

Some of our Services rely on decentralised finance (“DeFi”) protocols such as liquidity pools or smart-contract-based trading strategies. **These activities are not covered by the Markets in Crypto-Assets Regulation (MiCAR) or other EU financial legislation.**

As a result, they **do not provide the same safeguards** as our MiCAR-regulated Services and may involve additional technological and market risks. Please ensure you understand how the relevant DeFi protocols operate before using these Services.

Certain Services offered by BOTS Capital integrate decentralised finance (“DeFi”) components, including - but not limited to - liquidity pools, staking or yield-generation mechanisms, and smart-contract-based trading strategies. These features rely on public blockchain infrastructure and are not issued, managed, or controlled by BOTS Capital.

DeFi-related Services currently fall outside the scope of the EU Markets in Crypto-Assets Regulation (MiCAR) and other applicable EU sectoral rules. This means they:

- are not supervised by any EU financial authority;
- do not benefit from MiCAR investor-protection or operational-resilience requirements;
- may involve smart-contract, liquidity, volatility, and protocol-governance risks;
- may be affected by technical failures, oracle dependencies, or sudden changes in protocol behaviour.

Before using any DeFi-based Service, please ensure you understand the structure and functioning of the underlying protocols and the risks involved.

Certain Services provided by BOTS Capital make use of decentralized finance (“DeFi”) protocols or smart-contract-based mechanisms deployed on public blockchain networks. These may include, for example:

- **Liquidity Pools:** user-funded pools of assets used to facilitate trading, which may be subject to impermanent loss, liquidity shortages, or sudden withdrawal events;
- **Smart-Contract Strategies:** autonomous execution of predefined trading or rebalancing logic, which may contain vulnerabilities or behave unpredictably under certain market conditions;
- **Protocol-Based Yield or Rewards:** returns generated by participating in DeFi protocols, which depend on protocol stability, adoption, and technical security rather than regulated financial guarantees.

DeFi-related Services are currently outside the regulatory perimeter of Regulation (EU) 2023/1114 on Markets in Crypto-Assets (“MiCAR”) and other EU financial services legislation. Consequently, these Services:

- **are not subject to prudential, conduct, governance, safeguarding, or complaint-handling requirements** applicable to MiCAR-regulated crypto-asset service providers;
- **are not supervised or overseen by any national competent authority** or EU institution;
- **do not benefit** from investor protection, deposit-guarantee schemes, or legally mandated redress mechanisms;
- **may involve heightened risks**, including but not limited to: smart-contract defects, oracle manipulation, protocol governance attacks, liquidity depletion, market instability, cross-chain bridge vulnerabilities, and technical failures beyond the control of BOTS Capital.

Users are solely responsible for understanding the functioning, limitations, and risks of the underlying DeFi protocols. By accessing or using these Services, users acknowledge that these activities **do not provide the protections associated with regulated crypto-asset services under MiCAR** and may result in partial or total loss of assets.