

PAYWARD LTD
CRYPTO ASSET RISK DISCLOSURE
Metis (METIS)

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Disclaimer

Please note that this risk disclosure is not exhaustive of all risks associated with trading METIS. 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 Summary](#) for additional discussion of general risks associated with the assets made available in the 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 risk disclosure is based on publicly available information that may be inaccurate, incomplete, or change at any time.

What is METIS and how does it work?

Metis is a permissionless Layer 2 network designed to enhance Ethereum's scalability and usability for decentralised applications (dApps). By utilising technologies such as Optimistic Rollups and Decentralised Sequencers, Metis aims to provide high transaction throughput with low latency and costs, while maintaining decentralisation and security. The platform supports various use cases, including decentralised finance (DeFi), gaming, and decentralised autonomous companies (DACs), enabling developers and users to interact seamlessly within the Ethereum ecosystem.

The METIS token is used for transaction fees within the network, staking for sequencers who are rewarded in METIS for verifying transactions, and governance of the protocol.

Who is behind the project?

Metis was founded by Elena Sinelnikova, Kevin Liu, and Yuan Su. The CEO is Tommy Ngo. The legal entity behind Metis is MetisLab Foundation Ltd, which is registered in Singapore.

Tokenomics of METIS

METIS has a total supply of 10 million tokens. The initial token allocations are distributed as follows:

Wallet Classification	%	Tokens
Public Sale	0.3%	30,000
Advisors	1.5%	150,000
Angel Investors	1%	100,000
Seed Investors	6%	600,000
Private Investors	7%	700,000
Community Star	3%	300,000
Strategic Investors	1.5%	150,000
Community Development	6%	600,000
Builder Mining Rewards (Grants/Development)	10.7%	1,070,000
Foundation / Treasury	4%	400,000
Team	7%	700,000
Liquidity	6%	600,000
Sequencers Mining and Ecosystem Development Fund	46%	4,600,000

The current circulating supply of METIS is 6,498,834 METIS as per CoinGecko, in August 2025.

General Risks

Like all other digital assets, there are some general risks to investing in METIS. These include Smart Contract risks, 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 METIS

Competition

METIS faces competition from other L2 rollups such as Mantle (MNT) and Arbitrum (ARB). METIS's value derives from the protocol's broader adoption in the market. If METIS fails to achieve sufficient adoption compared to the other options in the market, this could negatively impact the value of METIS.

Due Diligence

Prior to listing on the Kraken platform, Kraken performed due diligence on METIS and determined it was permitted to make METIS available for trading to UK users. This process generally consists of reviewing publicly available information on the following:

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

Don't invest unless you're prepared to lose all the money you invest. This is a high-risk investment and you should not expect to be protected if something goes wrong. [Take 2 mins to learn more.](#)

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