EXHIBIT · FORM 10-K · ITEM 1A RISK FACTORS

What the crypto exchange and custody filings say about the halving

5 US-listed crypto exchange, custody and wallet companies are in this scan — a stated roster, not every one listed in the US. 5 have filed an annual report, and all 5 disclose the same risk: if block rewards and transaction fees do not pay miners and validators enough, the network is put at risk. Three of them also pay those fees when they move coins, and say the fees may rise. This is the complete record for this roster, in their own words.

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companies with a 10-K that disclose it

0.63%

fees, share of miner revenue, last 12 months

50%

fees needed at the next halving to hold today's budget

503

days to block 1,050,000 · projected 25 Mar 2028

https://exchange-risk-factor.pages.dev/

verified 2026-11-08 · data through 2026-10-12

01 The finding

Each of these companies must tell its investors what could go wrong with the business it operates. 5 of the 5 exchange, custody and wallet companies in this scan have filed an annual report on Form 10-K, and **every one of them discloses the same structural risk**: if block rewards and transaction fees do not pay miners enough, the network is put at risk — Exodus says so of Bitcoin in a risk factor of its own; the other four say so of any network, in one shared bullet. All five also list the halving itself. Unlike a fund or a miner, three of these companies pay the network's fees when they move coins, and file the prospect of higher fees among their risks.

They are not speculating about a distant possibility. The next halving occurs at block `1,050,000`, projected **25 Mar 2028** — about 503 days from the date on this report — when the reward per block falls from 3.125 BTC to 1.5625 BTC. At 83,677 dollars per bitcoin that is **$130,746 per block** removed from mining revenue.

Over the last twelve months, transaction fees supplied **0.63%** of what miners were paid. The subsidy supplied the other 99.37%. Put in units a reader can hold: of every 24 hours of Bitcoin's security budget, fees pay for about **9 minutes**, and the subsidy pays for the remaining 23 h 51 m.

For total miner revenue to survive the halving unchanged, at a constant bitcoin price, fees would have to reach **50% of revenue — roughly 80 times their current share**. The best single month in Bitcoin's recorded history was 22.9%, in December 2017. No issuer quoted in this report asserts that this gap will close. Several state plainly what happens if it does not.

The four numbers

`0.63%`
fees today, 12-month mean

`50%`
fees needed after the halving

`80×`
the gap between them

`$39.2M`
paid for security per day

02 The roster

Which companies are in this report, and which are not. A company is included when its latest Form 10-K contains the disclosure. This is a hand-listed universe of US-listed crypto exchange, custody and wallet companies, resolved company by company against EDGAR — not a screen, and not the output of a full-text search. It is therefore a stated roster and not a census: Kraken, Bullish, eToro, Robinhood and foreign filers are not in it, and their absence here is not a finding about them.

TICKER	REGISTRANT	FILING	STATUS
EXOD	Exodus Movement, Inc.	`10-K · 2026-03-11`	✓ discloses it

COIN	Coinbase Global, Inc.	10-K · 2026-02-12	✓ discloses it
GEMI	Gemini Space Station, Inc.	10-K · 2026-03-31	✓ discloses it
FIGR	Figure Technology Solutions, Inc.	10-K · 2026-03-16	✓ discloses it
BTGO	BitGo Holdings, Inc.	10-K · 2026-03-27	✓ discloses it

Considered and excluded. Bitcoin Depot (formerly BTM) was one of the candidates. It filed Form 25-NSE on 13 July 2026 to delist, now trades as BTMCQ, and runs bitcoin ATMs rather than an exchange or custody business. It is therefore not part of the universe and is not counted in the 5.

03 The filings, verbatim

Each passage below is reproduced exactly as filed, with the sentence that names the risk highlighted. Nothing is paraphrased. The full EDGAR address of each document is printed beneath its quote, together with the paragraph index and the SHA-256 of the document, so any reader can fetch the original and confirm both the wording and the file. EDGAR adds one bot-detection <script src> tag, carrying a rotating token, to every download; the hash printed here is of the document with that tag removed, so it reproduces whenever the file is fetched.

