ECOMMBX INVESTMENTS LTD

RISK DISCLOSURE NOTICE

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1. INTRODUCTION

This Risk Disclosure & Warning Notice (the "Risk Notice" or "Notice") is provided to you (our Customer and prospective Customer) in compliance with the Investment Services and Activities and Regulated Markets Law of 2007 (Law 87(I)/2017) (the "Law") and the provisions of the Markets in Financial Instruments Directive 2014/65/EU ("MiFID II"), as subsequently amended, which is applicable to ECOMMBX Investments Limited, (ex Mercorix Limited) (referred to as "Company" or the "Firm" or "us").

This Notice has been designed to explain in general the terms and the nature of the risks involved when dealing with financial instruments on a fair and non-misleading basis.

2. PURPOSE AND SCOPE OF THE NOTICE

The Company established the present Notice for the purposes of informing its customers about the risks associated with the provision of financial instruments trading. The Company provides to its Customers the ability to buy and sell various financial instruments and transmit those Orders to a Third-Party Broker. Customers should ensure that the risk disclosures and warnings contained in the present Notice are carefully read and understood prior to opening an account and commencement of trading.

Every type of financial instrument has its own characteristics and entails different risks depending on the nature of each investment. A general description of the nature and the risks of the financial instruments is summarised below. However, this document does not disclose all the associated risks or other important aspects of the financial instruments, and it should not be considered as investment advice or recommendation for the provision of any service or investment in any financial instruments.

The Customers should not carry out any transaction in these or any other financial instruments, unless they are fully aware of their nature, the risks involved and the extent of the risk's exposure. In case of uncertainty as to the meaning of any of the risk warnings you should seek independent and professional advice before taking any investment decision.

3. WARNINGS

3.1. General

This Notice forms an integral part of the Company's Customer Agreement and therefore should be read in conjunction with the Terms and Conditions and agreed upon prior to the provision of the services. The Customer represents, warrants and agrees that they:

- Understand and are willing to assume the economic, legal and other related risks involved
- Are experienced and knowledgeable about trading in Financial instruments such as bonds, derivatives and in underlying asset types, including FX contracts, Stock, Commodities
- Are financially able to assume losses beyond the total value of the contract not just deposit, and that this loss will not change the Customer's lifestyle
- Past performance is not a reliable indicator of future results and or performance and one should understand that market trends can vary significantly over time
- Regardless of any information which may be offered by the Company, the value of any investment in Financial Instruments may fluctuate downwards or upwards and it is even likely that the investment may become of no value
- Placing contingent orders, such as "stop-loss" orders, will not necessarily limit losses to the intended amounts, as it may be impossible to execute such orders under certain market conditions

3.2. Foreign Exchange

Your account and trading account(s) may be denominated in Euros or any other currency permitted by ECOMMBX from time to time. If you instruct ECOMMBX Investments Ltd to effect a Transaction in any Financial instrument denominated in a currency different from the denomination of your trading account currency, ECOMMBX Investments will convert the currency value of your transaction into the trading account currency. Therefore, you need to take into account the denominated currency in the products that you trade. This is because any foreign currency conversion resulting from the currency of your trading account and the products traded, which are denominated in a different foreign currency, can expose you to foreign exchange risk. For example, if your trading account is denominated in EUR, and you have an Open Position in a Future

Contract that is denominated in USD, which means that not only do you have an exposure to the contract's prices, but you are also exposed to movements in the USD. Once you Close Out this Future Contract your profit or loss.

3.3. Tax implications

Various tax regimes may apply to trading in instruments depending on the Customer personal tax status and the rules and regulations in force from time to time. The Customer has the sole responsibility of determining the relevant tax impact to their trading and they should consult an appropriate professional advisor if you have any questions or doubts in this regard. ECOMMBX does not provide tax advice.

4. APPROPRIATENESS ASSESSMENT

Prior to the opening of a Customer's trading account the Company will carry out an assessment of your appropriateness to trade with financial products and, determine based on the information provided by the Customer, if you have sufficient knowledge and experience to understand the risks involved in trading. We will inform you of the results of our assessment but this does not relieve you of the need to carefully consider whether to trade with us. If we warn you that trading in complex instruments may not be appropriate for you, then you should refrain from trading until you attain sufficient knowledge and experience.

