LASER DIGITAL MIDDLE EAST FZE

RISK DISCLOSURE STATEMENT - TERMS OF BUSINESS

(i) **General risks**

This Risk Disclosure Statement outlines a non-exhaustive list of risks which may be associated with the Services we offer, relating in particular to entering into Transactions. In this Risk Disclosure Statement, references to "**Laser Digital**" or "**we**", "**us**" or "**our**" means Laser Digital Middle East FZE.

This Risk Disclosure Statement does not set out all risks arising in relation to the Investments and Services we may offer, and should not be relied upon as doing so. The risks applicable to any particular Investment or Service will depend on your particular circumstances and the terms of the relevant transaction. You should not deal in any Investment unless you understand the nature of the product you are dealing in (or a contract you are entering into), the extent of your exposure to risk, and unless you are satisfied that the product is appropriate for you.

You should consider carefully whether or not any product is suitable for you in light of your circumstances and financial position, and if in any doubt, seek professional advice.

All financial products carry a degree of risk and even low-risk investment strategies contain an element of uncertainty. Prices may fluctuate and there is a risk you may lose some or all of your investment, and in some cases, more than the amount equal to your entire original investment. The types of risk that might be of concern will depend on various matters. The specific risks of a particular product will depend upon the nature of the asset and the circumstances of the relevant parties involved.

The nature and extent of investment risks varies with, amongst other things, the type of investment, the diversification or concentration in a portfolio and the complexity of the transaction. The price or value of an investment will depend on fluctuations in the financial markets and current performance, past performance, stimulated past performance or forecast performance are no indicator of future performance.

Types of risks that may have an impact on your investment include (without limitation) liquidity risk, market risk (including volatility risk and the impact of market conditions), settlement risk, currency risk, credit risk, operational risk, business risk, tax risk, regulatory risk, legal risk, barriers to or restrictions on divestment, risks inherent in "over the counter trading" and/or risks as a result of you assuming additional obligations in relation to the investment. These risks may occur simultaneously and may have an unpredictable effect on the value of your investment. The types of risks outlined in this Risk Disclosure Statement are not an exhaustive list of the risks which may occur in relation to Investments and you should consider any and all additional material provided to you in connection with your investment when assessing your risk exposure.

Risks arising generally in relation to Investments include:

(a) Risk relating to market conditions: the price of an Investment and its disinvestment risk may each be affected by factors relating to wider market conditions, both positive and negative, and such market conditions will affect each Investment differently.

(b) Disinvestment risk: Investments may be affected by impediments to disinvestment, (e.g., Investments may prove illiquid or difficult to sell and/or may be difficult to sell at a price equal to or greater than the transaction price at the point in time that you wish to sell).

(ii) **Over-the-counter-transactions**

The Transactions you enter with us will be over-the-counter transactions and therefore will be off-exchange. There are different levels of liquidity in the over-the-counter markets for specific instruments, and while some markets are highly liquid, transactions in off-exchange, over-the-counter transactions may involve greater risk than investing in on-exchange transactions due to low liquidity as there is no exchange market on which to close out an open position. It may be difficult and, in some cases, impossible to liquidate in full or in part an existing position or assess the value of the position arising from an off-exchange transaction or to assess the exposure to risk associated with holding or liquidating the position. In over-the-counter markets, offer and bid prices need not be quoted, and even where they are, they will be established by dealers in these instruments and consequently it may be difficult to establish what is a fair price or valuation for a specific instrument.

(iii) **Default and termination**

If any Event of Default occurs in relation to you, or at any time after we have determined, in our sole and absolute discretion, that you have not performed (or we reasonably believe that you will not be able or willing in the future to perform) any of your obligations to us, we shall be entitled without prior notice to you (i) to close out, terminate, accelerate, cancel, replace or reverse any Transaction, buy, sell, borrow or lend any Investment or enter into any other Transaction or take, or refrain from taking, such other action at such time or times and in such manner as we consider (at our discretion) necessary or appropriate to cover, reduce or eliminate our loss or liability under or in respect of any of your Transactions, contracts, positions or commitments, including refraining from delivering any Investments due to you and/or (ii) terminate any Transaction and to terminate the Terms of Business immediately. A termination may involve the payment of a Termination Amount from you, which may be netted and/or set-off against other payment obligations due between us and you.

