

INFORMATION FOR CLIENTS AND POTENTIAL CLIENTS ON FINANCIAL INSTRUMENTS AND THE RISKS ASSOCIATED WITH THEM

Article 1

Information for clients and potential clients of CAPITAL MARKETS, o.c.p., a. s. regarding financial instruments

1.1. The provision of investment services, investment activities and ancillary services by **CAPITAL MARKETS, o.c.p., a. s.** (hereinafter referred to as the “Dealer”) to its clients and potential clients (hereinafter also referred to as the “Client”) pursuant to Section 73d(1) of Act No. 566/2001 Coll. on Securities and Investment Services and on Amendments to Certain Acts, as amended (hereinafter referred to as the “Securities Act”) in conjunction with Article 48(1) and (2) of Delegated Regulation (EU) 2017/565 relates to the obligation to provide a general description of the nature of the financial instruments provided. A general description is understood to mean the provision of information to clarify the nature of individual financial instruments and the risks associated with them. A general description enables the Client to form a sufficient basis for an investment decision. The purpose of the information contained in the following text is to provide a basic description of the nature of the financial instruments available to the Trader’s Clients, which are made available to such Clients through the Trader’s account management and dealing departments and the Trader’s tied agents.

1.2. A detailed description of trading in financial instruments, an explanation of related terms, procedures and rules governing trading in individual financial instruments is set out in the relevant General Terms and Conditions (hereinafter referred to as the “GTC”). The GTC form part of the contractual documentation governing the execution of transactions in financial instruments between the Client and the Trader. The GTC are publicly available to Clients and potential clients on the Trader’s website at www.capitalmarkets.sk.

1.3. General description of the nature of financial instruments

The Trader provides Clients with the opportunity to carry out financial transactions via a trading platform for financial instruments, in particular shares, financial and contracts for difference. Investing in financial instruments is characterised as the placement of the

Client's available funds into financial instruments with the aim of achieving the objective set by the Client, subject to a predetermined level of risk and investment time horizon. The intentions and objectives of individual Clients are specific, as is every financial instrument. It is therefore generally not possible to determine which financial instruments are suitable for which Clients. For this reason, when making investment decisions, it is necessary to take into account the individual needs of each Client and the specific characteristics of each financial instrument.

The three criteria forming the basic investment triangle:

Investment risk – the possibility of a decline in the value of the client's investment

Investment liquidity – the speed at which the investment can be converted back into cash

Investment return – the amount of appreciation of the client's funds.

This investment triangle illustrates that it is not possible to achieve all three vertices of this triangle simultaneously. In other words, it is not possible to achieve a high return whilst maintaining low risk and high liquidity of the investment. The two investment extremes are then represented by an investment that yields a high return with a high level of risk and low liquidity, and an investment with a low level of risk, low return and high liquidity. Making a decision on a specific investment therefore requires finding a compromise between return, risk and liquidity, depending on the Client's individual preferences.

1.4. Financial instruments

Securities represent a monetary claim in a form and manner prescribed by law, to which certain rights are attached, in particular the right to demand a specific financial payment or to exercise certain rights against persons designated by law.

A share is a security representing a portion of the share capital of the commercial company that issued it. Every holder of a share is a shareholder of that company. As a partner, a shareholder has the right, under the Securities Act and the company's articles of association, to participate in the management of the company, to share in its profits, and to receive a share of the liquidation proceeds upon the company's dissolution. The management of the company is carried out by individual shareholders through their voting rights at the company's general meeting; shareholders receive a share of the profits in the form of dividends (the payment of dividends is not guaranteed and the amount is approved by the company's general meeting). In addition to returns in the form of dividends,

shareholders may also receive returns through capital appreciation () as the share price rises. Typically, where a company reports consistently positive and growing financial results over the long term, the value of such companies' shares rises, thereby offering investors the opportunity to realise a return if they sell these shares at a price higher than their purchase price. Similarly, however, in the event of a negative trend in a company's financial results, the value of its shares may fall. The fundamental motivation for investing in shares, as indicated by the text above, is to acquire a stake in the company's assets, subsequently participate in its management, and generate a return on this investment through dividends. A second motive, which may be linked to the first or pursued independently, is the expectation of a positive change in the value of the shares over time. In this case, the investor relies on an increase in the market value of the shares, through which they would achieve a positive difference between the selling and buying prices. In the first case, this is clearly a long-term investment; in the second case, it is also possible to take advantage of short-term changes in the market price to achieve the expected return on the investment.

