



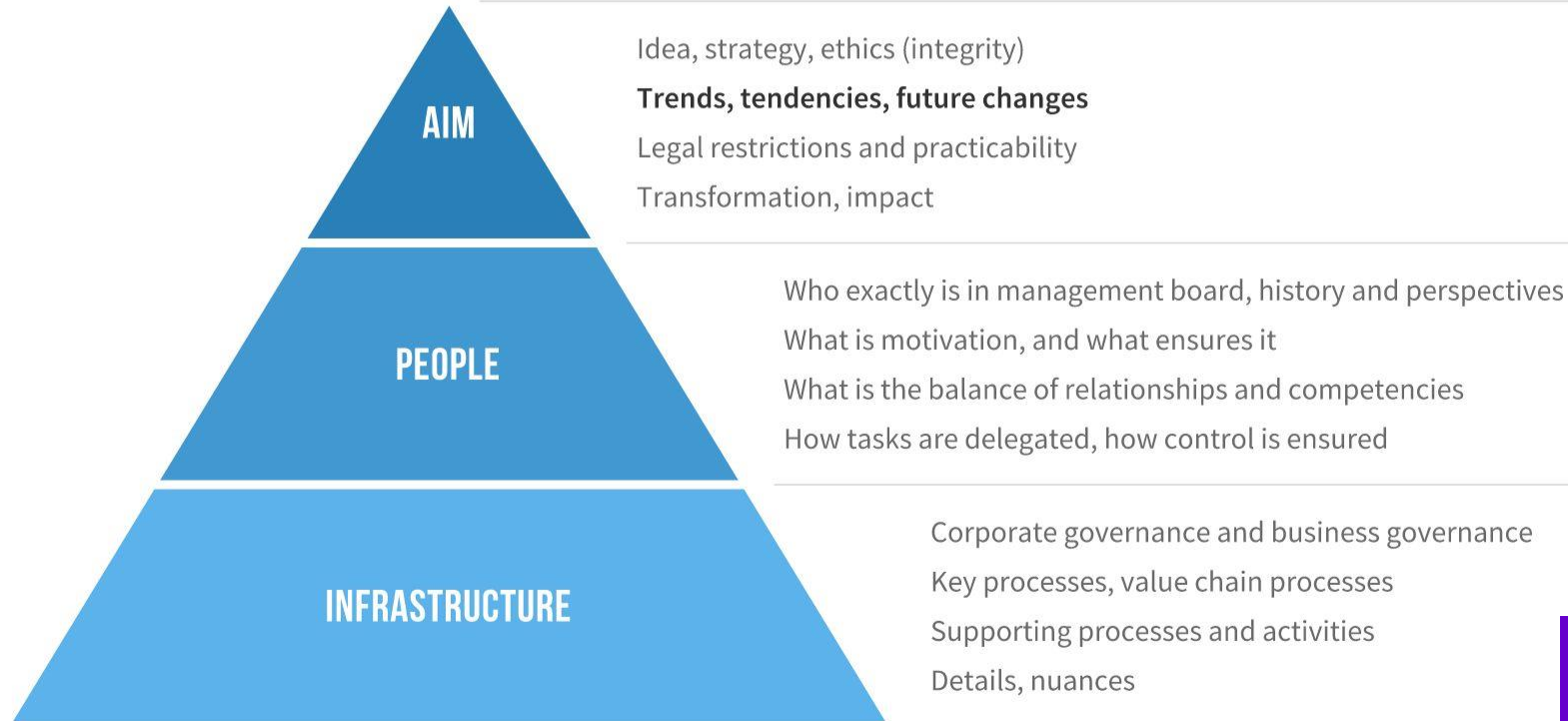
RISK ASSESSMENT OF COMPANIES ISSUING DIGITAL FINANCIAL ASSETS

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HOLISTIC APPROACH TO RISK MANAGEMENT

Integrity of the approach (the possibility of application by both investors and organizers)



