

PAYWARD CANADA INC.

CRYPTO ASSET STATEMENT

WenWenCoin (WEN)

Last updated on May 15, 2024

Disclaimer

Please note that this Crypto Asset Statement is not exhaustive of all risks associated with trading WEN. Investors should perform their own assessment to determine the appropriate level of risk for their personal circumstances. Be sure to do your own research and due diligence while taking into account your own financial situation and risk tolerance. Please review the Risk Statement for additional discussion of general risks associated with the Crypto Contracts and Crypto Assets made available through the Canadian Platform. These materials are for general information purposes only and are not investment advice or a recommendation or solicitation to buy, sell or hold any crypto asset or to engage in any specific trading strategy. The information contained in this Crypto Asset Statement is based on publicly available information that may be inaccurate, incomplete, or change at any time.

What is WenWenCoin?

The WenWenCoin (WEN) is a fractional non-fungible token (NFT) of a viral poem titled 'A Love Letter to Wen Bros' that was written by Twitter user '@weremeow', the founder of the Jupiter decentralised exchange (DEX). The concept behind this fractional NFT is that holders of the WEN token will each hold a portion of the poem in the form of a digital asset.

The WEN token sought to take advantage of the rising popularity of cat themed coins on the Solana blockchain, whilst also acting as a broader testing initiative for the Jupiter DEX. The token was airdropped to a number of eligible participants upon its release, including existing Jupiter DEX users and owners of the Solana Saga smartphone.

Who is behind the project?

The token was originally launched in January 2024, by the creator of the Jupiter DEX, Meow or '@weremeow'. There is a suggestion that this individual is known as Ben Chow.

As of May 2024, the WEN token is overseen by the Wen Foundation, which is said to be a group of individuals who are dedicated to furthering the development of the Solana ecosystem.

How does it work?

The WEN token utilises the concept of fractional ownership in the form of an NFT. This enables the developer to split or fractionalise an asset, in this case a poem, and confer its ownership rights in the form of digital tokens. To create the WEN token, the developer converted the poem's digital format into a single NFT, then divided this NFT into 1 trillion smaller fractions, each of which was linked to an

individual WEN token. This arrangement creates a framework where each token signifies partial ownership of the NFT’s digital properties.

In developing this token, the Wen team combined fungible token design with NFT ownership, thus creating a new novel token standard known as the Wen New Standard. This standard is part of an open source system for NFT projects accessible to all community members. The Wen New Standard was created using Jupiters LFG Launchpad.

Tokenomics of WEN

The total supply of the WEN token is capped at 1 trillion tokens. In January 2024, the Project team announced that any unclaimed tokens as part of the airdrop would be burned. This subsequently amounted to approximately 270 billion tokens being burned, which led to a significant drop in token price at the time. The proposed distribution of the circulating supply is set out below:

Category	Amount
Airdrop	70%
Liquidity Pool	20%
Treasury	10%

General Risks

Like all other digital assets, there are some general risks to investing in WEN. These include short history risk, volatility risk, liquidity risk, demand risk, forking risk, code defects, cryptography risk, regulatory risk, concentration risk, electronic trading risk and cyber security risk. For more information on general risks associated with smart contracts and digital assets, see Kraken’s Risk Statement.

Risks specific to WEN

Market Volatility

WEN is a cryptocurrency which draws inspiration from internet memes. It is created to capture interest in social media from meme enthusiasts. Due to its association with social media and internet culture, WEN is highly volatile. As such, investing in WEN carries a high level of risk.

Competition

WEN faces competition from other memecoins such as PEPE, Dogecoin, Shiba Inu and many others. WEN’s value derives from community sentiment and interest. If WEN fails to achieve sufficient interest compared to the other options in the market, this could negatively impact the value of WEN.

Due Diligence

Prior to listing on the Kraken platform, Kraken performed due diligence on WEN and determined that WEN is unlikely to be a security or derivative under Canadian securities legislation. Our analysis generally includes, but is not limited to, reviewing publicly available information on the following:

- The creation, governance, usage and design of WEN, including the source code, security and roadmap for growth in the developer community and, if available, the background of the developer(s) that created WEN;
- The supply, demand, maturity, utility and liquidity of WEN;
- Material technical risks associated with WEN, including any code defects, security breaches and other threats concerning WEN and its supporting blockchain (such as the susceptibility to hacking and impact of forking), or the practices and protocols that apply to them; and
- Legal and regulatory risks associated with WEN, including (i) any pending, potential, or prior civil, regulatory, criminal, or enforcement action relating to the issuance, distribution, or use of WEN, and (ii) consideration of statements made by any regulators or securities regulatory authorities in Canada, other regulators of the International Organization of Securities Commissions, or the regulator with the most significant connection to WEN about whether WEN, or generally about whether the type of crypto asset, is a security and/or derivative.

No securities regulatory authority has expressed an opinion about the Crypto Contracts or any Crypto Assets (as defined in the Risk Statement) made available on the Kraken platform, including an opinion that WEN is not itself a security and/or derivative. Changes to applicable law may adversely affect the use, transfer, exchange, or value of any of your crypto assets, and such changes may be sudden and without notice.