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General Risks.

- 1.1.1 All transactions involving Crypto Assets involve certain risks. In this regard, once submitted to a blockchain network, such a transaction will be unconfirmed for a period of time pending sufficient confirmation of the transaction by the blockchain network. A transaction is not complete while it is in a pending state. Any Crypto Asset transfers to and from external wallet addresses that are in a pending state will be designated accordingly, and the relevant Crypto Asset will not be included in your Crypto Asset Wallet or be available to conduct transactions. For additional risks, see Addenda 3.
- 1.1.2 The risk of loss in holding Crypto Assets can be substantial. You should, accordingly, carefully consider whether holding Crypto Assets is suitable for you in light of your financial situation and risk tolerance. In considering whether to hold Crypto Assets, you should be aware that the price or value of Crypto Assets can change rapidly, decrease, and potentially even fall to zero. Past performance is not an indicator of future performance. If you use any Crypto.com App Services which allow you and/or third parties to access and hold Crypto Asset private keys, you acknowledge that we are not responsible for safeguarding such keys and that we are not responsible for any loss of Crypto Assets resulting from theft, loss, or mishandling of Crypto Asset private keys outside our control. We are not responsible for the market of Crypto Assets, and we make no representations or warranties concerning the real or perceived value of Crypto Assets as denominated in any quoted currency. Although we may provide historical and/or real-time data regarding the price of Crypto Assets, including graphs displayed within the Crypto.com App showing the price fluctuations of Crypto Assets, such data or graphs are for reference only. We make no representations regarding the quality, suitability, veracity, usefulness, accuracy, or completeness of such data or graphs, and you should not rely on such data or graphs for any reason whatsoever. You understand and acknowledge that the value of Crypto Assets can be volatile, and you agree that we are not in any way responsible or liable for any losses you may incur by holding or trading Crypto Assets, even if the Crypto.com App Services were delayed, suspended, or interrupted for any reason.
- 1.1.3 Neither your Crypto Asset Wallet nor Fiat Wallet is a depository account. Crypto Assets held in your Crypto Asset Wallet are not eligible for coverage by the Canadian Investor Protection Fund, Canadian Deposit Insurance Corporation, or any other investor protection insurance scheme, and Foris DAX, Inc. is not a member of the Canadian Investor Protection Fund. Funds stored in your Crypto Asset Wallet does not earn any interest. Funds stored in your Fiat Wallet do not earn any interest. and are not protected by any government-backed depositor compensation, insurance or guarantee scheme, unless otherwise expressly stated.
- 1.1.4 As discussed in Section 3, we may, in our discretion, temporarily or permanently delist or restrict some or all of the functionalities (deposit, receive,

transfer, withdraw, purchase, or sell) available for any given Crypto Asset either categorically or with respect to one or more users of the Crypto.com App Services. In making such a determination, we may consider various factors, such as (but not limited to) market demand, expense, reputability, monitorability, material adverse media, legal and regulatory risk, and code usage, design, functionality, and security. In the event, see Sections 3.8.3, 3.8.4, 3.3.4, and 3.3.5 as well as other applicable sections for actions we may take in our sole discretion.

1.1.5 Neither your Crypto Asset Wallet nor Fiat Wallet is a depository account. Crypto Assets held in your Crypto Asset Wallet are not eligible for coverage by the Canadian Investor Protection Fund (“**CIPF**”), Canadian Deposit Insurance Corporation (“**CDIC**”), or any other investor protection insurance scheme, and Foris DAX, Inc. is not a member of the Canadian Investor Protection Fund (“**CIPF**”).

1.2 Crypto Asset Volatility Risks.

1.2.1 The price of Crypto Assets and Crypto Asset markets have historically been subject to significant volatility. The price and trading volume of any Crypto Asset is subject to significant uncertainty and volatility, depending on a number of factors, including but not limited to market conditions and sentiment, changes in liquidity, Forks, the activities of other market participants, general economic environment, public perception, technical and technological constraints, and regulation.

