ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

VASP Name: Aquanow ME FZE
VARA Licence Number: VL/24/01/001
Reporting Period: H2 2025
Reporting Due Date: 31st January 2026

Statement of Compliance:
This ESG report is submitted in accordance with the Dubai VARA Company Rulebook - Part V, ESG Disclosure Requirements.

For and on behalf of Aquanow ME FZE
Raven Groom-Baker
Chief Executive Officer

1. Introduction

Aquanow ME FZE is regulated by the Virtual Assets Regulatory Authority in Dubai and provides Virtual Asset services in or from Dubai under its VARA licence.

Aquanow ME FZE forms part of the wider Aquanow group, a digital asset infrastructure provider supporting institutional clients, financial institutions, fintechs, brokerages, payment service providers and enterprises. The Aquanow group provides technology, liquidity, trading, payment and infrastructure solutions that support regulated access to digital asset markets and stablecoin-based payment use cases.

This report describes Aquanow ME FZE's Environmental, Social and Governance approach for the reporting period. It covers ESG governance, ESG risk management, environmental impact, data-intensive activities, social impact, client protection, employee well-being, diversity and inclusion, cybersecurity, data privacy, ethics, compliance, complaints, whistleblowing and forward-looking ESG priorities.

Certain information in this report refers to the wider Aquanow group where group-level policies, systems, certifications, employees, technology infrastructure or workplace initiatives support, inform or are relevant to Aquanow ME FZE's operations. Where information is group-level, it should be read accordingly.

Aquanow's ESG reporting framework is developing. The Firm's approach during the reporting period was focused on practical governance, client protection, technology resilience, cybersecurity, employee well-being, ethical conduct and operational controls. Aquanow does not currently maintain a standalone ESG department. Instead, ESG matters are managed through a cross-functional model involving Compliance, Legal, Risk, Operations, Technology, Information Security, Finance and Human Resources, as applicable.

Senior Management is responsible for oversight of ESG-related matters and for ensuring that ESG considerations are reflected appropriately in Aquanow's governance, risk management and operational processes.

2. ESG Highlights, Metrics and Forward-Looking Priorities

Area	Position during the reporting period	Forward-looking priority
ESG governance	ESG matters are managed through a cross-functional governance model involving Compliance, Legal, Risk, Operations, Technology, Information Security, Finance and Human Resources.	Continue strengthening ESG coordination through existing governance, risk and compliance processes.
Regulatory governance	Aquanow operates through a group structure with regulated or registered entities in multiple jurisdictions.	Continue maintaining governance and compliance standards appropriate for a multi-jurisdictional regulated group.
VARA-regulated entity	Aquanow ME FZE is licensed by VARA to provide Broker-Dealer Services, Lending and Borrowing Services, and Management and Investment Services.	Continue aligning Aquanow ME FZE's ESG disclosures with applicable VARA expectations.
Workforce	Aquanow group had approximately 180 employees globally.	Continue improving workforce data collection for ESG reporting.
Employee culture	The Aquanow group maintained Great Place to Work certification in Canada and was recognised on the 2025 Best Workplaces in British Columbia list.	Continue supporting employee engagement, workplace culture and professional development.

Employee survey result	Based on Great Place to Work survey results, 94% of surveyed employees said Aquanow is a great place to work.	Continue using employee feedback to inform workplace culture and employee well-being initiatives.
Diversity and inclusion	Detailed D&I metrics are not included in this report.	Develop proportionate D&I data collection and reporting, subject to privacy, employment and data protection requirements.
Cybersecurity governance	Aquanow maintains dedicated information security and data protection oversight through its CISO and DPO function.	Continue maintaining cybersecurity and data protection oversight through dedicated control functions.
Cybersecurity training	Aquanow provides periodic cybersecurity and compliance awareness training to staff.	Continue staff awareness training on cybersecurity, privacy, conduct and compliance risks.
Information security assurance	Aquanow's information security control framework is subject to SOC 2 Type II assurance.	Continue maintaining and improving information security controls in line with business, client and regulatory expectations.
Environmental footprint	Aquanow does not operate proprietary Virtual Asset mining infrastructure, specialised blockchain mining hardware or on-premise data centres.	Continue monitoring the environmental relevance of cloud infrastructure, technology usage and Virtual Asset infrastructure.
Cloud infrastructure	Aquanow uses Amazon Web Services for cloud infrastructure.	Improve visibility into relevant cloud infrastructure usage and environmental indicators where reasonably available.

