RISK DISCLOSURE

Introduction

Webull Securities (Europe) B.V. ("the Company", "Webull", "the Firm", "we", "our" or "us ") is authorised and regulated by the Dutch Authority for the Financial Markets, the AFM (License No. 14006336), for the conduct of investment business and is registered by Dutch Central Bank (De Nederlandse Bank, "DNB"). WSEU is registered at the Dutch Chamber of Commerce under 87019175.

Webull provides clients with a trading platform through which they can analyse investment opportunities and make investments. With any investment, there is risk. The purpose of the disclosures in this document is to provide clients and prospective clients with information about the general risks of the products we offer and how we manage specific risks when investing through Webull, to enable them to make an informed decision about using the platform.

This document does not deal with risks relating to your personal circumstances and is not intended to provide explicit guidance on whether the products we offer are appropriate for you. It cannot outline each and every risk. If you are not sure whether Webull's service are right for you, you should seek professional advice.

1. Risk Disclosure

Through Webull's trading platform, you have the opportunity to invest in the following products:

- Shares, including fractional shares ("equities")
- Options
- ETF's

Any investment you make is not guaranteed. You may not be able to sell an investment for as much as you paid, and could lose your entire investment. Results from the past are no guarantee for the future.

2. Risk Warnings Related to Shares (equities)

2.1 General Risk Warnings

Shares represent a part of ownership in a company and a right to share in any profit the company makes. Generally speaking, if the company does well the share price rises as the demand for the shares increases. Shares in a poorly performing company would be expected to fall in value.

If a company becomes insolvent, ordinary shareholders would be the last to be repaid. There is a possibility that in an extreme case, a holding could be worth nothing. However, ordinary

shareholders also have the right to receive any dividends a company may choose to pay or make profit selling shares if the price rises.

The price of shares is driven by market sentiment. A share in high demand will generally be more expensive. If more people want to sell a share (to supply it to the market), the price is likely to fall. You may be forced to sell at time when the prevailing price is lower than you paid and consequently, you would get back less than you put in.

Shares may provide income in the form of dividends or other cash. Dividends are paid out of company profits but are not guaranteed. A company may not make enough to pay its shareholders a dividend, or may decide not to pay for other reasons. Payment of a dividend is at the discretion of the company. Just because a company has paid out a dividend in the past, it does not mean that it will in the future. The amount of income from shares therefore may fall.

Selling a share requires finding a buyer. In some cases, there may be little demand for a share and it may not be possible to dispose of a share quickly, if at all. Webull maintains relationships with institutions and exchanges to provide you with access to multiple pools of buyer and sellers, but this does not guarantee you can find a buyer for an illiquid equity.

Foreign markets will involve different risks from NL markets, and in some cases, the risks will be greater. The potential for profit or loss from transactions on foreign markets or in foreign denominated contracts will also be affected by fluctuations in foreign exchange rates.

2.2 Dealing/Administrative Costs

Costs and charges levied by us, tax authorities or third parties will reduce potential profit. Before trading, you should familiarise yourself with all commissions and other charges for which you will be liable, and be comfortable that the effect of the charges is in proportion to the potential profit.

2.3 Market Gaps

The price for which a share changes hands does not necessarily move in regular steps. Particularly overnight, but also during market hours, consecutive trades may be at notably different prices. This may cause unexpected losses.

2.4 Effect of Liquidity

Selling a share requires finding a buyer. In some cases, there may be little demand for a share and it may not be possible to dispose of a share quickly, if at all. Webull maintains relationships with institutions and exchanges to provide you with access to multiple pools of buyer and sellers, but this does not guarantee you can find a buyer for an illiquid equity. We offer clients opportunities to invest in a wide range of companies of different sizes. Generally speaking, larger companies by market capitalisation are more liquid (there are more buyers and sellers in the market) and so have a greater opportunity to buy or sell at the prevailing price. The liquidity of a share can change quickly and, particularly in the case of smaller companies, the ability to trade may be restricted by the market.

2.5 Past Performance

The performance of an investment in the past should not be used to predict its future performance.

2.6 Dealing in Securities which may be Subject to Stabilisation

Occasionally, equities offered on our platform may be subject to stabilisation. Stabilisation enables the market price of a security to be maintained artificially during the period when a new issue of securities is sold to the public and can affect not only the price of the new issue but also the price of other securities relating to it.