1.2.2 There is no assurance that any supported Crypto Asset will maintain its value or that there will be meaningful levels of trading activities.

1.3 Technology and Security Risks.

1.3.1 Forked Networks.

1.3.1.1 You agree and understand that the underlying protocols of the Crypto Assets’ networks are subject to Forks which are exogeneous to Crypto.com and may result in more than one version of such a network (each a “**Forked Network**”). If a Fork occurs, it may result in the creation of a new Crypto Asset (the “**New Forked Asset**”) related to an existing Crypto Asset (the “**Prior Asset**”). You further agree and understand that Forks may materially affect the value, function, and/or name, and may result in loss of control or ownership, of the Prior Assets and other Crypto Assets you hold on the Crypto.com App and that the New Forked Asset may have minimal or no value. Upon becoming aware of a Fork and to the extent that we have any rights or are able to take any action, in the event of a Fork, Crypto.com may, in our sole discretion, temporarily suspend or amend any Crypto.com App Services for an extended period of time (with or without advance notice to you) until we have determined that such functionality can be restored. We may also determine, in our sole discretion, whether or not to support the Forked Network(s), the terms on which we will support a Fork, how to apportion loss in the event of such a fork, and who should have

ownership or receive Crypto Assets and/or benefits (if any), and any other action or inaction in our sole and absolute discretion. This could occur with potentially little or no warning and your ability to use the Services or Crypto Assets may be limited and subject to the Fork. You agree that we will not be liable to you for any action or inaction we may take in response to or in connection with a Fork. In the event that Crypto.com decides not to support any such Forked Network (“**Unsupported Forked Network**”), the Crypto Assets offered by such Unsupported Forked Network will not be made available to you. Notwithstanding the foregoing, we may, in our sole discretion and subject to Applicable Law, obtain and retain the Crypto Assets offered by such Unsupported Forked Network as property belonging solely to Crypto.com. You acknowledge the risks presented by Forks and hereby accept that we have no responsibility for any losses or damage arising as a result of an Unsupported Forked Network. You understand, acknowledge and agree that you have no right, claim, or interest in, or with respect to, any New Forked Asset. If we do not support a New Forked Asset, you may not be able to withdraw or otherwise use or access the New Forked Asset promptly or at all, and you may lose any value associated with such New Forked Asset. If we determine not to support a New Forked Asset, we may, in our sole discretion, obtain and retain the New Forked Asset as property belonging to us.

1.3.1.2 WE HAVE NO CONTROL OVER, NOR DO WE HAVE THE ABILITY TO INFLUENCE, THE CREATION OR IMPLEMENTATION OF A FORK OR OF ANY NEW FORKED ASSET. WE CAN PROVIDE NO ASSURANCES ABOUT THE SECURITY, FUNCTIONALITY OR SUPPLY OF ANY CRYPTO ASSET, INCLUDING BOTH THE NEW FORKED ASSET AND THE PRIOR ASSET. YOU UNDERSTAND, ACKNOWLEDGE AND AGREE THAT WE ASSUME NO LIABILITY RELATING TO ANY CHANGE IN THE VALUE OF ANY CRYPTO ASSET (WHETHER OR NOT RESULTING FROM A FORK). YOU UNDERSTAND, ACKNOWLEDGE AND AGREE THAT A FORK COULD CONSTITUTE A FORCE MAJEURE EVENT BEYOND OUR REASONABLE CONTROL, WHICH COULD AFFECT THE VALUE OF YOUR CRYPTO ASSETS, AND THAT CRYPTO.COM DOES NOT ASSUME ANY LIABILITY FOR LOSSES RESULTING FROM SUCH EVENTS.

1.3.2 Airdrops.

1.3.2.1 In the event of an Airdrop, Crypto.com may temporarily suspend any Crypto.com App Services or any Crypto Assets for an extended period of time (with or without advance notice to you) until we have determined that such functionality can be restored. This could occur with potentially little or no warning and your ability to use the Services or Crypto Assets may be limited and subject to the Airdrop.

