

Risk Disclosure

Drovix (MU) Ltd

Authorised and regulated by the Financial Services Commission (FSC) of Mauritius

Investment Dealer (Full Service Dealer) excluding Underwriting, Licence No. GB21026813

Registered Address: C/o SALVUS (Mauritius) Ltd, Silver Bank Tower, Ground Floor, 18 Bank Street, Cybercity, Ebene 72201, Mauritius

Website: www.drovix.com

Effective Date: May 2026

Services are available exclusively to institutional and professional clients and qualified counterparties.

IMPORTANT NOTICE: This document is intended exclusively for institutional and professional clients and qualified counterparties. It is not intended for, and should not be relied upon by, retail clients. Persons who do not qualify as institutional or professional clients should not engage with the Company's services.

1. Introduction

Drovix (MU) Ltd (the "Company") is an institutional execution and technology provider, delivering multi-venue liquidity access, smart order routing, and connectivity infrastructure across foreign exchange, precious metals, contracts for difference ("CFDs") on indices, energies and equities, and crypto-asset derivatives. The Company is authorised and regulated by the Financial Services Commission (FSC) of Mauritius under Investment Dealer (Full Service Dealer) excluding Underwriting, Licence No. GB21026813.

This Risk Disclosure is provided to all prospective and existing institutional and professional clients to ensure they are fully informed of the risks associated with trading leveraged products through the Company's execution infrastructure. Clients should carefully consider whether trading in such products is appropriate given their investment objectives, risk tolerance, liquidity needs, regulatory permissions, and overall portfolio context.

TRADING LEVERAGED FX, CFDs, AND CRYPTO-ASSET DERIVATIVES INVOLVES A HIGH LEVEL OF RISK AND MAY RESULT IN LOSSES THAT EXCEED THE INITIAL MARGIN DEPOSITED. PAST PERFORMANCE IS NOT INDICATIVE OF FUTURE RESULTS. CLIENTS SHOULD NOT COMMIT CAPITAL THAT THEY CANNOT AFFORD TO LOSE.

2. Nature of the Products

The Company offers execution in OTC and exchange-related leveraged derivative instruments, including spot FX and FX forwards, precious metals, CFDs on indices, energies and individual equities, and crypto-asset derivatives. These instruments are complex, leveraged, and may not be suitable for all market participants. They are not collective investment schemes and do not confer ownership of, or rights in, any underlying asset.

The Company does not provide investment advice, portfolio management, or personal recommendations. Each client is responsible for its own trading decisions, risk management, and assessment of suitability and appropriateness in light of its mandate, regulatory permissions, and the applicable law of its jurisdiction.

3. Leverage and Margin Risk

Leveraged derivative instruments allow a client to take a position that is significantly larger than the amount of margin deposited. While leverage can magnify potential profits, it can also magnify losses. A relatively small adverse market movement may result in the loss of all initial margin, the need to deposit additional margin at short notice, and, in extreme cases, losses that exceed the funds in the client's account. Negative-balance protection, where offered, is subject to specific terms and may not apply in all circumstances or to all clients.

Failure to meet margin calls on time may result in the Company exercising its right to close out positions, without further reference to the client, at the prevailing market price.

4. Market Risk and Volatility

- **Market Volatility:** Financial markets are subject to periods of heightened volatility that can result in rapid and significant losses, particularly in leveraged positions.
- **Gapping and Price Jumps:** Prices may gap between consecutive ticks (for example, around economic releases, market opens, or unexpected news), with the result that stop-loss orders may be filled at prices materially worse than the requested level.
- **Liquidity Risk:** Instruments or markets may become illiquid (for example, in stressed conditions, around holidays, or in exotic instruments), making it difficult to execute orders at desired prices, to exit positions, or to hedge effectively.
- **Interest Rate and Financing Risk:** Overnight funding costs (swap or roll) on leveraged positions may be positive or negative and may vary significantly with prevailing rates.
- **Geopolitical and Macroeconomic Risk:** Political events, sanctions regimes, monetary-policy decisions, and macroeconomic developments may cause sharp and unpredictable market movements.

5. Slippage and Execution Risk

Orders may be executed at prices that differ from the price displayed or expected at the moment of submission ("slippage"), particularly in fast or volatile markets. Slippage may be positive or negative. Stop-loss orders are not guaranteed-stop instructions: they become market orders once triggered and may be filled at a worse price than the trigger level. Limit orders may not be filled if the requested price is not available.

6. Technology, Connectivity and Operational Risk

- **Connectivity:** Trading via FIX, REST, WebSocket, MT5 bridges, or other electronic interfaces is dependent on the availability and stability of the client's own infrastructure, third-party telecommunication providers, and the Company's systems and venues. Disruptions may delay or prevent the placement, modification, or cancellation of orders.

- **Algorithmic and System Risk:** Clients deploying algorithmic, high-frequency, or automated strategies bear the risk of errors in their own logic, market-data feed delays, latency-arbitrage failures, and unintended order generation. Pre-trade controls on the Company's side mitigate but do not eliminate this risk.
- **Cyber Risk:** Cyberattacks, credential compromise, and other security incidents may result in unauthorised access, execution failures, or losses. Clients are responsible for securing their own credentials and end-points.
- **Force Majeure Events:** Natural disasters, pandemics, infrastructure failures, exchange outages, regulatory interventions, and similar events may disrupt the Company's services and the markets in which clients trade.

