

# HyperTrade by Lunatic Wisdom Labs LLC

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## Risk Disclosure

Last Updated: May 15, 2026

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### IMPORTANT

All capitalised terms used in this Risk Disclosure that are defined in the HyperTrade by Lunatic Wisdom Labs Terms of Use (the "**Terms of Use**") which is available at <https://hypertrade.exchange/terms>, includes any Product Terms (as defined in the Terms of Use), have the same meaning and construction as in the Terms of Use.

Holding, trading, investing in Digital Assets involve risks, some of which are set out below. These risks, and additional risks arising either now or in the future, could result in the loss, failure or destruction of your assets, inability to receive any benefits available to you, other losses and termination of the Platform.

You must (i) consider carefully whether the risks set out below, as well as all other applicable risks, are acceptable to you and (ii) seek professional advice as appropriate and as needed prior to subscribing to or otherwise accepting any Services, before trading in Digital Assets or using the Platform. You must also check the latest terms applicable as they may change from time to time.

THE RISK OF LOSS IN TRANSACTIONS INVOLVING DIGITAL ASSETS 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 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 SERVICES.

### Nature of Digital Assets

The Digital Assets are not legal tender, and may or may not be considered "property" under the laws of a particular jurisdiction. They may not be backed by physical assets, and are not backed or guaranteed by a government. They may not have intrinsic value. Some of the Digital Assets may not circulate freely or widely, and may not be listed on any secondary markets. Digital Assets are generally considered as being in a high-risk asset class. You should exercise caution in relation to the holding, storing, trading, of, or investing in Digital Assets, and in Digital Assets themselves.

Transactions involving Digital Assets are irrevocable. Lost or stolen Digital Assets may be irretrievable. Once a transaction has been verified and recorded on a blockchain, lost or stolen Digital Assets generally will not be reversible.

Subject to the terms of each Digital Asset, we may change the purpose or use of the Digital Assets or the overall project, without any notice. Any such changes (including addition of new types of Digital Assets) may impact the overall risks of the Digital Asset.

You should monitor the developments of each Digital Asset carefully.

### No Personal Advice

We do not provide personal investment, financial, trading or other advice in relation to Services. We sometimes provide factual information, information about transaction procedures and information about the potential risks. However, any decision to use Services is made by you. No communication or information provided to you by HyperTrade by Lunatic Wisdom Labs is intended as, or shall be considered or construed as, investment advice, financial advice, trading advice, or any other sort of advice. You are solely responsible for determining whether

any investment, investment strategy or related transaction is appropriate for you according to your personal investment objectives, financial circumstances and risk tolerance.

You must read the applicable Product Terms, product information and risk disclosures carefully before entering into any Transaction.

### **No Intervening or Monitoring**

HyperTrade by Lunatic Wisdom Labs is not your broker, intermediary, agent, or advisor and has no fiduciary relationship or obligation to you in connection with any trades or other decisions or activities undertaken by you using the Services. We do not monitor whether your use of the Services is consistent with your financial goals and objectives. It is up to you to assess whether any activity that you engage in through the Services is appropriate given your financial position and risk appetite.

### **No Tax, Regulatory or Legal Advice**

The taxation of Digital Assets is uncertain, and you are responsible for determining what taxes you might be liable to, and how they apply, when transacting through the Services. It is your responsibility to report and pay any taxes that may arise from transacting on the Services, and you acknowledge that HyperTrade by Lunatic Wisdom Labs does not provide legal, regulatory or tax advice in relation to these transactions. If you have any doubts about your tax status or obligations when using Services, or with respect to the Digital Assets held to the credit of your Account, you may wish to seek independent advice.

You acknowledge that, when, where and as required by applicable legislation, HyperTrade by Lunatic Wisdom Labs shall report information regarding your transactions, transfers, distributions or payments to tax or other regulatory authorities. Similarly, when, where and as required by applicable law and/or legislation, HyperTrade by Lunatic Wisdom Labs shall withhold taxes related to your transactions, transfers, distributions or payments. Applicable legislation could also prompt HyperTrade by Lunatic Wisdom Labs to request you for additional tax information, status, certificates or documentation.