5. INVESTMENT RISKS

Market Risk: is the risk that the value of a portfolio will decrease due to the change in value of the market factors such as stock prices, interest rates, exchange rates and commodity prices. In case of a negative fluctuation in prices, investors in financial instruments run the risk of losing part or all of their invested capital.

Credit Risk: is the risk of a borrower's failure to repay a loan or otherwise meet a contractual obligation (i.e. failure to pay interest to bond holders). Credit risk is closely tied to the potential return of an investment, the most notable being that the yields on bonds correlate strongly to their perceived credit risk.

Systemic Risk: is the risk of collapse of the entire market or the entire financial system. It refers to the risks imposed by interdependencies in a system or market, where the failure of a single entity or cluster of entities can cause a cascading failure, which could potentially bring down the entire system or market.

Settlement Risk: is the risk that a counterparty does not deliver a security or its value in cash per agreement when the security was traded after the other counterparty or counterparties have already delivered security or cash value per the trade agreement. This risk is limited where the investment involves financial instruments traded in regulated markets because of the regulation of such markets. This risk increases in case the investment involves financial instruments traded outside regulated markets or where their settlement takes place in different time zones or different clearing systems.

Liquidity Risk: is the risk stemming from the lack of marketability of an investment that cannot be bought or sold quickly enough to prevent or minimise a loss. Liquidity risk becomes particularly important to investors who are about to hold or currently hold an asset, since it affects their ability to trade.

Operational Risk: is the risk of business operations failing due to human error. Operational risk will change from industry to industry and is an important consideration to make when looking at potential investment decisions. Industries with lower human interaction are likely to have lower operational risk.

Political Risk: is the risk that an investment's returns could suffer as a result of political changes or instability in a country. Instability affecting investment returns could stem from a change in government, legislative bodies, other foreign policy makers, or military control.

Insolvency Risk: The Company's insolvency or default may lead to Customer open positions being closed out without the Customer's prior consent and as a result the Customer may suffer losses. Where the Company is or becomes unable to meet its obligations the Customer may be entitled to compensation from CySEC under the 'Investor Compensation Fund'. You may refer to the 'Investor Compensation Fund Policy' available on our website for more information.

6. FINANCIAL INSTRUMENTS AND RELATED RISKS

In the paragraphs that follow risks related to the financial instruments that will be offered are presented.

6.1. Stocks/Shares

Stocks and or shares represent ownership in the share capital of a company. Investors are exposed to all, but not limited to, major investment risks identified above and in particular to market risk. It must be emphasised that there are no guarantees when it comes to individual stocks. Some companies pay out dividends, but many others do not. Without dividends, an investor can make profit on a stock only through its price appreciation in the open market. On the downside, in case of the company's insolvency, the investor may lose the entire value of his/her investment.

6.2. Warrants

Companies will often include warrants as part of a new issue offering to entice investors into buying the new security. A warrant is like an option. It gives the holder the right but not the obligation to buy an underlying security at a certain price, quantity and in a future time. It is unlike an option in that a warrant is issued by a company, whereas an option is an instrument of the stock exchange. The Warrant is invariably limited in time, with the consequence that if the investor does not exercise or sell the Warrant within the pre-determined timescale, the Warrant expires with no value.

Warrants do not pay dividends nor do they have voting rights. An investor can leverage his/her position in a security, using warrants, as well as hedge against the downside, the extent of which depends on the Warrants exercise price relative to the price of the underlying security. Therefore, a relatively small fluctuation in the price of the underlying security may lead to a disproportionately larger fluctuation, favorable or unfavorable, to the price of the Warrant. The price of Warrants can therefore be very volatile. Before the purchase of a Warrant, the investor must be aware that there is a risk of losing the whole amount of his investment as well as any commissions and costs incurred. Warrants are subject to all, but not limited to, major risks mentioned above.

