



**SDAX EXCHANGE PTE. LTD. ("SDAX")
RISK DISCLOSURE STATEMENT**

This Risk Disclosure Statement (the "**Statement**") relates to risks associated with the services provided by SDAX Exchange Pte. Ltd. ("**us**", "**we**" or "**SDAX**") to participants on the SDAX Platform ("**you**" or the "**Participant**") for use of the SDAX Platform, and shall be read together with the Platform & Wallet Terms and Conditions, the Exchange Rules and Listing Rules, and any other terms, rules and requirements published or issued by SDAX from time to time (the "**Agreement**"). Defined terms in this Statement have the same meaning as the Agreement unless stated otherwise.

IT IS IMPORTANT THAT PARTICIPANTS READ THIS STATEMENT CAREFULLY AND UNDERSTAND ITS CONTENTS. THIS STATEMENT DOES NOT PURPORT TO ADVISE YOU OF ALL OF THE RISKS OF USING THE PLATFORM OR ON ANY TRANSACTION. YOU SHOULD CONSIDER ANY ADDITIONAL RISKS CONTAINED IN THE AGREEMENT AND ANY DOCUMENTS PUBLISHED BY SDAX OR ISSUERS. PLEASE OBTAIN YOUR OWN INDEPENDENT TAX, LEGAL, FINANCIAL AND OTHER ADVICE BEFORE ENTERING INTO THE AGREEMENT AND/OR ANY TRANSACTION.

EACH TIME YOU ACCESS THE PLATFORM, YOU AGREE THAT YOU HAVE READ, UNDERSTOOD AND ACKNOWLEDGED THIS STATEMENT (INCLUDING ANY AMENDMENTS FROM TIME TO TIME).

Before deciding to use SDAX's services or enter into any Transaction, Participants must consider the risks inherent in such services or Transactions, the underlying investment instruments or assets (including any digital representation of investment instruments or assets that is not fiat currency and that can be transferred, stored or traded electronically, hereinafter referred to as "**Security Tokens**") or products insofar as they relate to them, the financial and other risks to which they are exposed to as a result of any Transaction, and the tax, regulatory and accounting treatment arising from any Transaction. Additionally, Participants should carefully read all relevant documentation, including the Agreement, and any materials published by SDAX or issuers on the Platform (including any offering documents that those documents may refer to), prior to taking any action.

Nothing in the Agreement or this Statement constitutes legal, investment or financial advice based upon any Participant's circumstances, nor is it a recommendation to participate in any of the services or an endorsement or recommendation of any of the products available on the Platform. Where the Participant is unclear as to the meaning, effect or consequences of any of the disclosures, disclaimers or warnings in the Agreement or the Statement, they are strongly advised to seek independent legal and financial advice before entering into the Agreement or using any of the services.

The risk of loss in Transactions involving Security Tokens can be substantial. You should therefore carefully consider whether such Transactions are suitable for you in light of your investment objectives, financial circumstances, your tolerance to risks and your investment experience. You should be capable of bearing a full loss of the amounts invested as a result of or in connection with any Transaction entered into on the SDAX Platform and any additional loss over and above the initial amounts invested that may become due and owing by you. In considering whether to trade or invest, you should inform yourself and be aware of the risks generally, and in particular should note the following specific risk factors which may apply to any given Transaction. If you are not sure that the Transaction is suitable for you, please obtain independent legal, tax or financial advice before using the Platform and/or entering into any Transaction.

Transaction and Services Risks

Risks of Security Token trading: The prices of Security Tokens fluctuate, sometimes dramatically. The price of a Security Token may move up or down, and may become valueless. It is as likely that losses will be incurred rather than profit made as a result of buying and selling Security Tokens.

