

Risk Disclosure

Last Update: 20 March 2025

Risks of investment in crypto-assets

In line with our commitments to compliance and user protection, this risk statement provides you with a general description of the key risks that may arise when you use the exotime.com services. This risk statement does not explain all of the risks or how such risks relate to your personal circumstances. It is important that you fully understand the risks involved before making a decision to use the exotime.com services and you should also acknowledge and agree to the relevant terms applicable to the specific service. Investments in crypto-assets can be complex, making it difficult to understand the risks associated with the investment. You should do your own research before investing.

What are the key risks?

1. Investment risk

- **High volatility:** The performance of most crypto-assets can be highly volatile, with their value dropping as quickly as it can rise. You should be prepared for their volatility.
- **Early stage investment:** Investments in early-stage projects involve a high level of risk, so it is necessary to properly understand their business model. Past performance is not a reliable indicator of future performance.
- **No protection:** Crypto-assets are not covered by client protection mechanisms such as the Deposit Guarantee Fund or the Investor Guarantee Fund.
- **Supply and demand:** There is no guarantee that investments in crypto-assets can be easily sold at any given time. The ability to sell a crypto-asset depends on various factors, including the supply and demand in the market at that time.
- **Stablecoins:** In addition to these general risks, investing in certain types of crypto-assets may bear specific risks. For example, e-money tokens and asset referenced tokens entail specific risks different to those of other crypto-assets.
- **Currency risk:** Some e-money tokens are denominated in US Dollars. If you are trading using a different fiat currency (eg. USDC:GBP), then you may be exposed to changes in the US Dollar exchange rate.
- **Monitoring:** Crypto-asset markets are open 24 hours a day, 7 days a week. Rapid price changes may occur at any time, including outside of normal business hours.

2. Technology risks

- **DLT:** Distributed ledger technologies are still in an early stage of development as many of these networks have been created very recently, so they may not be sufficiently tested and there may be failures in their operation and security.
- **Public ledgers:** The registration of transactions in networks based on distributed ledger technologies is carried out through consensus protocols that may be susceptible to attacks that attempt to modify the register. If they were to be successful there would be no alternative register that backs up the transactions and hence the balances corresponding to the public keys and therefore all the crypto-assets could be lost.
- **Private keys:** The anonymity that crypto-assets can make them a target for cyber criminals, since if credentials or private keys are stolen the crypto-assets may be transferred to addresses that make their recovery difficult or impossible.
- **Hard fork:** A hard fork may occur if developers suggest changes to a particular blockchain network and the updated software is not compatible with the original software and a sufficient number (but not necessarily a majority) of nodes and validators elect not to migrate to the updated software. This would result in two versions of the blockchain network running in parallel and a split of the blockchain network, which could impact the demand of the crypto-asset and adversely impact the price of the crypto-asset.
- **51% attack:** If anyone gains control of over 51% of the computing power (hash rate) used by a blockchain network, they could use their majority share to double spend their crypto-assets. Whilst the risk of this occurring for blockchain networks with wider adoption is remote, if such a “51% attack” were to be successful, this would significantly erode trust in such blockchain networks to store value and serve as a means of exchange, which may significantly decrease the value of cryptoassets.

3. Legal risks

- **Crypto-assets as means of exchange:** There is no obligation to accept cryptoassets as means of exchange.
- **Outsourcing:** Ex On Time Limited applies strict outsourcing criteria pursuant to MiCA, and maintains control and audit rights at all times over outsourced services. You will always be able to claim liability of any outsourced services against Ex On Time Limited. You can purchase crypto-assets from Ex On Time Limited following the terms and conditions and the price acceptance requirements.
- **Issuer risk:** Take into account that not all crypto-assets have an identifiable issuer. Ex On Time will provide you a link to the crypto-asset white paper of the cryptoassets offered, as long as available.
- **No tax or legal advice:** Investing, trading or purchasing crypto-assets may be subject to taxes or reporting obligations. You have sole responsibility for determining what taxes you might be liable to, how and when they apply, and meeting such tax obligations. Ex On Time Limited does not provide legal or tax

advice in relation to the services. If you have any doubts about your tax status or obligations when using the services you are encouraged to seek independent advice.

- **Decentralization:** Most crypto-assets operate without a central authority and are generally not backed by any government or authority. Changes in laws and regulations may materially affect the value of crypto-assets.

4. **Counterparty risks**

- **Counterparty default:** You may be exposed to counterparty risk in various circumstances when using the exontime.com services. This may include, without limitation, failures by or disputes with payment processors which may delay deposit and withdrawal transactions; or borrowers defaulting on their repayment obligations which may delay the redemption of deposits from certain products.
- **Liquidity:** Crypto-asset prices on the secondary market are driven by supply and demand and may be highly volatile. Crypto-assets may have limited liquidity which may make it difficult or impossible for you to sell or exit a position when you wish to do so. This may occur at any time, including at times of rapid price movements.
- **Information:** Users are responsible for informing themselves about, and observing any restrictions and/or requirements imposed with respect to, the access to and use of the exontime.com services in each jurisdiction. Ex On Time Limited reserves the right to modify such restrictions or impose additional restrictions with respect to the access to and use of the exontime.com services from time to time in its sole discretion without notification.
- **Third parties:** Third parties, such as payment providers, custodians, and banking partners may be involved in the provision of services. You may be subject to the terms & conditions of these third parties. Unless expressly provided otherwise, exontime.com will not be responsible for any loss that may be incurred by you as a result of or arising from the services provided by such third parties.