RISK DISCLOSURE

1 INTRODUCTION

Taurus, a trading name of Taurus (Europe) Ltd ("the Company" or "Taurus" or "we/our/us"), is an investment firm regulated and authorized by the Cyprus Securities and Exchange Commission ("CySEC") under License No. (...), has established the Risk Disclosure for the purposes of informing its clients about the risk associated with the provision of trading in financial instruments ("Services").

Taurus is operating under the provisions of Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on Markets in Financial Instruments ("MiFID II") , which was transposed into national Law, the Investment Services and Activities and Regulated Markets Law of 2017 (the "Law 87(I)/2017"), as amended.

2 SCOPE AND APPLICABILITY

This Risk Disclosure is provided to the Taurus' clients and/or potential clients (hereafter the "Client" or "you") in accordance with the relevant laws and regulations governing the activities of Taurus as a regulated Cyprus Investment Firm ("CIF"). This Risk Disclosure forms an integral part of the Taurus' Terms and Conditions ("T&C") and therefore should be read in conjunction with the T&C.

As a pre-requisite of opening an account with Taurus, you must agree to the T&C. By doing so, you also agree to the terms of this Risk Disclosure, which is provided to you before the provision of the Services. Therefore, please ensure that you have carefully read and understood the risk disclosures and warnings contained in this Risk Disclosure with regards to the Services, prior commencing trading with us. Without prejudice to the foregoing, it is noted that this Risk Disclosure may not include all the risks involved when trading. For additional information, visit our website at [...].

3 RISKS INVOLVED IN TRADING IN FINANCIAL INSTRUMENTS

The list of risks mentioned below is not exhaustive and the description of each risk should only be understood as a summary. It is up to each Client wishing more information on a specific risk to inquire by their own means.

3.1 IN GENERAL

Country risk

The value of a financial instrument and thus the possibility of accessing it depend on various political, legal and economic factors relating to the country in which it is issued, held in custody or traded.

Country risks concern the political and economic stability of a given country. Examples of political risks include the potential confiscation of assets and state intervention in certain industries. Economic risks typically include fluctuations in interest and inflation rates. Other country risks concern the quality of infrastructure (particularly as regards clearing houses and exchanges) and the legislative framework: market transparency, supervisory authorities, investor protection, insolvency regimes and taxation.

All of these can change over time, sometimes in unpredictable ways. In the past, for example, some states have imposed restrictions on trading in financial instruments via economic sanctions or controls on the exporting and free movement of capital. These can make it difficult or even impossible to retain control of or sell the financial instruments affected.

Countries with special risks: emerging markets

There is no standard definition of the term "emerging market" (alternatively "developing country"). Common criteria for defining emerging markets are income per capita, the level of development of the financial sector and the proportion of the total economy made up by the service sector. Emerging markets can be at very different stages of economic development, but one thing most of them have in common is that their political, legal and economic systems are either comparatively new (e.g. democracy) or not very firmly established. As a result, emerging markets' financial systems and institutions tend to enjoy less stability and legal certainty than their counterparts in developed countries.

Investments in emerging markets entail risks that are less pronounced or entirely absent in developed countries, including settlement (see Settlement risk) and liquidity risks (see Liquidity risk). Higher risks associated with investments in financial instruments relating to emerging markets also apply when the issuer or offeror only has its head office or the focus of its activity in such a market.

Issuer risk

Most investments involve a risk that the issuer will become insolvent. This is called the issuer risk. A financial instrument's value

depends not only on product-specific aspects – e.g. business results for equities or the performance of the underlying financial instrument for structured products – but also on the issuer's creditworthiness. This can change at any time during the term of an investment.

It is therefore important to know who issued the instrument in question and who is responsible for meeting the obligations. This is essential for correctly assessing the issuer's creditworthiness and thus the issuer risk. With debt instruments such as bonds, this risk is known as the credit risk because the borrower normally acts as the issuer.

Settlement risk

A settlement risk arises when a financial instrument must be bought at a specific price before delivery. In this case, the investor risks paying the purchase price without receiving the instrument on time or even at all. Conversely, an investor who sells a financial instrument and must deliver it without receiving the purchase price also incurs a settlement risk. Settlement risks are especially high in emerging markets and for some offshore funds, private equity investments and derivatives.

Currency risk

If a financial instrument is denominated in a currency other than the investor's reference currency, the risk of exchange rate fluctuations must be taken into account. Some financial service providers recommend using hedging instruments to minimise this risk or offer currency-hedged products. Currency risk can thus be mitigated, but – depending on the asset class and hedging technique in question – it cannot always be completely eliminated.

Liquidity risk

Liquidity risk is the risk that an investor will not always be able to sell an investment at an appropriate price. When specific financial instruments or derivatives are difficult or impossible to sell or can only be sold at a greatly reduced price, this is termed an illiquid market. The risk of illiquidity occurs in particular with unlisted and small-capitalisation companies, investments in emerging markets, investments with sales restrictions, some structured products and alternative investments. In addition, liquidity risks cannot be ruled out with bonds if they are merely held after issue and hardly traded at all.

Legal risk

To evaluate the legal risk attached to an investment, its legal framework must be taken into account. This includes legal provisions on investor protection, for example investment guidelines and obligations regarding transparency, information and disclosure as well as bans on insider trading and duties of management. Attention must also be paid to the mechanisms and institutions that enforce the law, such as supervisory authorities, courts and ombudsmen. The legal framework can affect the value of an investment (e.g. in cases of fraud) and limit the scope for investors to assert their rights. This can be important if an issuer fails to meet its obligations.

In case an amendment in the applicable legal framework is made, this may materially impact a financial instrument and thus the investment and ancillary services offered by Taurus. In addition to the above, an amendment in the applicable legal framework may be performed by a government or a regulatory body or a decision reached by a judicial body can increase business operational costs, lessen investment attractiveness, change the competitive landscape and as such alter the profit possibilities of an investment. This risk is unpredictable and may vary from market to market.

Economic risk

Changes in a country's economic activity tend to have an impact on the prices of financial instruments. This is referred to as economic risk.