(iv) **Disruption Events**

If a Disruption Event occurs we may, in our sole and absolute discretion, make such changes, conversions, adjustments or modifications to the exercise, settlement, payment or any other terms of such Transaction as we determine to be appropriate (which may include cancelling any relevant Transaction and calculating any payment due to or from you based on the closing prices we reasonably deem to be appropriate). We make no assurances in relation to the nature of any adjustments we decide to make.

(v) **Collateral**

You may be required to transfer Collateral to us on demand, in such amounts and types as we may require in our absolute discretion, which may be in the form of cash or Virtual Assets as specified by us prior to the entry into a Transaction and from time to time during the term of a Transaction. Collateral may be required in relation to any Transaction, whether entered under the Terms of Business or any Trading Agreement.

We reserve the right to vary the amount and type of Collateral required at our sole and absolute discretion. You are responsible for ensuring arrangements are in place to deal at all times with calls for further and/or replacement Collateral to be transferred, including sourcing Collateral of the type we require to be delivered (in the event you do not already hold such Collateral at the relevant time).

Any Collateral which is paid or delivered to us will be by way of outright transfer of ownership and will not be held by us in an account on your behalf and our only obligation to you in relation to such Collateral will be a contractual obligation to return an equivalent amount or asset if we decide such Collateral is no longer required. As such, you will not enjoy the same protections in relation to the Collateral that you would otherwise have enjoyed had the Collateral been placed in an account held with us or another third party. This creates the risk that, in the event we were subject to insolvency proceedings, you may not recover some or all of any Collateral that we were due to return to you.

Allowing for only the partial collateralisation of a position (for example, in relation to contracts for difference) creates leverage and this can work for you or against you. A small price movement in your favour can result in a high return on the Collateral transferred to us in relation to the contract for difference but conversely a small price movement against you may result in substantial losses.

(vi) **Foreign currency risks**

Entering into Transactions involving foreign exchange exposes you to the risk of adverse changes in foreign currency exchange rates. Foreign currency exchange rates can be volatile and are driven by a variety of factors relating to the economics of the territories whose currencies are being traded. A movement in foreign currency exchange rates may have a favourable or an unfavourable effect on the gain or loss achieved on such Transactions. The profit or loss on Transactions in foreign currency-denominated contracts (whether they are traded in your own or another jurisdiction) may be affected by fluctuations in currency exchange rates where there is a need due to the nature of the instrument or otherwise to conduct conversion from the currency denomination of the contract to another currency. If you enter into Transactions involving foreign exchange, you are exposed to the risk that exchange rates may significantly change (including changes due to devaluation of one of the underlying currencies) and the risk that the relevant authorities with jurisdiction over one of the underlying currencies may impose or modify certain exchange controls. Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate.

(vii) **Virtual Assets risks**

(a) **The nascent nature of Virtual Assets**

Virtual Assets are a new and evolving asset class and are part of a new and rapidly evolving industry that is subject to a high degree of uncertainty. The characteristics of particular Virtual Assets within the “class” may differ significantly, and the investment characteristics of Virtual Assets as an asset class differ from those of traditional currencies, securities and commodities. Virtual Assets present a constantly changing environment in which the associated risks are also constantly changing. Accordingly, the risks described herein, which may become outdated, are only a brief summary of certain aspects of the risks associated with investing in Virtual Assets and are not exhaustive.

(b) **Unique features of Virtual Assets**

Virtual Assets are not legal tender in most jurisdictions. The level of the intrinsic values of Virtual Assets may be subject to a broad spectrum of opinions. The price of many Virtual Assets is based on the agreement of the parties to a transaction. There are specific risks associated with the unique features of Virtual Assets which need to be understood.

(c) **Price volatility**

The price of a Virtual Asset is ultimately based on the perceived value of the Virtual Asset and can be subject to changes in sentiment, which may make these products highly volatile. Certain Virtual Assets have experienced daily price volatility of more than 20 per cent. You

should be aware of the potentially extreme price volatility of some Virtual Assets and the possibility of rapid and substantial price movements, which could result in significant losses, including the loss of the full value, and in some cases, more than the amount equal to the full value of such Virtual Assets. Moreover, Virtual Assets are not backed by a central bank, a national or international organisation, assets or other forms of credit, although in some specific cases may be backed to an extent by physical assets. Virtual Assets may have no inherent value; in most cases, the price of Virtual Assets is entirely dependent on the value that market participants place on them, meaning that any increase or loss of confidence in Virtual Assets may affect their value.