Emissions data	Aquanow does not currently maintain a standalone Scope 1, Scope 2 or Scope 3 emissions calculation for Aquanow ME FZE.	Explore proportionate methods for environmental data collection in future reporting periods.
Material incidents	No material cybersecurity incidents, material data breaches, whistleblowing reports, anti-bribery and corruption incidents or ESG-related incidents were identified during the reporting period.	Continue monitoring material incidents through governance, risk, compliance, information security and reporting channels.

3. ESG Governance Framework

Aquanow's ESG governance and reporting framework is supported by its internal policies, procedures and control framework, including policies and procedures relating to corporate governance, compliance, risk management, anti-bribery and corruption, conflicts of interest, whistleblowing, complaints handling, cybersecurity, data privacy, outsourcing, client money and client virtual asset safeguarding.

These policies are reviewed periodically and are designed to support responsible business conduct, ethical decision-making, operational resilience, client protection, regulatory compliance and appropriate escalation of risks and issues.

Responsibility for ESG-related implementation is shared across relevant functions:

Function	**ESG-related role**
Board and Senior Management	Oversight of governance, risk, compliance, business strategy, material ESG-related issues and escalation.
Compliance and Legal	Regulatory alignment, ESG disclosure coordination, ethics, complaints, whistleblowing, anti-bribery and corruption, conflicts of interest and conduct controls.
Risk	Identification, assessment, monitoring and escalation of ESG-related risks.
Technology and Information Security	Cybersecurity, system resilience, access controls, monitoring, technology efficiency and incident response.

Operations	Client asset safeguarding, operational controls, reconciliation, process governance and service provider coordination.
Finance	Financial controls, reporting support, vendor and cost-related information where relevant.
Human Resources	Employee well-being, onboarding, training, workplace practices, equal opportunity and escalation channels.

Aquanow's ESG governance model is intended to remain practical and proportionate while allowing the Firm to strengthen its ESG practices as its operations and regulatory obligations evolve.

4. ESG Risk Management

Aquanow recognises that ESG risks may affect its operations, reputation, regulatory standing, employees, clients, service providers and other stakeholders.

During the reporting period, ESG-related risks were considered through Aquanow's wider governance, risk management and compliance framework. Relevant ESG risks may include:

Environmental risks

- indirect environmental impact from cloud infrastructure usage;
- electronic waste from employee devices and office equipment;
- environmental practices of third-party service providers; and
- limited availability of entity-level environmental data.

Social risks

- client protection and fair treatment risks;
- complaints handling risks;
- employee well-being and retention risks;
- diversity and inclusion data gaps;
- training and conduct risks; and
- workplace culture and escalation-channel effectiveness.

Governance risks

- regulatory compliance risks;
- conflicts of interest;
- anti-bribery and corruption risks;
- whistleblowing and misconduct reporting risks;
- cybersecurity and data privacy risks;
- outsourcing and third-party dependency risks;
- client money and client virtual asset safeguarding risks;
- recordkeeping, reporting and governance escalation risks ; and
- risks arising from rapid growth across multiple jurisdictions.

Virtual Asset-specific risks

- technology and network risks;
- blockchain infrastructure risks;
- wallet and private-key management risks;
- market integrity risks;
- liquidity and settlement risks;
- operational resilience risks; and
- risks relating to supported Virtual Assets, counterparties and infrastructure providers.

Aquanow's ESG risk management approach is currently qualitative and risk-based. ESG risks are assessed by reference to likelihood, impact, available controls, potential regulatory impact, operational impact, reputational impact and potential effect on clients or other stakeholders.

Aquanow intends to continue developing its ESG risk tracking processes, including by improving ESG data collection, documenting ESG-related actions, and integrating ESG considerations further into relevant governance, vendor, technology and operational reviews.

5. Social Impact and Client Protection

Aquanow's business model is focused on providing digital asset infrastructure to institutional and financial services clients. Aquanow supports banks, neobanks, brokerages, payment service providers, fintechs and enterprises seeking to access or integrate digital asset and stablecoin capabilities.