A contract for differences, or 'CFD', is a derivative other than an option, a future, a swap or a forward rate agreement, the purpose of which is to provide the holder with a long or short exposure to fluctuations in the price, level or value of the Underlying Asset, regardless of whether it is traded on a trading venue, and which must be settled in cash or may be settled in cash at the option of one of the contracting parties for a reason other than default or another event resulting in the termination of the contract

Article 2

Risks associated with investing in financial instruments and trading via the trading platform

- 2.1. Investing in financial instruments via a trading platform involves various risks that may affect the return on investment to a greater or lesser extent. The purpose of this document is to provide information and general warnings about the risks associated with financial instruments so that the investor gains a general overview of financial instruments, understands how they work and is sufficiently aware of the risks associated with them to make an investment decision.
- 2.2. It is not appropriate for an investor to make an investment decision without familiarising

themselves with the nature and characteristics of individual financial instruments and without understanding the extent of their exposure to the associated risks. Every investment or investment decision made by an investor should therefore take into account the investor's knowledge and experience with individual financial instruments, their investment intentions and objectives, and, not least, their financial situation.

- 2.3. The Trader endeavours to explain to the Client the general risks associated with most financial instruments. The risks described in this document may occur simultaneously in relation to individual financial instruments and may have an unpredictable impact on the value of the investment. Similarly, investors must be aware that every financial instrument involves a certain degree of risk; therefore, even investment strategies with a low-risk profile contain a certain degree of uncertainty. The specific risks associated with an investment then depend on various factors, including the manner in which the relevant financial instrument was issued or structured.
- 2.4. All Clients or potential Clients are entitled to receive information on the general nature of financial instruments and the risks associated with financial instruments, which the Trader is obliged to provide in good time prior to the provision of the service, so as to provide the investor with a sufficient basis for making an investment decision.
- 2.5. The Trader's obligation to inform Clients about the specific risks associated with financial instruments depends on the Client's categorisation and takes into account the Client's knowledge and experience in relation to trading in financial instruments.

2.6. Types of risk

Risk expresses the probability of damage, loss or threat occurring. Financial risk is generally defined as a potential financial loss to an entity and occurs in financial markets. A potential loss does not represent an existing realised or unrealised financial loss, but a future loss arising from an investment in a given financial instrument. These are risks that can be anticipated, and their impact on the overall return on investment can be mitigated. Even with sound investment, financial market risks can be utilised to achieve higher investment returns. The individual risks associated with investing in financial instruments may be risks that apply to all types of financial instruments. The aim of this section of the document is therefore to summarise the basic risks associated with financial instruments, which can generally be applied to any financial instrument at .

Market risk

Market risk exposes the investor to risk arising from market developments in the form of changes in exchange rates, interest rates, share prices, credit spreads, index values or market volatility. A limited number of sophisticated methods for tracking and monitoring financial markets can lead to low levels of transparency, efficiency, liquidity and regulation in individual markets. Furthermore, these markets are characterised by high volatility, significant price movements and the possibility of market manipulation and insider trading.

Interest rate risk

The risk of loss arising from changes in the price of instruments sensitive to changes in interest rates is known as interest rate risk. This primarily involves the risk of changes in interest rates, changes in the shape of the yield curve, changes in interest rate volatility, and changes in the relationship or spread between interest rate indices. A change in interest rates may expose the holder of a financial instrument to a risk of loss if the financial asset is sensitive to changes in interest rates and the investor decides to sell the instrument before its maturity date (bonds are a typical example). Interest rate risk is most commonly associated with debt instruments. For equity instruments such as shares, the risk associated with interest rates is significantly lower, as it affects share price movements from a long-term macroeconomic perspective.

Currency risk

We are exposed to this risk when investing in a foreign currency. It is the risk that the foreign currency in which the asset is denominated will depreciate against the domestic currency during the investment period, thereby reducing the return on the investment expressed in the domestic currency. Exchange rate risk therefore arises in cases where there is a risk of loss resulting from changes in the prices of instruments sensitive to changes in exchange rates. This primarily involves the risk of changes in the spot exchange rate and the risk of changes in exchange rate volatility. An investor may be exposed to exchange rate risk in the following cases:

- a) the purchase of a financial instrument is made in a foreign currency, whereby the foreign currency was purchased using their domestic or another foreign currency, and upon the termination of the investment, the investor plans to convert the funds back

into their domestic or another foreign currency,

b) The investment is made through a financial instrument that allows the investment return, and possibly the original investment amount, to be paid out during the term of the product or at maturity in a currency other than the original investment currency.

