IN2MARKETS

Risk Acknowledgement and Disclosure Statement

November 2025

1. Introduction

In2Markets Ltd. (hereinafter the "Company") is a Cyprus Investment Firm (CIF), incorporated in the Republic of Cyprus under registration number HE 333743, authorized and regulated by the Cyprus Securities and Exchange Commission (CySEC) under license number 263/14. Its registered office is located at Democratias 12, Shop 2, 8028, Paphos, Cyprus. The Company offers investment services related to Contracts for Difference (CFDs).

This Risk Acknowledgement and Disclosure Statement is intended to inform Clients of nature and extent of risks associated with trading CFDs. It must be read carefully prior to opening a trading account or executing any transaction. This document does not constitute investment advice or a recommendation to trade and does not disclose all possible risks.

Clients are strongly advised to assess independently whether CFD trading is suitable in view of their financial status, knowledge, experience, and risk appetite. If needed, independent legal, financial, or tax advice should be sought.

2. Specific CFD trading risks

Clients should not trade CFDs unless they understand the nature of these products and the extent of their exposure to potential financial losses. Engaging in CFD trading requires a high risk tolerance, the ability to manage leveraged positions, and readiness to accept rapid market changes. By proceeding with CFD trading, the Client acknowledges and accepts the following specific risks:

2.1 Leverage Risk

CFDs are leveraged financial instruments, which means that Clients can gain exposure to larger market positions than their initial deposit. While leverage can amplify gains, it also significantly increases the risk of loss. A relatively small price movement against the Client's position may result in disproportionate losses, potentially exceeding the original margin deposit. Clients should be fully aware that leverage operates as a double-edged sword and should manage their positions with appropriate risk controls.

2.2 Market Volatility and Gapping

CFD prices can change very quickly, especially during unstable market conditions or important economic events. Sometimes, the price may suddenly jump from one level to another without moving gradually – this is called a "gap". When this happens, your orders, like a Stop Loss, may be triggered at a much worse price than you expected. While the Company provides risk management tools such as Stop Loss and Take Profit, it cannot guarantee that your order will be filled at the exact price you set during extreme market movements.

2.3 Margin Requirements and Liquidation Risk

When you trade CFDs, you do not pay the full value of the trade up front. Instead, you only need to put down a part of it – this is called the "margin". However, you must always keep enough money in your account to meet the minimum margin requirement set by the Company.

If the market moves against you and the value of your account drops below this required level, the Company may ask you to deposit more money to keep your positions open. If you do not add funds in time, the Company has the right to close your trades automatically – without warning – to prevent further losses. This is called "liquidation."

It's your own responsibility to regularly check your account and make sure there's enough margin. If you do not, you could lose some or all of your open positions, and the losses could be greater than what you originally invested.

2.4 Risk of Losing the Entire Investment

Trading CFDs is risky, and there is a real chance that you could lose all the money you put into your trading account. If the market moves strongly against your position – even just a few trades in a row – your entire account balance can be wiped out.

The Company does offer Negative Balance Protection, which means that you will not owe more than the amount you deposited. In other words, your losses cannot exceed your account balance.

However, even with this protection in place, you should understand that trading CFDs can lead to serious financial loss, and you should only invest money that you can afford to lose.

2.5 No Guarantee of Profit

Trading CFDs is never a guaranteed way to make money. The Company cannot and does not promise that you will earn a profit or get a positive return from your trades. Every trade you make comes with a risk, and the result can go either way – you might win, but you could also lose.

It's up to each Client to carefully think about their financial situation and decide whether they can afford the possible losses. You should only trade with money you are prepared to lose — this is often called risk capital. If losing that money would cause serious financial problems for you, it's better not to invest it.

2.6 No Ownership of Underlying Asset

When you trade CFDs, you are not buying the actual asset — like a stock, commodity, or currency. Instead, you are simply making a deal based on whether the price of that asset will go up or down.

Because of this, you do not have any of the rights that come with owning the real thing.

For example, if you trade CFDs on company shares, you will not receive dividends, you can not vote at shareholder meetings, and you do not truly "own" part of the company.

