RISK DISCLOSURE

FermTrading, Inc.

Effective Date: October 20, 2026

PLEASE READ THIS RISK DISCLOSURE STATEMENT CAREFULLY BEFORE USING THE FERM PLATFORM. BY ACCESSING OR USING THE SERVICE, YOU ACKNOWLEDGE THAT YOU HAVE READ, UNDERSTOOD, AND AGREE TO THE DISCLOSURES CONTAINED HEREIN.

ARTICLE I - NATURE OF THE SERVICE

1.1 FermTrading, Inc. ("Company," "Ferm," "we," or "us") operates a simulated trading evaluation platform. All trading on Ferm is executed synthetically against real-time market data, and evaluation and Funded Simulation accounts are fully simulated; Live Accounts are subject to the carve-out in Section 1.2.1. Ferm is not a broker, dealer, exchange, investment adviser, commodity trading adviser, futures commission merchant, or financial institution.

1.2 User orders are not routed to any external exchange, broker, liquidity provider, or counterparty at any account stage. On evaluation and Funded Simulation accounts, balances, positions, margin, and profit and loss are entirely simulated. Fills are synthetic and derived from aggregated third-party market data feeds. Primary price source. For every cryptocurrency instrument other than the Robinhood Chain tokens (RH:CASHCAT, RH:PONS, RH:PIPEDOG, RH:HOOKR, RH:TENDIES, RH:HOODRAT, RH:HMM, RH:ROBIN, RH:YOLO, and RH:FRONG), and for US500 (24/7 perpetual), XYZ100 (24/7 perpetual), JPN225 (24/7 perpetual), UKOIL (24/7 perpetual), USOIL (24/7 perpetual), NATGAS (24/7 perpetual), XAUUSD (24/7 perpetual), XAGUSD (24/7 perpetual), COPPER (24/7 perpetual), XPTUSD (24/7 perpetual), XPDUSD (24/7 perpetual), EURUSD (24/7 perpetual), USDJPY (24/7 perpetual), AMZN, GOOGL, NVDA, TSLA, MU, INTC, and MSFT, displayed prices, marks, and order-book depth are taken from the corresponding Hyperliquid market (for the 24/7 and stock instruments, the trade.xyz market listed on Hyperliquid), delivered through Hydromancer, a third-party Hyperliquid market data provider. For most of these instruments the mark is the midpoint of the Hyperliquid order book. For MON, ZRO, ETHFI, JUP, VVV, KAITO, AERO, HEMI, MORPHO, GRASS, ICP, POL, PYTH, STX, ALGO, MNT, TIA, RENDER, STRK, EIGEN, BERA, SYRUP, SKY, LINEA, JPN225 (24/7 perpetual), COPPER (24/7 perpetual), XPTUSD (24/7 perpetual), XPDUSD (24/7 perpetual), EURUSD (24/7 perpetual), and USDJPY (24/7 perpetual), whose Hyperliquid order books are thinner, the mark is Hyperliquid's published mark price, which blends external reference prices with the Hyperliquid market; for the cryptocurrency instruments among them, the order book shown and used for fills is shifted so that its midpoint sits on that mark. If the Hydromancer feed is delayed, interrupted, or fails integrity checks, the Platform switches automatically to a backup source: for the cryptocurrency instruments, Bybit (adjusted for the recently observed price difference between the two venues) or Hyperliquid's public market data feed, and for the 24/7 and stock instruments, Hyperliquid's public market data feed. The Platform returns to the primary source after it has been healthy for a short period. Prices may differ slightly between sources, and a switch may cause a brief, small price adjustment. For eligible crypto markets, the Company publishes

individual fills with the quote and order book used, and its fill methodology, at https://tryferm.com/transparency, so Users can check how a fill was priced; publication is informational and does not change these terms.

1.2.1 Live Accounts are an exception to the simulated-balance description above, not to the execution description. Execution remains synthetic and unrouted, but for each Live Account the Company commits its own capital equal to the Fixed Maximum Loss for that account size and bears that loss economically, and profit above the starting balance is a genuine payment obligation of the Company. The User does not deposit or own the starting balance, which is not withdrawable, and the User is never liable for losses on a Live Account. See Section 5.9 of the Terms and Conditions and the Live Account Agreement.

1.3 Ferm does not hold, manage, or invest user funds. Evaluation fees are payments for access to the platform and do not constitute deposits, investments, or trading capital. Users never deposit trading capital at any account stage, including Live Accounts.

