Pillar 3 Investment Firm Regulatory Disclosures Report

CVC Capital Markets S.à r.l and its UK branch
For year ended 31 December 2024

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Introduction

This disclosure report ("report") has been prepared by CVC Capital Markets S.à r.l ("CVC Capital Markets" or "CCM" or the "Firm") in order to fulfil the regulatory disclosure requirements set out by the European Banking Authority ("EBA").

This report is prepared on an individual basis and applied to CVC Capital Markets (including its UK branch), LEI 254900HOK3VWORZHFO61, and based on the audited financial accounts as at 31, December 2024, covering the financial period that began on January 1, 2024 and ended on December 31, 2024. Firm's annual accounts are prepared in conformity with the Luxembourg legal and regulatory requirements and according to generally accepted accounting principles applicable in Luxembourg (LUX GAAP).

The Firm is a "non-SNI" IFR Investment Firms (class 2) and thus subject to the standard disclosure requirements for Investment Firms.

Unless otherwise explicitly stated, references in this document to CCM include the UK Branch.

1. Governance

The governing body of the Firm (the “Board”) maintains management and oversight responsibility.

The Board, acting through the Firm’s Authorised Management (together “the Management Body”), is responsible for notably setting the Firm’s business objectives, strategy and annual budgets. The Authorised Management is responsible for oversight of the day-to-day operations of the business. Accordingly the Board receives regular reporting and management information on the Firm’s operations, enabling the Firm’s cautious management.

The nomination strategy for the Management Body position will consider, among others, with due regard given to the benefits of diversity, criteria such as specific skills, expertise and/or experience that would complement the overall competence of the Management Body, age and experience, gender, geographical background, educational background and cultural background.

The CCM Board recognises the importance and benefits of diversity both within the staff members and at a board level.

The individual suitability of all members of the Management Body is assessed considering, among others, the candidate(s) good repute, the balance of knowledge, skills, and experience, the time and availability to perform his/her duties, the compliance with the limitation of mandates, the absence of conflict of interests and as the case may be, the independence criteria (at Board level).

The Management Bodies are also assessed as a whole and shall possess adequate collective and complementary knowledge, skills, and experience to be able to understand the Firm’s activities, identify and mitigate the main risks.

As at the date of publication, the Board is composed of six individuals[1] out of which 5 Board Members professionally reside in Luxembourg, and one is an Independent Director. Also, CCM Board had 50% female representation:

- Philip Robertson;
- Pierre Denis;
- Julie Picard;
- Monica Porfilio (Independent Director);
- Virginie Saur; and
- Damien Degros.

The members of the Board have collectively considerable experience at senior level within the financial sector. The very good balance in terms of collective knowledge, skills, complementarity and experience fosters an independent, effective and proper supervision of the activities performed by CCM.

The table below shows the number of directorships held by each individual member of the Board as at the date of publication.

Figure 1 : Number of Directorships held by each member of the Board as at the date of publication

	Number of directorships as at the date of publication	**Number of Directorships adjusted for Article 91(4) of Directive 2013/36/EU**
Philip Robertson	8	8
Pierre Denis	44	44
Julie Picard	17	17
Monica Porfilio	10	10
Virginie Saur	1	1
Damien Degros	1	1

[1] One Board Member resigned on March 20, 2025. Prior to this resignation, the Board was composed of seven members.

1.1. Risk Management

Risk taking is an inherent part of CCM's business activities and effective risk management is vital to CCM's success.

The CCM Risk Management Framework is embedded and operating appropriately and encompasses the risk management culture, approach and practices that support risk identification, measurement, monitoring, escalation and decision-making processes.

CCM's Risk Management Framework is a collaborative exercise drawing on expertise across the business.

The key objectives of the framework are:

- to form the basis of common risk language and to provide a consistent framework for the definition and categorisation of risk;
- to ensure that information about significant risks can be aggregated and reported on a consistent basis across CCM and CVC Group to identify common risk themes; and
- to support risk management at all levels, and enable risks to be clearly and consistently identified, managed, monitored and reported to Risk management function, Authorised Management, Board and Regulators.

The above-mentioned aspects are integrated in the Risk Management Policy validated by the Board on December 13, 2024.

The Board is ultimately responsible for setting the Firm's risk appetite and tolerance for risk. In this respect, the Chief Risk Officer assists and provides guidance to the Board on its oversight of the management of risks, including: (i) risk strategy and appetite; (ii) risk identification and management; (iii) risk management framework and policies; (iv) measurement of risk and risk tolerance levels and limits and (v) assessment of its capital and liquidity adequacy.

According to the size of the Firm, and based on the proportionality approach, the company did not established a Risk Committee.

However, to guarantee a sound risk management framework, all risks identified by the Risk function are discussed and validated with the Authorised Management at least on a monthly basis, and shared quarterly (or more often if required) with the Board.

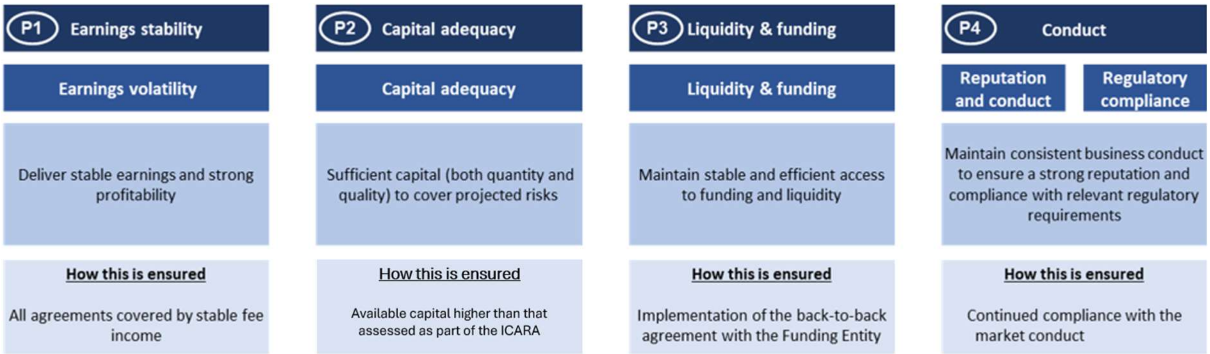
Risk Strategy and Appetite

The Risk Strategy sets how risks will be identified, measured, monitored and reported. The centrepiece of the Risk Strategy is the Risk Appetite Statement ("RAS") including Recovery Indicators to be monitored on a regular basis. The CCM Risk Appetite Statement articulates the aggregate level and type of risk that the Firm is willing to accept in order to execute its business strategy while protecting its capital and liquidity resources.

