

Risk Disclosure

This Risk Disclosure is provided to you by CryptonaryBit(UK) Ltd ("CryptonaryBit") in accordance with the Markets in Financial Instruments Directive II and implementing Regulation ("MiFID II") to inform you of the nature and risks associated with the products that we offer. CryptonaryBit is authorised and regulated by the Financial Conduct Authority in the UK with reference number 730729.

The information provided in this disclosure is in accordance with the contents and format prescribed by the European Securities and Markets Authority ("ESMA") in their Decision 2018/796 effective from 1 August 2018. CryptonaryBit also operates in accordance with the product intervention measures prescribed by ESMA in their Decision.

Contracts for Differences ("CFD") are complex financial instruments that are traded on margin (leverage). Trading CFDs carries a high level of risk since leverage can work both to your advantage and disadvantage. As a result, CFDs may not be suitable for all investors because you may lose more than your original capital. You should not risk more than you are prepared to lose. Before deciding to trade, you need to ensure that you understand the risks involved, taking into account your investment objectives and level of experience.

It should be noted that past performance of CFDs is not an indicator of future performance. CFDs are complex financial instruments and come with a high risk of losing money rapidly due to leverage.

You should consider whether you understand how CFDs work, and whether you can afford to take the high risk of losing your money.

Most CFDs have no set maturity date. Hence a CFD position matures on the date you choose to close an existing open position. If you are still uncertain about the nature of CFDs and relevant risks, then you should seek further independent advice, or reconsider whether opening an account is the right course of action for you.

It should be noted that it is impossible for this disclosure to contain all the risks and aspects involved in trading CFDs. You need to ensure that your decision is made on an informed basis and as a minimum, you should be taking into consideration all of the information provided below.

Product Description

A CFD is an agreement to either buy or sell a contract that reflects the performance of, including amongst others, forex, precious metals, futures and shares. The profit or loss is determined by the difference between the price a CFD is bought at and the price it is sold at and vice versa. CFDs are traded on margin, and it should be noted that no physical delivery of either the CFD or underlying asset is occurring. So for example, if you purchase a CFD on foreign exchange, you are merely speculating on the exchange rate value to either increase or decrease.

CFDs fluctuate in value during the day. The price movements of CFDs are determined by a number of factors including but not limited to availability of market information.

Main Risks associated with transactions in CFDs

Prior to trading CFDs, you need to ensure that you understand the risks involved. CFDs are leveraged

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products. Therefore, they carry a higher level of risk to your capital compared to other financial products. The value of CFDs may increase or decrease rapidly depending on market conditions and the volatility of the price of the underlying financial instruments, assets or commodities.

Due to the fact that CFDs are leveraged products, engaging in CFD trading may not be suitable for you and independent advice should be sought if necessary. The potential for

profit must be balanced alongside prudent risk management given the significant losses that may be generated over a very short period of time.

You should not commence trading in CFDs unless you understand the risks involved. We are required to assess that dealing in CFDs is appropriate for you and that you are aware of the risks involved before we open an account for you.

Capital Loss

CFDs, which are leveraged products, incur a high level of risk and can result in the loss of all of your invested capital. However, it should be noted that CryptonaryBit operates on a 'negative balance protection' basis as prescribed by the European Securities and Markets Authority (ESMA). The negative balance protection prevents you from losing more than your initial investment.

Credit Risk

When trading CFDs, you are effectively entering into an over-the-counter ("OTC") transaction with CryptonaryBit. This implies that any position opened with CryptonaryBit cannot be closed with any other entity. OTC transactions may involve greater risk compared to transactions occurring on regulated markets, for example, a traditional exchange such as the London Stock Exchange or a multilateral trading facility. This is due to the fact that in OTC transactions there is no central counterparty and either party to the transaction bears certain credit risk (or risk of default).