Virtual Assets may also be subject to momentum pricing due to speculation regarding future appreciation in value, leading to greater volatility. Momentum pricing typically is associated with growth stocks and other assets whose valuation, as determined by the investing public, accounts for future appreciation in value, if any. It is possible that momentum pricing of Virtual Assets has resulted, and may continue to result, in speculation regarding future appreciation in the value of Virtual Assets, making Virtual Asset prices more volatile. As a result, Virtual Assets may be more likely to fluctuate in value due to changing investor confidence, which could impact future appreciation or depreciation in Virtual Assets prices.

There is no assurance that Virtual Assets will maintain their long-term value or become more widely adopted (whether as a form of currency or otherwise). On the contrary, they may cease to be used altogether.

(d) **Valuation**

It may prove difficult to determine the value of a given Virtual Asset from time to time, due to price volatility and the fragmentation of the Virtual Asset markets. Published Virtual Asset prices may deviate significantly between different exchanges and other market venues as a result of liquidity imbalances, and weighted average prices may not provide an accurate representation of value. Although we will endeavour to implement pricing policies and procedures which address these challenges, we may not be able to account for all of the possible events and circumstances that may impact the value of Virtual Assets, particularly in light of the potential for governmental and regulatory intervention and the nascent state of the secondary markets. In addition, the dispersed liquidity may pose challenges for market participants trying to exit a position, particularly during periods of stress. We do not guarantee that the price we provide in respect of any Virtual Asset will be better than the price available from another exchange or market venue.

(e) **Liquidity**

Liquidity risk exists when particular investments are difficult to purchase or sell, possibly preventing you from selling out of these illiquid investments at an advantageous price, or at all. Thin markets can also amplify volatility and cause significant delays in executing trades. Any markets for these investments can be expected to involve wider price spreads and more sensitivity to buying and selling pressures than is found in more active markets. Illiquidity can be caused by various factors, including but not limited to market conditions, regulatory actions, technological issues, or other unforeseen circumstances. Illiquidity may impact the ability to open or close positions, leading to potential losses or delays in accessing funds.

Virtual Assets may be illiquid investments that are not easily and readily convertible into fiat currencies, and some Virtual Asset markets may be thinner than others.

(f) **Cybersecurity and malicious activity**

Virtual Assets are subject to increased cybersecurity risks when compared to other asset classes. The cybersecurity risks of Virtual Assets and related “wallets” or spot exchanges include hacking vulnerabilities, and a risk that publicly distributed ledgers may not be immutable. A cybersecurity event could potentially result in a substantial, immediate and irreversible loss for market participants that trade Virtual Assets, including you and your holding of Virtual Assets. Even a minor cybersecurity event in a Virtual Asset is likely to result in downward price pressure on that product and potentially other Virtual Assets. Virtual Assets may be subject to fraud, manipulation and theft (which are not uncommon), not only through hacks but through other means, such as targeted schemes, and you may not benefit from legal protections in such circumstances. Moreover, cybersecurity risks may arise by virtue of the structure of one or a series of smart contracts or decentralised finance applications in ways that do not technically constitute exploitation of a “bug” or flaw in the smart contract or application. If such features are exploited in the context of a decentralised finance (“DeFi”) application, this could also trigger certain second order consequences which may

ultimately (and adversely) affect the value of the Virtual Asset native to any associated blockchain network(s). The occurrence of any of the abovementioned risks could result in significant loss and/or other market impacts (such as greater price volatility) that may adversely impact your interests.

Similarly, Virtual Asset networks, platforms and exchanges may be subject to attack by malicious persons, entities or malware. For instance, a malicious actor or group of actors could obtain a majority of the processing or 'hash' power on a particular Virtual Asset network, and could implement modifications to the network in a way that is detrimental to the liquidity or value of the Virtual Asset (commonly referred to as a '51% attack'), such as preventing transactions from posting accurately on the blockchain, or at all, and/or allowing certain coins to be spent more than once. To the extent that such malicious person(s) does not yield its majority control of the processing power on the network, reversing any changes made to the source code or blockchain may not be possible. Malicious activities such as these may reduce confidence in Virtual Assets and result in greater price volatility, and could adversely affect your investment in Virtual Assets.

