Risk Disclosure Statement for Securities Trading

Effective as of 14.03.2025

Admiral Markets AS, a company incorporated in Estonia with registry code 10932555 and registered office at Maakri 19/1, 10145 Tallinn, Estonia ("we", "us", or "our"), is an investment firm authorised and regulated by the Estonian Financial Supervision and Resolution Authority (*Finantsinspektsioon*) under license No. 4.1-1/46.

This Risk Disclosure Statement for Securities Trading (the "Statement") is provided in accordance with the requirements of applicable European Union ("EU") legislation, including Directive 2014/65/EU ("MiFID II"), Regulation (EU) 600/2014 ("MiFIR"), as well as the Estonian Securities Market Act (Väärtpaberituru seadus) ("SMA") and other relevant legislation of the Republic of Estonia, which transpose EU financial services legislation into Estonian law (collectively, the "Applicable Regulations").

The purpose of this Statement is to provide clients ("you" or "your") with a general overview of the principal risks associated with securities trading. For the purposes of this Statement, "securities" refers to shares, exchange-traded funds (ETFs), and other financial instruments available for trading through the Invest.MT5 account you may have opened with us. The risks outlined in this Statement are indicative and not exhaustive, and this Statement should be read in conjunction with other legal and informational materials made available to you, including our Terms and Conditions.

This Statement is intended to serve as a general guide to help you understand the nature of the potential risks involved. You should ensure that any decision to trade securities with us is made on an informed basis and that you are satisfied with the information available to you. If you are uncertain about any part of this Statement or do not fully understand the information presented, you are strongly encouraged to seek independent financial and/or legal advice.

Reviewing this Statement does not oblige you to engage in any investment activity. However, its content is intended for individuals who are considering trading with us.

This Statement is subject to periodic updates. The most recent version is always available on our website at: https://admiralmarkets.com/start-trading/documents?regulator=efsa. You are encouraged to review this Statement regularly on our website to remain informed of any material changes.

Additional policies relevant to the investment and ancillary services we provide are available on our website at: https://admiralmarkets.com/start-trading/documents?regulator=efsa.

Please read the following information carefully before engaging in any trading activity with us.

1. Market Risk

Market risk refers to the possibility that the value of investments may decline due to broad economic developments or events that affect the entire financial market. This type of risk may result in losses arising from overall adverse price movements in the securities market or within a specific market segment.

Such price movements can be triggered by a range of factors, including but not limited to:

- · Weak economic indicators from a relevant country or industry sector;
- · Macroeconomic instability;
- · Political or regulatory uncertainty; or

General volatility in the securities markets.

You should be aware that market risk can affect both individual instruments and portfolios, regardless of the quality or performance of the underlying issuer.

Investing in shares or ETFs directly exposes you to issuer-specific risk that is also a significant driver of the market value of your investments. This is the risk that the individual company that issued the shares, or the underlying companies whose shares are included in an ETF, may experience financial difficulties, adverse business developments, poor management, industry-specific challenges, or even insolvency. Such events can cause a significant decline in the value of that specific security, potentially leading to a total loss of your investment in that security, irrespective of overall market trends or the performance of other securities. You should carefully evaluate the financial health, business model, competitive landscape, and management of an issuer before investing.

2. Volatility Risk

Volatility risk refers to the risk of significant and rapid fluctuations in the value of a financial instrument. High volatility typically means that the price of a security may experience sharp increases or decreases over a short period of time.

Volatility is often more pronounced in illiquid or less frequently traded securities, where smaller volumes can lead to disproportionate price movements. However, even highly liquid instruments can exhibit volatility in response to macroeconomic events, company-specific developments, or market sentiment.

You should also be aware that volatility may be heightened around earnings announcements, economic data releases, or geopolitical developments.

As a result of high volatility:

- Orders placed may not be executed or may only be partially executed;
- The execution price of a market order may differ significantly from the last quoted price;
- There may be increased price uncertainty, which can result in actual or notional losses.

You should be aware that volatility can impact both trading outcomes and the valuation of your positions.

3. Liquidity Risk

Liquidity risk refers to the possibility that you may not be able to buy or sell a security quickly, at a competitive price, or with minimal price impact. Liquidity is generally higher when there are more active buy and sell orders in the market, which allows for faster execution and smaller price differences between trades.