2.7 Foreign Investments

Webull's trading platform offers investments listed outside the EU. Trading overseas equities means investing where information may be harder to come by, or subject to different regulations, than in the EU. It may also involve trading at different times of day and in a different currency. Changes in a currency's value can affect the value of a stock, resulting in a gain or loss even if the price of the equity has not moved. The cost of converting between currencies should also be considered.

2.8 Market Spread

There are normally two different prices for shares – a price at which investors can sell (the bid) and a price they can pay (the offer). The difference between the two is referred to as the spread, and can vary. In the case of smaller shares, the percentage spread can be significant and will have an adverse effect on potential profitability, especially in the short term.

2.9 Smaller Companies

There may be less information available for smaller companies. A feature of smaller companies is that the share price may be more volatile.

2.10 Settlement

With respect to Shares, the common market practice is for settlement to take place by the counterparties simultaneously, matching shares traded with cash being given. On rare occasions, the seller of a stock may not deliver the shares to be sold, or the buyer not deliver sufficient funds to pay. This default on regulatory obligations may delay settlement.

3. Risk Warnings Related to Fractional Shares

Fractional Share trading gives you the ability to purchase an equity position with a quantity of less than one whole share. Instead of having to buy a security in full share increments, this allows you to purchase a piece of a stock for an amount that you feel comfortable with. Webull offers fractional shares for most stocks.

Fractions of shares are not traded on exchanges and cannot generally be bought or sold outside the Webull platform. With limited exceptions, they cannot be transferred to another broker.

In the event of a stock split, you may receive fractional shares of a security depending on the terms and conditions of the split. For example, if you held 10 shares of a security that experienced a 1:7 reverse stock split then the quantity of your position would be adjusted into 1.42857 shares. If you hold an equity position with fractional shares included and the underlying security pays out a cash dividend you would be eligible to receive a dividend payment for the fractional shares held. However, for shareholder rights only whole shares would be eligible for proxy voting and the fractional piece of the position will not have any voting ability.

Fractional share trading is only available during regular trading hours which is 9:30-16:00 ET. Webull does not support extended hours trading for fractional shares.

Currently we only support market orders for fractional share trading.

4. Risk Warnings Related to trading Options

Options trading involves significant risk and is not appropriate for all investors. Before deciding to trade options, you should carefully consider your investment objectives, level of experience, and risk appetite. The high degree of leverage that is often obtainable in options trading can work against you as well as for you, and can lead to large losses as well as gains.

4.1 Complexity Risk

Options are complex financial instruments that come with their own set of risks. Understanding the mechanics of options, including the various strategies, pricing, and the impact of volatility, requires a higher level of sophistication and experience. Inadequate knowledge can lead to misunderstanding and misapplication of options strategies, resulting in significant losses.

4.2 Capital Loss Risk

There is the potential risk of losing part or all of the invested capital. Options can expire worthless, and you may lose your entire investment in a particular position if the market moves against your strategy.

4.3 Leverage Risk

Options allow you to control a significant amount of the underlying asset with a relatively small amount of capital (known as leverage). While this can significantly amplify potential profits, it also means that even a small adverse movement in the price of the underlying asset can result in significant or total loss of your investment.

4.4 Liquidity Risk

Certain options contracts may have limited liquidity, making it difficult to enter or exit positions at the desired price. This can result in the inability to minimize losses or capture profits.

4.5 Time Decay Risk (Theta)

Options have a finite life and are subject to time decay. The value of an option decreases as its expiration date approaches, which can lead to the total loss of premiums paid if the option is not in-the-money.

4.6 Assignment Risk

If you are an options writer (seller), there is a risk of early assignment where you are obligated to fulfill the terms of the contract before expiration. This could lead to unforeseen losses or additional costs.

4.7 Market Risk

Changes in the market conditions or sudden price movements can lead to substantial losses in options trading. This includes events such as economic data releases, earnings reports, and geopolitical events that can affect market sentiment and asset pricing.

4.8 Regulatory Risk:

Changes to laws or regulations governing options trading or the financial industry in general can affect your trading and investment results.

OPTIONS ARE NOT SUITABLE FOR ALL INVESTORS. PLEASE ENSURE YOU READ AND UNDERSTAND THE EXCHANGE'S OPTIONS DISCLOSURE DOCUMENT OR THE OPTIONS CLEARING CORPORATION'S CHARACTERISTICS AND RISKS OF STANDARDIZED OPTIONS BEFORE ENGAGING IN ANY OPTIONS TRADING.

