RISKS DECLARATION

1. General provisions

1.1. The purpose of this Declaration is the disclosure by Inanomo Finance Ltd. (hereinafter, “the Company”), which provides the “Personal Cabinet” service to the Customer under the terms of the Customer Agreement (hereinafter, “the Customer Agreement”), information on the main risks associated with entering into transactions, carrying out transactions with financial instruments including securities, foreign financial instruments, currency, derivative financial instruments, margin transactions and transactions leading to uncovered positions; assist the Customer in assessing the risks of such transactions, transactions with financial instruments, give responsible consideration to the decision on the choice of an investment strategy and warn the Customer about possible financial losses associated with these risks.

1.2. This Declaration will not exhaustively disclose information about all potential risks associated with entering into transactions on the securities market, the financial market (in many cases, those cannot even be correctly predicted), due to the diversity of conditions that might occur.

1.3. This Declaration is not intended to withhold the Customer from performing the above operations and transactions with financial instruments. Individuals intending to conduct operations on financial markets should carefully consider whether the risks listed in the Declaration are acceptable to them, taking into account personal circumstances and financial capabilities.

1.4. The Customer shall confirm that they have read and understood this Declaration by setting up a user account (Personal Cabinet) on the Company’s website.

1.5. For the purposes of this Declaration, the risk in carrying out operations in financial markets shall be understood as possibility of an event followed by a loss.

The interpretation of the terms used in this Declaration is fully consistent with the interpretation of the terms specified in the Company’s Regulatory Documents, i.e. all documents posted in the Regulatory Documents section of the Personal Cabinet and on the Company’s website.

2. Risks associated with investing in the financial market

2.1. Systemic risks

2.1.1. In financial markets, there exist **systemic risks** that reflect the socio-political and economic conditions for the development of countries and are not associated with any specific instrument of the financial market.

2.1.2. **Political risk** is the risk of financial losses associated with a change in the political situation in the countries where the Company operates (change in the political system, change of government, changes in the political and/or economic course). The most radical changes can lead to issuers’ refusal or delay in fulfillment of their obligations related to securities, or to the restriction of certain (for example, foreign) investments, and possibly to the confiscation or nationalization of the property belonging to certain categories of investors.

2.1.3. **Economic risk** is either the risk of financial losses associated with changes in the economic situation in the countries in which the Company operates, or a macroeconomic risk (a sharp devaluation of the national currency, a crisis of the government debt market, a banking crisis, a currency crisis, etc.).

Any person investing funds in financial market instruments may experience a situation where, due to economic reasons, they would be unable to properly fulfill their obligations related to the handling and servicing of securities, or other obligations that may affect investor rights.

2.1.4. **Risk of current legislation and legislative changes (Legal risk)** is the risk of losses related to investing in Financial Market Instruments, associated with the application of current legislation of the countries where the Company operates, the emergence of new laws and/or amendment of the existing laws and regulations, the risk of adverse (from the point of view of business conditions) changes in legislation. Legal risks shall also include the possibility of losses related to the absence of regulations governing the transactions taking place in financial markets or in any sector of financial markets.

2.1.5. **Tax legislation risk** is the risk of financial losses associated with the application of the current tax legislation of the countries where the Company operates, by changing the existing procedure regulating the taxing of the financial market transactions.

2.1.6. Systemic risks also include risks of force majeure. These risks affect several financial institutions and are also manifested in the reduction of those institutions' ability to perform their functions. Due to the high degree of interaction and interdependence of financial institutions, the assessment of systemic risks is difficult, but their implementation can affect all financial market participants.

2.2. Financial (market) risks

2.2.1. Financial or market risks are the risks of actual losses arising from financial transactions due to the possible adverse effect of a number of market factors. The probability of occurrence of market risks is usually higher than that of system risks.

