

Wavelength

Risk Disclosure Statement

Last Updated: October 24, 2022

This Risk Disclosure Statement is a part of and to be read in conjunction with the [Terms of Service](#). Capitalised terms used in this Risk Disclosure Statement shall have the meanings assigned to them in the Terms of Service. Any access to or use of the Wavelength Application (App) available at <https://www.app.wavelength.exchange> (the “App”) shall be subject to your acceptance and assumption of the risks set out in this Risk Disclosure Statement. You should note that all risks set out herein are not intended to be exhaustive nor to be presented in any assumed order of priority.

Risk of Software Weaknesses

Although we make reasonable efforts to ensure that the App and related software provided by us follow the high-security standards, we do not warrant or represent that the App is secure or safe, or protected from phishing, malware, hacker or other malicious attacks. Further, the App and software provided by us may contain weaknesses, bugs, vulnerabilities, viruses or other defects which may have a material adverse effect on the operation of the App or may lead to losses and damages for you, other users of the App or third persons.

Risk Inherent in the Blockchain

The App relies on a set of autonomous smart-contract systems implemented on the Velas blockchain and other blockchain networks, as the case may be. As a result, any malfunction, breakdown or abandonment of the underlying blockchain may have a material adverse effect on the App. Moreover, advances in cryptography, or technical advances such as the development of quantum computing, could present risks to the App and related blockchain software by rendering ineffective the cryptographic consensus mechanism that underpins the blockchain on which they are implemented. The smart-contract concept and the underlying blockchain networks are still in an early development stage and unproven. Although it is very unlikely, the Velas blockchain and any other blockchain network can be attacked which may result in downtime, consensus split, long reorganisation of the chain, 51% attack or other adverse outcomes each of which may lead to complete loss of your virtual assets.

Risk Inherent in the Wavelength Protocol

The App allows you to interact with the Wavelength Protocol that can be used to choose certain Liquidity Pools and carry out certain transactions involving the Digital Assets. We do not provide any warranties or representations regarding the Wavelength Protocol, including any Liquidity Pool or Digital Assets, since the operation of the App depends on factors occurring outside of our control that may materially impact the underlying technology, including the Wavelength Protocol. The Wavelength Protocol, including Liquidity Pools and Digital Assets, may not (i) perform as intended, (ii) meet your expectations, (iii) be secure or error-free, or (iv) be profitable. The information and data available on the Platform or in the Documentation are non-binding and provided for information and descriptive purposes only, and you shall independently verify such information and data and decide whether to transact with the App and/or the Wavelength Protocol.

Risk of Inaccurate Data

The App derives certain information from the blockchain network(s) and related software, such as oracles, in an automated manner, which means that such information is not verified or checked. As a

result, such information can be incorrect, incomplete, untimely, inaccurate, or insufficient. No warranties are being made that any information provided through or in the App will be complete or accurate.

Risk of Third Parties Acting Late

Certain functions within the App or Wavelength Protocol may have to be executed by third parties, and there is always a risk that such third parties will not act in a timely or reliable manner, or as expected or intended, or may fail to act, which can lead to inaccessibility of the functionality of the Wavelength Protocol, or partial or complete loss of the respective Digital Assets.

Risk of Flawed Logic of the App or Wavelength Protocol

The underlying logic of the App and Wavelength Protocol may be flawed, defective or impaired, which can result in the software and smart-contracts operating incorrectly or not as expected, or transactions being executed in violation of the logic which underpins the respective software and smart-contracts, which can lead to partial or complete loss of the Digital Assets used in the transaction.

Risk of Confusing User Interface

Certain user interface elements or design decisions can be confusing or mislead you, which may result in the execution of a different action or transaction than intended or desired, or connection of a wrong wallet, account or network.

Risk of Legal Uncertainty

Our activities are subject to various laws and regulations in the countries where we operate or intend to operate. We might be obliged to obtain different licences or other permissive documents in some or all jurisdictions where we intend to operate our business, therefore, our business in such jurisdictions shall always be subject to obtaining such licences or permissive documents, if so directed by applicable laws. There is a risk that certain activities may be deemed in violation of any such law or regulation. Penalties for any such potential violation would be unknown. Additionally, changes in applicable laws or regulations or evolving interpretations of existing law could, in certain circumstances, result in increased compliance costs or capital expenditures, which could affect our ability to carry on the business model, develop and maintain the App.

Risk of Theft

We make a commercially reasonable effort to ensure that any transactions carried out via or on the App are secure. Notwithstanding the aforesaid, there is no assurance that there will be no theft of the Digital Assets as a result of hacks, sophisticated cyber-attacks, distributed denials of service or errors, double-spent attacks, flash-loan attacks, vulnerabilities or defects of the App or related on-chain or off-chain software, of the Velas or any other blockchain, or otherwise. Such events may include, for example, flaws in programming or source code leading to exploitation or abuse thereof. Any of the above may lead to partial or complete stealing or loss of the Digital Assets used in transactions carried out through the App.

Value and Volatility

The prices of the Digital Assets are extremely volatile and subjective and the Digital Assets may have no inherent or intrinsic value. Fluctuations in the price of other digital assets could materially and adversely affect (i) the value of the Digital Assets, which may also be subject to significant price volatility, (ii) the Liquidity Pools, or (iii) the underlying logic of the Wavelength Protocol. We do not guarantee that any Digital Assets will retain their original value, have any specific price or any particular value, or that the use of the App will be profitable, as the value of Digital Assets depends on

factors occurring outside of our control that may materially impact the value and desirability of any particular Digital Assets.