From a risk strategy and risk appetite perspective, firm's objectives are assessed across four key pillars:

1. **Earning stability** – deliver stable earnings and strong profitability
2. **Capital adequacy** – ensure sufficient capital, quantity and quality, to cover projected risks
3. **Liquidity and funding** – maintain stable and efficient access to funding and liquidity
4. **Conduct** – maintain consistent business conduct to ensure a strong reputation and compliance with relevant regulatory requirements

Each of these pillars, including the ways in which CVC ensures alignment with them, is presented in the diagram below:



CCM strategy is to select quality deals with a maximum global exposure of EUR 300m, this being a global limit allocated by CVC to its whole broker dealer business, Therefore, this global limit of EUR 300m is monitored at CVC Group level.

However, in order to limit concentration to a portfolio company / third-party, CCM Board defined the following concentration limits:

- Concentration on a deal limited to a maximum of 20% of total syndicated amount or EUR 150m for a bond issuance.
- Concentration on a deal limited to a maximum of 25% of total syndicated amount or EUR 300m for an IPO.

In addition CCM Board defined that:

- CCM has no tolerance for settlement failures. Placement and settlement failures will be followed by underwriting business function and any unplaced or unsettled securities will be promptly reported as per escalation process.
- To limit FOREX risk on exposures related to underwriting commitments other than euro, exposures to currencies will be limited to the currencies listed in CCL revolving credit facility[2].

The table below shows an extract of the main capital and liquidity indicators:

Indicator	31/12/2023	31/12/2024	Internal limit	Regulatory limit
Common Equity Tier 1 ratio	622%	638%	71%	56%
Additional Tier 1 Capital Ratio	622%	638%	90%	75%
Total capital ratio	622%	638%	115%	100%
Liquidity Ratio (as a % of FOR)	658%	1 685%	50%	33%
Liquidity Position / Current Ratio	1 385%	815%	175%	
Liquidity Position / Quick Ratio	1 372%	813%	150%	
Liquidity Position / Cash Ratio	1 384%	791%	150%	

Risk Taxonomy

CCM risks arise primarily from the provision of services and business processes.

The risk taxonomy is an exhaustive list of risks the Firm is or might be exposed to because of its activities and overall environment. It serves as a basis for successful risks identification and assessment process.

The following risks categories are currently considered as material for CCM business activities: Business and Strategic Risks (mainly composed of Corporate governance risk, and Business and

[2] Euros, GBP or USD, or any other currency, provided that (i) such currency is a lawful currency that is readily available and (ii) freely transferable and convertible into Euros.

Strategic Risk); Market Risk; People Risk (mainly related to Conduct Risk); Legal and Regulatory risk; and Operational Risk (including Outsourcing Risk).

While Liquidity Risk and Credit Risk are deemed non-material to CCM's current business model and operations, a brief overview of these risks is provided below for completeness.

Business and Strategic Risks

Corporate governance risks include failure in the overall system of rules, practices, decision making process and standards that guide CCM's business. Corporate governance risks also refer to potential risks associated with the way in which CCM conducts its business and the perception of CCM by external parties including the shareholder, clients, regulators, and the public. The Firm complies with the CVC Group policies to identify, escalate, and report any situation which may pose potential franchise risk.

Business risk is the exposure CCM has to factor that will lower its profits or lead it to fail. It may arise from competition or market forces which result in unexpected fluctuations in volumes, margins and costs, thus affecting the volatility of earnings and the achievement of business goals. Losses may also arise from an unintentional or negligent failure to meet a professional obligation to specific clients, or from the nature or design of a product (clients, products & business practices).

CCM has no appetite for transactions, business practices, clients or counterparties that pose a significant franchise risk and potentially jeopardize the Firm's reputation.

Strategic risk arises if business does not operate according to business model or plan and strategy becomes less effective over time and it may struggle to reach its defined goals. It may arise from opting for a wrong strategy, from mismanagement and inadequate monitoring or from slow reaction to changes in the operating environment.

Regarding Business and Strategic risks, CCM aims to deliver a sustainable business model, targeting stable earnings, accumulation of profits allowing for capital accretion and expense efficiency.

Liquidity Risk is the risk that CCM either does not have available sufficient financial resources enabling it to meet its obligations as they fall due, or can secure such resources only at excessive cost.

CCM's financial condition or overall soundness is adversely affected by an inability or perceived inability to meet its financial obligations in a timely manner.

CCM sets liquidity risk indicators to ensure adequate cash flows to meet its operating expenses.

As per the liquidity risk in relation to core underwriting operations, it is mitigated given that CCM confirm funds' availability vis-à-vis appropriate stakeholders prior the signing of any underwriting agreement.

