

Risk Statement

Using Decubate's Launchpad involves several key risks that investors should carefully consider. This disclosure outlines major risk factors in a clear, neutral manner to inform investment decisions. **It does not provide financial advice**, but rather highlights areas of potential concern so that investors can make informed choices in line with transparency and regulatory expectations.

Transactions in crypto-assets involve significant risk and may not be suitable for all investors. Before trading, please consider the risks below:

1. Market Volatility Risk

Cryptocurrency markets are highly volatile, meaning the value of tokens can rise or fall dramatically over short periods. Investors using Decubate's launchpad could experience significant price swings in their holdings due to broader market sentiment, project news, or macroeconomic factors. It is common for crypto-assets to lose a large portion of their value rapidly; in extreme cases, an investment may even drop to zero. Limited liquidity in certain tokens can exacerbate this volatility – for example, if you want to sell a large amount of a token, there may not be enough buyers at a stable price, causing you to accept a much lower price or face delays.

Because of this volatility, participating in token sales or holding tokens through Decubate's platform carries the risk that your investment's value can fluctuate widely. Even if a token's fundamentals are strong, external market forces might drive its price down significantly. Investors should be prepared for sudden and substantial changes in token valuations and understand that market conditions can result in partial or total loss of invested capital.

2. Market Manipulation Risk

Crypto markets are not only volatile but can also be influenced by unfair market practices. Market manipulation – such as coordinated pump-and-dump schemes, fake buy/sell orders (spoofing), or insider trading – can distort the natural price of a token. Such manipulation can artificially inflate or deflate demand, leading investors to make decisions based on misleading market signals. On Decubate's launchpad, even thoroughly vetted projects can be affected by wider market manipulation on exchanges or trading platforms where their tokens eventually trade. This could result in investors seeing unexpected price crashes or spikes unrelated to the project's actual performance.

These manipulative practices can cause significant losses for investors, even if the project itself is sound. For instance, a token might be deliberately pumped to a high price and then dumped by malicious actors, leaving regular investors with heavy losses when the price collapses. Although Decubate's platform emphasizes transparency, it cannot shield investors from broader market

manipulation once tokens are trading freely. Participants should be aware that crypto markets lack some of the controls present in traditional markets, which means prices may be more easily swayed by bad actors.

3. Operational and Technical Risk

Using Decubate's platform involves reliance on complex technology, including web interfaces, smart contracts, and underlying blockchain networks (Binance Smart Chain, Ethereum, and others). Operational risks can arise if the platform's infrastructure encounters technical failures, software bugs, or other glitches. For example, a malfunction in the Launchpad software or a smart contract error could disrupt a token sale or delay token distribution. In a worst-case scenario, technical failures might lead to transactions being executed incorrectly or not at all, potentially causing loss of funds or investment opportunities.

Security is another critical aspect of operational risk. While Decubate undergoes regular security audits by industry-leading firms to safeguard its smart contracts and systems, no system is infallible. Hackers may attempt to exploit vulnerabilities in the token management system, vesting contracts, or wallets. A successful cyberattack or breach could result in theft of tokens, unauthorized fund movement, or compromise of user data. Additionally, the platform's services depend on the stability of the blockchain networks it uses; if those networks experience congestion, attacks (such as 51% attacks), or outages, Decubate's services could be interrupted. Investors should understand that technical issues – whether on Decubate's side or on the underlying blockchain – may impact their ability to participate in sales, claim tokens, or withdraw funds at critical times.

4. Project Viability Risk

When investing through Decubate's Launchpad, you are typically buying tokens of early-stage web3 projects. These startups inherently carry a high risk of failure. Even though Decubate conducts thorough due diligence on projects before listing, there is no guarantee that a project will succeed in delivering its product or achieving market adoption. Some projects may fail to meet their development milestones, encounter business challenges, or run out of funding unexpectedly. If a project underlying a token fails or performs poorly, the tokens you acquired could sharply decrease in value or become virtually worthless.

Investors should recognize that not every project will realize its expected potential. The fact that a project is featured on Decubate's platform does not ensure its success. Unforeseen issues like mismanagement by the project team, a shift in the competitive landscape, or even fraudulent behavior by project founders can undermine a project's outcome. Therefore, investing in Launchpad projects means accepting the risk that you might lose some or all of the funds allocated to a given project if it does not prosper.

Additionally, many token sales involve **vesting schedules** where your purchased tokens are locked and released over time. This means you might not be able to sell or trade a portion of your tokens immediately. If the project's outlook worsens or the market turns bearish during the vesting period, you could be unable to exit your position to cut losses. Such lock-up mechanisms, while designed to promote long-term commitment, can increase the risk of loss if the project's value declines before you are able to fully unlock or trade your tokens.

