25

STRATEGIC REPORT

For the Year Ended 31 December 2025

Bilderlings Pay Limited
Authorised Electronic Money Institution

On behalf of the Board
Mrs. S. Krasovska
Director

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The Directors of Bilderlings Pay Limited (hereinafter - “we”, “Bilderlings” or “Bilderlings Group”, the “Company”) present the Strategic Report for the financial year ended 31 December 2025.

Bilderlings Pay Limited is authorised by the Financial Conduct Authority as an Electronic Money Institution under reference number 900637. Bilderlings Pay Limited provides cross-border payment services, multi-currency account infrastructure and associated financial technology solutions to business and individual customers.

This report sets out Bilderlings Group’s purpose, strategy, business model, operational and financial performance, principal risks and uncertainties, and relevant non-financial disclosures for the year under review.

Purpose, Mission and Values

PURPOSE

Bilderlings Group exists to make international financial activity simpler, more transparent and more accessible for the businesses and individuals it serves. Bilderlings Group pursues this purpose through the development and operation of secure, regulated digital financial infrastructure.

MISSION

Bilderlings Group's mission is to empower businesses and individuals worldwide by providing reliable and accessible cross-border financial services delivered through modern, compliant financial technology.

Purpose, Mission and Values

VALUES

Bilderlings Group's operations are guided by the following values, which inform its approach to customers, partners, regulators and employees:

- Respect – valuing the contributions of all individuals Bilderlings Group works with.
- Integrity – acting ethically and transparently across all activities.
- Customer Focus – placing customer needs and interests at the centre of decision-making.
- Excellence – applying expertise and discipline to achieve sustainable, high-quality outcomes.
- Teamwork – collaborating effectively across functions to deliver shared objectives.
- Continuous Improvement – pursuing ongoing enhancements to service quality and the customer experience.

Strategy

Bilderlings Group's strategy is to build and operate a scalable, regulated digital financial infrastructure platform that enables businesses and individuals to conduct international financial activity efficiently and securely. The strategy is underpinned by four mutually reinforcing pillars:

GLOBAL PAYMENT INFRASTRUCTURE
Bilderlings Group continues to deepen its international payment connectivity across key financial corridors, including the United States–European Union, United States–United Kingdom and United Kingdom–European Union corridors. This is achieved through partnerships with regulated financial institutions, payment networks and technology providers, and through direct access to payment schemes including SEPA, SEPA Instant and SWIFT.

PLATFORM AND ECOSYSTEM DEVELOPMENT
Bilderlings Group continues to develop its digital financial platform to support integration with fintech companies, digital platforms and corporate partners. Through application programming interfaces (APIs) and technology integrations, partners may embed regulated financial services into their own digital environments, extending Bilderlings Group's reach without requiring direct customer acquisition.

SUSTAINABLE AND DISCIPLINED GROWTH
Management maintains a disciplined approach to capital allocation, reinvesting earnings into platform development, compliance infrastructure and product innovation. Growth is pursued where it can be supported by Bilderlings Group's regulatory, operational and financial frameworks.

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Strategy

TECHNOLOGY AND AUTOMATION

Bilderlings Group continues to implement automation and data-driven technologies to improve operational efficiency, strengthen financial crime controls and enhance service delivery. During 2025, key initiatives included enhancements to fraud detection systems, optimisation of transaction monitoring rule sets, improvements to customer communication tooling and broader operational analytics capabilities.

Business Model

PLATFORM ARCHITECTURE

The Bilderlings Group platform operates across three integrated layers:

Customer Solutions Layer: Customer-facing services comprising multi-currency accounts, cross-border payments, debit and virtual cards, foreign exchange services and digital financial management tools, accessible through a single digital interface.

Payment Infrastructure Layer: Connectivity to global payment systems, including SEPA, SEPA Instant, SWIFT and card network infrastructure, supporting secure and reliable payment processing.

Compliance and Risk Infrastructure Layer: Automated systems supporting digital onboarding and identity verification, transaction monitoring, sanctions screening, fraud detection, safeguarding of customer funds and regulatory reporting.

REVENUE MODEL

Revenue is generated through the following streams:

- Payment transaction fees charged on domestic and cross-border transfers.
- Card services and interchange revenue from debit and virtual card products.
- Premium and tiered pricing plans offering enhanced service features.
- Fintech infrastructure services provided to partner platforms.
- Customised financial solutions and ecosystem partner services.

