

Risk Disclosure Statement

1. This notice provides a description of risks that are associated with investing and trading Virtual Assets (“**Notice**”).
2. At present there are:-
 - a. no identified conflicts of interest arising out of Tokinvest’s trading or business activities; and
 - b. no past convictions or prosecutions of any member of the Tokinvest senior management or board, whether before the courts of the UAE or the courts of another jurisdiction.
3. Capitalised Terms in this notice are defined used in our Brokerage Terms of Business published on the www.Tokinvest.capital website, the current version of which are available on the www.Tokinvest.capital website (“**Site**”).
4. All users and clients of our Brokerage Services are advised to carefully study the risks described in this Notice.
5. Tokinvest Virtual Assets which you custody with us are under the control of Tokinvest. Tokinvest is not a VARA regulated Custody service provider. Tokinvest will provide Virtual Asset Custody only as an incidental activity to its Brokerage Services leveraging a third-party VARA regulated Custodian and/or third-party custody technology solutions providers. As further described in paragraphs 64 a-c of these Terms;
 - a. Hex Trust will act as custodian for all Virtual Assets except for Hedera based tokens;
 - b. Tokinvest will provide ancillary services using a custodial technology solution provided by Brandbox Limited for Hedera based tokens;details of the particular custody model for each Virtual Asset will be set out in the relevant White Paper. Among the key arrangements envisaged to this end, Tokinvest shall select providers only after having performed a solid due diligence entailing analysis on the regulatory status of the parties involved, well-defined and structured internal approvals processes as well as adopting strong risk management practices.
6. We do not provide professional financial advice and noting in this Notice shall be construed as such. You shall not make any investment decision without first conducting your own research.
7. Tokinvest does not hold or maintain funds or Virtual Assets or provide clearing services for other VASPs providing Broker-Dealer Services.
8. Tokinvest does not introduce our clients to any other VASPs.

9. This Notice does not set out all risks arising in relation to Virtual Assets and should not be relied upon as doing so. The risks applicable to any particular investment or Virtual Asset will depend on your particular circumstances and the terms of the relevant transaction. You should not deal in any investment unless you understand the nature of the product you are dealing in (or contract you are entering into), the extent of your exposure to risk, and unless you are satisfied that the product is appropriate for you.
10. Types of risks that may have an impact on your investment include liquidity risk, market risk, settlement risk, currency risk, operational risk, business risk, tax risk, regulatory risk, legal risk, barriers to or restrictions on divestment, risks inherent to OTC trading and/or risks as a result of you assuming additional obligations in relation to the investment.
11. We have no obligation to inform you about tax or legal consequences of Virtual Asset Trading.
12. You are advised to read and understand the risks involved in trading and custody of Virtual Assets.
13. Anyone who uses our Site or the Brokerage Services acknowledges and agrees that Tokinvest shall not be responsible for or otherwise liable for any direct or indirect loss or damage of any kind whatsoever arising directly or indirectly from the occurrence in full or in part of any or all of the following risk events.
14. You will also need to read the whitepaper and any other offering memorandum associated with Virtual Asset issuances.
15. While most of the Virtual Assets which Tokinvest will broker are expected to be real world asset backed Virtual Assets, there is a risk of volatility and unpredictability of the price of Virtual Assets relative to fiat currencies.
16. Trading in Virtual Assets may be susceptible to irrational market forces and there is a risk of increased risk of Financial Crime.
17. The nature of Virtual Assets may lead to an increased risk of cyber-attack and there may be limitations around mechanisms for the recovery of lost or stolen Virtual Assets.
18. Virtual Asset balances are generally maintained as an address on the blockchain and are accessed through private keys, which may be held by a market participant or a custodian. Although Virtual Asset transactions are not typically private and are publicly available on a blockchain or distributed ledger, the public address does not identify the controller, owner or holder of the private key. Unlike bank and brokerage accounts, Virtual Asset exchanges and custodians that hold Virtual Assets do not always identify the owner. The opaque underlying or spot market may pose asset verification challenges for market participants, regulators and auditors and potentially give rise to an increased risk of manipulation and fraud.
19. You are hereby notified, accept and confirm your understanding that Virtual Assets:-

- a. may lose their value in part or in full;
- b. may not always be transferable;
- c. may not be liquid; and
- d. may be subject to fraud, manipulation, theft, including through hacks and other targeted schemes, and loss.

There is no assurance that you will be able to sell Virtual Assets.

20. Any links to Virtual Assets related activity outside the Emirate of Dubai, which may be unregulated or subject to limited regulation and any regulatory changes or actions by VARA or Non-VARA Regulator that may adversely affect the use, transfer, exchange, and value of a Virtual Asset.
21. Trading on an online platform exposes the participants to internet related risks and the internet may be unreliable or unavailable at any given time. Interruption, delay, corruption or loss of data or loss of confidentiality in the transmission of data, may occur when transmitting data via the internet and trading instructions may be delayed, intercepted, altered, or lost during transmission, due to hardware, software or network connectivity issues or any other issues arising from service provided by third party vendors.
22. Virtual Assets are a new and evolving asset class and are part of a new and rapidly evolving industry that is subject to a degree of uncertainty. The investment characteristics of particular Virtual Assets may differ significantly.
23. The legal status of certain Virtual Assets may be uncertain or vary from one country to the next. You have a responsibility to comply with the relevant Applicable Laws.
24. Transfer from or storage of Virtual Assets in a digital wallet exposes the Virtual Asset to the risk of loss due to security breaches arising from hacking, phishing, social engineering, smurfing, malware, spoofing and such other means and it may not be possible to recover lost or stolen Virtual Assets.
25. It may prove difficult to determine the value of a given Virtual Asset from time to time, due to price volatility and the fragmentation of the markets and the creation of new and innovative products and legal structures made possible by the use of tokenisation technology. In addition, dispersed liquidity may pose challenges for market participants trying to exit a position, particularly during periods of stress.
26. Virtual Assets and the underlying DLT technology typically involve cryptographic and other algorithmic protocols that regulate the issuance and transfer of Virtual Assets. This is a new and rapidly evolving industry that is subject to a variety of factors that are difficult to evaluate. As Virtual Asset networks continue to develop and grow, certain technical issues might be uncovered, and the troubleshooting and resolution of such issues likely will require the attention and efforts of decentralised development communities. These evolving nature of DLT means that a malicious actor may be able to misappropriate your Virtual Assets.

27. In addition to the provisions of this disclosure statement, we may make additional disclosures from time to time or amend this statement in accordance with the requirements set out Rule I.B of the VARA Broker-Dealer Services Rulebook, Market Conduct Rulebook and Compliance and Risk Management Rulebook.

28. Tokinvest uses third-party providers for fiat services:

- a. Zand Bank – UAE authorised bank for Tokinvest operational accounts and Client Money Accounts.
- b. Wio Bank for Tokinvest operational accounts.
- c. Stripe as a payment services provider.