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RISK ASSESSMENT OF DIGITAL FINANCIAL ASSET PROJECT ASSESSMENT

Offering co-organizer, underwriter, agent, broker, bid organizer

1. ENVIRONMENT & PRODUCT

- Acquaintance, preliminary information
- Environment & strategy
- Core product

2. APPETITE & FACTORS

- Risk appetite understanding
- Human factor consideration
- Risk factors
- Risk zones

3. RISK MEASURES

- Modeling of questions
- Review of management actions
- Residual risks

4. SCORING PLAN

- Scoring composition
- Sampling
- Collection of additional information

5. ANALYSIS

- Collateral
- Financial analysis
- Conditional testing
- Analysis of scoring results

6. COMPLETION & MONITORING

- Discussion of results
- Solutions and action plan
- Project complexity assessment
- Monitoring plan

TRENDS & CHANGES LEADING TO RISKS ON DIGITAL FINANCIAL ASSET MARKET

BIG PLAYERS & GOALS

- Bigtech and large industry companies
- Traditional financial institutions
- Entry and exit barriers
- Lobbying

STATE

- Strengthening and tightening norms
- Prohibitions and demonstrative reprisals
- Competition of jurisdictions
- Administrative means

HUMAN DESIRES & FEARS

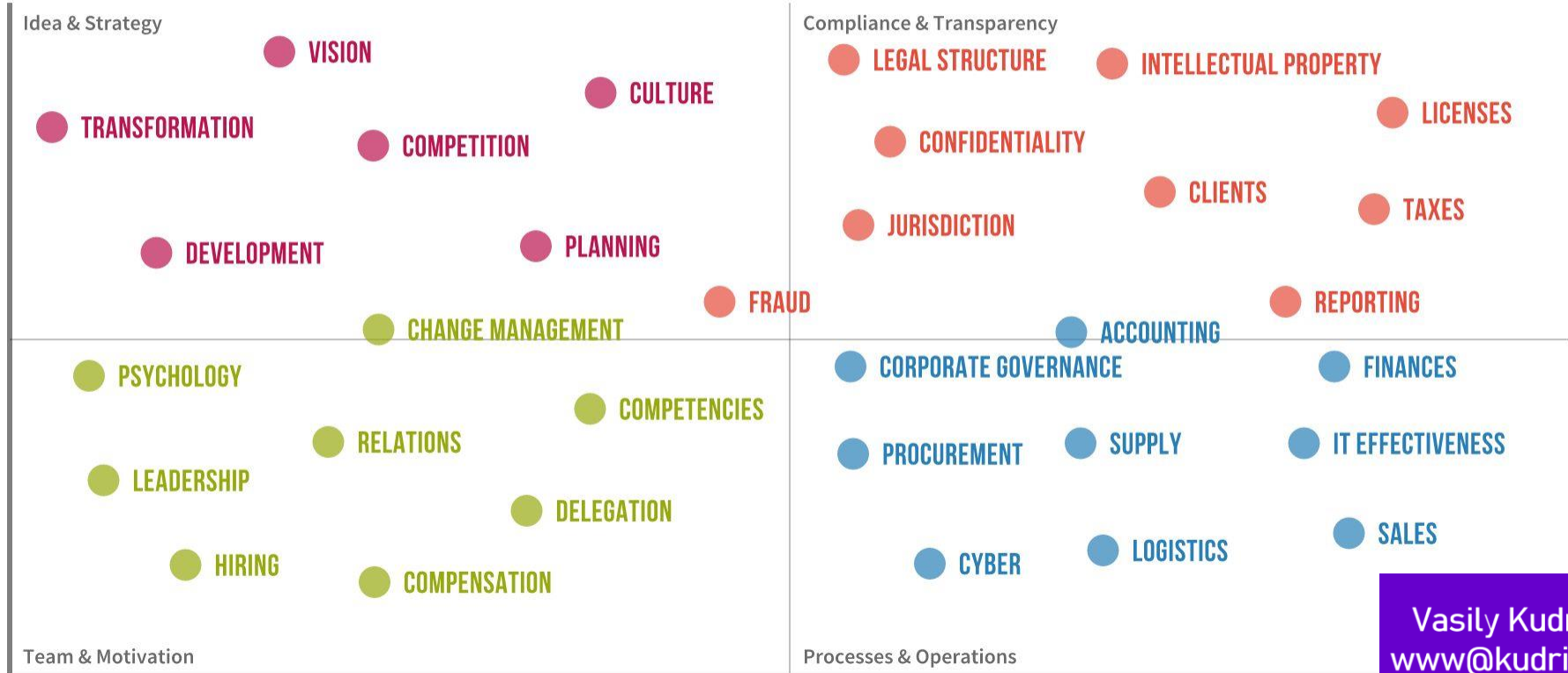
- Competency mismatch
- Greed, fears of missing out
- Loss of confidence
- Laziness, resistance to change