You acknowledge that failure to answer these requests within the timeframe defined, may result in withholding taxes by HyperTrade by Lunatic Wisdom Labs, to be remitted to tax authorities as defined by relevant law and/or legislation. You are encouraged to seek professional and personal tax advice regarding the above and before making any digital asset transaction.

### **Risk of Digital Assets Trading**

The prices of Digital Assets fluctuate, sometimes dramatically. The price of Digital Assets may move up or down, and may become valueless.

It is likely that losses will be incurred rather than profit made as a result of buying and selling Digital Assets.

### **Volatility of Digital Assets**

The value of the Digital Assets may fluctuate significantly over a short period of time. This is especially the case compared to fiat currencies. The volatile and unpredictable fluctuations in price may result in significant losses, including the total loss of your investment, over a short period of time.

Any Digital Assets may decrease in or lose all of its value due to various factors, including but not limited to the discovery of wrongful conduct, market manipulation, change in the nature or properties of the Digital Asset, governmental or regulatory activity, legislative changes, suspension or cessation of support for Digital Assets or other exchanges or service providers, public opinion, or other factors outside of our control. Technical advancements, as well as broader economic and political factors, may cause the value of Digital Assets to change significantly over a short period of time.

### **Market, Liquidity and Conversion Risks**

Digital Assets trading is speculative, prices are volatile and market movements are difficult to predict. Supply and demand for Digital Assets can change rapidly without warning and can be affected by a variety of factors which may not be predictable, including but not limited to regulation, general economic trends and developments in the Digital Assets ecosystem. All investments in Digital Assets carry the risk of loss.

Past performance is not an indicator of future performance. HyperTrade by Lunatic Wisdom Labs does not in any way guarantee or provide any assurance about the performance or market price of Digital Assets or products available through the Services.

The Digital Assets industry is subject to systemic and systematic risk. Systemic risk is the risk that a company or industry-level risk could trigger a major collapse. Systematic risk is the risk inherent to the entire market, which can be economic, sociopolitical, technological, or natural in origin. These risks can affect the prices of Digital Assets.

Negative perceptions about Digital Assets may reduce the confidence of investors in the industry and result in greater volatility of the prices in Digital Assets, including possibly a significant depreciation in value. Any events that trigger negative publicity in respect of Digital Assets markets may therefore have an adverse impact on the value of any investment in Digital Assets.

Digital Asset prices on the secondary market are driven by supply and demand and may be highly volatile. Digital Assets may have limited liquidity which may make it difficult or impossible for you to sell or exit a position when you wish to do so. This may occur at any time, including at times of rapid price movements.

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

There is no assurance that a person who accepts Digital Assets as payment will continue to do in the future. You may also suffer loss as a result of depreciation in the value of the Digital Assets paid as a result of controls imposed by a government agency. Repayment or payment of amounts due to you may be delayed or prevented by exchange controls or other actions imposed by governmental or regulatory bodies over Digital Assets that they control or regulate.

### **Availability Risks**

We cannot guarantee that the Services will be available at any time or that Services will not be subject to unplanned service outages or network congestion. It may not be possible for you to buy, sell, transfer, send or receive Digital Assets when you wish to do so.

There are legal requirements in various countries which may restrict the products and services that HyperTrade by Lunatic Wisdom Labs can lawfully provide. Accordingly, some products and services and/or certain functions within the Platform, including but not limited to fiat services, may not be available or may be restricted in certain jurisdictions or regions or to certain users. Users are responsible for informing themselves about, and observing any restrictions and/or requirements imposed with respect to, the access to and use of the Platform and the Services in each jurisdiction from which the Platform and the Services are accessed. HyperTrade by Lunatic Wisdom Labs reserves the right to modify such restrictions or impose additional restrictions with respect to the access to and use of the Platform and/or the Services from time to time in its sole discretion without notification.

### **Third Party Risk**

Third parties, such as payment providers, custodians, and banking partners, may be involved in the provision of Services. You may be subject to the terms and conditions of these third parties, and HyperTrade by Lunatic Wisdom Labs may not be responsible for any loss that these third parties may cause to you.

### **Legal and Regulatory Risks**

Most Digital Assets operate without a central authority and are generally not backed by any government or authority. Changes in laws and regulations may materially affect the value of Digital Assets. This risk is unpredictable and may vary from market to market.