Your only connection to the asset is through its price. You can make a profit if the price moves in your favor, or a loss if it moves against you – but you never actually own the asset itself.

Example. Let's say you open a CFD trade on Company ABC's shares. If the price of the shares goes up, your CFD trade may result in a profit. But you do not actually own ABC's shares – you can not attend shareholder meetings, vote on company decisions, or receive dividend payments. You are only speculating on price movements.

3. Other risk factors

3.1. Market Risk (the Risk of Price Changes on the Market)

Market risk is the possibility that you will lose money because of how the market changes.

For example, if the market suddenly drops, the value of your open positions might also fall. This type of risk affects all traders and cannot be completely avoided.

Example. If you open a CFD trade expecting the stock price to go up, but then a negative news report causes the market to fall, your position may lose value – even if the company itself has not changed.

When trading CFDs, there are different types of market risk that can affect your trades. Two important ones are Interest Rate Risk and Foreign Exchange Risk.

3.1.1. Interest Rate Risk

Interest rates are the cost of borrowing money. They are set by central banks and influence how much it costs businesses and individuals to borrow or invest.

Changes in interest rates can affect the prices of many financial instruments.

If interest rates rise, it becomes more expensive to borrow money, which can slow down economic activity and lower the value of certain investments like stocks or bonds.

If interest rates fall, borrowing becomes cheaper, which can boost the economy but may also increase inflation risk.

> *Example. If you hold a CFD on a bond or stock, and interest rates go up unexpectedly, the price of that asset may go down – which can lead to a loss on your position.*

3.1.2. Foreign Exchange Risk

Foreign exchange risk, also called currency risk, happens when you trade assets that involve different currencies. Currency prices can change quickly due to international news, government decisions, or market sentiment.

If the exchange rate changes in a direction you did not expect, your CFD position might lose value – even if the underlying asset itself did not change much.

> *Example. You open a CFD trade on the EUR/USD (euro vs. US dollar) currency pair, expecting the euro to become stronger. But if the euro suddenly weakens – for example, due to economic news from the EU – your trade can lose money, even if the U.S. economy stays the same.*

3.2. Systemic Risk (Risks Beyond Your and the Company's Control)

Sometimes, large-scale problems can happen in the global financial system – for example, a major bank collapse, a global liquidity crisis, or other unexpected economic shocks. When such events occur, both Clients and financial companies may face serious difficulties. These might include:

- Not being able to open or close trades as planned,
- Prices changing too quickly (known as "slippage"),
- Losses that no one could have predicted or avoided.

These situations are outside the control of both the Client and the Company.

3.3. Technical Risk (Risks Related to Technology and Trading Equipment)

Trading Contracts for Difference (CFDs) online depends heavily on technology. This includes the Client's own computer or mobile device, the Company's trading platform, internet connection, and many other systems working together. If something goes wrong with any of these components, trades may not be executed as expected – or may not be executed at all.

Some common technical problems that can affect trading include:

- Hardware failures (such as the Client's computer or mobile device freezing or shutting down),
- Software errors or crashes,
- Unstable or slow internet connection,
- Delays in receiving price data (also referred to as latency),
- Cyberattacks such as denial-of-service (DoS) attacks,
- Interruptions in electricity supply.

These issues may prevent the Client from entering, modifying, or closing trades in a timely manner, which may result in financial losses.

3.3.1. Client Responsibilities

The Client is fully responsible for:

- Ensuring that all devices used for trading are functioning properly,
- Keeping the trading platform (Client Terminal) updated at all times,
- Following all instructions and guidance provided by the Company,
- Using correct settings within the platform,

- Maintaining a stable and secure internet connection.

If any losses occur due to technical issues originating from the Client's side – such as outdated software or incorrect settings – the Client accepts full responsibility for such losses.

The Company also advises Clients to maintain an alternative trading arrangement, such as a secondary internet connection, backup device, or the ability to contact the support team by phone, in case of technical failures.

