RISK WARNING NOTICE

VG MARKETS LIMITED

The principal risks of trading leveraged derivative products

September 2026

VGM-LEG-RWN-001 | Version 1.0

PO Box 1212, Hamchako, Mutsamudu, Autonomous Island of Anjouan, Union of Comoros

Company No. 16087
Licence No. L16087/VGM — Anjouan Offshore Finance Authority

CONTRACTS FOR DIFFERENCE AND ROLLING SPOT FOREIGN EXCHANGE ARE COMPLEX LEVERAGED INSTRUMENTS THAT CARRY A HIGH RISK OF RAPID LOSS. YOU CAN LOSE ALL OF THE FUNDS YOU DEPOSIT. THESE PRODUCTS ARE NOT SUITABLE FOR EVERY INVESTOR. YOU SHOULD CONSIDER WHETHER YOU UNDERSTAND HOW THEY WORK AND WHETHER YOU CAN AFFORD THE HIGH RISK OF LOSING YOUR MONEY.

VG MARKETS LIMITED | COMPANY NO. 16087 | LICENCE NO. L16087/VGM | ANJOUAN OFFSHORE FINANCE AUTHORITY

Document title	Risk Warning Notice
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Issuing entity	VG Markets Limited (Company No. 16087)
Licence	International Brokerage and Clearing House Licence No. L16087/VGM, issued by the Anjouan Offshore Finance Authority under Government Notice No. 005 of 2005
Owner	Head of Compliance
Approved by	Board of Directors
Effective date	1 September 2026
Next scheduled review	31 August 2027
Classification	Public — published on the Company website

1. INTRODUCTION

VG Markets Limited (the **"Company"**, **"we"**, **"us"** or **"our"**) is a company incorporated in the Autonomous Island of Anjouan, Union of Comoros, under Company Number 16087. We hold International Brokerage and Clearing House Licence No. L16087/VGM issued by the Anjouan Offshore Finance Authority under Government Notice No. 005 of 2005. Our registered office is PO Box 1212, Hamchako, Mutsamudu, Autonomous Island of Anjouan, Union of Comoros.

We offer trading in leveraged derivative products — principally rolling spot foreign exchange and contracts for difference (**"CFDs"**) on indices, commodities, metals, shares and cryptocurrencies.

You should read this Risk Warning Notice in full before opening an account or placing any Order. It describes the principal risks of the products we offer. It does not describe every risk, and it is not a recommendation to trade. The fuller disclosure is set out in our Risk Disclosure Statement, and the terms on which we deal with you are set out in the Client Agreement. Both are available on our website.

> *If you do not understand the risks described in this notice, or you are not comfortable accepting them, you should not trade these products. You should consider seeking independent financial, tax or legal advice.*

2. WHO THESE PRODUCTS ARE SUITABLE FOR

Leveraged derivatives are complex, high-risk products. They are not suitable for everyone, and in particular they are unlikely to be suitable for you if:

- you have limited or no experience of trading leveraged products;
- you are investing money you cannot afford to lose, or money set aside for essential expenses, debt repayment or retirement;
- you are looking for a stable or predictable return, or for capital protection;
- you are unable to monitor your open positions regularly; or
- you do not understand how margin, leverage and automatic close-out work.

You should have sufficient knowledge and experience of these products to evaluate their risks for yourself, and you should consider your investment objectives, financial position and tolerance for loss before you begin.

3. THE NATURE OF THESE PRODUCTS

Derivatives are complex financial products that take their value from an underlying asset such as a currency pair, an index, a commodity, a share or a cryptocurrency. **You do not own, and acquire no right or interest in, the underlying asset.** You have no voting rights, no entitlement to dividends as a shareholder, and no right to delivery of the asset.

A CFD is a contract between you and the Company to exchange the difference in the price of the underlying asset between the time the contract is opened and the time it is closed. Your profit or loss is the difference between the opening and closing price, multiplied by the contract size, adjusted for any costs.

Rolling spot foreign exchange contracts are contracts for the purchase or sale of a currency pair that settle on a spot basis but are rolled over daily rather than delivered. No physical delivery of currency takes place. Positions held overnight are subject to a daily swap adjustment, which may be a debit or a credit to your account.