A factor in investment that is often underestimated by investors is precisely exchange rate risk and its impact on the overall return on investment. A loss arising from a change in the exchange rate may ultimately reduce, completely wipe out or even exceed the original return on investment. Before making an investment decision, investors should therefore consider the possibility of exposure to exchange rate risk.

Hedging and hedging operations may limit potential losses and risks arising from transactions in local currencies; however, these risks cannot be completely eliminated due to the unpredictability of local market behaviour.

Liquidity risk

The risk that the purchase or sale of a financial instrument cannot be executed as quickly or within the timeframe required by the investor is known as liquidity risk. The market liquidity of a given financial instrument depends on how the market is organised (regulated market or OTC market), on the number of market participants, but to the greatest extent on the characteristics of the financial instrument itself. Generally speaking, the shorter the time a financial instrument has been established on the market, the lower its liquidity. The liquidity of individual financial instruments is not a constant and may change over time, for example as a result of time zone shifts, when global market liquidity shifts along with the time. Investors should inform themselves about the liquidity of a given share and the possibility of reselling it, particularly when seeking to execute a transaction involving shares outside the main indices of individual stock exchanges. As a result of the impact of natural disasters or the impact of social, economic and political changes on the supply and demand of emerging markets, these factors may cause much more rapid and prolonged changes than would be the case in developed markets, and in extreme cases may lead to a complete lack of liquidity in the relevant market. This may result in an investor being unable to sell their assets should they wish to exit or reduce their investments in emerging markets.

s should also request information on liquidity in the case of commonly traded shares if they have no experience of investing in the share in question or if a significant period of time has

elapsed since the last Transaction was executed.

Place of performance risk

The risk of the place of execution is associated with the market or place where Transactions involving the relevant financial instrument are executed. This applies where the place of execution is not the same as the investor's 'domestic' place of execution. At the same time, the investor is exposed to currency risk. Any investment in a foreign market or containing a foreign element may be associated with the risks of that foreign market, which may differ from domestic market risks. Emerging markets are a specific case, as they often involve risks not found in developed markets. Investments in these markets are often speculative in nature and should be carefully assessed, taking into account the potential risks associated with these markets.

Inflation risk

Inflation (the depreciation of the value of money) effectively reduces the return on our investment. To calculate the real return on an investment, we must deduct the rate of inflation. It is also important to realise that as inflation rises, the purchasing power of the investment falls.

Relative performance risk

Relative performance risk is the risk that the performance of a financial instrument will not match that of a benchmark (market standard). It arises when an investor purchases a financial instrument based on a comparison of its performance with that of another financial instrument considered to be the benchmark.

Country risk

New taxes, new regulatory rules, new legislation or restrictions on benefits that the investor obtained at the time of investing in the relevant financial instrument providing these benefits constitute country risk. This can only be caused by the government or any relevant public authority. Closely linked to country risk is political risk, associated primarily with a possible change in the political forces or direction of the country in question, accompanied by a change in the tax, legal, fiscal or other systems affecting returns on investments related to that country. The existence of political risk causes anxiety among individual market participants. This may manifest itself in the form of higher volatility in the prices of financial instruments, which may lead to sell-offs on in the relevant markets caused by a change in

investors' attitude towards risk.

Volatility risk

Volatility measures the variability (instability) of a financial instrument's price and is high if the price of the financial instrument fluctuates significantly over a given period (for some instruments this is on a daily basis, for others it is a longer period). Volatility risk is associated with price movements of individual financial instruments. It is determined by comparing the average difference between the lowest and highest price of a financial instrument over a specified period and expresses the risk of potential loss due to the degree of price fluctuation of that financial instrument. Volatility is unique to each financial instrument, each market and each observed time period. Volatility is a highly unstable variable in terms of its value over time. Even volatility itself is subject to volatility. Therefore, before investing, the Client should inform themselves about the current or historical volatility of the financial instrument in question and its impact on the profitability of the intended investment decision.