Market risk manifests itself in an unfavorable change in prices (cost) of financial instruments owned by the Customer, including systemic risks: unfavorable change in the political situation, sharp devaluation of the national currency, crisis of the government debt market, banking and currency crisis, force majeure circumstances of a spontaneous or military origin. As a result, market risk can lead to a decrease in profitability or even to losses. Depending on the chosen strategy, the market (price) risk will consist in increasing (decreasing) the price of financial instruments. The Customer should be aware that the value of financial instruments owned by the Customer can both increase and decrease, and that the past growth does not necessarily mean future growth. In order to reduce market risk, the Customer should carefully consider the selection and diversification of financial instruments, and also carefully review the conditions of the Customer's interaction with the Company in order to assess the costs associated with the ownership and operations with financial instruments and make sure that they are acceptable to the Customer and do not jeopardize their expected income.

2.2.2. **Currency risk** is the risk of losses that may arise as a result of adverse changes in foreign exchange rates. If the currency used by the Customer for most of their payments is different from their investment currency, the purchasing power of the Customer will be changing depending on the exchange rate fluctuations. Currency risk is manifested as an adverse change in the exchange rates of the Customer's payment currency in relation to the foreign currency, when the Customer's income from owning financial instruments may be jeopardized (decrease in real purchasing power), leading to the Customer's losses.

Trading in financial assets might require direct and reverse currency conversions. Investments made and/or valued in foreign currency, as well as currency exchange (conversion) transactions, may be at risk of significant revaluations and changes associated with high inflation in a particular currency and possible adverse changes in currency exchange rates.

In connection with the above, the Customer might incur losses whose amount is unlimited and cannot be fully estimated at the time of entering into the relevant Transaction due to the lack of information on the currency exchange rate fluctuations.

2.2.3. **Interest risk or interest rate risk** is the risk (possibility) of financial loss due to adverse changes in interest rates. A change in the key rate (interest rate, refinancing rate) may have an adverse effect on the market value of bonds with a fixed income, and indirectly on stock prices. Interest rate risk may arise due to a mismatch in terms of demand (repayment) of claims and liabilities, as well as the varying degree of change in interest rates on claims and liabilities.

2.2.4. **Price (market) risk** is the risk of unexpected changes in prices for financial instruments which can lead to a drop in the value of a portfolio and, as a result, to a decrease in profitability or even to direct losses. The execution of the instruction to carry the transaction in the securities market is not always possible on the conditions specified therein due to the dynamic change in the parameters of such transactions in trading systems, primarily due to price volatility.

2.2.5. **Liquidity risk** is the risk associated with the possibility of losses in the sale of Financial Assets due to a change in the assessment of their quality. For example, the risk of financial losses in the sale of securities associated with the difficulty to realize them at an affordable price, for example, with the rapid withdrawal of funds from the stock market (liquidation of the securities portfolio) when there is a decrease in demand for them.

The liquidity of the securities market is limited, and, consequently, a situation may arise where it will be impossible to execute the relevant instruction in full or even partially. Thus, not all investments can be easily liquidated (sold in the required amount and within reasonable time without loss in price) and their evaluation can be difficult. In addition, the choice of a particular type of instruction and/or its other elements would increase some risks and reduce others (for example, the choice of a limited instruction will increase the risk of its failure due to possible adverse changes in the market situation, but at the same time will limit the price risk).

2.2.6. **Issuer bankruptcy risk** is the risk associated with the possibility of the insolvency of the security issuer which will lead to a sharp fall in prices (up to a complete loss of liquidity) for such a security (in the case of shares), or to inability to repay it (in the case of debt securities) .

2.2.7. The risk of the investor’s property and legal rights being subject to misconduct of third persons including the issuer, the registrar, and other persons making up the infrastructure of the securities market.

2.3. **Risk of using information in financial markets** is the risk of financial loss associated with the use of corporate information in financial markets.

The information comes from trustworthy sources, but the accuracy and reliability of the information received cannot be guaranteed completely. Consequently, there is a risk of receiving inaccurate information, the use of which might infringe the interests of the Parties.