5. Risk Disclosure for Trading European Union (EU) Exchange-Traded Funds (ETFs)

5.1 Introduction

Before trading in Exchange-Traded Funds (ETFs) domiciled in the European Union (EU), it is essential to understand the associated risks. This risk disclosure document aims to provide you with a clear and concise summary of the significant risks involved in trading EU ETFs. Remember that this document does not disclose all possible risks or considerations and should be read in conjunction with other relevant documents, such as the ETF's prospectus, key investor information documents (KIIDs), and other regulatory disclosures.

5.2 General Risks

5.2.1. Market Risk

The value of the ETF shares can fluctuate in response to the performance of the underlying index or assets, market trends, economic conditions, and international events. You might not get back the amount you originally invested.

5.2.2. Currency Risk

As EU ETFs may include assets denominated in multiple currencies, fluctuations in exchange rates can affect the value of your investment, especially if you are investing with a different home currency.

5.2.3. Liquidity Risk

ETF shares may become difficult to buy or sell quickly at a reasonable price in periods of market volatility or if trading volumes for the ETF are low, which could impact your ability to exit your position.

5.3 Specific Risks

5.3.1. Regulatory Risk

Changes in EU or national regulations and policies may impact the functioning, taxation, or legal standing of ETFs, potentially affecting your investment.

5.3.2. Tax Risks

Tax laws and treaties relating to ETFs can be complex and subject to change, which may affect the after-tax returns on your investment.

5.3.3. Counterparty Risk:

Some EU ETFs use derivatives or enter into contracts with counterparties to replicate the performance of an index. The failure of a counterparty to fulfill its obligations may lead to financial loss.

5.3.4. Tracking Error Risk:

ETFs may not perfectly replicate the performance of their underlying index due to fees, expenses, or operational issues. This discrepancy is known as tracking error.

5.4 Operational Risks

5.4.1. Settlement Risk

Delays or failures in settlement processes may undermine the proper execution of your trades, leading to potential losses.

5.4.2. Technology Risk

Technological issues, such as software glitches or cyber-attacks, can disrupt trading operations and affect the availability, accuracy, and reliability of trading systems.

5.5 Special Considerations:

5.5.1. Leverage and Inverse ETFs

Some ETFs are designed to achieve leveraged or inverse returns relative to their benchmark. These products carry higher risk of significant losses, especially over longer periods, and are generally suitable only for experienced investors.

5.5.2. Complexity of Certain ETFs

Some ETFs may have complex strategies involving derivatives or illiquid securities, making them harder to understand and potentially riskier than more straightforward ETFs.

Before trading EU ETFs, consider seeking advice from a financial advisor to ensure that your investment objectives, risk tolerance, and knowledge align with the characteristics and risks of these products. Remember, past performance of an ETF is not indicative of future results.

5.6 Conclusion

Trading EU ETFs can offer opportunities for diversification and exposure to European markets, but it is vital to understand and acknowledge the associated risks. Be fully informed before making any investment decisions, and consider your ability to bear these risks in light of your complete financial situation.

6. General Risk Warnings

6.1 Execution Only – You trade entirely at your own risk

Nothing on our website or otherwise communicated to you by us should be construed as advice. All trades made using our platform will be initiated by you on an 'execution only' basis.

We have not assessed your personal circumstances and cannot offer an opinion as to whether certain investments are suitable for you. Similarly, we do not monitor your account holdings and cannot offer any opinion as to their suitability or whether they are appropriate for you.

Any factual information we may provide in relation to our products, their potential risks, or the financial markets in general should be considered generic and is not tailored to your personal circumstances

6.2 Market Risk

The value of products offered through our platform may rise and fall. You may not be able to sell an asset for as much as you bought it.

6.3 Volatility Risk

The value of shares can be affected by the performance of the company, that of similar companies, a related index, the performance of the economy as a whole, the changing supply

and demand for the share and multiple external factors. At times, these factors may cause the price of shares to swing sharply. Consecutive prices may be far from each other and it may therefore not be possible to trade at or near to the last traded price.

