

RISK DISCLOSURE

BEFORE USING ANY OF CELSIUS' SERVICES, YOU SHOULD ENSURE THAT YOU FULLY UNDERSTAND AND CAN AFFORD TO UNDERTAKE THE RISKS INVOLVED. THIS RISK DISCLOSURE LISTS SOME, BUT NOT ALL OF THE RISKS INVOLVED IN HOLDING, TRADING AND USING CRYPTO ASSETS GENERALLY, AND USING CELSIUS' SERVICES SPECIFICALLY.

THIS RISK DISCLOSURE IS INTENDED TO PROVIDE YOU WITH A GENERAL OUTLINE OF THE RISKS INVOLVED, BUT CAN NOT CAPTURE ALL SUCH RISKS. THE RISKS LISTED BELOW THEREFORE DO NOT CONSTITUTE AN EXHAUSTIVE LISTS, AND ADDITIONAL SIGNIFICANT RISKS MAY BE APPLICABLE. YOU SHOULD ALWAYS DO YOUR OWN RESEARCH!

1. General

Celsius does not provide any legal, tax or financial advice and you are strongly advised to obtain independent legal, tax or financial advice prior to making any financial decision, including buying, trading, holding or using crypto assets. There are significant risks associated with crypto assets, and you are solely responsible to make sure you understand such risks and assess whether such risks are appropriate for you. Celsius does not make any offers, recommendations or invitations for you to deal in crypto assets or use any services, and does not take into account your personal circumstances, financial situation, needs or goals. Before making any financial decision, you should carefully assess your financial situation and capacity, and only use funds that you can afford to lose.

Before entering into any transaction you should ensure that you understand and have made an independent assessment of the suitability and appropriateness of a transaction into which you are entering and the nature and extent of your exposure to risk of loss in light of your own objectives, financial and operational resources and other relevant circumstances.

Past performance is no guarantee of future results.

2. Risks Related to Crypto Assets Generally

Dealing in crypto assets can incur risk of financial loss. Crypto assets are by their nature highly volatile and you should be aware that the risk of loss in trading, investing or holding crypto assets can be substantial.

The value of crypto assets can be highly unpredictable, with significant price fluctuations within short periods of time. Crypto assets are extremely volatile, can experience significant price fluctuations within short periods of time and their value may not be guaranteed or backed by any government.

The value of crypto assets can be affected by unpredictable events, including the performance of world markets, interest rates, changes in taxation on income and capital, foreign exchange rates, regulatory and legislative changes, technological developments and market sentiment.

Crypto assets are not legal tender, and there is no guarantee that any person shall agree to accept them for their intended purpose at any time in the future. Market availability and liquidity may be limited or disrupted, and there can be no guarantee that you would be able to sell or exchange your crypto assets at any price.

The nature of crypto assets may entice an increased risk of fraud or cyber-attack, including rollback attacks or blockchain reorganizations.

Crypto asset transactions are not reversible. Erroneous transactions may result in irreversible loss of your funds.

Where you hold crypto assets in your on-chain digital wallet, you must be very cautious in maintaining your private keys and backup phrase. Loss of private keys and backup phrase may result in irreversible loss of your funds. Due to the decentralized nature of blockchain, there is no central party which may restore your private keys, extract your funds or reimburse you for your losses.

Any third party gaining access to your digital wallet can extract your funds, and you may not be able to identify or find such parties. **Never provide any person with your wallet's private keys or backup phrase.**

Once you send crypto assets to an address, there is risk that you may lose access to, and any claim on, those crypto assets either indefinitely or permanently because, for example, an address may have been entered incorrectly. Losses due to fraudulent or accidental transactions may not be recoverable.

Crypto assets which are meant to mimic or follow the price of another asset (e.g. any fiat currency, commodity) may not always accurately reflect such prices, which can fluctuate above or below its intended value.

Crypto assets are largely unregulated in most parts of the world, and limited protection (if any) may be afforded to users in the event of loss. Crypto exchanges and service providers may not be subject to regulatory supervision.

Different jurisdictions may treat crypto assets differently, and the cross-border nature of the blockchain and of crypto assets may make them subject to the laws of various jurisdictions. You must always make sure that any use you make of any crypto asset is compliant with all applicable laws.

Different jurisdictions may impose specific tax rules and treatments to crypto assets. You must ensure you understand the tax implications of your activities, and always comply with all reporting and payment obligations applicable to you.

Blockchain technologies are susceptible to a wide variety of risks, from malicious attacks to technical difficulties and failures, which may result in loss of funds transacted or held over the blockchain, increased transaction costs or delays in execution.

3. Risks Related to Using Celsius' Services

Celsius may suffer technological difficulties which may prevent the access or use of your account, or delay your transactions.

Celsius' top priority is the security of its systems, cryptoassets held by it and its users' personal information. However, Celsius (and third parties having authorized access or control over such assets) may suffer malicious attacks and security breaches, which may result in the compromise of such assets.

We try to ensure that the information on this site is correct, but we do not give any express or implied warranty as to its accuracy. We do not accept liability for any error or omission.

Celsius deploys crypto assets held by it in a variety of income generating activities, including lending them to third parties and transferring them to external platforms and systems. Celsius conducts in-depth due diligence reviews of any such third party or platform, including security, financial and credibility tests. However, Celsius can not guarantee that they shall not suffer any breaches, lose such assets or fail to return any assets to Celsius, resulting in financial loss.

