Risk Disclosure Statement

This Risk Disclosure Statement contains general information about financial instruments and services offered by Foris Capital CY Limited (“**FCCY**”), a Cyprus Investment Firm, authorised and regulated by the Cyprus Securities and Exchange Commission (“**CySEC**”) under licence number 344/17. This Risk Disclosure Statement is not directed at, and should not be relied upon by, persons in any jurisdiction where the distribution of such information or the provision of the services described herein would be contrary to local law or regulation. The information provided is of a general nature and does not constitute investment advice, a personal recommendation, or an offer or invitation to engage in investment activity. The information provided does not take into account your individual investment objectives, financial situation or particular needs.

Investing in financial instruments involves risks. The value of investments and any income or rewards may go down as well as up, may be variable and not guaranteed, and you may receive back less than you invested, including the possible loss of your entire investment. Past performance is not a reliable indicator of future results. Any examples, illustrations or projected returns are for information only and are not guaranteed.

Different financial instruments carry different levels of risk. Risks may include, among others, market risk (price movements and volatility), interest rate risk, product credit risk (issuer or counterparty default), liquidity risk (difficulty buying/selling or delays in execution), concentration risk, currency risk (where financial instruments are denominated in or exposed to a foreign currency), and operational risk (including failures of systems, processes or third-party service providers). Fees, charges and taxes may reduce returns. Certain financial instruments may be complex and may not be suitable for all investors.

Some financial instruments, including derivatives, may involve leverage, which can amplify both gains and losses. In some circumstances, losses may exceed the initial amount invested. Product-specific terms and conditions, market rules, dealing restrictions, pricing methodology, trading availability and settlement arrangements may apply.

Where required, FCCY may conduct an appropriateness assessment in accordance with applicable regulatory requirements. You should ensure you understand the nature and risks of any financial instrument before investing. Please review all relevant financial instrument documents, including where applicable, the Key Information Document (“**KID**”), terms and conditions, costs and charges information and risk disclosures, and also consider whether the financial instrument is appropriate for your knowledge, experience, financial situation, investment objectives and risk tolerance. Where you are unsure, you should seek independent professional advice.

Tokenized Stocks specific risks

Tokenized Stocks are financial instruments provided by FCCY. Tokenized Stocks are over-the-counter (“**OTC**”) derivative contracts between you and FCCY that provide price exposure to selected publicly listed U.S. stocks or exchange traded funds ("**Underlying Asset**"). Tokenized Stocks are backed on a 1:1 basis by the relevant Underlying Asset, in accordance with the applicable product terms and conditions. However, Tokenized Stocks are not shares, ETFs or units in a fund.

No ownership of the Underlying Asset. When you purchase a Tokenized Stock, you do not acquire legal or beneficial ownership of the Underlying Asset. You do not have shareholder rights, such as voting rights, attendance rights at shareholder meetings, or direct dividend rights. Your rights are contractual rights against FCCY under the relevant product terms and conditions.

Capital at risk and no capital protection. The value of a Tokenized Stock depends on the price performance of the relevant Underlying Asset and other applicable factors, including foreign exchange rates and fees. The value of your position may fall, and you may lose part or all of the amount invested. Tokenized Stocks do not provide capital protection or guaranteed returns.

Market risk. The price of the Underlying Asset may fluctuate significantly due to general market conditions, company-specific events, sector developments, economic conditions, interest rates, investor sentiment, geopolitical events or other factors. Price movements may be sudden and may result in losses.

Counterparty risk. Tokenized Stocks are bilateral OTC derivative contracts between you and FCCY. FCCY is the sole counterparty to your claims under the financial instrument. Although Tokenized Stocks are backed on a 1:1 basis by the relevant Underlying Asset or equivalent exposure, you do not have legal or beneficial ownership of that Underlying Asset and remain exposed to FCCY's ability to meet its obligations. If FCCY is unable to meet its obligations, you may lose part, or all of your investment, regardless of the performance of the Underlying Asset.

Investor Compensation Fund. FCCY is a member of the Investor Compensation Fund for clients of CIFs. Eligible clients may be entitled to compensation from the Investor Compensation Fund, if FCCY is unable to meet its obligations, subject to applicable conditions, exclusions and statutory limits. Compensation is limited to the lower of 90% of the cumulative covered claim and EUR 20,000 per eligible investor. The Investor Compensation Fund does not cover investment losses arising from market movements, product performance or normal investment risk.

Currency risk. The Underlying Assets are priced and traded in U.S. dollars ("**USD**"), while you may pay for and receive the cash value of your position in euros ("**EUR**"), or another supported currency. Your return may be affected by changes in the exchange rate between USD and the currency used to open or close your position. Currency conversion rates and related costs may affect your final return.

Pricing risk. The price quoted to you may differ from the last traded price of the Underlying Asset or from the price available when the relevant U.S. market reopens, particularly outside normal NASDAQ and NYSE trading hours, during periods of market stress, or where pricing data is delayed, unavailable or unreliable.

Extended hours trading risk. Tokenized Stocks may be available outside normal exchange (for example, NASDAQ or NYSE) trading hours, subject to system availability, pricing availability, market conditions and the product terms and conditions. Trading outside normal market hours carries additional risks, including higher volatility, lower liquidity, wider bid/ask spreads, reduced market visibility and pricing differences when the relevant U.S. market reopens.

Liquidity and exit risk. Tokenized Stocks are not transferable and can only be opened and closed through the Crypto.com app. You cannot transfer Tokenized Stocks to another user or withdraw them to an external wallet. Closure may be delayed or unavailable, or may occur at a less favourable price, during market stress, U.S. exchange trading halts, corporate actions, system outages or where pricing is unavailable.

Corporate action risk. Corporate actions affecting the Underlying Asset, such as dividends, stock splits, mergers, acquisitions, spin-offs, delistings, suspensions or liquidations, may affect the value, availability or treatment of your Tokenized Stock. Such events may result in adjustments, restrictions, trading halts or mandatory closure of your position in accordance with the product terms and conditions.

Technology and blockchain risk. Tokenized Stocks are represented in the Crypto.com app through blockchain-based or related technology. Technical failures, cyberattacks, network disruptions, system outages, data errors or other technology issues may affect access to, display of, or operation of your positions.

Operational and third-party risk. Tokenized Stocks rely on operational processes, technology systems, pricing sources, execution arrangements, market data providers and other third-party service providers. Failures, delays, outages, errors or disruptions may affect pricing, order submission, execution, settlement, reporting or access to your positions.

Fees and charges. Fees, spreads, currency conversion costs, transaction costs, taxes and other charges may reduce your returns. The costs that apply may depend on your trading activity, the applicable fee tier, the time of trading, the relevant exchange rate and the applicable product terms and conditions.

Regulatory and tax risk. Changes in laws, regulations, tax treatment, market rules, product eligibility rules or supervisory expectations may affect the availability, terms and conditions, pricing or treatment of Tokenized Stocks. You are responsible for understanding and complying with any tax obligations that may apply to you.

Information documents. You should review the relevant product documents, including the KID, product terms and conditions, costs and charges information and applicable risk disclosures before trading Tokenized Stocks, and consider whether the financial instrument is appropriate for your circumstances.