apricot.

APRICOT CAPITAL (DIFC) LIMITED

www.apricotcapital.ae · info@apricotcapital.ae · +971 4 273 4482
Office 14-46, Central Park Tower, DIFC, Dubai, UAE, P.O Box 507412

Dubai International Financial Centre (DIFC)
Apricot Capital (DIFC) Limited

Schedule (A) to the General Business Terms
Approved by the Board of Directors, Resolution No. BRD-05.26 of 28.07.2026
Verified by the Senior Executive Officer

RISK DISCLOSURE STATEMENT

Introduction

1. This disclosure is a necessary addition to the General Business Terms and Contract signed between Apricot Capital (DIFC) Limited (the “Company”) and the Professional Client (“the Client”).

2. This disclosure provides the Client with information about the risks associated with investment products, which the Client may invest in through the services provided by the Company.

3. It is important that the Client fully understands that it is the Client’s responsibility to remain aware of the risks inherited from these products, and that the Client has adequate financial resources to deal with them, and that the Client monitors their positions closely.

Risk Warning

4. This disclosure is not intended to exhaustively include all risks associated with the products and services provided to the Client by the Company.

5. This disclosure provides the Client with information about the risks but does not explain how they relate to the Client’s personal circumstances. If the Client is in any doubt, they should seek professional advice before signing the Contract with the Company. If the Client is not sure that they understand a particular product, instrument, service or transaction, the Client should also first seek appropriate professional advice before entering into the Contract.

6. The Client should not engage in any investment directly or indirectly unless he/she knows and understands the risks involved for each one of the financial instruments offered by the Company. Prior to applying for and opening of Client Account with the Company, the Client should consider carefully whether investing in a specific financial instrument or product is suitable for him/her in the light of their personal circumstances, knowledge, expertise, and financial resources.

General and Financial Risks

7. The Client is warned of the following general risks (the list is not exhaustive):

   a) the Company does not and cannot guarantee that money deposited in their Client Account for trading will not be lost as a result of the Client’s transactions;

b) the Client acknowledges that, regardless of any information which may be offered by the Company, the value of any Investment may fluctuate downwards or upwards and it is also probable that the Investment may become of no value;

c) the Client acknowledges that he/she runs a significant risk of incurring losses and damages as a result of the purchase and/or sale of any Investment and accepts that he/she is willing to undertake this risk;

d) Information of the previous performance of an Investment does not guarantee its current and/or future performance. The use of historical data does not constitute a binding or safe forecast as to the corresponding future performance of the Investment to which the said information refers;

e) the Client is hereby advised that the transactions undertaken through the Services of the Company may be of a speculative nature. Large losses may occur in a short period of time and may be equal to the total of funds deposited with the Company;

f) some Investments may not become immediately liquid as a result of reduced demand and the Client may not be in a position to sell them or easily obtain information on the value of these Investments or the extent of the associated risks;

g) when an Investment is traded in a currency other than the currency of the Client's country of residence, any changes in the exchange rates may have a negative effect on its value, price and performance;

h) an Investment on foreign markets may entail risks different and/or greater to the usual risks of the markets in the Client's country of residence. The prospect of profit or loss from transactions on foreign markets is also affected by exchange rate fluctuations;

i) a derivative financial instrument (i.e. option, future, forward, swap, contract for difference) may be a non-delivery spot transaction giving an opportunity to make profit on changes in currency rates, commodity, stock market indices or share prices called the underlying instrument;

j) the value of the derivative financial instrument may be directly affected by the price of the security or any other underlying asset which is the object of the acquisition;

k) the Client must not purchase a derivative financial instrument unless he/she is willing to undertake the risks of losing entirely all the money which he has invested and also any additional commissions and other expenses incurred;

l) under certain market conditions (for example, but not limited to the following situations: force majeure event, technical failure, communications network failure, poor or no liquidity, market news or announcements) it may be difficult or impossible to execute an order;

m) placing stop loss orders serves to limit the Client's losses. However, under certain market conditions the execution of a stop loss order may be worse than its stipulated price and the realized losses can be larger than expected;