Celsius' obligation to return to its user the crypto assets available in such users' Celsius account (subject always to Celsius' [Terms of Use](#)) is not affected by losses suffered by Celsius, including as a result of any hack or loss of deployed assets (except where such losses are caused by a user's act or omission), and such losses shall not be borne by the user. However, by engaging with Celsius you acknowledge that there is a risk that Celsius may become unable to repay its obligations to its creditors, in which case your funds may be lost, in whole or in part.

The rewards Celsius pays users for transferring their crypto assets are determined on a weekly basis, based on a variety of considerations, including market conditions, demand and supply of a particular crypto asset, interest rates in the fiat markets and Celsius' own inventories and cost of capital. While Celsius strives to maintain stable reward rates over time, any change in circumstances may bring about changes to such rates, and in some events the rates may drop to 0%. Users will be updated of any change to reward rates on a weekly basis, and may choose to discontinue using the 'earn' service at any time.

Using Celsius' 'borrow' service (allowing users to borrow fiat/stablecoin from Celsius against crypto asset collateral) involves the risks of margin calls and liquidations - in the event that the value of your collateral drops below a certain level, Celsius may require you add additional collateral or return a portion of your loan, and if you fail to do so within the timeframe set by Celsius and the value of your collateral continues to drop - Celsius may liquidate your collateral and close your loan.

Celsius does not offer custodial or fiduciary services to you, and does not hold your crypto assets as your custodian or on your behalf. Your Celsius account is not a deposit, checking or savings account, and it is not covered by insurance against losses. We may lend, sell, pledge, hypothecate, assign, invest, use, commingle or otherwise dispose of assets to counterparties, using our best commercial and operational efforts to prevent losses.

Legislative and regulatory changes or actions at the state, national, or international level may adversely affect Celsius' ability to continue to provide some or all of its services in any jurisdiction, continue to support any particular crypto asset or continue to serve any specific user or group of users. Celsius can not guarantee the continued and uninterrupted provision of the services to you.

Celsius' systems, as well as those of third parties utilized by Celsius, may be subject to errors, bugs, disruptions, interruptions and communication failures, which may result in delays, errors, temporary suspension or inaccessibility of the services, which might cause damages or losses to the user of the services.

Celsius Network LLC is registered As a Money Service Business (MSB) No. 31000192265811 with the United States Financial Crimes Enforcement Network (FinCEN).

Crypto assets are not legal tender, Celsius is not a bank or depository institution, and your Celsius account is not a deposit or savings account. Crypto assets in your Celsius account are not held by Celsius as a custodian or fiduciary, are not insured by any private or governmental insurance plan (including the Federal Deposit Insurance Corporation (FDIC) or the Securities Investor Protection Corporation (SIPC)), and are not covered by any compensation scheme (including the Financial Ombudsman and Financial Services Compensation Scheme (FSCS)).

4. Risks Related to Celsius' CEL Token

CEL tokens ("CEL" or "Tokens") should not be purchased for speculative investment purposes, any arbitrage strategy, immediate or subsequent resale or other financial purposes. Tokens are to be purchased and used for their utilities within the Celsius ecosystem only. For more information about the Tokens see ['CEL Token Explained' page](#) on our website.

Celsius may change, from time to time and in its sole discretion, the utilities of the Tokens over the platform, including adding new utilities and removing or changing existing utilities.

CEL Tokens do not entitle their holders to any share in Celsius' profits (such as, but not limited to, payment of dividends), or to exercise any voting or ownership rights in relation to Celsius.

All purchases of CEL Tokens are final and nonrefundable, and Celsius would not be required to provide a refund for any reason, to repurchase any Tokens from their owners, or to redeem Tokens for any consideration whatsoever.

As other crypto assets, CEL is susceptible to a wide variety of risks, including risk of theft, loss of keys, irreversibility of transactions and failure of the underlying blockchain. CEL may further be subject to high volatility, limited liquidity and risk of swift and unexpected loss of value. See further '[Risks Related to Crypto Assets Generally](#)' above.

Celsius does not control, and shall not be responsible or liable for, volatility in CEL prices or any financial gains or losses which may be experienced by CEL holders.

As utility tokens intended to be used within Celsius' platform, CEL Tokens may become unusable, illiquid and/or worthless in the event that Celsius' platform ceases to operate for any reason whatsoever. Celsius will not redeem or repurchase any Tokens in any such event.

Applicable laws and regulations, including regulatory changes and enforcement actions, may limit the utility, functionality, accessibility and transferability of the Tokens, and have a substantial detrimental effect on their value.

A digital wallet or wallet service provider may not be technically compatible with the CEL Token ERC-20 protocol, which may result in a complete and irreversible loss of any Tokens transferred thereto.

The Tokens have not been, and are not intended to be, registered under the U.S. Securities Act, the UK Financial Services and Markets Act, or the applicable Laws of any other jurisdiction. In the absence of regulatory clarity, there is a risk that the Tokens may be viewed as a security, financial instrument, specified investment, or other regulated instrument. In any such event, the Tokens may not be offered or sold except pursuant to an exemption from, or a transaction not subject to, the applicable registration requirements of the applicable Laws. These restrictions may limit the transferability, value and liquidity of the Tokens. Celsius does not intend or undertake to register the Tokens for trading on any securities exchange.

Nothing in this document, or in the website generally, should be seen as an invitation, offer or recommendation to purchase, use or choose to receive CEL tokens, to any person or in any jurisdiction. The information provided herein is for general information purposes only, does not take into account your personal circumstances, financial situation, needs or goals, and can not provide all relevant information and factors you should consider before making any financial decision. Celsius does not undertake to update any information. You are solely responsible to carefully assess your financial situation and capacity, and only use funds that you can afford to lose.

Last updated October 2021