

50KCY Ltd, previously 50CoinsCY Ltd, (the "Company", "we" or "us") is a Cypriot Investment Firm licensed and regulated by the Cyprus Securities and Exchange Commission ("CySEC") under license number 282/15.

This Policy/Notice provides you with information about the risks associated with trading stocks and ETFs, which you ("the client", "you") may trade/invest through services provided to you by the company.

While deciding whether to invest with us, you should be aware of the following points:

(a) Real Shares and ETFs

- i. Shares represent units of ownership in a company. The value of a share may increase or decrease over time depending on various factors, including the company's financial performance, market conditions, economic developments, and investor sentiment. Prices are determined by supply and demand and may fluctuate significantly.

In the event that a company becomes insolvent or enters liquidation, holders of ordinary shares rank last in the order of repayment and may receive little or no return on their investment.

The market price of shares reflects investors' expectations regarding the company's future prospects and overall market sentiment. As a result, the value of an investment may rise or fall, and investors may realize gains or losses depending on market conditions and the timing of their transactions.

Investments in shares involve risk. The value of your investment may decrease, and you may lose part or all of the capital invested. Past performance is not a reliable indicator of future results.

- ii. Exchange Traded Funds (ETFs) are collective investment instruments that typically aim to track the performance of a basket of assets, such as equities, indices, or other financial instruments. The value of an ETF may increase or decrease over time depending on the performance of its underlying assets, as well as market conditions and investor demand.

Although ETFs are designed to replicate the performance of an underlying index or asset, their performance may not exactly match it (tracking error). The market price of an ETF is also influenced by supply and demand and may differ from the net asset value (NAV) of the underlying assets.

In certain market conditions, the liquidity of an ETF may be affected by the liquidity of its underlying assets, which may impact the ability to execute transactions at the desired price.

Investments in ETFs involve risk. The value of your investment may decrease, and you may lose part or all of the capital invested. Past performance is not a reliable indicator of future results.

- (b) Costs and charges** may affect the potential return on your investment. Before investing, you should ensure that you fully understand all applicable commissions, fees, spreads, and any other charges for which you may be liable. Where applicable, currency conversion costs may also apply. Such costs may be charged either directly or indirectly and may reduce the overall performance of your investment over time.

- (c) Failure to monitor positions** may expose you to increased risk. It is important that you monitor your positions on a regular basis, as market conditions may change rapidly. You are responsible for monitoring your account and ensuring that you have access to it at all times while positions remain open.

- (d) Dividends** are distributions of a company's profits to its shareholders. The payment, amount, and frequency of dividends are not guaranteed and are determined at the discretion of the issuing company. To be eligible to receive a dividend, you must hold the relevant shares before the ex-

dividend date. If shares are purchased on or after the ex-dividend date, the buyer will not be entitled to the declared dividend.

- (e) **Market Gapping may occur** which refers to a sudden change in the price of a financial instrument from one level to another, with little or no trading in between. This may happen at any time but is more common when markets reopen after a period of closure (e.g. overnight or after weekends or holidays).

Such movements may result in execution at prices significantly different from the previous closing price, which may have either a positive or negative impact on your position.

- (f) The Company does not provide **investment advice or recommendations** regarding the suitability of any investments. You are solely responsible for making your own investment decisions and for managing your account based on your own judgment and assessment of the risks involved.

- (g) **Liquidity Risk.** Shares and Exchange Traded Funds (ETFs) may have limited liquidity due to reduced market activity or demand. As a result, it may be difficult to execute transactions promptly or at the desired price.

In such circumstances, the available market price may not reflect the expected value of the instrument and obtaining reliable or up-to-date pricing information may be more challenging. In the case of ETFs, liquidity may also be affected by the liquidity of the underlying assets in which the ETF is invested.

- (h) **Margin Lending Risk**

Trading with margin lending involves borrowing funds to increase the size of a position and therefore magnifies both potential gains and potential losses. Because margin trading involves a required margin that is smaller than the total value of the transaction, even a small price movement in the underlying asset may have a proportionally larger impact on your position. This may work both in your favor and against you. Favorable market movements may result in enhanced returns; however, adverse market movements may result in significant losses, which may occur rapidly. The higher the level of leverage, the greater the potential impact on your investment.

- (i) **Contingent liability transactions** that involve margin lending require you to make payments against the total value of the investment, rather than paying the full purchase price upfront. You must maintain the required margin levels (including initial and maintenance margin) on your open positions at all times. It is your responsibility to monitor your positions and ensure that sufficient margin is maintained.

