ANNEX 3: RISK DISCLOSURE

Ithuba FinMill GmbH – Stallburg Digital Carry

Annex to the Investment Agreement | 22 July 2026 | Version 1

IMPORTANT NOTICE: The Fund invests in highly innovative crypto assets and participates in decentralised finance (DeFi). In addition to risks associated with traditional investments, new and partly unknown risks arise. Investors are explicitly advised that this is a high-risk investment and that a total loss of the invested capital is possible. This Annex does not constitute investment advice. Investment is suitable only for professional and semi-professional investors who are able and willing to bear the full loss of their investment.

1. Market & Price Risks

The following risks relate to the market value and price formation of crypto assets held by the Fund.

1.1 Market Price Risk / Price Volatility

Crypto assets exhibit extreme price volatility. The market capitalisation of crypto assets can fluctuate dramatically within short periods, resulting in significant gains or losses. The value of the Fund's assets may decline substantially at any time.

1.2 Lack of Intrinsic Value

Crypto assets do not have an intrinsic or material value (e.g. a commodity value). Their value is determined solely by market price through the forces of supply and demand. There is a risk that market prices may fall without any lower limit imposed by intrinsic value.

1.3 Market Acceptance Risk

The value of crypto assets depends significantly on their acceptance as a medium of exchange by market participants. Providers of goods and services are under no legal obligation to accept crypto assets as payment. There is a risk that crypto assets may be accepted to a lesser extent in the future, leading to a decline in value.

1.4 Market Manipulation Risk

Crypto asset markets, particularly on unregulated exchanges, may be susceptible to price manipulation by large market participants. Insider activity, wash trading, and coordinated market action may distort prices and adversely affect the Fund.

1.5 Trading Suspension / Halt Risk

Crypto assets may be subject to trading restrictions or suspensions on various trading venues, whether due to technical failures, regulatory intervention, or other reasons. If a regulatory authority prohibits trading in one or more crypto assets, the relevant exchange will cease trading in that asset. The Fund may then only be able to sell the affected assets outside organised markets, likely at substantially lower prices.

1.6 Psychological Market Risk

Crypto asset markets are strongly influenced by sentiment, social media, and herd behaviour. Speculative bubbles and sudden panic-driven sell-offs can cause rapid and severe price dislocations that do not reflect fundamental developments.

1.7 Correlation & Concentration Risk

The Fund invests exclusively in crypto assets and does not diversify across other asset classes. Crypto assets often exhibit high intra-market correlation, meaning that adverse market conditions may affect the entire portfolio simultaneously. Investors bear the risks associated with this concentration.

1.8 Stablecoin / De-Peg Risk

The Fund may hold stablecoins (e.g. USDC, USDT, or similar fiat-pegged tokens) as part of its liquidity reserve or as collateral within its investment strategy. Stablecoins are designed to maintain a fixed value relative to a reference currency but carry the risk of losing their peg due to issuer insolvency, reserve inadequacy, regulatory action, or market panic (a “de-peg event”). Historical examples include the complete collapse of TerraUSD (UST/LUNA) in May 2022 and the temporary de-peg of USDC in March 2023. A de-peg event affecting stablecoins held by the Fund may result in significant losses, impair the Fund’s liquidity reserve, and disrupt its hedging positions.

1.9 Auto-Deleveraging (ADL) Risk

An Auto-Deleveraging (ADL) event occurs when losses of insolvent market participants exceed the insurance fund of a centralised exchange, and profitable counterpositions must be forcibly closed without prior notice. For the Fund, this means that hedging positions in futures or perpetual swaps may be liquidated involuntarily, temporarily eliminating the market-neutral structure and creating unintended directional market risk exposure. This risk is particularly acute during sharp and rapid market declines when long positions of other traders are liquidated in large quantities. The premature closure of a hedge position while the underlying spot exposure remains can lead to unexpected and potentially significant losses.

2. Technology & Blockchain Risks

The operation of the Fund depends on blockchain networks and decentralised technologies that carry specific technical risks.

2.1 Software Defects / Code Errors

Crypto assets and the blockchain networks on which they operate are software-based systems and are not immune to software defects or programming errors. If such defects cannot be remedied through software updates or cooperative action by participants, losses may occur due to loss of confidence in the affected blockchain, or total losses may occur if the blockchain ceases to function entirely.

2.2 Smart Contract Risk

In the DeFi environment, the classical counterparty risk is replaced by smart contract risk. Defective or compromised smart contracts can, despite their open-source and transparent nature, lead to significant losses. The Fund addresses this risk by focusing on established, audited protocols with demonstrable security track records and by diversifying across multiple protocols and blockchain networks.