The parties should be aware that the information they need may come with certain delays, which can lead to an incorrect assessment of circumstances on the grounds of such information or to the impossibility of their assessment due to such a delay. Changes in previously provided information, its revision and clarification are possible, and this may lead to a forced reassessment by the Parties of circumstances whose assessment was based on such information.

2.4. **Technical (operational) risk** is the risk of direct or indirect losses due to faults in digital, electrical and other systems, or due to errors associated with imperfect market infrastructure, including technologies used for the performance of operations, management procedures, accounting and control, or due to actions (inaction) of personnel, violation of internal procedures, poor-quality or unscrupulous fulfillment of obligations by the financial market participants, brokers, infrastructure providers including the bidding process organizer, clearing institutions or banks or settlement providers, including those arising due to the frauds of the personnel or to hardware malfunctioning. This risk can prevent or complicate transactions and result in losses.

Information security risks can be singled out into a separate group of operational risks; those risks have recently become particularly acute and include components of technical, technological and personnel risks.

The functioning of the majority of traditional (involving direct contact between the seller and the buyer) and electronic instruments of exchange trading is supported by digital (computer) systems for sending instructions, their execution, verification, registration and settlement of transactions. Like all technical means and systems, they are subject to temporary disruptions and errors. Opportunities in terms of compensation for certain losses may be subject to limitations of liability imposed by sellers of such systems, exchanges, clearing houses and/or their member companies. Such restrictions may vary, so all the detailed information in this regard should be addressed to those specific companies carrying out the operations.

2.5. **Credit risk** is the risk of incurring losses due to non-performance, untimely or incomplete performance (including insolvency or insolvency of the counterparty/issuer/etc.) by another party of its obligations in accordance with the terms of the Transaction. In this situation, it is possible to enforce the execution of the Transaction; however, this will require additional time and financial costs. Credit risks include the following risks:

2.5.1. **Risk of default on bonds and other debt securities**, i.e. the possibility of insolvency of the issuer of debt securities, which will make timely and complete repayment impossible or less likely.

2.5.2. **Counterparty (third party) risk** is the risk of counterparties' default on obligations towards the Customer or the Customer's broker. Counterparty risk may be high when transactions are performed in the unorganized market without the assistance of clearing institutions that assume the risks of default.

2.6. **Profit risk** is the risk of indirect (collateral) financial damage (loss of profit) as a result of a failure to execute a Transaction or a suspension of economic activity (the Counterparty, Issuer, TS, etc.).

2.7. **Risk of electronic transactions** is the risk of losses arising due to the use of a specific electronic trading system.

Operations (transactions) performed through an electronic trading system may differ not only from conventional transactions (i.e. those involving direct contact between the seller and the buyer), but also from transactions performed through other electronic trading systems. When transactions are performed through an electronic trading system, there are risks associated with the operation of such a system, including its software and hardware. Any malfunction of the electronic system may result in an incorrect execution or non-performance of some instructions.

2.8. **Risk of commissions and fees** is the risk of financial losses associated with complete or partial lack of information about the costs associated with the implementation of operations with financial market instruments.

Before the commencement of any operations, one should take all necessary measures to get a clear idea of all commissions and other fees that will be charged. The amount of such fees may be deducted from the net profit (if any) or increase costs.

2.9. **Risk of failure to achieve investment goals** is the risk of losses arising from the failure to achieve investment goals.

There is no guarantee that the Customer will be able to preserve or increase their capital. They may lose some or all of the capital invested in certain Financial Assets.

2.10. **Risks associated with actions/inaction of third parties**: The functioning of financial markets involves the activities of a number of professional participants of the securities market and other legal entities that are third parties with respect to the Company. However, the fulfillment of obligations under the Transactions may in some cases be impossible without such third parties' performing certain legal and factual actions (for example, actions / inactions of central banks, registrars, depositories or other persons). In these cases, there is a risk of failure to timely fulfill obligations under the Transactions.