(g) **Development and maintenance of Virtual Assets networks**

Several Virtual Assets networks operate on an open-source protocol maintained by a group of uncompensated volunteer developers. Consequently, there may be a lack of financial incentive for developers to maintain or develop the network, and the developers may lack the resources to adequately address emerging issues with the relevant Virtual Asset protocol. There can be no assurance that the core developers of a Virtual Asset network will continue to be involved in the network, or that new volunteer developers will emerge to replace them. To the extent that material issues arise with a Virtual Asset protocol and the developers are unable or unwilling to address the issues adequately or in a timely manner, the Virtual Asset may diminish in value or become worthless.

In addition, several Virtual Assets rely on decentralised participants to operate the Virtual Asset network through verifying transactions in Virtual Assets on an ongoing basis. The failure of decentralised participants to continue to maintain a network by verifying Virtual Asset transactions may result in the relevant Virtual Asset losing value or becoming worthless.

(h) **Risks of 'proof of stake' consensus mechanisms**

Certain Virtual Assets rely in whole or in part on a "proof of stake" method of generating a distributed consensus. Proof of stake algorithms do not rely on resource intensive calculations to validate transactions and create new blocks in a blockchain; instead, the validator of the next block is determined by reference to the amount of Virtual Assets a user has "staked" and the amount of time it has been "staked," which generates payments to such user in additional Virtual Assets. While the advantage of a "proof of stake" system is that it is far less energy intensive than a "proof of work" system, this may result in lower barriers for entry, which may allow for increased participation by malicious actors with small stakes that attempt to manipulate the blockchain or increase the risk that the Virtual Asset will experience one or more forks, which could impact its value.

Founders of Virtual Assets or Virtual Asset networks may retain large amounts of the generated Virtual Asset, which large positions may result in such founders having an effective veto or ability to control the Virtual Asset or its associated blockchain network. As returns associated with staking are connected to the amount of the wealth staked, "proof of stake" systems may encourage hoarding of the Virtual Asset. While there are advantages to having users "buy in" to a Virtual Asset and support its development, excessive hoarding reduces the "decentralised" nature of verification of the blockchain and may impair the spread of such Virtual Asset, including interfering with the widespread adoption of such Virtual Assets for use in transactions.

(i) **Opaque market**

Digital Asset balances are generally maintained as an address on the blockchain and are accessed through private keys, which may be held by a market participant or a custodian. Unlike traditional financial assets, some Digital Asset transactions are not private and may be recorded on public distributed ledger technologies. Although Digital Asset transactions are generally publicly available on a blockchain or distributed ledger, the public address does not identify the controller, owner or holder of the private key. Unlike bank and brokerage accounts, Digital Asset exchanges and custodians that hold Digital Assets do not always identify the owner.

The opaque underlying or spot market may pose asset verification challenges for market

participants, regulators and auditors and potentially give rise to an increased risk of manipulation and fraud. Digital Assets may also be subject to fraud, manipulation and theft, including through hacks and other targeted schemes, and may not benefit from the legal protections available to holders of traditional financial instruments.

(j) **Legality of Virtual Assets**

It may be illegal, now or in the future, to own, hold, sell or use Virtual Assets in one or more countries. Although currently most Virtual Assets are not regulated or are lightly regulated in most countries, one or more countries may take regulatory actions in the future that severely restrict the right to acquire, own, hold, sell or use Virtual Assets or to exchange Virtual Assets for fiat currency. Such actions may restrict your ability to hold or trade Virtual Assets (directly or indirectly).

(k) **24/7 markets**

Unlike conventional securities exchanges and other similar exchanges that are only available for transactions during standard trading hours, Virtual Assets may be traded 24 hours a day, 7 days a week so long as the network that the Virtual Assets exist on is operational. Most Virtual Asset networks are available at any time and are supported by global cryptocurrency exchanges with continuous availability. As such, Virtual Asset investments will likely be subject to changing market conditions at all times. This phenomenon may result in situations where you may not be able to respond to rapidly changing market conditions outside of regular business hours.