ARTICLE II - SIMULATED TRADING RISKS

2.1 No Guarantee of Performance. Past performance on the evaluation or funded simulation account does not guarantee, predict, or indicate future results. The evaluation is rigorous, and the majority of participants do not pass.

2.2 Simulated Results Differ from Live Markets. Simulated trading results are hypothetical and subject to inherent limitations, including but not limited to:

(a) Simulated fills cannot fully replicate real-world liquidity constraints or market impact; although larger simulated orders are priced with depth or size adjustments, no simulated order actually consumes market liquidity;

(b) Simulated fills are priced from the available bid or ask. Larger cryptocurrency orders are priced from real venue order-book depth at a volume-weighted average price. Cryptocurrency orders on these instruments fill by walking the Hyperliquid order book while the primary source is active (for the thinner instruments, the book as shifted onto the mark), and the backup venue's order book otherwise. Orders on US500 (24/7 perpetual), XYZ100 (24/7 perpetual), UKOIL (24/7 perpetual), USOIL (24/7 perpetual), NATGAS (24/7 perpetual), XAUUSD (24/7 perpetual), XAGUSD (24/7 perpetual), AMZN, GOOGL, NVDA, TSLA, MU, INTC, and MSFT fill by walking the trade.xyz order book on Hyperliquid at a volume-weighted average price while the primary source is active and its order book is consistent with the displayed price (for AMZN, GOOGL, NVDA, TSLA, MU, INTC, and MSFT, only during the regular U.S. stock market session, 9:30 a.m. to 4:00 p.m. New York time on exchange trading days), never at a price better than the displayed bid or ask and without the CFD size-based slippage adjustment. Otherwise, and always for JPN225 (24/7 perpetual), COPPER (24/7 perpetual), XPTUSD (24/7 perpetual), XPDUSD (24/7 perpetual), EURUSD (24/7 perpetual), and USDJPY (24/7 perpetual), these orders fill like other CFD orders, at the displayed bid or ask (the mark plus the quoted spread). Slippage discount. When a market order, or a market close other than a stop-loss or take-profit exit, fills by walking an order book (cryptocurrency instruments, and the trade.xyz order book walk described above), the fill price is moved

20% of the way from the volume-weighted average price back toward the displayed bid or ask (10% for BTC, ETH, SOL, XRP, BNB, and DOGE). The discount never moves a fill past the displayed bid or ask, and limit orders, including marketable limit orders, fill at the full volume-weighted average price. Hyperliquid order books can be thin, so a large order can fill well away from the displayed price. The order ticket warns when the estimated average fill is more than 0.25% away from the mark or the visible order book cannot fill the whole order, but a warning, or the absence of one, does not guarantee a fill price. Except where orders on US500 (24/7 perpetual), XYZ100 (24/7 perpetual), UKOIL (24/7 perpetual), USOIL (24/7 perpetual), NATGAS (24/7 perpetual), XAUUSD (24/7 perpetual), XAGUSD (24/7 perpetual), AMZN, GOOGL, NVDA, TSLA, MU, INTC, and MSFT walk the trade.xyz order book as described above, larger CFD orders incur a deterministic size-based slippage adjustment derived from the quoted spread and capped at 0.01% of the mid price; CFD fills are never priced from synthetic order-book depth. Fast-market quotes on thinner 24/7 instruments. On JPN225 (24/7 perpetual), COPPER (24/7 perpetual), XPTUSD (24/7 perpetual), XPDUSD (24/7 perpetual), EURUSD (24/7 perpetual), and USDJPY (24/7 perpetual), the mark can lag the live trade.xyz order book on Hyperliquid during a fast move. While it does, the quoted bid and ask widen to cover both the mark and the live book, by no more than 0.25% of the mark beyond the normal quote on either side, and market orders, marketable limit orders, and manual closes fill at the widened quote. Stop-loss and take-profit orders trigger on the normal mark-based quote, not the widened one. The order ticket shows when a quote is widened. Cryptocurrency market orders, marketable limit orders, and manual closes wait 0.25 to 0.28 seconds and then fill at the then-current quote. CFD market orders, marketable limit orders, and manual closes fill the displayed bid or ask. Take-profit, stop-loss, and risk-flatten exits remain immediate. Actual slippage in live markets may differ;

(c) The absence of real financial risk may affect trading behavior and decision-making;

(d) Market data feeds, while sourced from reputable third-party providers, may experience delays, interruptions, or inaccuracies; and

(e) Simulated performance cannot fully replicate the psychological pressures of live trading with real capital.