Interest rate risk

Interest rate risk affects investors buying bonds, particularly when interest rates rise as this means that new bonds will be issued with higher rates, making existing bonds with lower rates less attractive and causing their prices to fall.

Inflation risk

Inflation risk is the risk that investors will suffer financial losses as the value of money declines. It is most pronounced for long-term investments in foreign currencies. The central banks of countries with less developed financial markets and low reserves of hard currency are sometimes unable to meet their inflation targets. As a result, inflation and exchange rates in such countries can fluctuate more severely than those in developed countries.

Soft factor risks

Prices of financial instruments do not just depend on "hard" facts like a company's business performance and forecasts, they are also influenced by subjective "soft" factors such as expectations, fears and rumours. There is thus always a risk that the price of a financial instrument might fall in the short term due to soft factors, even though its value objectively remains intact.

Volatility risk

The prices of financial instruments go up and down over time. Financial experts use the term “volatility” to describe the range of these movements over a specific period. Volatility is a measure of market risk. The higher a financial instrument’s volatility, the more risky an investment it is, as its value could fall sharply.

Cluster risk

Cluster risks are caused by the way an investment portfolio is constructed. They arise when a single financial instrument, a small number of instruments or a single asset class makes up a large share of the portfolio. Portfolios with cluster risks can suffer greater losses than more diversified portfolios in a market downturn. Diversified portfolios spread their investments among different financial instruments and asset classes in order to reduce the overall risk of price fluctuations. When buying and selling financial instruments, it is important to take account of portfolio structure and in particular to ensure sufficient diversification.

Cluster risks at issuer country and sector level must be taken into consideration. A cluster risk at issuer level exists, for example, in a portfolio containing a bond issued by Company X, shares in Company X, a structured product with Company X as its underlying asset and an equity fund with 20 % of its assets invested in that same Company X.

Structuring risk

Investments can be either direct or indirect. Indirect investments are made through an investment vehicle, which may be a collective investment scheme (such as a fund), a structured product or an option. The way this vehicle is structured can affect the investment’s risk profile and might even create new risks.

Risks involved in credit-financed investments

Special risks apply to an investment portfolio that is partly or wholly financed by borrowing, usually via a Lombard loan secured against the investments in the portfolio.

· Leverage effect

Investors need to be aware that using borrowed capital alters the risk /return profile of their portfolio. In some cases, it can increase the expected return on the capital they have invested, but this higher return comes with a higher investment risk due to the terms of the loan – interest costs and capital repayment that are fixed. These fixed borrowing costs are set against uncertainty regarding the value of the investment and its return. Investments made with borrowed capital are said to have a leverage effect, meaning that both potential returns and the risk of loss are higher. In addition to the risk that all of the invested capital may be lost, additional conditions to repay the loan may mean that the investor loses even more than was originally invested.

· Margin requirements and liquidity squeezes

If the value of an investment falls below a certain level, the lender may require additional collateral to secure the loan. This is known as a margin call. In such cases, the investor may be asked to repay some or all of the loan. If the investor does not provide the additional collateral or make the repayment, the lender may liquidate some or all of the assets pledged as collateral for the loan at an inopportune moment, giving rise to an additional liquidity risk.

· Currency risk

Loans are often taken out in foreign currencies to take advantage of lower interest rates, in which case the currency risk (see Currency risk) must be taken into account as well.

3.2 TAX TREATMENT OF FINANCIAL INTRUMENTS

As a rule, income from financial instruments and assets is taxed at different rates. For example, the tax rate on a financial instrument may depend on whether its income is recorded as interest or capital gains. Taxes and duties may also apply regardless of cash flows.

Foreign investments entail a risk of double taxation for countries that have not signed a double taxation treaty with the investor’s country of domicile. Foreign countries may additionally levy withholding taxes that cannot be reclaimed in the investor’s country of domicile.

Particularly in the case of new and innovative forms of investment, the tax treatment can change during the investment period, for instance if the applicable legislation and case law are incomplete or in the process of changing when the investment is made.

Finally, it is conceivable that changes in tax law may affect the capital market as a whole. Even if the taxes actually payable remain the same, such changes may influence the prices of financial instruments.

Investors are advised to consult a tax expert in order to assess the tax implications of investments, including those accompanied by information documents claiming that they offer tax advantages or even exemption from tax.

3.3 SUSTAINABILITY-RELATED FINANCIAL RISKS (ESG-RISKS)

ESG stands for environmental (e.g. energy and water consumption), social (e.g. employer appeal and supply chain management) and governance (e.g. remuneration policy and company management).

ESG-risks are events or situations in these three areas that are currently having a negative impact on economic, cost or reputation factors, for example, and thus also on the value of a company or the market price of financial instruments or could potentially do so in future.

Environmental risks are commonly divided into two categories: physical risks and transition risks. Physical risks include, for example, damage and costs arising from extreme weather events caused by climate change, such as storms, flooding and heatwaves, which threaten or harm a company's economic activities or assets. Transition risks include regulatory risks, changes in consumer behaviour and liability or legal risks. One example of a transition risk would be the introduction of a tax on carbon dioxide emissions, which could negatively affect a company's profitability and thus its enterprise value.

Social risks can arise, for example, from violations of employment standards, a lack of attention to occupational health and safety, poor product safety, failure to address social issues, unfair treatment of staff or high staff turnover.

Governance risks, meanwhile, can arise from unequal treatment of shareholders, inadequate risk management or control mechanisms, inappropriate remuneration systems or rule violations (e.g. corruption), among other things.

ESG-risks can affect specific asset classes, regions, economic sectors and/or companies in different ways. For instance, climate change, environmental destruction and the need to adopt more sustainable business practices can lead to changes in the real economy that might create new risk factors for investors. Investors, therefore, should always incorporate ESG-risks into their risk diversification decisions.

ESG-risks and characteristics can be integrated into asset management and investment advisory processes using a range of different ESG-approaches, all of which are evolving rapidly. It is important for investors to understand that these approaches have different aims and that not all of them are geared to a measurable positive impact on ESG-factors such as reducing pollution.