Settlement risk

The risk that a transaction in a financial instrument is not settled or that the financial instrument is not delivered on the agreed date is known as settlement risk. In this case, the risk is equal to the difference between the agreed price of the financial instrument and the actual market price on the settlement date; this difference may result in a loss if the Transaction is not settled and the relevant trade in the financial instrument has to be executed at the current market price. Securities trades have different procedures for settlement and delivery, and some settlement procedures may be subject to volume-based restrictions that determine the method and process of settlement. The inability to settle a Transaction as a result of such procedural constraints may limit the investor's ability to invest in other alternative investment opportunities, or result in the loss of such opportunities.

Risk associated with leverage

The principle of financial leverage is the use of a small amount of the Client's own funds, which is supplemented for investment purposes by a larger amount of borrowed funds, such as those of the Dealer. This practice can significantly increase profits (but also losses). Financial leverage is usually used to increase returns on a trade. The risk associated with leverage is therefore the possibility of a greater loss for the Client, compared to the loss from the same investment without the use of borrowed funds.

Risk associated with sustainability

A sustainability risk refers to an environmental or social event or condition, or a governance-related event or condition, which, if it were to occur, could have a material adverse effect on the value of an investment, as set out in the relevant European Union legislation. In short, this means that anything (phenomenon, condition, event) relating to sustainability factors affecting the value of an investment constitutes a risk affecting (threatening) sustainability. In this context, 'investment' does not refer solely to investment in the sense of trading on the capital market, but to any instrument held by the Client in the areas of banking, insurance, asset management (mutual funds), pension savings and the like.

Risks associated with investing in emerging markets

Currently, investors are increasingly turning to financial instruments traded in emerging markets, which offer investors alternative investments with higher returns compared to traditional markets. However, higher returns are also associated with a higher degree of risk, which is often very specific to the market and financial instrument in question. Emerging markets represent markets for trading in financial instruments, characterised in particular by:

- a) volatile economic performance,
- b) a certain degree of political instability,
- c) unpredictable financial markets and economic growth parameters,
- d) financial markets that are still in the development stage.

Emerging markets are markets to which one or more of the above characteristics apply. An investor is exposed to risks if they invest in financial instruments on a developed market and the issuer of these instruments is based in an emerging market or focuses its activities primarily on these markets. Before investing in such instruments, an investor should familiarise themselves with all the risks associated with investing in these markets. Investing in financial instruments available in emerging markets is often speculative in nature. The following list of risks provides basic information on the risks that should be taken into account when investing in emerging markets .

Economic risk

Market turbulence and price volatility are more likely and of a greater magnitude in emerging market economies, which are more sensitive to changes in interest rates and inflation.

Furthermore, the focus of business activities and production in such economies is often relatively narrow, and therefore individual events can have a significantly greater impact on the economy and markets than is the case in developed economies and markets. Adequate regulation and monitoring by national regulators is a major shortcoming in emerging markets.

Legal risk

Legal uncertainty may exist in these markets due to the national jurisdiction's lack of experience with the functioning of financial markets. Furthermore, the absence or inadequacy of a financial market monitoring system may lead to problems and difficulties in exercising the investor's rights arising from the holding of financial instruments.

Political risk

The risk of fundamental changes in the national economy and political system in the short term is heightened by the instability of the political system and the inexperience of the country's political leaders or government. The consequences for investors may include the confiscation of the investor's assets without compensation, restrictions on the investor's rights in relation to asset ownership, or a dramatic change in the value of the investor's assets as a result of state intervention or the introduction of state control and monitoring mechanisms.

Risk of insolvency

Insolvency or failure to meet obligations on the part of the Trader or other parties involved in Transactions executed by the Trader on behalf of the Client (including, but not limited to, brokers, execution venues and liquidity providers) may lead to the liquidation or closure of positions without the Client's consent, and the Client may consequently suffer losses. In the unlikely event of the Trader's insolvency, Clients' funds held in segregated accounts may not be used to satisfy the Trader's creditors. If the Trader is unable to settle outstanding claims, eligible claimants are entitled to compensation from the Investment Guarantee Fund.

The Trader may become temporarily or permanently insolvent, which may lead to an inability to meet its obligations. Solvency may change as a result of one or more factors, including the Issuer's financial outlook, its economic sector and/or the political and economic situation of the countries in which the Issuer and/or its business is based. A deterioration in the Issuer's solvency will affect the price of the securities it issues.