SDAX EXCHANGE PTE LTD

9 Temasek Boulevard #06-02A, Tower Two Suntec,
Singapore 038989

Co. Reg. No. 201914688R

www.sdax.co



Nature of Security Tokens and investments therein: Security Tokens are generally a high-risk asset class. You should exercise caution in relation to the trading of Security Tokens, and Security Tokens themselves. You should carefully review the documents published by issuers on the Platform to understand the nature of the Security Tokens and/or the assets underlying these Security Tokens. SDAX assumes no responsibility for the correctness of any statements made, opinions expressed or reports contained in the documents published by issuers on the Platform, nor should the publication of such documents on the Platform imply that any legal or regulatory requirements applicable to the issuers have been complied with.

The Security Tokens may or may not be akin to traditional securities that carry governance and/or voting rights. Many Security Token issuers may not have any operating history, established track record, stable cash flow or profits, or a proven business model for its business or in relation to their Security Tokens. The risks of business failure and the failure of the Security Tokens as an investment class and, consequently, the loss of your investment amount, are high. The offer and listing of any Security Token on the Platform is not to be taken as an indication of the merits of the Security Token or any Transaction. SDAX is not liable to refund or take any steps to ensure the refund of your investment amount, whether partly or in full, in the event of such loss.

Liquidity, market, and conversion risk: The Security Tokens may not circulate freely or widely and may be subject to lack of liquidity. There is no assurance that a market for a particular Security Token will continue to exist in the future. This is because the value of a Security Token may be derived, among other things, from the continued willingness of market participants to trade that Security Token. The value of a particular Security Token may decline, or be completely and permanent lost should the market for that Security Token disappear.

There is the possibility for you to experience losses due to the inability to sell or convert assets into fiat or a preferred alternative asset in a timely manner or in instances where conversion is possible but at a loss. Such conversion and liquidity risks in an asset may be caused by the absence of buyers, limited buy/sell activity or underdeveloped secondary markets.

Volatility of Security Tokens: The value of the Security Tokens may fluctuate significantly over a short period of time. The volatile and unpredictable fluctuations in price may result in significant losses over a short period of time. Any Security Token may decrease in value or lose all of its value due to various factors including market manipulation, change to the nature or properties of the Security Token, governmental or regulatory activity, legislative changes, suspension or cessation of support for a Security Tokens, public opinions, or other factors outside of our control. Technical advancements, as well as broader economic and political factors, may also cause the value of Security Tokens to change significantly over a short period of time.

Cyber Security Risks

Risks relating to distributed ledger technology: Security Tokens rely on various types of distributed ledger technology. Some of this technology is open source software that is built upon experimental technology, namely blockchain. Risks arising from relying on such technology include the existence of technical flaws in the technology, targeting by malicious persons, majority-mining, consensus-based or other mining attacks, changes in the consensus protocol or algorithms, decreased community or miner support, rapid fluctuations in value of relevant Security Tokens, the existence or development of competing networks, platforms and assets, flaws in the scripting language, disputes between developers, miners and/or users and regulatory action.

Network and other risks: The underlying blockchain protocol supporting the SDAX Platform and the smart contracts that underlie the Security Tokens may be subject to certain risks that are beyond our control, and which may result in events, such as (a) loss of control or ownership of the Security Tokens by you and/or the Custodian, (b) transaction records on the blockchain being altered, reversed or otherwise invalidated, whether by way of fraudulent acts or consensus, including any double-spending attack and 51-percent attack, and/or (c) any restrictions on the transfer, withdrawal or deposit of the Security Tokens or fiat currency.

SDAX EXCHANGE PTE LTD

9 Temasek Boulevard #06-02A, Tower Two Suntec,
Singapore 038989

Co. Reg. No. 201914688R

www.sdax.co



Transactions irreversible: Transactions involving Security Tokens are if not remedied or reversed within a limited time frame as set out in the Agreement. This means erroneous, accidental or fraudulent transactions in respect of Security Tokens may not be reversible and the loss or theft of Security Tokens may not be recoverable.

Network attacks: Security Tokens may be subject to attacks on the security, integrity or operation of the underlying blockchain network. Such events may affect the features, functions, operation, use or other properties of a Security Token and the SDAX Platform. The events may also severely impact the price or value of Security Tokens, or even result in the shutdown or non-operability of the SDAX Platform. Such events may be beyond the control of SDAX, or to the extent SDAX has any ability to impact such event, SDAX's decision or actions may not be in your interests.