3.4 EQUITY SECURITIES (SHARES, PARTICIPATION CERTIFICATES AND DIVIDEND RIGHTS CERTIFICATES)

Equity securities are subject to a volatility risk that depends on a variety of factors, including the company's financial health, the general economic situation and interest rate levels. They do not pay interest. Instead, they typically pay out a share of profit, for example in the form of a dividend set by the company, usually in line with its business performance. Sometimes, however, no dividend is paid.

Equity securities are also subject to an issuer risk in that a total loss is possible if the issuer goes bankrupt, in which case holders of equity securities are only taken into consideration once the company has settled all other claims against it.

3.5 BONDS

The price of a bond can fall during its term, in particular due to a lack of demand, rising interest rates or a decline in the issuer's creditworthiness. Bonds are subject to market, issuer, liquidity, interest rate and currency risks. Holders of a bond can lose some or all of their investment if the issuer goes bankrupt as bonds are not classed as privileged claims – in fact, they are allocated to the third bankruptcy class.

3.6 MONEY MARKET PRODUCTS

The value of a money market product can fall during its term. Since the issuer is often a government, the issuer risk is usually lower than for other fixed-income investments. However, there may be currency risks.

3.7 COLLECTIVE INVESTMENT SCHEMES

Funds are subject to the same market, volatility, country, currency, liquidity and issuer risks as the investments they make. The extent of specific risks depends on their investment restrictions, risk diversification and use of investment techniques and derivatives. The legal documents constituting a fund, as well as its prospectus and (where applicable) key information document, describe its risk profile in detail.

3.8 OPTIONS

Different types of options are subject to different risks. A call option is said to be “in the money” when the current market value of the underlying is above the strike price. A put option is in the money if the current market value is below the strike price. Generally speaking, if the market value of the underlying falls, so does the value of a call option. The value of a put option, meanwhile, tends to fall if the market value of the underlying rises. Normally, the less an option is in the money, the larger the fall in the option’s value. In such cases, the value normally falls much more sharply close to the expiry date.

The value of a call option can drop even when the market value of the underlying remains unchanged or rises. This is the case, for instance, when the time value of the option falls, when supply and demand factors are unfavourable or when changes in volatility have a greater effect than changes in market value.

It must be borne in mind that options can lose value or even become completely worthless as their expiry date approaches. From the buyer’s point of view, this means a loss equal to the premium paid for the option. The loss risk for the seller of a call option is theoretically unlimited.

3.9 STRUCTURED PRODUTS

Structured products bear the risk that the issuer may become insolvent (issuer risk). Their value thus depends not only on the performance of the underlying, but also on the creditworthiness of the issuer, guarantor or reference entity. This can change at any time during a structured product’s term.

It is also important to consider a structured product’s specific risk profile, which can either reduce or increase the risks associated with individual underlyings. Depending on the type of structured product, therefore, investors may aim to profit from rising, stable or falling prices. It is imperative that investors inform themselves precisely about the specific risks attached to a structured product before buying it. This information can be found in the product documentation, the key information document or the prospectus.

3.10 LEVERAGE PRODUCTS

Because of the leverage effect, the underlying must be monitored regularly and carefully, since leverage products can experience not only disproportionately large gains, but also disproportionately large losses compared with the underlying. In the worst-case scenario, all of the capital invested in a leverage product may be lost.

3.11 FUTURES AND FORWARDS

Futures and forwards can involve special risks. Only investors who are familiar with these financial instruments, have sufficient money available and are able to bear potential losses should invest in them.

With forward sales, the underlying must be delivered at the price originally agreed on if its market value has since risen above the agreed price. The loss risk is thus equal to the difference between the two prices. Since there is theoretically no limit to how far the market value of the underlying can rise, the potential loss is also unlimited.

The forward sale of an underlying the seller does not own at the time the contract is signed is known as a short sale. It entails a risk in that the seller may have to buy the underlying at a price higher than the agreed price in order to meet the delivery obligation on expiry.

Conversely, with forward purchases, the buyer must take delivery of the underlying at the price originally agreed even if its market value has since fallen below the agreed price. The loss risk is thus equal to the difference between the two prices. The maximum loss therefore corresponds to the originally agreed price.

In order to limit price fluctuations, an exchange may set price limits for certain contracts. Investors should inform themselves of such limits before investing in futures as it can be much more difficult or even impossible to close out a contract if a price limit is reached.

The market for standardised forwards is transparent and often also liquid, so contracts can normally be closed out without difficulty. There is no actual market for forwards agreed on individually, so they may only be closed out with the counterparty’s consent. Contracts featuring a combination of different elements can entail significantly different risks, in particular if not all of the elements can be closed out. Investors should thus consult their securities dealer for detailed information on the special risks before entering into such contracts.

3.12 FINANCIAL INSTRUMENTS FOR FINANCING OR RISK TRANSFER PURPOSES (CREDIT AND CATASTROPHE DERIVATIVES)

Credit and catastrophe derivatives are subject to liquidity risks because a lack of trading may make it impossible to sell them before

expiry. The risks in a credit portfolio can be securitised and transferred to third parties in the form of credit-linked notes, collateralised debt obligations or asset-backed securities.

3.13 OFFSHORE FUNDS AND HEDGE FUNDS

Managers of offshore funds and hedge funds often enjoy maximum flexibility in their investment decisions and are normally not bound by the rules on liquidity, redemption, avoiding conflicts of interest, fair pricing, disclosure and use of leverage that apply to conventional funds. They also have limited liquidity.

3.14 PRIVATE EQUITY

Private equity investments are not usually subject to regulation, in particular with regard to investor protection. Because of this and their lack of transparency (e.g. limited disclosure of financial accounts or no publication), they entail higher risks for investors. This is especially true for private equity vehicles domiciled in countries with comparatively relaxed legislation. Private equity investments involve considerable risks and can lead to substantial losses, including total losses. They are also geared to the long term and often have highly limited liquidity.