The excerpts are the filings' own English and are never translated — they are the evidence. Beneath each one, the highlighted sentence is given in this edition's language.

EXODUS

Exodus Movement, Inc.

EXOD
Form 10-K · filed 2026-03-11
Item 1A Risk Factors

In approximately 2140, new Bitcoin tokens will no longer be awarded for adding a new block and miners will only have transaction fees to incentivize them. As a result, it is expected that miners will need to be better compensated with higher transaction fees to ensure that there is adequate incentive for them to continue mining. If transaction confirmation fees become too high, the marketplace may be reluctant to use Bitcoin. This may result in decreased usage and limit expansion

Wallet, not order book. Exodus makes a self-custody crypto wallet with in-app swaps. Its filing is the only one in this set with a risk factor of its own on the mechanism — Bitcoin-specific, from the miner's costs to the 2140 endpoint.

The same Exodus risk factor, continued — the archive splits it at page breaks:

of the Bitcoin network in the retail. Conversely, if the reward for miners or the value of the transaction fees is insufficient to motivate miners, they may cease expending processing power for any blockchain to solve blocks and confirm transactions. Ultimately, if the awards of new Bitcoin for solving blocks declines and transaction fees for recording transactions are not sufficiently high to incentivize miners, or if the costs of validating transactions grow

EXOD · https://www.sec.gov/Archives/edgar/data/1821534/000182153426000009/exod-20251231.htm
¶594 · document sha-256 da3b370b4d2ee8d6a2f03358

The same Exodus risk factor, continued — the archive splits it at page breaks:

disproportionately, miners may operate at a loss, transition to other networks or cease operations altogether. Each of these outcomes could, in turn, slow transaction validation and usage, which could have a negative impact on the Bitcoin network, which is the primary network used for Exodus' operations.

EXOD · https://www.sec.gov/Archives/edgar/data/1821534/000182153426000009/exod-20251231.htm
¶595 · document sha-256 da3b370b4d2ee8d6a2f03358

EXOD · CIK 1821534 · https://www.sec.gov/Archives/edgar/data/1821534/000182153426000009/exod-20251231.htm
¶593 · document sha-256 da3b370b4d2ee8d6a2f03358

coinbase

Coinbase Global, Inc.

COIN
Form 10-K · filed 2026-02-12
Item 1A Risk Factors

if rewards and transaction fees for miners or validators on any particular crypto network are not sufficiently high to attract and retain miners or validators, a crypto network's security and speed may be adversely affected, increasing the likelihood of a malicious attack;

Counsel-drafted boilerplate: GEMI, FIGR and BTGO file variants of this same passage.

Same 10-K, Item 1A — the fee side. Coinbase pays network fees when it moves crypto assets. The archived paragraph ends at a page break, mid-sentence; nothing past its last word is quoted.

In addition, we also pay blockchain transaction fees when we move crypto assets for various operational purposes, such as when we transfer crypto assets between our hot and cold wallets, for which we do not charge our customers. However, blockchain transaction fees have been and may continue to be unpredictable. If the block rewards for miners on any blockchain network are not sufficiently high to incentivize miners, miners may demand higher transaction fees, or collude to reject low transaction fees

COIN · https://www.sec.gov/Archives/edgar/data/1679788/000167978826000015/coin-20251231.htm
¶520 · document sha-256 cbe1e2c73bf6e9609afded3e

COIN · CIK 1679788 · https://www.sec.gov/Archives/edgar/data/1679788/000167978826000015/coin-20251231.htm
¶284 · document sha-256 cbe1e2c73bf6e9609afded3e

GEMINI

Gemini Space Station, Inc.

GEMI
Form 10-K · filed 2026-03-31
Item 1A Risk Factors

if rewards and transaction fees for miners or validators on any particular blockchain network are not sufficiently high to attract and retain miners or validators, a digital asset's network's security and speed may be adversely affected, increasing the likelihood of a malicious attack;

Counsel-drafted boilerplate: COIN, FIGR and BTGO file variants of this same passage.