CUSTOMER SEGMENTS

Bilderlings Group serves the following principal customer segments:

- International small and medium-sized enterprises (SMEs) conducting cross-border trade.
- Corporate clients with multi-jurisdictional financial activity.
- Fintech companies and financial institutions requiring embedded payment infrastructure.
- Freelancers, digital entrepreneurs and individual customers with international financial needs.

Business Model

MARKET CONTEXT AND COMPOUND ANNUAL GROWTH ANALYSIS

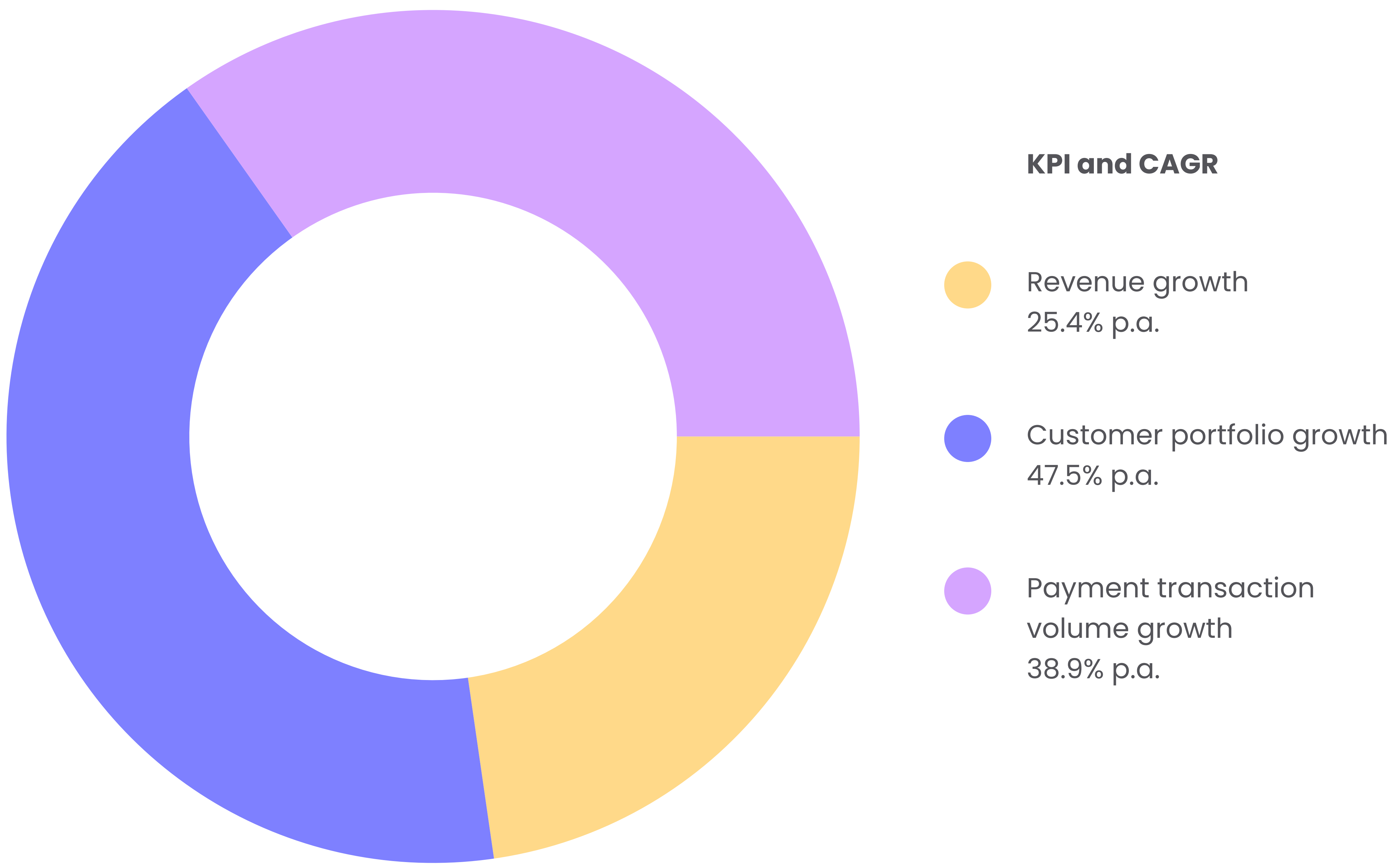
Global cross-border financial flows are estimated to exceed $190 trillion annually. Continued growth in international trade, digital commerce and global entrepreneurship sustains demand for efficient cross-border financial services. Bilderlings Group believes that the ongoing digitalisation of financial services presents material opportunities for regulated, technology-enabled infrastructure providers operating with strong compliance frameworks.