Aquanow's social impact is primarily connected to responsible digital asset infrastructure, client protection, operational resilience and compliant deployment of Virtual Asset services.

Aquanow does not treat ESG as a substitute for legal compliance, client protection or risk management. Instead, ESG considerations are integrated into the Firm's wider approach to responsible and regulated Virtual Asset activity.

During the reporting period, Aquanow's client protection framework included:

- client onboarding and due diligence controls;
- client classification and eligibility controls;
- clear risk disclosures relating to Virtual Assets;
- policies and procedures relating to client money and client virtual assets;
- complaints handling procedures;
- conflicts of interest controls;
- anti-bribery and corruption controls;
- cybersecurity and data protection controls;
- operational monitoring and escalation procedures;
- review of supported Virtual Assets under applicable Virtual Asset standards; and
- governance and compliance oversight of material client-facing processes.

Aquanow ME FZE is permitted to serve Institutional Investors and Qualified Investors directly. Retail Investors are served only through Licensed Financial Institutions, in accordance with Aquanow ME FZE's applicable licence permissions. This supports a controlled and intermediated model for any retail-facing access.

Aquanow also seeks to support transparency through clear disclosures on risks, pricing, order routing, conflicts of interest, complaints handling, privacy and client asset safeguarding.

6. Environmental Impact

Aquanow's environmental impact is primarily indirect and technology-related. Aquanow does not operate proprietary Virtual Asset mining infrastructure, specialised blockchain mining hardware or on-premise data centres.

Aquanow's technology infrastructure uses cloud services, including Amazon Web Services. As a result, Aquanow's direct measurement of physical energy consumption from production infrastructure is limited, and relevant energy and emissions impacts are largely indirect and associated with cloud infrastructure usage, employee operations and third-party technology providers.

Aquanow does not currently maintain a formal entity-level carbon footprint calculation for Aquanow ME FZE. Aquanow recognises this as an area for further development.

6.1 Current environmental practices

During the reporting period, Aquanow's environmental practices included:

- no proprietary Virtual Asset mining hardware;
- limited physical hardware footprint, primarily consisting of employee devices and office equipment;
- use of digital documentation and collaboration tools to reduce reliance on physical documents;
- remote and hybrid working arrangements where appropriate;
- reliance on scalable cloud infrastructure to support operational resilience and avoid maintaining proprietary on-premise data centres; and
- consideration of operational resilience, technology efficiency and service provider controls in relevant technology and vendor decisions.

6.2 Product lifecycle and technology design

Aquanow's products and services are technology-based. Environmental considerations may arise across design, development, deployment, operation, maintenance and decommissioning of systems.

Current technology practices relevant to environmental impact include:

- cloud-native infrastructure to avoid dedicated on-premise data centres;
- scalable infrastructure to reduce unnecessary over-provisioning;
- monitoring of infrastructure performance and operational resilience;
- use of modular systems and APIs to support efficient deployment and integration;
- periodic review of infrastructure usage, reliability and operational performance; and
- decommissioning or reduction of unused environments where appropriate.

Aquanow intends to further develop ESG-related technology considerations in product and infrastructure decisions, including by improving visibility into compute usage, infrastructure utilisation and resource efficiency.

6.3 Cloud infrastructure and emissions

Aquanow uses Amazon Web Services for cloud infrastructure. Use of cloud infrastructure reduces Aquanow's direct operation of physical infrastructure, but does not eliminate environmental impact. Relevant impacts are indirect and depend on cloud infrastructure usage, data storage, compute intensity, region selection, service configuration and the environmental practices of cloud infrastructure providers.

Aquanow does not currently calculate standalone Scope 1, Scope 2 or Scope 3 emissions for Aquanow ME FZE. Aquanow intends to explore proportionate methods for estimating relevant environmental indicators in future reporting periods, particularly in relation to cloud infrastructure usage and employee operations.

6.4 Blockchain energy efficiency considerations

Aquanow's Virtual Asset-related activities involve interaction with blockchain networks. The environmental profile of blockchain networks may differ significantly depending on consensus mechanism, transaction volume, network architecture, settlement model and related infrastructure.