Same 10-K, Item 1A — the fee side: the network fees this company pays when it moves digital assets, and what it says happens if miners demand more.

In addition, we also pay blockchain network fees when we move digital assets for various operational purposes, such as when we transfer digital assets between our hot and cold wallets, for which we do not charge our users. However, fees can be unpredictable and, if miners or validators demand higher transaction fees for recording transactions in the underlying blockchain network, the cost of using the applicable digital asset may increase and the marketplace may be reluctant to accept such digital asset as a

means of payment. Alternatively, miners or validators could collude in an anti-competitive manner to reject low transaction fees and force users to pay higher fees. While we do not expect such behavior, higher transaction confirmation fees may adversely affect our business.

GEMI · https://www.sec.gov/Archives/edgar/data/2055592/000205559226000026/gemi-20251231.htm
¶526 · document sha-256 813e8c1392c2f9cef0e6d691

GEMI · CIK 2055592 · https://www.sec.gov/Archives/edgar/data/2055592/000205559226000026/gemi-20251231.htm
¶227 · document sha-256 813e8c1392c2f9cef0e6d691

FIGURE

Figure Technology Solutions, Inc.

FIGR
Form 10-K · filed 2026-03-16
Item 1A Risk Factors

if rewards and transaction fees for miners or validators on any particular digital asset network are not sufficiently high to attract and retain miners or validators, a digital asset network's security and speed may be adversely affected, increasing the likelihood of a malicious attack;

Counsel-drafted boilerplate: COIN, GEMI and BTGO file variants of this same passage.

Same 10-K, Item 1A — the fee side: the network fees this company pays when it moves digital assets, and what it says happens if miners demand more.

In addition, we pay transaction fees when we move digital assets for various operational purposes, for which we do not charge our customers. Such fees have been and may continue to be unpredictable, and may vary depending on a range of factors including activity levels on the relevant blockchain network and parameters specified by the governance processes of the relevant blockchain network. In addition, for PoW and PoS networks, if the block rewards for miners or validators on any blockchain network are not sufficiently high to incentivize miners or validators, miners or validators may demand higher transaction fees, or reject low transaction fees and force users to pay higher fees, which could adversely affect our business, financial condition and results of operations.

FIGR · https://www.sec.gov/Archives/edgar/data/2064124/000206412426000009/figr-20251231.htm
¶406 · document sha-256 e9dc563dcf00ec1b2d53e0ca

FIGR · CIK 2064124 · https://www.sec.gov/Archives/edgar/data/2064124/000206412426000009/figr-20251231.htm
¶272 · document sha-256 e9dc563dcf00ec1b2d53e0ca

BitGo

BitGo Holdings, Inc.

BTGO
Form 10-K · filed 2026-03-27
Item 1A Risk Factors

if rewards and transaction fees for miners or validators on any particular digital asset network are not sufficiently high to attract and retain miners or validators, a digital asset network's security and speed may be adversely affected, increasing the likelihood of a malicious attack;

Counsel-drafted boilerplate: COIN, GEMI and FIGR file variants of this same passage.

BTGO · CIK 1740604 · https://www.sec.gov/Archives/edgar/data/1740604/000174060426000020/btgo-form10xk.htm
¶295 · document sha-256 08cface640b9a465a98b4925

The halving itself. All five list it in Item 1A, most as one bullet in a list of price risks. As this company files it:

the reduction in mining rewards of Bitcoin, including block reward halving events, which are events that occur after a specific period of time and reduces the block reward earned by miners

EXOD · https://www.sec.gov/Archives/edgar/data/1821534/000182153426000009/exod-20251231.htm
¶516 · document sha-256 da3b370b4d2ee8d6a2f03358

The halving itself. All five list it in Item 1A, most as one bullet in a list of price risks. As this company files it:

the reduction in blockchain transaction fees of Bitcoin, including block reward halving events, which are events that occur after a specific period of time and reduce the block reward earned by miners