(l) **Virtual asset exchanges, intermediaries and custodians**

Virtual asset exchanges are relatively new and largely unregulated in many jurisdictions. The opaque underlying spot market and lack of regulatory oversight potentially creates a risk that a Virtual Asset exchange may not hold sufficient Virtual Assets and funds to satisfy its obligations to its customers and that such deficiency may not be easily identified or discovered. Many Virtual Asset exchanges have experienced significant outages, downtime and transaction processing delays and may have a higher level of operational risk than regulated futures or securities exchanges. The same sorts of risks apply to other intermediaries, custodians and vendors used to facilitate Virtual Assets transactions. This poses risks to the customers of such Virtual Assets exchanges, intermediaries, custodians and vendors and may have adverse consequences for the Virtual Assets that are the subject of any Transaction, and the Virtual Assets markets more generally.

(m) **Custody and security risks**

Customers of third-party service providers for Virtual Asset custody, trading, lending, staking or other purposes may not directly control the Virtual Assets held through such third-party service providers. The obligations associated with these custodial and other arrangements to safeguard Virtual Assets involve unique risks and uncertainties that are not present in arrangements for safeguarding conventional assets. For example, due to the unique characteristics of Virtual Assets and the lack of legal precedent, there are significant legal questions surrounding how such arrangements would be treated in a court proceeding arising from an adverse event (e.g., fraud, loss, theft or bankruptcy).

Furthermore, as compared to many common arrangements to safeguard assets for third parties, there are significantly fewer regulatory requirements for holding Virtual Assets or entities may not be complying with regulatory requirements that do apply, which results in increased risks. In addition, the contractual terms with custodians (particularly liability terms) may be less favourable than contractual terms typically negotiated with custodians in respect of other assets and, in the event of any disputes under the terms of the custody agreement between the customer and the relevant custodian, the customer may be in a worse position than if it had appointed a custodian in respect of other assets. The financial institutions, exchanges or other third parties appointed to act as custodians may become insolvent, causing the relevant customer to lose all or a portion of the Virtual Assets held by those custodians. In the event of bankruptcy of a third-party service provider, Virtual Assets held by a third party may, in certain circumstances, be considered property of the bankruptcy estate and the customer could be treated as a general unsecured creditor in bankruptcy proceedings.

The aforementioned risks may apply to you to the extent you engage third-party service providers in relation to Virtual Asset custody, trading, lending, staking or other purposes, and could potentially lead to substantial losses (that we are not responsible for). They may also pose indirect risks, as we may rely on third-party service providers in relation to Virtual Assets and/or Transactions from time to time.

(n) **Loss or destruction of private keys**

Virtual Assets are generally only controllable by the possessor of the unique private key or keys relating to the wallet in which the Virtual Asset is held. These keys are typically created by and stored within software known as a "digital wallet." While each Virtual Asset network may require a public key be published when used in a transaction, any private keys linked with such public key must be safeguarded and kept private in order to prevent a third party from accessing the Virtual Asset held in a digital wallet. To the extent a private key is lost, destroyed or otherwise compromised and no backup of the private key is accessible, you (or any custodian acting on your behalf) will be unable to access the Virtual Assets held in the related wallet and, in most cases, the private key will not be capable of being restored. The loss or destruction of a private key required to access a Virtual Asset may be irreversible. Any loss of private keys relating to Virtual Assets could lead to substantial losses. The risk of loss due to losses of private keys or similar methodologies of secure access is generally greater for Virtual Assets than that of other asset classes, given the variations in the sophistication of access methodologies and the inherent technological designs of Virtual Assets.

(o) **Risks in respect of blockchain technology**

Virtual Assets and Virtual Asset networks typically involve cryptographic and other algorithmic protocols governing the issuance of Virtual Assets that represent a new and rapidly evolving industry that is subject to a variety of factors that are difficult to evaluate. As Virtual Asset networks continue to develop and grow, certain technical issues might be uncovered and the troubleshooting and resolution of such issues will likely require the attention and efforts of decentralised development communities. Moreover, in the past, flaws in the source code for Virtual Asset networks have been exposed and exploited, including flaws that disabled some functionality for users, exposed users' personal information and/or resulted in the theft of users' Virtual Assets. The cryptography underlying Virtual Assets could prove to be flawed or ineffective, or developments in mathematics and/or technology, including advances in digital computing, algebraic geometry and quantum computing, could result in such cryptography becoming ineffective. In any of these circumstances, a malicious actor may be able to misappropriate your Virtual Assets. Moreover, functionality of Virtual Asset networks may be negatively affected such that it is no longer attractive to users, thereby reducing demand for the relevant Virtual Asset.