Higher liquidity typically makes it easier to enter or exit positions swiftly and increases the likelihood that you will pay or receive a competitive price when your trade is executed. In contrast, securities that are infrequently traded or have low market participation tend to exhibit lower liquidity, making them more difficult to buy or sell without incurring significant price concessions.

Liquidity risk may increase significantly during periods of market stress or trading halts. Under certain market conditions — for example, when there are no active orders on either the buy or sell side, or when trading in a security is suspended — it may be difficult or even impossible to liquidate a position at a reasonable price.

4. Speculative Trading Risk

Speculative trading involves attempting to profit from short-term fluctuations in the market value of securities, rather than from the fundamental value or underlying characteristics of those securities. Such transactions carry a high degree of uncertainty regarding the potential for gain or loss.

Almost all investment activities involve some level of speculative risk, as future market movements and investment outcomes cannot be predicted with certainty. Speculative strategies are typically short-term and may not be suitable for investors with low risk tolerance. You should be aware that speculative trading may result in significant financial losses as well as potential gains.

5. Risk Pertaining to Price Fluctuations by Virtue of Corporate Announcements

Corporate announcements or the release of other material information by an issuer may significantly impact the market price of its securities. Such announcements may include earnings reports, dividend declarations, mergers or acquisitions, changes in management, regulatory actions, or other market-sensitive disclosures.

When combined with relatively lower liquidity in a given security, these announcements may lead to heightened price volatility. As a result, the execution of trades may become more difficult, and the market price may move sharply within a short timeframe, increasing the potential for losses.

Certain corporate events may also result in trading suspensions or specific settlement conditions that affect execution.

Furthermore, in the event of corporate actions affecting securities you hold through your Invest.MT5 account (such as, but not limited to, stock dividends, stock splits, rights issues, mergers, or spin-offs), we may, at our discretion or due to operational or systemic limitations imposed by our execution venues or custodians, settle the economic effect of such corporate actions in cash to your account. This cash adjustment will aim to reflect the monetary value of the corporate action. This means you may receive a cash equivalent even if the corporate action for direct shareholders involved the distribution of additional securities or other non-cash entitlements. The specific handling of any corporate action will be determined by us, and details will be communicated to you as appropriate.

6. Systems Risk

Systems risk refers to the possibility of incurring losses due to technical malfunctions in the infrastructure involved in securities trading. These may include failures or disruptions in the systems of depositories, custodians, stock exchanges, or other entities responsible for the execution and settlement of transactions.

Such malfunctions may result in delays in execution, transaction rejections, settlement delays, erroneous transfers, or other operational issues. Additionally, issues related to internet connectivity, such as slowness or temporary outages, may disrupt your ability to place, modify, or close trades, potentially resulting in financial losses.

Periods of high trading volume or market volatility may also lead to delays in order execution. During such times, rapid and frequent modification of orders by market participants can overload systems, contributing to execution delays or order rejections.

7. Regulatory and Legal Risk

Regulatory and legal risk refers to the possibility that changes in laws, regulations, governmental policies, or administrative procedures may negatively impact the value or profitability of securities investments.

Such changes may include, but are not limited to, amendments to tax regimes, the imposition of levies, restrictions on trading activities, or sector-specific regulatory interventions. These actions may affect the risk-return profile of certain investments, particularly if policy changes disproportionately impact specific industries or asset classes.

Where cross-border trading is involved, differing regulatory standards or investor protections may apply. Because the regulatory environment evolves over time, you should be aware that existing investment assumptions may be rendered less accurate or entirely obsolete due to legal or policy developments.

8. Political Risk

Political risk refers to the possibility that political events or developments in the country or region where the securities are issued or where the issuer is located may negatively affect the value of your investments. Such events may undermine political or economic stability and, in severe cases, may result in the partial or total loss of invested capital.

Examples of political risk include:

- · Radical changes in the economic or legislative framework, such as nationalisation or expropriation;
- Social unrest or internal political crises, including civil disturbances or widespread protests;
- Governmental interventions or sanctions affecting specific sectors or issuers.

Political risk also includes the imposition of capital controls or international sanctions affecting issuers or markets. These events may occur unpredictably and could have a lasting impact on the performance or accessibility of your investments in the affected jurisdiction.