1.3.2.2 Upon becoming aware of an Airdrop and to the extent that we have any rights or are able to take any action, we may in our sole discretion

determine whether to credit any Crypto Assets and/or benefits received by us to a Crypto.com account or participate in an Airdrop, and upon what terms to do so, such decision regarding the Crypto Assets and/or benefits remains with us at all times. We will not be liable to you for failure to credit any Crypto Asset and/or benefits to you or participate in any Airdrop. If we do not support an Airdrop, we may claim such Airdrop and any Crypto Asset and/or benefits in relation to it, for our own benefit (unless it is unavoidable or impractical to avoid based on the means of distribution). Where due to an Airdrop, any airdropped Crypto Assets and/or benefits in respect of any Crypto Assets have been received by you directly, we may claim such airdropped Crypto Assets and/or benefits from you and you agree to return such airdropped Crypto Assets and/or benefits to us. You further agree that any Crypto Assets and/or benefits in relation to an Airdrop does not create or represent any relationship between us and the sender and/or the related Crypto Asset network, and that we are not subject to any obligations whatsoever as they relate to the sender and/or the related Crypto Asset network.

1.3.3 Other Technology and Security Risks.

- 1.3.3.1 A significant disruption in Crypto.com's products or services, in Crypto.com's information technology systems (including a system failure, outage, or interruption, both as to Crypto.com or a third-party network), or in any of the blockchain networks that Crypto.com supports, could affect your user experience and/or ability to access your account.
- 1.3.3.2 Crypto Assets built on blockchain technology were only introduced in 2008 and remain in the early stages of development. In addition, different Crypto Assets are designed for different purposes. The further growth and development of any Crypto Assets and their underlying networks is subject to a variety of factors that are difficult to evaluate.
- 1.3.3.3 There is risk of loss of Crypto Assets in the event of disruptions, hacks, forks (i.e., a split in the underlying network(s), as described more fully below), and significant attacks such as a double spend or 51% attack. You acknowledge and understand that there is risk associated with third-party cyberattacks and security breaches, as well as breaches of privacy.
- 1.3.3.4 You acknowledge that you and your Crypto Assets may be subject to scams and other types of fraud perpetrated by third parties outside of our control. It is your responsibility to beware and protect yourself against such fraud. There is a risk of loss of your Crypto Assets and other assets in the event you are subject to such fraud.
- 1.3.3.5 All blockchain transactions include data, and in some circumstances, may include personal data about you. Many blockchain technologies store transaction data publicly and permanently. When you use such technology, you are intentionally making that transaction data public and acknowledge that the data cannot be deleted, removed, or reversed due to the nature of blockchain technology.

1.4 Regulatory Risks.

- 1.4.1 We do not intend to make available through the Crypto.com App Services any Crypto Assets that are considered to be securities or derivatives under securities legislation in Canada.
- 1.4.2 However, to effect the Crypto.com App Services, we may hold Crypto Assets beneficially owned by you on your behalf through contracts, called “crypto asset contracts,” under securities legislation in Canada. These crypto asset contracts are subject to securities legislation in Canada. Because your rights to Crypto Assets beneficially owned by you are subject to crypto asset contracts, your rights are subject to the ability of Crypto.com to fulfill its obligations under those crypto asset contracts. In the event of bankruptcy, insolvency or like circumstances or other event that significantly disrupts our ability to conduct business, we may not be able to fulfill our obligations to you and your rights to access your Crypto Assets may be adversely affected.
- 1.4.3 We are subject to an extensive and highly-evolving regulatory landscape, and any changes to any laws and regulations could adversely impact our ability to offer, and your use of and access to, the Crypto.com App Services in your jurisdiction. Further, such changes could also impact your legal obligations with respect to your use of the Crypto.com App Services. To the extent that a Crypto Asset is considered to be a security and/or derivative by a binding authority, we would need to review such Crypto Asset and may be required to delist or restrict some or all of the functionalities available for any given Crypto Asset. See Section 4.1.3 for additional details.
- 1.4.4 In addition to existing laws and regulations, various governmental and regulatory bodies in Canada and in other countries may adopt new laws and regulations. The extent, scope, and effect of such new laws and regulations are difficult to predict.
- 1.4.5 Informed by this evolving regulatory landscape, we perform due diligence with respect to Crypto Assets prior to making them available through the Crypto.com App Services. Our decision on whether or not to make a Crypto Asset available is based on our review of publicly available information and other information about the Crypto Asset, including, but not limited to:
- The creation, governance, usage and design of the Crypto Asset, including issuance documents, consensus mechanisms, clearing technology, code governance and design, and code security;
 - The supply, demand, maturity, and utility of the Crypto Asset;
 - The reputability and monitorability of the Crypto Asset;
 - Material adverse media relating to the Crypto Asset; and
 - Legal and regulatory risks associated with the Crypto Asset, including whether a regulator of competent jurisdiction in Canada or the United States or other jurisdiction with which the Crypto Asset has the most significant

