

Risk Disclaimer Yield Account

1. Relationship to the General- and Earn Terms and Conditions

This Risk Disclaimer Yield Account (hereafter; the Risk Disclaimer) provides you with a summary of the main risks you should take into account when deciding whether to invest, trade, lend and/or hold Crypto Assets. This Risk Disclaimer is part of the General- and Earn Terms and Conditions of Coinmerce and must be read in conjunction with both these terms and conditions and the Supplemental Information, before you can proceed with opening your Account. **Please read the entire document carefully.**

This Risk Disclaimer can be considered as a supplement or further explanation to the General- and Earn Terms and Conditions that the Client agrees to by signing the Acceptance Form, as part of the registration process, and thus forms part of the Client Agreement. Defined terms used in this Risk Disclaimer have the same meaning as the terms defined in the General Terms and Conditions.

There are significant risks associated with the use of the Account and the Services offered by Coinmerce. The Client must not use the Services as described in the General Terms and Conditions and Earn Terms and Conditions unless the Client understands the risks involved in using the Account and the Services. The Client confirms that they have acknowledged the inherent risks, understands these risks, and, if necessary, will seek additional information by contacting Coinmerce before using any Services. By agreeing to the General- and Earn Terms and Conditions, including this Risk Disclaimer, the Client represents, warrants and acknowledges that they have read, understood, and fully accepted the risks associated with the use of an Account and the Services of Coinmerce, including but not limited to the risks outlined in this Risk Disclaimer.

This Risk Disclaimer identifies the main risks associated with holding of and investing in Crypto Assets and related Services, but it is not an exhaustive list. Broadly speaking, two types of risks can be distinguished: (i) external risks associated with market participation and (ii) internal risks associated with our Service. This Risk Disclaimer will elaborate on the general risks of investing in- and holding Crypto Assets, and the specific risks that come with the Yield Account type Coinmerce is offering to its Clients.

The Statement does not disclose all of the risks or relevant considerations of opening an Account to buy, sell, store, send and receive Crypto Assets.

Crypto Assets are a highly speculative asset class, and you may lose some or all of your investment. Before you open an Account and use the Services, you need to thoroughly inform yourself and do your research to understand the associated risks. Coinmerce maintains a section of its Website dedicated to helping people educate themselves about Crypto Assets - please refer to <https://coinmerce.io/en/learn/> to learn more.

2. General Risks

2.1 Crypto Assets

In the European Union, Crypto Assets are defined as digital representations of a value or of a right that are able to be transferred and stored electronically using distributed ledger technology or a similar technology (e.g. blockchain). Crypto Assets are not recognised as legal tender in the Netherlands.

The legal definition of Crypto Assets may differ in jurisdictions or countries outside the European Union, resulting in a state of legal uncertainty. Although Coinmerce does not actively offer its services outside the EU through advertising and marketing expressions, our Website can be accessed, and our App can, in many cases, be used. However, this does not guarantee that it is legal for you to use such services from Coinmerce outside the EU. The Client is aware of this. It is the responsibility of the Client to know how Crypto Assets are treated under the laws and regulations applicable to them.

Crypto Assets differ from traditional financial instruments (e.g. shares or bonds) or fiduciary currencies (e.g. euros or dollars), as they do not have the characteristics of financial instruments and are not backed or supported by governments and/or central banks.

In contrast, Crypto Assets are supported by the underlying distributed ledger technology, are decentralised, and pseudo-anonymous. Unlike financial instruments, Crypto Assets are (largely) unregulated. The values of Crypto Assets can be highly volatile and unpredictable and may even become worthless. In cases where a central issuing entity is absent, there is no party that can take action to protect the values of Crypto Assets. With the implementation of MiCAR and the new licensing system in the EU, consumer legal protection regarding Crypto Assets and Crypto Asset Service Provision will significantly improve.

Before we provide Services with regard to a particular Crypto Asset, we review the Crypto Asset. This review process seeks to assess the legitimacy of the Crypto Asset project and whether the Crypto Asset is suitable to be included in our Service provision. You must be aware that we conduct this due diligence in our and your interest, but no rights can be derived from our decision to offer, or stop offering, Services for a certain Crypto Asset.