2.3 Protocol Changes / Hard Fork Risk

A hard fork is a split of a blockchain into two distinct networks. Changes to a blockchain protocol that are not backward compatible result in all users of the new software being separated from those of the outdated software. The Fund may not receive the crypto assets of the forked network if the conditions required for receipt are not met. Hard forks can also cause significant price fluctuations. The risk of not participating in airdrop events also falls within this category.

2.4 Mining / Validator Cessation Risk

The functionality of a blockchain depends materially on the willingness and ability of miners or validators to continue providing computing power for block formation. These technology operators may cease their activities due to insufficient funding, lack of market interest, or inadequate returns, which may impair or eliminate the functionality of the relevant blockchain.

2.5 Transaction Fee Risk

Many blockchains require transaction fees for transfers. If these fees rise to an unreasonably high level, or if network congestion prevents timely settlement of transactions, the economic viability of transacting in the affected crypto asset may be impaired, which could impede the Fund’s ability to execute or exit positions and lead to a decline in market price.

2.6 51% Attack / Majority Attack Risk

If miners or validators collectively control more than half of the computing or staking power of a blockchain, they may be able to determine which transactions are accepted by the network and manipulate the blockchain. Such an attack can impair or completely eliminate the functionality of the affected blockchain and lead to a collapse in market price.

2.7 Oracle Risk

DeFi protocols rely on external data feeds (oracles) to obtain real-time price information for the purposes of liquidations, collateral valuation, and settlement. If an oracle is manipulated, compromised, or temporarily unavailable, it may provide incorrect price data to a smart contract. This can trigger erroneous liquidations of the Fund’s positions, cause incorrect valuations of collateral, or enable flash-loan-based oracle manipulation attacks that extract value from liquidity pools in which the Fund participates. The Fund mitigates this risk by prioritising protocols that use decentralised, multi-source oracles (e.g. Chainlink), but residual risk cannot be fully eliminated.

2.8 DeFi Protocol Governance Risk

Many DeFi protocols are governed by decentralised autonomous organisations (DAOs) whose token holders may vote to change critical protocol parameters at any time, including liquidation thresholds, collateral factors, fee structures, supported assets, and smart contract logic. Such governance decisions can adversely affect the Fund’s open positions without any prior notice or possibility of veto. Governance processes may also be susceptible to manipulation by large token holders (“governance attacks”). The Fund has no ability to influence the governance of external protocols in which it participates.

3. Custody & Security Risks

Crypto assets are held in wallets (software and hardware) and with centralised exchanges. Each custody method carries specific risks.

3.1 Cybersecurity / Technology / Custody Risk

The technologies used for custody of crypto assets – including hardware wallets, software wallets, and institutional custody solutions – may become targets of cyberattacks or physical attacks. Even high-security custodians cannot guarantee 100% security. There is a risk that crypto assets may be lost, devalued, or rendered inaccessible due to technical failures. In such cases, total loss is possible.

3.2 Private Key / Data Loss Risk

Control over crypto asset holdings is determined by possession of the private key. Loss of this key renders the associated assets non-transferable and effectively worthless. The Fund employs safeguards against key loss, but residual risk remains.

3.3 Data Espionage / Key Theft Risk

Private keys are relatively small in data volume and represent an attractive target for cyber criminals. They may be compromised by malware in a manner similar to password theft. An attacker who obtains a private key gains full access to the associated crypto assets. Due to the fungibility of crypto assets, recovery or identification of stolen assets may be impossible.

3.4 Wallet Address Error Risk

Upon withdrawal of crypto assets to external wallets, there is a risk that wallet addresses entered may be erroneous, may not belong to the intended recipient, or may have been manipulated through malware or a hacking attack. Due to the irreversibility of blockchain transactions, incorrectly transferred assets cannot be recovered.

3.5 Exchange Custody Risk

A portion of the Fund’s crypto assets may be held at centralised exchanges for operational purposes. There is a risk of exchange insolvency, operational disruptions, or security breaches affecting assets so held. The Fund mitigates this risk through diversification across multiple regulated exchange platforms and institutional custody solutions with multi-signature procedures. However, residual risk remains.

3.6 CASP Insolvency Risk

In the event of the insolvency of a Crypto Asset Service Provider (CASP) acting as custodian, the Fund’s assets held by that CASP may be at risk. The Fund and ultimately the Investors bear any residual risk not covered by insurance or other protective mechanisms. The AIFM is not liable for the insolvency of a CASP or third parties.

