GCEX

DIGITAL PRIME BROKERAGE

RISK DISCLOSURE STATEMENT

Approver Board of Directors	**Applicability** GC Exchange FZE	**Last Revision Date** 21-07-2026
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This Risk Disclosure Statement describes material risks associated with trading, transferring and holding Virtual Assets in connection with services provided by GC Exchange FZE. It does not identify or explain every possible risk that may arise in connection with Virtual Assets or the services provided by GC Exchange FZE.

Mandatory VARA Risk Disclosure

Virtual Assets may lose their value in part or in full and are subject to extreme volatility at times.

Virtual Assets may not always be transferable, and some transfers may be irreversible.

Virtual Assets may not be liquid.

Some transactions are not private and may be recorded on public distributed ledger technologies.

Virtual Assets may be subject to fraud, manipulation and theft, including through hacks and other targeted schemes, and may not benefit from legal protections.

RISK WARNING

For the purposes of this Risk Disclosure Statement, "Client" includes a client or prospective client of GC Exchange FZE. Clients should carefully consider the risks described in this Risk Disclosure Statement. GC Exchange FZE ("GCEX", "we", "us" or "our") does not purport to identify or explain every risk or other material consideration associated with trading, transferring or holding Virtual Assets.

The information provided is for general information purposes only and does not constitute financial, investment, legal or tax advice. Before entering into any transaction, a Client should conduct its own assessment and, where appropriate, obtain independent professional advice. Each Client is responsible for determining whether a transaction, investment strategy, product or service is appropriate for it, having regard to its objectives, financial circumstances, knowledge, experience and risk tolerance.

GCEX does not provide legal or tax advice. Clients should obtain independent advice regarding the legal and tax consequences of Virtual Asset transactions in the jurisdictions relevant to them.

Clients should read and understand the risks involved in trading, transferring and holding Virtual Assets. Nothing in this Risk Disclosure Statement excludes or limits any duty, responsibility or liability of GCEX that cannot lawfully be excluded or limited under applicable laws, regulations, VARA Regulations, Rules or Directives, or GCEX's contractual obligations. Subject to the foregoing, GCEX shall not be responsible for losses arising solely from market movements, the inherent characteristics of Virtual Assets or circumstances outside GCEX's reasonable control, except to the extent that such losses result from GCEX's breach of applicable legal, regulatory or contractual obligations.

This Risk Disclosure Statement should be read together with the GC Exchange FZE Standard Terms of Business and any other applicable risk disclosures, product information or notices provided by GCEX in relation to Virtual Asset transactions.

Material risks include, but are not limited to, the following:

(a) Virtual Assets are not legal tender and may not be issued, guaranteed or backed by a government or central bank;

(b) the value of Virtual Assets, and the methods used to value them, may be uncertain, and a Virtual Asset may lose all or part of its value;

(c) the prices of Virtual Assets may be highly volatile and unpredictable relative to Fiat Currencies;

(d) Virtual Asset markets may be susceptible to irrational, disorderly or adverse market forces;

(e) the characteristics of Virtual Assets may increase exposure to money laundering, terrorist financing, fraud and other forms of Financial Crime;

(f) Virtual Assets, related technologies and service providers may be exposed to cyberattacks and other security threats;

(g) there may be limited or no mechanism for recovering lost or stolen Virtual Assets;

(h) Virtual Assets may be transacted using new or evolving technologies, including distributed ledger technologies, and may involve risks relating to anonymity, irreversibility, accidental transfers, transaction recording and settlement;

(i) there is no assurance that a person who accepts a Virtual Asset as payment will continue to do so in the future;

(j) Virtual Asset-related activities outside the Emirate of Dubai may be unregulated or subject to limited regulation; and

(k) legislative, regulatory or supervisory changes or actions by VARA or another competent regulator may adversely affect the use, transfer, exchange, availability or value of a Virtual Asset.

In addition to the risks mentioned in the section above, the Client shall take note of the following risks:

1. Market Risk

a. The price of a Virtual Asset may be highly volatile and may fluctuate substantially within a short period. A Virtual Asset may lose a significant part or all of its value. Virtual Assets are generally not issued or guaranteed by governments or central banks, and there may be no authority able to stabilise their value during periods of market stress. Trading or holding Virtual Assets may result in substantial and immediate losses. Clients should not commit funds that they cannot afford to lose, including funds required for living expenses, emergencies or other financial obligations.

2. Trading Risk

a. An order incorrectly entered by the Client on the trading platform may be executed at a price or quantity not intended by the Client. An order entered for the wrong Virtual Asset may also result in an unintended transaction.
b. The Services may be unavailable because of Force Majeure Events, unusual or exceptional market conditions, technical disruption or similar circumstances, which may prevent or delay the Client from liquidating, transferring or otherwise dealing with its Virtual Assets.