Even if only a particular Virtual Asset was affected by such circumstances, any reduction in confidence in the source code or cryptography underlying Virtual Assets generally could negatively affect the demand for Virtual Assets.

(p) **Uneven protocol adoption and forking**

Often, there is no official developer or group of developers that formally controls a given Virtual Asset network. Any individual can download the software that facilitates the operation of a Virtual Asset network, and generally any user can make any desired modifications to such software. Such modifications in the protocol governing the Virtual Asset network are proposed to users of the Virtual Asset network through software downloads and upgrades. A substantial economic majority of users may need to consent to such software modifications by downloading and running the modified software in order for the proposed modifications to become part of the Virtual Asset network. This process ensures that the Virtual Asset network remains coherent over time. However, to the extent that the substantial economic majority of users do not accept a proposed modification to a Virtual Asset network, but a material portion of the users do consent to the modification, it can create "forks" in the Virtual Asset network's blockchain. Such forks create two alternative versions of the blockchain, starting from the point of the fork forward, and essentially cause the creation of two versions of the Virtual Asset recorded on the blockchain. Such a fork in a blockchain typically would be addressed by community-led efforts to merge the forked blockchains, and several prior forks have been so merged. However, there can be no assurance that a fork in a blockchain will be resolved and permanent forks in blockchains have resulted.

While theoretically the "splitting" of a Virtual Asset that occurs when there is a hard fork in the blockchain should result in each user owning two assets that collectively are valued at the same level as the pre-split assets, this may not always be the case. The post-fork value of Virtual Assets can be volatile and unpredictable. This could result in the holder owning the same asset after the fork as before the fork, but at a lower market value. Further, one or both of the post-fork Virtual Asset(s) may not be supported by an adequate amount of network participants or developers and may be vulnerable to attacks and other risks. A

market participant holding a Virtual Asset may also be adversely impacted if its custodian does not allow its customers to participate in a fork that creates a new product. To the extent that Virtual Assets in which you invested experience a fork in their blockchains, you could experience significant losses.

Additionally, in certain circumstances forks may be deliberately created by malicious actors. In the event that a majority of the users, or processing power, associated with a Virtual Asset have adopted an adverse amendment to a protocol, the investment in such Virtual Asset, or the ability to trade such Virtual Asset, may be materially impacted.

(q) **Regulatory uncertainty**

The value and liquidity of Virtual Asset markets may be influenced by new laws, regulations, policies and guidance which may vary significantly among international, federal, state and local jurisdictions and are subject to significant uncertainty. The regulatory environment for Virtual Assets is constantly evolving, and new regulations or policies may materially adversely affect your ability to invest in Virtual Assets. Regulation of Virtual Assets may also vary significantly among international, federal, state, and local jurisdictions and is subject to a level of uncertainty. Various legislative and executive bodies in the United States and in other countries may in the future adopt laws, regulations, or guidance, or take other actions, which may severely impact the use of Virtual Assets generally and the technology behind them or the means of transacting in or transferring them. Failure by you to comply with any current or future laws, rules and regulations, some of which may be subject to change, could result in a variety of adverse consequences.

(r) **Irreversibility and irrecoverability**

Virtual Asset transactions and transfers are generally irreversible without the consent and active participation from the recipient of the transaction. To the extent that any of your Virtual Assets are incorrectly or fraudulently transferred, they are likely to be irretrievable. Furthermore, where Virtual Assets have been lost, stolen or destroyed under circumstances rendering a party liable to you, then you may have limited recourse against the responsible party. For example, as to a particular event of loss, the only source of recovery might be limited to your custodian or, to the extent identifiable, other responsible third parties (e.g. a thief or terrorist), which may not have the financial resources (including liability insurance coverage) to satisfy a valid claim.

(s) **Risks in relation to stablecoins**

Stablecoins are Virtual Assets that seek to minimise volatility and maintain a stable value, including by being backed by an asset or portfolio of assets, such as fiat currency, or other methods, such as algorithmically controlled supply. There is a risk that the sponsor or issuer (including a smart contract) of a stablecoin does not hold the corresponding asset underlying each stablecoin in circulation and is therefore unable to fulfil one-for-one or other forms of redemptions. Alternatively, software designed to maintain the value of a stablecoin may be subject to errors, flaws, bugs or be subject to hacking or manipulation. Such risks may result in losses in the wider Virtual Assets markets.

