
Risk Warning Statement

Skilling Limited

February 2025

1. Introduction

- 1.1. Skilling Limited (“we”, “us”, “our”, and the “Company”) is a private limited liability company incorporated under the Cyprus registration number HE373524 and regulated by the Cyprus Securities and Exchange Commission (hereinafter the “CySEC”), under licence number 357/18, with its registered office at 62 Athalassas Avenue, 2nd Floor, Office 22, 2012 Nicosia, Cyprus. For the purposes of these Terms references to “you”, “your”, or “client” refer to you, unless otherwise stated.
- 1.2. This Statement is governed by the Law 87(I)/2017 titled Investment Services and Activities and Regulated Markets Law of 2017 Cyprus (the “Law”), and the comprehensive Markets in Financial Instruments Directive 2014/65/EU (“MiFID II”) and the Markets in Financial Instruments Regulation (EU) 600/2014 (“MiFIR II”).
- 1.3. For client protection and satisfaction, you should take time to carefully read this Agreement as well as any other policies, additional documents and information available to you through our website prior to opening a trading account with us. By default, you must read, agree and accept all the General terms and conditions set out below, and any additional documents incorporated herein by reference before you establish a Business relationship with us (without modifications).
- 1.4. If you have objections to any of these general terms and conditions, or any part thereof, and/or if you do not agree to be bound by these general terms and conditions, or any part thereof, do not access and/or use our online trading facility in any way and inform us in writing immediately.
- 1.5. By accepting this Agreement, you agree to be bound by these terms and conditions and our Terms of Business (including any schedules, annexes, exhibits, amendments and/or side agreements, if any) that apply to your account and are always subject to any applicable laws. In the event of any conflicts or inconsistency between our Terms of Business and this agreement, our Terms of Business shall prevail.

2. Business Model

- 2.1. In consideration of Skilling Ltd (hereafter the “Company”, “we”, “our”) agreeing to enter into over-the-counter (“OTC”) contracts for differences (“CFDs”) with the undersigned client (hereinafter referred to as the “Client”, “you”, “your”). The Client hereby acknowledges, understands and agrees to the below.
- 2.2. The Company offers investments for Over-the-Counter (“OTC”), Contract for Difference (“CFDs”) subject to market risk. This Statement is information and we make no warranties or guarantees in respect of the content. The terms herein do not take into account the investment objectives, financial situation or disclosure of all risks associated with our investment services. You acknowledge and accept to obtain individual financial advice based on your own particular circumstances before making an investment decision on the basis of information on this Statement.
- 2.3. The Client has read, understood and accepts to the risk including but not limited to the below:
 - 2.3.1. A Financial Instrument related to foreign markets may involve risks that are different from the usual risks of the markets in the client's country of residence. In some circumstances, these risks may be larger. The profit or loss from transactions in foreign markets is influenced by exchange rate risk and other international factors such as geopolitical risk.
 - 2.3.2. Financial Instruments may be not liquid as a result of reduced demand or/supply, that is, the client may not be in a position to sell them or/ easily obtain information on the price of these Financial Instruments.

2.3.3. Tax implications are the sole responsibility of the client. The Client shall make sure that investing in CFDs is not subject to tax and/or any other duty in the Client's jurisdiction. The Client is responsible for any taxes and/or any other duty which may accrue in respect of his trades.

3. Trading is very speculative and a risk.

- 3.1. Trading CFDs is highly speculative, involves a significant risk of loss and is not suitable for all investors but only for those customers who:
- 3.1.1. understand and are willing to assume the economic, legal and other risks involved;
 - 3.1.2. are experienced and knowledgeable about trading in derivatives and in underlying asset types; and
 - 3.1.3. are financially able to assume losses significantly in excess of margin or deposits because investors may lose the total value of the contract, not just the margin or the deposit.
- 3.2. CFDs transactions are not considered appropriate investments for retirement funds. CFD transactions carry a higher level of risk on types of investors and can result in large losses of invested capital. The client represents, warrants, acknowledges and understands the associated risks, is willing and able, financially and/or otherwise, to assume the risks of trading CFDs and that the loss of client's entire account balance will not change the client's lifestyle.