These products are traded over the counter and not on an exchange. That has two consequences you should understand: the contract can only be closed with the Company, not with any other person, and the prices we quote are our prices, derived from external market data, rather than exchange prices.

> *Cryptocurrency CFDs are exceptionally volatile. Prices can move by very large percentages in a short period, including outside normal market hours, and these products are unlikely to be suitable for most retail clients.*

4. LEVERAGE AND MARGIN

Margin is the amount you must deposit to open and maintain a position. Because you deposit only a fraction of the full contract value, a relatively small deposit can support a much larger position. This is leverage, and it is the single most important risk in these products.

Leverage magnifies losses in exactly the same proportion as it magnifies gains. At a leverage ratio of 1:100, a movement of 1% against your position produces a loss equal to 100% of the margin you committed to it. Small adverse price movements can therefore consume your entire deposit very quickly.

You should also understand that leverage does not increase the likelihood of a profitable outcome. It increases the size of the outcome, whichever direction it takes.

Trading rule	Level	What happens
Margin Call	Margin Level touches or falls to 100%	You are notified, normally by an alert on the Trading Platform, and you are prevented from opening further positions. You may deposit additional funds or reduce your exposure by closing positions.
Automatic close-out (stop-out)	Margin Level touches or falls to 50%	We may begin closing your open positions without further notice, in order to reduce your exposure. Positions may be closed at prices materially worse than those shown when the level was reached.

It is your responsibility to monitor your account and to maintain sufficient margin at all times. A Margin Call is a courtesy notification, not a precondition to close-out: **we are not obliged to contact you before closing positions, and market conditions may not permit it.**

We recommend prudent risk management, including limiting position sizes, avoiding the maximum available leverage, using stop-loss orders, and reviewing open positions regularly. Please note that ordinary stop-loss orders are **not guaranteed**: in fast-moving or gapping markets they may be executed at a price significantly worse than the level you set.

5. NEGATIVE BALANCE PROTECTION

We provide negative balance protection to retail clients. This means that if your account balance becomes negative as a result of your trading, we will ordinarily bring the balance back to zero, so that **you do not owe us more than the funds you have deposited**.

Negative balance protection is subject to exclusions set out in the Client Agreement. In particular, it does not apply where the negative balance arises from your abusive, fraudulent or manipulative conduct, from any breach of the Client Agreement, or from trading intended to exploit an error in our pricing or systems. In those circumstances you remain liable for the full amount of the deficit.

> *Negative balance protection limits how much you can lose. It does not reduce the likelihood of losing what you have deposited. You should still expect that the whole of your deposited funds is at risk.*

6. OUR ROLE AND THE CONFLICT IT CREATES

When you trade with us, your contract is with the Company rather than with an exchange or another market participant. In these transactions **VG Markets acts as principal and is your counterparty**.

Because the Company is the other party to your contract, our commercial interest in the outcome of a transaction differs from yours. This is an inherent and ordinary feature of over-the-counter products and it is common to firms offering them. We manage it through operational controls, governance arrangements, compliance oversight and disclosure. Our Conflicts of Interest Policy (VGM-LEG-COI-001), published on our website, explains this in more detail.

Prices quoted on our platforms are derived from independent external market data sources. We cannot, however, guarantee fill rates, specific prices, or the absence of slippage, particularly in volatile or illiquid conditions. All Orders are accepted on a best-efforts basis within prevailing market conditions.

7. MARKET RISKS

7.1 Volatility and price gaps

Financial markets can move rapidly and unpredictably in response to economic data, political developments, central bank decisions, natural events or market sentiment. High volatility widens spreads, increases the frequency of Margin Calls and accelerates losses.

Prices may **gap** — that is, move directly from one level to another without trading at the levels in between. Gapping commonly occurs around major news events, after weekends and holidays, and during periods of market stress. When a market gaps, stop-loss orders are executed at the next available price, which may be substantially worse than the level you set.

7.2 Liquidity

Liquidity risk arises where there is insufficient volume to execute your Order at the price you want, where spreads widen sharply, or where Orders cannot be filled promptly. Less-traded instruments — exotic currency pairs, smaller shares and volatile cryptocurrencies — carry higher liquidity risk and can price erratically.

