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Serving Traders Responsibly

RISK DISCLOSURE



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Risk Disclosure Statement

1. Introduction

Orbex Limited (HE 258884) is a fully licensed and regulated Cyprus Investment Firm (CIF) governed and supervised by Cyprus Securities and Exchange Commission (CySEC) (License Number 124/10). Orbex Limited is licensed to provide Investment Services (Reception and Transmission, Execution and Dealing on Own Account) and Ancillary Services. Orbex Limited is an affiliate with Orbex Global Limited (authorized and licensed under Mauritius Financial Services Commission).

The company's products and services are intended for retail, professional or eligible counterparty.

2. Scope of the Policy

This Risk Disclosure Policy (hereinafter, the "Policy") is provided to the Company's Clients and prospective Clients in accordance with the relevant Laws and Regulations. The Policy is included and/or is a part of the Terms and Conditions (hereinafter the T&C) of the Company, which should be accepted by the Clients. Before proceeding to the opening of the trading account and before trading, we advise our Clients and/or prospective Clients to carefully read the following risk disclosures and warnings contained in this document with regards to the derivative Financial Instruments offered by the Company for trading (such as CFDs).

However, it is noted that this Policy may not include all the risks involved when trading in CFDs.

3. Understanding CFD trading

Contracts for difference or CFDs are an agreement between the Client and Orbex LTD (Company), that at the close of the contract they will settle the difference between the opening price of a position in either shares or indices or commodities and its closing price. The amount of any profit or loss made on a CFD will be equal to the difference between the price of the underlying value of the index when the CFD is opened and the price of the underlying value of the index when the CFD is closed, multiplied by the number of index or commodity CFDs.

Being long CFD means buying the CFDs on the market with a view to selling them at a higher price and making a margin deposit. In this situation the Client will be identified as the party who has purchased the indices or the commodities (i.e. the long party) and the Company will be identified as the short party.

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Where the Client is the long party, the Client will generally make a profit if the price of the underlying index or commodity rises while the CFD position is open. Conversely, the Client will generally make a loss if the price of the underlying index or commodity falls while the CFD position is open. The Client may lose up to the total value of the underlying at the moment of the purchase multiplied by the number of index CFDs. The Client's potential losses can therefore exceed the total value of the initial margin (and any additional margin funds) that the Client has deposited with the Company, inasmuch as the Company may be obliged to close the Client's positions at the worst possible time.

Being short CFD means the Client is selling the CFDs on the market with a view to repurchasing them at a lower price, and making a margin deposit. In this situation, the Client will be identified as the party who has sold the shares or the indices (i.e. the short party) and the Company will be identified as the long party.

Where the Client is the short party, the Client will generally make a profit if the price of the underlying index or commodity falls while the CFD position is open. Conversely, the Client will generally make a loss if the price of the underlying index or commodity rises while the CFD position is open. Theoretically, there is no limit to how far the market value of the underlying can rise. Hence, the Client's potential losses are similarly unlimited.

As a result of existing market conditions, the Client may not be able to sell a CFD even if such a CFD is usually offered by the Company, or, when the Client has already sold a CFD, the Company may compel the Client to close his/her position.

Orbex LTD reserves the right to increase spreads or margin requirements, and to take steps to impose procedures or restrictions that it – at its sole discretion – sees fit at any time.

The Orbex LTD website can be accessed worldwide. However, it may be the case that the securities or financial instruments described are not legally permitted for all investor groups in all areas of jurisdiction or that access to such websites may be subject to legal restrictions. This site is not intended for distribution to, or use by, any person or entity in any jurisdiction or country where such distribution or use would be contrary to local laws or regulations. The content is based on information obtained from sources believed to be reliable but is not guaranteed to accurate, nor is it a complete statement or summary of the markets of developments referred to in the content. This information should not be regarded by recipients as a substitute for the exercise of their own judgment. Any opinions expressed in this content are subject to change without notice and Orbex LTD is not under any obligation to update or keep current the information contained herein. Spot foreign currency transactions, options, derivative products and futures are not suitable for all investors, and trading in these instruments is considered risky.

The Orbex LTD website has been translated into various languages for the added convenience of the client. In the event of conflict between the original English website content and any

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translation of the website into other languages, or any other translated communication by Orbex LTD, the English version shall prevail.

Trading foreign exchange on margin carries a high level of risk and may not be suitable for all investors. Before deciding to trade foreign exchange, you should carefully consider your investment objectives, level of experience, and risk appetite. There is a possibility that you may sustain a loss of some or all of your investment and therefore you should not invest money that you cannot afford to lose. You should be aware of all the risks associated with foreign exchange trading and seek advice from an independent financial advisor if you have any doubts. We outline the general nature of the risks involved when dealing in Financial Instruments on a fair and non-misleading basis. The Company acts as an intermediary to the orders executed by clients, in relation to one or more financial instruments mainly in CFDs on Forex, precious metals, energies and cash indices. CFDs are complex instruments and come with a high risk of losing money rapidly due to leverage. Between 79.84% of retail investor accounts lose money when trading CFDs. You should consider whether you understand how CFDs work and whether you can afford to take the high risk of losing your money.