COIN · https://www.sec.gov/Archives/edgar/data/1679788/000167978826000015/coin-20251231.htm
¶257 · document sha-256 cbe1e2c73bf6e9609afded3e

The halving itself. All five list it in Item 1A, most as one bullet in a list of price risks. As this company files it:

the reduction in mining rewards of Bitcoin, including block reward halving events, which are events that occur after a specific period of time and reduces the block reward earned by miners

GEMI · https://www.sec.gov/Archives/edgar/data/2055592/000205559226000026/gemi-20251231.htm
¶294 · document sha-256 813e8c1392c2f9cef0e6d691

The halving itself. All five list it in Item 1A, most as one bullet in a list of price risks. As this company files it:

the reduction in mining rewards of Bitcoin, including block reward halving events, which are events that occur after a specific period of time and reduces the block reward earned by miners

FIGR · https://www.sec.gov/Archives/edgar/data/2064124/000206412426000009/figr-20251231.htm
¶442 · document sha-256 e9dc563dcf00ec1b2d53e0ca

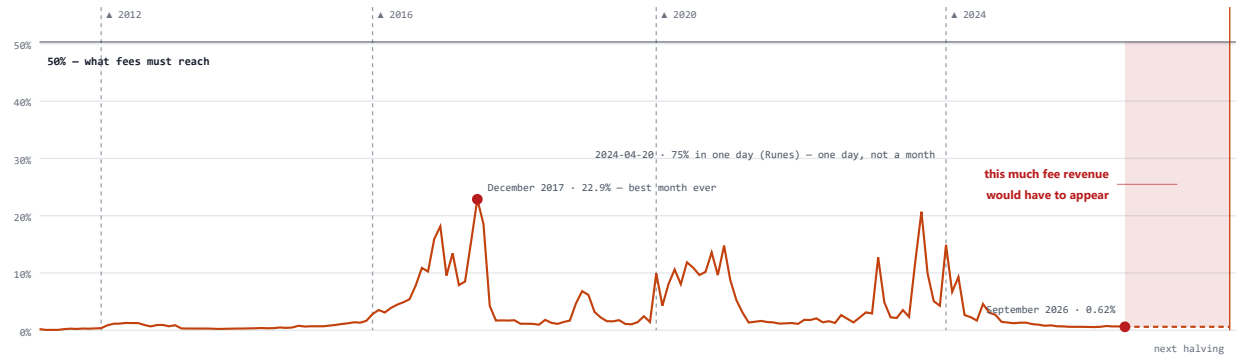
The halving itself. All five list it in Item 1A, most as one bullet in a list of price risks. As this company files it:

further reductions in mining rewards of Bitcoin, including due to block reward halving events, which are regularly occurring events that occur after a specific period of time that reduce the block reward earned by “miners” who validate Bitcoin transactions, or increases in the costs associated with Bitcoin mining, including increases in electricity costs and hardware and software used in mining, or new or enhanced regulation or taxation of Bitcoin mining, which could further increase the costs associated with Bitcoin mining, any of which may cause a decline in support for the Bitcoin network

BTGO · https://www.sec.gov/Archives/edgar/data/1740604/000174060426000020/btgo-form10xk.htm
¶456 · document sha-256 08cface640b9a465a98b4925

04 What the filings are describing

The chart plots transaction fees as a share of total miner revenue — fees divided by fees plus subsidy, in bitcoin terms — as a monthly average of daily values since 2012. The four dashed rules are the past halvings. The shaded band is the shortfall: the distance between where fees are now and where they would have to be at the next halving for miner revenue to stay where it is today.



Fees are drawn flat from today to the halving because nothing in the series implies a climb; the band is therefore the size of the problem, not a forecast of it. A higher bitcoin price can substitute for a higher fee share — none of the filings quoted here assumes one.