Bilderlings Group's own growth trajectory over the period 2022 to 2025 provides relevant context for assessing the scale of the market opportunity and Bilderlings Group's positioning within it.

COMPOUND ANNUAL GROWTH RATE ANALYSIS

To provide a consolidated view of Bilderlings Group's growth trajectory, the Directors have calculated a Compound Annual Growth Rate (CAGR) across the principal KPIs reported in Bilderlings Group's strategic reports for 2022 to 2025.

COMPOUND ANNUAL GROWTH RATE ANALYSIS CHART



Business Model

ANALYSIS AND MARKET IMPLICATIONS

The CAGR analysis confirms that Bilderlings Group has grown strongly across all principal performance measures over the three years from 2022 to 2025. Revenue has compounded at 25.4% per annum over the period — well ahead of the global cross-border payments market, which leading industry research estimates to have grown at approximately 7–9% per annum over the same timeframe. This gap is indicative of market share gains rather than growth driven purely by broader market conditions.

Customer portfolio growth has been equally compelling, with a three-year CAGR of 47.5% per annum. The Group's ability to sustain acquisition at this rate — as its portfolio has scaled — points to the continued relevance of its product offering, the breadth of its partner integrations and growing recognition in its target markets. Payment transaction volumes have followed a similar trajectory, expanding at a three-year CAGR of 38.9% per annum, reflecting not only a larger customer base but deeper commercial engagement within it.

Taken together, the long-term CAGR profile across all three KPIs reflects compounding, multi-dimensional growth that has consistently outpaced the broader market. Year-on-year moderation in individual metrics is to be expected as the business matures, and the base of comparison grows — this is a normal feature of scaling businesses and does not detract from the strength of the underlying trajectory. Going forward, management expects growth to be increasingly driven by expanding wallet share within the existing customer base, alongside continued new customer acquisition.

Operational Progress in 2025

PLATFORM DEVELOPMENT

During 2025, Bilderlings Group continued to strengthen its digital financial infrastructure. Principal developments included:

- Development and enhancement of multi-currency account functionality.
- Expansion of debit and virtual card services, resulting in card issuance growth of 14% and card transaction activity growth of 7% year-on-year.
- Extension of SEPA Instant payment capabilities to improve speed and efficiency for euro-denominated transactions.
- Continued integration of SWIFT infrastructure for international transfers.
- Enhancements to automated anti-money laundering (AML) systems and digital onboarding processes.
- Expansion of banking and payment partner integrations.

TECHNOLOGY AND AUTOMATION

Bilderlings Group expanded its use of automation and artificial intelligence across operational processes. Specific initiatives during the year included:

- Enhancements to the customer support environment, including improved chatbot functionality to reduce response times and operational burden.
- Introduction of artificial intelligence-based fraud detection pilots, subject to oversight and human review protocols.
- Optimisation of transaction monitoring rule sets to improve detection accuracy and reduce false-positive rates.
- Development of operational analytics tooling to support management oversight and regulatory reporting.

All AI and automation deployments are subject to governance and oversight controls to ensure outputs remain consistent with regulatory expectations and Bilderlings Group’s risk appetite.

Operational Progress in 2025

COMMERCIAL AND PARTNER DEVELOPMENT

Commercial and partner development activities during 2025 included:

