

Frank Digital AG

RISK BROCHURE

Clients must carefully consider and understand the risk entailed with trading Cryptocurrencies (“Digital Assets”) and derivative instruments, including contracts for difference (“CFDs”), consider their investment objectives, level of experience and risk appetite before engaging in any assets therein.

Frank Digital AG informs clients about the particular risks related to specific types of high risk transactions as such, but not about the specific risks relating to each individual transaction. In this respect, Frank Digital AG has no obligation to inform clients about possible tax and legal aspects.

IMPORTANT NOTICE

Trading activity in Digital Assets and/or derivative instruments, including CFDs, carries substantial risks and suits only persons who can assume the risk of a total loss of funds. Therefore, clients shall only trade with funds they can afford to lose. Money required securing living expenses, educating children, and/or assuring retirement should never be traded.

Persons unsure or hesitant about a trade must stay on the side-lines. Speculation should not be confused with making a long-term conservative investment.

Digital Assets and derivative instruments, including CFDs markets are amongst the most volatile markets in the world.

Any activity in Digital Assets and CFDs markets necessitates good market understanding, experience and personal commitment. Anyone who has doubts concerning the risks or costs associated hereunder must immediately request further information from his/her contact persons at Frank Digital AG and/or from independent advisors. Frank Digital AG does not provide any tax or legal advice

THIS BROCHURE IS A SUMMARY OF THE RISKS INVOLVED IN DIGITAL ASSETS AND DERIVATIVE INSTRUMENTS TRADING. IT IS NOT MEANT TO BE EXHAUSTIVE. CLIENTS SHOULD CAREFULLY CONSIDER THEIR ABILITY AND EXPERIENCE BEFORE COMMITTING ANY FUND IN THIS TRADING.

General risks in Digital Assets and/or CFD trading on spot and/or margin

Trading Digital Assets is not suitable for everyone. Investing in such instruments involves a high degree of risk of loss. Before trading you should be aware of the risks involved due to the fluctuation in the value of such instruments' prices. Any type of market or trade speculation that can yield an unusually high return on investment is subject to unusually high risks. Large losses may be suffered within a relatively short period of time due to adverse market movements or to position build-up. Before deciding to enter into Digital Assets trading, you should carefully consider your investment objectives, level of experience, and risk appetite. You should only trade the portion of your own assets you are disposed and cannot afford to lose entirely: only your surplus funds should be placed at risk and if you do not have such surplus funds you

should imperatively avoid engaging in trading. In case of doubts on the risks related to Digital Assets trading you should consult any independent financial advisor and request any necessary information.

DIGITAL ASSET VALUES CAN FLUCTUATE SUBSTANTIALLY WHICH MAY RESULT IN A TOTAL LOSS OF THE VALUE OF DIGITAL ASSETS HELD BY CRYPTOCURRENCY EXCHANGE ON YOUR BEHALF. THE SUPPLY OF DIGITAL ASSETS AVAILABLE TO US OR CRYPTOCURRENCY EXCHANGE TO PROVIDE TO YOU AS A RESULT OF A FORKED NETWORK AND OUR OR CRYPTOCURRENCY EXCHANGE ABILITY TO DELIVER DIGITAL ASSETS RESULTING FROM A FORKED NETWORK MAY DEPEND ON THIRD PARTY PROVIDERS THAT ARE OUTSIDE OF OUR CONTROL. WE DO NOT OWN OR CONTROL ANY OF THE PROTOCOLS THAT ARE USED IN CONNECTION WITH DIGITAL ASSETS AND THEIR RELATED DIGITAL ASSET NETWORKS, INCLUDING THOSE RESULTING FROM A FORKED NETWORK. ACCORDINGLY, WE DISCLAIM ALL LIABILITY RELATING TO SUCH PROTOCOLS AND ANY CHANGE IN THE VALUE OF ANY DIGITAL ASSETS (WHETHER OF A FORKED NETWORK OR OTHERWISE), AND WE MAKE NO GUARANTEES REGARDING THE SECURITY, FUNCTIONALITY, OR AVAILABILITY OF SUCH PROTOCOLS OR DIGITAL ASSET NETWORKS. YOU ACCEPT ALL RISKS ASSOCIATED WITH THE USE OF CRYPTOCURRENCY EXCHANGE TO CONDUCT TRANSACTIONS, INCLUDING, BUT NOT LIMITED TO, IN CONNECTION WITH THE FAILURE OF HARDWARE, SOFTWARE, AND INTERNET CONNECTIONS.

Additional Risks

Please note the following risks in accessing or using Cryptocurrency Exchange and Frank Digital AG services:

The risk of loss in trading Digital Assets may be substantial and losses may occur over a short period of time;

The price and liquidity of Digital Assets has been subject to large fluctuations in the past and may be subject to large fluctuations in the future;

Legislative and regulatory changes or actions at the separate jurisdiction or international level may adversely affect the use, transfer, exchange, and value of Digital Assets;

In your jurisdiction, Frank Digital AG or Cryptocurrency Exchange may not be regulated as a financial institution;

Deposits into your Digital Asset Account (i.e., wallet) and your Fiat Account may not be considered deposits under the applicable laws, rules, or regulations in Switzerland, your jurisdiction or jurisdiction of Cryptocurrency Exchange;

Fiat currency in the Fiat Account of your Cryptocurrency Exchange Account may not be subject to applicable deposit insurance protection;

Digital Assets in the Digital Asset Account (i.e., wallet) of your Cryptocurrency Exchange Account (i.e., wallet) are not subject to deposit insurance protection or securities investor protections;

Digital Assets are not legal tender and are not backed by the government;