Risks associated with third parties

It is understood that the Trader deposits Clients' funds into one or more segregated accounts (referred to as "client accounts") held with reputable financial institutions, such as a credit institution or a bank in a third country. Although the Trader exercises due skill, care and diligence in selecting a financial institution in accordance with applicable regulations, it is clear that there are circumstances beyond the Trader's control, and therefore the Merchant accepts no liability for any loss suffered by the Client as a result of the insolvency or any other similar event or failure of the financial institution in which the Client's funds are held.

The financial institution to which the Trader entrusts the Client's funds may hold them in a current account. Therefore, in the event of insolvency or any other similar event affecting that financial institution, the Trader may have only an unsecured claim against the financial institution on behalf of the Client, and the Client will be exposed to the risk that the funds received by the Trader from the financial institution will be insufficient to settle the Client's claims. In general, accounts held with institutions, including omnibus accounts, are subject to various risks, including the potential risk that they will be treated as a single (1) account in the event of a default by the financial institution in which the funds are held. In such circumstances, any applicable deposit protection scheme may apply regardless of the Clients being the ultimate beneficial owners of the omnibus account. Furthermore, in such a case, crisis resolution measures may be taken, including the write-off of the Client's funds.

The Trader may deposit the Client's funds with a custodian, who may have a security interest, lien or right of set-off in respect of those funds.

The Bank or the Broker through which the Trader trades may have interests that conflict with the Client's interests.

Technical risks

The Client, not the Trader, is responsible for the risks of financial loss caused by the failure, malfunction, interruption, disconnection or malicious acts of information, communication, electrical, electronic or other systems.

Where the Client executes Transactions via an electronic system, they will be exposed to risks associated with that system, including failure of hardware, software, servers, communication lines and the internet. Such a failure may result in the Client's Order not being executed in accordance with their instructions or not being executed at all. The Broker accepts no liability in the event of such a failure.

The Client acknowledges that unencrypted information transmitted by email is not protected against unauthorised access.

At times of increased trading volume, the Client may experience connection problems via telephone or the Trader's platform(s)/system(s), particularly in a fast-moving Market (for example, at the time of the release of key macroeconomic indicators).

The Client acknowledges that the internet may be subject to events that may affect their access to the Trader's website and/or the Trader's trading platforms/systems, including, but not limited to, transmission interruptions or outages, software and hardware failures, disconnection from the internet, failures in the public electricity grid or hacker attacks. The Merchant shall not be liable for any damage or loss arising from such events beyond its control, nor for any other losses, costs, liabilities or expenses (including, but not limited to, loss of profit) that may arise from the Client's inability to access the Merchant's website and/or trading platform, or from delays or failures in the transmission of orders or Transactions.

In connection with the use of computer technology and data and voice communication networks, the Client bears, among others, the following risks, for which the Merchant shall not be liable for any loss:

- a) Power failure affecting equipment on the Client's side or on the side of the provider or operator of the communication (including voice communication) whose services the Client uses;
- b) Physical damage (or destruction) to the communication channels used to connect the Client and the provider (communication operator), or the provider and the Client's business or information server;
- c) Failure (unacceptably poor quality) of communication via channels used by the Client or the Trader, or via channels used by a communications provider or operator (including voice communication) whose services are used by the Client or the Trader;
- d) Incorrect settings or settings that do not comply with the requirements of the trading platform;
- e) Premature updating of the trading platform;
- f) When executing Transactions via telephone voice communication (via landline or mobile phone), the Client is exposed to the risk of difficulty in getting through to a member of the Trader's brokerage services department due to issues with communication quality and the load on the communication channel;
- g) The use of communication channels, hardware and software entails the risk of messages (including text messages) sent to the Client by the Trader not being received;
- h) Trading by telephone may be prevented by a busy line;
- i) Platform failure or malfunction.

2.7. The Client may suffer financial losses caused by the materialisation of the above risks, and the Trader shall bear no liability in the event of such a risk materialising; the Client is liable for all related losses that may arise.

2.8. Trading platform

When trading on the electronic platform, the Client is exposed to the risk of financial loss, which may result from, among other things:

- a) Failure of the Client's equipment or software, or poor connection quality.
- b) Failure, malfunction or misuse of the Trader's or Client's hardware or software.

c) Malfunction of the Client's equipment.

d) Incorrect platform settings.

e) Delays in platform updates.