Cyber-attacks and fraudulent activity: Security Tokens, your Wallet, and the Platform are subject to risks of cyber-attacks and fraudulent activities as they may be targeted by malicious persons who may attempt to steal Security Tokens or fiat currency, or otherwise intervene in a Transaction or any of our services. Such attacks and fraudulent activities may involve unauthorised access to an Wallet, your private keys, your addresses, your passwords, your email or social media accounts, your log-in details or access method for the Wallet, as well as unauthorised access to your computer, smartphone and any other devices that you may use.

Cyber-attacks may take different forms, including (but is not limited to) distributed denial of service, hacking, malware, double-spending, majority-mining, consensus-based or other mining attacks, misinformation campaigns and spoofing, which may affect the features, functions, operation, use, access or other properties of the Security Tokens, your Wallet, the Platform or our services. Security Tokens, your Wallet, the Platform and our services may also be vulnerable to exploitation of vulnerabilities in smart contracts and other code, as well as to human error.

Any of the above occurrences could result in significant loss that may adversely and materially affect your interests. You are responsible for protecting yourself against such actions.

Cryptographic advancements: Developments in cryptographic technologies and techniques, including (but not limited to) the advancement of artificial intelligence and/or quantum computing, pose security risks to all cryptography-based systems including the Security Tokens, your Wallet, the Platform and our services. Applying these technologies and techniques to the Security Tokens, your Wallet, the Platform or our services may result in theft, loss, disappearance, destruction, devaluation or other compromises of the Security Tokens, your Wallet, the Platform, our services or your data (as applicable).

Reliance on the internet: Transactions rely heavily on the internet and other technologies (including the Agreed Communication Methods). However, the public nature of the internet means that either parts of the internet or the entire internet may be unreliable or unavailable at any given time. Further, interruption, delay, corruption or loss of data, the loss of confidentiality in the transmission of data, or the transmission of malware may occur when transmitting data via the internet and/or other technologies. The result of the above may be that your Transaction is not executed according to your Instructions, at the desired time, or not at all.

No authentication, verification or computer security technology is completely secure or safe.

The internet or other electronic media (including without limitation electronic devices, services of third party telecom service providers such as mobile phones or other handheld trading devices or interactive voice response systems) are an inherently unreliable form of communication, and such unreliability may be beyond the SDAX's control.

SDAX EXCHANGE PTE LTD

9 Temasek Boulevard #06-02A, Tower Two Suntec,
Singapore 038989

Co. Reg. No. 201914688R

www.sdax.co



Any information (including any document) transmitted, or communication or transactions made, over the internet or through other electronic media (including electronic devices, services of third party telecommunication service providers such as mobile phones or other handheld trading devices or interactive voice response systems) may be subject to interruption, transmission blackout, delayed transmission due to data volume, internet traffic, market volatility or incorrect data transmission (including incorrect price quotation) or stoppage of price data feed due to the public nature of the internet or other electronic media.

Other Risks

Limited statutory protection: Only investors who qualify as “accredited investors” or “institutional investors” under the laws of Singapore may be Participants on the Platform. Such investors have fewer regulatory protections under Singapore law, including the absence of any statutory requirements for, and standards of disclosure applicable to, a prospectus or offering memorandum to be lodged and registered with the Monetary Authority of Singapore. Hence, you will not have recourse to statutory protections if you suffer loss or damage as a result of any false or misleading statements and/or material omissions in an issuer’s offering documents in relation to a Security Token.

Security Token issuer risks: We do not issue Security Tokens. Security Tokens are issued by third parties. You should read the applicable terms, information and risk disclosures provided by the applicable issuers carefully before entering into a Transaction. No term or product information provided by the applicable issuer has been subject to regulatory approval, unless expressly stated otherwise. You should exercise caution in respect of any issuance or offer of such assets. For any Security Tokens that have been authorised by a regulator, authorisation does not imply any official recommendation or endorsement of the asset by the regulator, nor does it guarantee the commercial merits of the asset or its performance. You should seek independent professional advice before making any investment decision.

