Crypto-Assets Risk Disclosure

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CPS Europe S.A. does not provide investment, legal, tax, or financial advice unless expressly agreed in writing. Authorisation as a crypto-asset service provider under Regulation (EU) 2023/1114 (MiCAR) relates to how services are provided and does not constitute approval, endorsement or guarantee by the CSSF of any crypto-asset.

1. General Risks

Investing in or transacting with crypto-assets involves significant risks and may not be suitable for all customers. The value of crypto-assets is highly volatile and may fluctuate substantially over short periods. You may lose part or all of the value of your crypto-assets. Crypto-assets are generally not legal tender and are not backed or guaranteed by any government or central bank. Past performance is not a reliable indicator of future results.

2. No Guarantee / Compensation

Crypto-assets are not covered by investor compensation schemes or deposit guarantee schemes in Luxembourg (FGDL) or under Directive 2014/49/EU. Unlike bank deposits, they are not protected by any deposit guarantee fund. You may not be protected if something goes wrong.

3. Market and Volatility Risk

The value of crypto-assets is highly volatile and can fall as well as rise rapidly and without warning, potentially to zero. Prices may be affected by speculation, market sentiment, thin liquidity, "whale" concentration, leverage in the wider market, and events unconnected to any fundamental value. Past performance is not indicative of future results.

4. Liquidity Risk

Markets for certain crypto-assets may be illiquid or may cease to function. You may be unable to sell or transfer an asset when you wish, at the price you expect, or at all. Trading may be suspended, and in stressed conditions spreads may widen significantly.

5. Custody and Safekeeping Risk

Where we or a sub-custodian safekeep crypto-assets on your behalf, MiCAR requires segregation of client assets from our own and imposes liability rules. Nevertheless, residual risks remain, including insolvency of a custodian or sub-custodian, loss or theft of private keys, and operational errors. The legal treatment of client crypto-assets in an insolvency scenario may be untested and may differ from the treatment of cash or securities.

6. **Technology, Cyber and Operational Risk**

Crypto-assets rely on distributed ledger technology, cryptography and internet infrastructure. Risks include hacking, cyber-attacks, private-key compromise, software bugs, protocol failures, "51%" attacks, forks, chain reorganisations and validator/consensus failures. Operational disruptions, system outages or third-party (sub-custodian, exchange, platform) failures may affect the availability, transferability or value of your assets.

7. **Stablecoin / Electronic Money Token Related Risk**

Stablecoin / e-money Tokens described as "stable" (EMTs and ARTs under MiCAR) are not risk-free. Their peg depends on the adequacy, quality, liquidity, and safekeeping of reserve assets and on the issuer's ability to honour redemption at par. A token may depeg, lose value or become non-redeemable due to reserve mismanagement, market stress, a custodian default or an issuer failure.

8. **Irreversibility and Transfer Risk**

Blockchain transactions are generally irreversible once confirmed. Sending assets to an incorrect address, wrong network, or a smart contract that does not support the asset may result in permanent, unrecoverable loss. We cannot reverse, cancel or refund a validly executed on-chain transfer.

9. **Unforeseeable and Emerging Risks**

Crypto-assets form part of a relatively new and rapidly evolving industry. In addition to the risks described elsewhere in this disclosure, transacting in crypto-assets may expose you to further risks, including some that cannot reasonably be foreseen or fully described at this time. New risks may also emerge as unexpected variations, or combinations, of the risks already set out above. The absence of a specific risk from this disclosure does not mean it does not exist or cannot affect you. You should remain alert to developments in the crypto-asset market, technology and regulatory environment, and understand that CPS Europe S.A. cannot identify, quantify or protect against every possible risk.

10. **Market Abuse, Fraud and Scams**

Crypto-asset markets are susceptible to manipulation, insider dealing, "pump-and-dump" schemes, phishing and social-engineering fraud. You are responsible for safeguarding your credentials and verifying counterparties and payment instructions before transacting.

If you have any questions or doubts regarding the merits of your potential deals in crypto-Assets, you should seek the advice of an independent financial advisor.

Before using our crypto-asset services, you should carefully assess your financial situation, investment objectives, and risk tolerance, and seek independent professional advice where appropriate.