

## Digital Asset Risk Statement

### Risks Related to Digital Assets and Platform Usage

In acceding to or using the website of Apola Finance Ltd. (the “Company”) at the address <https://apola-finance.kz/>, you represent and warrant that you are fully aware of the risks associated with the use of the services, transactions involving Digital Assets, or the use of the website. You agree and understand that you are solely responsible for determining the nature, potential value, suitability, and appropriateness of these risks for yourself, and that the Company does not give advice or recommendations regarding any Digital Asset, including the suitability and appropriateness of, and investment strategies for, any Digital Asset. You agree and understand that you access and use the website at your own risk. This brief statement does not disclose all of the risks associated with the Digital Assets and using the website. You should, therefore, carefully consider whether such use is suitable for you in light of your circumstances and financial resources. You may sustain a partial or total loss of the Digital Assets in your account. You should be aware and accept the risk that under certain market conditions, you may find it difficult or impossible to liquidate a position in Digital Assets.

#### 1. Key Features of Digital Assets

(a) **Essential Characteristics of Digital Assets:** Digital Assets are a form of value or rights that can be transferred and stored electronically using distributed ledger technology. They can vary widely in terms of their structure, function, and governance. You should familiarize yourself with publicly available white papers, where possible, to learn further technical and operational details regarding a specific Digital Asset.

(b) **Risks in Digital Assets:** Digital Assets are associated with significant risks including, but not limited to, price volatility, technological vulnerabilities, regulatory uncertainties, and operational risks. You should always conduct your own due diligence and understand the specific risks before participating in Digital Asset trading and investing.

(c) **Custody and Security of Digital Assets:** In Apola Finance Ltd. Clients’ Digital Assets are held in custodian wallets provided by carefully selected and regulated third-party wallet providers licensed under applicable laws. Their wallets are clearly identified and recorded on the custodian’s ledger. Clients can conduct transactions in Digital Assets by transferring or depositing their own Digital Assets into their accounts at Apola Finance Ltd. The Company securely stores the user’s Digital Assets using a unique private key, ensuring the segregation of the Client’s Digital Assets from the Company’s and other Clients’ assets. Custodian wallets are maintained in a highly secure environment, with significant majority of Digital Assets stored offline (cold storage) to reduce the risk of unauthorized access. The Client’s Digital Assets are held at the Client’s risk while in the Digital wallet available to the Client. If the private key is lost or compromised, Apola Finance Ltd. follows strict internal recovery procedures through its regulated custodians; however, recovery is not guaranteed, and the Client bears the risk of any permanent loss. Apola Finance Ltd. is not liable for any losses resulting from unauthorized access due to the Client’s negligence, including failure to secure their Digital Assets address or unauthorized disclosure of their credentials.

(d) **Exercising Rights in Digital Assets:** The ability to exercise rights (such as voting, staking, or receiving rewards) depends on the specific Digital Asset and the infrastructure supporting it. Clients should be aware that such rights and ability to exercise them may be subject to operational, regulatory and technical limitations in various platforms.

(e) **Other:** Digital Assets may be subject to jurisdictional regulatory frameworks and constantly evolving legal changes. Clients should remain informed of these developments and assess their implications on ownership, transferability, tax reporting and disclosing obligations and other key attributes.

## 2. Risk Warnings

Digital Assets are not recognized as legal tender and are not supported by any government authority. Their value is highly volatile, and prices can decline rapidly, including stablecoins if they lose their peg to the underlying currency or assets. Investing in Digital Assets carries the risk of losing some or all of the investment.

Digital Assets may be illiquid or difficult to transfer, and their complexity can make it challenging to understand the associated risks. They are vulnerable to theft through cyberattacks, and there are often no effective means to recover lost or stolen assets. The valuation of Digital Assets may be uncertain, leading to the possibility that a Digital Asset could become worthless.

The prices of Digital Assets relative to fiat currencies are unpredictable and subject to irrational market behavior. The anonymous and irreversible nature of Digital Asset transactions increases the risk of financial crime, accidental loss, and fraud. Transactions recorded on public ledgers may not reflect the time they were initiated, and losses due to errors or fraudulent activities are typically irreversible.

Digital Asset markets rely on continued participant willingness to trade, meaning a loss of confidence could result in a permanent and total loss of value. External factors such as government regulations, software changes, or the emergence of superior alternatives may further destabilize their value. Additionally, technological issues on the website/platform may prevent users from accessing their assets.

Digital Assets differ fundamentally from traditional financial instruments like securities. Digital Assets do not offer investor protections or access to recognized compensation schemes. Furthermore, activities involving Digital Assets outside the AIFC may be unregulated or subject to minimal oversight. Changes in legislation or regulations at both national and international levels may negatively impact the use, transfer, exchange, and value of Digital Assets.

The Company's site may become inaccessible due to legal changes, potentially resulting in losses or liabilities if the site or any accounts are suspended or terminated. The Company's trading operations rely on third party's computer-based systems for order-routing, execution, matching, registration, and clearing. Customers face risks from potential hardware or software failures, which could prevent orders from being executed as intended. The Internet is not entirely reliable, and service delays may occur.

Proceeds from Digital Asset sales and other income may be subject to taxes, levies, duties, or other charges imposed by authorities. Tax laws regarding Digital Assets in some jurisdictions may be unclear, subject to change, and could apply retroactively.

Overall, investing in Digital Assets carries significant risks, including potential total loss, and there is no assurance that parties accepting Digital Assets today will continue to do so in the future.

### **3. Past Performance and Forecasts of Digital Assets**

Apola Finance Ltd. ensures that any information about past performance or future forecasts based on past performance is fair, balanced, and clearly communicated. All representations are accompanied by the following disclosures:

- Any performance information is presented with a balanced view of potential risks and returns.
- The source of performance data is clearly identified, and all assumptions are transparently disclosed.
- Past performance is not a reliable indicator of future results.

When providing performance information, the Company will make all reasonable efforts to consider the audience's sophistication level, to disclose the source and nature of the data, and to ensure the time period presented is appropriate and not misleading, and any comparisons made to be fair, clear, and presented without bias.

Clients are strongly advised to assess the inherent risks and to consult with financial, legal, and technical advisors before engaging in Digital Asset transactions.