connection will determine that the Crypto Asset is a security or derivative based on their prior decisions.

1.5 Third-Party and Operational Risks.

- 1.5.1 We currently rely on third-party service providers for certain aspects of our operations, including payment processors, banks, and payment gateways to process transactions; cloud computing services and data centers that provide facilities, infrastructure, website functionality and access, components, and services, including databases and data center facilities and cloud computing; as well as third parties that provide certain outsourced services and functions, including safekeeping of Crypto Assets, all of which are critical to our operations. Because we rely on third parties to provide these services and to facilitate certain of our business activities, we face increased operational risks. Any interruptions in services provided by these third parties may impair our ability to support our customers and offer (or maintain) Crypto.com App Services.
- 1.5.2 We do not directly manage the operation of any of the third-party service providers we use, including their data center facilities that we use. These third parties may be subject to financial, legal, regulatory, and labor issues, cybersecurity incidents, break-ins, computer viruses, denial-of-service attacks, sabotage, acts of vandalism, privacy breaches, service terminations, disruptions, interruptions, and other misconduct. They are also vulnerable to damage or interruption from human error, power loss, telecommunications failures, fires, floods, earthquakes, hurricanes, tornadoes, pandemics (including the COVID-19 pandemic) and similar events. In addition, these third parties may breach their agreements with us, disagree with our interpretation of contract terms or applicable laws and regulations, refuse to continue or renew these agreements on commercially reasonable terms or at all, fail or refuse to process transactions or provide other services adequately, take actions that degrade the functionality of our services, impose additional costs or requirements on us or our customers, or give preferential treatment to competitors.
- 1.5.3 There can be no assurance that third parties that provide services to us or to our customers on our behalf will continue to do so on acceptable terms, or at all. If any third parties do not adequately or appropriately provide their services or perform their responsibilities to us or our customers on our behalf, such as if third-party service providers to close their data center facilities without adequate notice, are unable to restore operations and data, fail to perform as expected, or experience other unanticipated problems, we may be unable to procure alternatives in a timely and efficient manner and on acceptable terms, or at all, and our ability to offer (or maintain) Crypto.com App Services may be adversely affected.
- 1.5.4 We rely on banks and other payment processors to process customers' payments in connection with the purchase of Crypto Assets on our platform and we pay these providers fees for their services. From time to time, payment networks have increased, and may increase in the future, the interchange fees and assessments that they charge for transactions that use their networks. Payment networks have imposed, and may impose in the future, special fees on the

purchase of Crypto Assets, including on our platform, and we may be forced to pass such increases along to our customers.