9. Settlement System Risk

Settlement system risk refers to the possibility of losses arising from failures or disruptions in the systems or processes used for the clearing and settlement of securities transactions. This includes potential technical malfunctions in the infrastructure of securities registers, stock exchanges, clearing houses, or other market institutions.

Such failures may result in the cancellation of transactions, delays in post-trade settlement, erroneous transfers, or other operational issues. These events can interfere with the proper completion of trades and may lead to financial losses.

See also Section 6 (Systems Risk) for related considerations.

10. Currency Risk

Currency risk refers to the potential impact of exchange rate fluctuations on the value of transactions denominated in a foreign currency. If a security or contract is priced in a currency other than your account or domestic currency, any gains or losses may be amplified or reduced when converted back due to changes in exchange rates.

This risk arises regardless of whether the transaction is executed in your local jurisdiction or abroad, and it may affect both realised and unrealised returns. While hedging strategies may be employed, they do not fully eliminate currency risk.

11. Information Risk

Information risk refers to the possibility of making uninformed or poor investment decisions due

to receiving incomplete, inaccurate, or inadequate information about a security. This may occur when relevant data is unavailable, outdated, misrepresented, or misunderstood.

Information risk may also arise from:

- · Reliance on unreliable or unverified sources;
- Communication errors or technical barriers in accessing information;
- Misinterpretation of otherwise accurate disclosures.

These factors may impair your ability to assess the true value or risk profile of a security, potentially resulting in financial loss.

It is your sole responsibility to actively seek out, monitor, and understand information directly from the issuers of the securities you invest in, including their official financial reports, shareholder communications, and other public disclosures. We do not undertake to obtain all such issuer-specific information on your behalf, nor will we intermediate all communications from issuers to you as a shareholder. While we may provide access to certain third-party news or market data through our platforms, this is for general informational purposes only and should not be considered a substitute for your own due diligence and research into the issuers of your investments.

12. Past Performance Risk

Past performance is not a reliable indicator of future performance. The value of investments may go down as well as up, and there is no guarantee that historical returns will be replicated.

13. Risk of changes to Instrument Availability

We reserve the right, at our sole discretion and for various reasons (including but not limited to regulatory changes, market liquidity, issuer delisting from an exchange, risk assessments, or our own business decisions), to add new securities to, or remove (delist) existing securities from, the range of instruments offered for trading on the Invest.MT5 account. Should an instrument you hold be scheduled for delisting from our platform, we will aim to provide you with reasonable prior notice where practicable. This notice will outline the implications, which may include a deadline by which you would need to sell your holdings. If you do not sell your holdings by any specified deadline, we may facilitate a mandatory sale of any remaining holdings on your behalf, or your ability to trade the instrument will be restricted to closure only.

14. Restrictions on Transferability of Securities

Please be aware that for some or all of the shares, ETFs, or other financial instruments available for trading through your Invest.MT5 account, we may not support in-specie transfers.

This means that:

- You may not be able to transfer existing securities that you hold with another broker or financial institution directly into your Invest.MT5 account with us (transfer-in).
- Similarly, you may not be able to transfer securities held in your Invest.MT5 account directly out to another broker or financial institution in their form as securities (transfer-out).

Should you wish to move the value of your investments to our platform from another institution where direct security transfers are not supported by us, you would typically need to first liquidate (sell) your positions at your other institution and then transfer the resulting cash proceeds to your Invest.MT5 account to make new purchases. Conversely, if you wish to move the value of your investments from your Invest.MT5 account to another institution, and direct security transfers are

not supported, you would generally need to sell your securities on our platform and then transfer the cash proceeds.

This limitation on the direct transfer of securities may have implications for your investment strategy, personal tax situation (as selling positions can crystallise capital gains or losses), and overall portfolio management flexibility. You need to consider this operational aspect before trading securities on the Invest.MT5 account.

Conclusion

Securities trading is not suitable for all investors and involves risks that may result in the loss of your invested capital. You should carefully consider whether you have the necessary risk tolerance, experience, and knowledge before engaging in such activity. It is strongly recommended that you seek advice from an independent and appropriately licensed financial advisor prior to making any investment decisions.

General Notices

This Statement is informational in nature and should not be considered a substitute for tailored investment advice.

This Statement is available in English and other languages. In the event of any discrepancy between the English version and any translated version, the English version is deemed the authoritative version.

You should be aware that English is the official language used by us for all legal, regulatory, and operational purposes.