The Client acknowledges that only one Order may be in the queue at any one time. Once an Order has been sent, a new Order may be placed by the Trader.

The Client acknowledges that the only reliable source of information regarding quote streams is the live server quote feed. The quote feed within the platform is not a reliable source of information regarding quote streams, as the connection between the platform and the server may be interrupted at any time and some quotes may simply fail to reach the platform.

The Client acknowledges that an Order sent to the server will not be cancelled by the Client closing the window used for placing/cancelling Orders or the window used for placing/closing positions.

Orders can only be executed one at a time. It is not possible to execute multiple Orders from a single Client account at the same time.

The Client acknowledges that once an Order is placed, it cannot be cancelled.

In the event that the Client has not received the result of the execution of a previously sent Order but decides to repeat the Order, the Client accepts the risk of two Transactions being executed instead of one.

The Client acknowledges that if a pending Order has already been executed, but the Client sends an instruction to change its level, the only instruction that will be executed is the instruction to change the stop loss and/or take profit level on the position opened by the triggering of the pending Order.

2.9. Communication between the Client and the Broker

The Client accepts the risk of financial losses caused by the fact that the Client received a notification to the Trader late or did not receive it at all.

The Client acknowledges that unencrypted information transmitted via email is not protected against unauthorised access.

The Merchant shall not be liable if unauthorised third parties gain access to information, including email addresses, electronic communications, personal data and login details, during the transmission of such information between the Merchant and the Client, or during the use of the internet or other network communication devices, telephone or other electronic means, except where this occurs as a direct result of the Merchant's culpable act or omission.

The Client is fully responsible for the risks associated with undelivered internal messages sent to the Client by the Merchant via the Merchant's online trading system.

2.10. Unusual market conditions

The Client acknowledges that, under unusual market conditions, the time taken to execute Orders may be longer, or it may not be possible to execute Orders at the quoted prices or to execute them at all.

Unusual conditions include, but are not limited to, periods of sharp price fluctuations, rises or falls during a single trading session to such an extent that, under the rules of the relevant exchange, trading is suspended or restricted, or there is insufficient liquidity, or this may occur at the opening of trading sessions.

2.11. Force majeure

In the event of force majeure, the Trader may not be able to ensure the execution of the Client's Orders or fulfil its obligations under the agreement with the Client. As a result, the Client may suffer a financial loss.

The Trader shall not be liable for any loss or damage arising from any failure, interruption or delay in the performance of its obligations under the Agreement with the Client, if such failure, interruption or delay is caused by force majeure.

Article 3

General information on the risks associated with certain financial instruments

3.1. Introduction

General warnings regarding the risks of complex financial instruments (derivative financial instruments such as CFDs)

Trading CFDs may put the Client's capital at risk, particularly if used for speculative purposes. CFDs are classified as high-risk complex financial instruments and Clients may lose the amount invested.

Clients' investment decisions and any investment advice provided by the Trader to the Client are subject to various market, currency, economic, political, commercial risks, etc., and may not necessarily be profitable.

The Client acknowledges and accepts without reservation that, regardless of any investment advice or information the Trader may have provided, the value of any investment in financial instruments may fluctuate upwards or downwards. The Client acknowledges and accepts without reservation that there is a significant risk of loss and damage arising from the purchase or sale of any financial instrument, and confirms their willingness to assume such risk.

Below is an overview of the main risks and other significant aspects of CFD trading:

CFD trading is highly speculative and high-risk and is not suitable for all members of the general public, but only for those investors who:

- a) understand and are willing to assume the economic, legal and other risks,
- b) taking into account their personal financial situation, financial resources, lifestyle and obligations, are financially capable of accepting the loss of their entire investment,
- c) have the knowledge to understand CFD trading and the underlying assets and markets.

The Trader may provide the Client with information and tools sourced from third parties on an 'as is' basis (i.e. the Trader neither endorses nor confirms such information and/or tools), which may indicate the development of trading trends or trading opportunities. The Client acknowledges and understands that any actions taken on the basis of information and/or tools provided by third parties may result in losses and/or an overall reduction in the value of the Client's assets. The Trader shall not be liable for any losses arising from actions taken by the Client based on information and/or tools provided by third parties.