Aquanow does not operate proprietary mining infrastructure. Where relevant to its services and supported assets, Aquanow may consider factors such as network maturity, resilience, security, operational suitability, regulatory treatment and the relative environmental profile of the relevant network.

Aquanow intends to continue developing its approach to environmental and infrastructure-related considerations in Virtual Asset support and technology decisions.

6.5 E-waste and device lifecycle

Aquanow's physical hardware footprint is limited and primarily consists of employee devices and office equipment. Aquanow does not operate specialised blockchain mining hardware or proprietary data centre hardware.

Aquanow intends to formalise its approach to device lifecycle and e-waste management, including responsible reuse, recycling or disposal of employee devices and office equipment through appropriate vendors and processes.

7. Data-Intensive Activities and Virtual Asset Infrastructure

Aquanow's Virtual Asset activities involve technology infrastructure, transaction processing, blockchain network interaction, wallet infrastructure, monitoring, reconciliation, reporting and operational controls. These activities may involve data processing and cloud-based infrastructure usage.

During the reporting period, Aquanow did not operate proprietary Virtual Asset mining, validation or specialised blockchain hardware. Aquanow's on-chain activity was related to the provision of Virtual Asset services and associated operational requirements, rather than energy-intensive mining activity.

Aquanow considers technology resilience, cybersecurity, operational efficiency and regulatory requirements when assessing infrastructure and supported Virtual Assets. Where relevant and reasonably assessable, Aquanow may also consider the relative energy intensity and environmental profile of the relevant blockchain network or infrastructure provider.

Aquanow intends to improve documentation of these considerations over time, including through more structured ESG-related review points in relevant technology, vendor and Virtual Asset assessment processes.

8. Employee Well-Being, Diversity and Inclusion

Aquanow recognises that employee well-being, inclusion, ethical conduct and professional development are important components of its ESG framework. Aquanow's workforce supports regulated Virtual Asset infrastructure, trading, payments, technology, compliance, operations, risk management and client service across multiple jurisdictions.

During the reporting period, Aquanow group had approximately 180 employees globally.

Aquanow's people strategy is based on attracting, developing and retaining talent with experience across technology, financial services, digital assets, compliance, operations, risk management, information security, product development and client service.

The Aquanow group maintained Great Place to Work certification in Canada and was recognised on the 2025 Best Workplaces in British Columbia list. Based on Great Place to Work survey results, 94% of surveyed employees said Aquanow is a great place to work. Aquanow treats this recognition as an external indicator of workplace culture and employee experience at group level.

Aquanow supports a workplace culture based on professionalism, collaboration, equal opportunity, accountability and continuous learning. Employee-related practices include:

- onboarding for new employees;
- role-specific training and awareness;
- compliance and conduct expectations;
- cybersecurity and privacy awareness training;
- cross-functional collaboration;
- professional development opportunities;
- flexible or hybrid working arrangements where appropriate;
- internal escalation channels for workplace, conduct, compliance or ethical concerns; and
- employee engagement and culture initiatives.

Aquanow is continuing to develop its approach to diversity and inclusion reporting. Detailed workforce diversity metrics are not included in this report. Aquanow intends to improve D&I data collection and reporting in future ESG reporting periods, subject to applicable privacy, employment and data protection requirements.

9. Cybersecurity, Data Privacy and Technology Governance

Cybersecurity, operational resilience and data privacy are core governance priorities for Aquanow due to the nature of Virtual Asset services and the institutional infrastructure it provides.

Aquanow maintains dedicated information security and data protection oversight through its CISO and DPO function. Aquanow's cybersecurity and data protection framework is supported by internal policies, access controls, monitoring, incident response procedures, staff training, vendor oversight and governance escalation processes.

Aquanow's information security and technology governance framework includes:

- access control and permission management;
- monitoring and alerting;
- vulnerability and risk management;
- incident response procedures;
- security awareness training;
- vendor and third-party oversight;
- data privacy controls;
- internal escalation procedures;
- review of technology and infrastructure risks; and
- governance oversight through senior management and relevant control functions.

Aquanow provides periodic cybersecurity and compliance awareness training to staff, including awareness training delivered through KnowBe4. This supports employee awareness of phishing, social engineering, information security, privacy, conduct and compliance risks.