Legislative and regulatory changes may adversely affect or restrict (as applicable) the use, transfer, exchange and value of Digital Assets, as well as the provision of the Services in certain jurisdictions. Legislative and regulatory changes may occur quickly and without prior notice.

All Digital Assets are potentially exposed to legal and regulatory risks. Regulation of Digital Assets is unsettled and rapidly changing. Different jurisdictions may apply different legal categorisation of Digital Assets, characterising them as, for example, currency, commodities, virtual currency, virtual commodity, or other property or instruments. Some jurisdictions may restrict or ban Digital Asset-related activities. HyperTrade by Lunatic Wisdom Labs may restrict or suspend your use of and access to the Services, your Account and/or Platform to comply with Applicable Law or for other reasons as specified in the Terms of Use.

### **Operational Risks**

There are substantial risks in allowing another person to operate your Account you have with HyperTrade by Lunatic Wisdom Labs, and it is possible that instructions could be given by persons who are not properly authorized. You must take all necessary steps to assure yourself that any Authorized Person is appropriate. You must also adopt such controls as you see fit to monitor the activities of such persons in relation to your Account to ensure they remain appropriate to act in that capacity. You accept all of the risks of such an operation and irrevocably release HyperTrade by Lunatic Wisdom Labs and/or its Affiliates from all liabilities arising out of or in connection with the operation of your Account.

### **Risk related to Digital Assets**

Given the nature of Digital Assets and their underlying technologies, there are a number of intrinsic risks, including but not limited to:

- 1 Faults, defects, hacks, exploits, errors, protocol failures or unforeseen circumstances occurring in respect of Digital Assets or the technologies or economic systems on which the Digital Assets relies;
- 2 Transactions in Digital Assets are irreversible. Consequently, losses due to fraudulent or accidental transactions may not be recoverable;
- 3 Technological development may lead to the obsolescence of a Digital Asset;
- 4 Delays causing transactions not to be settled on the scheduled delivery date; and attacks on the protocol or technologies on which a Digital Asset depends, including, but not limited to:
  - distributed denial of service
  - sybil attacks
  - phishing
  - social engineering
  - hacking
  - smurfing
  - malware
  - double spending
  - majority-mining, consensus-based or other mining attacks
  - misinformation campaigns
  - forks
  - spoofing

### **Cybersecurity and Technology-related Risks**

The nature of Digital Assets exposes them to an increased risk of cyberattack. While HyperTrade by Lunatic Wisdom Labs uses all reasonable efforts to safeguard Digital Assets and protect the Platform from cyberattack, it is not possible for any platform to eliminate security risks entirely. There can be no guarantee that systems in place to mitigate cybersecurity threats will always be effective to prevent improper access to the Platform and Digital Assets.

You alone are responsible for securing your private key in respect of any address in your control. Losing control of your private key will permanently and irreversibly deny you access to your Digital Assets. Neither we nor any other person will be able to retrieve or protect your Digital Assets. Once lost, you will not be able to transfer your Digital Assets to any other address or wallet. You will not be able to realise any value or utility that the Digital Assets may hold now or in the future.

Blockchain technology is a relatively new technology that is evolving rapidly and is likely to be subject to continued technological development. The future development and growth of the Digital Asset industry is subject to a variety of factors that are difficult to predict and evaluate. All such factors may impact the value of a Digital Asset.

Digital Assets, the Account, and the Platform or Services may also be vulnerable to exploitation of vulnerabilities in smart contracts and other code, as well as to human error. Digital Assets may be stored in hot wallets, which can be prone to hacking or cyber-attacks. Cyber-attacks resulting in the hacking of service platforms in relation to Digital Assets and thefts of Digital Assets are common. Victims may have difficulty recovering losses from hackers or such platforms. This could result in significant irreversible loss and/or other impacts that may materially affect your interests.

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

Due to the public nature of the internet and other electronic media, any information (including any document) transmitted, or communication or transactions made over the internet or other electronic media, 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.

Unauthorized third parties may access your Account and conduct Transactions without your knowledge or authorisation, whether by obtaining control over another device or account used by you, or by other methods.