4. Counterparty Risks

The Fund is exposed to counterparty risks arising from its investment strategy, trading activities, and derivative transactions.

4.1 General Counterparty Risk (Centralised Exchanges)

The investment strategy involves specific counterparty risks with respect to centralised exchanges. There is a risk of insolvency, operational disruption, or security breaches at such exchanges. The Fund limits this risk through diversification across multiple regulated exchange platforms and use of institutional custody solutions.

4.2 Basis Risk / Derivative Hedging Risk

In connection with derivative hedging transactions, liquidity bottlenecks or market disruptions may make timely adjustment of positions difficult and lead to temporary basis risks. The Fund manages these risks through continuous real-time monitoring, adequate margin buffers, and access to multiple trading venues.

5. Regulatory & Legal Risks

The regulatory environment for crypto assets and alternative investment funds is rapidly evolving and subject to material uncertainty.

5.1 Regulatory Risk (Crypto-Specific)

If governments or regulatory authorities amend existing rules, apply them differently, or introduce new regulations governing crypto assets, material changes in the value of those assets may result. Severe restrictions through state regulation or changes in the regulatory classification of crypto assets in individual countries may affect their market acceptance. Even the announcement of regulatory measures may cause market turbulence. A prohibition on trading or holding specific crypto assets may render it impossible for the Fund to sell affected assets on organised markets.

5.2 Unregulated / Inadequately Supervised Trading Venues

Many foreign crypto asset exchanges operate without, or with only limited, government supervision that is not comparable to the supervision of regulated securities exchanges. This may make such venues more susceptible to price manipulation or criminal activity, including insider trading.

5.3 Legal Uncertainty – Fund Structure & Absence of Legal Personality

The Fund does not have separate legal personality; it is constituted as a contractual joint venture under Austrian private law. Fund assets are held by the AIFM on behalf of all Investors collectively, which means that Investors rely on the AIFM’s solvency and integrity for the protection of their assets. The legal nature of Units as contractual claims (not as property rights in specific crypto assets) and the legal treatment of crypto assets in insolvency proceedings under Austrian law involve material legal uncertainty. Relevant legislation (in particular the AIFMG) does not specifically address the status of crypto assets held by an AIFM, so general principles of insolvency law apply.

5.4 MiCA Compliance Risk

The Fund is structured to be compliant with the Markets in Crypto-Assets Regulation (MiCA). Changes to MiCA or its interpretation may require adjustments to the Fund’s structure or operations. Investors have no delivery claim to crypto assets directly; their rights are limited to payment of the NAV in Euro in accordance with MiCA requirements.

5.5 Regulatory Authorisation Risk

The AIFM operates as a registered (not fully licensed) AIFM pursuant to § 1 (5) AIFMG. Loss of this registration or changes in registration requirements may impair the Fund’s ability to continue operations and may constitute a ground for extraordinary termination of the Investment Agreement.

5.6 AML / Compliance Risk

Investors are subject to ongoing AML/KYC requirements. The AIFM may compulsorily redeem Units if an Investor fails to meet these requirements, breaches the Investment Agreement, or if regulatory requirements so necessitate.

6. Insolvency & Structural Risks

The Fund's legal and structural characteristics create specific risks in the event of the insolvency of the AIFM or a service provider.

6.1 AIFM Insolvency Risk

The AIFM is the legal holder of the Fund's crypto assets. In the event of AIFM insolvency, it is uncertain whether fund assets can be effectively segregated from the AIFM's insolvency estate. The AIFMG does not contain specific provisions addressing this scenario; general Austrian insolvency law (IO) applies. There is a material risk that Investors may be treated only as ordinary insolvency creditors and may not be able to fully recover their share of Fund Assets. Investors are deemed to consciously accept this risk.

6.2 Small Fund / Operational Scale Risk

The Fund is a small structure and may have access to fewer operational and financial resources compared to larger investment funds. This may affect the quality of risk management, compliance, and operational processes.

7. Liquidity Risks

Liquidity risks relate to the ability of the Fund to meet redemption requests and to transact in its assets on reasonable terms.

7.1 Market Liquidity Risk

Crypto asset markets may become illiquid, particularly during periods of market stress. The Fund may be unable to sell positions at favourable prices or in a timely manner, which may impair the Fund's ability to meet redemption obligations and may result in losses.