2.11. **Risk of transactions that lead to uncovered positions**: As a result of transactions that lead to an uncovered position, the above risks may increase due to the fact that the amount of the raised funds (cash and/or securities) exceeds its own funds and, in the event unfavorable changes in market price loss, can lead to complete or partial loss of the funds (assets).

Also, the Transactions that lead to an uncovered position may carry the following additional types of risks:

2.11.1. Risk of non-performance or partial performance of the Instruction for execution of Transactions leading to an uncovered position;

2.11.2. Performing a transaction leading to an uncovered position in securities (“short sale”), leads to a risk of an increase in the price of securities. The obligation to return securities is independent of changes in their value. At the same time, the current market value of securities may significantly exceed their value upon initial sale.

2.11.3. Performing a Transaction resulting in an uncovered position (“financial leverage effect”) can lead to a price risk for both assets acquired with own funds and assets that are secured by obligations for uncovered items. Thus, the value of assets at risk of adverse price changes is greater than with regular trading. Accordingly, losses can occur in large amounts compared to trading only using own funds.

For clarity, consider an example. “The effect of financial leverage” is manifested in the fact that investor losses in the event of an adverse change in prices increase faster than the fall in prices of purchased securities. If the purchased securities were 50% paid with borrowed funds (financial leverage 1:2), then in the event of a 10% reduction in prices, the investor’s losses will amount to 20% of their own invested funds. With a similar fall in prices, the loss of an investor who paid for the purchase entirely from their own funds would be 10% of the invested funds.

It will be necessary to maintain a sufficient level of collateral for uncovered positions, which under certain conditions may entail the need to enter into purchase and sale transactions regardless of the current state of market prices and thus the realization of the risk of loss of income, the risk of losing invested funds or the risk of loss exceeding the invested amount.

In the event of unfavorable price movements, the Customer’s position may be forcibly liquidated in order to maintain security, which may lead to the realization of the risk of loss of income, the risk of loss of invested funds or the risk of loss exceeding the invested amount.

2.12. **Risk of transactions on the Derivatives Market** is the risk associated with the possibility of losses on transactions with the Derivatives Market instruments (futures and options). When performing transactions in the derivatives market, the following should be kept in mind:

2.12.1. Clearing houses of the Trading Systems perform daily calculation of the variation margin in accordance with the quoted prices set on the basis of trading results. In this regard, it is possible to lose, over a relatively short period of time, all your funds deposited as collateral. On the other hand, in order to maintain a position, it may be necessary to contribute funds to cover losses on a variation margin of considerable size and in a short time. If it is not possible to deposit these additional funds within the prescribed period, the position can be forcibly closed with a loss, and responsibility for any resulting deficit remains.

2.12.2. Under certain market conditions, it can be difficult or impossible to close an opened position. This can occur, for example, when, due to the rapid movement of prices, bidding is suspended or limited.

2.12.3. An instruction aimed at limiting the losses does not necessarily limit losses, since in the current market situation it may not be possible to perform such an instruction at an agreed price.

2.12.4. It should be borne in mind that in certain instances, the following measures are possible in order to minimize the risk of default on participants in exchange trade and their customers:

2.12.4.1. The trading system has the right to forcibly close the positions of participants and their customers, to suspend or limit trading;

2.12.4.2. The broker has the right to forcibly close the positions of the Customer and their customers;

2.12.4.3. The broker has the right to instruct the Trading System to forcibly close the positions of its Customers.

At the same time, there may be a shortfall in profits or the formation of losses. In this case, lost profit or loss is not compensated.

It is also necessary to keep in mind that the quotes on the futures and options contracts market can vary significantly both during the day and from one trading day to another. In view of this, all disputes arising from trading in futures and option contracts should be resolved on the spot.