2.3 Platform Availability. The Platform may experience downtime, errors, interruptions, or degraded performance due to technical issues, maintenance, third-party service failures, or force majeure events. The Company does not guarantee uninterrupted access to the Platform.

ARTICLE III - MARKET AND ASSET CLASS RISKS

3.1 Volatility. The asset classes available on Ferm - including cryptocurrency perpetuals, forex pairs, index CFDs, and commodity CFDs - are inherently volatile. Prices can move rapidly and unpredictably, resulting in sudden and severe simulated losses.

3.2 Leverage Risk. Ferm offers leveraged trading (up to 30x, 20x, 10x, 5x, 4x, 2x, and 1x, depending on the instrument). The maximum leverage per instrument as of the Effective Date is set out below and is also published on the Platform's Markets page and in Section 6.7 of the Terms and Conditions. Leverage amplifies

both gains and losses. A small adverse price movement can result in a loss equal to or exceeding the full simulated account balance.

Maximum Leverage	Instruments
30x	EURUSD (24/7 perpetual), USDJPY (24/7 perpetual)
20x	US500 (24/7 perpetual), XYZ100 (24/7 perpetual), XAUUSD (24/7 perpetual)
10x	JPN225 (24/7 perpetual), UKOIL (24/7 perpetual), USOIL (24/7 perpetual), XAGUSD (24/7 perpetual), XPTUSD (24/7 perpetual), XPDUSD (24/7 perpetual)
5x	NATGAS (24/7 perpetual), COPPER (24/7 perpetual), AMZN, GOOGL, NVDA, TSLA, MU, INTC, MSFT
4x	BTC, ETH, SOL
2x	ADA, ZEC, HYPE, AAVE, DOGE, BNB, LINK, ONDO, LTC, INJ, LDO, XRP, AVAX, SUI, UNI, TRX, NEAR, DOT, XLM, TAO, ARB, PUMP, LIT, ENA, PEPE, XPL, CRV, WLD, MON, ASTER, ZRO, ETHFI, JUP, BCH, APT, VVV, KAITO, PAXG, VIRTUAL, AERO, JTO, HEMI, PENDLE, MORPHO, GRASS, ICP, POL, HBAR, FIL, OP, PYTH, STX, ALGO, MNT, TIA, RENDER, STRK, EIGEN, SEI, BERA, SYRUP, SKY, LINEA
1x	RH:CASHCAT, RH:PONS, RH:PIPEDOG, RH:HOOKR, RH:TENDIES, RH:HOODRAT, RH:HMM, RH:ROBIN, RH:YOLO, RH:FRONG

3.3 Cryptocurrency-Specific Risks. Cryptocurrency markets operate 24 hours a day, 7 days a week, and are subject to:

(a) Extreme price volatility and flash crashes;

(b) Regulatory uncertainty across jurisdictions;

(c) Technology risks including smart contract vulnerabilities, network congestion, and protocol failures;

(d) Market manipulation and low liquidity on certain instruments; and

(e) Rapid and unpredictable changes in market sentiment.

3.4 Forex and CFD-Specific Risks. Forex and CFD instruments are subject to:

(a) Macroeconomic events, central bank decisions, and geopolitical developments that can cause sudden price gaps;

(b) Price gaps when an underlying market reopens, since the 24/7 perpetuals track reference markets that close overnight and on weekends;

(c) Reduced liquidity during off-hours and around major economic releases; and

(d) Correlation risks across related instruments.

3.5 Gap Risk. Prices may "gap" - moving from one level to another without trading at intermediate prices - particularly around market opens, major news events, or periods of extreme volatility. For the synthetic bracket

orders described in Terms Section 3.6, stop-loss orders fill at the stored stop price and the applicable exit spread is charged separately. The stop-loss exit spread is half of the quoted bid/ask spread when the stop triggers, measured before any fast-market quote widening, and is capped at 0.05% of the closed position's value at the stop-loss price. A price gap or wider exit spread can increase the economic loss; this is distinct from changing the stored bracket fill price. Other order types remain subject to their disclosed execution rules.

ARTICLE IV - FINANCIAL RISKS AND LIMITATIONS

4.1 Evaluation Fee. The evaluation fee is a one-time payment for access to the evaluation platform. It is not an investment, deposit, or trading capital. Once the evaluation is Activated (the Company has issued and enabled a tradeable evaluation account), the fee is non-refundable except for the Live Account promotion refund, another express exception in the Refund Policy, or a refund required by applicable law, including EU and UK consumer cancellation rights. Users should purchase only evaluations they can afford to lose entirely.

