

## **CoinGate Risk Disclosure**

UAB Decentralized, operating under the name CoinGate, is authorised as a Crypto-Asset Service Provider (CASP) under Regulation (EU) 2023/1114 (MiCA). This authorisation allows CoinGate to provide regulated crypto-asset services across the European Economic Area (EEA) under a unified legal framework.

This Risk Disclosure Statement is provided in accordance with Article 66 of MiCA and outlines, on a non-exhaustive basis, the key risks associated with buying, selling, or holding crypto-assets through CoinGate.

Crypto-assets are high-risk products. Before using CoinGate's services, you should carefully assess whether crypto-asset transactions are suitable for your business, taking into account your financial situation, experience, and risk tolerance.

### **Volatility and Loss Risk**

The value of crypto-assets is highly volatile and may fluctuate sharply over short periods. Such unpredictable price movements can lead to partial or total losses. The value of a crypto-asset may be affected by a variety of global factors beyond CoinGate's control, including market demand and liquidity conditions, regulatory or governmental actions, changes in laws, technical or protocol developments, economic conditions, political events, or shifts in public perception. As a result, the value of crypto-assets received, held, or used for payment transactions may decline rapidly, and you could incur significant losses.

### **Liquidity and Market Risk**

Crypto-asset markets operate 24/7 and may experience periods of low liquidity or limited market depth. You may not always be able to buy, sell, or convert crypto-assets at your desired prices, particularly during periods of market stress, high volatility, or low trading activity. Sudden changes in market sentiment, regulatory developments, or other external events can lead to sharp price movements, and in extreme conditions, it may be difficult to liquidate a position without incurring substantial loss.

Stablecoins are designed to maintain a stable value relative to a fiat currency or other assets. You should be aware that CoinGate does not guarantee that any stablecoin will maintain its intended value. The stability of such assets is entirely dependent on the actions and collateralization reserves of the third-party issuer, which are beyond CoinGate's control. In the event of an issuer's failure, loss of reserves, or a loss of market confidence, stablecoins may experience extreme volatility or lose their value entirely.

## **Payment and Settlement Risk**

Crypto-asset payment transactions differ from traditional financial transactions. Blockchain-based transactions are generally irreversible, and payments sent to incorrect wallet addresses or executed in error may not be recoverable. Transaction processing may also be delayed due to network congestion, technical issues, or outages affecting underlying blockchain networks.

## **Fraud Risk**

Crypto-assets are vulnerable to fraud and theft, similar to other digital and financial assets. Phishing attacks, scams, spoofed websites, social engineering, or attacks on technological infrastructure may result in irreversible loss. Transactions sent to incorrect, fraudulent, or unknown wallet addresses are typically irreversible and may result in permanent loss.

## **Regulatory Risk**

As a licensed CASP under the Markets in Crypto-Assets Regulation (EU) 2023/1114 (MiCAR), CoinGate's service scope and compliance obligations are subject to ongoing updates. These standards are continuously refined through delegated acts and technical standards (RTS/ITS) issued by the European Commission, alongside supervisory guidance from ESMA and the EBA. Such changes may increase the costs of operating our business, reduce the attractiveness of crypto-asset investments, or restrict our ability to offer certain services in your jurisdiction. CoinGate strives to remain fully compliant, but regulatory changes or government actions beyond our control might affect your holdings or transactions (for example, through taxation, restrictions, or in extreme cases, mandated cessation of certain activities).

## **Operational and Cybersecurity Risk**

Crypto-asset services rely on complex technical systems and infrastructure that may be subject to operational failures, cyber-attacks, software vulnerabilities, or system outages. Although CoinGate implements security measures and controls, no system is completely immune to failure, and disruptions may result in delays, errors, or loss of access to crypto-assets.

## **Third-Party Risk**

CoinGate may rely on third-party service providers, including blockchain networks, payment infrastructure providers, or liquidity partners. CoinGate does not control these

third parties, and failures, disruptions, or security incidents affecting them may impact the availability or execution of crypto-asset services.

## **Taxation Risk**

The tax treatment of crypto-assets is complex and can vary significantly depending on your jurisdiction and the nature of your transactions. You should be aware that tax laws and the interpretation of existing regulations concerning crypto-assets are subject to frequent changes. Future legislation could impose new tax obligations or reporting requirements retroactively, potentially affecting the net value of your holdings. In accordance with EU Directive 2023/2226 (DAC8), CoinGate and other licensed CASPs are required to collect and report information on your transactions to national tax authorities starting in 2026. This information will be automatically exchanged with the tax authorities of your country of residence.

## **No Insurance or Guarantee**

Crypto-assets held with CoinGate are not protected by any government insurance, state compensation scheme, or private insurance. Crypto-asset accounts and e-money accounts with the Company are not bank accounts. While we safeguard client funds as required by law, this does not equate to a bank deposit guarantee. In the event of insolvency, hacks, or other loss events, you may have no statutory guarantee of recovery. Use of our services is at the user's own risk, and you should only invest funds that you can afford to lose.

## **No Investment, Legal, or Tax Advice**

CoinGate provides crypto-asset payment services only and does not provide investment, legal, or tax advice. Any information made available through CoinGate's services is for general informational purposes and should not be interpreted as a recommendation to buy, sell, or hold crypto-assets

## **Personal Responsibility and Security Collaboration**

You are responsible for the diligent safeguarding of your account credentials, private keys, and authentication devices. To maintain a secure environment, you must implement robust security measures, such as two-factor authentication (2FA), and ensure that access to your crypto-asset wallets is never shared.

While users must act with reasonable care, CoinGate is committed to supporting your security through advanced fraud detection and proactive monitoring. In the event of potential fraud or security breaches, CoinGate will provide active assistance, including

account suspension and investigative support, to help mitigate and recover from unauthorized activity.

## **Final Notice**

This Risk Disclosure Statement does not cover all possible risks. You should conduct your own assessment and ensure that the use of crypto-asset services aligns with your risk tolerance and financial situation. If you are unsure about any aspect of crypto-asset services, you should seek independent professional advice before proceeding. By using UAB Decentralized's, operating under the name CoinGate, services, you acknowledge and accept the above risks.