



## GENERAL RISK WARNINGS & DISCLOSURES

Last Updated: 15<sup>th</sup> February 2026

Website: [www.finark.ai](http://www.finark.ai)

### 1. INTRODUCTION AND YOUR UNDERSTANDING OF THE RISKS

Before using any of our services, website, platform, app you should ensure that you fully understand and can afford to undertake the risks involved. This risk warning / disclosure lists some, but not all of the risks involved in holding, trading and using digital / crypto assets generally, and using our services specifically.

You should do your own research to make sure the Finark offering is right for you. If you do not fully understand the risks you should not use Finark or deposit funds with us.

This risk warning / disclosure is intended to provide you with a general outline of the risks involved, but cannot capture all such risks. The risks listed below therefore do not constitute an exhaustive list, and additional significant risks may be applicable. **You should always do your own research!**

Risks by their very nature are fluid, dynamic and constantly changing and Finark will update this page from time to time as the risks change.

Please note, you may lose all or some of your money. Only deposit what you can afford to lose.

### 2. GENERAL

Finark is not a bank and your deposits are not guaranteed by your local government authorities.

Finark / Digital Ark Solutions Limited only holds an MSB license in Canada, and does not have a local license in all jurisdictions, but leverages relationships with Third Party Providers to deliver its services.

Finark 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 digital / crypto assets.

There are significant risks associated with digital / crypto assets, and you are solely responsible to make sure you understand such risks and assess whether such risks are appropriate for you. Finark 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. Past performance is no guarantee of future results.

### **3. RISKS RELATED TO DIGITAL/CRYPTO ASSETS GENERALLY**

Interacting with digital assets, crypto assets can incur risk of financial loss. Digital / crypto assets are by their nature highly volatile, and you should be aware that the risk of loss in trading, investing, or holding digital assets can be substantial. They are a new and evolving asset class that can be challenging to predict how they will perform.

The value of digital assets can be highly unpredictable, with significant price fluctuations within short periods of time and their value may not be guaranteed or backed by any government. The value of digital assets can be affected by unpredictable events, including the performance of world markets, protocols not performing as expected, economic indicators, interest rates, changes in taxation on income and capital, foreign exchange rates, regulatory and legislative changes, technological developments, and market sentiment.

Digital assets are not traditional 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 digital / crypto assets at any price.

The nature of digital assets may entice an increased risk of fraud or cyber-attack, including rollback attacks or blockchain reorganisations. Digital asset transactions are not reversible. Erroneous transactions may result in irreversible loss of your funds.

Digital 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. Digital / 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 digital / crypto assets may make them subject to the laws of various jurisdictions. You must always make sure that any use you make of any digital asset is compliant with all applicable laws.

Different jurisdictions may impose specific tax rules and treatments to digital / 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.

#### **4. RISKS RELATED TO USING FINARK'S SERVICES**

##### **1. Price Stability / Instability and Depegging of the USDC**

In an open market, price levels are driven by supply and demand—as supply and demand rise and fall, so do consumer prices. Account balances are held in USDC. While USDC is a “stablecoin” designed to remain pegged in value to the US Dollar, and backed by US Dollar reserves, Finark does not control the issuance, redemption or backing of USDC and cannot guarantee that 1 USDC will always remain redeemable for 1 U.S. Dollar. There is a risk USDC will be depegged from the US Dollar.

##### **2. Foreign exchange (FX) Risk**

Foreign exchange risk (also known as FX risk, exchange rate risk or currency risk) is generally understood to be a financial risk that exists when a financial transaction is denominated in a currency other than the domestic currency.

Account balances are held in USDC which is pegged to the USD\$ at 1:1. When you deposit and /or withdraw your funds, the currency denomination is AUD\$. The value of the Australian Dollar may fluctuate against the value of the US Dollar and this will impact your total balance in the Account.

##### **3. Counterparty risk/ risk of utilising third party providers**

Counterparty risk is generally understood to be the probability that the other party in an investment, credit, or trading transaction may not fulfil its part of the deal and may default on the contractual obligations.