Retail clients may lose the total amount of funds deposited in their account but are not subject to further payment obligations. In contrast, professional clients and eligible counterparties may incur losses that exceed their deposited funds.

If the market moves against your position, you may be required to provide additional margin at short notice in order to maintain your position. Failure to do so within the required timeframe may result in the automatic liquidation of your position at a loss. Professional clients and eligible counterparties will be liable for any resulting deficit.

Even where a transaction does not involve margin lending, there may be limited circumstances, particularly for professional clients or in relation to complex financial instruments, where additional payments beyond the initial amount invested may be required.

Transactions executed on regulated markets are subject to the rules of those markets; however, such rules do not eliminate risk, and you may still be exposed to significant losses depending on market conditions.

- (j) **Foreign markets and Currency Risk.** Transactions in foreign markets involve different risks compared to domestic markets and, in some cases, these risks may be greater. The potential for

profit or loss from investments in foreign markets or in foreign currencies will be affected by fluctuations in exchange rates.

Additional risks may arise from changes in political, economic, or regulatory conditions in foreign jurisdictions, which may significantly and adversely affect market conditions, liquidity, and the value of the investment or the relevant currency.

- (k) Performance calculation.** Your investments are subject to market risk, which is the possibility of incurring losses due to factors that affect the overall performance of the financial markets in which you invest. Managing and mitigating such risks requires appropriate knowledge, experience, and understanding of the markets.
- (l) Volatility risk.** Stocks, ETFs, and related markets may be highly volatile. The price of an asset may fluctuate rapidly and over a wide range due to unforeseeable events or changes in market conditions, which are beyond the control of both the Client and the Company.

Under certain market conditions, it may not be possible to execute an order at the requested or expected price, which may result in losses. Similarly, due to rapid price movements, low liquidity, or other market factors, the Company may be unable to close a position at the price specified by the Client. In such circumstances, risk management measures may not be effective, and the Company shall not be held liable for any resulting losses.

Prices may be influenced by various factors, including changes in supply and demand, governmental, economic, and regulatory developments, as well as broader market sentiment and investor behavior.

During periods of high volatility or market uncertainty, price movements may be significant and sudden, which may adversely affect your positions and may lead to their automatic closure in accordance with applicable risk management rules.
- (m) Client Money and Counterparty Risk.** Any money or assets that we hold on your behalf are kept in one or more segregated accounts with an institution within or outside the European Economic Area, separated from the Company's money. It is noted that the legal and regulatory regime applying to any financial institution outside Cyprus or the EEA will be different to that of Cyprus. However, where we are unable to meet our duties and obligations arising from your claim and to return your funds, you may be entitled to be covered by the Investor Compensation Fund. The Company participates in the Investor Compensation Fund for clients of investment firms regulated in the Republic of Cyprus. Certain clients will be entitled to compensation under the Investor Compensation Fund where the Company is unable, due to its financial circumstances and when no realistic prospect of improvement in the above circumstances in the near future seems possible.
- (n) Weekend risk.** Events, developments, or announcements may occur outside of normal trading hours, including overnight, during weekends, or on public holidays when markets are closed. As a result, markets may open at prices significantly different from those at the previous close. This may lead to price gaps, which can have either a positive or negative impact on your positions, depending on market movements.
- (o) Electronic trading.** Trading through the Company's online platform may differ from trading through other electronic systems or traditional trading venues. By using electronic trading systems, you are exposed to risks associated with technology and communications infrastructure, including failures of hardware or software, system downtime, and interruptions in connectivity. These risks may relate to the Company's systems, your own devices, or the communication networks (such as the internet) used to access the platform.

The Company does not control signal transmission, internet routing, the configuration of your equipment, or the reliability of your connection. As a result, delays, distortions, or interruptions in communication may occur and may affect the execution of your orders.

The Company maintains appropriate systems and contingency measures designed to reduce the likelihood of system failures; however, such risks cannot be entirely eliminated.