1.6 Custody Risks.

1.6.1 Crypto Assets received by Crypto.com from its customers are subsequently deposited with an Affiliate of Crypto.com: Foris DAX MT Ltd. (the “**Custodian**”). The Custodian is a Class 3 Virtual Financial Assets Service Provider licensed, regulated, and supervised by the Malta Financial Services Authority as a custodian. The Custodian has significant experience and expertise with the custody of Crypto Assets and the operations of financial technology businesses, and utilizes secure service providers as part of its custodial services, including BitGo Trust Company, Ledger Enterprise, Fireblocks, and Foris DAX SG. The Custodian holds Crypto Assets in an omnibus account (or accounts) in the name of Crypto.com and Crypto.com earmarks such Crypto Assets for each respective client. The Custodian stores 100% of all Crypto Asset private keys in a combination of online and offline storage. Although Crypto Assets are generally held by the Custodian, Crypto.com has access to client Crypto Assets. Due to Crypto.com having access to client assets in the manner described above, client assets are exposed to risk of loss: (i) if there is a breakdown in Crypto.com’s information technology systems; or (ii) due to the fraud, willful or reckless misconduct, negligence or error of Crypto.com or their personnel.

1.6.2 Custody of your Crypto Assets with Crypto.com’s Custodian, rather than holding your assets in a self-hosted/private wallet, may increase certain risks. These risks include risk of loss: (i) if the Custodian becomes bankrupt or insolvent; (ii) if there is a breakdown or breach in the Custodian’s information technology systems and controls; or (iii) due to fraud, willful or reckless misconduct, negligence, or error of the Custodian or its personnel or its service providers. Crypto.com and its Custodian do not pledge, repledge, hypothecate, re-hypothecate, lend, or borrow any Crypto Assets held by the Custodian or Crypto.com.

1.7 Risks Specific to Individual Crypto Assets.

1.7.1 In addition to the risks covered in this Risk Statement and anywhere else in these Terms, each specific Crypto Asset available through the Crypto.com App Services may present distinct risks. We have prepared plain language descriptions of the Crypto Assets made available through the Crypto.com App Services, including some risks related to these individual Crypto Assets. These descriptions (each, a “**Crypto Asset Statement**”) are available [here](#). The risks attendant to any specific Crypto Asset may evolve over time. You understand, accept, and agree to assume all of the various risks involved with each Crypto Asset available via the Crypto.com App Services.

1.8 Limits of Statutory Rights of Action under Securities Laws.

1.8.1 The statutory right of action for damages and the right of rescission in section 130.1 of the *Securities Act* (Ontario) or similar statutory rights under the securities legislation in the applicable province or territory in Canada do not

apply in respect of a misrepresentation in this Risk Statement or in any Crypto Asset Statement provided in connection with use of the Crypto.com App Services.

1.9 Conflicts of Interest.

1.9.1 We have adopted policies and procedures designed to manage material conflicts of interest arising from our operations in connection with the Crypto.com App Services. We believe these policies and procedures are sufficient to identify and manage material conflicts of interest, protect our customers' interests, and to fulfill our obligations to our customers. A failure to adequately identify and manage material conflicts of interest could adversely affect your interests and could expose Crypto.com to liability, fines, reputational damage, operational risk, and other serious consequences that could affect our ability to provide the Crypto.com App Services.

1.9.2 Crypto.com has identified that potential material conflicts may arise in connection with working with affiliates to provide the Crypto.com App Services. The fiat currency you deposit with Crypto.com is deposited with Foris, Inc. (the "**MSB Affiliate**"), which is an affiliate of Crypto.com, who in turn deposits the funds with Digital Commerce Bank. The Crypto Assets you deposit with Crypto.com are held in custody by Foris DAX MT Ltd. (the "**Custodian**"), an affiliate of Crypto.com, which utilizes affiliated and unaffiliated third party technology service providers, including Foris DAX SG. In order to source liquidity for the Crypto Asset transactions available through the Crypto.com App Services, Crypto.com sources liquidity from the Custodian, which in turn sources liquidity from various unaffiliated third parties. The services provided by these affiliates are subject to contractual obligations to Crypto.com that are monitored by us with the aim of ensuring that acceptable standards of service are maintained at all times. We have implemented safeguards designed to ensure that our management and operations and the management and operations of our affiliates are operationally independent.