3.15 REAL ESTATE

Anyone investing indirectly in real estate must consider the risks attached to the financial instrument in question. There are traditional, strictly regulated funds that invest in real estate, but indirect real estate investments can also have similar characteristics to hedge funds or private equity and thus entail higher risks. Ultimately, physical assets – buildings and land – underlie all real estate investments. Each of these assets is unique, so there is no regulated trading.

Property markets are also frequently intransparent and require precise knowledge of local circumstances. It is thus essential to involve local experts, which makes market access more difficult.

Real estate sometimes reacts to interest rate changes in a similar way to bonds: when interest rates are low, for instance, mortgages are cheap, and it is easy to generate above-average returns. Conversely, high interest rates depress returns. Government tax incentives intended to promote home ownership and attractive lending conditions can also lead to excessively high prices.

3.16 PRECIOUS METALS

When investors deposit physical precious metals with a bank, they are stored either by the bank itself or by a custodian on behalf of the bank. In most jurisdictions, should the bank be liquidated, the applicable law prevents investors' physical metal holdings from being included in the bankruptcy assets.

If, on the other hand, an investor opts to open a precious metals account with a bank, the investor does not have ownership rights but merely a claim to delivery of the physical metal. This means that the investor is exposed to the risk of default by the bank, for example if it goes bankrupt. Precious metals accounts are comparable to currency accounts, but they are denominated in the metal concerned (e.g. XAU for gold) rather than a currency.

Precious metal prices can fluctuate considerably, particularly due to macroeconomic and market trends. Precious metals, especially gold, are sometimes regarded as "safe haven" investments during periods of financial market turmoil. Other factors that can influence precious metal prices include production costs, demand from non-financial sectors such as industry and the jewellery trade, monetary policy and central banks' reserves.

3.17 COMMODITIES

The price of commodities is influenced by various factors, including the following:

· the relationship between supply and demand · climate and natural disasters
· state programmes and regulations, national and international events
· state intervention, embargoes and tariffs ·movements in interest and exchange rates
· trading in commodities and the corresponding contracts · provisions relating to monetary policy as well as trading, fiscal and currency controls
· additional investment risks arising out of the combination of these variables

Commodity investments are more volatile than conventional investments, and their returns can often fall suddenly and sharply. The volatility of a commodity's price also affects the value and hence the price of futures and forwards it underlies. For example, conventional oil futures are normally easy to trade, regardless of their term, but they can become illiquid if market activity is low. This

can cause their prices to fluctuate significantly, which is a typical feature of commodities.

4 RISKS INVOLVED IN TOKENIZED SECURITIES / ASSETS

TAURUS DRAWS THE EXPLICIT ATTENTION OF ISSUERS/INVESTORS REGARDING SOME OF THE MAIN RISKS INVOLVED IN THE USE, CUSTODY, TRADING, ISSUANCE OR INVESTMENT IN TOKENIZED SECURITIES/ASSETS, SECURITY TOKENS, ASSET/INVESTMENT TOKENS, DLT FINANCIAL INSTRUMENTS AND/OR LEDGER-BASED SECURITIES ("TOKENIZED SECURITIES"). THE BELOW LIST IS NOT EXHAUSTIVE.

To understand the risks associated with tokenized securities/assets (e.g., tokenized shares issued by a corporation, ledger-based securities, DLT financial instruments), each issuer/investor should thoroughly and in detail assess and analyze this document. Prospective issuers/investors should carefully consider each of the risks described below and all of the other information in this document before deciding to issue/invest in tokenized securities. Issuers' business, financial condition and results of operations could be materially adversely affected by any of these risks. As a result, the price of tokenized securities may decline and investors may lose their investment. The risks described below are not the only ones applicable to the issuer. Additional risks that are not known at this time, or that may be currently considered as immaterial based on regular risk assessment, could significantly impair the issuer's business activities and have a material adverse effect on the issuer's business, financial condition or results of operations. The order in which these risks are presented is not intended to provide an indication of the likelihood of occurrence nor of their severity or significance. Therefore, only prospective issuers/investors who are fully aware of the risks described in this document and who are financially able to bear the possible loss of their entire investment should consider investing in tokenized securities.

4.1 NON-TRADITIONAL CUSTODIAN SYSTEM / LEGAL UNCERTAINTY

Securities (e.g., shares, bonds, participation certificates) are typically associated with tokens, i.e. digital tokens recorded on a blockchain (e.g., public Ethereum mainnet). Tokenized securities are not expected to be deposited with professional custodians (such as banks, brokers or central securities depositaries) as is the case for most securities issued by public companies. As a result, the ownership of tokenized securities is not determined by credits on a securities account held by a professional custodian, but on the record of the digital tokens associated with those securities on a decentralized ledger maintained by a community of users.

To date, there are no court precedents regarding the acquisition or transfer of tokenized securities. In addition, the legislator may adopt new rules regarding the acquisition or transfer of tokenized securities, the impact of which cannot be predicted. Such acquisition or transfer is therefore subject to legal uncertainties that are more significant than for non-tokenized securities.

If a court were to decide that a transfer on the relevant blockchain is not sufficient to transfer the rights and obligations associated with tokenized securities, the validity of transfers of tokenized securities effected by transferring the relevant tokens on a blockchain may be challenged.

These factors, and the resulting uncertainty regarding tokenized securities and tokens/digital assets in general, may significantly affect the price and ability of investors to acquire or dispose of tokenized securities. In addition, if tokenized securities become more difficult to acquire or transfer, we may be forced to rely on other ways of raising capital, which may be significantly more expensive. This could materially affect our ability to execute our strategy and our prospects.

4.2 SECURITIES ARE ASSOCIATED WITH DIGITAL TOKENS RECORDED ON A BLOCKCHAIN

Securities, once issued, are associated with tokens, i.e. digital tokens, which are recorded on the public version of a blockchain. The issuer has adopted internal regulations, pursuant to which the tokens and the underlying tokenized securities are tied to each other in a manner that prevents tokenized securities from being transferred without the corresponding tokens and vice-versa.