Under CCM's business model, underwriting risk is transferred to CVC Corporate Lending S.à r.l. ("CCL" or the "Funding Entity") through a backstop agreement. This agreement obliges CCL, on a transaction-by-transaction basis, to purchase any securities not placed or not settled with third-party investors, at a pre-agreed price. In practice, for every underwriting agreement CCM signs with an issuing client or lead underwriter, a corresponding purchase agreement is also signed with CCL, ensuring immediate transfer of any unsold instruments. CCM will not proceed with underwriting unless CCL confirms the backstop arrangement for a specific transaction. Although this mechanism provides robust protection, CCM still exercises high selectivity and caution before committing to any underwriting transaction. Every step taken aligns with its overall strategy and risk appetite, ensuring prudent and strategic decision-making throughout the underwriting process.

Credit Risk refers to the risk of loss arising when a counterparty or issuer does not meet its financial obligations.

CCM has a low risk appetite for losses arising from a debtor's failure to pay monies owed and manages this carefully. This risk includes failure of third-party debtors (fee income and, when applicable, other debtors), intercompany debtors and cash held with banks (the Firm holds its bank accounts with reputable Luxembourg-based credit institutions).

Market Risk is the risk that a change in the level of one or more market prices, rates, stock exchanges, volatilities, correlations or other market factors, will result in a volatility of earnings or losses for a position owned by CCM.

CCM has a low risk appetite for losses arising from Market Risk.

However, from a wider perspective, market forces may result in unexpected fluctuations in volumes and margins of underwriting transactions, and therefore lead to a volatility of earnings and the achievement of CCM business goals.

As per the transactions CCM is committed to, given firm's business set-up (cf. paragraph on Liquidity Risk above), this risk is immaterial for CCM.

Regarding the FX risk, according to the current strategy of the Firm, it is limited to open positions on non-EUR revenues/expenses.

People risk

Conduct Risk is defined within CCM as the risk arising from misconduct by individual employees or the risk arising from conduct by the firm where the outcome has an adverse impact on clients or markets.

CCM has no risk appetite for the entity or its employees to act in a manner which does not adequately consider the impact on clients, expected market users or the markets, and could result in detrimental outcomes or undermine the integrity of financial markets or damage the firm's reputation or regulatory standing.

In order to prevent, detect and mitigate market abuse risks and violations, CCM has implemented a set of policies and procedures, and ensure that staff follow appropriate trainings at regular and appropriate intervals. CCM also follows CVC Group's standards as main driver of conduct.

Risk of failure to attract or retain diverse and talented employees which would impact the Firm's ability to generate revenues over the long term. This risk is monitored by both the Board and HR function. CCM has historically been able to recruit and retain top talent based on its reputation and the reputation of CVC Group, attractive compensation package and career opportunities. This risk is also mitigated through inclusion and diversity initiatives.

Legal & Compliance Risks

CCM is committed to maintaining full compliance with applicable legal and regulatory frameworks, recognizing the importance of robust governance, regulatory oversight, and risk mitigation measures in managing legal and compliance risks effectively.

Legal Risk arises from inadequate contractual reviews, regulatory non-compliance, or failure to adhere to statutory obligations, which may result in litigation, financial penalties, or reputational damage. This includes risks related to:

- Contractual enforceability, including the potential for non-standard covenants or obligations that could impact business operations.
- Failure to identify changes in laws and regulations, leading to unintended breaches.
- Regulatory enforcement actions, which may arise from non-compliance with legal requirements.

CCM mitigates legal risk by ensuring that all agreements, transactions, and business activities are subject to legal review by CCM's in-house legal team and, where necessary, external legal counsel. The firm maintains a proactive approach to monitoring regulatory developments, ensuring compliance with evolving legal requirements across its jurisdictions of operation.

Compliance Risk is defined as the risk of financial loss, regulatory sanction, or reputational harm due to non-adherence to applicable laws, regulations, internal policies, and industry standards.

CCM maintains a zero-tolerance approach toward compliance failures, with clear governance structures and escalation protocols in place. The firm actively engages with regulatory authorities, ensuring full transparency and adherence to regulatory expectations.

Operational Risks

Operational Risk is defined as the risk of loss, or damage CCM's or CVC Group's reputation, resulting from inadequate or failed processes or systems, from internal events like human factors or from external events (e.g., fraud, theft, cyber-attacks or damage to physical assets, including damage caused by climate change).

CCM sets operational risk appetite as a level of operational risk that, after considering the CCM's governance and control processes, is expected to be very limited (near zero) and not pose a material risk to CCM's capital adequacy, reputation, regulatory standing, or ability to pose a material risk to its strategy nor result in significant, detrimental impacts to markets and/or clients.

Outsourcing risk refers to the risk arising from the Firm's use of a third party assistance (either an affiliated entity within the Firm's corporate group or an entity that is external to the corporate group) to perform processes (or part thereof), including critical or important functions, that fall within the scope of functions that could realistically be performed by CCM, even if it has not performed this function in the past itself.

CCM is selective with the outsourcing partners it can chose for the provision of certain business processes or functions, prioritising the ones that have a relevant experience and good reputation on the market. Any outsourcing arrangement (including those related to critical or important services) are subject to a robust outsourcing approval and monitoring process, in compliance with applicable regulations.

Risk Policies and Processes

CCM has established a number of policies and processes which set out the standards that govern the identification, assessment, monitoring, management, and mitigation of the various types of risk involved in its business activities. CCM has implemented specific risk documentation and reports to address company's business and regulatory requirements where appropriate. These documents are reviewed and approved by the CCM Board annually.

Risk Management Framework

To execute risk oversight, CCM operates a control framework consistent with the "Three Lines of Defence" model, to create clear delineation of responsibilities between risk owners and independent risk control functions with a view to address potential conflicts of interest.

- The First line of defence is composed of Underwriting & Placement team ("UW team") which take the risk for the Firm, and operate in conformity with the Regulation, the code of ethics, and risk appetite approved by the Board. UW team is responsible for the day-to-day operations, and the daily risk management and mitigation, as well as implementing a robust setup aiming at identifying, and evaluating risks. When incidents occur, whether they have a financial impact or not (theoretical), UW team must report the incident respecting the escalation process implemented by the Firm.