- (p) **Conflict of Interest.** The Company takes all reasonable steps to identify and prevent or manage the conflicts of interest arising in relation to its business lines and its group's activities under a comprehensive Conflicts of Interest Policy. The disclosure of conflicts of interest by the Company should not exempt it from the obligation to maintain and operate effective organizational and administrative arrangements. For more information on (potential) conflicts of interest and the mitigation measures taken by the Company, kindly refer to the Company's Conflicts of Interest policy.
- (q) **Insolvency.** Any insolvency or default may lead to positions being liquidated or closed out without your consent.
- (r) **Appropriateness Risk Assessment.** While we may request information about your knowledge and experience, it is your responsibility to ensure that you fully understand the risks involved in shares and ETFs trading and to carefully consider whether investing with us is suitable for you.
- (s) **Share Lending.** The Client may lend shares to the Company in accordance with the terms and conditions set out in the Client Agreement. The Company may, in turn, use such shares for purposes permitted under its services, including facilitating other clients' trading activities (such as short selling), and may act as counterparty to such transactions. In such cases, ownership of the shares may be transferred for the duration of the lending arrangement, and the Client will receive equivalent shares upon their return, rather than the exact same securities. Collateral may be provided to mitigate the risk that the Company is unable to return the shares. However, collateral risk may arise if, at the time of default, the value of the lent securities exceeds the value of the collateral, which may not be sufficient to fully cover the exposure and may result in losses. Counterparty risk, as described above, applies. This arises where the Company is unable to meet its obligations, including due to insolvency, and fails to return the shares. Operational risk may arise due to errors, delays, or failures in internal processes or systems. The lent shares may be used to facilitate short selling or other trading activities, which may influence the market value of the shares. During the lending period, you will not retain voting rights attached to the lent shares, as these are transferred for the duration of the arrangement. You may receive payments equivalent to dividends during the lending period; however, such payments may be subject to different tax treatment, and you should seek independent advice if needed. Positions related to such arrangements may be affected by market conditions and may be closed automatically by the system in certain circumstances, including but not limited to:
- extreme price volatility;
 - regulatory requirements;
 - changes in stock availability.
- (t) **Extra Margin – Intraday Trading:** The Extra Margin feature involves a significantly higher level of risk than trading under Standard Margin and is intended solely for experienced clients who understand and accept the risks associated with intraday margin trading.
- i. **High Risk of Loss:** Trading with Extra Margin increases both potential gains and potential losses. Due to the higher margin applied, even small price movements may result in substantial losses,

- including the rapid depletion of your equity. You may lose the entire amount allocated to Extra Margin positions within a very short period of time.
- ii. **Intraday Use Only:** Extra Margin is designed exclusively for short-term, intraday strategies. Positions opened using Extra Margin are subject to mandatory automatic closure before the end of the trading session. You understand that Extra Margin is not suitable for long-term or overnight trading.
 - iii. **Automatic Closure and Forced Liquidation:** Your positions may be automatically closed at any time if your account no longer meets the applicable margin requirements or if risk controls are triggered. Automatic closure may occur at prices less favourable than expected due to market volatility, liquidity constraints, or execution delays. Such closure is final and cannot be prevented, modified, or delayed by you.
 - iv. **Market Conditions and Execution Risk:** High volatility, low liquidity, market gaps, or rapid price movements may prevent the timely execution of orders or may result in execution at significantly different prices. Liquidity providers may withdraw or limit liquidity without notice, which can affect both the opening and closing of positions. Technical issues, connectivity problems, or system delays may also impact the timing and outcome of order execution. These risks are inherent to margin intraday trading and may lead to losses greater than anticipated.
 - v. **Feature Availability and System Limitations:** Access to Extra Margin is not guaranteed. The feature may be restricted, suspended, or disabled at any time due to market conditions, regulatory requirements, technical issues, or internal risk considerations. Orders may be rejected or not executed even if the trading interface remains accessible. You remain responsible for monitoring your positions at all times.
 - vi. **No Combination of Margin Types:** You may not combine Standard Margin and Extra Margin within the same position, nor switch between margin types while holding open positions or pending orders. This restriction may limit your ability to manage or adjust positions during periods of market stress.
 - vii. **Responsibility for Monitoring and Managing Risk:** You are solely responsible for monitoring your account, maintaining sufficient equity, and managing your positions. The Company does not provide investment advice, does not monitor your trading activity on your behalf, and does not guarantee the availability, performance, or outcome of the Extra Margin feature.
 - viii. **No Reduction of Inherent Risk:** The conditions governing Extra Margin, including automatic closure mechanisms and availability restrictions, do not reduce the inherent risks of margin intraday trading. You should only use Extra Margin if you fully understand these risks and have the financial capacity to bear potential losses.

For more information, clarifications or queries in relation to the risks associated with investing in shares and ETFs, please contact us via email at support@50K.trade

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