

Kaprex Risk Disclosure Statement

Effective Date: May 1, 2025

Introduction

Kaprex Technologies Ltd. ("Kaprex") operates a payment orchestration platform that facilitates crypto-to-fiat exchanges, cross-border payments, merchant payment solutions, stablecoin savings through Decentralized Finance (DeFi) protocols, and SOL liquid staking (KSOL). Kaprex is not a financial institution, does not custody user funds, and relies on licensed third-party partners, including Bridge, Circle, Forex Bureau (FXB) Partners, OTC traders, DeFi protocols, and KSOL Pool, to execute financial transactions.

This Risk Disclosure Statement outlines the risks associated with using Kaprex's services. By accessing or using the Kaprex platform, you acknowledge and accept these risks. Please read this document carefully before using our services.

1. General Risks of Cryptocurrency and Virtual Assets

1.1 Price Volatility

- Virtual assets, such as USDC, EURC, SOL, and other cryptocurrencies, are subject to significant price volatility. Their value may fluctuate rapidly due to market conditions, regulatory changes, or other factors, potentially resulting in substantial financial losses.
- Stablecoins (e.g., USDC, EURC) are designed to maintain a stable value but may deviate from their pegged value (e.g., 1 USD or 1 EUR) due to market disruptions or issuer issues.

1.2 Regulatory Risks

- Cryptocurrencies and related services are subject to evolving regulations in Ghana and globally. Changes in laws or policies may restrict or prohibit the use of virtual assets, impacting your ability to use Kaprex's services or access your funds.
- Kaprex's operations depend on third-party partners, which may face regulatory scrutiny, potentially disrupting service availability.

1.3 Security Risks

- While Kaprex does not custody user funds, virtual assets stored in your Circle wallet or other wallets are vulnerable to cyberattacks, phishing, or private key theft. You are solely responsible for securing your wallet and private keys.
- Loss of private keys or unauthorized access to your wallet may result in permanent loss of funds, with no recourse from Kaprex.

2. Risks of Crypto-to-Fiat Exchanges

- **Exchange Risks:** Converting USDC/EURC to Ghanaian Cedis (GHS) or GHS to USDC/EURC via FXB Partners or OTC traders involves risks, including unfavorable exchange rates, transaction delays, or partner errors. Kaprex does not control these processes and is not liable for losses.
- **Liquidity Risks:** Limited liquidity in OTC markets or FXB Partner networks may delay or prevent conversions, affecting your ability to access funds.
- **Partner Risks:** FXB Partners and OTC traders are independent entities. Their failure to perform (e.g., due to insolvency or operational issues) may impact your transactions.

3. Risks of Cross-Border Payments

- **Transaction Delays:** Inbound (USD/EUR to GHS) and outbound (GHS to USD/EUR) payments via Bridge's payment rails (ACH, SEPA, SWIFT) may experience delays due to network issues, partner processing times, or regulatory checks.
- **Fee Variability:** Transaction fees, including Bridge API fees or FXB Partner charges, may vary and impact the final amount received.
- **Currency Conversion Risks:** Exchange rate fluctuations during cross-border payments may result in receiving less GHS, USD, or EUR than expected.
- **Partner Dependency:** Bridge and Circle are third-party providers. Their downtime, errors, or regulatory restrictions may disrupt payment processing, for which Kaprex is not liable.

4. Risks of Stablecoin Savings (DeFi Yield Products)

- **Smart Contract Risks:** Stablecoin savings (e.g., USDC, EURC, sUSD) are deposited into third-party DeFi protocols (e.g., Kamino, MarginFi) via smart contracts. These

contracts may contain bugs, vulnerabilities, or be subject to hacks, leading to partial or total loss of funds.

- **Yield Variability:** Yields (up to 4%) are not guaranteed and may fluctuate based on protocol performance, market conditions, or network fees. Past performance is not indicative of future results.
- **Protocol Risks:** DeFi protocols are independent of Kaprex. Their failure, downtime, or insolvency may prevent access to your funds or yields.
- **Network Risks:** Blockchain networks (e.g., Ethereum, Solana) may experience congestion, high gas fees, or outages, affecting DeFi deposits or withdrawals.

