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### Introduction

THIS DOCUMENT IS PROVIDED FOR INFORMATIONAL PURPOSES ONLY AND DOES NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY ANY SECURITY OR INVESTMENT PRODUCT. THE LIQUIDSWAP (LSD) TOKEN IS NOT CLASSIFIED AS A SECURITY OR INVESTMENT PRODUCT UNDER THE LAWS OF THE BRITISH VIRGIN ISLANDS.

### No Investment Advice

THE INFORMATION CONTAINED IN THIS DOCUMENT AND ANY ACCOMPANYING MATERIALS DOES NOT CONSTITUTE INVESTMENT ADVICE, FINANCIAL ADVICE, TRADING ADVICE, OR ANY OTHER FORM OF ADVICE. PONTEM TECHNOLOGIES LTD. DOES NOT RECOMMEND THAT ANY CRYPTOCURRENCY SHOULD BE BOUGHT, SOLD, OR HELD BY YOU. YOU SHOULD CONDUCT YOUR OWN DUE DILIGENCE AND CONSULT YOUR FINANCIAL ADVISOR BEFORE MAKING ANY INVESTMENT DECISIONS.

## Risk Disclosure

### General Risks

INVESTING IN CRYPTOCURRENCIES INVOLVES SIGNIFICANT RISK AND MAY RESULT IN THE LOSS OF YOUR CAPITAL. YOU SHOULD CAREFULLY CONSIDER WHETHER TRADING OR HOLDING CRYPTOCURRENCIES IS SUITABLE FOR YOU IN LIGHT OF YOUR FINANCIAL CONDITION. THE VALUE OF LIQUIDSWAP (LSD) TOKENS CAN BE EXTREMELY VOLATILE AND MAY BE INFLUENCED BY FACTORS OUTSIDE OF OUR CONTROL, INCLUDING TECHNOLOGICAL ADVANCES, REGULATORY CHANGES, MARKET SENTIMENT, AND MACROECONOMIC FACTORS.

### Smart Contract Risks

You acknowledge and agree that smart contracts are self-executing and may contain bugs or vulnerabilities that could be exploited. This could result in unexpected outcomes, including the potential loss of your tokens.

### Regulatory Risks

You acknowledge and agree that you are responsible for complying with all applicable laws and regulations in your jurisdiction. This includes, but is not limited to, laws and regulations related to the purchase, sale, and use of cryptocurrencies, as well as any tax obligations that may arise from your transactions.

Pontem Technologies Ltd. may require you to provide additional information to ensure compliance with regulatory requirements. This information may include, but is not limited to, the following:

- You may be required to provide personal identification information such as your full name, date of birth, residential address, and a copy of a government-issued identification document (e.g., passport, driver's license), additional documentation may be requested to verify your identity, such as a utility bill or bank statement.
- If you are acting on behalf of a business entity, you may be required to provide information about the business, including its legal name, registration number, registered address, and details of its directors and beneficial owners. Documentation to verify the business's existence and operations, such as a certificate of incorporation, articles of association, and recent financial statements, may also be required.
- Other Compliance Procedures: You may be required to provide information related to the source of funds used for purchasing tokens, to ensure that the funds are not derived from illegal activities. Pontem Technologies Ltd. may conduct ongoing monitoring of your transactions and account activity to detect and prevent fraudulent or suspicious behavior. You may be required to update your information periodically to ensure that it remains accurate and up-to-date.

By agreeing to participate in the purchase or distribution of tokens, you consent to providing the requested information and cooperating with Pontem Technologies Ltd. in its efforts to comply with all applicable regulatory requirements. Failure to provide the requested information or to comply with regulatory requirements may result in restrictions on your ability to participate in the token sale or to use the services provided by Pontem Technologies Ltd.

## Protocol Risks

You acknowledge and agree that participation in the Liquidswap (LSD) token airdrop and the use of decentralized protocols involve certain risks. The following potential risks have been identified and should be carefully considered:

**Potential for Repeated Pools Creation:** There is a theoretical risk that duplicate liquidity pools could be created within decentralized protocols. This could potentially fragment liquidity, making it less efficient and possibly leading to discrepancies in asset prices across different pools. Fragmented liquidity might result in higher slippage and less favorable trading conditions for users, as well as increased complexity in managing and navigating multiple pools.