With regard to Crypto Assets which can be Exchanged, we provide, where possible, hyperlink(s) to any available and related Whitepaper(s) in respect of these Crypto Assets via the User Interface. It is the Client's sole responsibility to read these. Coinmerce is not responsible for the content of any related Whitepaper(s). These aspects are beyond the control of Coinmerce, and Coinmerce is not liable for any damages that may arise as a result.

Distributed Ledger Technology

Blockchain and distributed ledger technologies (DLT) are designed to offer a secure, decentralised system for recording transactions. One of the fundamental features of DLT, including blockchain, is the immutability of records. This means that once a transaction is confirmed and added to the ledger, it cannot be altered, reversed, or removed. As a result, all blockchain transactions are considered final and irreversible.

While this immutability may provide security and trust within a decentralised network, it also

introduces risks for users of such technology. If an error occurs - whether due to user mistakes, technical issues, or fraud - it may be impossible to recover funds or correct the transaction. There are no mechanisms within most blockchains to reverse a confirmed transaction, nor are there any guarantees that funds can be reclaimed once a transfer is complete. Clients are therefore strongly encouraged to verify Order details meticulously.

If an incorrect wallet address is entered due to a Client's error, this transaction is no longer correctable. Errors in provided information when using the Deposit and Withdrawal Services offered by Coinmerce to its Clients, are therefore entirely the responsibility and risk of the Client.

Limited support for airdrops, forks and voting

While Coinmerce aims to facilitate the exercise of rights attached to the Crypto Assets stored with the Foundation in the interest of Clients, there are practical limitations inherent to the nature of our business and Crypto Assets in general. These limitations can affect the full realisation of certain rights, and it is important for you to be aware of these potential constraints.

1. Airdrops and (Hard) Forks: It may not always be possible to distribute airdrops or support hard forks for every Crypto Asset. In some cases, the technical complexity or legal restrictions may prevent Coinmerce from facilitating these events. However, when it is feasible, Coinmerce will always strive to distribute airdrops or recognise hard forks on behalf of our Clients.
2. Voting on Blockchain Proposals: Coinmerce will usually not have the technical or legal ability to allow Clients to vote on governance matters or blockchain protocol upgrades. This is due to the decentralised nature of many blockchain networks and the intermediary role Coinmerce takes.

2.2 Markets in Crypto Assets

Liquidity

Coinmerce always offers an Exchange Offer to its Clients for buying, selling or swapping the available Crypto Assets on the Client's request. Under extreme or disruptive market circumstances or for less popular Crypto Assets, there may be a (complete) lack of liquidity (i.e. demand and supply in the respective Crypto Assets). As a result, it may be difficult for Coinmerce to determine a fair price (i.e. Exchange Offer), and this price formation may be effectively disrupted. Since these are automated processes within Coinmerce's Service provision, it is up to the Client to make the final decision whether they wish to accept the Exchange Offer by Coinmerce. The Client is aware and understands that because of this reason there is a risk that they may not be able to buy, swap or sell the desired volume at a reasonable Exchange Offer through the User Interface. In the case Coinmerce offers Clients an Exchange price that substantially differentiates (*exceeding 2.5%*) from the mid-price for that particular crypto asset, Coinmerce will warn the Client by displaying a warning message.

Price Volatility

Markets in Crypto Assets can be extremely volatile. Market demand, investor sentiment, changing regulations, disruptions to DLT infrastructure, forks in underlying protocols or any other factors can lead to substantial and sudden price changes, potentially resulting in a

(total) loss of value. Crypto Assets markets are open 24/7, meaning that a domino effect cannot be easily reversed. The Client must carefully assess whether they are willing to accept such price fluctuations and can financially withstand them. There is no assurance that Crypto Assets will retain their value. Therefore, money that a Client cannot afford to lose or is intended for future purposes should not be used for our Services.

Market Manipulation

While Coinmerce makes every effort to carefully select and review the Crypto Assets it offers Services for, it cannot take responsibility for any market manipulation affecting the price of Crypto Assets caused by trading behaviour or statements made by third parties, such as *pump and dump* or *trash and cash* schemes. Crypto Asset projects, in particular smaller or relatively new projects, may be fraudulent despite their popularity and can accumulate (extreme) value through disinformation (on social media). You must be thoroughly aware of the existence of this significant risk, and must understand Coinmerce has no influence on actions or omissions of third parties.