7.3 Weekends and market closures

Most markets are closed at weekends and on public holidays, but events continue to occur. Instruments may therefore open at materially different prices from the previous close. Non-guaranteed stop-loss orders placed before a closure may execute at substantially worse levels on reopening. Certain products, including cryptocurrency CFDs, may remain tradable outside normal hours with wider spreads and increased volatility.

7.4 Currency risk

Where an instrument is denominated in a currency other than your account base currency, you are exposed to exchange rate movements in addition to the price movement of the instrument itself. An adverse exchange rate movement can reduce your profit or increase your loss even where the instrument itself moved in your favour.

8. COSTS AND CHARGES

Trading costs reduce your return and may turn a profitable position into a losing one. The costs that may apply to your account include spreads, commissions, daily swap or financing adjustments on positions held overnight, currency conversion charges, inactivity fees and withdrawal charges.

Spreads are variable and typically widen during volatile periods and outside main trading hours. Swap adjustments can be substantial on positions held for long periods. Full details of the charges applicable to your account are published on our website and in the client portal, and you are responsible for understanding them before you trade.

9. CLIENT MONEY

Unless otherwise agreed with you in writing, client funds are held in segregated accounts with regulated financial institutions, separately from the Company’s own operating funds.

Segregation is not a guarantee against loss. It is intended to make client funds identifiable and to protect them from being applied to the Company's own obligations. It does not protect you against trading losses, which are borne entirely by you, and it does not eliminate the risk of loss arising from the failure of a bank or payment institution holding those funds.

There is no statutory investor compensation scheme, deposit guarantee scheme or external dispute resolution scheme in the Autonomous Island of Anjouan or the Union of Comoros applicable to our business. This differs from the position in a number of other jurisdictions, and you should take it into account before opening or maintaining an account.

10. EXECUTION-ONLY SERVICE

We provide our services on an **execution-only** basis. We do not provide personal investment advice, we do not make recommendations, and we do not assess whether a particular product or transaction is suitable or appropriate for your circumstances.

We may make available factual market information, general educational material, news, analysis, economic calendars and technical tools. None of this constitutes investment advice, a personal recommendation or a solicitation to trade. Any decision to enter into a transaction is yours alone, taken on your own analysis and judgement.

11. TECHNOLOGY AND OPERATIONAL RISKS

Trading through an online platform depends on technology that can fail. Risks include loss of internet connectivity, hardware or software failure, latency or delayed quotes, failures in Order transmission, platform outages during periods of peak demand, and cyber incidents.

We maintain monitoring, redundancy and disaster recovery arrangements, but we cannot guarantee uninterrupted availability. Subject to the Client Agreement and to applicable law, we are not liable for losses arising from communication failures, hardware or software failure, cyber incidents, third-party infrastructure failures or events beyond our reasonable control.

You are responsible for the security of your login credentials and for all activity on your account. Use a stable connection, keep your software current, and tell us immediately if you suspect your credentials have been compromised.

12. RESTRICTED JURISDICTIONS

We do not offer our services to residents of jurisdictions in which the offering of leveraged over-the-counter derivatives to retail clients is prohibited or restricted, which are subject to applicable financial sanctions, or which are otherwise excluded under our client acceptance arrangements. It is your responsibility to satisfy yourself that your use of our services is lawful where you live.

13. GENERAL

- Past performance is not a reliable indicator of future results. Illustrations of past, hypothetical or simulated performance are provided for information only.
- Market commentary, analysis and opinions published by the Company are general in nature and do not constitute trading recommendations.
- The information in this notice is general and does not take account of your objectives, financial situation or needs.
- This notice does not disclose every risk associated with the products we offer.
- We may amend this notice at any time. The current version is published on our website.

If you are dissatisfied with any aspect of our service, our Complaint Handling Policy (VGM-LEG-CHP-001) explains how to raise a complaint and how we will handle it. It is published on our website.

14. CONTACT

Client Support	support@vgmarkets.com
Compliance	compliance@vgmarkets.com
Registered office	VG Markets Limited, PO Box 1212, Hamchako, Mutsamudu, Autonomous Island of Anjouan, Union of Comoros
Website	www.vgmarkets.com

Approved by the Board of Directors of VG Markets Limited. Effective 1 September 2026. This Notice supersedes no previous version. It is supplementary to, and does not replace, the Risk Disclosure Statement (VGM-LEG-RDS-001) and the Client Agreement (VGM-LEG-CA-001).