The tokens are created and managed under the terms of a so-called "smart contract", i.e. computer code that defines the manner in which digital tokens can be created, transferred and cancelled. Smart contracts are non-trivial pieces of computer code and their interactions with the blockchain for which they have been created are complex. It cannot be excluded that the computer code for the smart contract used by the issuer contains flaws, errors, defects and bugs, which may disable some functionality of the tokens, expose tokenholders' information or otherwise be harmful to the tokenholders or the issuer. Investors contemplating an investment in tokenized securities should review the functioning of the smart contract underpinning the tokens and seek advice from third party experts, if necessary, to understand it before acquiring tokenized securities. Should the smart contract based on which the tokens are operated cease to function for any reason, the ability of existing holders of tokenized securities to transfer such securities to third parties or the ability of the acquirers of tokenized securities to exercise the rights associated with such tokenized securities may be impaired. The regulations that an issuer has adopted to

associate tokenized securities with tokens make it possible for the issuer to cancel existing tokens and to issue replacement tokens or to issue tokenized securities in a different form (e.g. in the form of paper certificates). Such an operation may however complicate the transfer of tokenized securities or the exercise of the rights associated with newly acquired tokenized securities.

4.3 RISKS RELATED TO BLOCKCHAIN TECHNOLOGY

Blockchain technology (e.g., Ethereum) is new and untested and subject to known and unknown risks, including the risks set out below:

The blockchain source code could be updated, amended, altered or modified from time to time by the developers and/or the community of users. There can be no guarantee that such update, amendment, alteration or modification will not adversely affect the functionality of tokens.

Changes to the protocol that govern the blockchain may result in the development of parallel chains of blocks (so-called "hard forks") when some of the blockchain's nodes are validating transactions on the basis of the old version of the protocol, while other nodes are validating transactions on the basis of the new protocol. The smart contract governing the issuer's tokenized securities makes it possible for the issuer to "freeze" the digital tokens associated with tokenized securities (i.e. to prevent execution of transactions on the blockchain) until the issuer has made a decision as to which version of the protocol it will support. In the event of such a freeze, holders of frozen tokenized securities will not be in a position to transfer their tokenized securities. Such a freeze may however occur after the hard fork has started to take effect. This could lead to significant uncertainties as to the ownership of tokenized securities which have been transferred (by way of the token) immediately before the freeze has been implemented.

Blockchain technology functions based on concepts belonging to asymmetric cryptography, or public key cryptography. Scientific research regarding blockchain technology is still at an early stage. Code cracking or technical advances such as the development of quantum computers, could present a risk for all blockchain technology. This could result in the theft, loss, disappearance, destruction or devaluation of tokens.

Hackers or other groups or organizations may attempt to interfere with wallets maintained by tokenholders in any number of ways, including without limitation denial of service attacks, Sybil attacks, spoofing, smurfing, malware attacks or consensus based attacks. In addition, the blockchain is susceptible to mining attacks, including but not limited to double-spend attacks, majority mining power attacks (or "51% attacks"), "selfish-mining" attacks, and race condition attacks.

4.4 GOVERNANCE AND USE OF THE PUBLIC ETHEREUM MAINNET (OR SIMILAR) AS SECURITIES LEDGER FOR LEDGER-BASED SECURITIES/DLT FINANCIAL INSTRUMENTS

The Ethereum distributed ledger technology is a technology that allows the operation of a distributed ledger, i.e. a ledger that is not kept by a trusted intermediary, but by a community of independent participants. The distributed ledger technology, as implemented on the Ethereum distributed ledger is based on complex mathematical and cryptography concepts, which are described in this document at a high level only. The technology makes it possible to keep records of data relating to persons whose identity is protected by asymmetric cryptographic methods. Such methods are based on the interplay between a public key and a private key, which are two numbers that are mathematically related. The public key (often referred to as the "distributed ledger address") is available to all ledger participants, while the private key must remain secret. The holder of the private key can generate "signature messages" that can be identified as authentic (i.e. as having been generated with the private key) by the ledger participants. Such signature messages can be used to initiate "transactions", i.e. new entries in the ledger. In a distributed ledger that functions as a "blockchain", the participants validate transactions in blocks, by adding a new set of data to a chain of pre-existing blocks. Each ledger participant maintains its own copy of the ledger, and updates such copy when a participant includes a new "block" in a manner consistent with the chain's protocol. This regime aims to ensure the transparency and immutability of the transactions recorded in the ledger.

For Ethereum, the distributed ledger has two functions. The first is related to Ether (or ETH). Ether is a cryptocurrency (or digital currency) that is recorded and traded on the distributed ledger. Users of the distributed ledger can trade Ethers on the distributed ledger and use such Ethers as a means of payment. The second is the use of "smart contracts". The distributed ledger allows for the creation of computer codes called "smart contracts", which can perform a large number of functions, including creating a record of digital tokens on distributed ledger addresses. A "token" is an entry in a register that is maintained by means of the smart contract. Each token is attributed to a particular distributed ledger address. The fact that the register maintained through the smart contract contains a corresponding entry is evidence that a token is attributed to the relevant distributed ledger address. Entries in the distributed ledger are validated by a large number of participants. Any person or entity may act as validator and validate transactions in the distributed ledger, subject to technical requirements unrelated to the identity of the person or entity (e.g. technical infrastructure requirements and/or minimum amount of Ethers "staked" (i.e. locked on a distributed ledger address for a certain period of time)). More information about Ethereum and its governance are available at https://ethereum.org/en/governance/.

4.5 LEGAL AND REGULATORY RISKS ASSOCIATED WITH THE USE OF BLOCKCHAIN TECHNOLOGY

Blockchain technology is recent. In many jurisdictions, the legal and regulatory regime applicable in case of use of that technology in the financial sector remains debated, and regulatory actions by governments restricting the ability to use the technology in the manner contemplated by the issuer cannot be excluded. To associate tokenized securities with digital tokens, the issuer shall typically be relying on a legal tokenization model. The legal aspects of the tokenization of securities are however debated. Disputes regarding certain aspects of the acquisition and transfer of tokenized securities in the form of digital tokens, such as for example the validity of transfers, cannot therefore be excluded. Court decisions, depending on their content, may result in the issuer having to cancel the digital tokens associated with tokenized securities, and to issue tokenized securities in a different form (e.g. in the form of paper certificates). This could restrict the ability of the holders of tokenized securities to transfer such securities.