CFDs, especially when highly leveraged (the higher the leverage of the CFD, the riskier it becomes), carry a very high level of risk. They are not standardized products. Different CFD providers have their own terms, conditions and costs. Therefore, generally, they are not suitable for most retail investors.

4. Risks of CFD Trading

Liquidity risk

Liquidity risk affects your ability to trade. It is the risk that your CFD or asset cannot be traded at the time you want to trade (to prevent a loss, or to make a profit).

Volatility

Some Derivative Financial Instruments trade within wide intraday ranges with volatile price movements. Therefore, the Client must carefully consider that there is a high risk of losses as well as profits. The price of Derivative Financial Instruments is derived from the price of the Underlying Asset in which the Derivative Financial Instruments refer to (for example Currency Pairs, equity indices, metals, commodities and forwards or any other asset available for CFD trading with the Company according to the Company's discretion from time to time). Derivative Financial Instruments and related Underlying Markets can be highly volatile. The prices of Derivative Financial Instruments and the Underlying Asset may fluctuate rapidly and over wide ranges and may reflect unforeseeable events or changes in conditions, none of which can be controlled by the Client or the Company. Under certain market conditions it may be impossible for a Client's order to be executed at

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declared prices leading to losses. The prices of Derivative Financial Instruments and the Underlying Asset will be influenced by, amongst other things, changing supply and demand relationships, governmental, agricultural, commercial and trade programs and policies, national and international political and economic events and the prevailing psychological characteristics of the relevant marketplace.

Execution risk

Execution risk is associated with the fact that trades may not take place immediately. For example, there might be a time lag between the moment you place your order and the moment it is executed. **Internet Trading Risks.**

There are risks associated with utilizing an Internet-based deal execution trading system including, but not limited to, the failure of hardware, software, and Internet connection. Since Orbex does not control signal power, its reception or routing via Internet, configuration of your equipment or reliability of its connection, we cannot be responsible for communication failures, distortions or delays when trading via the Internet.

Slippage

Slippage is difference between the expected price of a Transaction in a CFD, and the price the Transaction is actually executed at. Slippage often occurs during periods of higher volatility (for example due to news events) making an Order at a specific price impossible to execute, when market orders are used, and also when large Orders are executed when there may not be enough interest at the desired price level to maintain the expected price of trade.

Margin

The Client acknowledges and accepts that, regardless of any information which may be offered by the Company, the value of Derivative Financial Instruments may fluctuate downwards or upwards and it is even probable that the investment may become of no value. This is owed to the margining system applicable to such trades, which generally involves a comparatively modest deposit or margin in terms of the overall contract value, so that a relatively small movement in the Underlying Market can have a disproportionately dramatic effect on the Client's trade. If the Underlying Market movement is in the Client's favor, the Client may achieve a good profit, but an equally small adverse market movement can not only quickly result in the loss of the Clients' entire deposit/invested capital.

Leverage and Gearing

Transactions in foreign exchange and derivative Financial Instruments carry a high degree of risk. The amount of initial margin may be small relative to the value of the foreign exchange or derivatives contract so that transactions are "leveraged" or "geared". A relatively small

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market movement will have a proportionately larger impact on the funds the Client has deposited or will have to deposit; this may work against the Client as well as for the Client. The Client may sustain a total loss of initial Margin funds and any additional funds deposited with the Company to maintain his position. If the market moves against the Client's position and/or Margin requirements are increased, the Client may be called upon to deposit additional funds on short notice to maintain his position. Failing to comply with a request for a deposit of additional funds, may result in closure of his/her position(s) by the Company on his/her behalf and he/she will be liable for any resulting loss or deficit, without derogating from Negative Balance Protection clause of the general Terms and Conditions.

Suspensions of Trading

Under certain trading conditions it may be difficult or impossible to liquidate a position. This may occur, for example, at times of rapid price movement if the price rises or falls in one trading session to such an extent that under the rules of the relevant exchange trading is suspended or restricted. Placing a Stop Loss will not necessarily limit the Client's losses to the intended amounts, because market conditions may make it impossible to execute such an Order at the stipulated price. In addition, under certain market conditions the execution of a Stop Loss Order may be worse than its stipulated price and the realized losses can be larger than expected.

5. Sustainability Risks

Sustainability risk means an event or circumstance relating to the environment, society or governance, the occurrence of which may have an actual or potential negative material impact on investment products. Sustainability risks can realise in the short, medium or long term.

Sustainability factors related to the environment, society, and governance are considered in the assessment of the principal adverse sustainability impacts and sustainability risks. Examples of these sustainability factors are listed in Figure 1 below.