- Support functions, such as the financial and accounting function, and especially Compliance and Risk control functions constitute the second line of defence of the Firm and perform permanent controls on the First line of defence, providing the Board and the Authorised Management with an independent evaluation of risk management processes of Underwriting team. The second line of defence is independent from Underwriting team. Compliance department's main duty is to evaluate compliance risks of the Firm and assist the Board and the Authorised Management in managing those risks, on a permanent matter. Risk management function implemented a strong internal control setup within the Company evaluating inherent and residual risk based on an objective annual assessment.

- The Internal Audit function is the third line of defence, and provides a periodical independent assurance on the processes of the first and second line of defence to the Board and the Authorised Management. The Internal Audit Department has the power to directly contact the Board, and External auditors, as well as the Regulator.

Control functions

The Board promotes internal control culture and requires managing risk with care and unambiguously, to maintain an efficient control framework based on the three lines of defences model.

The Authorized Management is responsible for internal control implementation, policies, and procedures execution.

Primary responsibility for the management of risk is with the Underwriting team. The Underwriting team maintain processes and controls designed to identify, assess, manage, mitigate and report the risk to the Second Line of Defence.

CCM Risk and Compliance functions have each established frameworks to identify, analyse, monitor, mitigate and report respective risks.

CCM Risk Function monitors and provides an independent oversight of the risks to which CCM is or may be exposed, to ensure that the business is financially and operationally resilient and operates within acceptable tolerances.

It also ensures that the internal risk objectives and limits are robust and compatible with the regulatory framework, the internal strategies and policies, the activities, and the organisational and operational structure of CCM. It monitors compliance with these objectives and limits, propose (together with the First Line of Defence) appropriate remedial measures in case of breach, ensures compliance with the escalation procedure in case of significant breach and ensures that the breaches are remedied as soon as possible.

It works with the Risk Management function of the CVC Group to help ensure a transparent, consistent and comprehensive framework for managing risk within each area and across the Firm.

CCM Compliance Function operates as an independent control function within the firm's governance and risk management framework. It is responsible for ensuring that CCM's activities adhere to applicable legal, regulatory, and supervisory requirements while supporting a culture of compliance and risk awareness across the organization.

The Compliance Function's core responsibilities include:

- Maintaining a comprehensive compliance monitoring programme to assess adherence to regulatory obligations, including AML/CFT, sanctions compliance, and market conduct requirements.
- Conducting an annual compliance risk assessment to identify, evaluate, and mitigate material compliance risks, ensuring alignment with regulatory expectations and industry best practices.
- Establishing and maintaining compliance policies, procedures, and internal controls that promote regulatory compliance and effective risk management.
- Providing ongoing training and guidance to staff on regulatory obligations, internal policies, and emerging compliance risks.
- Monitoring and escalating regulatory breaches or compliance concerns to the Board and senior management, ensuring timely remediation and regulatory engagement where necessary.

The CCM Board is satisfied that the risk management framework is appropriate given the strategy and risk profile of the entity. These elements are reviewed at least annually and, where appropriate, updated to reflect change in business, best practice, evolving market conditions and in response to changing regulatory requirements.

1.2. Equity, Diversity and Inclusion

The CVC Group (in this section, "CVC", "we"), of which the Firm is a part, strives to foster a supportive and inclusive working environment, where everyone feels valued and respected. We are committed to providing an open and inclusive work environment for all, and we value the richness of diverse perspectives and experiences.

Promoting Diversity and IFR

IFR requires a summary of the Firm's policy promoting diversity on its 'management body'. Due to the purpose, structure, governance arrangements and employment practices of regulated entities established within CVC, ambitions are not set at individual entity level (either for the specific entity's employees as a whole or for its management body). However, each entity contributes to and adopts CVC's overall objectives. Further information on CVC's approach to Diversity, Equity and Inclusion can be found in our Sustainability Report[3] and on the Talent page of CVC's website[4].

[3] Sustainability | CVC
[4] Talent | CVC

CVC's commitment

CVC's Diversity, Equity & Inclusion Committee, comprising senior leaders and colleagues from across our global network, was founded in 2016. The Committee acts a catalyst for change at CVC – enhancing the way that we attract, develop, and retain a diverse and talented workforce.

We continue to strengthen our inclusive culture through employee-led networks, inclusive leadership training, and dedicated events.

Our commitment to diversity, equality of opportunity and inclusion extends to our portfolio companies and the industry. CVC has a global network of 30 offices, and we strive for our teams to reflect the societies in which they operate.

We focus on three key areas:

1. Attracting

CVC works with various recruitment partners and organisations including Sponsors for Educational Opportunity, 10,000 Black Interns and Out Investors to find the very best candidates from wide-ranging backgrounds and industries. We believe in hiring the best talent regardless of backgrounds. CVC recognises that a workplace that embraces a range of perspectives leads to innovation and superior investment performance.

2. Developing

We invest time and resources into developing our people. From technical training and industry qualifications to coaching and mentoring, we offer a range of initiatives to help our employees perform at their best. Our Women's and Pride Networks support these efforts through events, mentoring programmes, recruitment initiatives, and partnerships with external organisations.

3. Retaining

We take pride in offering a wide range of attractive benefits that support both professional growth and personal well-being. Our competitive retention offering includes:

- Six months of fully paid leave for primary caregivers
- Full-year bonus eligibility for employees on parental leave
- Coaching support before and after parental leave
- Access to emergency care services for children, adults, and elders.

2. Overview and Key Metrics

CVC Capital Markets S.à r.l. is a limited liability class 2 investment firm incorporated in Luxembourg.

In addition to the head office in Luxembourg, CCM has a UK branch authorised by the CSSF and the FCA as a branch of a third country investment firm, and has the same activity as CCM.

