

This disclosure is a necessary addition to the General Client Agreement, Terms and Conditions (“GTC”) with XTB MENA Limited (“XTB MENA” or “the Firm”) and should be acknowledged and electronically confirmed by the Client (“You” or “your”). This disclosure is not intended to include all risks associated with the products provided to you by the Firm. The products and services provided to you by XTB MENA are detailed in the GTC. In addition to the GTC, the Firm is required to provide you with this disclosure to outline the associated risks related to Over the Counter (OTC) Derivatives (“CFDs and FX” or “OTC Derivatives”) and Securities/Organized Market Instruments (OMI) or Units / Fractional shares.

Investing in OTC Derivatives carries a high degree of risk because the leverage often obtainable means that a small movement in the market may lead to a much larger movement in the value of your investment and this could work against you or for you. Most retail clients transacting in OTC Derivatives loses money.

This notice provides you with information about the risks associated with investment products, which you may invest in through services provided to you by XTB MENA. OTC Derivatives are high risk financial products, which may not be appropriate for everyone. It is important that you fully understand that it is your responsibility to remain aware of the risks inherited from these products, you have adequate financial resources to deal with them and that you monitor your positions closely.

This notice provides you with information about the risks but does not explain them nor how they relate to your personal circumstances. If you are in any doubt, you should seek professional or legal advice before signing this document. If you are not sure that you understand a particular product, instrument, service, or transaction; you should also first seek appropriate professional advice before entering into this agreement.

OTC Contracts

Our OTC Derivatives are not listed on any exchange. The prices and other conditions have been set by XTB MENA in accordance with our requirement to provide best execution (as per our Execution Policy). Each OTC Derivative you open with XTB MENA, would result in a Contract with XTB MENA (the counterparty to all your trades) and will only closed only with XTB MENA. The contracts traded on OTC Derivatives do not provide any right to the underlying instruments or voting rights.

Securities / OMI (Organised Market Instruments)

Trading in OMI involves numerous risk elements, in particular:

- a. issuer's risk;
- b. the risk of political and economic changes;
- c. liquidity risk;
- d. currency risk;
- e. other types of risks not listed in the Declaration.

Additional types of risks associated with the particular OMI are usually described in prospectuses, information memoranda and regulations of particular Organized Markets.

Information on historical returns on OMI is no guarantee that the same results now or in the future will be achieved and should not be considered as a forecast of achieving such result

Risk Disclosure, XTB MENA Limited

Units / Fractional Shares

A Unit or Fractional Share is a Client's right to a fraction of a Financial Instrument listed on a Regulated Market, categorized as OMI, acquired by XTB MENA on its own account and held by XTB MENA in trust (fiduciary relationship) for the benefit of the Clients. Under the (trust) relationship, the Client is entitled to a fraction of an OMI to which Fractional Share refer. This means that the formal owner of an OMI instrument is XTB MENA and a Client is entitled to the economic benefits resulting from holding such an OMI. Fractional Shares are not a Financial Instrument separate from OMI.

1. A Transaction in Fractional Shares consists of origination and expiry of the fiduciary relationship between a Client and XTB MENA. A Transaction on Fractional Shares should not be considered as carried on an Organised Market.
2. Trade in Fractional Shares involves exposure to risks factors which are equivalent to risk factors resulting from investment in an OMI, including:
 - a. issuer's risk,
 - b. risk of political-legal and economic changes,
 - c. currency risk,
 - d. other types of risk not specified in the Declaration.
3. In the case of investment in Fractional Shares, consideration must be given also to additional types of risk regarding specific OMI Financial Instruments that are usually described in prospectuses, information memoranda and terms and conditions of specific Organised Markets.
4. Due to the fact that fractional shares do not constitute a separate financial instrument from OMI, fractional shares themselves cannot be covered by XTB S.A. compensation system, but this does not apply to cash spent by a Client on purchase of fractional shares
5. Information on historical rates of return on OMI refer to Fractional Shares and do not guarantee achieving the same results currently or in the future. Historical data should not be considered as a forecast of future rates of return.
6. Fractional Shares may bear credit risk, i.e. the risk regarding insolvency of XTB MENA acting as a trustee.

Risk concerning Financial Instruments

Risk concerning contracts for difference (CFD)

CFD is a derivative financial instrument that makes it possible to earn on the changes in the prices of underlying assets. CFD is a contract concluded between two parties. The two parties commit themselves to settle the difference of the opening and the closing prices in such a contract, which results directly from changes in prices of the assets to which the contract applies. Such assets may be: shares, bonds, indices, interest rates, commodities, currencies or cryptocurrencies. When making a CFD transaction, you invest in a derivative financial instrument based on the prices of currencies, prices of cryptocurrencies, futures contracts or shares. Hence you do not make thereby a transaction on the underlying instrument that serves as the basis for quotation of the derivative financial instrument. Thanks to the leverage, CFD enables you to enter into transactions involving significant amounts and engaging relatively small amounts of cash.