3. Custody Risk

a. Each Virtual Asset may require the use of a specific wallet address, network or protocol. If a Client transfers a Virtual Asset to an incorrect, incompatible or unsupported address or network, the transfer may be irreversible, and the Virtual Asset may be permanently lost.
b. If GCEX ceases to support trading or transfers in a Virtual Asset, GCEX will provide notice and a period for withdrawal where reasonably practicable and subject to applicable requirements. Failure to act within the specified period may result in the Client being unable to transfer or recover the relevant Virtual Asset.

4. Liquidity Risk

a. Under certain market conditions, it may be difficult or impossible to sell, transfer or otherwise liquidate a Virtual Asset quickly or at a reasonable price. This may occur where trading volumes are low, liquidity providers withdraw from the market, trading is suspended, markets move rapidly or adverse events affect the relevant Virtual Asset or its underlying technology. A Client may therefore be unable to exit a position when intended or may only be able to do so at a substantial loss.

5. Virtual Asset Risk

a. The features, functions, characteristics, operation, use and other properties of any Virtual Asset (“Virtual Asset Properties”) and the software, networks, protocols, systems, and other technology (including, if applicable, any blockchain) (“Underlying Technology”) used to administer, create, issue, transfer, cancel, use or transact in any Virtual Assets may be complex, technical or difficult to understand or evaluate.
b. Any Virtual Asset and its Underlying Technology may be vulnerable to attacks on the security, integrity or operation of the Virtual Asset or its Underlying Technology (“Attack”).
c. Any Virtual Asset, Virtual Asset Properties or Underlying Technology may change or otherwise cease to operate as expected due to a change made to the Underlying Technology, a change made using features or functions built into the Underlying Technology or a change resulting from an Attack. These changes may include, without limitation, a “fork” or “rollback” of a Virtual Asset or the underlying blockchain.
d. A Virtual Asset may be cancelled, lost, double-spent or otherwise lose all or part of its value as a result of forks, rollbacks, attacks, defects, changes to its underlying technology or failure of the Virtual Asset to operate as intended.
e. Any Virtual Asset may decrease in value or lose all of its value due to various factors including changes to Virtual Asset Properties or perceived value of Virtual Asset Properties, Attacks, suspension or cessation of support for a Virtual Asset by GCEX or other exchanges or service providers, legislative or regulatory activity and other factors outside the control of GCEX.

6. Network Risk

a. Use of an online platform exposes Clients to internet, communications and network-related risks. The internet or relevant communications networks may be unavailable, unreliable or subject to interruption, delay, corruption, unauthorised access or loss of confidentiality.
b. Orders, trade confirmations, deposit or withdrawal requests, emails and other communications between GCEX and the Client may be delayed, intercepted, altered, corrupted or lost because of hardware, software, communications, connectivity or third-party service-provider failures

7. Currency Risk

a. Virtual Assets may be quoted or transacted against a Fiat Currency or another Virtual Asset. Changes in relevant exchange rates or the value of the quoted currency or asset may adversely affect the value of the Client's transaction or position.

8. Legal Risk

a. The legal, regulatory and tax treatment of Virtual Assets may be uncertain and may change without notice. A change in applicable laws, regulations, regulatory interpretation or enforcement practice may restrict or prohibit the use, transfer, trading or holding of a Virtual Asset. Clients are responsible for complying with the laws and tax obligations applicable to them and should obtain independent legal and tax advice where appropriate.

9. Private Key Risk

a. A Client is responsible for securing the private keys, passwords, credentials and recovery information relating to any wallet controlled by the Client. Loss, theft, disclosure or unauthorised use of such information may result in permanent and irreversible loss of the Client's Virtual Assets.

10. Cyber-attack Risk

a. Virtual Assets, blockchain networks, wallets, trading systems and related infrastructure may be targeted by cyberattacks, including distributed denial-of-service attacks, phishing, social engineering, malware, spoofing, unauthorised access and other malicious activity.
b. A transfer to or storage of Virtual Assets in a digital wallet may expose those Virtual Assets to loss, theft or unauthorised transfer arising from security breaches, compromised credentials, software vulnerabilities or malicious activity. Lost or stolen Virtual Assets may not be recoverable.
c. Unauthorised access to a Client Account may result in loss of Fiat Currency or Virtual Assets, unauthorised transactions, disclosure of information or other financial loss.

11. Third Party Risk

a. The Client may be exposed to errors, delays, acts, or omissions by third party providers including financial or payment institutions.