Finark uses a number of different counterparties. Finark does not directly control these entities and organisations. Finark, or a third party, will hold and secure the funds. If Finark, or the third party becomes insolvent, or is subject to hacking or some other cyber security event, your funds may be at risk, and you may incur partial or total loss of your cryptocurrency.

Finark conducts in-depth due diligence reviews, at an initial onboarding and then ongoing stages, of any such third party or platform, including security, financial and credibility tests. However, Finark cannot guarantee that they shall not suffer any breaches, lose such assets or fail to return any assets to Finark, resulting in financial loss.



#### **4. Fraud and security risks to customers**

Fraud and security risks are generally understood to be unauthorised access to your account, theft of customer identity or usage of customer funds.

Customer identification documents may be stolen by unauthorised third parties and those third parties may open or interact on an account. This leads to a risk of a fraudulent account being created or unauthorised transactions occurring.

Customers must keep their identification documents safe, never share passwords and endeavour to secure all devices that they use to interact with Finark.

Finark has robust controls around customer onboarding, including Know Your Customer (KYC) checks for all customers who onboard with us. Finark also conducts a number of different transaction and customer behaviour monitoring to help detect any suspicious interactions on customer accounts.

If customers become aware of any unauthorised transactions on their account they should let us know straight away.

#### **5. Market Risk and uncertainty of external markets**

Market risk is generally understood to be the risk of losses caused by adverse price movements. Examples of market risk are endless, including but not limited to changes in share / equity prices or commodity prices, interest rate moves or foreign exchange fluctuations.

Trading and holding any asset class has some level of risk and Finark cannot control the external economic conditions and other markets.

External markets can be impacted by a variety of external shocks and factors, including but not limited to political, economic, social and technological.

The value of Digital assets fluctuates constantly. The value of digital assets may decrease very significantly. Unlike currencies issued by governments and recognised as legal tender, Digital / Crypto Assets are backed and supported by technology and trust. There are no central banks or other authorities that can take corrective measures in order to protect the Virtual Asset's value in a crisis. Use of services relating to Virtual Asset trading can lead to large and immediate financial losses. It follows that you should not hold value you cannot afford to lose in Digital/Crypto Assets.



## **6. Insolvency risk**

Bankruptcy risk, or insolvency risk, is the likelihood that a company will be unable to meet its debt obligations. It is the probability of a firm becoming insolvent due to its inability to service its debt.

There is a risk that Finark may become insolvent and then may not be able to continue to provide services to customers.

Finark mitigates this risk by maintaining adequate cash reserves to continue to run our business.

## **7. Complex tax advice risk**

Buying, selling Digital assets / Cryptocurrencies for profit, and receiving a Return raises novel taxation issues. You will need to be prepared to talk to a tax adviser if you use our services.

We suggest you seek independent taxation advice prior to purchasing Digital assets / Cryptocurrency or earning a Return.

## **8. Regulatory and Compliance Risk**

Regulatory risk is generally understood to be a potential change to laws, regulations or interpretations that will cause you losses or detrimental impacts.

Compliance risk is the potential that you will be deemed to have violated a law or regulation.

The regulatory status of Stablecoins is unclear or unsettled in many jurisdictions including Australia. It is difficult to predict how or whether governmental authorities will regulate the Stablecoins. It is likewise difficult to predict how or whether any governmental authority may make changes to existing laws, regulations and/or rules that will affect any of the Stablecoins. Finark may cease offering Services in respect of any of the Stablecoins or prohibit use of the Services in or from certain jurisdictions in the event that governmental actions make it unlawful or commercially undesirable to continue to offer such Services in respect of any Stablecoins. Finark embraces all existing and new forms of regulation in this space.



## **9. Technology Risk / Risk of being hacked**

Technology risk, or information technology risk, is the potential for any technology failure to disrupt a business. Companies face many types of technology risks, such as information security incidents, cyberattacks, password theft, service outages and other disruptions to normal operating conditions.

We may suffer technological difficulties which may prevent the access or use of your account or delay your transactions. Finark top priority is the security of its systems, crypto assets held by it and its users' personal information. However, we (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.

Finark partners with industry leading providers who all have robust cyber security programs in place.