Counterparty risk

Considering that XTB MENA is the place of the execution of Orders as the other party to the Transactions, you are exposed additionally to the counterparty's credit risk. It means that we may not perform, in full or in part, the obligation arising from the Transaction (prior to the final settlement of cash flows related to this Transaction). Upon your request, we will provide additional information on the consequences of such a way of executing Orders

Currency and transaction risk

Transactions concluded by the Clients are subject to real-time translation to the Client's account currency. Any unfavourable change of the market exchange rate can have an adverse effect on the transaction result.

We offer two types of orders: instant and market ones. Instant mode orders are always executed at the price specified by the Client or, if the market conditions preclude it, are rejected. Market orders are performed at the best possible market price for the Client. In exceptional cases, a market order can be also rejected (e.g. lack of funds in the account, exceeding the maximum exposure in the account, wrong price). The market orders can be executed at a price other than the price at the time of order placement.

Risk of price gap and non-execution of pending orders at the specified price

A price gap arises when the CFD quotation market is opened at a price significantly different than the market closing price on the prior quotation day. In such a case, activated pending orders will be executed at the market price after the market opening.

The above-described situation may result in the incurring of higher losses on transactions than initially assumed and may be limited through the use of pending orders.

Political and legal risk

Unexpected political and legal events may have a material effect on the quotation rates of CFD instruments, which can reduce liquidity, prevent conclusion of transactions or result in the occurrence of price gaps.

Risks related to Securities / OMI (Shares)

Shares constitute equity securities that give their holders certain corporate and property rights (e.g. the right to participate in the general meeting of shareholders, the right to a dividend, the right to participate in the distribution of assets in the event of the company's liquidation). Organized trading involves dematerialized stocks. Stocks may be subject to high volatility of quotations, both in a short-term and long-term horizon. A fall in the market value of stocks may cause a loss of part of the invested capital, and in extreme cases (such as the company's bankruptcy) its total loss.

Shares are issued for an indefinite period, In the case of investments in securities registered abroad, the regulations in force in the countries of registration of the issuer or registration of the security in a depository system may specify additional rights related to shares or execution rules.

Shares are a financial instrument whose quotations can be characterised by high volatility. The key factors contributing to the volatility of stock quotes are the company's capitalization and the free float (the number of free-floating shares)

The risk of price volatility

A price drop below the investor's purchase price:

- a) Specific risk - factors directly related to the company trigger a price change (factors dependent on the company);

- b) Market risk (systematic) - also factors not directly related to the company can have a significant impact on the price of Fractional Shares. These may be factors relating to a given sector in which the company operates (e.g. construction), a given national market in which the company operates, or a supra-regional or global situation (e.g. the Covid-19 pandemic);
- c) Financial results - there is a large relationship between the quality and amount of financial results and changes in share prices, which also apply to Fractional Shares. The weaker the financial results, the greater the probability of a decline in the price and the greater the volatility of the shares and, consequently, the Fractional Shares;
- d) Financial results - there is a strong correlation between the quality and the amount of financial results and changes in stock prices. The weaker the financial results, the higher the probability of the rate drop and the greater volatility of quotations;
- e) Capitalization of the company - the volatility of quotations may be negatively correlated with the capitalization of the company. Lower capitalization may mean higher volatility of quotations;
- f) Free float - the number of shares in a free float which are not held by significant entities with qualifying holdings. Any decline in free float may cause a drop in liquidity and may increase the volatility of quotations.

Liquidity risk

Liquidity risk consists in the inability to sell or buy securities in the short-term, in a substantial volume and without significantly affecting the level of market prices. Liquidity risk usually results from a low turnover in the shares of a given company (low nominal turnover or low percentage relative to the market value of the shares admitted to trading). Low trading liquidity means a higher risk of price volatility.

Currency risk

Transactions are subject to real-time translation to the Client's account currency. An unfavourable change of the market exchange rate can have a negative effect on the transaction result. The rate of return on investments in shares of companies listed in a currency other than the currency of the Account is affected by changes in exchange rates. The value of the shares of a given company is converted to the Currency of the account in real time

Risk of price gap and non-execution of pending orders at the specified price

A price gap means a sharp change in the opening price of quotations on a given Trading Day in relation to the closing price on the previous Trading Day. A spike in price may result in the execution of the Order at a price significantly higher (market and stop buy orders) or significantly lower (market and stop sell orders) than the price indicated on the Account at the time of placing the order.