www.apricotcapital.ae · info@apricotcapital.ae · +97142734482
Office 14-46, Central Park Tower, DIFC, Dubai, UAE, P.O Box 507412

n) should the equity of the Client be insufficient to hold current positions open, the Client may be called upon to deposit additional funds at short notice or reduce exposure. Failure to do so within the time specified may result in the liquidation of positions at a loss and he will be liable for any resulting deficit;

o) the Client's attention is expressly drawn to currencies traded so irregularly or infrequently that it cannot be certain that a price will be quoted at all times or that it may be difficult to effect transactions at a price which may be quoted owing to the absence of a counter party;

p) there is a risk that the Client's trades in Investments may be or become subject to tax and/or any other duty because of changes in legislation and/or his/her personal circumstances. The Company does not warrant that no tax and/or any stamp duty will be payable. The Client acknowledges that he/she is solely responsible for any taxes and/or any other duty which may accrue in respect of his/her trades;

q) before the Client begins trading, he/she should obtain details of all commissions and other charges for which the Client will be liable. If any charges are not expressed in money terms (e.g. as a dealing spread), the Client should ask for a written explanation, including appropriate examples, to establish what such charges are likely to mean in specific money terms; and

r) there may be situations, movements and/or conditions occurring at the weekend, at the beginning of the week or intra-day after the release of significant macroeconomic statistics, economic or political news that make currency markets to open with price levels that substantially differ from previous prices. In this case, there exists a significant risk that orders and open positions may be executed at prices significantly different from those designated.

Product Specific Risks

Bonds

8. Bonds are issued by companies and governments to raise funding through limited-maturity obligatory debt instruments. Bonds are bought and sold on stock exchanges and their values can go down, depending on various factors, including but not limited to the credit quality of the issuer or the general expectations around interest rates. Clients may lose money with buying and selling bonds with big differences in the prices.

Shares

9. Shares, known as equities, represent a portion of a company's share capital. The extent of the Client's ownership in a company depends on the number of shares the Client owns in relation to the total number of shares in issue.

10. Shares are bought and sold on stock exchanges and their values can go down. In respect of shares in smaller companies, there is an extra risk of losing money when such shares are bought or sold. There can be a big difference between the buying and selling price of these shares. If they have to be sold immediately, the Client may get back much less than it paid for them.

11. Shares in companies incorporated in emerging markets may be harder to buy and sell than those shares in companies in more developed markets and such companies may also not be regulated as strictly.

Exchange Traded Funds (ETFs)

12. ETFs are open ended collective investment schemes that trade throughout the day like a share on the secondary market (i.e. through an exchange). Each ETF seeks to track a benchmark, and holdings are not altered in rising or falling markets, so when the benchmark falls in value, the ETF will too. ETFs can be physical (where the fund invests directly in the underlying assets that comprise the index) or synthetic (where the fund gains exposure to the index by entering into a swap agreement with counterparty).

13. The Client should read the terms of any key investor information document or prospectus carefully before deciding on an investment. The value of ETFs can fall as well as rise, and the Client could get back less than initially invested. It is the Client's responsibility to ensure that they fully understand the contents of the documentation provided and if the Client is in any doubt they should seek professional advice.

14. The risks of each ETF are dependent on the benchmark the ETF seeks to track (i.e. what the ETF itself is invested in). For example, ETFs which invest in emerging markets are often subject to higher levels of volatility than those invested in the developed world and the price of ETFs which invest in bonds will likely change if interest rates do. However, there are no guarantees that an ETF will have the same characteristics as the benchmark index and the returns will vary from that of the benchmark index.

15. ETFs that focus on a specific country or sector may display greater volatility than those tracking wider markets and so should be considered higher risk than more diversified ETFs.

16. The use of derivatives within some ETFs means that these products may not be appropriate for many investors. Their characteristics may differ more widely from the benchmark index than those which do not use derivatives and they should be considered higher risk. In relation to ETFs that the Client may purchase through its Client Account, the Client does not have any right to the underlying instruments.

17. It may not be possible to trade units or shares in ETFs if there is no liquid market. If there is low liquidity in the market, then the Client may not be able to buy or sell units at a price considered to be fair.