6.3. Rights

A right is a security giving stockholders entitlement (but not the obligation) to purchase new shares issued by the corporation at a predetermined price (normally less than the current market price) in proportion to the number of shares already owned. Rights are issued only for a short period of time, after which they expire. If the Right is exercised, its holder is required to pay the issuer the exercise price. The exercise of the right will give its holder all the rights and risks of ownership of the underlying security. Rights provide leverage, the extent of which depends on the Right's exercise price relative to the price of the underlying security. Therefore, a relatively small fluctuation in the price of the underlying security may lead to a disproportionately larger fluctuation, favorable or unfavorable, to the price of the Right, which may therefore be very volatile. Rights are subject to all, but not limited to, major risks mentioned above. Rights can be left to expire or even sold.

6.4. Fixed Income Securities and Bonds

Fixed income securities and/or bonds are debt securities that provide a return in the form of fixed periodic or variable periodic payments and the eventual return of the principal at maturity. Bonds can be issued either by governments (government bonds) or companies (corporate bonds). In this sense, bonds represent a form of government or corporate borrowing. The credit risk of governments, financial organisations, corporations and generally of any bond issuer may be rated by Credit Rating Agencies. The result of these ratings constitutes a valuable guide for bond investors. Bond issues of lower credit ratings tend to offer higher coupons to compensate the investors for the higher risk they assume. Some bonds are traded on recognised stock exchanges while many trade outside regulated markets (OTC). Liquidity usually differs between various types of Bonds.

Bonds are subject to credit risk where the issuer of the Bond may not be financially solvent to pay the investor's interest or even the principal of the Bond. Interest rate risk is the risk where increases in interest rates may cause significant decrease in the market value of a fixed rate Bond and where decreases in interest rates may affect the reinvestment of the coupon payments of a fixed rate Bond as the market value of a fixed rate bond may be decreased. When interest rates increase, a Bond issued previously carrying a lower fixed rate may decrease in value. To this extent the longer the maturity (duration) of the Bond the higher its sensitivity to changes in interest rates is. When interest rates decrease, the coupon payments received from fixed rate Bonds are reinvested at lower interest rates while coupon payments received by investors from floating rate Bonds decrease.

6.5. Convertible Bonds
Convertible bonds give the holder the option to exchange the bond for a predetermined number of shares in the issuing company. When first issued, they act just like regular corporate bonds with a slightly lower interest rate compared to what a fixed bond could pay and can be converted to shares, which then convertible shares can be changed into stock and thus benefit from a rise in the price of the underlying stock. This is the reason why lower yields are usually offered on convertible bonds. If the stock performs poorly there is no conversion and the investor's return is below that of a non-convertible bond.

6.6. Callable Bonds
Callable bonds can be redeemed by the issuer prior to their maturity. Any difference between a Bond's call price and nominal value is the call premium. Call provisions expose investors to additional risks and are therefore issued with higher yields than comparable Bonds with no such provisions.

6.7. Collective Investment Schemes
Involve an arrangement that enables a number of investors to 'pool' their assets and have these professionally managed by an independent fund manager. Investments typically include bonds and shares of listed companies but depending on the type of scheme, they may include broader investments such as property. The ability to liquidate certain Schemes may be limited, depending on the terms of operation and the long period of notice time required for redemption during which the value of each unit may exhibit high volatility and possibly decrease in value. It is possible that there is no secondary market for such Schemes, and hence such an investment may be liquidated only through redemption.

6.8. Hedge Funds
Hedge funds are aggressively managed portfolios of investments that use advanced investment strategies such as leveraged, long, short and derivative positions in both domestic and international markets with the goal of generating high returns (either in an absolute sense or over a specified market benchmark). Hedge funds are considered a riskier investment than traditional funds and are suitable for more experienced investors, since they are not regulated and lack transparency. They usually invest in risky or illiquid securities and although they target absolute returns, if they fail to manage risk, they may realise significant losses. Beyond the liquidity risk, Hedge Funds have the ability to leverage, which means that a relatively small fluctuation in the price of the underlying security may lead to a disproportionately larger fluctuation, favorable or unfavorable to the value of the investment.