TECHNOLOGIES & EFFICIENCY

- New models and work approaches
- Advanced transformation technology
- Cyber risks
- Quality

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DIGITAL FINANCIAL ASSET ISSUANCE RISK CATEGORIES, HOLISTIC VIEW

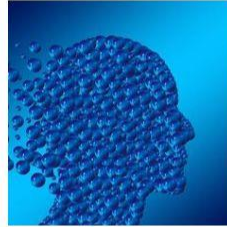


PEOPLE FACTOR



GENERAL DISCIPLINE AND DELEGATION FAILURES; TEAM PSYCHOLOGY, RELATIONSHIPS

- Leaders' behavior analysis
- Systematic discussion of goals and values inside the team
- Team environment evaluation



RECRUITMENT AND RETENTION PROBLEMS; LOSS AND DEFICIT OF COMPETENCIES

- Competency matrices
- Labor market and regulatory model analysis
- Assessment of motivational schemes
- Competency balance analysis



INTERNAL COMMUNICATION ISSUES

- Periodic staff meetings
- Information policy
- Role of each employee is fixed by agreement



INEFFECTIVE BONUS, OPTION AND SIMILAR PLANS

- Bonus and motivational compensation rules
- Benchmarking

PROCESS ORGANIZATION



INEFFICIENT ADVERTISEMENT AND MARKETING COMMUNICATION

- Marketing strategy, its periodic discussion and review
- Analysis of advertising campaign aggressiveness
- Effectiveness and efficiency test of channel utilization
- Response analysis



PRODUCT SALES NOT MEETING IMMEDIATE MARKET DEMANDS; PRICING ERRORS

- Focus groups
- Periodic analysis and testing of various forms of product presentation and implementation
- Comparison with competitor prices
- “Feedback” from groups of buyers (clients)



SUPPLY, PROCUREMENT AND INVENTORY MANAGEMENT ISSUES

- Procurement contract analysis
- List of authorized suppliers
- Procurement conflicts of interest identification
- Stock control system, turnover analysis



POOR QUALITY OF SERVICE

- Methods of getting “feedback”, quality questionnaires
- Researching expectations of current and potential customer groups
- Quality commitment policy

IT RISKS



VULNERABILITIES, CYBER RISKS

- Periodic analysis of IT systems vulnerabilities
- Cyber attack site protection
- Smart contract audit including vulnerability analysis
- Preparation of general recommendations for project (network) participants



INEFFICIENT ASSISTANCE FOR IT TASKS

- Researching the best IT solutions
- Analysis of IT costs, identification of useless purchases and implementations



CONTINUITY PROBLEMS; IT INFRASTRUCTURE RISKS

- Licensed software
- Antivirus software
- Periodic analysis and survey of employees regarding IT infrastructure effectiveness
- Emergency, continuity plans



IT SERVICE INEFFICIENCY

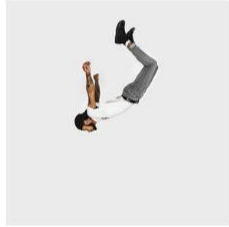
- Surveys and employee feedback questionnaires
- SLA practice
- Quality analysis of IT products, services

FINANCES



INEFFECTIVE CASH MANAGEMENT; DISTRESSED LENDING AND DEBT COLLECTION

- Weekly billing calendars
- Monthly cash flow statements
- Analysis of debts to the company and collection assurance measures



MARKET RISKS; ASSET VALUE DECREASE

- Depreciation of property
- Property use option tracking
- Recovery asset management policy and practice
- Indicators of events leading to value losses of specific types (groups) of property