18. Any income the Client receives from its investment in an ETF may vary with the dividends or interest paid by the underlying investments and so could fall as well as rise.

Forwards and Futures

19. Forwards and futures entail the obligation to deliver or take delivery on a specified expiration date of a defined quantity of an underlying at a price agreed on the contract date. Forwards and futures can involve special risks. They are therefore only suitable for investors who are familiar with this type of instrument, have sufficient liquid assets and are able to absorb any losses that may arise.

20. Futures are traded on an exchange. They take the form of contracts in which the quantity of the underlying and the expiration date is standardised.

21. Forwards are not traded on an exchange; hence they are referred to as over-the-counter forwards. Their specifications may also be standardised; otherwise, they may be agreed between the buyer and seller.

22. For forward sales, the underlying must be delivered at the price originally agreed even if its market value has since risen above the agreed price. In such a case, the Client risks losing the difference between these two amounts. Theoretically, there is no limit to how far the market value of the underlying can rise. Hence, potential losses are similarly unlimited and can substantially exceed the margin requirements.

23. For forward purchases, the Client must take delivery of the underlying at the price originally agreed even if its market value has since fallen below the agreed price. The Client's potential loss corresponds to the difference between these two values. The Client's maximum loss corresponds to the originally agreed price. Potential losses can substantially exceed the margin requirements.

24. In order to limit price fluctuations, an exchange may set price limits for certain contracts. Clients should find out what price limits are in place before effecting forward or futures transactions. This is important since closing out a contract can otherwise be much more difficult or even impossible.

25. If the Client sells forward an underlying which they do not hold at the outset of the contract, this is referred to as a short sale. In this case, the Client risks having to acquire the underlying at an unfavourable market price in order to fulfil their obligation to effect delivery on the contract's expiration date.

<u>Foreign Exchange and Derivatives</u>

26. Transactions in foreign exchange and their derivatives carry a high degree of risk. The amount of initial margin may be small relative to the value of the foreign exchange or derivatives contract so that transactions are "leveraged" or "geared". A relatively small market movement will have a proportionately larger impact on the funds that the Client has placed with the Company.

27. The Client may sustain a total loss of initial margin funds and any additional funds deposited with the Company to maintain their position. If the market moves against the Client's position and Margin Requirement is increased, the Client may be called upon to deposit additional funds on short notice to maintain the position. Failing to comply with a request for a deposit of additional funds, may result in closure of the position(s) by the Company and the Client will be liable for any resulting loss.

<u>Options</u>

28. Transactions in options carry a high degree of risk. Purchasers and sellers of options should familiarise themselves with the type of option (i.e., put or call) which they contemplate trading and the associated risks. The Client should calculate the extent to which the value of the options must increase for the position to become profitable, considering the premium and all transaction costs.

29. The purchaser of options may offset or exercise the options or allow the option to expire. The exercise of an option results either in a cash settlement or in the purchaser acquiring or delivering the underlying interest. If the option is on equity, assignments will take priority over applicable Corporate Action elections.

30. Selling an option generally entails considerably greater risk than purchasing options. Although the premium received by the seller is fixed, the seller may sustain a loss well in excess of that amount. The seller will be liable for additional margin to maintain the position if the market moves unfavourably. The seller will also be exposed to the risk of the purchaser exercising the option and the seller will be obligated to either settle the option in cash or to acquire or deliver the underlying interest.

31. If the option is on a future, the seller will acquire a position in a future with associated liabilities for margin. If the option is "covered" by the seller holding a corresponding position in the underlying asset, in a future or in another option, the risk may be reduced. In case the option is not covered, the risk of loss can be unlimited.

<u>Structured Products</u>

32. Structured products are combinations of two or more financial instruments. At least one of them must be a derivative. Together, they form a new investment product. Structured products can be traded either on-exchange or over-the-counter. Every structured product has its own risk profile since the risks of their individual components may be reduced, eliminated or increased. Hence it is particularly important that the Client is fully aware of the risks involved before acquiring any such product.

33. Every structured product has its own risk profile resulting from the interaction of its component risks. Since there is almost limitless potential to combine product elements, we cannot go into detail here about the risks involved in any particular case.