The arithmetic

Let miner revenue per block be `R = F + S`, where F is fees and S is the subsidy. Today F is 0.63% of R. After the halving the subsidy pays S/2, so to hold R constant fees must supply `F + S/2` — which, as a share of the unchanged revenue, is `0.63 + (100 − 0.63) / 2 = 50.31%`. That is 80.0 times today's fee share. The identity holds in bitcoin terms and assumes a constant price; it is arithmetic, not a projection.

Reference figures

22.9%
best month ever · December 2017

0.62%
last full month · 2026-09

0.82%
security budget as a share of market value

9.67
minutes per block, trailing 14 days

05 How this report was made

On 2026-09-24 the most recent Form 10-K for each company was retrieved from EDGAR. Every paragraph matching a subsidy / halving / miner-incentive / transaction-fee pattern was archived verbatim together with the SHA-256 of the source document, and a byte offset where the scanner recorded one (list bullets carry none). The quotes in section 03 are drawn from that archive and re-checked byte-for-byte against it on every rebuild: a quote that does not match its archived paragraph cannot be published, and the build fails instead. The archive splits some paragraphs at page breaks; each piece is shown under its own paragraph index. Fee figures are recomputed from a daily series on every rebuild. The countdown derives from the live chain tip and the trailing 14-day block interval; the projected date is not a forecast of the calendar — the block number is the fixed thing.

How the universe was chosen, and why it is stated rather than discovered

This report's roster is hand-listed rather than discovered, because discovery could not produce it:

- A full-text sweep of EDGAR keeps only registrants whose name contains “bitcoin”. None of these five files under such a name, so the sweep that found the ETFs returns none of them. The roster began from two seeds (`COIN`, `GEMI`) and four candidates, each resolved by ticker against EDGAR's company file and its own submissions history; a candidate entered only if its latest 10-K carries matching language.
- Two things a careless re-run would get wrong. Bitcoin Depot was a candidate, but it filed Form 25-NSE on 13 July 2026 to delist and runs bitcoin ATMs, so it is excluded rather than quoted. And the archive splits paragraphs at page breaks: Exodus's risk factor arrives in pieces, and Coinbase's fee paragraph stops mid-sentence, so nothing past its last archived word is quoted.

On shared drafting

Four of these filings share drafting. Coinbase, Gemini, Figure and BitGo carry the same bullet on miner and validator rewards, near word for word, with only the network's name changed; their fee sentences are relatives too, and a close variant of Coinbase's appears in several spot-bitcoin ETF filings. BitGo's closing phrase, “may cause a decline in support for the Bitcoin network”, is shared with bitcoin-treasury filings. This report notes those relationships rather than presenting 5 companies as 5 independent judgements. Shared language is still filed language, but a reader is entitled to know which sentences are relatives.

Limits

- Fee share is measured in bitcoin terms. A rising bitcoin price can hold the dollar value of the security budget while the fee share stays flat; none of the quoted filings assumes that it will.
- Figures are as of 2026-10-12 and the report is stamped 2026-11-08. A later edition will differ.
- The quotes are excerpts. Each is linked to its full document so the surrounding context can be read.

06 Sources and notices

All quoted material is excerpted from public filings with the US Securities and Exchange Commission and reproduced verbatim for commentary and criticism. Issuer names and marks identify the documents quoted and imply no affiliation with, sponsorship by, or endorsement from any issuer.

Nothing in this report is investment advice, a recommendation to buy or sell any security or digital asset, or a statement about the merits of any company. It concerns one disclosed risk factor common to a category of filings.

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Chain data: the block interval and the build-time height are derived from the same daily series as the fee figures — the height from its cumulative issuance, carried forward at the trailing 14-day block rate. The web edition replaces that figure with a live tip fetched from public Bitcoin APIs; this printed one is the derived value. Fee and subsidy series computed from daily network totals. Derived tip at build: 975,178; blocks remaining to the halving: 74,822.

What the crypto exchange and custody filings say about the halving · https://exchange-risk-factor.pages.dev/ · verified 2026-11-08