In addition, stablecoin issuers or sponsors (including smart contracts and their programmers) may be unregulated and may not provide transparent disclosure regarding their compliance with applicable licensing and regulatory requirements or the financial institutions that hold the underlying assets. Moreover, statements from the regulators in certain jurisdictions suggest that stablecoins may be regulated as securities in those jurisdictions, and some have initiated and settled enforcement proceedings. If a stablecoin issuer or sponsor fails to maintain required licenses to issue a stablecoin, it could subject the issuer or sponsor to regulatory enforcement and injunctive actions, such as freezing funds underlying the stablecoin. The stablecoin issuer or sponsor could also lose its relationships with banks and bank accounts where the underlying assets are deposited if it is engaged in unlicensed activities. If any of these events occur, the value of the affected stablecoins could materially decline, which could have an adverse effect on any Transaction you have entered in respect of such stablecoin.

(viii) **Instructions and settlement**

We may, in accordance with Applicable Regulations and at our discretion, refuse to accept Instructions from you, including (but not limited to) cases where Instructions require us to make any payment or incur any liability before receipt of sufficient cleared funds from you. Similarly, we will not be obliged to settle any Transaction or make certain payments or deliveries to you until we (or our settlement agent) have received all necessary documents or cleared funds from you. We shall not be deemed to be holding property on your behalf pending settlement of a Transaction.

(ix) **Liability, indemnity, and force majeure**

Neither we nor any Associate nor any of the Indemnified Parties shall be liable for any Loss arising from any act or omission in the course of or relating to the activities to which the Terms of Business or any Trading Agreement apply, subject to certain limitations. Moreover, you undertake to indemnify and hold us, our Associates (including in respect of any Associate that is a broker) and the Indemnified Parties harmless against any Loss which any of the foregoing may suffer or incur directly or indirectly in connection with or as a result of anything done or omitted to be done for the purpose of carrying out any Transaction for your account or providing any Service to you or otherwise acting on your Instructions under these Terms of Business or any Trading Agreement, subject to certain limitations. You shall also pay any penalties arising in respect of the Transactions you enter.

In the event of any failure, interruption or delay in the performance of our obligations resulting from acts, events or circumstances not reasonably within our or any Associate's control, neither we nor any Associate shall be liable or have any responsibility for any Loss whatsoever thereby incurred or suffered by you, and we shall not be obliged to take or refrain from taking any action in such circumstances.

(x) **No investment advice**

Information provided by Laser Digital does not constitute investment advice, financial advice, trading advice, or any other type of advice whatsoever and is presented rather as general market commentary. We shall not provide any investment advice in relation to a transaction in the form of personal recommendations or advise on the merits of buying, selling, or otherwise dealing in particular instruments and/or investments or executing particular transactions, any tax, legal or other economic consequences or any other rights or obligations attaching to such instruments, investments or transactions. Therefore, you must rely solely on your own judgment in deciding to enter into or close a transaction and we make no assessment of the suitability of such actions for you. We give no warranty as to the performance or profitability of any transaction or investment that you may effect through us. We will not be held responsible for any investment decisions made based on the information provided by Laser Digital.

(xi) **You are not acting as intermediary**

We will deal with you on the basis that you act as principal and not as agent acting on behalf of or for the benefit of a principal. Furthermore, your failure to inform us that another person or any software and/or algorithm is operating your account on your behalf may result in us terminating the agreement, voiding any transactions, undertaking or closing any open transactions.

(xii) **Charges, fees and taxes**

Interest, taxes, costs, spreads, fees, and charges may be payable by you to us when you trade or on such other basis as agreed between us or as notified by us to you from time to time. These taxes, charges, costs, spreads and fees will reduce your trading net profits (if any) or increase your trading losses. It is possible that your intended treatment of the services provided by us to you under the Terms of Business or any Trading Agreement may be challenged by tax authorities. You must seek your own tax advice as to such services which may result in adverse tax consequences to you.