4. Risks Associated with Trading in CFDs

- 4.1. Contract for Differences (CFDs) are leveraged products that carry a higher level of risk to the client's capital compared to other financial products and may result in the loss of all of your invested capital. However the Company operates on a 'Negative Balance Protection' basis, this means that you cannot lose more than your initial investment. The value of trading CFDs may increase or/degree depending on the Abnormal Market Conditions.

5. Risks Associated with CFD long positions, i.e. for purchasers of CFDs

- 5.1. Being long in CFD means you are buying the CFDs on the market by speculating that the market price of the underlying will rise between the time of the purchase and sale. As owner of a long position, you will generally make a profit if the market price of the underlying rises whilst your CFD long position is open.
- 5.2. On the contrary, you will generally suffer a loss, if the market price of the underlying falls whilst your CFD long position is open. Your potential loss may therefore be bigger than the initial margin deposited. In addition, you might suffer a loss due to the closure of your position, in case you do not have enough liquidity for the margin on your account in order to maintain your position open.

6. Risks Associated with CFD short positions, i.e. for sellers of CFDs

- 6.1. Being short in CFD means you are selling the CFDs on the market by speculating that the market price of the underlying will fall between the time of the purchase and sale. As owner of a short position, you will generally make a profit if the market price of the underlying falls whilst your CFD short position is open.
- 6.2. On the contrary, you will generally suffer a loss, if the market price of the underlying rises whilst your CFD short position is open. Your potential loss may therefore be bigger than the initial margin deposited. In addition, you might suffer a loss due to the closure of your position, in case you do not have enough liquidity for the margin on your account in order to maintain your position open.

7. Risks Associated with Trading CFDs on Cryptocurrencies

- 7.1. When trading in CFDs where the underlying instrument is a cryptocurrency you should acknowledge and understand that cryptocurrencies are digital currencies that are not issued by any central bank or any other issuer and encryption technology is used to facilitate the generation of units. Therefore trading in CFDs on cryptocurrencies is not appropriate for all investors. You must understand and accept the specific characteristics and risks related to these products. We offer trading CFD on Cryptocurrencies which is covered by the regulatory framework of MIFID II.
- 7.2. Pricing of Cryptocurrencies is derived from digital exchanges and due to the non-regulated regime of such exchanges, market data and price feed information provided by such exchanges may significantly differ from the rules and practices observed by the regulated exchanges. Pricing rules are solely depending on the discretion of these exchanges and can be changed at any time by them.
- 7.3. Furthermore, digital exchanges may introduce trading suspension or cessation of trading or the price and market feed become unavailable to us. As a consequence, all these risks could result in material adverse effects on your account value and open positions, including the loss of all of your investment amounts. In case of a temporary or permanent disruption, or discontinuation of trading on any of the digital exchange from which we derive our price feed for the relevant cryptocurrency, your positions will be priced at the last available price and you maybe unable to close or liquidate your position or withdraw any funds related to such position until the trading of the relevant digital exchange resumes if at all. You accept that when trading resumes there may be a significant difference in price (gap) which may impact substantially your positions and possibly result in significant gains or losses. If trading does not resume at all your entire investment will potentially be lost completely.

8. High Leverage and Low Margin can lead to Quick Losses

- 8.1. The high degree of “gearing” or “leverage” is a particular feature of both CFDs. The effect of leverage makes investing in CFDs riskier than investing directly in the underlying asset. This stems from the margin system applicable to CFDs which generally involves a small deposit relative to the size of the transaction, so that a relatively small price movement in the underlying asset can have a disproportionately dramatic effect on your trade. This can be both advantageous and disadvantageous. The leverage used by retail clients has been fixed at 30:1, which may vary depending on financial products.
- 8.2. A small price movement in your favour can provide a high return on the deposit, however, a small price movement against you may result in significant losses. Your losses will never exceed the balance of your account, which is balanced to zero, if the losses are higher than the amount deposited. Such losses can occur quickly. The greater the leverage, the greater the risk. The size of leverage therefore partly determines the result of your investment.