7.2 Fund Liquidity / Redemption Risk

The AIFM may suspend or restrict redemptions where this appears to be in the best interests of all Investors (e.g. in the event of failure of critical service providers, technical disruptions, or extreme market conditions). Gate provisions may apply. Investors should be aware that they may not be able to realise their investment on the desired date.

7.3 DeFi Protocol Liquidity Risk

DeFi positions in liquidity pools and lending protocols involve impermanent loss and may be subject to sudden withdrawal of liquidity by other participants. Impermanent loss is automatically reflected in the Fund's valuation. Extreme market conditions may limit the Fund's ability to exit DeFi positions without incurring significant losses.

8. Operational Risks

Operational risks arise from the processes, systems, and people involved in the management of the Fund.

8.1 Key Person Risk

The Fund’s investment strategy and operations depend significantly on the capabilities and expertise of the AIFM’s management team. The loss of key personnel could adversely affect the quality of portfolio management, risk management, and technical operations.

8.2 Process & System Risk

The Fund relies on automated trading systems, risk management tools, real-time monitoring infrastructure, and third-party technology providers. Failures or disruptions in these systems may result in trading errors, delayed execution, or loss of assets.

8.3 Outsourcing Risk

Certain operational functions may be outsourced to third-party service providers. Such providers may fail to perform their obligations adequately, experience operational disruptions, or become insolvent. The AIFM is not liable for third-party failures beyond its control.

8.4 Valuation Risk

The NAV is calculated on the basis of market values. For illiquid assets or where market prices are unavailable, alternative valuation methodologies apply (e.g. use of secondary price sources, last available price, or committee valuation). These alternative valuations may not accurately reflect the actual realisable value of the assets and may differ from transaction prices achievable in the market.

8.5 Conflicts of Interest

The AIFM may engage in activities that could give rise to conflicts of interest, including acting as portfolio manager and fund administrator simultaneously, and investing in instruments in which affiliated persons hold positions. The AIFM is obliged to disclose material conflicts of interest and to manage them in the best interests of Investors.

9. Tax Risks

The tax treatment of investments in crypto assets and alternative investment funds is complex and subject to significant uncertainty.

9.1 Uncertain & Evolving Tax Treatment

The tax treatment of crypto asset investments is complex and may change retroactively or prospectively due to legislative changes, regulatory guidance, or court decisions. Investors are solely responsible for their own tax obligations arising from their investment in the Fund. The AIFM will provide information necessary for tax reporting but is not responsible for the tax consequences of any individual Investor’s investment.

9.2 International Tax Aspects

Investors may be subject to tax obligations in multiple jurisdictions in connection with their investment in the Fund. The interaction of domestic and international tax rules may result in double taxation or unexpected tax liabilities. Investors are strongly advised to seek independent tax advice before investing.

10. Strategy-Specific Risks

The following risks are specific to the Fund's delta-neutral, arbitrage-based investment strategy.

10.1 Delta-Neutral Strategy Risk

Although the Fund seeks to neutralise directional market price risk through hedging, the delta-neutral approach is not guaranteed to eliminate all market risk. Basis risks, model risks, and execution risks may result in the Fund bearing residual directional exposure, particularly during periods of extreme market stress or abnormal market conditions.

10.2 DeFi / Liquidity Provision Risk

The Fund engages in liquidity provision in decentralised exchanges and DeFi protocols. These activities are subject to impermanent loss, smart contract risk, protocol governance risk, and the risk of sudden changes in pool parameters or liquidity conditions. Positions in liquidity pools are valued at real-time market prices; impermanent loss is reflected automatically in the NAV.

10.3 Basis Risk (Cash-and-Carry / Funding Rate Strategy)

The Fund seeks to earn funding rates and carry by holding spot crypto positions offset by short derivative positions. Funding rates and basis differentials may compress, turn negative, or become volatile in ways that adversely affect the strategy's returns. There is no guarantee that positive funding rates will persist.

11. No Capital Guarantee / General Disclaimers

- There is no capital guarantee, deposit protection, or investor compensation scheme applicable to Units in the Fund.
- **Total loss of the invested capital is possible.**
- Past performance is not an indicator of future results.
- The AIFM does not assume liability for market risks or investment performance.
- Investment in the Fund is suitable only for professional and semi-professional investors who have the knowledge, experience, and financial resources to assess and bear the risks described in this Annex.
- Investors are encouraged to read the full Investment Memorandum and to seek independent legal, tax, and financial advice before investing.

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This document is confidential and intended solely for professional and semi-professional investors within the meaning of the AIFMG.