CFDs are financial derivatives whose value is derived from the price of the underlying assets/markets to which they relate (e.g. currencies, stock indices, shares, commodities, indices, etc.). Although the prices at which the Trader trades are determined by an

algorithm developed by the Trader, the prices are nevertheless derived from the underlying assets/market. It is therefore important that the Client understands the risks associated with trading the relevant underlying asset/market, as fluctuations in the price of the underlying asset/market will affect the profitability of their trade.

Information on the past performance of a financial instrument does not guarantee its current and/or future performance. The use of historical data does not constitute a binding or reliable forecast regarding the future performance of the financial instruments to which the information relates.

3.2. Leverage and ‘gearing’

Transactions in foreign exchange and derivative financial instruments involve a high degree of risk. The amount of the initial margin may be small in comparison with the value of the foreign exchange or derivative contract, so that “leverage” or “gearing” applies to the Transactions.

A relatively small movement in the market will have a proportionally greater impact on the funds the Client has deposited or will be required to deposit; this may work both against the Client and in the Client’s favour. The Client may suffer a total loss of the Initial Margin funds and any further funds deposited with the Trader to maintain their position. If the market moves against the Client’s position and/or Margin Requirements increase, the Client may be required to deposit additional funds within a short period of time to maintain their position. Failure to comply with this request to deposit additional funds may result in the Trader closing the Client’s position(s) on their behalf, and the Client will be liable for any resulting losses or shortfall.

3.3. Guidelines or strategies for risk reduction

Placing certain orders (e.g. “stop-loss” orders, where permitted by local laws, or “stop-limit” orders), which are designed to limit losses to specific levels, may not be appropriate given that market conditions may prevent the execution of such orders, e.g. due to insufficient market liquidity. Strategies utilising a combination of positions, such as “spread” and “straddle” positions, may be just as risky as standard “long” or “short” positions. For this reason, stop-limit and stop-loss orders cannot guarantee a limit on losses.

Neither trailing stop nor stop-loss orders can guarantee that losses will be limited.

3.4. Volatility

Some derivative financial instruments are traded within wide intraday price ranges and are subject to volatile price movements. Clients must therefore carefully consider that there is a high risk of both losses and gains. The price of derivative financial instruments is derived from the price of the Underlying Asset to which they relate. Derivative financial instruments and the related Underlying Markets can be highly volatile. The prices of derivative financial instruments and the Underlying Asset may fluctuate sharply and over a wide range, and may reflect unforeseeable events or changes in conditions that neither the Client nor the Trader can control. Under certain market conditions, it may not be possible to execute the Client's Order at the quoted prices, which may result in losses. The prices of derivative financial instruments and the Underlying Asset will be influenced, among other things, by changes in supply and demand, government, agricultural, commercial and trade plans and policies, national and international political and economic events, and the prevailing psychological characteristics of the relevant market.

3.5. Margin

The Client acknowledges and accepts that, regardless of any information the Trader may provide, the value of derivative financial instruments may fluctuate upwards or downwards, and it is even likely that the investment may become worthless. This is a consequence of the margin system applied to such trades, which generally involves a relatively modest deposit or margin in relation to the total value of the contract, so that a relatively small movement in the underlying market can have a disproportionately dramatic effect on the Client's trade. If the movement in the underlying market is in the Client's favour, the Client may make a good profit, but an equally small adverse movement in the market may not only quickly lead to the loss of the Client's entire deposit, but may also expose the Client to significant further loss.

3.6. Liquidity

Some Underlying Assets may not become immediately liquid due to reduced demand for the Underlying Assets, and the Client may not be able to obtain information regarding their value or the extent of the associated risks.

3.7. Contracts for Differences

CFDs available for trading with the Broker are spot transactions without direct acquisition

of the asset, which provide an opportunity to profit from changes in the Underlying Asset (cash indices, index futures, bond futures, commodity futures, spot oil, spot gold, spot silver, individual shares, currencies or other assets at the Broker's discretion). If the movement of the Underlying Asset is favourable to the Client, the Client may make a good profit; however, even a small adverse market movement may not only quickly lead to the loss of the Client's entire deposit but also to further fees and expenses incurred. The Client must therefore not trade CFDs unless they are prepared to bear the risk of losing all the money they have invested, as well as incurring further fees and expenses.