9. Margin Requirements

- 9.1. The client must maintain the minimum margin requirement on their open positions at all times. It is the client's responsibility to monitor his/her account balance. You may receive a margin call to deposit additional cash if the margin in the account concerned is too low.
- 9.2. When trading CFDs with the Company, your available margin and equity are calculated using your account balance plus the net unrealised profit or loss from all open positions. This means that:
 - 9.2.1. Floating profits may increase your available margin.
 - 9.2.2. Floating losses will reduce your available margin.
- 9.3. The risks you may face are the following:

- 9.3.1. Unrealised profits are not guaranteed and may reverse at any time due to market movements.
- 9.3.2. Relying on unrealised profits to open new positions may result in increased leverage, which can amplify both gains and losses.
- 9.3.3. If unrealised profits decline or losses increase, your equity may fall rapidly, triggering margin calls or automatic position close-outs.
- 9.4. You are strongly advised to monitor your open positions regularly and ensure that you maintain sufficient funds in your account to cover margin requirements, especially during periods of high volatility.
- 9.5. The Company has the right to liquidate any or all open positions whenever the minimum margin requirement is not maintained and this may result in the client's CFDs being closed at a loss for which you will be liable.
- 9.6. In addition, the Client needs to continuously monitor any open positions in order to avoid positions being closed due to the unavailability of funds, and it should be noted that the Company is not responsible for notifying you for any such instances.

10. Cash Settlement

- 10.1. The Client understands that trading CFDs can only be settled in cash and the difference between the buying and selling price partly determines the result of the investment.

11. Rights to Underlying Assets

- 11.1. The Client has no rights or/ obligations in respect of the underlying instruments or assets relating to CFDs. You understand and accept that CFDs can have different underlying assets, such as stocks, indices, currencies and commodities.

12. Risk Associated with Forex

- 12.1. Trading CFDs on Forex (also known as Foreign Exchange) with an underlying asset listed in a currency other than your base currency entails a currency risk, due to the fact that when such transaction(s) is settled in a currency other than your base currency, the value of your return may be affected by its conversion into the base currency.

13. One Click Trading and Immediate Execution

- 13.1. The Company's online trading system provides immediate transmission of Client's order once Customer enters the notional amount and clicks "Buy/Sell." This means that there is no opportunity to review the order after clicking "Buy/Sell" and Market Orders cannot be cancelled or modified. This feature may be different from other trading systems you have used. The Client should utilize the Demo Trading System to become familiar with the Online Trading System before actually trading online with the Company. The Client acknowledges and agrees that by using the Company's online trading system, and the Client also agrees to the one-click system and accepts the risk of this immediate transmission/execution feature.

14. Telephone Orders

- 14.1. The Company is not responsible for malfunction, disruption or failure of facilitating execution via telephone, and does not guarantee its telephone availability. The Client is aware that the Company

may not be reachable by telephone at all times and thus the Client can place his orders through online access to the Company's Trading Platform.

15. Non-Guaranteed Advisory and/or Fiduciary Services

- 15.1. The Company is not an adviser or a fiduciary to its clients. We may provide generic market recommendations, such generic recommendations do not constitute a personal recommendation or investment advice, and have not considered any of your personal circumstances or your investment objectives, nor is it an offer to buy or sell, or the solicitation of an offer to buy or sell, any Foreign Exchange Contracts or/ Cross-Currency Contracts. The decision of a client to trade on CFD with the Company and each decision as to whether a transaction is appropriate or/ proper for the client, is an independent decision made by the client.
- 15.2. The Company is not acting as an advisor or serving as a fiduciary to Customer. The Client agrees that the Company has no fiduciary duty to Client, and no liability in connection with and is not responsible for any liabilities, claims, damages, costs and expenses, including attorneys' fees, incurred in connection with the Client following the Company's generic trading recommendations or taking or not taking any action based upon any generic recommendation or information provided by the Company.

16. Non-Guaranteed Recommendation Disclaimer

- 16.1. The Company does not guarantee recommendations. The generic market recommendations provided by the Company are solely based on the judgement of the Company's personnel and should be considered as such. The client acknowledges that any transactions undertaken by the client are based on their sole judgement. Any market recommendations provided are generic only and may or may not be consistent with the market positions or intentions of the Company and/or its affiliates.
- 16.2. The generic market recommendations of the Company are based upon information believed to be reliable, but the Company cannot and does not guarantee the accuracy or completeness thereof or represent that following such generic recommendations will reduce or eliminate the risk inherent in trading CFDs.

