

LIGHTBIT RISK DISCLOSURES

Last Updated: 21 June 2023

A. HOW TO INTERPRET THIS RISK DISCLOSURE

All terms and references used in this Risk Disclosure that are not defined herein shall have the meaning given to them in the General Terms, as updated from time to time. This version of this Risk Disclosure shall replace and supersede any previous Risk Disclosure between us.

B. LIGHTBIT RISK DISCLOSURES

Before beginning to use the Services, you should ensure you have read and understand (and you represent and warrant that you have read and understand) the following risk disclosures. You should note that this is not an exhaustive list of all of the risks associated with Digital Assets and the Services.

C. NO ADVICE AND NO RELIANCE

Lightbit does not advise on the merits of any particular transaction, trading risks, or tax consequences, and Lightbit does not provide any other financial, investment, taxation or legal advice in connection with the Services. To the extent that we or our representatives provide market commentary, or any other information, the act of doing so is incidental to your relationship with us and such information should not be construed as investment or financial advice. Any decision by you to use the Services and transact with Digital Assets is your own independent decision. You represent that you are not relying on any communication (written or oral) by us as investment advice or as a recommendation to use the Services and transact with Digital Assets. Lightbit will not be liable for any loss suffered by you or any third party transacting with Digital Assets.

You accept the risk of trading in Digital Assets. By entering into any transaction on the Platform, you represent that you have been, are, and will be solely responsible for making your own independent appraisal and investigations into the risks of such transaction and the underlying Digital Asset. You represent that you have sufficient knowledge, market sophistication, professional advice and experience to make your own evaluation of the merits and risks of any transaction entered into on the Platform or any underlying Digital Asset.

D. DIGITAL ASSET TRANSFERS AND VOLATILITY

Trading in Digital Assets can be extremely risky and volatile. Digital Assets may have unique features that make them more or less likely to fluctuate in value. Factors beyond Lightbit's control, such as regulatory activity or unexplainable price volatility, may affect market liquidity for a particular Digital Asset.

As a result of the decentralised and open source nature of Digital Assets it is possible that sudden, unexpected, controversial or other changes ("**Forks**") can be made to any Digital Asset that may change the usability, functions, compatibility, value or even name of a given Digital Asset. Such Forks may result in multiple versions of a Digital Asset and could lead to the dominance of one or more such versions of a Digital Asset (each a "**Dominant Digital Asset**") and the partial or total abandonment or loss of value of any other versions of such Digital Asset.

The Platform does not offer support for the distribution of Digital Assets based on a triggering fact or event, such as the possession of another Digital Asset (each an "**Airdrop**"), the provision of rewards or other similar payment for participation in a Digital Asset's protocol ("**Staking Rewards**"), or any other distributions or dividends that Users might otherwise be entitled to claim based on their use or possession of a Digital Asset outside of the Platform (collectively, "**Digital Asset Distributions**").

Blockchain networks may go offline as a result of bugs, Forks, or other unforeseeable reasons. As a general matter, you should not engage in active trading on the Platform if you have limited trading experience or low risk tolerance. Speculating on the value of Digital Assets is high risk and you should never trade more than you can afford to lose.

Understanding Digital Assets requires advanced technical knowledge. Digital Assets are often described in exceedingly technical language that requires a comprehensive understanding of applied cryptography and computer code in order to appreciate the inherent risks. The listing of a Digital Asset on the Platform does not indicate Lightbit's approval or disapproval of the underlying technology of any Digital Asset and should not be used as a substitute for your own understanding of the risks specific to each Digital Asset. We provide no warranty as to the suitability of the Digital Assets traded under the Terms and assume no fiduciary duty to you in connection with such use of the Services.

You accept all consequences of sending Digital Assets to a wallet address off the Platform. Digital Asset transactions may not be reversible. Once you send Digital Assets to an address identified by you, you accept the risk that you may lose access to your Digital Assets indefinitely. For example, an address may have been entered incorrectly and the true owner of the address may never be discovered, or an address may belong to a person that will not return your Digital Assets or may return your Digital Assets but first require action on your part, such as verification of your identity or compensation.

E. SUPPLY AND VALUE OF DIGITAL ASSETS

The value of Digital Assets may be derived from the continued willingness of market participants to exchange Digital Assets for fiat currency and other Digital Assets, which may result in the permanent and total loss of value of a particular Digital Asset should the market for that Digital Asset disappear.

You acknowledge and agree that Digital Assets and/or Services (in whole or in part) available in one jurisdiction may not be available for trading, use or access, as applicable, in another.