34. With structured products, buyers can only assert their rights against the issuer. Hence, alongside the market risk, particular attention needs to be paid to issuer risk. The Client needs therefore be aware that, as well as any potential loss they may incur due to a fall in the market value of the underlying, a total loss of their investment is possible if the issuer should default. Market makers, who in most cases are the issuers themselves, normally guarantee that structured products are tradable. Nonetheless, liquidity risks cannot be excluded.

Operational and Similar Risks

<u>Terms and Conditions of Contracts</u>

35. The Client should understand the terms and conditions of the contracts entered into and information on associated obligations, e.g. the circumstances under which they may become obligated to make or take delivery of the underlying interest of a futures contract and, in respect of options, expiration dates and restrictions on the time for exercise.

36. Under certain circumstances, the specifications of outstanding contracts, including the exercise price of an option, may be modified by the exchange or clearing house to reflect changes in the underlying interest.

Suspension on Trading and Pricing Relationships

37. Market condition (e.g. illiquidity) and/or the operation of the rules of certain markets (e.g., the suspension of trading in any contract month because of price limits or "circuit breakers") may increase the risk of loss by making it difficult or impossible to effect transactions or close/offset positions. If the Client has sold options, this may increase the risk of loss.

38. Normal pricing relationships between the asset and a derivative do not always exist. The absence of an underlying reference price may make it difficult to judge the "fair" value.

Deposited Cash and Property

39. The Client should familiarise themselves with the protections accorded to the Collateral they deposit by way of money or other assets in domestic and foreign transactions, particularly in the event of a firm insolvency or bankruptcy. The extent to which the Client may recover their money or other assets is governed by the legislation and local rules in the country at which location the counterparty acts.

Transactions in Other Jurisdictions

40. Transactions on markets in other jurisdictions, including markets formally linked to a domestic market, may expose the Client to additional risk. Such markets may be subject to regulation, which may offer different or diminished investor protection. The Client’s local regulatory authority will be unable to compel the enforcement of the rules of regulatory authorities in other jurisdictions where the Client’s transactions have been effected.

Trading Facilities

41. Most open-outcry and electronic trading facilities are supported by computer-based component systems for the order-routing, execution, matching, registration or clearing of trades. As with all facilities and systems, they are vulnerable to temporary disruption or failure. The Client’s ability to recover certain losses may be subject to limits on liability imposed by the system provider, the market, the clearing house and/or member firms.

42. Technical difficulties could be encountered in connection with these facilities. These difficulties could involve, among others, failures, delays, malfunction, software erosion or hardware damage, which difficulties could be the result of hardware, software or communication link inadequacies or other causes. Such difficulties could lead to possible economic and/or data loss. In no event will the Company or its Affiliates or any of their employees, officers, agents be liable for any possible loss (including loss of profit or revenue whether direct or indirect), cost or damage including, without limitation, consequential, unforeseeable, special or indirect damages or expense which might occur as a result of or arising out of using, accessing, installing, maintaining, modifying, de-activating or attempting to access these trading facilities.

Electronic Trading

43. Trading on an electronic trading system may differ not only from trading in an open-outcry market but also from trading on other electronic trading systems. If the Client

www.apricotcapital.ae · info@apricotcapital.ae · +97142734482
Office 14-46, Central Park Tower, DIFC, Dubai, UAE, P.O Box 507412

undertakes transactions on an electronic trading system, they will be exposed to risks associated with the system including the failure of hardware and software. The result of any system failure may be that the Client's order is either not executed according to their instructions, is not executed at all and a lack of capability to keep the Client informed continuously about their positions and fulfilment of the Margin Requirement.

Off-Exchange Transactions

44. In some jurisdictions firms are permitted to effect off-exchange transactions. It may be difficult or impossible to liquidate an existing position, to assess the value, to determine a fair price or to assess the exposure to risk. For these reasons, these transactions may involve increased risks. Off-exchange transactions may be less regulated or subject to a separate regulatory regime. Before the Client undertakes such transactions, they should familiarize themselves with applicable rules and attendant risks.