Risks related to OMI - ETFs

ETF is the participation title of an ETF fund (Exchange Traded Fund - a fund traded on the stock exchange). ETF is an open-end investment fund listed on the stock exchange on the same terms as stocks. Its task is to

reflect the behaviour of a given stock exchange index. ETF operation is governed by EU directives and national regulations (just like other investment funds). It is characterized by the possibility of constant (daily) creation and redemption of units.

The risk of imitation error

The purpose of an ETF fund is to accurately represent the rates of return of a specific reference index (before taking into account different types of fees and costs, including management costs). Slight differences in the rate of return of an ETF from the reference index (tracking error) in the short term are a common phenomenon. During periods of increased price volatility of the instruments included in the index, differences in rates of return may increase.

Market risk

Prices of individual instruments of an ownership nature (i.e. financial instruments representing ownership rights to a given company, such as, for example, stocks or depositary receipts) listed on the exchange market depend on the overall market situation.

Currency risk

An ETF may be listed in a different currency than the currency in which the assets are valued (net asset value). Currency risk also applies to investments in ETFs quoted in a currency other than the currency of the Account. The rate of return on investment may therefore also depend on the change in exchange rates.

Risk of price gap and non-execution of pending orders at the specified price

A price gap means a sharp change in the opening price of quotations on a given Trading Day in relation to the closing price on the previous Trading Day. A sharp change in price may result in the execution of an Order at a price significantly higher (market and stop buy orders) or significantly lower (market and stop sell orders) than the price indicated in the Account at the time of placing the order

Risks related to Fractional Shares

General Risk related to Organized Market Instruments (OMI) applicable to Units /Fractional Shares

By purchasing Fractional Shares, you invest in the trust right to a fractional part of an OMI,. Therefore, you are not the co-owner of a share, ETF or other instruments listed on organized markets and they will not be registered in your securities account. The formal owner of OMI is XTB MENA and you are entitled to the economic benefits resulting from holding of the fraction of such OMI. Investing in Fractional Shares, you invest in a fraction of OMI listed on the Organised Market.

OMI which the Fractional Shares regard are acquired, held, stored and sold by XTB MENA in trust (fiduciary relationship) for the benefit of the Clients.

If you order acquisition of Fractional Shares, we can either buy the (whole) OMI on the Organised Market or use a stock we already hold (e.g. in connection with its purchase for the purpose of Fractional Share of another Client). In any case, a fiduciary relationship of possession of a fraction of such an OMI will arise between you and XTB.

If you order a sale of Fractional Shares, we can either sell the (whole) OMI regarding the Fractional Share on the Organised Market or use OMI that we already hold (e.g. previously acquired to cover the Fractional Share of another Client). In any case, the relationship of holding the fraction of the given OMI in trust () between you and XTB MENA expires.

The Fractional Share value possessed by the Client is based on the current market price of the given OMI. Thus, the exposure of investments in Fractional Shares to market risk does not differ from investments in OMI, eliminating the barrier for investment in OMIs with high unit price. The financial leverage mechanism is not used for Fractional Shares investments.

The terms of offering Fractional Shares are the same as for single shares, ETFs and other instruments listed on organized markets (OMI). Client's investment in Fractional Shares regards the OMI as the financial instrument. Fractional Shares are not a Financial Instrument separate from OMI Financial Instrument. Therefore, subject to the credit risk of XTB MENA(acting as the Client's trustee) the investment risk of the Client in the case of Fractional Shares is identical as for whole units of OMI. Thus, the provisions of the declaration regarding risks connected with Financial Instruments listed on Organised Markets (OMI) apply to Fractional Shares as well. Due to the fact that fractional shares do not constitute a separate financial instrument from OMI, Fractional Shares themselves cannot be covered by XTB S.A. compensation system, but this does not apply to cash paid by the Client to cover Fractional Shares.

As Fractional Shares are held by XTB MENA as entrusted property, you are additionally exposed to XTB's credit risk. The Applicable Law does not provide for exclusion of OMI held by the trustee from its bankruptcy estate. This means that in case of XTB's bankruptcy, a Client entitled under Fractional Shares may not become entitled of the fractions of the respective OMI held by XTB on its own behalf, but rather will have claims to the XTB's bankruptcy estate according to the general principles of the law. OMI like shares and ETFs may be characterised with high volatility of quotes, both in short and long-term perspectives. A decline in the market value of the OMI unit may result in a partial loss of the capital invested in the Fractional Share and, in extreme cases - its full loss. The rights resulting from Fractional Shares are not limited in time.