**Admin-Only Functions:** Certain sensitive operations within decentralized protocols may be managed by a single administrator account. This centralization could reduce the overall decentralization of the protocol and increase the risk if the administrator account were to be compromised. If an attacker gained control of the admin account, they could potentially execute sensitive functions, leading to unauthorized changes or malicious activities within the protocol.

**Lack of Ownership Transfer Logic:** Decentralized protocols might lack a mechanism to transfer ownership of the protocol's administrative functions. This could pose a significant risk if the owner's address were compromised or if the need arose to transfer control to another entity. Without ownership transfer logic, it could become challenging to securely and efficiently manage the protocol's governance and administrative responsibilities.

**Centralized Account Permissions:** Multiple privileged roles within decentralized protocols could be held by a single account. This centralization of permissions might increase the risk if that account were compromised. An attacker who gained access to the account with multiple privileged roles could potentially execute a wide range of sensitive operations, leading to significant security vulnerabilities and potential exploitation.

**Custom LP Tokens:** The ability to create custom liquidity provider (LP) tokens that are uncorrelated with the pool assets might introduce transparency issues. Custom LP tokens may not accurately reflect the underlying assets in the liquidity pool, leading to confusion and potential misuse. This lack of transparency could undermine trust in the protocol and complicate the management and valuation of LP tokens.

**Missing Event Emission:** Certain key administrative functions within decentralized protocols might not emit events. Event emissions are crucial for logging and tracking activities within smart contracts. The absence of event emissions could reduce the visibility of important actions on the blockchain, making it more difficult to monitor and audit transactions and activities. This lack of transparency could hinder the ability to detect and respond to unusual or malicious activities in a timely manner.

**Unexpected Pool Status:** There is a potential risk that liquidity pools within decentralized protocols could encounter unexpected statuses. This means that the state of the pool may not behave as anticipated under certain conditions, which could lead to inconsistencies and operational issues. Unexpected pool statuses could affect the reliability and predictability of the protocol, potentially impacting liquidity, asset pricing, and user experience. Such issues might be minor but could still require attention to ensure the smooth functioning of the protocol.

By participating in the Liquidswap (LSD) token distribution, you acknowledge that you have read and understood the potential risks identified above. You agree to assume all risks associated with your participation and use of the protocol. Pontem Technologies Ltd. is not responsible for any losses or damages arising from these risks.

### Third-Party Risks

You acknowledge and agree that interaction with third-party wallets or blockchain networks may introduce additional risks. These risks may include, but are not limited to, security vulnerabilities, technical failures, and compatibility issues. Pontem Technologies Ltd. is not responsible for any issues, losses, or damages arising from such interactions. You are solely responsible for ensuring that any third-party services you use are secure and reliable.

### Geolocation and VPN Restrictions

You acknowledge and agree that the use of VPNs or proxy servers to bypass geographic restrictions is prohibited and may result in disqualification from participation in the purchase or distribution of tokens.

### Tax Obligations

You are responsible for understanding the tax laws in your jurisdiction that apply to your transactions involving tokens. This may include income tax, capital gains tax, or any other applicable taxes.

You must accurately report any taxable events to the relevant tax authorities. This includes keeping detailed records of your transactions, such as purchases, sales, and exchanges of tokens.

You are responsible for calculating and paying any taxes owed based on your transactions. This includes ensuring that all taxes are paid in accordance with the deadlines set by your local tax authorities.

By participating in the purchase or distribution of tokens, you acknowledge that Pontem Technologies Ltd. is not responsible for providing tax advice or for ensuring your compliance with tax laws. You agree to take full responsibility for determining and paying any taxes owed.

## Transfer Restrictions

You acknowledge and agree that the LSD contract may include codified transfer restrictions that prevent transfers between most addresses until lifted by the community. Select addresses may be permitted to execute certain on-chain transactions under specific agreements, but recipient addresses will remain subject to these restrictions until they are officially removed.

## No Guarantees

THERE ARE NO GUARANTEES REGARDING THE FUTURE PERFORMANCE OF THE LIQUIDSWAP (LSD) TOKEN. THE TOKEN IS DESIGNED FOR USE WITHIN THE LIQUIDSWAP ECOSYSTEM AND MAY NOT HAVE VALUE OUTSIDE OF IT. THERE ARE NO GUARANTEES THAT PONTEM TECHNOLOGIES LTD. WILL SUCCEED IN ACHIEVING ITS GOALS OR THAT THE TOKEN WILL RETAIN ANY VALUE.