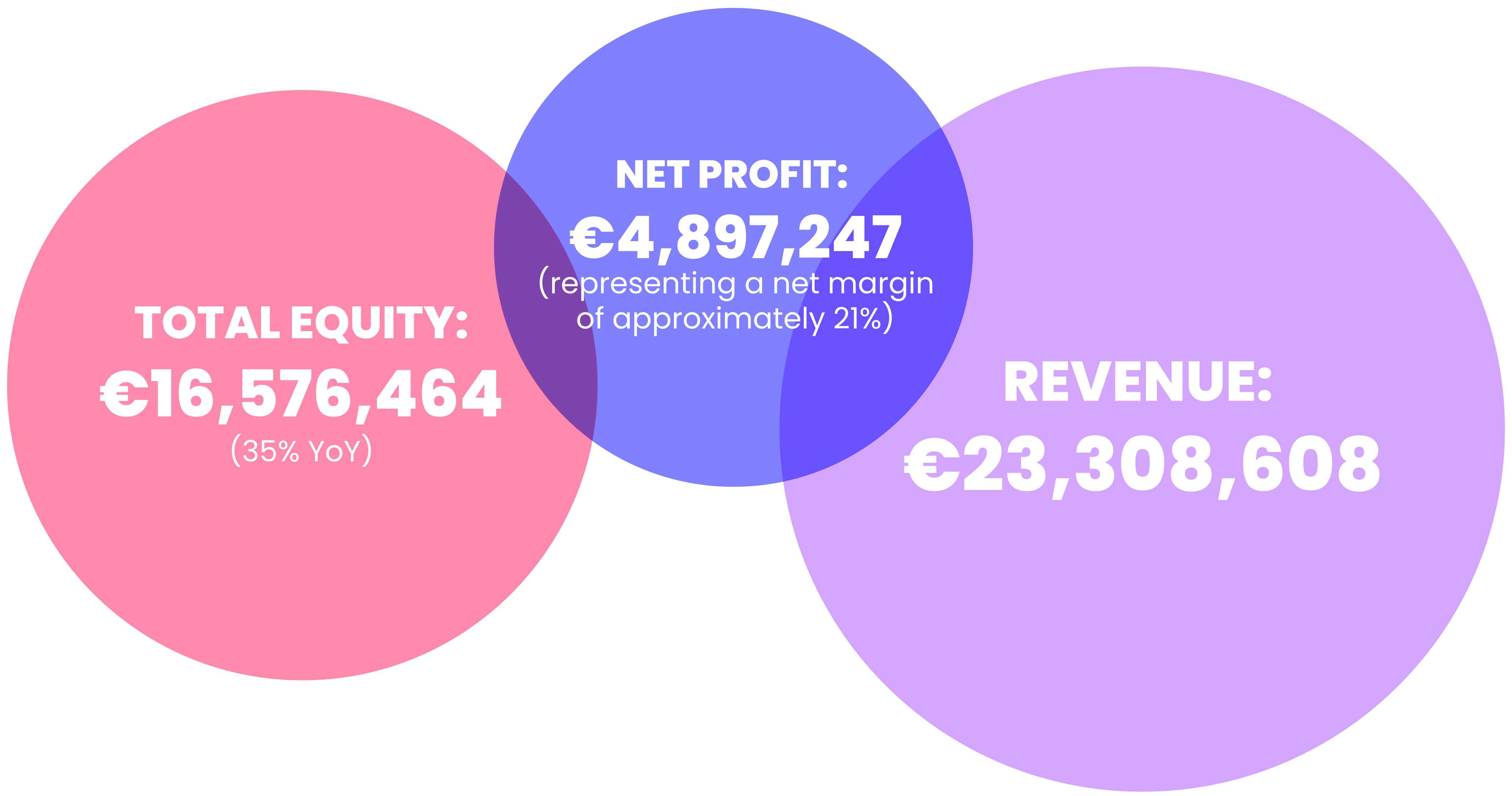
- Participation in industry events to develop institutional partnerships.
- Launch of the Bilder Partner Portal to facilitate partner integrations and commercial relationships.
- Introduction of a customer referral programme.
- Enhancement of digital acquisition channels through search optimisation and communication improvements.

Financial Performance and Key Performance Indicators

During 2025, Bilderlings Group maintained profitability and a strong capital position, as summarised below.

FINANCIAL SUMMARY

The key financial metrics for the year ended 31 December 2025 are set out below:



The FY2025 profit moderation from the FY2024 peak reflects two identified factors: normalisation of elevated interest income on safeguarded client funds (which provided a material one-time contribution to FY2024 earnings as eurozone and UK rates moderated), and deliberate investment expenditure associated with the launch of a US entity and preparatory development of a European subsidiary. Neither factor reflects operational deterioration. The 21% net margin remains consistent with the Company's historical range.

Bilderlings Group's capital position remains above regulatory minimum requirements. The Directors consider Bilderlings Group to be well capitalised relative to its current risk exposure and operational profile. To strengthen long-term resilience and support sustainable growth, it is proposed that 50% of the 2025 net profit be retained and reinvested in business and service development. The remaining 50% will be distributed to shareholders in the form of dividends.