Investing in CFDs carries the same risks as investing in futures or options, and the Client should be aware of the risks outlined above. CFD transactions may also involve a contingent liability, and the Client should be aware of the associated consequences, which are set out below in the section "Investment Transactions with Contingent Liability".

3.8. Over-the-Counter Transactions in Derivative Financial Instruments

CFDs offered by the Trader are over-the-counter Transactions. We set the trading terms (in accordance with the trading terms adopted by our liquidity providers) and are subject to obligations to secure the best possible result, to act reasonably and in accordance with the Agreement between the Trader and the Client and the Order Execution Policy. Any CFD that the Client opens via our trading platform results in the placement of a Trader's Order; such Orders may only be concluded by the Trader and are not transferable to another person. Whilst some over-the-counter markets are highly liquid, Transactions in over-the-counter or non-transferable derivatives may involve a higher risk than investments in exchange-traded derivatives, as there is no exchange market on which to close an open position. It may not be possible to liquidate an existing position, assess the value of a position arising from an OTC Transaction, or assess the exposure to risk. Bid and Ask prices may not be quoted, and even if they are, they are set by the sellers of these instruments, and it may therefore be difficult to determine what constitutes a fair price.

In relation to CFD Transactions, the Trader uses online trading systems for CFD Transactions which do not fall within the definition of a recognised exchange, as they are not a multilateral trading facility and therefore do not offer the same level of protection.

3.9. Investment Transactions with a Contingent Liability

For margin-based investment transactions involving a contingent liability, the Client is

required to make a series of payments towards the purchase price, rather than paying the full purchase price immediately. The margin requirement will depend on the Underlying Asset of the financial instrument. Margin requirements may be fixed or calculated based on the current price of the underlying instrument and are available on the Trader's website.

If the Client trades CFDs, they may suffer a total loss of the funds they have deposited to open and maintain a position. If the market moves against the Client, they may be required to deposit additional funds within a short period to maintain their position. If the Client fails to do so within the required time, their position may be liquidated at a loss and the Client will be liable for the resulting deficit. It should be noted that the Broker is under no obligation to notify the Client of a Margin Call to maintain a losing position.

Even if a Transaction is not margined, it may still, under certain circumstances, entail an obligation to make further payments in excess of the amount paid at the time the Client entered into the contract.

Investment Transactions with a contingent liability that are not traded on a recognised or designated investment exchange or in accordance with its rules may expose the Client to significantly higher risk.

3.10. Margin

If the Client deposits collateral as security with the Dealer, the manner in which it is treated will vary depending on the type of Transaction and the venue on which it is traded. There may be significant differences in the treatment of margin depending on whether the Client trades on a recognised or designated investment exchange under the rules of that exchange (and the associated clearing house) or over-the-counter. The margin deposited may lose its identity as the Client's property as soon as a trade is executed on their behalf. Even if the Client's trade ultimately proves profitable, they may not receive back the same assets they deposited and may have to accept payment in cash.

3.11. Suspension of trading

Under certain market conditions, it may be difficult or impossible to liquidate a position. This may occur, for example, during periods of sharp price fluctuations, if the price rises or falls during a single trading session to such an extent that, in accordance with the rules of the relevant exchange, trading is suspended or restricted. Placing a stop-loss order does not necessarily limit the Client's losses to the specified levels, as market conditions may

prevent such an order from being executed at the specified price. Furthermore, under certain market conditions, a stop-loss order may be executed at a price worse than the specified one, and the resulting losses may be greater than expected.

3.12. Non-delivery of the Underlying Asset

It is understood that the Client has no rights or obligations in relation to the Underlying Assets associated with the CFDs they trade. There is no delivery of the Underlying Asset.

3.13. Slippage

Slippage is the difference between the expected price of a transaction in financial instruments and the price at which the transaction is actually executed. Slippage often occurs during periods of increased volatility (for example, due to news events) which prevent an order from being executed at a specific price when market orders are used, and also when large Orders are executed where there may not be sufficient interest at the required price level to maintain the expected trade price.

3.14. No guarantee of profit

When trading in financial instruments, the Trader does not provide any guarantee of profit or of avoiding losses. The Client has not received any such guarantee from the Trader or any of its representatives. The Client is aware of the risks associated with trading in financial instruments and is financially capable of bearing these risks and any losses incurred.

Article 4

Final Provisions

4.1. This document was approved by the Trader's Board of Directors on 1 June 2026, with effect from 1 June 2026