The main features of the Branch are detailed hereafter:

- Name: CVC Capital Markets S.a.r.l (UK Branch);
- Address: 2nd and 3rd Floor 105-109 Strand, London, WC2R 0AA;
- Number of employees on a full-time equivalent basis: 0;
- Turnover: 41,721.21 EUR;
- Profit before tax: 3,584.72 EUR;
- Tax on profit: 507.11 EUR.

Together with its UK branch, CCM is operating with the following Commission de Surveillance du Secteur Financier's ("CSSF") licenses :

A) Professional of the financial sector - investment firm (CSSF): CSSF's license provide the Firm with authority to carry out the following regulated activities:

a. Underwriting of financial instruments and / or placing of financial instruments on a firm commitment basis

b. Placing of financial instruments without a firm commitment basis

c. Reception and transmission of orders in relation to one or more financial instruments

d. Execution of orders on behalf of clients

B) Markets in Financial Instruments Directive - MiFID Passport: A European license, which provides CCM with a "passport" to provide capital markets investment services in regulated products across borders from Luxembourg into other EEA member states under the European Markets in Financial Instruments Directive.

CCM has currently a sole Shareholder being CVC Capital Markets Holdings (Jersey) Limited located in Jersey, itself a fully-owned subsidiary of CVC Capital Partners Holdings III Limited. CCM's annual accounts are included in the consolidated accounts of CVC Capital Partners Holdings III Limited.

Table 1 Key Metrics

€ 000

CCM	**31/12/2024**
Common Equity Tier 1 Capital ("CET1")	4,783
Additional Tier 1 Capital("AT1")	-
Tier 1 Capital	**4,783**
Tier 2 Capital	**-**
Total Own Funds	**4,783**
Permanent Minimum Capital Requirement	750
Fixed Overhead Requirement	601
Total K-Factor Requirement	-
Risk to Market ("RtM")	-
Risk to Client ("RtC")	-
Risk to Firm ("RtF")	-
Own Funds Requirement	**750**
Total Capital Ratio	638%

The own funds requirement is equal to the higher of: a) Permanent minimum capital requirement, b) Fixed overheads requirement or c) K-factor requirement.

The permanent minimum requirement is dependent on the activities that the entity is authorised to undertake.

The fixed overheads requirement is a proxy for the amount of own funds which must be held to allow the firm to wind-down in an orderly way. The fixed overheads requirement is equal to 25% of the Firm's relevant expenditure.

The K factor requirements equal to 0 as at 31/12/2024 since there were no transactions recorded in Company's trading book.

When applicable, the K factor requirements fall within the following main risk categories:

- RtM K-Factor requirement captures the impact the Firm could have on the markets in which it operates and on counterparties with which it trades.
- RtC covers risks of the Firm during its services, actions or responsibilities, which could negatively impact clients.
- RtF captures risks to an investment firm's solvency from its trading activity and market participation and only applies to an investment firm authorized to deal on its own account for its own purposes or on behalf of a client.

CVC Group

As of December 2024, CCM had a sole shareholder being CVC Capital Markets Holdings (Jersey) Limited, located in Jersey. CCM's ultimate parent undertaking is CVC Credit Partners Group Holding Foundation (Jersey) which has as a council member and its sole beneficiary, founder and guardian is CVC Management Holdings II Limited. CVC Management Holdings II Limited's sole shareholder, ultimate parent undertaking and controlling entity is CVC Capital Partners plc, a company listed on Euronext Amsterdam, the regulated market operated by Euronext Amsterdam N.V.

The information disclosed in this document is not necessarily indicative of CVC Group as a whole, nor is it comprehensively representative of the CVC Group's activity in any particular region. Investors, stakeholders, creditors or other users seeking information on capital adequacy, liquidity, risk exposure and risk management policies should consult the public disclosures of CVC Group.

Details of the latest CVC Group Regulatory Disclosures can be accessed at https://www.cvc.com/cvc-regulatory-disclosures/.

3. Regulatory Frameworks

The new Investment Firm Regulation ("IFR") went live in the EU on the 27 June 2021. The IFR sets out a regulatory framework applicable to small and non-interconnected investment firms (typically those less than €15bn in asset size). The IFR aims to provide a more proportionate regulatory framework for these small and non-interconnected investment firms that can be applied consistently across the EU. Prior to the implementation of the IFR, smaller investment firms, such as CCM, were subject to the application of Basel Committee Banking Supervision ("BCBS") standards which are designed for internationally active banking groups. The BCBS standards were implemented via the Capital Requirements Directive ("CRD) and Capital Requirements Regulation ("CRR").

Under the IFR Framework, investment firms are categorized based on asset size:

- Class 1 – Systemic investment firms > €15bn of assets will remain subject to the CRD and CRR, those that are >€30bn in assets size will need to also re-authorise as credit institutions.
- Class 2 / Class 3 – small and non-interconnected investment firms <€15bn of assets are subject to IFR.

CCM is a Class 2 non-systemic investment firm subject to IFR.

The IFR framework includes: 1) minimum capital and liquidity requirements, 2) additional own fund requirements calculated based on additional risks as identified by the firm or relevant competent authority, and 3) for Class 2 investment firms, a public disclosures requirement.

Requirements described above are supplemented with further detail where relevant through the European Banking Authority ("EBA") Regulatory Technical Standards ("RTS") and Implementing Technical Standards ("ITS"), which include a number of common templates that are used within this disclosure.

CCM disclosure as at 31 December 2024 is based on its current understanding of the IFR, the Investment Firm Directive ("IFD") and related legislation. CCM disclosures are not required to be, and have not been, audited.

CCM does not hold, directly or indirectly, any voting rights in any company and as such no investment policy disclosures are relevant.

CCM financials are audited in accordance with the Law of July 23, 2016 on the audit profession (Law of July 23, 2016) and with International Standards on Auditing (ISAs) as adopted for Luxembourg by the "Commission de Surveillance du Secteur Financier" (CSSF).