Financial Performance and Key Performance Indicators

OPERATIONAL KEY PERFORMANCE INDICATORS

The following operational metrics reflect Bilderlings Group's growth trajectory during the year:

- Operational income from rendering of services (Note 3): 5%
- Equity growth: 35%
- ROE: 41%
- Customer portfolio growth: 27%
- Payment transaction count growth: 17%
- Payment transaction volume growth: 7%
- Card issuance growth: 14%
- Card transaction volume growth: 7% (representing 11% of total revenue)

The divergence between transaction count growth (17%) and transaction volume growth (7%) reflects a shift in customer mix towards higher-frequency, lower-value transaction profiles during the period. Management monitors this trend as part of ongoing revenue and risk analysis.

Strategic Initiatives 2026–2028

Bilderlings Group has identified the following principal strategic initiatives for the period 2026 to 2028. Progress against these initiatives will be reported in future Strategic Reports.

GLOBAL MARKET EXPANSION
Further development of international payment corridors and deepening of partnerships with regulated financial institutions across target markets.

PLATFORM ECOSYSTEM DEVELOPMENT
Expansion of API-based platform capabilities to enable embedded financial services for a broader range of partners, subject to appropriate due diligence and compliance oversight.

ARTIFICIAL INTELLIGENCE AND AUTOMATION
Further development of AI-driven fraud detection, transaction monitoring and automated onboarding systems. All AI deployments will be subject to explainability, oversight and model governance standards consistent with regulatory expectations.

STABLECOIN SETTLEMENT INFRASTRUCTURE
During 2026, Bilderlings Group plans to evaluate the feasibility of stablecoin-enabled settlement capabilities to enhance cross-border payment infrastructure. Potential areas of assessment include fiat-to-stablecoin-to-fiat settlement flows, integration with regulated digital asset infrastructure providers, and stablecoin-based liquidity management mechanisms in selected international payment corridors.

Any such developments will be undertaken exclusively within applicable regulatory frameworks, including any requirements arising from the Markets in Crypto-Assets Regulation (MiCA) and related FCA guidance. The Board will assess regulatory permissions required prior to implementation.

COMPLIANCE AND OPERATIONAL RESILIENCE
Ongoing investment in financial crime prevention frameworks, cybersecurity infrastructure, operational resilience planning and safeguarding arrangements, in line with Bilderlings Group's regulatory obligations and the FCA's operational resilience requirements.

Strategic Initiatives 2026–2028

PRODUCT AND SERVICE INNOVATION
Continued expansion of financial service offerings, with a focus on additional tools for internationally operating businesses and digital entrepreneurs, developed in accordance with Bilderlings Group's product governance framework.

ORGANISATIONAL DEVELOPMENT
Planned expansion of technology, compliance and operational functions to support business growth and maintain adequate resourcing of risk and compliance capabilities.

Principal Risks and Uncertainties

As a regulated Electronic Money Institution, Bilderlings Group is exposed to the following principal risks. The Board is responsible for setting Bilderlings Group's risk appetite and for overseeing the effectiveness of the risk management framework.

REGULATORY COMPLIANCE RISK
Risk that Bilderlings Group fails to comply with applicable laws, regulations or regulatory expectations, including the Electronic Money Regulations 2011, the Payment Services Regulations 2017, FCA rules and financial crime legislation.

Mitigation: Bilderlings Group maintains a dedicated compliance function and conducts regular regulatory horizon scanning. Compliance policies and procedures are reviewed on a periodic basis and updated to reflect regulatory developments.

FINANCIAL CRIME RISK
Risk of Bilderlings Group being used, knowingly or unknowingly, to facilitate money laundering, terrorist financing, fraud or sanctions evasion.

Mitigation: Bilderlings Group maintains a comprehensive financial crime prevention framework encompassing customer due diligence, enhanced due diligence for higher-risk relationships, transaction monitoring, sanctions screening and suspicious activity reporting. The framework is subject to regular internal review and independent audit.

OPERATIONAL AND TECHNOLOGY RISK
Risk of disruption to operational processes or technology systems, whether through system failure, human error or inadequate controls, resulting in service interruption or customer detriment.

Mitigation: Bilderlings Group has implemented operational resilience frameworks consistent with FCA requirements, maintains business continuity and disaster recovery plans, and conducts regular testing of critical systems and processes.

Principal Risks and Uncertainties

CYBERSECURITY RISK
Risk of unauthorised access to, or disruption of, Bilderlings Group's systems or customer data through cyber attack or data security incidents.

