RISK WARNING NOTICE

Zircon Financial Service (Australia) Pty Ltd • ACN 672 642 054 • AFSL 562700

CFDs are complex instruments and come with a high risk of losing money rapidly due to leverage. You should consider whether you understand how CFDs work and whether you can afford to take the high risk of losing your money.

This Notice is issued by Zircon Financial Service (Australia) Pty Ltd (AFSL 562700) and forms part of the Agreement between you and Zircon Australia. It is a summary of key risks only and does not disclose all risks associated with trading CFDs. You should read this Notice together with the Financial Services Guide (FSG), the Product Disclosure Statement (PDS) applicable to Retail Clients, the Target Market Determination (TMD), and the User Agreement before trading. You should seek independent financial, legal, or taxation advice if you are in any doubt about the risks involved. Capitalised terms used in this Notice have the meanings given to them in the User Agreement, except where a different meaning is given elsewhere in this Notice, the FSG, or the PDS.

Key Risks

- **Loss of capital.** You may lose some or all of your deposited funds. For Retail Clients, losses are capped at your account balance (Negative Balance Protection). Wholesale Clients may lose more than they deposit.
- **Leverage.** Leverage magnifies both profits and losses. For Retail Clients, maximum leverage is capped by the ASIC Product Intervention Order — ranging from 30:1 (major FX) to 2:1 (crypto). Full leverage ratios are in the PDS.
- **Margin and close-out.** If your Margin Level falls to or below 50% of the required margin, Zircon Australia is required by the ASIC Product Intervention Order to automatically begin closing your Open Positions, assessed on an aggregate basis across your account. Zircon Australia will endeavour to notify you before doing so, but this may not always be possible in fast-moving markets.
- **Market and volatility risk.** CFD prices can move rapidly and unpredictably. Price gaps can occur over weekends or around major news events, which may result in losses beyond your stop-loss level.
- **Stop-loss orders.** Stop-loss orders do not guarantee execution at the specified price. In fast or gapping markets, execution may occur at a materially worse price.
- **Overnight funding costs.** Positions held overnight attract Rollover Interest — a daily credit or debit depending on the direction of your position and the relevant financing rate. These accrue daily and can be material on positions held for extended periods. Current rates are published on the Platform.
- **Counterparty risk.** Zircon Australia acts as principal to all your trades. Client funds are held in segregated trust accounts with an Australian ADI, but segregation does not guarantee full recovery in all circumstances.
- **Platform and technology risk.** Internet outages, software errors, or system downtime may affect your ability to place or manage orders. Zircon Australia is not liable for losses caused by technology failures beyond its control.
- **Tax risk.** The tax treatment of CFD trading depends on your circumstances. Zircon Australia does not provide tax advice. Obtain independent advice before trading.
- **Regulatory risk.** The regulatory framework for CFDs may change with limited notice, affecting the terms on which you can trade, including changes to leverage limits or other protections under the ASIC Corporations (Product Intervention Order—Contracts for Difference) Instrument 2020/986. CFD trading may also be restricted in your country of residence.

Further Information

All Zircon Australia documents, including the FSG, PDS, User Agreement, and Target Market Determination are available at www.zr.au. For independent information about CFDs, visit ASIC's MoneySmart at www.moneysmart.gov.au.

Client Acknowledgement

By opening an account with Zircon Australia, you confirm that you have read and understood this Risk Warning Notice in full; that you understand CFD trading involves significant risk and that you may lose some or all of your deposited funds; that you have considered whether CFD trading is appropriate for your financial situation; and that you will seek independent advice if you have any doubts.