6.4 Currency Risk

Holding or trading in a currency different to the base currency of your account may result in a profit or loss even if the underlying asset does not move in price. There is a charge to convert between currencies. This may affect the overall profitability of a trade.

6.5 Regulatory and Taxation Changes Risk

Changes in taxation and other rules of exchanges, clearing houses or governments may have an adverse effect on the value of your portfolio. Similarly, your personal tax obligations may change as a result of your personal circumstances or a change in government policy.

6.6 Risk of Disruption or Interruption of Access to Webull's Trading Platform

Webull and Webull affiliates invest heavily in its trading platform to ensure stability and security. Nevertheless there may be occasions when access to all or part of the trading platform is restricted or when the functionality of the systems is degraded.

In maintaining an account with Webull, you accept that our systems may not always be available, and that consequently you may not always be able to place or modify trading instructions, or access information about your account when you want to.

6.7 Segregated Accounts

In accordance with the AFM & EU regulations, all our client money is held in segregated accounts over which, in the event that Webull becomes insolvent, creditors will have no claim. Client assets may be held by third parties. While these third parties hold assets in designated client accounts, where these are held outside the EU, regulations covering their protection may differ. On occasion, a limited amount of client money may also be held by third parties outside the EU, such as receipts from corporate actions or proceeds of sales pending repatriation of funds to the EU. Webull will minimise this amount by sweeping funds back to its EU segregated accounts daily.

7. Conflicts of Interest

While our clients' best interests are at the heart of the business, it is inevitable that in the normal course of business, conflicts between our interests, those of our staff or customers may arise. To deal with these potential conflicts effectively, we have put in place processes to manage or mitigate them and where appropriate to disclose these. Conflicts of interest will be monitored continually.

7.1 What is a Conflict of Interest?

A Conflict of Interest may arise during the provision of our services, and could potentially be of unreasonable benefit to our interests. It is unlikely to be possible to define a concrete list of circumstances that could give rise to a Conflict of Interest. Moreover, any concrete list may inhibit awareness of new conflicts. We have however identified areas in which conflicts could arise.

7.1.1. Commercial

Circumstances in which we or a related party could make a financial gain directly at a client's expense, such as by purchasing shares directly from a client.

7.1.2. Incentives

Where incentives may be offered to staff or to a client or group of clients to behave in a way which is to clients' detriment, such as encouraging trading or inducing a client to deposit more funds.

7.1.3. Favouritism

Favouring the interests of one client or group of clients by giving orders preferential treatment.

7.1.4. Personal dealing

Placing trades on a personal dealing account that prejudices clients' interests.

7.1.5. Inducements

Third parties may offer us inducements to provide a service or route an order in a particular way. Inducements may not always be monetary but could be in the form of a reduced charge or non monetary benefit.

7.1.6. Provision of Information

We have a duty to keep our clients' information confidential, and used only for the purpose it was gathered. While personal information is legally protected, non-personally identifiable information may still be of value to third parties – particularly information around trading profiles.

7.2 Managing and Monitoring Conflicts

Conflicts of interest may be managed, mitigated or –if this is not possible- disclosed in advance. Identifying potential conflicts of interest is ongoing, and is addressed by all committees. The responsibility to identify conflicts is not only a compliance affair, but embedded throughout the business.

Staff are trained to escalate conflicts when identified, and management teams must implement policies and procedures designed to protect customers from detriment. These policies are reviewed at least annually and challenged by the Firm's senior management team. Staff remuneration will not be tied directly to the activity of any one client or discrete group of clients.

Rather, a competitive basic salary is paid which may be enhanced by a discretionary bonus dependent on Company performance.

Any gifts or hospitality received from third parties above a de minimis amount must be recorded and, where possible, approved by Senior management in advance.

All employees, whether customer facing or not, are subject to our Personal Account Dealing Policy, which dictates that all staff trading activities must be approved by and disclosed to Senior Management and the compliance department.

Any unauthorised disclosure of customer information is a disciplinary offense. Specifically, there is an absolute prohibition on clients' information being used for any other purpose.

7.2.1. Disclosure

Should a situation arise where a conflict cannot be managed and may be to a client's potential detriment, it should be disclosed to the client in writing before any action is taken. We may decline to act where acting would present an unmanageable Conflict of Interest.

7.2.2. Policy of Independence

We require employees to disregard any material interest or Conflict of Interest affecting their own interests when acting on clients' behalf.