4.6 INABILITY OF HOLDERS OF NON-VOTING SHARES TO INFLUENCE THE DECISIONS OF THE ISSUER

In the case of non-voting shares (e.g., participation certificates), holders of tokenized securities are not able to exert significant influence over the election of the issuer's directors or independent auditors, or the appropriation of the issuer's earnings (and in particular the distribution of dividends). Holders of tokenized securities have none of the rights generally associated with voting rights under corporation laws, such as the right to request the holding of a general meeting of shareholders, the placement of items of the agenda of a general meeting of shareholders or the right to ask questions or to make proposals on the occasion of such meeting. Accordingly, the holders of the issuer's voting shares will continue to be able to exert voting control and will be able to elect all of the issuer directors, to determine the outcome of any matter being voted upon by shareholders, including the declaration of dividends, amendments to the issuer's articles of association, capital increases or decreases, the conversion of voting shares into non-voting shares, mergers and other important matters.

4.7 COMBATTING ANTI-MONEY LAUNDERING AND TERRORIST FINANCING

The offering and the safe-keeping of tokenized securities may be carried out without the involvement of professional custodians, but through the transfer of digital tokens recorded on a decentralized ledger. The mechanisms generally applicable for the prevention of money laundering and terrorist financing do therefore generally not apply.

To be in a position to determine the source of the capital raised and avoid becoming the recipient of funds of illicit origin, the issuer shall typically rely on AML standards. Regulatory actions against the issuer under regulations against money laundering or terrorist financing cannot consequently be excluded in the future. The issuer may also be restricted in its ability to open or maintain accounts with banks or other regulated financial intermediaries if the manner in which it identifies the source of the capital raised through an offering or future capital raisings is, in the future, deemed inappropriate. If the issuer is subject to investigations or regulatory actions in connection with money laundering or terrorist financing, or if it is unable to open or maintain bank accounts at satisfactory conditions, it may be unable to execute its strategy, face material financial difficulties and may even be forced to cease operations.

4.8 NON-COMPLETION OF AN OFFERING

The completion of an offering and the issuance of tokenized securities is contingent on the ability of the issuer to place a number of tokenized securities that it considers sufficient at a price that it considers to be satisfactory.

The issuer's ability to successfully place tokenized securities depends on many factors, many of which are beyond the issuer's control, such as general market and economic conditions as well as macro-economic and geopolitical developments. There can consequently be no guarantee that an offering will be completed or that all the offered tokenized securities will be placed in an offering.

4.9 VOLATILITY IN THE MARKET FOR AND THE PRICE OF TOKENIZED SECURITIES

The market for and the market price of tokenized securities (to the extent such a market develops) may be highly volatile. Such volatility could be caused not only by the issuer's operational performance or other events involving the issuer and/or its customers, suppliers or competitors, but also by changes in general conditions in the economy or the financial markets, and the industry in particular. As a result of such fluctuations, holders of tokenized securities may not be able to resell their tokenized securities at or above the offering price and may incur losses.

Factors that could cause this volatility in the market price of tokenized securities include, but are not limited to: (i) actual or anticipated fluctuations in the issuer's results of operations or financial condition; (ii) market expectations for the issuer's financial performance; (iii) investor perception of the success and impact of an offering on the issuer's strategy; (iv) the entrance of new competitors or new products in the markets of the issuer; (v) actual or anticipated sales of the issuer's tokenized securities; (vi) the liquidity of the market for tokenized securities; (vii) new laws or regulations or changes in interpretations of existing laws and regulations affecting the business of the issuer; (viii) general market and economic conditions; (ix) sentiment in the industry of the issuer; (x) expiration of the lock-up undertakings; (xi) announcements of developments related to the issuer's business; (xi) local market conditions.

4.10 LACK OF LIQUID MARKET

In many cases, there are no market for tokenized securities, and tokenized securities are not, and will not be, listed on a stock exchange or admitted to trading on a multilateral trading facility (MTF).

Upon completion of an offering and subject to certain conditions, we may in some cases agree to trade DLT Financial Instruments on alternative trading venues such as organized trading facilities ("OTF"). As a consequence, there can be no assurance (i) that an active and liquid trading market, or even a market at all, develops or continues, (ii) that the market price of tokenized securities will not decline below the issuance price after completion of an offering or that (iii) prospective investors will be able to sell their tokenized securities quickly or at all.

The issuance price of tokenized securities is determined solely by the issuer. The issuance price may not be indicative of the market price of the issuer's tokenized securities after completion of an offering and there can be no assurance that the market price of tokenized securities will reflect the issuer's actual financial performance or the state of its business, results of operations and/or prospects.

4.11 LACK OF ANALYST COVERAGE

Tokenized securities are not traded on a stock exchange. They may be traded on a market that is not systematically followed by professional financial analysts. The unavailability of financial analysts' coverage may prevent or delay the development of a liquid market for tokenized securities.

4.12 DECLINE IN MARKET PRICE

The market price of tokenized securities may decline as a result of future sales of such tokenized securities in the market by members of the board of directors or executive management of the issuer following the expiration of their lock-up undertakings or as a result of a perception that such sales could occur. A shareholder resolution to convert voting shares into tokenized securities may also be perceived as a willingness of holders of voting shares to dispose of their shares in the market, and could also negatively affect the market price of the issuer's tokenized securities. Such a decline in the market price of tokenized securities may make it more difficult for the issuer to issue equity securities in the future at a time and price that it deems appropriate.

4.13 NON-APPLICATION OF THE RULES APPLICABLE TO LISTED COMPANIES

Issuers of tokenized securities have typically not requested the listing or admission to trading of their securities or of their tokenized securities on any stock exchange and do not typically contemplate making any such request. If issued, tokenized securities are traded off-exchange exclusively. As a result, the regulations that apply to issuers that have equity securities listed on a stock exchange do not apply to tokenized securities (e.g. obligations in terms of investors' information).