5. Counterparty Risk

Decubate's platform interacts with various external parties and systems – from exchanges where tokens are eventually listed, to wallets and payment providers. Counterparty risk refers to the possibility that a third party involved in the trading or custody of your crypto assets fails to meet their obligations. For instance, after acquiring tokens in a Launchpad sale, you might deposit them on a cryptocurrency exchange to trade or sell. If that exchange were to experience financial trouble, a hack, or bankruptcy, it could default on its obligation to return your assets. High-profile examples in the crypto industry have shown that exchange failures can lead to investors permanently losing access to their funds.

Similarly, other intermediaries or service providers that investors rely on – such as brokers, custodial wallet providers, or even Decubate's banking partners for fiat conversions – could encounter insolvency or technical failures. Should any counterparty in the ecosystem collapse or malfunction, you may face delays in accessing your tokens or funds, or in the worst case, a total loss of those assets. It's important to remember that Decubate does not control these external entities. If an outside platform holding your tokens fails, Decubate has limited ability to help recover your assets. Investors should carefully choose reputable third-party services and be aware of the risks of holding tokens on external platforms.

6. Regulatory and Compliance Risk

The regulatory environment for crypto-assets is evolving rapidly across different jurisdictions. Regulatory and compliance risk means that changes in laws or regulations (or the interpretation of existing laws) can affect your ability to use Decubate's platform or the value and usability of the tokens you hold. Decubate is based in the Netherlands and operates within applicable legal frameworks; it has even applied for a MiCA license (under the EU's Markets in Crypto-Assets regulation) to ensure full compliance with upcoming rules. Despite this proactive approach, there can be periods of uncertainty or change as new regulations come into effect. For example, during the MiCA transitional phase, Decubate had to temporarily halt Launchpad services for projects based in the EU until its license is officially approved. This demonstrates how regulatory requirements can directly impact platform operations and, consequently, investors' opportunities.

Investors using the platform should be aware that regulatory changes might restrict certain activities or impose additional obligations. You may be required to undergo identity verification (KYC) and adhere to anti-money-laundering checks to participate in token sales, as mandated by law. Failure to comply with these requirements could result in losing access to the platform's services or being ineligible for certain offerings. Additionally, different jurisdictions may classify crypto tokens in various ways – in some places, a token you purchase might later be deemed a security or other regulated asset, which could limit how you can sell or use it. Regulations could also impose reporting requirements or taxes that affect the net returns on your investment. In short, changes in the legal landscape around crypto-assets may introduce new constraints or uncertainties for both Decubate and its users, potentially affecting the ease or viability of your investments.

7. Legal and Ownership Risk

Participating in token sales and holding tokens through smart contracts introduces unique legal considerations. Unlike traditional investments, where ownership and rights are clearly defined by law and contractual agreements, crypto-assets often derive their rules from code (smart contracts) and the specific terms set by the token issuer. Legal risk in this context refers to the uncertainty or complexity in the rights and protections you have as a token holder. It is important to understand the terms and conditions of Decubate's platform and any token sale agreements or whitepapers before investing. These documents outline the rights, restrictions, and obligations for all parties. If you do not fully understand and agree to these terms, you could be exposed to unexpected conditions — for example, limitations on transferring tokens or requirements to use certain types of wallets.

Additionally, the concept of ownership for digital tokens can be complex. In many cases, holding a token in your wallet gives you de facto control, but legal ownership might be subject to the rules coded in the token's smart contract or the project's policies. There could be scenarios where, due to a bug or a specific contract design, you temporarily cannot move or trade your tokens as intended. Moreover, jurisdictional differences mean that your rights as a token holder are not uniformly protected by law. If a dispute arises (say, a project does not deliver on its promises or there is a disagreement about token functionality), it may be unclear which country's laws apply or what legal remedies you have. Enforcing rights or seeking compensation can be challenging, as courts and regulators are still catching up with blockchain-based assets and may not have established precedents.

In summary, prospective investors using Decubate's launchpad and token management services should carefully consider the above risk categories. Crypto investments might not offer the same legal recourse or consumer protections as traditional financial products. As such, it is crucial to be aware of the legal terms and to proceed with caution, understanding that holding and transacting in tokens comes with potential legal uncertainties and complexities. If in doubt, consider consulting a legal advisor for advice about your rights and obligations or relevant professional before committing funds or engaging in

crypto-asset transactions. All investors are encouraged to perform their own due diligence and stay informed about ongoing developments in Decubate's platform and the projects they back.