6.9. Exchange Traded Funds (ETFs)
ETFs are securities that track an index, a commodity or a basket of assets like an index fund, but trade like a stock on an exchange. ETFs experience price changes throughout the day as they are bought and sold. Investment in ETFs expose investors to the same risks as the underlying securities, but to a significantly lower degree due to the diversification of investments.

6.10. Money Market Instruments
Money market instruments are usually debt securities which mature in one year or less (Treasury Bills) and which are usually traded in local money markets. Risks related to this type of instruments are liquidity risk, interest rate risk and credit spread risk.

6.11. Futures
Futures are financial derivative contracts obligating the buyer to purchase an asset (or the seller to sell an asset), such as a physical commodity or a financial instrument, at a predetermined future date and price. Futures contracts detail the quality and quantity of the underlying asset; they are standardised to facilitate trading on a futures exchange. Some futures contracts may call for physical delivery of the asset, while others are settled in cash. The futures markets are characterised by the ability to use very high leverage relative to stock markets. Therefore, a relatively small fluctuation in the price of the underlying asset may lead to a disproportionately larger fluctuation, favourable or unfavourable to the price of the future.

6.12. Options
Options are financial derivatives that represent a contract sold by one party (option writer) to another party (option holder) and trade on Exchanges or Over the Counter (OTC). The contract offers the buyer the right, but not the obligation, to buy (call) or sell (put) a security or other financial asset at an agreed upon price (the strike price) during a certain period of time or on a specific date (exercise date). Their value is derived from the market value of the underlying asset (shares, currencies, interest rates, commodities, financial indices or any combination of each) and its volatility, the time to maturity

as well as the interest rates. Call options provide the option to buy at certain price, therefore the buyer would benefit from an appreciation of the stock's price, while put options give the option to sell at a certain price, therefore the buyer would benefit from a depreciation of the stock's price. Options are extremely versatile securities that can be used in many different ways. Traders use options to speculate, which is a relatively risky practice, while hedgers use options to reduce the risk of holding an asset.

6.13. Swaps

Swaps are derivatives in which counterparties exchange certain benefits of one party's financial instrument for those of the other party's financial instrument. The benefits in question depend on the type of financial instruments involved. For example, the most common type of Swaps is Interest Rate Swap Agreements. In Interest rate swaps, one contracting party agrees to pay to the other contracting party a fixed interest rate on a pre-agreed principal amount for a specific time period. In exchange, the second party receives a floating interest rate on the pre agreed principal for the specific time period. The principal in such type of Swaps is usually not exchanged. In every settlement date, payments of the contracting parties are netted so that there is only one payment made from the contracting party with the greater liability. Interest Rate Swap Agreements are usually used to convert a floating rate loan into a fixed rate one and or vice versa.

Another common type of Swaps is Currency Swap Agreements where the contracting parties exchange a specific amount in different currencies for a specific time period. In Currency Swap Agreements, there is an exchange of principal both at the inception and termination of the agreement, while the payments between the two contracting parties at the settlement dates are not netted since they are in different currencies. In such Agreements, there is no foreign exchange risk since the exchange rate is determined at the inception of the agreement. Swaps include both credit and interest rate risk. Currency Swaps entail greater credit risk than Interest Rate Swaps due to the exchange of principal both at the inception and termination of the agreement, as well as, the payments from both parties at every settlement date.

6.14. Contracts for Differences

These are contracts between two parties, typically described as 'buyer' and 'seller', stipulating that the seller will pay to the buyer the difference between the current value of an asset and its value at contract time. If the difference is negative then it is the buyer who pays to the seller. In effect CFDs are financial derivatives that allow investors to take advantage of prices moving up (long positions) or down (short positions) on underlying financial instruments and are often used to speculate on those markets. For example, when applied to equities, such a contract is an equity derivative that allows investors to speculate on share price movements without the need for ownership of the underlying shares. A Contract for Differences entails a high degree of risk because of the leverage involved. A relatively small fluctuation in the price of the underlying asset may lead to a disproportionately larger fluctuation in the value of the investment.

It is noted that currently the Company provides investment services related only to bonds, stocks and derivatives, and hence the above are applicable only for these instruments.