Regulatory uncertainty

The (change in) regulatory status of Crypto Assets globally may impact Crypto Asset markets, as regulation may restrict the use of Crypto Assets or otherwise influence the demand for Crypto Assets, which may in its turn affect Crypto Asset prices.

2.3 Supervision

Coinmerce is currently registered with the Dutch Central Bank (*De Nederlandsche Bank*, “**DNB**”) under the Dutch Anti-Money Laundering and Counter-Terrorist Financing Act (*Wet ter voorkoming van witwassen en financieren van terrorisme*, “**Wwft**”) and subject to integrity supervision by DNB. Coinmerce is (currently) not subject to prudential or behavioural supervision by either DNB or the Dutch Authority for the Financial Markets (*Autoriteit Financiële Markten*, “**AFM**”). Coinmerce is in the process of applying for a licence as Crypto Asset Service Provider under the Market in Crypto Assets Regulation (“**MiCAR**”). We need to have obtained this license ultimately on June 30, 2025, in order to proceed with our Services.

Coinmerce provides its Services with regard to Crypto Assets within the meaning of Article 3 of MiCAR. Coinmerce does not provide its Services with regard to securities (*effecten*) or other financial instruments or Crypto Assets that qualify as such. This means that Coinmerce is not regulated for providing any services in respect of other assets than Crypto Assets under the Dutch Financial Supervision Act (*Wet op het financieel toezicht*, “**Wft**”).

2.4 No deposit guarantee scheme or investor protection scheme

Coinmerce is not an investment firm or a credit institution within the meaning of the Wft, nor is it regulated as such. The Client's Account is neither a bank account, payment account or deposit account nor a securities account. Neither the deposit guarantee scheme (*depositogarantiestelsel*) under Directive 2014/49/EU as amended from time to time and implemented in the Wft nor the investor compensation scheme (*beleggingscompensatiestelsel*) under Directive 97/9/EC as amended from time to time and implemented in the Wft applies to the Services offered by Coinmerce via the Coinmerce User Interface. This means that neither your Funds nor your Crypto Assets are protected by these schemes. The Client is therefore at risk of losing assets and value.

2.5 Freezing or blocking your Account

Coinmerce is obliged by its registration with DNB and its future licence from the AFM under MiCAR to monitor compliance with the provisions of the Wwft and the Dutch Sanctions Act (*Sanctiewet 1977*). If Coinmerce suspects that the Client is involved in suspicious activity, Coinmerce may (be obliged to) restrict access to the Account without providing further reasons or freeze Client Assets. If the Client's Account is restricted, there is a risk that the Client may not be able to Exchange, Deposit and Withdraw Funds or Crypto Assets or otherwise use Services. This may also result in Coinmerce having to cancel pending Orders associated with the Account.

2.6 Tax Risks

Coinmerce is not (yet) required to share any Client data with the tax authorities. It is the Client's responsibility to include any assets, including Crypto Assets in their tax return. There could be a risk that previous tax assessments as far as returns and valuations of Crypto Assets are concerned are subsequently revised. Coinmerce cannot and does not accept any responsibility or liability for this and therefore recommends its Clients to seek professional external advice on this matter.

2.7 Dependency on third party IT service providers

Coinmerce relies on third-party IT service providers to support certain IT functions, including for the operation and maintenance of certain Services. While Coinmerce carefully selects these third-party IT service providers based on their reliability and security standards, using third parties introduces potential risks beyond Coinmerce's direct control. These risks may include technical malfunctions, data breaches, or service interruptions. Although Coinmerce takes reasonable precautions to ensure the third-party IT service providers meet and comply with industry accepted security standards, Clients should be aware that such risks exist and may impact the availability and security of the App, Website, User Interface, your Account and the Services.

2.8 Security of your Account (Access Credentials)

Although Coinmerce informs you about the necessity to, and provides you with recommendations to effectively do so, Clients themselves are responsible for the secure storage and management of their Account's Access Credentials, including creating and safekeeping a strong password and enabling Two-Factor Authentication (2FA).