(xiii) **Conflicts of interest**

The Laser Digital Group is involved in capital markets activities, trading and investment management. While we have put in place and will maintain effective organisational and administrative arrangements with a view to taking all appropriate steps to identify and manage conflicts of interest between us and our clients and relevant third parties, conflicts of interest may nevertheless arise. You irrevocably waive any claim you may have against us or any Associate (and release us and them from all liability) in respect of any material interest or conflict that we or any Associate may have, whether or not disclosed to you. If we cannot avoid conflicts of interest after using all reasonable efforts, we will disclose such conflicts to affected clients. However, otherwise, we need not disclose to you, or any other client, the nature or extent of any interest we or any Associate may have in any Transaction or in any resulting transactions, that we may owe duties to other clients which otherwise conflict with our duties owed to you, or that we may have a relationship which gives rise to a conflict of interest, unless obliged to do so under Applicable Regulations. We shall be entitled to retain any profit or benefit arising as if no such interest, other duties or relationship existed.

(xiv) **Acknowledgement**

By entering into any Transaction, you understand, acknowledge and agree that:

(a) you have received a copy of this Risk Disclosure Statement and read and understood the nature and consequences of the risk factors described herein and have had an opportunity to raise questions and to discuss those risks with any advisors as you have deemed to be necessary or desirable;

(b) the risk factors cannot disclose all the risks and other significant aspects of the Transactions to be entered into with us and thus cannot be taken as a comprehensive or exhaustive list of all possible risks;

(c) you are acting on your own account and have reviewed carefully your specific financial

needs and investment objectives before entering into any Transaction, and you have made your own independent decision to enter into any Transaction and as to the legality, suitability and appropriateness of any Transaction based upon your own judgment and upon advice from such advisers as you have deemed necessary or desirable;

(d) you confirm that neither Laser Digital, nor any Associate of Laser Digital, is acting as a fiduciary for or an adviser to you in respect of any Transaction;

(e) you are not relying on any communication (written or oral) from Laser Digital or from any Associate of Laser Digital as investment advice or as a recommendation to enter into any Transaction and you understand that the information and explanations of the terms of any Transaction as contained in any Confirmation shall not be considered to be investment advice or a recommendation to enter into such Transaction;

(f) you understand the tax implications of any Transactions, particularly as regards to Transactions involving Virtual Assets, in your jurisdiction including, without limitation, income tax, corporation tax, capital gains tax or any sales tax or value added tax and any other tax framework in place within your country of residence for tax purposes;

(g) Laser Digital assumes no responsibility for your portfolio or for any investment or Transaction which you have entered into, and any opinions, projections, estimates, forecasts and/or targets expressed in any communication (written or oral) from Laser Digital should not be construed as or relied upon in any manner as investment, legal, tax or other advice, are provided for informational purposes only, and are subject to change without notice;

(h) in the event of any inconsistency between the English version of this document and any translation, the English version will prevail and that if you are in any doubt as to the meaning of the English language version or the accuracy of any translation, you should seek independent advice before entering into any Transaction;

(i) this Risk Disclosure Statement may be varied, amended or supplemented from time to time and by using the Services after any changes to the Risk Disclosure Statement is varied, amended or supplemented, your agreement to such variations, amendments or supplementation is deemed to have been given to Laser Digital;

(j) no communication (written or oral) received from Laser Digital or from any Associate of Laser Digital shall be deemed to be an assurance or guarantee as to the expected results of any Transaction;

(k) you are a professional investor, market counterparty or equivalent definition as set out under the applicable law in your country of residence/registration and you are eligible, in accordance with the applicable law, to request such information and/or be offered/avail of one or more of the products/services indicated herein;

(l) you have approached Laser Digital on your own exclusive initiative and that this approach does not come about as a result of any direct or indirect contact, solicitation, intervention, marketing and/or pre-marketing, arranging, advice, offering or placement efforts nor as result of any form of general solicitation or advertising such as media advertising or public seminars by or on behalf of Laser Digital and its Associate;

(m) to the extent you have already received any of the information, documentation above and/or any other communication concerning Laser Digital, this information, documentation, including this form and/or communication was sent to the undersigned at and after your request and otherwise only upon your own initiative;

(n) the decision to avail yourself of our services/products is/will be based solely on your own due diligence and review of information and materials received/to be received at your request; and

(o) if any of the above become untrue or inaccurate, you will promptly inform us in writing, acknowledging that this may cause Laser Digital to stop or otherwise refrain from providing you with its services/products.