Leverage (or Gearing)

CFD trading, unlike traditional trading in other financial instruments, enables you to trade the markets by paying only a small fraction of the total trade value. However, it should be noted that leverage, or gearing as it is often referred to, means that a relatively small market movement may lead to a proportionately much larger movement in the value of your position. This also means that a negative movement in the market may mean your losses are magnified proportionately and you could result in the loss of all of your investment. CryptonaryBit offers flexible leverage starting from 1:1 up to 1:200 for professional clients, as prescribed by ESMA.

It should be noted that the Firm shall monitor the leverage applied for your positions, at all times and the Firm reserves the right to decrease the leverage depending on your trading volume.

We provide our services on an execution only basis and DO NOT offer any investment advice on CFDs. We sometimes provide factual information on the markets or underlying assets. However, this information represents the general views of our experts and does not consider individual readers' personal circumstances, investment experience, or current financial situation. Therefore, such information should not be regarded as investment advice, a personal recommendation or research. CryptonaryBit is not liable for any losses incurred as a result of the information published on the CryptonaryBit website, www.cryptonaryBit.com.

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Margin Account and Requirements

You need to ensure that you have sufficient margin on your trading account, at all times, in order to maintain an open position.

In addition, you need to continuously monitor any open positions in order to avoid positions being closed due to the unavailability of funds. It should be noted that Exness is not responsible for notifying you of any such instances.

Exness will apply a margin close-out protection, according to which it will close open CFDs on terms most favourable to the client when the sum of funds and unrealised net profits available to the client is less than half of the total initial margin paid by the client.

Abnormal Market Conditions

Under abnormal market conditions, CFD values may fluctuate rapidly to reflect unforeseeable events that cannot be controlled either by the Firm or you. As a result, Exness may be unable to execute your instructions at the declared price, and a 'stop loss' instruction cannot guarantee to limit the loss. Stop Loss limits cannot always protect you from losses. CFD prices are influenced by, amongst other things, implementation of governmental, agricultural, commercial and trade programs and policies and national and international socioeconomic and political events.

Trading Platform Conditions

You accept that the only reliable source of price-related information is the quotes represented on the live server. This service may be disrupted and as a result price related information may not reach the client.

You shall regularly consult the 'Help' menu or User Guide of the trading platform(s); if a conflict arises the Service Agreement shall prevail unless CryptonaryBit determines, in its sole discretion, otherwise.

Communication

CryptonaryBit bears no responsibility for any loss that arises as a result of delayed or un-received communication sent to you by the Firm.

In addition, CryptonaryBit bears no responsibility for any loss that arises as a result of unencrypted information sent to you by the Firm that has been accessed via unauthorised means.

CryptonaryBit bears no responsibility for any un-received or unread internal messages sent to you through the trading platform(s). In case a message is not received or read within 7 (seven) calendar days, the message gets automatically deleted.

You are solely responsible for the privacy of any information contained within the communication received by CryptonaryBit.

Moreover, you accept that any loss that arises as a result of unauthorised access of a third party to your trading account is not the responsibility of CryptonaryBit.

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Force Majeure Event

In case of a Force Majeure Event you shall accept any loss arising and CryptonaryBit will not be responsible for any such losses. Further details are available in the 'Client Agreement'.

Taxation

Although investing in CFDs does not involve taking physical delivery of the underlying financial instrument, independent tax advice should be sought, if necessary, to establish whether you are subject to any tax, including stamp duty.

Costs and Other Considerations

Prior to trading CFDs you need to consider the costs involved such as spread(s) (including mark-up, if applicable), commission(s) and swap(s). Not all costs are represented in monetary terms (for example, costs may appear as a percentage of the value of a CFD). CryptonaryBit reserves the right to change, from time to time, any of the costs applicable to trading CFDs and is required to keep clients up-to-date with any material changes to

information initially provided. You understand and accept that the most up-to-date information in relation to costs is available online at the CryptonaryBit website, www.cryptonarybit.com .
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