Risks related to Securities / OMI (Shares)

Shares constitute equity securities that give their holders certain corporate and property rights (e.g. the right to participate in the general meeting of shareholders, the right to a dividend, the right to participate in the distribution of assets in the event of the company's liquidation). Organized trading involves dematerialized stocks. Stocks may be subject to high volatility of quotations, both in a short-term and long-term horizon. A fall in the market value of stocks may cause a loss of part of the invested capital, and in extreme cases (such as the company's bankruptcy) its total loss.

Shares are issued for an indefinite period, In the case of investments in securities registered abroad, the regulations in force in the countries of registration of the issuer or registration of the security in a depository system may specify additional rights related to shares or execution rules.

Shares are a financial instrument whose quotations can be characterised by high volatility. The key factors contributing

to the volatility of stock quotes are the company's capitalization and the free float (the number of free floating shares).

Significant Loss Potential and No Guarantees

You should be aware that the risk of loss can be substantial when transacting in OTC Derivatives. You should carefully consider whether such transactions are suitable for you and only risk an amount of money you can afford to lose. You should also note that the funds you post as your initial deposit and the OTC positions you hold with XTB MENA are not guaranteed. XTB MENA may use these deposits against losses generated by your transactions. You are personally responsible for all losses resulting from these positions and in some cases, you may lose more than you deposited.

Margin Trading & Leverage

This margin deposit allows you to trade more than the amount deposited, this is known as leverage. Any leverage you utilize will amplify your losses and you may rapidly lose all the funds you deposited as margin. In these instances, XTB MENA may seek to recover these losses in an appropriate forum, such as a court of law.

Before you are able to trade with XTB MENA, you would need to deposit funds, this is known as margin requirement. The margin requirement would be a percentage of your total contract value as a result, you will be using 'leverage' which could work for you or against you. For example, a small movement on price in your favor and can mean a high return on the margin requirement placed on the contract. However, a small movement against you and could result in you losing a significant amount of money.

XTB MENA offers a variety of risk management tools which could assist you in managing your risks. It is important to monitor your positions closely as the effect of leverage can mean the difference between a profit or a loss in a short period of time. You should also consider your account balance when you have open positions, and your running profits and losses are equal to at least your total margin requirement which you must deposit. If the price moves against you, you may be required to deposit additional funds immediately, in order to meet your margin requirements; this is known as a margin call.

The Firm also reserve the right to close one or more of your positions as per our GTC and all other documents which are binding for client. In such instances, you will be responsible for any losses incurred. If any additional amount is outstanding to XTB MENA, the Firm may seek to recover these losses in an appropriate manner, such as a court of law. XTB MENA will from time to time, as per the GTC; be entitled to increase our margin requirements at short notice. If the Firm does so, you may be required to deposit additional funds into your account to cover the increased margin requirements. If you fail to do this, XTB MENA is entitled to close one or more of your positions.

Performance Table

The below table displays the percentage of active retail clients that have made a loss over the four most recently completed calendar quarters.

QUARTER	FX CFD		Other CFD*	
	XTB Group	XTB MENA	XTB Group	XTB MENA
Q-3 2022	68%	61%	76%	71%
Q4-2022	67%	63%	77%	81%
Q1 -2023	64%	53%	74%	78%
Q2- 2023	67%	71%	72%	66%

*Indices, commodities, equity CFD.

Past performance is not a reliable indicator of future results.

Stop Loss Limits

Stop Loss Limits are set to limit your losses. However, during times of significant market volatility, limited liquidity, failure of electronic or telecommunications systems, or force majeure it may not be possible to give effect to Stop Loss Limits at the requested price. Stop losses are not guaranteed and you will remain liable for all losses.

Tax Obligations

XTB MENA is not responsible for the management of your tax affairs nor for providing returns on your behalf.

Advisory

XTB MENA does not monitor your positions and the Firm does not provide investment advice relating to investments or possible transactions in investments as the Firm is not permitted to do so. The Firm only provides factual market information and information about transaction procedures, potential risks and how these risks may be minimized, but the ultimate decisions is made by you.

Conflicts of Interests and Inherent Conflicts

The Firm is aware that the services and products offered can create conflicts, therefore the Firm has in place robust policies and procedures to identify, prevent, and manage conflicts. The Firm has compiled a list but, please be aware this is not an exhaustive list and other conflicts may arise in the course of your dealings with XTB MENA.

