BREX CAPITAL

RISK DISCLOSURE STATEMENT

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Document: Risk Disclosure Statement **Version:** 3.0 **Effective:** 28 August 2026 **Applies To:** Brex Capital LLC (brexcapital.com), and every client, prospective client, and account holder trading leveraged products through its platforms **Related Documents:** Brex Capital Client Agreement; Brex Capital Trading & Compliance Policy **Contact:**compliance@brexcapital.com

Introduction

This Risk Disclosure Statement is provided by Brex Capital LLC ("**Brex Capital**," "**the Company**," "**we**") to help you understand the risks of trading leveraged financial products — including Forex, Contracts for Difference (CFDs), commodities, indices, and digital assets — offered through our trading platforms.

These products are complex and carry a high level of risk. They may result in the loss of all of your invested capital and are not suitable for every investor. You should not trade unless you fully understand the nature of these products and the risks involved, and you are able to bear the financial consequences.

This Statement is provided under, and forms part of, the Brex Capital Client Agreement. In the event of any conflict or inconsistency between this Statement and the Client Agreement, the Client Agreement prevails. By opening and maintaining an account with Brex Capital, you confirm that you have read, understood, and accepted the risks set out below.

Part A — General Investment Risks

A1. General Risk. CFDs are complex products, traded with leverage. You can lose your entire invested capital. They are suitable only for clients who can accept a high level of risk.

A2. Fees, Costs, and Taxes. You are solely responsible for all costs applicable to your trading — commissions, spreads, swaps (overnight financing), and any other applicable fees — and for all taxes and duties of any kind. The Company may vary its fees and charges at any time. The Company does not provide tax advice; you are responsible for determining and meeting your own tax obligations.

A3. Prices May Differ from the Market. Prices shown on MetaTrader 4, MetaTrader 5, or any other platform we provide may differ from the underlying market, the prices of our liquidity providers, and the prices quoted by other brokers. This applies to both opening and closing prices, and Slippage may occur.

A4. Risk to Client Funds. Although the Company holds client funds in segregated accounts, you may lose some or all of your funds if a bank holding client funds fails, a liquidity provider fails, or a custodian fails. As set out in the Client Agreement, funds handled by third-party execution or settlement providers may not constitute Client Money, and once a corresponding obligation has been incurred the Company may hold your funds as a reciprocal obligation rather than as segregated Client Money. Segregation reduces, but does not eliminate, the risk of loss of client funds. The Company is not responsible for losses arising from the events described above.

A5. Company Insolvency Risk. If the Company becomes insolvent, ceases operations, or is unable to meet its obligations, your open positions may be closed immediately, and you may rank only as an unsecured creditor for any amount the Company owes you. As set out in the Client Agreement, once a corresponding obligation has been incurred your funds may be held as a reciprocal obligation of the Company rather than as your property, and there is no guarantee that you will recover all or any of your funds. The Company does not participate in any government or statutory investor-compensation scheme.

A6. Technical and System Risk. Trading through electronic systems carries technical risk. The Company is not responsible for losses resulting from internet failure, server failure, VPS failure, MetaTrader 4/5 freezing, power outage, hacking or cyber-attack, software error, or hardware failure, where these result in orders not being sent, delayed, or not executed. You remain responsible for managing your positions at all times.

A7. Trading Platform Risk. Risks arising from the trading platform — including orders becoming stuck, duplicate orders, quote delays, prices failing to update, and pending orders behaving differently from what you expect — are your risk.

A8. Force Majeure. The Company is not responsible where an event beyond its reasonable control prevents order execution, including war, civil unrest or riot, natural disaster, internet outage, market closure, failure of a service provider's systems, or any other force majeure event.

A9. Communication Risk. The Company is not responsible if you do not receive a communication because, for example, an email is not delivered or is filtered to spam, an SMS is not delivered, or a notification is not sent.

A10. Abnormal Market Conditions. During periods of strong news, high volatility, or low liquidity, Slippage, delays, requotes, or an inability to execute orders may occur. The Company is not responsible for the resulting effects.

A11. Currency Risk. If your account and your assets are denominated in different currencies, you may incur losses from changes in exchange rates.

A12. Legal and Regulatory Risk. Changes in law, taxation, or the rules of a regulatory authority may affect your trading and investments, and may take effect immediately.

A13. Past Performance. Past performance, back-testing, simulations, performance records, or the historical results of any Master Trader, Introducing Broker, Expert Advisor (EA) strategy, or copy-trade provider are not a guarantee or indication of future performance. Outcomes may differ materially from past results.

Part B — Risks Specific to CFDs

B1. CFDs Are Very High Risk. CFDs are complex products, traded with leverage, and may result in the loss of all of your funds. They are not suitable for all investors — notwithstanding that retail clients are provided with Negative Balance Protection under normal market conditions, on the discretionary basis described at B12.