4.2 No Guaranteed Income; Conditional Payouts. Participation in an Evaluation, Funded Simulation Account, or Live Account does not guarantee income, a Payout, or any financial return. A Payout is a conditional performance-based contractual payment and is owed only after all conditions in the applicable Terms and program agreement have been satisfied. An approved Payout, or an amount that otherwise constitutes accrued Eligible Net Profits satisfying all applicable conditions, remains payable as stated in the applicable agreement.

4.3 Breach Risk. Funded simulation accounts are subject to strict risk parameters (maximum drawdown, maximum daily loss). A single momentary touch of any risk limit results in permanent and irreversible account termination with no further payout eligibility. A payout request submitted before the breach remains payable subject to standard review: its amount was already deducted from the account balance when the request was made, so the breach was measured against the reduced balance. Breach is determined on live marks; during a volatility halt or a stale price feed on a held instrument, the determination is deferred for a short recovery window and then resolved on the last known mark. A correctly determined breach does not entitle the Trader to a reset. Demonstrated identity, market-data, or calculation errors may be reviewed and corrected through hello@ferm.trade. Complaints to payment providers, regulators, or courts and nonwaivable rights remain available.

4.4 Tax Obligations. Traders are solely responsible for determining and fulfilling all tax obligations arising from evaluation fees paid and payouts received. The Company does not provide tax advice and makes no representations regarding the tax treatment of any transaction.

4.5 Free Evaluations Carry No Payout Path. Free evaluation accounts are offered for practice only and are not payout-eligible. Passing a free evaluation does not grant a funded account, and no payout of any kind can ever arise from a free evaluation. Only paid evaluations, Ferm Cup prize evaluations, Family prize evaluations, and Company-credited accounts can lead to a funded simulation account and performance-based payouts. Ferm Cup prize evaluations are complimentary payout-eligible Pro-track evaluations credited after a season closes. A Demo Cup prize Funded Account permits exactly one approved Payout. After that Payout is approved, the Funded Account is closed, leftover queued withdrawals are rejected, and the already-approved balance remains settleable. That leftover rejection is a prize term, not a Breach clawback. Family prize evaluations are

complimentary payout-eligible evaluations on the claimed track and size, credited when a Family milestone is claimed. Company-credited evaluations and Funded Accounts are granted at no charge and follow the standard trading and Payout rules for the applicable account. Company-credited Funded Accounts permit multiple approved Payouts and remain open after a Payout, subject to the normal account rules and Release Ceilings.

4.6 Ferm Cup Rank Is Not Profit. Ferm Cup rank is a competition score in points and is not withdrawable profit. A higher rank, an earned progress or pass point, or a Families-table total does not create a Payout obligation and does not change the withdrawable profit of any account.

4.7 Max Drawdown Add-On. An evaluation close to its maximum drawdown floor may be offered optional extra maximum drawdown for a fee (Terms Section 8.7(c)). Buying it moves only the maximum drawdown floor. It does not reduce the risk of loss, does not change the daily loss limit or any other rule, and does not guarantee a pass. Extra room can lead to further losses on the same account and an additional fee that is not refundable once applied. The offer is not a recommendation to buy it or to keep trading, and Users should consider whether to stop trading the account instead.

ARTICLE V - PAYOUT RISKS

5.1 Payout Delivery Risk. Payouts may be disbursed by USD bank transfer (ACH or wire) or in USDC on supported networks (currently Ethereum, Base, and Solana), subject to the methods available to the Trader on the Platform. The Trader assumes all risks associated with the selected payout rail, including but not limited to:

(a) For cryptocurrency payouts: wallet security (loss of private keys, hacking, phishing); blockchain network congestion or failure; stablecoin de-pegging risk (USDC may not maintain its 1:1 USD peg at all times); regulatory changes affecting the legality or usability of stablecoins in the Trader's jurisdiction; and irreversibility of blockchain transactions (funds sent to an incorrect address cannot be recovered); and

(b) For bank payouts: banking delays, returned or rejected transfers, incorrect account details, intermediary bank fees, and any limits or holds imposed by the receiving financial institution.

5.2 Payout and Funding Delays. Issuance of a funded or live account is contingent on completed and approved KYC identity verification, which must occur before the applicable agreement can be signed. Payouts remain subject to ongoing KYC validity, compliance screening, and administrative review. The Company makes no guarantee regarding specific processing times.