4.14 LOSS OR THEFT OF THE DIGITAL TOKENS

Control over the issuer's tokenized securities requires a so-called "private key", i.e. a code that is paired with the blockchain address on which the digital tokens associated with the relevant tokenized securities have been recorded. Loss or theft of the private key associated with a particular blockchain address makes it impossible for the owner of such private key to identify itself as the legitimate owner of the digital tokens recorded on the relevant blockchain address.

4.15 POSSIBILITY FOR MEMBERS OF THE PUBLIC TO DETERMINE THE IDENTITY OF THE HOLDERS OF TOKENIZED SECURITIES

Tokenized securities are associated with tokens, i.e. digital tokens recorded on the public version of a blockchain (e.g., public Ethereum mainnet). Any trades of tokenized securities are public shortly after such trades are entered into. Although the data made available on the public version of a blockchain is anonymous, it includes the blockchain address of each tokenholder transacting in tokenized securities, and the entire trading history of each blockchain address (including the number of securities traded by each digital wallet, the price of each trade and the balance of the securities held in each digital wallet). As a result, the trading history of each blockchain address is available to the general public. It may be possible for members of the public to determine the identity of the holders of certain blockchain addresses based on publicly available information.
Potential investors who desire to execute their trades in relative anonymity may find these aspects of tokenized securities unattractive, which may further limit the liquidity in tokenized securities and may have a material adverse effect on the development of any trading market in tokenized securities.

4.16 TRANSACTION FEES

Tokenized securities are only transferable in the form of digital tokens recorded on a blockchain. For example, on the Ethereum blockchain, every operation of the smart contract is subject to a fee (so-called “gas”), which must be paid in a cryptocurrency called “Ethers”. Gas fee is not only due in the event of transfer of digital tokens from one blockchain address to another but also for other operations, such as the deployment of the smart contract on the blockchain or communications between tokenholders and the issuer (provided that such communications take place through the blockchain by means of the smart contract).

On a blockchain, operation fees are generally levied on the party that initiates the operation. For transfers of the issuer’s tokenized securities, the fees are levied on the transferor. Because such fees must be paid in the native cryptocurrency of the underlying blockchain, the ability of any holder of a tokenized securities to transfer such tokenized securities requires such holder to own a sufficient quantity of the native cryptocurrency (e.g., Ethers).

4.17 TOKENIZED SECURITIES ARE OFTEN RISKY ILLIQUID PRIVATE UNLISTED INVESTMENTS

Tokenized securities are often private unlisted investments (e.g., private equity, private debt) that are highly speculative and involve a high degree of risk. Consequently, investors who cannot afford to lose their entire investment should not invest. Investors should carefully consider the risk warnings and disclosures for the investments set out therein and in the subscription documents. The value of an investment may go down as well as up and Investors may not get back their money originally invested (risk of partial or entire loss of the money invested). Investors understand that they may not receive any return on their investment and that private unlisted investments are not a savings product. Typically, Investors should not invest more than 10% of their net worth in private unlisted investments, alternative investments, crowdfunding projects or equivalent. Additionally, Investors will typically receive illiquid and/or restricted membership interests that may be subject to holding period requirements and/or liquidity concerns. Investments in private unlisted securities are highly illiquid (liquidity risk) and those Investors who cannot hold an investment for the long term (at least 10 years) should not invest. Investors may not be able to sell the investment instruments when they wish. Resale of such securities is not guaranteed; it may be uncertain, or even impossible.

4.18 TAX VALUE

Tokenized securities are often non-listed/private securities that are not admitted for trading on any stock exchange. Consequently, the tax value of those kinds of securities may differ significantly from the last trade price on digital asset exchange or organized trading facilities such as TDX. Consequently, investors should seek for proper advice from their own tax advisor.

5 OTHER

5.1 TRADING PLATFORM

The Client acknowledges that the only reliable source of Quotes Flow information is that of the live Server’s Quotes Base. Quotes Base in the Client Terminal is not a reliable source of Quotes Flow information because the connection between the Client Terminal and the Server may be disrupted at some point and some of the Quotes simply may not reach the Client Terminal.

The Client acknowledges that when the Client closes the order placing/ deleting window or the position opening/closing window, the order, which has been sent to the Server, shall not be cancelled.

Orders may be executed one at a time while being in the queue. Multiple orders from the same Client Account in the same time may not be executed. The Client acknowledges that when the Client closes the Order, it shall not be cancelled.

In case the Client has not received the result of the execution of the previously sent Order but decides to repeat the Order, the Client shall accept the risk of making two Transactions instead of one.

5.2 EXECUTION RISK

Execution risk is associated with the fact that trades may not take place immediately. When you request the execution of an order, it is possible that the market price of the underlying product could have changed between order placement and execution time, and therefore we cannot guarantee that the price requested will be the same as the price when the order is executed and a related transaction is confirmed.

Orders cannot be executed outside Taurus working days. This may cause considerable losses. Your open orders may also not be cancelled outside Taurus working days or outside the hours of operation of the trading platform.

5.3 ABNORMAL MARKET CONDITIONS

The Client acknowledges that under abnormal market conditions the period during which the orders are executed may be extended or it may be impossible for such orders to be executed at declared prices or may not be executed at all.

5.4 APPLICABLE COSTS AND CHARGES

The provision of the investment and ancillary services is subject to fees, available on our website. Before you begin to trade, you should be aware in regards to the applicable fees, commissions, charges for which you will be liable. It is your responsibility to check for any changes in the charges, as Taurus may change its charges from time to time. In the instance where any charges are not expressed in monetary terms but for example as a percentage of the contract value, you should ensure that you understand what such charges are likely to amount to.

It is noted that there is the risk that your trades in any financial instruments to be or become subject to tax and/or any other duty for example because of changes in legislation or your personal circumstances. Taurus does not warrant that no tax and/or any other stamp duty will be payable. Taurus does not offer tax advice. You are responsible for any taxes and/or any other duty which may accrue in respect of your trades, as the taxes are subject to change without notice.