The Environment	Society	Governance
Climate change and global warming Extreme weather phenomena	Data security Diversity and equality Product safety	Ethics Transparency Corruption Management diversity

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Sustainable use of natural resources	Employee wellbeing Human rights	Remuneration and incentives for managers
Biodiversity Environmental wellbeing Pollution and contamination	Child labour Workers' rights	Monitoring and control of sustainability risks and impacts
Habitats and organisms Recycling and recyclability		Compliance

Please note that the Company does not offer sustainable products/services.

6. Acknowledgement

The client acknowledges and declares that he has read, understood and thus accepts without any reservation the following:

- The value of the Financial Instrument (including currency pair, CFDs, or any other derivative product) may decrease and the client may receive less money than originally invested or the value of the Financial Instruments may present high fluctuations.
- The Client acknowledges that under Abnormal Market Conditions the period during which the Instructions and Requests are executed, may be extended.
- While trading through the Client Terminal, the Client shall be responsible for risks of financial losses caused by technical issues, i.e. poor internet connection either on the side of the Client, the Company or both. This includes interruptions, transmission blackouts, public electricity network failures, overload of connection or hacker attacks, Client's or Company's hardware or software failure, wrong settings in the Client Terminal, delayed client Terminal updates.
- Information on past performance of a Financial Instrument does not guarantee the present and/or future performance; the use of historic data does not constitute a binding or safe forecast as to the corresponding future return of the Financial Instruments to which such data refers.
- Some Financial Instruments may not become immediately liquid due to various reasons such as reduced demand, and the Company may not be in a position to sell them or easily obtain information on the value of such Financial Instruments or the extent of any related or inherent risk concerning such Financial Instruments.
- When a Financial Instrument is negotiated in a currency other than the currency of the client's country of residence, any changes in an exchange rate may have a negative effect on the Financial Instruments' value, price and performance.

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- A Financial Instrument in foreign markets may entail risks different than the usual risks in the markets at the client's country of residence. The prospect of profit or loss from transactions in foreign markets is also influenced by the exchange rate fluctuations. In case of a Force Majeure Event the Company may not be in a position to arrange for the execution of Client Orders or fulfil its obligations under the agreement with the Client. As a result the Client may suffer financial loss. The Company will not be liable or have any responsibility for any type of loss or damage arising out of any failure, interruption, or delay in performing its obligations under the Client Agreement where such failure, interruption or delay is due to a Force Majeure event.
- The Client shall accept the risk of any financial losses caused by the fact that the Client has received with delay or has not received at all any notice from the Company. The Client acknowledges that the unencrypted information transmitted by e-mail is not protected from any unauthorised access.
- The Company may pass money received from the Client to a third party (e.g. a bank, a market, intermediate broker, OTC counterparty or clearing house) to hold or control in order to effect a Transaction through or with that person, or to satisfy the Client's obligation to provide collateral (e.g. initial margin requirement) in respect of a Transaction. The Company has no responsibility for any acts, omissions or insolvency of any third party to whom it will pass money received from the Client.
- A change in laws and regulations may materially impact a Financial Instrument and investments in a sector or market. A change in laws or regulations made by a government or a regulatory body or a decision reached by a judicial body can increase business operational costs, lessen investment attractiveness, change the competitive landscape and as such alter the profit possibilities of an investment. This risk is unpredictable and may vary from market to market.
- The Provision of Services by the Company to the Client is subject to fees, available on the Company's website. Before the Client begins to trade, he/she should obtain details of all fees, commissions, charges for which the Client will be liable. It is the Client's responsibility to check for any changes in the charges.
- The Client is responsible for any taxes and/or any other duty which may accrue in respect of his/her trades.
- The Company is the counterparty to all Transactions entered into under the Client Agreement and as such, the Company's interests may be in conflict with yours. Please read our Conflicts of Interest for more information.

In the unlikely event of the Company's insolvency, segregated client funds cannot be used for reimbursement to the Company's creditors. If the Company is unable to satisfy repayment claims, eligible claimants have the right to compensation by the Investor Compensation Fund. These pages contain information about the services and products of Orbex LTD. The material is provided for information only and no information contained herein constitutes a solicitation for the purpose of the purchase or sale of any commodity, security or investment, nor should it serve as the basis for any investment decision. Orbex LTD does not guarantee the accuracy or completeness of any information or analysis supplied. Orbex LTD shall not be liable to any customer or third party for the accuracy of the information or any market

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9. Suitability & Appropriateness

Each Client's knowledge and experience of financial instruments and investments, as well as other client information, is obtained in accordance with GDPR Regulation and in order to assess whether any investment advice provided is suitable. The appropriateness of the proposed client transactions in complex investment products is also assessed. These suitability and appropriateness tests help us to understand the financial profile and needs of our clients and offer them suitable/appropriate services and/or products.

10. Additional Terms

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Certain sections or pages on this site may contain specific terms and conditions related to the content of the section or page, which are additional to the terms provided herein. In the event of a conflict, the specific terms and conditions for those sections or pages shall prevail.

11. Governing Law

Use of this site shall be governed by all applicable laws of the Republic of Cyprus.

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