Tax and accounting treatment: Some Transactions may be subject to the tax laws and regulations in an applicable jurisdiction. The tax and accounting treatment of any Security Token is still a relatively untested area of law and practice that is subject to changes. Tax and accounting treatment of Security Tokens may vary amongst jurisdictions. We may receive queries, notices, requests or summons from tax authorities and as a result may be required to furnish certain information about any Transaction.

If you are unsure about the tax implications and accounting treatment of your Transactions, you should seek independent professional advice before carrying out a Transaction.

Legal and regulatory risks: All Transactions are potentially exposed to regulatory/legal risk. The legal and regulatory treatment relating to the Security Tokens may change. Legal and regulatory treatment of Security Tokens and/or the assets underlying these Security Tokens vary according to different jurisdictions. Changes in regulatory approaches, laws, regulations, and the application of such laws and regulations may cause a Security Token to decrease in or lose all of its value. This may affect the value or potential profit of a Transaction. Legal changes may have the effect of making a previously acceptable Transaction illegal or subject to substantial restrictions which may affect the ability to liquidate a position. Changes to related issues such as taxation may occur and radically affect the value or profitability of a Security Token. Such risk is unpredictable and depends on various geopolitical, economic, sovereign and other factors. Risks may be asymmetrical between established and emerging markets, and may affect some Security Tokens significantly more than others. You are advised to seek independent legal, tax and financial advice and to continue to monitor the legal and regulatory position in respect of your Transactions.

Limited recourse to SDAX: In the event you suffer any loss in relation to the Security Tokens, the use of the Platform or our services, you have limited recourse of SDAX. While we will use reasonable care and skill in operating the Platform, it is provided on an “as is” and “as available” basis, and we give no assurance that the Platform will always be available, meet your requirements or be completely free of faults arising from cybersecurity events or human error.

SDAX EXCHANGE PTE LTD

9 Temasek Boulevard #06-02A, Tower Two Suntec,
Singapore 038989

Co. Reg. No. 201914688R

www.sdax.co

[PUBLIC]



To the maximum extent permitted by law,

- (a) we give no representation nor warranty, whether express or implied, in relation to the Platform or our services,
- (b) we disclaim and exclude any liability, whether in contract, tort (including negligence) or otherwise, for any loss, damage or expense incurred by you in connection with the Platform and/or our services, including (but not limited to) any loss or damage due to your inability to access the Platform or our services, and any delay or failure of the transmission or the receipt of any instruction, communication or notification sent through the Platform or as part of our services.

Without prejudice to any other disclaimer, waiver, indemnity or exclusion of liability that you agree to in any agreement with us, and to the extent permitted by the laws of Singapore, you agree to (a) indemnify SDAX, its directors, employees, agents and affiliate ("**Indemnified Parties**") against any action, claim, proceeding, loss, damage, expense or liability that each Indemnified Party suffers or incurs directly or indirectly arising from your use of the Platform or our services, and (b) release SDAX and each Indemnified Party against any action, claim, proceeding, loss, damage, expense or liability you incur directly or indirectly, arising from your use of the Platform or our services.

To the extent we are unable by law to exclude any express or implied condition, representation or warranty in relation to the Platform or our services, we limit our liability for a breach to an alternative supply of equivalent services, albeit on a best-efforts basis only.

Without prejudice to the foregoing, SDAX is not your fiduciary, agent or advisor, and no such obligations arise in connection with any of your activities whether through the Platform, the use of our services or under any agreement with the Company, unless specified in writing by SDAX from time to time. No communication or information provided by SDAX to you is intended as investment advice, financial advice, legal advice, tax advice or accounting advice, and no representations or warranties are made to you in any of those capacities.

SDAX EXCHANGE PTE LTD

9 Temasek Boulevard #06-02A, Tower Two Suntec,
Singapore 038989

Co. Reg. No. 201914688R

www.sdax.co