To support Clients in maintaining the security of their Accounts, Coinmerce has implemented strong password requirements, provides information on best practices for credential security and offers 2FA as an additional layer of protection. Failure to take these security precautions by Clients may expose them to significant risks, including unauthorised access, potential loss or theft of assets and misuse of personal information. As Coinmerce cannot recover assets lost due to compromised Client Accounts, Clients must exercise vigilance and responsibility in safeguarding their Access Credentials to ensure account and asset security. If you wish to Withdraw any Crypto Assets, prior activation of 2FA is necessary before performing these Withdrawals. Withdrawals are subject to applicable daily and weekly Account Limits set for your Account.

3. Risks specific to your Account Type

Yield Account

The use of a Yield Account is subject to general risks as outlined above. These risks are inherent to, among other things, (the use of) Crypto Assets, Distributed Ledger Technology, IT systems, the App, and Website, as well as the storage and management of access credentials. **Clients with a Yield Account should be aware of these general risks, as well as the specific risks that apply to their selected Account Type, as outlined below.**

3.1. Safekeeping

Clients that select (*opt-in for*) a Yield Account, will have part of their Crypto Assets safekept in Foundation's Hot Wallets (i.e. wallets connected to the internet), to ensure liquidity and efficient processing of Client initiated Orders. This setup allows us to fulfil Withdrawal and trading needs promptly. However, please be aware that while hot wallets offer convenience, they carry inherent security risks compared to cold wallets storage (i.e. wallets not connected to the internet). Despite our rigorous security measures, Crypto Assets held in hot wallets in the name of the Foundation remain more exposed to potential cybersecurity threats.

Clients with a Yield Account provide Coinmerce with their explicit consent to instruct the Foundation to transfer a portion of their eligible Crypto Assets to Coinmerce Earn with the aim to earn Rewards (see further below under 4.4 Earn Program). This means that a portion of eligible Crypto Assets of Clients with a Yield Account may not be held on Foundation Wallets in the interest of those Clients. Instead, these Clients will have a claim against Coinmerce Earn of redelivery of the same number of the same type of Crypto Assets as lent out by such Clients to Coinmerce Earn under the Earn Program.

Clients should carefully consider this when choosing an Account Type, as the use of Hot Wallets and the Earn Program may not be suitable for those prioritising maximum security for long-term asset storage.

3.2. Exchange Services

Coinmerce also provides Exchange Services; i.e. the Exchange of Funds for Crypto Assets and of Crypto Assets for other Crypto Assets.

When using the Exchange Service, Clients always transact with Coinmerce as its sole counterparty. A Client receives an exclusive Exchange Offer from Coinmerce. This Exchange Offer is determined by Coinmerce on the basis of its Pricing Methodology. The Exchange Offer is not determined by supply and demand on an open and transparent orderbook, such as on third party multilateral trading platforms. To always offer the Client a fair Exchange Offer, Coinmerce retrieves multiple market prices from several connected liquidity providers as an indication for the desired volume and the price at which the transaction with Coinmerce should be executed.

Coinmerce then offers a weighted price at which the Client can directly buy, sell or swap from, to or with Coinmerce. This Exchange Offer, and the execution of the entire transaction, is guaranteed by Coinmerce for a period of 2 minutes. This gives the Client the opportunity to

compare prices with other Crypto Asset Service Providers or trading platforms and to make an informed decision whether to accept the Exchange Offer. Coinmerce takes on the market risks of high volatility, currency fluctuations, and insufficient liquidity during this period. This means that the counterparty for the Client when buying, selling or swapping Crypto Assets **is always Coinmerce itself**. This means that Orders of Clients are not executed on a (multilateral) trading platform or other execution venue on behalf of the Client. The Order is executed directly with Coinmerce resulting in an Exchange.

In this way, the Client is not taken by surprise by unexpected price fluctuations, partially executed Orders, or potential additional costs, such as price slippage during the 2 minute validity period or gas (*network*) fees that could be applicable in decentralised finance protocols. The Exchange Offer provided by Coinmerce to the Client entails a guaranteed Exchange price, with the Exchange fee explicitly mentioned. **This price may significantly exceed or fall below the best price** that could potentially be achieved on (a particular) international trading platform(s) at that moment.