## No Liability

TO THE FULLEST EXTENT PERMITTED BY LAW, PONTEM TECHNOLOGIES LTD. DISCLAIMS ANY AND ALL LIABILITY FOR ANY DIRECT OR CONSEQUENTIAL LOSS OR DAMAGE OF ANY KIND ARISING DIRECTLY OR INDIRECTLY FROM RELIANCE ON ANY INFORMATION CONTAINED IN THIS DOCUMENT, ANY ERROR, OMISSION, OR INACCURACY IN ANY SUCH INFORMATION, OR ANY ACTION RESULTING FROM SUCH INFORMATION.

## Amendments

You acknowledge and agree that Pontem Technologies Ltd. reserves the right to amend this disclaimer and any other document related to the Liquidswap (LSD) token sale and distribution at any time without prior notice. Any such amendments will be posted on our official website and will take effect immediately upon posting.

## Prohibited Persons and Jurisdictions

You agree that you are not:

- a Prohibited Person. A "Prohibited Person" refers to any individual or entity that meets any of the following criteria:
  - (a) is subject to economic or trade sanctions imposed or enforced by any governmental authority, including being listed on any governmental list of prohibited or restricted parties, such as the European Union ("EU") Consolidated List of Persons, the United Kingdom ("UK") Consolidated List of Financial Sanctions Targets, the United States ("U.S.") Treasury Department's list of Specially Designated Nationals, or the U.S. Department of Commerce Denied Persons or Entity Lists;
  - (b) is located, incorporated, organized, or established in, or is a resident of any country, territory, or jurisdiction that is subject to comprehensive country-wide or regional economic sanctions or embargoes, or has been designated as "terrorist supporting" by the United Nations ("UN") or any governmental authority of the EU, UK, or U.S., including the Office of Foreign Assets Control ("OFAC") of the U.S. Treasury Department or the Office of Financial Sanctions Implementation ("OFSI") of HM Treasury of the UK (each such country, territory, or jurisdiction being a "Sanctioned Jurisdiction");
  - (c) is owned or controlled by individuals or entities described in (a) or (b); or
  - (d) is accessing or using the Services on behalf of individuals or entities described in (a) through (c).
- directly or indirectly acting on behalf of a Prohibited Person; and
- located in or accessing the Services from a Sanctioned Jurisdiction. You agree that you will not use a virtual private network ("VPN") or similar tool to circumvent any geo-blocking and/or other restrictions that we have implemented. Any such deliberate circumvention, or attempted circumvention, of our controls may permanently disqualify you from participation in the purchase or distribution of tokens, as determined at our discretion.

## Compliance with Laws

You acknowledge and agree that your participation in the purchase or distribution of tokens does not violate any applicable laws, including without limitation applicable economic and trade sanctions and export control laws and regulations, such as those administered and enforced by the EU, OFSI, OFAC, the U.S. Department of State, the U.S. Department of Commerce, the UN Security Council, and other relevant authorities.

## Legal Aspects

**Terms of Use:** You acknowledge and agree that the purchase and use of LSD tokens are subject to the terms and conditions outlined in the Token Purchase Agreement, Simple Agreement for Future Tokens and other relevant documents.

**Risk Factors:** You acknowledge and agree that the purchase of LSD tokens involves significant risk, and you should carefully consider all risks and uncertainties before making an investment decision.

**Disclaimer:** The information provided in this document is for informational purposes only and does not constitute an offer or solicitation to sell securities or tokens. You acknowledge and agree that the purchase of LSD tokens involves significant risk, and you should carefully consider all risks and uncertainties before making an investment decision. Pontem Technologies Ltd. makes no representations or warranties regarding the future performance of the token or the accuracy of the information provided in this document. By participating in the token listing, you acknowledge and agree to the terms and conditions set forth in this disclaimer and the associated documents.

**Important Notice Regarding Arbitration:** You acknowledge and agree that when you agree to purchase LSD tokens, you agree to resolve any dispute between you and Pontem Technologies Ltd. through binding, individual arbitration rather than in court.

**Liability Limitation:** To the fullest extent permitted by applicable law, you acknowledge and agree that Pontem Technologies Ltd. shall not be liable for any type of damages, whether direct, indirect, incidental, special, punitive, consequential, or exemplary, even if the company has been advised of the possibility of such damages. The limitations set forth in this section will not limit or exclude liability for fraud, bad faith, or willful misconduct.