Aquanow's information security control framework is subject to SOC 2 Type II assurance. Aquanow intends to continue maintaining and improving its cybersecurity, operational resilience and data privacy framework in line with business needs, client expectations, regulatory requirements and the evolving Virtual Asset risk environment.

During the reporting period, Aquanow did not identify any material cybersecurity incident or material data breach requiring disclosure in this report.

10. Governance, Ethics and Compliance

Aquanow's governance framework is designed to support responsible management, clear accountability, regulatory compliance, operational resilience and ethical conduct.

Aquanow operates through a group structure with regulated or registered entities in multiple jurisdictions. Aquanow ME FZE is regulated by VARA in Dubai and is subject to applicable VARA requirements in respect of its licensed VA Activities.

Key governance and ethics controls include:

- Board and Senior Management oversight;
- Compliance, Legal and Risk involvement in governance processes;
- policies and procedures covering compliance, risk management, conflicts of interest, anti-bribery and corruption, complaints, whistleblowing, cybersecurity, data privacy, outsourcing and client asset safeguarding;
- client due diligence and onboarding controls;
- recordkeeping and escalation processes;
- regulatory reporting and notification processes;
- periodic policy review and governance updates;
- independent external audit arrangements where applicable; and
- training and awareness for relevant staff.

Aquanow maintains a zero-tolerance approach to bribery, corruption, fraud and other improper conduct. Suspected misconduct may be reported through Aquanow's internal or external reporting channels, as applicable.

Aquanow also maintains conflicts of interest controls designed to identify, prevent, manage and, where appropriate, disclose actual, potential or perceived conflicts of interest. These controls are particularly relevant to Virtual Asset services, group arrangements, liquidity arrangements, employee conduct, client activity and vendor relationships.

11. Whistleblowing, Complaints and ESG-Related Incidents

Aquanow maintains procedures for complaints handling, whistleblowing and anti-bribery and corruption reporting. These procedures are intended to support fair, prompt and consistent handling of concerns, appropriate escalation, confidentiality where possible, and regulatory reporting where required.

During the reporting period:

Area	Position
Material cybersecurity incidents	None identified.
Material data breaches	None identified.
Material whistleblowing reports	None identified.
Material ESG-related incidents	None identified.
Material anti-bribery or corruption incidents	None identified.

Aquanow will continue to monitor complaints, whistleblowing reports, cybersecurity matters, conduct issues and other relevant incidents as part of its governance, risk and compliance framework.

12. ESG Data, Metrics and Reporting Limitations

Aquanow's ESG reporting framework is developing. This report includes available qualitative and quantitative information for the reporting period, but Aquanow does not yet maintain a fully mature ESG data collection framework across all ESG areas.

Current reporting limitations include:

- no standalone carbon footprint calculation for Aquanow ME FZE;
- limited Scope 1, Scope 2 and Scope 3 emissions data;
- limited environmental metrics for cloud infrastructure usage;
- no detailed workforce diversity metrics included in this report;
- limited formal ESG targets for environmental indicators;
- limited formal ESG scoring for vendors and blockchain networks; and
- reliance on group-level information for certain employee, technology, certification and governance matters.

Aquanow recognises these limitations and intends to improve ESG data collection, documentation and metrics over future reporting periods.

13. Forward-Looking ESG Priorities

Aquanow's ESG framework is expected to continue developing as its operations, regulatory obligations and reporting practices mature.

Aquanow's forward-looking ESG priorities include:

- improving ESG risk tracking, internal ESG documentation and reporting governance;
- developing proportionate ESG metrics for future reporting periods, including environmental, D&I and employee-related indicators;
- improving visibility into cloud infrastructure usage and relevant environmental indicators;
- strengthening ESG considerations in vendor, technology and Virtual Asset review processes;
- formalising device lifecycle and e-waste practices;
- continuing staff training on compliance, ethics, cybersecurity, privacy and conduct;
- maintaining robust cybersecurity, data privacy and operational resilience controls; and
- continuing to monitor complaints, whistleblowing, misconduct and ESG-related incident reporting channels.

Aquanow will review its ESG approach periodically and publish future reports as required.