CCM's financial statements can be found at https://www.lbr.lu.

4. Capital Management

CVC Capital Markets views capital as an important source of financial strength. It manages and monitors its capital in line with established policies and procedures and in compliance with local regulatory requirements.

CCM manages its capital position based upon, among other things, business opportunities and fee return, risks and capital availability, together with internal capital policies and regulatory requirements. Therefore, in the future it may adjust its capital base in reaction to the changing needs of its businesses.

The appropriate level of capital is determined to ensure CCM's ability to continue as a going concern, and that it meets all regulatory capital requirements. The key components of the capital management framework used by CCM include a point in time capital assessment, forward looking capital projections and stress testing. CCM conducts a capital assessment at least annually in order to meet its obligations under the IFR regulation. The CCM capital assessment is a key tool used to inform the CCM Board and the executive management on risk profile and capital adequacy.

The CCM capital assessment:

- Is designed to ensure that the risks to which CCM is exposed are appropriately capitalised and risk managed, including those risks that are either not captured, or not fully captured under the minimum own funds requirement;
- Uses stress testing to size a capital buffer aimed at ensuring CCM will continue to operate above regulatory requirements under a range of severe but plausible stress scenarios; and
- Assesses capital adequacy under normal and stressed operating environments over the three year capital planning horizon to ensure that CCM maintains a capital position in line with internal pre and post stress minimum levels.

In order to maintain or adjust its capital structure, CCM may pay dividends, return capital to its shareholders, issue new shares, or issue or repay Additional Tier 1 capital instruments or subordinated debt.

5. Capital Resources

The capital resources of CCM are set out in Table 2. All capital resources included are of standard form and the main terms and conditions of the capital instruments are disclosed in Table 4.

Table 2: Composition of regulatory own funds as at 31/12/2024

€ 000 CCM	Amounts	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[5]	**4,783**	
Tier 1 Capital	**4,783**	
Common Equity Tier 1 Capital	**4,783**	
Fully paid up capital instruments	4,940	Liabilities - A. I.
Share premium	3,060	Liabilities - A. II.
Retained earnings	(2,848)	Liabilities - A. V.
Previous years retained earnings	-	
Profit or loss eligible	-	
Accumulated other comprehensive income		
Other reserves	-	
Adjustments to CET1 due to prudential filters	-	
Other Funds	-	
(-) Total deductions from Common Equity Tier 1	**(369)**	
(-) Own CET1 instruments	-	
(-) Losses for the current financial year	-	Liabilities - A. VI.
(-) Goodwill	-	
(-) Other intangible assets	(369)	Assets - B
(-) Deferred tax assets that rely on future profitability and do not arise from temporary differences net of associated tax liabilities	-	
(-) Qualifying holding outside the financial sector which exceeds 15% of own funds	-	
(-) Total qualifying holdings in undertaking other than financial sector entities which exceeds 60% of its own funds	-	
(-) CET1 instruments of financial sector entities where the instrument does not have a significant investment	-	
(-) Defined benefit pension fund assets	-	
(-) Other deductions	-	
CET1: Other capital elements, deductions and adjustments	-	
Additional Tier 1 Capital	-	
Fully paid up, directly issued capital instruments	-	
Share Premium	-	
(-) Total deductions from Additional Tier 1	-	
(-) Own AT1 instruments	-	
(-) AT1 instruments of financial sector entities where the instrument has a significant investment	-	
(-) Other deductions	-	
Additional Tier 1: Other capital elements, deductions and adjustments		
Tier 2 Capital	-	
Fully paid up capital instruments	-	
Share Premium	-	
(-) Total deductions from Tier 2	-	
(-) Own T2 instruments	-	
(-) T2 instruments of financial sector entities where the instrument does not have a significant investment	-	
Tier 2: Other capital elements, deductions and adjustments	-	

[5] CCM's Accounting own funds amount to EUR 4.78m; the prudential own funds amount to EUR 4.78m. The difference between accounting and prudential own funds is explained by "other intangible assets" for an amount of EUR 0.37m that correspond to "Formation expenses".

Own Funds of CCM are based on audited financial statements. The Accounting and Regulatory scope are the same. Table 3 provides a reconciliation of regulatory own funds to balance sheet information.

Table 3: Own funds: reconciliation of regulatory own funds to balance sheet in the audited financial statements

€ 000	Balance sheet as in published / audited financial statements	Cross reference to the IFR Reporting as at 31/12/2024
	As at 31/12/2024	
Assets – Breakdown by asset classes according to the balance sheet in the published / audited financial statements		
Cash in hand and balances with central banks and post office banks	10,134.0	IF 09.00 - 0040
Treasury bills and similar paper	-	
Loans and advances to credit institutions	-	
Loans and advances to customers	311.9	
Bonds and other fixed-income securities	-	
Equities and other variable-yield securities	-	
Equity interests and other long-term investments	-	
Investments in affiliates	-	
Intangible assets	-	
Property, plant and equipment	21.0	
Subscribed capital unpaid	-	
Own shares	-	
Trading and settlement accounts	-	
Other assets	417.6	
Of which: Deferred Tax Assets	-	
Of which: Formation Expenses	368.2	IF 01.00 - 0210
Of which: Financial Assets	20.2	
Prepayments and accrued income	29.2	
Total Assets	**10,884.5**	
Liabilities – Breakdown by liability classes according to the balance sheet in the published / audited financial statements		
Central banks, post office banks	-	
Amounts owed to credit institutions	-	
Amounts owed to customers	-	
Tradable securities	-	
Other liabilities	1,281.1	
Accruals and deferred income	-	
Trading and settlement accounts	-	
Provisions for liabilities and charges	-	
Subordinated liabilities	-	
Total Liabilities	**1,281.1**	
Shareholder's Equity		
Share Capital	4,940.0	IF 01.00 - 0040
Of which: Fully Paid-Up Capital Instruments	4,940.0	IF 01.00 - 0040
Share premium	3,060.0	IF 01.00 - 0050
Reserves	-	
Revaluation reserves	-	
Statutory provisions and investment subsidies	-	
Retained earnings	(2,848.4)	IF 01.00 - 0070
Net profit for the year	4,451.9	
Total Shareholders' equity	**9,603.5**	

It is to be noted that CCM has the same accounting and regulatory scope of consolidation.