F. BLACKLISTED ADDRESSES AND FORFEITED ASSETS

Lightbit reserves the right to "blacklist" certain addresses and freeze associated Assets (temporarily or permanently) that it determines, in its sole discretion, are associated with illegal activity or activity that otherwise violates the Terms ("**Blacklisted Addresses**"). In the event that you send Assets to a Blacklisted Address or receive Assets from a Blacklisted Address, Lightbit may freeze such Assets and take steps to terminate your Account.

In relation to fiat transactions conducted through the Platform, we reserve the right to block incoming and outgoing transfers based on our own assessments or those of our affiliated businesses and network partners.

In certain circumstances, Lightbit may deem it necessary or be required under the Applicable Law to report such suspected illegal or suspicious activity to applicable law enforcement agencies and other Regulatory Authorities, and you may forfeit any rights associated with your Assets, including the ability to redeem or exchange your Digital Assets for other Digital Assets or fiat currency. Lightbit may also freeze Assets held in your Account in the event that we receive a related order or request from a legal or Regulatory Authority.

G. SOFTWARE PROTOCOLS AND OPERATIONAL CHALLENGES

The software protocols that underlie Digital Assets are typically open source projects or are otherwise operated by third parties, which means that: (i) the operations, functionalities, development and control of such Digital Assets and their underlying networks are outside of Lightbit's control; and (ii) such software protocols are subject to sudden and dramatic changes that might have a significant impact on the availability, usability or value of a given Digital Asset.

You are aware of and accept the risk of operational challenges that may impact the Services. The Platform may experience sophisticated cyber-attacks, unexpected surges in activity or other operational or technical difficulties that may cause interruptions to the Services. You understand that the Services may experience operational issues that lead to delays. You agree to accept the risk of transaction failure resulting from unanticipated or heightened technical difficulties, including those resulting from sophisticated attacks. You agree not to hold Lightbit liable for any related losses.

You understand that the technology underlying Digital Assets is subject to change at any time, and such changes may affect your Digital Assets stored on the Platform. You are fully responsible for monitoring such technological changes and understanding their consequences for your Digital Assets.

Users conduct all trading on their own account and Lightbit does not take any responsibility for any loss or damage incurred as a result of your use of any Services or your failure to understand the risks associated with Digital Assets use generally or your use of our Services.

Digital Assets depend on the availability and reliability of power, connectivity, and hardware. Interruption or failure of any of these things may disrupt the networks on which the Digital Assets rely or your ability to access or transact in Digital Assets.

H. COMPLIANCE

You are responsible for complying with all Applicable Laws. You agree that Lightbit is not responsible for determining whether or which laws and regulations may apply to your transactions, including but not limited to tax laws and regulations. You are solely responsible for reporting and paying any taxes including but not limited to any capital gains or income taxes arising from your use of the Services.

I. LEGISLATIVE AND REGULATORY CHANGES

Legislative and regulatory changes or actions at the domestic or international level may adversely affect the use, transfer, ability to transact in, and value of Digital Assets, or your access to, and our ability to provide, the Services. You acknowledge and accept the risks that such changes may bring and that Lightbit is not liable for any adverse impact that that you may suffer as a result.

J. DIGITAL ASSET DISTRIBUTIONS NOT SUPPORTED

Certain Digital Assets are built on protocols that support Digital Asset Distributions including, but not limited to, Forks, Staking Rewards, and Airdrops. Lightbit is not obligated to support any such Digital Asset Distributions for Users. If you hold these

Digital Assets in your Account, you thereby forfeit the ability to claim any Digital Asset Distributions from Lightbit.

K. RELIANCE ON THIRD PARTIES

Your use of the Services and the value of certain Digital Assets may rely on the acts of third parties or the fulfilment of related obligations by third parties. Lightbit is not responsible for the acts or omissions of such third parties.

L. ATTACKS ON BLOCKCHAIN NETWORKS

Lightbit cannot prevent or mitigate attacks on blockchain networks and has no obligation to engage in activity in relation to such attacks. In the event of an attack, Lightbit reserves the right to take (or to not take) actions, including, but not limited to, immediately halting trading, deposits and withdrawals for a Digital Asset if we believe that the Digital Asset's network is compromised or under attack. If such an attack caused the Digital Asset to greatly decrease in value, we may discontinue trading in such Digital Asset entirely.

Resolutions concerning deposits, withdrawals and User balances for a Digital Asset that has had its network attacked will be determined on a case-by-case basis by Lightbit in its sole discretion. Lightbit makes no representation and does not warrant the safety of the Services and you assume all liability for any lost value or stolen property.