Mitigation: Bilderlings Group maintains cybersecurity controls, including access management, encryption, penetration testing and security monitoring. Incident response procedures are in place and reviewed regularly.

THIRD-PARTY AND OUTSOURCING RISK
Risk arising from Bilderlings Group's reliance on third-party providers for material operational functions, including payment network access, banking partnerships and technology infrastructure.

Mitigation: Bilderlings Group maintains a third-party risk management framework, conducts due diligence prior to engagement and monitors ongoing provider performance and financial stability. Material outsourcing arrangements are notified to the FCA where required.

STRATEGIC AND MARKET RISK
Risk that adverse market conditions, competitive pressures, geopolitical developments or macroeconomic factors negatively affect Bilderlings Group's financial performance or strategic objectives.

Mitigation: Management monitors market and macroeconomic conditions on an ongoing basis and adjusts operational priorities and resource allocation accordingly. Bilderlings Group's diversified customer base and revenue streams provide a degree of natural resilience.

Environmental, Social and Governance (ESG)

Bilderlings Group integrates environmental, social and governance considerations into its operations and governance framework. The following disclosures are provided in accordance with applicable non-financial reporting requirements.

ENVIRONMENTAL

Bilderlings Group operates as a digital financial services business with no significant direct environmental footprint from manufacturing or physical operations. Bilderlings Group maintains paperless customer onboarding processes, reducing paper consumption across the customer lifecycle.

Bilderlings Group supports environmental projects through partnership programmes and enables customer donations to charitable environmental organisations through its platform.

SOCIAL

Bilderlings Group is committed to the fair treatment of customers and employees. Customer-facing policies are designed to ensure accessibility, transparency and fair outcomes, consistent with the FCA's Consumer Duty requirements applicable to Bilderlings Group's activities.

Bilderlings Group promotes inclusive workplace policies and seeks to attract and retain a diverse workforce. Employee well-being and professional development are considered in Bilderlings Group's people strategy.

GOVERNANCE

Bilderlings Group maintains a governance framework commensurate with its size and regulatory status. The Board of Directors is responsible for oversight of strategy, risk, compliance and financial performance. Bilderlings Group operates in accordance with applicable UK corporate governance requirements and FCA regulatory expectations.

Anti-bribery, anti-corruption and conflicts of interest policies are in place and subject to annual review. Whistleblowing arrangements are maintained to enable employees to raise concerns confidentially.

Section 172 (1) Statement

The Directors are required under section 172 of the Companies Act 2006 to act in the way they consider, in good faith, would be most likely to promote the success of Bilderlings Group for the benefit of its members as a whole, having regard to the matters set out in section 172(1)(a)–(f), including:

- the likely consequences of any decision in the long term;
- the interests of Bilderlings Group’s employees;
- the need to foster Bilderlings Group’s business relationships with suppliers, customers and others;
- the impact of Bilderlings Group’s operations on the community and the environment;
- the desirability of Bilderlings Group maintaining a reputation for high standards of business conduct; and
- the need to act fairly as between members of Bilderlings Group.

Section 172 (1) Statement

During the year under review, the Directors had regard to the above matters in making decisions relating to Bilderlings Group's strategic direction, capital allocation, product development, partner relationships and regulatory engagement.

Stakeholder engagement: The Board maintains ongoing engagement with key stakeholder groups, including customers (through service quality monitoring and complaint management processes), employees (through management communication and HR processes), regulators (through proactive FCA engagement and regulatory reporting), and commercial partners (through the partner management framework). The interests of these groups are considered by the Board in strategic decision-making.

Long-term success: Capital allocation decisions during the year prioritised investment in compliance infrastructure, platform resilience and technology development, reflecting the Board's view that sustainable long-term growth requires a strong regulatory and operational foundation.

Outlook

Bilderlings Group expects continued development of its platform capabilities and international partnerships during the 2026 financial year. The strategic initiatives identified in the Strategic initiatives part will be the principal focus of management attention and capital deployment.

While growth prospects remain positive, financial performance may be influenced by the prevailing macroeconomic environment, regulatory developments, competitive dynamics and geopolitical conditions. Management will continue to monitor these factors and adjust operational priorities and resource allocation where appropriate.

The Board is satisfied that Bilderlings Group has adequate financial resources and a resilient operating model to continue operating effectively for the foreseeable future.

IT IS IMPORTANT TO ALWAYS BE ABLE TO CONTACT THOSE
YOU HAVE ENTRUSTED WITH YOUR WELFARE

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