DAMAN MARKETS

Risk Disclosure Statement

Last Updated 27 April 2026

Daman Markets Financial Services LLC
Dubai World Trade Center, Suite 1401
Dubai, United Arab Emirates

www.damanmarkets.com
P.O. Box 9436
Phone +971 4 408 0401

Contents

Introduction 2
General Risk Warning 2
No Investment Advice 2
Monitoring Your Account 2
Key Risk Associated with Trading CFDs 3
A. Market Risk 3
B. Leverage and Margin Risk 3
C. Execution Model and Counterparty Risk 4
D. Liquidity Risk 4
E. Cost and Charges Risk 4
F. Slippage Risk 4
G. Market Gap Risk 4
H. Platform and Technology Risk 5
I. System Failure and Force Majeure 5
J. Third-Party Tools 5
K. Pricing and Quotation Risk 5
L. Regulatory and Policy Risk 5
M. Profit and Loss Risk 6
Suitability Assessment 6
Limitation of Liability 6
Client Acknowledgment and Acceptance 6
Updates to this Statement 6

Introduction

This Risk Disclosure Statement (the "**Statement**") is established in accordance with the applicable laws and regulations of the UAE, including the CMA Rulebook for Financial Services and Activities, and is intended to ensure compliance with CMA requirements for licensed firms.

Daman Markets Financial Services LLC ("**Daman Markets**", us, or the "**Company**") is a company incorporated with limited liability and existing under the laws of the United Arab Emirates, under registration number 2389524 with commercial license number 1393481. Daman Markets is licensed and regulated by the UAE Capital Markets Authority ("**CMA**") under Category 1 Licence (CMA Licence No. 20200000356) as a trading broker of OTC derivatives and currencies in the spot market, having its principal place of business at World Trade Center, Dubai, United Arab Emirates.

The purpose of this Statement is to outline the nature and risks associated with trading Contract for Difference ("**CFDs**") with Daman Markets.

Trading these instruments carries a **high level of risk** and may not be suitable for all investors. All clients (the "**Client**" or "**you**") should read this Statement carefully before opening an account or engaging in any trading activity with Daman Markets.

This Statement forms part of the Client Agreement between the Client and Daman Markets. By opening an account and trading with us, you acknowledge that you have read, understood, and accepted the risks described herein.

Unless otherwise defined herein, capitalized terms used in this Statement shall have the meanings given to them in the Client Agreement.

General Risk Warning

CFDs are leveraged financial instruments that allow you to speculate on price movements of underlying assets without owning them.

Leverage amplifies both potential profits and potential losses. A small movement in price can result in a proportionally large change in your account balance.

You could lose all the funds you deposit, and in some cases, you may be required to deposit additional funds if your account balance becomes negative.

You should consider whether you understand how CFDs work and whether you can afford to take the risk of losing your capital.

No Investment Advice

Daman Markets operates strictly on an execution-only basis. The Company does not provide investment, financial or tax advice and will not make personal recommendations regarding the suitability of any trade or strategy.

Any information, analysis, commentary, or educational content provided by Daman Markets or its representatives is of a general nature and is not intended as financial advice or financial recommendation.

You are solely responsible for assessing the merits and risks of any transaction and for all trading decisions made on your account.

Monitoring Your Account

You are responsible for:

- Monitoring your account and margin levels at all times;
- Ensuring that you understand the product you trade;
- Maintaining sufficient funds in your account to support your positions; and
- Ensuring you have reliable internet access and the ability to monitor and manage your positions when markets are open.

Failure to maintain required margin levels and equity may result in the automatic closure of your positions, and Daman Markets shall not be liable for any resulting losses.

Key Risk Associated with Trading CFDs

The following section outlines the main risks involved in trading CFDs. The list is not exhaustive. You should be aware that trading these products involves exposure to numerous risks, including:

A. Market Risk

Prices in financial markets can move rapidly and unpredictably in response to global economic events, news releases, or political developments.
Such movements can cause significant gains or losses, and losses may occur more quickly than you are able to react.
Daman Markets will not be liable for losses arising from market volatility or rapid price fluctuations beyond its control.

B. Leverage and Margin Risk

CFD trading involves the use of leverage, allowing you to control a large position with a relatively small deposit (margin).
While leverage can magnify profits, it can also magnify losses. A small adverse market movement can quickly result in a significant loss of your capital.
You are responsible for always maintaining adequate margin in your account. When your account equity falls below the maintenance margin level, the trading platform will display **a Margin Call Notification. Notifications displayed on electronic trading platforms, including but not limited to trading platform as changing account Position colour from black to red or any other visual, audible or written notifications throughout trading systems or through any other system or other means are considered appropriate notification and the client accepts and agrees on such notification type irrespective whether or not the client is logged in on trading platform or any other system or not. It is the sole responsibility of the client to monitor their Account and open Positions.**
You will need to decrease your exposure by closing some open positions and/or adding additional funds. If no action is taken, open positions may be closed automatically in whole or in part to protect against further losses.

Daman Markets will not be liable for any losses or missed opportunities arising from the automatic closure of positions.

C. Execution Model and Counterparty Risk

Daman Markets operates under a Straight-Through Processing (STP) model. Orders placed by clients are transmitted to third-party liquidity providers for pricing and execution.
As a result, execution quality depends on market liquidity and the responsiveness of these external counterparties. Delays, rejections, or price differences may occur.
Daman Markets will not be liable for losses arising from execution delays, errors, or disruptions caused by third-party liquidity providers or market conditions.