PROBLEMS WITH FINANCING AND MAINTAINING THE BALANCE OF INVESTED CAPITAL RISKS

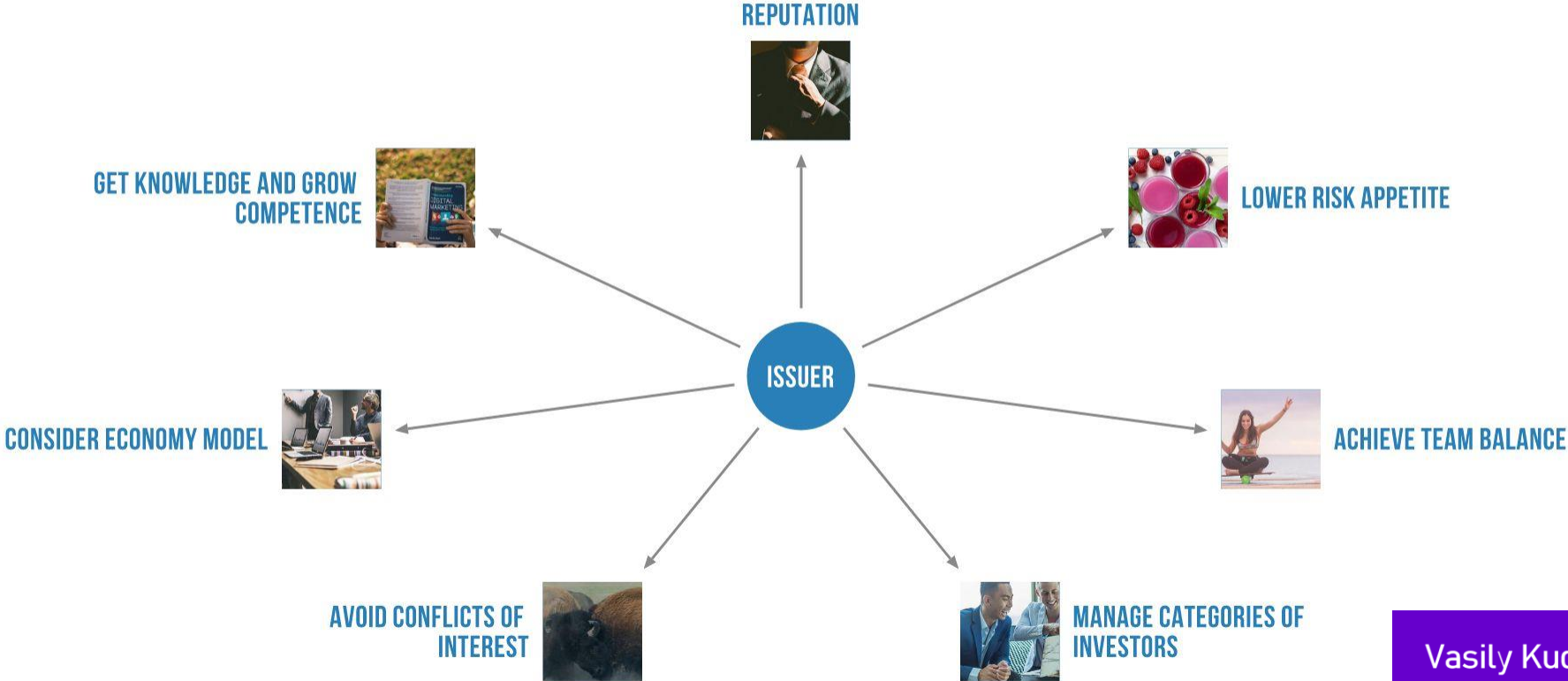
- Work planning and “feedback” review with financial institutions
- Liquidity and financial stability analysis



FINANCIAL BURDENS, LOAN PROBLEMS

- Assessment of loan commitments
- Accounts payable turnover analysis
- Financial burden tests

FOCUS IN RISK MANAGEMENT FOR DIGITAL FINANCIAL ASSET ISSUERS



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