6. Capital Instruments Template

Table 4 provides a description of the main features of the capital instruments issued by CCM as at 31 December 2024.

Table 4: Own funds: main features of own instruments issued by the firm

DESCRIPTION OF COMMON EQUITY TIER 1	
Issuer	**CVC Capital Markets S.à r.l**
Unique identifier *(e.g., CUSIP, ISIN or Bloomberg identifier for private placement)*	N/A
Public or private placement	Private placement
Governing law(s) of the instrument	Luxembourg law
Instrument type	Ordinary Shares
Amount recognised in regulatory capital (€M)*	EUR 8.0M
Currency of Issuance and Nominal amount of Instrument	€1 per ordinary share
Issue price	N/A
Redemption price	N/A
Accounting classification	Shareholders' Equity
Original date of issuance	50,000 shares on 02/02/2022 4,550,000 shares on 02/02/2023 340,000 shares on 22/12/2023
Perpetual or dated	Perpetual
Original maturity date	No maturity
Issuer call subject to prior supervisory approval	N/A
Optional call date, contingent call dates and redemption amount	N/A
Subsequent call dates, if applicable	N/A
Fixed or floating dividend / coupon	Floating dividend
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	**Noncumulative**
Convertible or non-convertible	Nonconvertible
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
Write-down features	No
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-down mechanism	N/A
Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Other liabilities
Non-compliant transitioned features	No
If yes, specify non-compliant features	N/A
Link to the full term and conditions of the instrument	N/A

**including EUR 3.06M of share premium*

7. Remuneration arrangements

CCM's Remuneration Policy, approved by the Board in December 2024, is designed to ensure, among others, that the Firm does not encourage excessive risk taking and staff interests are aligned with those of the Firm's clients.

The Firm ensures that its remuneration structure promotes effective risk management and balances the fixed and variable remuneration components for all staff. Total Remuneration is based on balancing both financial and non-financial indicators together with the performance of the Firm and of the staff members (including Material Risk Takers).

Whilst respecting the principles mentioned above, CCM aims to attract, retain, and motivate highly qualified professionals. To achieve this, CCM offers remuneration packages that, while in line with market practices, are competitive and attractive, both in terms of amount and structure.

The remuneration at CCM is structured around two pillars: fixed and variable remuneration.

The fixed remuneration, is composed of the following elements:

- Base salary, paid in cash, that is based on the competencies, the role and experience of the staff members, and it is guaranteed irrespective of their performance,
- Fringe benefits, i.e. all advantages received in kind by an employee in addition to his/her base salary (such as pension schemes and meal vouchers). These benefits are non-discretionary and do not encourage under any circumstance, excessive risk-taking.

The variable remuneration is the portion of the total remuneration, received in cash, which is entirely at CCM's discretion and it is strongly linked to the performance of CVC Group, the entity, and the individual. Moreover, the variable remuneration of the staff (including the Material Risk Takers) is not linked to the performance of CCM activities or determined according to other criteria which could compromise the objectivity of the work carried out.

The Remuneration Policy lays down that fixed remuneration must be of sufficiently high proportion in relation to the total remuneration so as to enable the operation of a fully flexible policy on variable remuneration components, including the possibility of paying no variable remuneration component.

In accordance with the principle of proportionality (in line with Article 38-23 of the LFS), CCM has not established a Remuneration Committee. Authorized Managers and Board Members are involved in the annual evaluation, and annual discretionary bonus is discussed and approved during a Board of Directors meeting.

Regarding the provisions laid down in Article 32 (1) of Directive (EU) 2019/2034, implemented under the local regulation into Article 38-22 (3) of the Law of 5 April 1993 on the financial sector, CCM qualifying as a "*non-SNI IFR investment firm*" and Firm's on and off-balance sheet items being on average not higher than 100 million euros over the four-year period immediately preceding the year end 2024, it does not need to comply with the requirements mentioned in points a) and b) of the said article.

Senior management (including Board Members) and members of staff whose actions have a material impact on the risk profile of the Firm are classified as Material Risk Takers.

In accordance with IFR Part 6, Article 51, the Firm makes the following disclosures:

Remuneration for financial year 2024					
Employee category	**Number of employees as at 31/12/2024**[6]	**Total fixed remuneration**[7] **(€'000s)**	**Total variable remuneration (€'000s)**	**Total remuneration (€'000s)**	**Ratio between fixed and variable remuneration**
Senior Management Function holders and other Material Risk Takers[8]	**5**	**675.6**	**416.9**	**1,092.5**	**1.6x**
All other employees	**3**	**195.2**	**61.7**	**256.9**	**3.2x**
Total	**8**	**870.8**	**478.6**	**1,349.4**	**1.8x**

The Firm is dedicated to upholding the principles of transparency and confidentiality in its remuneration reporting. In accordance with regulatory requirements, we disclose aggregate remuneration figures that combine the compensation of key risk-takers and our management team. This aggregated data is designed to provide stakeholders with an overview of our remuneration practices without compromising the confidentiality of individual remuneration details.

However, given the limited number of remunerated members of CCM senior management function holders and material risk takers team, we have taken additional measures to ensure that the information presented does not allow for the identification of personal compensation amounts. We believe this approach strikes an appropriate balance between the need for disclosure and the right to privacy of our employees.

The total amount of guaranteed variable remuneration awarded to Material Risk Takers during the last financial year was €0 (0 individuals).