D. Liquidity Risk

Liquidity refers to how easily a CFD can be bought or sold. At times of low liquidity such as during off-peak hours or major market events, it may be difficult to execute trades at desired prices. Wider spreads, delays, and rejections can occur.
Daman Markets shall not be responsible for any loss caused by reduced liquidity or the inability to execute or close positions.

E. Cost and Charges Risk

Trading CFDs involves transaction costs such as spreads, swaps, and other fees that can affect your profitability.
The spread represents the difference between the buy and sell price and may widen during volatile or illiquid periods. Overnight financing charges (swaps) apply when positions are held beyond market close.
These costs may appear small relative to the overall position size, however, can accumulate over time and reduce your trading returns.
Daman Markets shall not be responsible for any losses resulting from the impact of trading costs or charges.

F. Slippage Risk

Slippage occurs when a trade executes at a price different from the one requested. This typically happens in fast-moving or illiquid markets.
Slippage may result in trades being executed at less favourable prices.
Stop-loss orders are designed to limit losses by automatically closing a position when the market reaches a set price. However, stop-loss orders are not guaranteed and may execute at a worse price during volatile or gapping conditions.
Daman Markets accepts no liability for losses arising from slippage, stop-loss, or gap.

G. Market Gap Risk

Markets can move sharply from one price level to another without trading in between, creating what is known as a price gap.
This often occurs when markets reopen after a weekend or public holiday, or immediately after a major economic announcement.
For example, if the market closes on Friday at a certain level and reopens on Monday significantly higher or lower, your orders, including stop-losses or take profit, may be executed

at the next available price, which could be less favourable than expected.
In the event of a market gap, your account equity may fall below required margin before a margin call can be issued or acted upon. Daman Markets may not be able to provide Margin call Notification prior to automatic position closure and shall not be liable for any resulting losses. You acknowledge and agree that you will be solely liable for any losses as a result for not providing you with Margin Call Notification in all market gap circumstances.
You acknowledge that Daman Markets will not be liable for losses arising from price gaps or delayed execution caused by such market conditions.

H. Platform and Technology Risk

All trading is conducted electronically through Meta Trader (MT5) platform or other trading platforms in future. Electronic systems may experience interruptions, delays, or failures caused by hardware, software, or connectivity problems.
You are responsible for maintaining reliable internet access and understanding how to use the trading platform.
You should consider whether you understand how this platform works and familiarise yourself with it using our Demo Account. Features such as One-Click can lead to unintended order execution.
Daman Markets shall not be liable for any losses resulting from internet outages, system failures, or other technical issues beyond its control.

I. System Failure and Force Majeure

Events such as power outages, cyberattacks, communication breakdowns, or natural disasters may disrupt trading.
While Daman Markets maintains business continuity and disaster recovery measures, interruptions cannot be completely prevented.
Daman Markets shall not be liable for delays, losses, or failures caused by events beyond its reasonable control.

J. Third-Party Tools

If you install, use any third-party software such as Expert Advisors (EAs), trading signals, you do so at your own risk. Daman Markets does not test, endorse, or monitor such tools and is not responsible for any losses or malfunctions arising from their use.

K. Pricing and Quotation Risk

Prices displayed on the Platform i.e. MT5 or other Platforms in future come from our liquidity providers and may differ slightly from prices quoted elsewhere.
In rare cases, a data feed issue or error may result in incorrect prices. In this event, Daman Markets reserves the right to adjust or cancel affected trades in good faith and according to prevailing market conditions.

L. Regulatory and Policy Risk

Changes in laws, regulations, or government policies may affect financial markets, trading

conditions, or taxation.
Such changes can impact the cost, availability, or profitability of your trading activities.
You acknowledge that such events are beyond the control of Daman Markets, which shall not be liable for any losses or potential profits resulting from regulatory or political changes.

M. Profit and Loss Risk

Trading leveraged products offers potential for profit, however, there is no guarantee of success. Past performance is not a reliable indicator of future results. You should trade only with funds you can afford to lose.

Suitability Assessment

Daman Markets is required to assess whether trading CFDs is suitable for you. Any information requested is to conduct such assessment based on your knowledge, experience, and financial background as disclosed in your application.
If we determine that CFD trading may not be suitable, we will inform you before you proceed. However, the final decision to trade remains entirely your own, and Daman Markets shall not be responsible for any losses incurred as a result of your decision to trade irrespective to your suitability assessment.

Limitation of Liability

You acknowledge and accept that:

- Daman Markets shall not be liable for any losses or damages arising from market fluctuations, volatility, or pricing delays;
- Daman Markets shall not be responsible for system failures, connectivity issues, or force majeure events;
- All trading activity is undertaken at your own risk and discretion; and
- Your potential losses may exceed your deposits due to the leveraged nature of CFD trading.

Nothing in this Statement excludes or limits any duty or liability that cannot be excluded under applicable UAE or CMA laws or regulations.

Client Acknowledgment and Acceptance

By opening an account and placing trades with Daman Markets, you confirm that:

- You have read and understood this Statement in full;
- You understand the nature of CFDs, and the risks involved; and
- You are able to bear the financial losses and consequences of your trading.

If you have any questions about this Statement or the risks associated with CFD trading, contact us.

Updates to this Statement

We may update this Statement from time to time to reflect changes in legal, technical, or

operational requirements. When we update this Statement, we will publish the updated version on our website and take appropriate measures within appropriate notification period to inform you consistent with the significance of the changes we make.