17. Non-Guaranteed Profit Disclaimer

- 17.1. There are no guarantees of profit nor of avoiding losses when trading CFDs. Customer has received no such guarantees from the Company or from any of its representatives. The Client is aware of the risks inherent in trading CFDs and is financially able to bear such risks and withstand any losses incurred.

18. No guarantees against Outdated Publications

- 18.1. The Publications of the Company are not updated after their release and may due to changing circumstances become inaccurate and misleading to its Clients after a period which may vary from seconds and minutes to days, weeks and months depending on the Information. We assume no liability and no guarantee towards any recipient, for Publication being outdated.
- 18.2. We shall endeavour to obtain information from reliable sources, but without any kind express or implied warranty of all publications. The Company shall not be liable for any Publication not being complete, accurate and suitable including but not limited to (1) accuracy and/or discontinuance of any market quotations; and (2) any error, inaccuracy, interruption or/ omission in providing market quotations.

18.3. We reserve the right at its sole discretion to withdraw or/ amend any Publication or Information provided at any time without notice (prior or subsequent).

19. Internet Trading

19.1. When a Client trades online (via the internet), the Company shall not be liable for any claims, losses, damages, costs or expenses, caused, directly or indirectly, by any malfunction, disruption or failure of any transmission, communication system, computer facility or trading software, whether belonging to the Company, Client, any exchange or any settlement or clearing system.

19.2. Neither the Company nor any of the Company's directors, officers, employees, agents, contractors, affiliates, third party vendors, facilities, information providers, licensors, exchanges, clearing organisations or other suppliers providing data, information or services, warrant:

19.2.1. That the Electronic Trading Platform will be uninterrupted or error free at most of the times; nor does the Company make any warranty as to the results that may be obtained from the use of the Electronic Trading Platform or as to the timeliness, sequence, accuracy, completeness, reliability or content of any information, service, or transaction provided through the Electronic Trading Platform;

19.2.2. That the Client's systems will be unaffected or undamaged by any malicious software;

19.2.3. That any data will not be intercepted by any third party.

19.2.4. In the event that Client's access to the Electronic Trading Platform or any portion thereof is restricted or unavailable, the Client agrees to use other means to place the orders or access information, such as calling the Company and/or the Company representative.

20. Associated Fees, Costs and Charges

20.1. The Client is required to know of any costs involved, such as spread(s), commission(s) and swap(s) before investing in CFDs. For the purposes of this Statement, a swap means the interest added or deducted for holding a position open overnight. You are advised to read more information on all costs and charges which are available on the Company's website.

21. Quoting Errors

21.1. Should a quoting error occur (including responses to Client requests/orders), the Company is not liable for any resulting errors in account balances and reserves the right to make necessary corrections or adjustments to the relevant Account. Any dispute arising from such quoting errors will be resolved on the basis of the fair market value, as determined by the Company in its sole discretion and acting in good faith, of the relevant market at the time such an error occurred.

21.2. In cases where the prevailing market represents prices different from the prices the Company has posted on our screen, the Company will attempt, on a best efforts basis, to execute Transactions on or close to the prevailing market prices. These prevailing market prices will be the prices, which are ultimately reflected on the Customer statements. This may or/ may not adversely affect the Client's realised and unrealized gains and losses.

22. Conflicts of Interests.

22.1. The Company is the counterparty to all transactions entered into under the Client Agreement and, as such, the Company's interests may be in conflict with the Client's. The Conflicts of Interest Policy is available at the Company's website.

23. Compensation

- 23.1. The Company participates in the Investor Compensation Fund for clients of Investment Firms regulated in the Republic of Cyprus. The Client will be entitled to compensation under the Investor Compensation Fund where we are unable to meet our duties and obligations arising from your claim. Any compensation provided to you by the Investor Compensation Fund shall not exceed twenty thousand euro (EUR 20.000). This applies to your aggregate claims against the Company.

24. Policy Review

- 24.1. The Company must evaluate internal controls, procedures, and policies on an ongoing basis in order to identify common regulatory issues and initiate relevant changes to make the Complaints redressal systems more efficient and effective.
- 24.2. The Company's policy is assessed and periodically reviewed, at least on an annual basis, or more frequently, should the need arise and any amendments to this policy shall be approved by the Company's Board of Directors. The client shall be notified in writing of the nature of the changes deemed appropriate by law, and the revised policy will be available on the Company's Website.