7. Counterparty and Credit Risk

The Company may act as principal in transactions with its clients (notably in OTC instruments such as CFDs and FX). In such cases, the client is exposed to the credit risk of the Company. The Company maintains capital, risk management, and operational controls in accordance with applicable regulatory requirements, but no such measures eliminate the possibility of default. Client funds held by the Company are subject to the protections (if any) provided under Mauritian law applicable to Investment Dealers.

The Company itself is exposed to the credit and operational risk of its liquidity providers, prime brokers, custodians, banks, and other counterparties. A default or operational failure at one of these counterparties may affect the Company's ability to settle, hedge, or transfer funds on a timely basis.

8. Currency Risk

Where instruments are denominated in currencies other than a client's base or accounting currency, the client is exposed to exchange-rate fluctuations between the relevant currencies. Such fluctuations may amplify or offset the gain or loss arising on the underlying instrument.

9. Crypto-Asset Derivative Risks

Crypto-asset derivatives carry additional risks beyond those of traditional financial instruments, including but not limited to: extreme price volatility; fragmented and inconsistent liquidity across underlying venues; the absence in many jurisdictions of comprehensive investor-protection or compensation arrangements; venue operational failures, including exchange outages, withdrawal freezes, and security incidents; reference-index methodology risk and the potential for index dislocation; and regulatory uncertainty, including the possibility of new laws or restrictions that materially affect the availability, valuation, or settlement of the relevant instruments. Crypto-asset derivative instruments offered by the Company do not confer ownership of, or rights in, any underlying digital asset.

10. Conflicts of Interest

The Company may act as principal in transactions with its clients, may earn a spread, mark-up, or commission on those transactions, and may hedge its resulting market risk into the underlying market or with approved offsetting counterparties. The Company manages such conflicts through its Order Execution Policy, its conflict-of-interest framework, and the commercial terms agreed with each client. Further information regarding actual or potential conflicts is available on request.

11. Regulatory and Legal Risk

The Company is authorised and regulated by the FSC of Mauritius. The services described are provided from Mauritius. The treatment of the Company's products and the client's ability to engage with the Company may be affected by the laws and regulations of the client's own jurisdiction, including authorisation requirements, marketing restrictions, and reporting obligations. Changes in laws, regulations, sanctions regimes, or tax policies may affect the Company's services, the instruments available, and the terms on which clients can trade.

12. Tax Risk

The tax treatment of a client's trading activity depends on its individual circumstances, the laws of its jurisdiction of incorporation, and applicable double-taxation treaties. Tax laws and their interpretation may change. Clients are responsible for their own tax compliance and should obtain independent tax advice. The Company does not provide tax or legal advice.

13. No Investor Compensation Scheme

Client funds held with Drovix (MU) Ltd are not protected by any government deposit guarantee or investor compensation scheme. The Financial Services Commission (FSC) of Mauritius does not operate an investor compensation fund.

14. Reverse Solicitation and Restricted Jurisdictions

The information and services on the Company's website and in its documentation are not directed at or intended for distribution to residents or nationals of any country or jurisdiction where such distribution or use would be contrary to local law or regulation. Institutional clients access the Company's services on their own initiative. It is the responsibility of each prospective client to ensure compliance with the laws and regulations of its jurisdiction of incorporation or domicile.

The Company's services are not available to persons in jurisdictions subject to comprehensive sanctions, nor to persons in jurisdictions in which the Company is not permitted to offer its services. The Company maintains a Reverse Solicitation Notice and a list of restricted jurisdictions on its website, which is incorporated by reference into this Risk Disclosure.

15. Model and Algorithm Risk for Quantitative Clients

Clients deploying quantitative, systematic, or machine-learning-based trading strategies via the Company's infrastructure should be aware that: models may contain errors or be based on incorrect assumptions; historical relationships may break down in changing market regimes; market-data inaccuracies or delays may impair model performance; and crowding effects in popular strategies may erode profitability or amplify drawdowns. The Company does not validate client trading strategies and does not warrant the suitability of its services for any particular strategy.

16. Risk Management by the Company

The Company employs risk-management frameworks including counterparty credit limits, margin and exposure monitoring, automated pre-trade controls, real-time position surveillance, stress testing, and venue-failure contingency plans. However, the Company's risk-management measures cannot eliminate all risks and do not guarantee that the client will not suffer losses, including in extreme market conditions.

17. Client Acknowledgement

By entering into an Institutional Services Agreement with the Company and trading through its execution infrastructure, the client confirms that it has read, understood, and accepted the risks described in this Risk Disclosure, that it has the necessary expertise, regulatory permissions, and resources to bear those risks (including the possible loss of the entire amount deposited and, where leveraged, losses in excess of that amount), and that it has obtained such independent legal, regulatory, tax, and financial advice as it deems appropriate.

This Risk Disclosure does not purport to describe all risks associated with trading through the Company's services. Clients should conduct their own due diligence and obtain independent professional advice before commencing or continuing to trade with the Company.