The total amount of severance payments awarded to Material Risk Takers during the last financial year was €0 (highest: €0).

The total amount of deferred remuneration that was awarded to Material Risk Takers during the last financial year was €0 (highest: €0), and the total amount of deferred remuneration scheduled to vest in subsequent years is €0 (highest: €0).

[6] During the financial year 2024, the Company employed an average of 5 people directly for the management of its activities. As at 31/12/2024 the total number of employees was of 8.
[7] The fixed remuneration only includes base salary, paid in cash.
[8] The figures only concern the Senior Management Function holders and other Material Risk Takers who spend the majority of their time involved in the CCM business. For instance, the figures do not include the Director Fees of the independent Board Member for an amount of EUR 20k, nor the remuneration of the other Board Members and Senior Managers of the UK Branch, who are paid by affiliated entities.

8. Focus on ESG considerations

The CVC Group proactively integrates material sustainability topics into its risk management through the implementation of its Responsible Investment Policy.

For CCM, we focus on considering and documenting material sustainability topics as part of due diligence and decision-making on new underwriting and / or placement transactions. The primary objective of this assessment is to evaluate how such factors may influence a counterparty's resilience to long-term industry trends and structural shifts. These insights inform our understanding of potential implications for counterparty risk, the intrinsic value of the financial instrument under consideration, and CCM's reputation as a responsible finance sector professional.

Appendix I: IFR Article Reference Mapping

IFR Ref	High Level Summary	Compliance Reference
Article 46 Scope		
46 (1)	Investment firms that are not small and non-interconnected investment shall publicly disclose on the same date as they publish their annual financial statements.	CCM will publish this document post AGM on same date as the Financial statements.
46 (2)	Investment firms that are not small and non-interconnected investment which issue Additional Tier 1 instruments shall publicly disclose articles 47, 49 and 50.	Cf. hereafter
46 (3)	If no longer a small and non-interconnected investment shall publicly disclose the year following the year ceased to meet those conditions.	Not Applicable
46 (4)	Investment firms shall disclose in one medium or location and if similar information disclosed, a reference is required in both media.	CCM will publish the Pillar 3 disclosure on the CVC website (with the existing Renumeration requirements).
Article 47 Risk management objectives and polices		
47	Investment firms shall disclose their risk management objectives and policies including strategies and process to manage those risk together with a concise risk statement approved by the firm's management body describing the overall risk profile	Section 2.1: Risk Management "Risk Strategy and Appetite" "Risk Policies and Processes" "Control Framework"
Article 48 Governance		
48	Disclose information regarding internal governance arrangements:	
48 (a)	The number of directorships held by members of the management body.	Section 2: Governance Figure 1: CCM Directors: Number of Directorships held by the Board
48 (b)	The policy on diversity with regard to the selection of members of the management body, its objectives, relevant targets, and the extent to which those objectives and targets have been achieved.	Section 2: Governance "Appointments to the CCM Board and Diversity" Section 2.3: Promoting diversity and inclusion
48 (c)	Whether or not the investment firm has set up a separate risk committee and the number of times the risk committee has met annually.	Section 2.1: "Risk Management"
Article 49 Own funds		
49 (1)	Disclose information on:	
49 (1) a	A full reconciliation of own funds of the investment firm and the balance sheet in the audited financial statements of the investment firm.	Section 6: Capital Resources Table 3: Own funds: reconciliation of regulatory own funds to balance sheet in the audited financial statements
49 (1) b	The main features of the Common Equity Tier 1 and Additional Tier 1 instruments and Tier 2 instruments issued by the investment firm.	Section 7: Capital Instruments Template Table 4: Own funds: main features of own instruments issued by the firm
49 (1) c	The restrictions applied to the calculation of own funds in accordance with this Regulation and the instruments and deductions to which those restrictions apply.	Section 6: Capital Resources Table 2: Composition of regulatory own funds
49 (2)	EBA shall develop draft implementing technical standards to specify templates for disclosure under points (a), (b) and (c) of paragraph 1.	Refers to defined template formats required for a, b and c.
Article 50 Own funds requirements		
50 (1)	Disclose information on:	
50 (1) a	A summary of the investment firm's approach to assessing the adequacy of its internal capital to support current and future activities.	Section 5: Capital Management
50 (1) b	Upon a request from the competent authority, the result of the investment firm's ICAAP including the composition of the additional own funds based on the supervisory review process.	To be provided on request.
50 (1) c	The K-factor requirements calculated, in aggregate form for RtM, RtF, and RtC, based on the sum of the applicable K-factors.	Section 3: Overview and Key Metrics Table 1: Key Metrics
50 (1) d	The fixed overheads requirement.	Section 3: Overview and Key Metrics Table 1: Key Metrics
Article 51 Remuneration policy and practises		
47	Investment firms shall disclose information regarding their remuneration policy and practices, including aspects related to gender neutrality and the gender pay gap, for those categories of staff whose professional activities have a material impact on investment firm's risk profile	Section 2.3: Promoting diversity and inclusion Section 8: Remuneration arrangements
Article 52 Investment policy – Not applicable for 2024		
Article 53 Environmental, social and governance risks – Not applicable for 2024		

Appendix II: Abbreviations

Term	Definition
CSSF	Financial Sector Supervisory Commission
AT1	Additional Tier 1 Capital
BCBS	Basel Committee on Banking Supervision
CET1	Common Equity Tier 1 Capital
CRD	Capital Requirements Directive
CRR	Capital Requirements Regulation
EBA	European Banking Authority
IFD	Investment Firm Directive
IFR	Investment Firm Regulation
ITS	Implementing Technical Standards
M	Millions
CCM	CVC Capital Markets S.à r.l
RAS	Risk Appetite Statement
RtC	Risk to Capital
RtF	Risk to Firm
RtM	Risk to Market
RTS	Regulatory Technical Standards