5. Risks of SOL Liquid Staking (KSOL)

- **Staking Risks:** Staking SOL in the KSOL Pool to earn an 8% yield involves risks, including validator failures, slashing penalties, or network disruptions, which may reduce or eliminate returns.
- **Yield Uncertainty:** The 8% yield is not guaranteed and depends on Solana network performance and KSOL Pool operations.
- **Liquidity Risks:** KSOL tokens are subject to market conditions. You may face delays or losses when unstaking or converting KSOL to SOL or other assets.
- **Third-Party Risks:** The KSOL Pool is managed independently. Its failure or security breaches may impact your staked assets, with no liability to Kaprex.

6. Risks of Merchant Payment Solutions

- **Transaction Risks:** Merchants using Kaprex APIs to accept crypto or international payments may face delays, errors, or disputes (e.g., chargebacks), particularly if partners (Bridge, FXB Partners) experience issues.
- **Settlement Risks:** GHS settlements via FXB Partners or USD settlements via Bridge may be delayed due to partner processing times or liquidity constraints.
- **Compliance Risks:** Merchants must comply with partner KYC/KYB requirements. Non-compliance may result in suspended transactions or account termination.

7. Third-Party Dependency Risks

- Kaprex relies on third-party partners, including:
 - **Bridge:** For USD/EUR/SEPA payments and USDC/EURC settlements.

- **Circle:** For non-custodial wallets holding USDC/EURC.
- **FXB Partners and OTC Traders:** For GHS conversions and settlements.
- **DeFi Protocols and KSOL Pool:** For yield generation and staking.
- These partners operate independently, and their downtime, errors, security breaches, or regulatory issues may disrupt Kaprex's services. Kaprex is not liable for losses caused by third-party failures.

8. User-Related Risks

- **User Errors:** Sending funds to incorrect wallet addresses, failing to secure private keys, or providing inaccurate KYC/KYB information may result in irreversible losses. Kaprex is not responsible for such errors.
- **Fraud and Scams:** You may be targeted by phishing, social engineering, or fraudulent schemes. Kaprex does not reimburse losses from such activities.
- **Tax Obligations:** You are responsible for complying with tax laws related to cryptocurrency transactions, cross-border payments, or DeFi yields. Kaprex does not provide tax advice.

9. Operational and Technical Risks

- **Platform Downtime:** The Kaprex platform may experience temporary outages due to maintenance, cyberattacks, or technical issues, potentially delaying access to services.
- **Integration Risks:** Errors in Kaprex's integrations with Bridge, Circle, or DeFi protocols may disrupt transactions or yield access.
- **Internet Risks:** Using Kaprex requires a secure internet connection. Insecure networks or devices may expose you to hacking or data breaches.

10. Limitation of Liability

To the fullest extent permitted by law, Kaprex shall not be liable for any losses, damages, or costs arising from:

- Price volatility of virtual assets.
- Third-party partner failures, downtime, or errors.
- Smart contract vulnerabilities or DeFi protocol issues.
- User errors, fraud, or failure to secure wallets.
- Regulatory changes or service disruptions.



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Kaprex provides its services “as is” without warranties, express or implied. You use the platform at your own risk.

11. Your Responsibilities

You agree to:

- Secure your Circle wallet and private keys.
- Provide accurate KYC/KYB information to partners as required.
- Monitor market conditions and risks before transacting.
- Comply with all applicable laws and regulations.
- Review partner terms (e.g., Bridge, Circle, DeFi protocols) before using their services.

12. Contact

For questions about this Risk Disclosure Statement, please contact:

Kaprex Technologies Ltd.

Email: support@kaprex.io

Acknowledgement: By using Kaprex’s services, you confirm that you have read, understood, and accepted the risks outlined in this statement. If you do not agree, do not use the platform.