

INFINOX

TRADING POWER

Risk Warning Notice

INFINOX Capital Limited

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1. Introduction

This Risk Warning Notice provides a summary of the principal risks associated with trading leveraged financial instruments offered by **INFINOX Capital Limited** (the “Company”, “INFINOX”, “we”, “us”, or “our”). INFINOX Capital Limited is authorised and regulated by the Financial Conduct Authority (“FCA”).

The financial products referenced in this notice include, but are not limited to:

- Contracts for Difference (“CFDs”)
- Rolling spot foreign exchange (“FX”) transactions
- other leveraged derivative instruments offered by the Company.

The services and products described in this notice are intended **exclusively for professional clients and eligible counterparties** who possess the experience, knowledge, and expertise necessary to understand the risks associated with leveraged derivative trading.

Trading in leveraged financial instruments involves **significant risk of loss** and may not be appropriate for all market participants. Professional clients are expected to independently evaluate the risks involved and ensure that such transactions are consistent with their investment objectives, financial resources, and internal risk management frameworks.

This document provides a general description of certain risks associated with trading financial instruments but does not disclose or explain all possible risks. Clients should ensure they fully understand the nature of the relevant transactions and the extent of their risk exposure before entering into any trading activity.

Nothing in this document constitutes investment advice, legal advice, tax advice, or a recommendation to enter into any transaction.

2. Leverage and Margin Risk

Trading CFDs and other derivative instruments typically involves the use of leverage, meaning that a relatively small deposit (margin) may provide exposure to a larger market position. While leverage may magnify potential gains, it also significantly increases potential losses. Adverse market movements may result in losses exceeding the initial margin posted.

Clients are responsible for maintaining sufficient funds in their trading accounts at all times to meet applicable margin requirements. Where margin levels fall below required thresholds, the Company may request additional funds or reduce open positions.

If sufficient margin is not maintained, the Company reserves the right to close, reduce, or hedge positions **without prior notice** in accordance with the terms of the client agreement. Clients remain responsible for any resulting deficit.

During periods of market volatility or reduced liquidity, positions may be closed at prices materially different from those expected.

3. Losses May Exceed Deposits

Due to the leveraged nature of derivative trading, losses may exceed the funds initially deposited. Market conditions such as price gaps, sudden volatility, or illiquidity may result in positions being closed at prices significantly worse than expected, potentially resulting in negative account balances or additional liabilities.

Professional clients must ensure they have sufficient financial resources and appropriate risk management procedures in place to manage such exposures.

4. Market Risk

Financial markets may be volatile and unpredictable. Prices of financial instruments may fluctuate rapidly due to factors including:

- macroeconomic developments
- interest rate changes
- geopolitical events
- regulatory changes
- market sentiment

- corporate actions
- changes in supply and demand

Such movements may occur without warning and may result in significant losses.

5. Liquidity Risk

Certain financial instruments may experience periods of limited liquidity, particularly during times of market stress or outside normal trading hours.

Under such conditions:

- bid-ask spreads may widen
- order execution may be delayed
- slippage may occur
- it may be difficult or impossible to close positions at desired price levels

Liquidity constraints may increase the risk of losses.

6. Price Gapping and Volatility

Market prices may occasionally move directly from one level to another without trading at intermediate prices. This phenomenon, commonly referred to as price gapping, may occur during periods of high volatility or when markets reopen following closures. In such circumstances, stop orders, limit orders, or other conditional orders may be executed at prices significantly different from those anticipated.

7. Foreign Exchange and Currency Risk

Where financial instruments are denominated in a currency different from the client's base currency, exchange rate fluctuations may affect the value of the position. Foreign exchange markets may be highly volatile and influenced by economic, political, and monetary policy developments.

8. Financing and Interest Rate Risk

Positions held overnight may be subject to financing adjustments or swap charges. These charges are influenced by prevailing interest rates and liquidity conditions in the relevant markets. Changes in interest rate differentials or market conditions may affect the cost of maintaining open positions.

9. Pricing and Execution Risk

Prices quoted on INFINOX trading platforms are derived from external liquidity providers and internal pricing mechanisms. Such prices may differ from prices available in the underlying market or from prices quoted by other market participants. Execution of orders may be affected by factors including:

- market volatility
- liquidity conditions
- system latency.

10. Electronic Trading and Technology Risk

Trading through electronic platforms involves risks related to technology and communication systems. System failures, connectivity interruptions, hardware or software malfunctions, or other technological issues may result in:

- delays in order transmission
- inability to access trading platforms
- execution errors or delays.

INFINOX does not guarantee uninterrupted access to its trading systems.

11. Cybersecurity and Third-Party Risk

Electronic trading systems rely on third-party service providers, including liquidity providers, technology vendors, and data providers. Cybersecurity incidents, system vulnerabilities, or failures involving third parties may disrupt trading services or affect market data availability.

12. Execution Only

You carry out your trading activities on an execution only basis. This means that we will not provide you with investment advice relating to investments or possible transactions in investments.