Transactions in Digital Assets may be irreversible, and, accordingly, losses due to fraudulent or accidental transactions may not be recoverable;

Some Digital Asset transactions shall be deemed to be made when recorded on a public ledger, which is not necessarily the date or time that you initiated the transaction;

The value of Digital Assets may be derived from the continued willingness of market participants to exchange fiat currency or Digital Assets for Digital Assets, which may result in the potential for permanent and total loss of value of a particular Digital Asset should the market for that Digital Asset disappear;

The nature of Digital Assets may lead to an increased risk of fraud or cyber attack, and may mean that technological difficulties experienced by Cryptocurrency Exchange may prevent the access to or use of your Digital Assets; and

Any bond or trust account maintained by Cryptocurrency Exchange for the benefit of Its Users may not be sufficient to cover all losses due to theft or fraud incurred by Users

You agree and understand that you are solely responsible for determining the nature, potential value, suitability, and appropriateness of these risks for yourself, including the suitability and appropriateness of, and investment strategies for, Digital Assets. You agree and understand that you access and use Cryptocurrency Exchange at your own risk; however, this brief statement does not disclose all of the risks associated with Digital Assets and using Cryptocurrency Exchange, and Frank Digital AG services. You should, therefore, carefully consider whether such use is suitable for you in light of your circumstances and financial resources. You should be aware that you may sustain a total loss of the funds in your Cryptocurrency Exchange Account (i.e., wallet), and that under certain market conditions, you may find it difficult or impossible to liquidate a position.

Past and Hypothetical Performance; Market Opinions

Past performances realised in Digital Assets markets are not indicative of any future performance. Hypothetical performance results may be posted on websites for information purposes only.

Such hypothetical performance results are generally based on past performances that are not a guarantee of future results. Performance can and does vary between each trader, trading strategy and current market situation.

Anyone who says you can consistently make money in Digital Assets markets is being untruthful.

Any opinions, news, research, analyses, prices, or other information contained on Frank Digital AG website (www.frankdigital.ch) is provided as general market information, and does not constitute any trading advice or recommendation. Frank Digital AG will not accept liability for any loss or damage, including without limitation to, any loss of profit, which may arise directly or indirectly from the use of or reliance on such information.

Brokerage Service

Frank Digital AG makes no representation or warranty as to the actual performance of the trades executed on behalf of the investor through Frank Digital AG brokerage service. Frank Digital AG executes trades on behalf of the client which corresponds to the trades carried out in respect of a client order. Some trades operate with leverage due to the use of margin products and a high degree of discretion and exposures towards single financial instruments and asset classes, and Frank Digital AG brokerage service may therefore entail significant risks.

All investments entail risks and may result in both profits and losses. In particular, investments in leveraged products, such as, but not limited to cryptocurrencies, foreign exchange, derivatives and commodities can be very speculative and profits and losses may fluctuate both violently and rapidly. Speculative trading is not suitable for all investors and all recipients should carefully consider their financial situation and consult financial advisor(s) in order to understand the risks involved and ensure the suitability of their situation prior to making any investment, divestment or entering into any transaction.

Past performance is not a guide to future performance and should not be the sole factor of consideration when selecting an investment portfolio or an asset, or a financial instrument. The price of the investments may go up or down and the investor may not get back the amount invested. Your income is not fixed and may fluctuate. The value of investments involving exposure to cryptocurrencies and/or foreign currencies can be affected by exchange rate movements. You are reminded that the levels and bases of, and reliefs from, taxation can change.

Frank Digital AG shall not be liable for (i) any loss which the investor may suffer as a consequence of the trading and transactions executed by Frank Digital AG; (ii) any loss suffered or incurred by the investor as a result of or in connection with Frank Digital's AG provision of brokerage service; (iii) any loss due to actions taken by Frank Digital AG according to its rights; (iv) any consequential or other indirect loss (including loss of profit and loss of goodwill) suffered or incurred by the investor whether arising from Frank Digital's AG negligence or otherwise; or (v) any loss exceeding Frank Digital's AG revenue on the account(s) or cryptocurrency wallet(s) of the client for any 12 month period prior to the client's raising of a claim against Frank Digital AG.

Sophisticated Investing

You agree and understand that by using Cryptocurrency Exchange and/or Frank Digital AG and placing Orders, you have sufficient knowledge to place such Orders. You are responsible for making sure that any Orders placed by you are accurate and intentional. We may, in some cases, and at our sole discretion, require secondary electronic, verbal, written or other confirmation before acting if your account activity is outside of its normal range of activities.

You agree and understand that the information and services provided by Cryptocurrency Exchange and/or Frank Digital AG are not provided to, and may not be used by, any individual or institution in any jurisdiction where the provision or use thereof would be contrary to any Applicable Laws and Regulations, the rules or regulations of any governmental authority or regulatory organization, or where Cryptocurrency Exchange and/or Frank Digital AG is not authorized to provide such information or services. Frank Digital AG may not be available in all jurisdictions.

Limitation of Liability

If Frank Digital AG at any time and for any reason, should become liable for the loss of any person and/or entity, including without limitation, if any provision of this disclaimer is, or at any time becomes to any extent or in any circumstances invalid, illegal or unenforceable for any reason, the liability of Frank Digital AG shall be limited to such person's and/or entity's duly documented direct loss, which for the avoidance of doubt, and without limitation, shall not include damages for any incidental and consequential losses, damages for lost opportunity, damages for lost profit, statutory damages, nominal damages, punitive damages, restitution or disgorgement damages, damages for costs, including legal costs, and damages for any other indirect loss.

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