3.3. Counterparty Risk for Exchange Services

An Exchange, as initiated by the Client by submitting an Order, is always executed by Coinmerce as the Client's sole counterparty. Clients, therefore, Buy from, Swap with or Sell Crypto Assets to Coinmerce. To settle the Exchange, deliveries and payments need to be made between both parties. Immediately after the Exchange, the corresponding debit and credit mutations are made in the records of the registers of positions. Final on-chain settlement takes place at least once every 24 hours, or more often depending on the market conditions. During this period between the Exchange and the final settlement, the newly acquired Crypto Assets or Funds may not yet have Transferred by Coinmerce to the Foundation (acting in the interest of the Clients) and *vice versa* . As a result, the Client faces a counterparty risk of up to 24 hours following the Exchange. **In the event of an unexpected Coinmerce bankruptcy, the Client may not be able to claim the newly acquired Crypto Assets.**

3.4. Earn Program

Coinmerce offers its Clients of the Yield Account Yield Services under the Earn Program. These Yield Services enable Clients with a Yield Account to Lend Out a portion of eligible Crypto Assets to Coinmerce Earn in order to earn Rewards on these Crypto Assets. Coinmerce Earn borrows the Crypto Assets from the Client for the purpose of generating yield. This is done through **1. On-Lending** to vetted third party borrowers - Lending Partners-, and **2. Staking of suitable Crypto Assets via its Staking Partners.**

Participation in the Earn Program means that a portion of eligible Client's Crypto Assets are lent out to Coinmerce Earn for Staking and On-Lending to third party borrowers. In return, Clients receive compensation in the form of Rewards. By participating in the Earn Program, there is a **risk that a third party involved in the lending process may become insolvent**, fail to achieve the intended return or suffer losses itself. **This may result in the Client losing (part of) the Earn Program Crypto Assets** under the Earn Program if Coinmerce Earn subsequently cannot satisfy its redelivery obligations to the Clients and Coinmerce can not be held responsible for or is not able to cover the loss under the guarantee it provides to Clients participating in the Earn Program.

The selection of counterparties for On-Lending and Staking, day-to-day risk management and counterparty diversification, as well as maintaining sufficient crypto asset balances for early redelivery requests by Clients, are the responsibilities of Coinmerce Earn.

3.5 Activities of Coinmerce Earn

3.5.1 Staking

While it is possible to earn rewards through the “Staking” of Crypto Assets, there is also a risk of possible loss of value. So-called **slashing events** may occur if a new block is invalidated based on the Proof of Stake consensus mechanism. **This may result in Coinmerce Earn losing some, or even all, of the Staked Crypto Assets** that have been used for Staking purposes. The counterparties selected by Coinmerce Earn, which provide validator services, have all taken out insurance against these “slashing events.” Although the Crypto Assets themselves may be temporarily unavailable, Coinmerce Earn will be compensated for any loss resulting from this through this insurance coverage. Coinmerce Earn will have the obligation to redeliver borrowed Crypto Assets that have been used for Staking to you, regardless of the occurrence of any slashing event.

3.5.2 On-Lending

On-Lending is the process of the lending out of Earn Program Crypto Assets by Coinmerce Earn to vetted third party borrowers at its full discretion. These third party borrowers may default and may not be able to return part or all Crypto Assets that are on-lent by Coinmerce Earn. A default of a third party borrower could also lead to loss of the Earn Program Crypto Assets of a Client if Coinmerce Earn subsequently cannot satisfy its redelivery obligations to the Clients.

With regard to On-Lending, Coinmerce Earn in close collaboration with Coinmerce mitigates associated risks through a series of structured risk management practices. These practices include assessing each counterparty’s creditworthiness, requiring the third-party borrower to pose adequate collateral where appropriate, continuously monitoring for early signs of default or insolvency, diversifying counterparties, and establishing recovery procedures to protect Crypto Assets in case of a default or insolvency.