5.3 Third-Party Payout Providers. Payouts are executed through third-party payout providers, currently Bridge (bridge.xyz) and Rise Works (riseworks.io). Before receiving a payout, the Trader must complete onboarding with the applicable provider and accept that provider's own terms of service, which govern the disbursement rail. Providers conduct their own identity, sanctions, and compliance screening; a provider's refusal or inability to serve a Trader or destination, a provider outage, or a provider's insolvency may delay or prevent disbursement through that rail. The Company may add, remove, or substitute payout providers at any time.

ARTICLE VI - REGULATORY DISCLOSURES

6.1 Registration Status. Ferm is a technology platform providing access to simulated trading environments and, for Live Accounts, synthetic execution backed by a Company capital commitment. The Company is not registered with the Securities and Exchange Commission (SEC), Commodity Futures Trading Commission (CFTC), National Futures Association (NFA), or Financial Industry Regulatory Authority (FINRA) in the capacities of a broker-dealer, investment adviser, commodity trading adviser, futures commission merchant, or equivalent. This statement does not establish that no regulator or law applies.

6.2 No Investment Advice. Nothing on the Platform, in the Company's marketing materials, or in any communication from the Company constitutes investment advice, financial advice, trading advice, or any other form of professional advice. All trading decisions are made solely by the user at their own discretion.

6.3 No Solicitation. This Platform does not constitute a solicitation or offer to buy or sell any financial instrument, security, commodity, or derivative in any jurisdiction.

6.4 Jurisdictional Restrictions. The Service is not available to Prohibited Persons or to users located in, resident in, citizens of, organized in, or accessing the Service from the Restricted Jurisdictions listed in the Terms and Conditions, currently: Afghanistan; Belarus; Cuba; the Democratic Republic of the Congo; Iran; Iraq; Libya; North Korea; Russia; South Sudan; Sudan; Syria; the Central African Republic; Lebanon; Mali; Myanmar; Nicaragua; Somalia; Venezuela; Yemen; Zimbabwe; China; Turkmenistan; Crimea/Sevastopol (Ukraine); Donetsk (Ukraine); Luhansk (Ukraine). These restrictions may change at any time based on sanctions programs, applicable law, payment-provider requirements, regulatory guidance, or internal compliance determinations.

ARTICLE VII - ACKNOWLEDGMENT

7.1 BY USING THE FERM PLATFORM, PURCHASING AN EVALUATION, OR EXECUTING A FUNDED TRADER AGREEMENT, YOU ACKNOWLEDGE AND CONFIRM THAT:

(a) YOU HAVE READ AND UNDERSTOOD THIS RISK DISCLOSURE STATEMENT IN ITS ENTIRETY;

(b) YOU UNDERSTAND THAT ALL ORDERS ON FERM RECEIVE SYNTHETIC FILLS AND ARE NOT ROUTED TO AN EXCHANGE, BROKER, LIQUIDITY PROVIDER, OR OTHER MARKET COUNTERPARTY; EVALUATION AND FUNDED SIMULATION ACCOUNT BALANCES ARE SIMULATED; AND A LIVE ACCOUNT HAS THE DISTINCT ECONOMIC CHARACTERISTICS DESCRIBED IN SECTION 1.2.1, INCLUDING THE COMPANY'S CAPITAL COMMITMENT AND CONDITIONAL PAYMENT OBLIGATION;

(c) YOU UNDERSTAND THE RISKS ASSOCIATED WITH LEVERAGED TRADING IN VOLATILE MARKETS, INCLUDING CRYPTOCURRENCY, FOREX, INDICES, AND COMMODITIES;

(d) YOU UNDERSTAND THAT PAST PERFORMANCE DOES NOT GUARANTEE FUTURE RESULTS AND THAT THE MAJORITY OF TRADERS DO NOT ACHIEVE CONSISTENT PROFITABILITY;

(e) YOU ARE NOT RELYING ON THE COMPANY FOR INVESTMENT, FINANCIAL, OR TAX ADVICE;

(f) YOU ACCEPT FULL RESPONSIBILITY FOR YOUR TRADING DECISIONS AND THEIR OUTCOMES; AND

(g) YOU HAVE THE FINANCIAL CAPACITY TO BEAR THE LOSS OF ANY EVALUATION FEES PAID WITHOUT MATERIAL ADVERSE EFFECT ON YOUR FINANCIAL CONDITION.

ARTICLE VIII - CONTACT

For questions regarding this Risk Disclosure Statement, please contact:

FermTrading, Inc.
Email: legal@ferm.trade
Support: hello@ferm.trade
Website: https://tryferm.com

This Risk Disclosure Statement is incorporated by reference into the Company's Terms and Conditions, Funded Trader Agreement, and Live Account Agreement.

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