3. Risks associated with entering into contracts that are derivative financial instruments

3.1. **Risks associated with derivative financial instruments**. These tools are not suitable for all investors. Moreover, some types of derivative financial instruments carry a higher level of risk than others. Thus, when buying an option contract, the losses will not exceed the amount of the paid premium, remuneration and expenses associated with their commission. The sale of option contracts in terms of risk and the conclusion of futures contracts, forward contracts and swap contracts are comparable. With relatively small adverse price fluctuations in the market, the participant is at risk of significant losses, while in the case of selling futures and forward contracts and selling purchase options (“Call” options) damages can be unlimited. With this in mind, entering into transactions for the sale of option contracts and into futures and forward contracts can be recommended only to experienced investors with significant financial capabilities and practical knowledge in the field of investment strategies.

This declaration also applies to derivative financial instruments aimed at reducing the risks of other operations in the stock market. It is necessary to carefully evaluate how derivative financial instruments correlate with transactions whose risks are intended to limit, and make sure that the volume of positions in the derivatives market corresponds to the volume of positions in the spot market that is hedged.

3.2. **Market (price) risk**. In addition to the general market (price) risk, in the event of a transaction on the securities market, entering into futures, forward and swap contracts, as well as in the event of sale of option contracts, there will exist both the risk of adverse price changes of the financial instruments being the basic asset derivatives, and the risk of assets that serve as collateral.

In the event of an unfavorable price change, it is possible, over a relatively short period of time, to lose the funds that are the collateral of derivative financial instruments.

3.3. **Liquidity risk**. If the chosen investment strategy provides for the possibility of closing a position on the relevant contract (or concluding a deal with another contract that reduces the risk on this contract), attention should be paid to the liquidity of the relevant contracts, since closing positions on illiquid contracts can lead to significant additional losses due to their low liquidity. It should be noted that, as a rule, contracts with more distant terms of performance are less liquid compared to contracts with close terms of performance. If any concluded contract, which is a derivative financial instrument, is illiquid, and there is a need to close the position, it should be considered, in addition to closing the position on this contract, whether there are alternative options for eliminating risk by entering into transactions with other derivative financial instruments or with underlying assets. The use of alternatives can lead to smaller losses.

At the same time, difficulties in closing positions and losses in price can lead to an increase in losses compared to regular transactions.

Instructions aimed at limiting losses may not always limit losses to the expected level, since within the framework of the current market situation, the performance of such an instruction at a specified price may be impossible.

3.4. **Restriction of disposal of collateral funds**. The property (part of the property) belonging to a person due to their entering into a contract which is a derivative financial instrument, will be a guarantee of fulfillment of obligations under the contract and its disposal, that is, the possibility of making deals with it will be limited. The amount of the security will be changing in the manner prescribed by the contract (specification of the contract), and as a result they may be limited in their ability to dispose of the property to a greater extent than before entering into the contract.

3.5. **Risk of forcibly closing of a position**. An unfavorable price change may result in a need to make additional deposits in order to bring collateral into compliance with the requirements of regulatory enactments, which should be done within a short period of time which may sometimes be insufficient. In this event, the broker has the right to “forcibly close the position” without additional consent, that is, to enter into a contract which is a derivative financial instrument, or to acquire securities using available funds, or sell the existing securities. This can be done under existing prices, including unprofitable prices, and lead to losses.

Forcible closing of a position is intended for risk management. It is possible to incur significant losses, despite the fact that thereupon the change in prices for financial instruments may take a favorable direction, and an income could have been received had the position not been closed.

4. Final provisions

4.1. Considering all the above, the Customer should thoroughly read and understand this Declaration and, if necessary, get an explanation from a consultant specializing in relevant issues. The Customer should carefully consider whether the risks arising from the relevant transactions, transactions in the securities market or in the financial market are acceptable to them, taking into account the Customer’s investment goals and financial capabilities.

4.2. This Declaration is not intended to withhold the Customer from performing the above transactions, but merely aims to help them understand the risks associated with carrying out of these transactions, determine their eligibility, assess their financial goals and capabilities and responsibly approach the issue of choosing an appropriate investment strategy.