Coinmerce Earn will cover any loss resulting from the insolvency of a third-party borrower. In the situation where Coinmerce Earn is not in a position to redeliver Crypto Assets to a Client on the Client’s request, Coinmerce bears accountability for the redelivery of the lent Crypto Assets under its Redelivery Guarantee. The Client can only no longer claim their Crypto -Assets if the borrowing counterparty, Coinmerce Earn and Coinmerce itself are unable to meet their obligations, or when the borrowing counterparty and Coinmerce Earn are unable to meet their obligations, and Coinmerce can under the given circumstances not be held liable for the loss (see 3.6 Limitations on the Coinmerce’ Redelivery Guarantee below). In that case, the Client may lose all or part of its Earn Program Crypto Assets.

3.6 Limitations on the Coinmerce’ Redelivery Guarantee

Clients that opt-in for a Yield Account need to acknowledge and understand the following risks associated with lending their Crypto Assets, and that under the circumstances

described below Coinmerce is not liable under its guarantee to redeliver Earn Program Crypto Assets (or its monetary value) in case of a Coinmerce Earn redelivery default, as these circumstances are deemed to fall outside of the reasonable control of Coinmerce, Coinmerce Earn, and its counterparties and/or respective partners:

3.6.1 Cybersecurity Risks

Despite robust security measures, the crypto assets market remains susceptible to cyberattacks and exploits. While Coinmerce and Coinmerce Earn employ industry-standard security protocols, and require, so far reasonably possible, its counterparties and partners to do so as well, there is always a risk of loss due to unforeseen vulnerabilities or breaches, and Coinmerce cannot be held liable for losses resulting from such events beyond its reasonable control.

3.6.2 Force Majeure Events

Coinmerce shall not be liable for any failure or delay in the performance of its obligations under the Earn Terms and Conditions arising from any cause beyond its reasonable control, including but not limited to acts of God, natural disasters, war, terrorism, civil unrest, or government regulations, and any such events affecting Coinmerce Earn, its counterparties and/or their respective partners.

3.6.3 Regulatory Changes or Intervention

Changes in regulations or direct intervention by regulatory bodies could impact the operation of Coinmerce, Coinmerce Earn, its counterparties and/or respective partners, potentially affecting the accessibility or redelivery of Client Crypto Assets. Coinmerce is not liable for losses or delays caused by such regulatory actions beyond its reasonable control.

3.6.4 Systemic Risks

The cryptocurrency ecosystem is interconnected, and systemic risks, such as the collapse of a major trading platform or the de-pegging of a widely adopted stablecoin, can have cascading effects, potentially severely impacting the availability and value of Crypto Assets and the potential for Coinmerce Earn to redeliver these upon the Client's request. Coinmerce itself cannot be held liable for losses arising from such systemic risks, as they are deemed beyond our reasonable control.

Clients are strongly advised to carefully consider these risks and their own risk tolerance before opting-in for a Yield Account. We strive to mitigate these risks through robust

security measures, careful counterparty and partner selection, and ongoing monitoring of market conditions, but cannot foresee or eliminate them entirely and can not be held liable for losses beyond our reasonable control. The responsibility for understanding and accepting these risks ultimately lies with you as the Client.

3.7 Limitations on the Guarantee Amount of the Coinmerce' Redelivery Guarantee

Coinmerce offers a redelivery guarantee for crypto assets lent to Coinmerce Earn under the Earn Program. It's important to understand that this guarantee has a financial limit. In situations where Coinmerce Earn experiences losses that prevent the return of your assets at your request, Coinmerce will guarantee the redelivery of those assets or their monetary value. However, the amount paid out under this guarantee is limited to the total amount of

Earn Program fees accrued by Coinmerce, with a floor amount (a minimum) of €5.000.000. Therefore, participating in the Earn Program involves the risk that, in adverse circumstances, you may not be fully compensated for any losses incurred.

4. Concluding Remarks

Clients should carefully consider for themselves whether their (financial) situation and their risk tolerance fit the Services offered by Coinmerce. The use of the Services offered is and remains at the expense and risk of the Client.

For more information, please refer to the [General Terms and Conditions](#), [Earn Terms and Conditions](#), and the Supplemental Information.