## **Crypto Asset Risk Warning**

## High-Risk Investment Product

The value of investments and the performance derived from them can experience significant fluctuations, both upwards and downwards, with the possibility of losing the entire amount invested.

Investments in early-stage projects carry a high level of risk, so it is necessary to properly understand their business model.

Crypto assets within the scope of Circular 1/2022, of January 10, by the National Securities Market Commission (CNMV) are not covered by client protection mechanisms such as the Deposit Guarantee Fund or the Investors Guarantee Fund.

The prices of crypto assets are established in the absence of mechanisms that ensure their correct formation, such as those present in regulated securities markets.

Many crypto assets may lack the necessary liquidity to be able to undo an investment without incurring significant losses, given that their circulation among investors, both retail and professional, can be very limited.

## Technology-Specific Risks

Distributed ledger technologies are still in an early stage of maturity, with many of these networks having been created recently, so they may not be sufficiently tested and there may be significant flaws in their operation and security.

The recording of transactions on networks based on distributed ledger technologies operates through consensus protocols that may be susceptible to attacks attempting to modify such records, and in the event of these attacks being successful, there would be no alternative record to support such transactions or the balances corresponding to the public keys, leading to the total loss of the crypto assets.

The anonymity features that crypto assets can provide make them a target for cybercriminals, as in the case of stealing credentials or private keys, they can transfer the crypto assets to addresses that make recovery difficult or impossible. Self-custody of crypto assets entails a very significant responsibility since they can be totally lost in the case of theft or loss of private keys.

Cryptopocket does not provide Crypto Asset wallets, nor does it host wallets or is it a custodian of funds or assets.

**Legal** Risks

The acceptance of crypto assets as a means of exchange is still very limited, and there is no legal obligation to accept them.

The service provider Fintech Payments, S.L. (trading as "Cryptopocket", with tax ID B-88524293) is registered and based at Calle Núñez de Balboa 121, 1ºA, 28006 Madrid, Spain, a territory of the European Union. It should be noted that in the event that the service

provider is outside the European Union, resolving any dispute may be costly and fall outside the jurisdiction of the Spanish authorities.

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