B2. The Company Does Not Provide Investment Advice. The Company does not recommend that you buy or sell. It is not responsible for the outcome of your trading decisions, and is not responsible if you incur a loss after relying on the analysis of any third party.

B3. Leverage. Leverage increases potential profit but equally increases potential loss. A small market movement can exhaust your margin, trigger a Stop-Out, and cause the loss of all of your funds. Maximum leverage is not constant. The Company reduces maximum leverage across all instruments and all account types to 1:400 during the final thirty (30) minutes of each Trading Day and during the final four (4) hours of each Trading Week, and may reduce leverage at other times under the Client Agreement and the Trading & Compliance Policy. A reduction applies to the opening of new positions and to any increase in the size of an existing position; positions already open are not re-margined and are not subject to a Margin Call or Stop-Out by reason of the reduction alone. You should not assume that the leverage available when you opened a position will be available when you wish to add to it.

B4. Stop Loss Is Not Guaranteed. Even where you set a Stop Loss, Stop Limit, or Trailing Stop, there is no guarantee that your position will be closed at the price you specified, because of price Gaps, Slippage, or low liquidity.

B5. Market Volatility. Prices can change rapidly as a result of economic news, political events, government policy, and supply and demand, which can result in substantial losses.

B6. Margin Risk. If your margin is insufficient, your positions may be subject to a Margin Call and Stop-Out, and you may lose all of your funds. The Company operates an automated margin process: if your Margin Level falls to 80%, a Margin Call alert is triggered; if your Margin Level falls to 50%, the worst-performing open positions may be automatically closed (Stop-Out). Margin requirements may also rise, and maximum leverage may be reduced, on the scheduled basis described at B3 and around major economic announcements.

B7. CFDs Involve No Physical Delivery. A CFD does not involve delivery of the underlying asset — you are speculating on price movement only. If the market moves against you, you may lose your entire invested capital, together with commissions and other costs.

B8. Cryptocurrency CFDs. Cryptocurrency CFDs carry a higher risk than most other assets because their prices are highly volatile. You may lose all of your funds in a short period. They are suitable only for clients who understand this asset class.

B9. Over-the-Counter (OTC) Market and Counterparty Conflict. CFDs are traded over the counter and are not traded on a recognised exchange; they do not carry the same protections as exchange-traded products. The Company deals with you as principal and is the counterparty to every position you open — your orders are not passed to any exchange or central market. Because the Company is your counterparty, its interests may be opposite to yours: the Company may profit when you lose and may lose when you profit, and the Company sets the prices at which you deal. The opening and closing of a position depends on the Company as your counterparty. This execution model is described further in the Client Agreement.

B10. Slippage. Slippage occurs when the price at which your order is actually executed differs from the price you requested when buying or selling. It is most common during news events, high volatility, and low liquidity.

B11. No Guarantee of Profit. The Company does not guarantee any return, any strategy, any profit, or that losses can be avoided. You must accept all of these risks before you trade.

B12. Negative Balance Protection. Negative Balance Protection for retail clients is a discretionary courtesy, not a guaranteed entitlement. It is provided under normal market conditions, and the primary safeguard against a negative balance is the automated Margin Call and Stop-Out process described at B6, designed to close your positions before your account reaches zero. Where, despite that process, a negative balance nonetheless arises from a Market Gap during normal trading activity, and none of the exceptions below applies, the Company will review the circumstances and may, at its sole discretion, credit your account to bring the balance to zero, in accordance with the Client Agreement. This credit is discretionary and is not automatic or guaranteed.

This protection does not apply where the negative balance results from prohibited or abusive trading, or any abuse of the Negative Balance Protection facility; your failure to maintain sufficient margin or to monitor your open positions; or any other exception set out in the Client Agreement. Negative Balance Protection is subject to the full terms of the Client Agreement, which prevail in the event of any inconsistency.

Acceptance of Risk

By opening and maintaining an account with Brex Capital, you acknowledge and agree that:

1. you have read and understood this Risk Disclosure Statement;

2. you understand the risks of trading leveraged products and accept full responsibility for your trading decisions;

3. you have assessed, and are solely responsible for assessing, whether these products are appropriate for you in light of your own knowledge, experience, financial situation, and objectives;

4. you have the financial capacity to bear the total loss of all funds you deposit;

5. you will monitor and manage your positions at all times; and

6. all of your trading is subject to the Company's Client Agreement, Trading & Compliance Policy, and this Statement.

Governing Law and Contact

This Statement is governed by the laws of the Union of the Comoros. Disputes are subject to the Financial Commission (FinCom) dispute-resolution process referenced in the Client Agreement. Questions regarding this Statement should be directed to compliance@brexcapital.com. The English version of this document prevails over any translation.

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