based on the MiFID II services that an investment firm is authorized or plans to offer.
- The Fixed Overheads Requirement is calculated based on projected fixed overheads in accordance with the IFR Article 13(2).
- The result of K-Factor calculations as set out in the IFR Article 15.

Requirements	2025
Permanent minimum capital requirement (A)	750,000
Fixed overheads requirement (B)	120,108
K-factors requirement (C)	950
Own Funds Requirements = MAX (A,B,C)	**750,000**

The K-factors that apply to BFS entity are the following:

	K-factor	2025

Risk-to-Client	**K-CMH**	914
	K-ASA	26
	K-COH	9
Total		**950**

Regulatory Own Funds:

	2025
Regulatory own funds	3,305,270
Own Funds Requirements	750,000
Solvency ratio	4.4
Regulatory Headroom	2,643,603

Liquidity requirements:

	2025
Liquid Assets (A)	3,346,049
1/3 of Fixed overheads requirement (B)	40,036
Liquidity Headroom (A-B)	3,306,013

7. Remuneration Policy & Practices

7.1 Remuneration System and Policy

The Company's remuneration framework is governed by the Bitstamp Remuneration Policy and Program (v1.2), applicable across the Bitstamp Group. The Policy was approved by the Remuneration Committee and the Board of Directors in June and July 2024 respectively, and constituted the governing remuneration framework throughout the financial year ended 31 December 2025.

The Policy is designed in accordance with EBA/GL/2021/13 and is founded on the following principles: (i) alignment of employee objectives with the long-term interests of the Company and its clients; (ii) avoidance of conflicts of interest, with variable remuneration not linked to individual transaction volumes, client revenue, or specific product distribution; (iii) independence of control functions, whose remuneration is determined independently of the financial performance of the business areas they oversee; and (iv) gender neutrality, with remuneration criteria applied consistently regardless of gender or other protected characteristics.

The Policy provides for malus, i.e. reduction or withholding of variable remuneration prior to payment, in cases of below-threshold performance, misconduct, or compliance breach. For employees in Remuneration Bands 5–7 and independent control functions within BFS, the Policy additionally provides for clawback of paid variable remuneration in cases of substantiated fraud, for a period of one year from payment (extended to three years where proven malus is established).

7.2 Fixed and Variable Remuneration

Base salaries are determined on the basis of role scope, responsibilities, seniority, market benchmarking, and internal parity, applied consistently across all employees. Salaries are reviewed bi-annually through structured review cycles (effective 1 January and 1 July), subject to the Company's Rule of Eight eligibility criteria. Base salaries for BFS employees in Slovenia include the statutory seniority supplement in accordance with applicable Slovenian labour law.

All BFS employees are eligible to be considered for a discretionary performance bonus, subject to funding approval by the Board of Directors and Remuneration Committee. The bonus is not guaranteed and does not form part of contractual remuneration. The bonus opportunity is expressed as a percentage of annual base salary and varies by Remuneration Band:

Remuneration Band	Category	Bonus opportunity (% of base salary)	Frequency
1	Team Member	5%	Half-yearly
2	Team Member	10%	Half-yearly
5	Senior Manager	35%	Annual

Bonus pool funding is determined at the company level based on achievement of Objectives and Key Results (OKRs) across four strategic pillars: Financial, Growth, Risk & Reputation, and People. Individual allocations reflect individual performance assessment. Variable remuneration may be withheld in full where individual performance falls below threshold, or where business performance does not support pool funding.

Employees in Remuneration Bands 1–4 are additionally eligible for a Year-End Business Award of up to one month's gross base salary, contingent on Group-level business performance against Board-approved targets. For 2025 this was set at 100% of monthly gross salary.

7.3 Aggregate Quantitative Information

The aggregate gross remuneration awarded during the 2025 financial cycle to individuals is outlined below:

Staff Category	Aggregate Fixed Salaries (EUR)	Aggregate Variable Awards (EUR)	Total Gross Awarded (EUR)
Senior Management Body (Executive Directors)	426.763,95	566.954,35	**993.718,31**

Staff Category	Aggregate Fixed Salaries (EUR)	Aggregate Variable Awards (EUR)	Total Gross Awarded (EUR)
Staff	402.325,94	47.363,61	**449.689,56**

BFS does not operate a formal deferral mechanism for cash variable remuneration in 2025. Variable remuneration, where awarded, is paid either as a non cash instrument or in cash in the payroll cycle following the completion of the relevant bonus assessment cycle. No malus or clawback provisions were triggered during the 2025 financial year.

Apart from the management, BFS employs seven additional employees, one of whom has been appointed to carry out the Independent Control Function.

8. Environmental, Social, and Governance (ESG) & Investment Policy

8.1 Investment Policy (Article 52 IFR)

IFR establishes two materiality thresholds for the application of the investment policy disclosure requirement. First, the disclosure obligation applies only to investment firms that do not meet the criteria set out in Article 32(4)(a) of IFD, namely investment firms whose on and off-balance-sheet assets exceed EUR 100 million on average over the four-year period preceding the relevant financial year. Second, only companies whose shares are admitted to trading on a regulated market and in which the proportion of voting rights held exceeds 5 % of all voting rights issued by the company are considered relevant for this disclosure.

As BFS’s four-year average asset value is below the EUR 100 million threshold, and the Company does not hold direct or indirect voting rights exceeding 5% in any publicly traded company, the investment policy disclosure requirements do not apply to the Company for this reporting period.

8.2. Environmental, Social, and Governance (ESG) Risks (Article 53 IFR)

Article 53 of the IFR mandates the disclosure of environmental, social, and governance (ESG) risks, including physical and transition risks. In accordance with Article 32(4)(a) of the IFD, this requirement is subject to the same materiality threshold, applying only to firms whose on- and off-balance-sheet assets average more than EUR 100 million over the preceding four years.

Because BFS's average asset value remains below this EUR 100 million baseline, the ESG risk disclosure mandates do not apply to the Company for this reporting period.