3.4. Operational Risk (Risks Related to Internal Processes and Human Error)

Operational risk refers to the possibility of loss resulting from failures in internal systems, human error, or unforeseen problems in day-to-day business operations. These risks may arise from:

- Mistakes made by staff during the execution of tasks,
- Failures in internal procedures or controls,
- Breakdowns in communication or information systems,
- Errors in processing transactions,
- Disruptions caused by third-party service providers.

Although the Company has implemented internal policies, procedures, and controls designed to reduce and manage operational risks, such risks cannot be completely eliminated. Unexpected problems may still occur, potentially resulting in financial losses or delays in trade execution.

The Client acknowledges and accepts that operational risk is an inherent part of trading, and that some situations may be outside the control of the Company despite all reasonable precautions.

3.5. Country and Political Risk (Risks Related to Political and Economic Events)

Country and political risk refers to the potential impact that political or economic events in a specific country or region may have on financial markets and the value of underlying assets.

Examples of such events include:

- Political instability (such as protests, government collapse, or civil unrest),
- Economic sanctions imposed by or against a country,
- Sudden legal or regulatory changes,
- Currency restrictions or capital controls,
- Actions taken by central banks, such as changes in interest rates or foreign exchange interventions.

These events may significantly affect the price and availability of financial instruments, including the underlying assets on which Contracts for Difference (CFDs) are based. As a result, the performance of related CFD positions may be directly impacted.

Such risks are often unpredictable, may occur with little or no warning, and are typically outside normal market behavior. Therefore, Clients should carefully consider the potential impact of political and country-specific developments when making trading decisions.

3.6. Regulatory Risk (Risks Arising from Changes in Laws and Regulations)

Regulatory risk refers to the possibility that changes in financial laws, rules, or regulations – whether local or international – may affect the way Contracts for Difference (CFDs) are offered, traded, or taxed.

Such changes may include:

- Modifications to financial services legislation,

- New restrictions or prohibitions on certain financial instruments,
- Revisions to licensing or operational requirements for financial firms,
- Alterations to tax laws that affect the treatment of profits or losses.

These regulatory developments may influence the availability, cost, or even the legality of CFD products in certain jurisdictions. They may also directly affect a Client's net returns, particularly in cases where new tax obligations or reporting requirements are introduced.

The Client is solely responsible for understanding and complying with all applicable legal and tax obligations in their country of residence or citizenship. The Company does not provide tax or legal advice.

3.6.1. Client Suitability

The Company strongly advises Clients to evaluate their personal financial situation, level of trading experience, and ability to bear losses before engaging in CFD trading. Where appropriate, Clients should seek guidance from independent legal, tax, or financial advisors.

Given the high-risk nature of CFDs, participation in such markets presupposes that individuals are adequately informed, financially capable, and have relevant trading experience

4. Important risk factors

Trading in Financial Instruments, especially in Contracts for Difference (CFDs), carries significant financial risk and may result in substantial losses. These instruments are not suitable for everyone, and Clients must consider their financial standing and experience before participating.

CFDs are complex and leveraged products. Trading on leverage allows Clients to control larger positions with a smaller initial investment, which can lead to both increased gains and magnified losses. The potential exists to lose the entire invested amount.

Clients should only trade with funds that they can afford to lose. Participation in the CFD market requires a clear understanding of the associated risks. If a Client has any uncertainty about the nature of CFDs or the risks they involve, professional and independent financial advice should be obtained. Continuing to trade without such understanding is strongly discouraged.

All Clients accept full responsibility for the outcomes of their trading decisions. There is no assurance of achieving profits, and losses may exceed expectations. Each Client must acknowledge and understand that engaging in CFD trading is a personal financial decision taken at their own risk.

5. Additional Information

The Company reserves the right to review, modify, or update this Risk Acknowledgement and Disclosure Statement, as well as any related policies and procedures, at its sole discretion and without prior notice to the Client.

Should the Client require further clarification regarding the risks associated with trading Financial Instruments or any other aspect of the business relationship with the Company, such requests and inquiries should be submitted to the following email address: support@in2markets.com

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