5.5 THIRD PARTY RISKS

Taurus may pass money received from you to a third party (e.g., an intermediate broker, a bank, a market maker or OTC counterparty located outside Cyprus) to hold or control in order to effect a transaction through or with that person or to satisfy your obligation to provide collateral (e.g., initial margin requirement) in respect of a transaction. Taurus has no responsibility for any acts or omissions of any third party to whom it will pass money received from you.

The applicable legal framework to any such third-party person will be different from that of Cyprus and in the event of the insolvency or any other equivalent failure of that person, your money may be treated differently from the treatment which would apply if the money was held in a segregated account in Cyprus. Taurus will not be liable for the solvency, acts or omissions of any third party referred to in this clause.

The third party to whom Taurus will pass money may hold it in an omnibus account and it may not be possible to separate it from your money, or the third party's money. In the event of the insolvency or any other analogous proceedings in relation to that third party, Taurus may only have an unsecured claim against the third party on your behalf, and you will be exposed to the risk that the money received by Taurus from the third party is insufficient to satisfy your claims with claims in respect of the relevant account. Taurus does not accept any liability or responsibility for any resulting losses.

5.6 INSOLVENCY

Taurus' insolvency or default, or the insolvency or default of any parties involved in transactions undertaken by Taurus on your behalf (including without limitation brokers, execution venues and liquidity providers) may lead to positions being liquidated or closed out without your consent. In the unlikely event of Taurus' insolvency, segregated client funds cannot be used for reimbursement to

Taurus' creditors. If Taurus is unable to satisfy repayment claims, eligible claimants have the right to compensation by the Investor Compensation Fund.

5.7 INVESTOR COMPENSATION FUND

Taurus participates in the Cyprus Investor Compensation Fund for clients of investment firms regulated in the Republic of Cyprus. Taurus' Retail Clients will be entitled to compensation under the Investor Compensation Fund where Taurus is unable to meet its duties and obligations arising from the Client's claim. Any compensation provided to you by the Investor Compensation Fund shall not exceed twenty thousand euro (EUR 20.000) or 90% of the Retail Client's claim, whichever is lower. This applies to Client's aggregate claims against Taurus in case the Client has been classified as Retail Client, based on the Taurus' Client Categorisation Policy. For further details, please visit CySEC website at https://www.cysec.gov.cy/en-GB/investor-protection/tae/information/ .

5.8 CONFLICTS OF INTEREST RISK

When Taurus deals with you, Taurus, an associate, a relevant person or some other person connected with Taurus may have an interest, relationship or arrangement that is material in relation to the transaction/order concerned or that conflicts with your interest. Taurus has a documented policy to identify, prevent and manage conflicts of interest and uses its best endeavors to avoid any conflict of interest arising. Where conflicts do arise, however, Taurus ensures a fair treatment to all our Clients by disclosure, internal rules of confidentiality, declining to act, or otherwise. Taurus will not unfairly place its interests above yours. Please refer to our Conflicts of Interest Policy.

5.9 COMMUNICATION BETWEEN THE CLIENT AND TAURUS

The Client shall accept the risk of any financial losses caused by the fact that the Client has received with delay or has not received at all any notice from Taurus. Taurus has no responsibility if unauthorized third persons have access to information, including electronic addresses, electronic communication and personal data, access data when the above are transmitted between Taurus and the Client or when using the internet or other network communication facilities, telephone, or any other electronic means. The Client is fully responsible for the risks in respect of undelivered Online Trading System internal mail messages sent to the Client by Taurus.

5.10 FORCE MAJEURE EVENTS

In case of a Force Majeure Event Taurus may not be in a position to arrange for the execution of Client orders or fulfil its obligations under the Terms and Conditions. As a result, the Client may suffer financial losses. Taurus will not be liable or have any responsibility for any type of loss or damage arising out of any failure, interruption, or delay in performing its obligations under the Terms and Conditions, where such failure, interruption or delay is due to a Force Majeure event.

5.11 ADVICE AND RECOMMENDATIONS

The Client is informed that Taurus only provides financial services on an "execution-only" basis. Taurus does not provide advice, recommendations, nor discretionary portfolio management services. Therefore, the Client is solely responsible for the management and monitoring of his/her open positions and open orders. The Client acknowledges that he/she shall frequently consult his/her account. Taurus will not inform him/her when the Client suffers losses and/or the assets on the account decrease, even substantially.

The Client is aware that, while he/she may be able to access investment-specific information, research reports, annual reports, financial statements and publications via the Taurus' website (without being limited to computerised online services), the availability of such information and tools does not constitute a recommendation to buy or sell any of the securities, digital assets and/or financial instruments mentioned therein. Similarly, the fact that some securities, digital assets and/or financial instruments are available for trading does not constitute an offer nor a recommendation to buy or sell any of those instruments.

The Client's investment decisions shall be based solely on his/her own evaluation of an investment opportunity, taking into account his/her financial circumstances and investment objectives. In particular, in the case of crypto currency, private equity, private debt and/or alternative investments (incl. real estate), the Client is solely responsible to perform his/her own due diligences prior to investing. Such evaluation shall include among others a thorough review of corporate and investment documentation, such as articles of associations, shareholder/participation holder agreements, registration and transfer regulations, incentive plan (incl. applicable lock-up and vesting schemes), prospectus, investor presentation, etc.

The Client shall bear sole responsibility for all orders issued to Taurus in respect of accounts for which he/she has authorisation. The

data published or transmitted shall not represent an offer unless Taurus expressly indicates the contrary. The Client undertakes not to hold Taurus or any of its officers, directors, employees, agents, subsidiaries or affiliates liable for any trading losses or other losses caused by the Client, including in case of default, insolvency, bankruptcy, financial distress and/or fraud by issuers.

5.12 NO GUARANTEES OF PROFIT

Taurus provides no guarantee of profit or of avoiding losses when using the Services. The Client has received no such guarantees from Taurus or from any of its representatives. The Client is aware of the risks inherent in the Services and is financially able to bear such risks and withstand any losses incurred.