XTB MENA is the counterparty to all OTC transactions and Securities / Organized Market Financial Instruments. When you sell, XTB MENA will be the buyer. When you buy, XTB MENA will be the seller. When you lose money on a transaction, XTB MENA may make money on the same transaction in addition to fees and commissions it may charge you. XTB MENA takes all reasonable steps to ensure that it offers its clients the best prices available to it. All product specifications, including Spreads and Margins are Available in XTB MENA website and in the trading platform(s) which XTB MENA makes available for clients. The spreads quoted on the trading platforms reflect conditions in the underlying market and can substantially widen during news events and around the end of the trading session.

The prices offered to you depend on a number of factors including the transaction size, term of the product, the Firm's business relationship with you, the underlying market rates and

any prevailing swap or rollover charges. There may be circumstances when these prices differ from those offered to other clients due to these factors.

XTB MENA employees may receive small gifts and minor hospitality from other parties with whom XTB MENA have a business relationship with. However, any gift or hospitality must meet the requirements of our internal policies and does not impair our duty to act in the best interests of the Firm's Clients or other legal or regulatory obligations. Employees are not permitted deal on their own account.

Electronic Trading Platform

Electronic trading platforms, no matter how convenient or efficient, do not remove the risks associated with transactions.

An electronic trading platform for OTC transactions is not an exchange, as a result it does not connect to or route orders to an exchange. The connection is only electronic for communication purposes. XTB MENA is regulated by the DFSA and registered in the DIFC. How you use the platform is governed only by your contract with XTB MENA. The trading platform may not be regulated by a financial services regulator.

This risk disclosure does not disclose all risks associated with OTC and OMI transactions. You should carefully consider the amount of money you can afford to lose before you commit funds for trading purposes. If you are not sure that you understand a particular product, instrument, or transaction, you should first seek appropriate professional advice before entering into the product, instrument, or transaction.

Tax Treatment

XTB MENA is not responsible for the management of your tax affairs nor for providing returns on your behalf.

Electronic Communication

XTB MENA offers you the opportunity to deal and communicate with XTB MENA via electronic means, for example by our dealing platform and, in certain circumstances, by email. Although electronic communication is often a reliable way to communicate, no electronic communication is entirely reliable or always available. If you choose to deal with XTB MENA via electronic communication, you should be aware that electronic communications can fail, can be delayed, may not be secure and/or may not reach the intended destination.

Regulatory and Legal Risks

The risk that a change in laws and regulations will materially impact a security and investments in a sector or market. A change in laws or regulations made by the government or a regulatory body can increase the costs of operating a business, reduce the attractiveness of investment and/or change the competitive landscape and as such alter the profit potential of an investment.

This risk is unpredictable and may vary from market to market. In emerging markets such risk may be higher than in

more developed markets. For example, in emerging markets the inadequacy or absence of regulatory measures can give rise to an increased danger of market manipulation, insider trading or the absence of financial market supervision can affect the enforceability of legal rights.

Terms and conditions of keeping the Account

Prior to signing the Agreement, you should acquaint yourself with and accept any and all costs and charges related to performance of the Agreement. This applies, in particular, to the costs of keeping and maintaining the Accounts, the costs and commissions related to the conclusion of Transactions and any other fees and commissions we charge in accordance with the Agreement. Provision of the services on particular markets may involve additional costs and taxes. Such costs shall be borne by the Client and may be paid through XTB MENA Transaction or Order concluded or placed by the Client in Stocks, Equity CFDs or ETF CFDs may require us to conclude a hedging transaction in the Underlying Instrument on one or more Underlying Exchanges, with one or more Partners. Therefore, for such Orders or Transactions, we shall be entitled, pursuant to this Agreement, to use on our own account the funds representing the Nominal Value of Synthetic Stocks or Margin deposited on your Account. For this purpose, we are entitled to transfer these funds to our corporate account and provide them to the Partner. This results from the need to provide a security required for the placing of an Order or conclusion of a transaction on the Underlying Exchange or with the Partner. Those funds will still be shown on the Client's Account as the Balance.

In some cases we provide our services also through custodians or brokers. The principles governing their services are laid down in the regulations applicable to those entities. The Client should be aware that due to this fact the Client's rights might be regulated differently than as provided for in the laws applicable in the Client's country of residence. If we deposit Financial Instruments, recorded on the Client's Trading Account, on a collective account maintained for us by the Custodian, we are the holders of the collective account. The holder of the Trading Account (the Client) shall be entitled to the Financial Instruments recorded on such a collective account in amount specified by us in the Trading Account. Financial Instruments of Trading Accounts' holders are kept separately from financial instruments of the Custodian or XTB MENA. If, for any reason, it is not possible to keep the Financial Instruments of the Trading Accounts' holders separately, we shall be obliged to notify the Clients of that fact forthwith.