

PAYWARD LTD
CRYPTO ASSET RISK DISCLOSURE
Limewire (LMWR)

Last updated on March 5, 2026

Disclaimer

Please note that this risk disclosure is not exhaustive of all risks associated with trading LMWR. 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 LMWR and how does it work?

LimeWire is a membership-based content platform that lets creators build closed communities and issue each post - video, audio, image or text - as an on-chain digital collectible (NFT). Subscribers own the NFTs they receive and may hold or trade them on LimeWire or third-party marketplaces. The platform launched in 2022 on Algorand and now operates a multichain model: the ERC-20 LimeWire Token (LMWR) can be bridged to BNB Chain and Base, giving users lower-fee settlement while keeping Ethereum compatibility.

LMWR underpins the ecosystem. Holders can:

- Pay for subscriptions, pay-per-view content and marketplace fees;
- Unlock loyalty tiers and creator perks;
- Vote in LimeWire governance polls; and
- Earn rewards through optional staking pools funded by the protocol treasury.

By combining NFT ownership with direct fan-to-creator payments, LimeWire seeks to align community incentives around the token itself.

Who is behind the project?

LimeWire GmbH was acquired in 2021 by brothers Paul Zehetmayr and Julian Zehetmayr, who continue to serve as co-CEOs.

Tokenomics of LMWR

A fixed 1 billion LMWR were minted at launch. Ongoing burn programmes have reduced the total supply to \approx 633 million as of March 5, 2026, while \approx 370 million tokens are in circulation.

| Category | Amount |
|---------------------|--------|
| Token Burn | 36.70% |
| Team | 14.00% |
| Private Round | 12.00% |
| Treasury | 10.00% |
| Community Rewards | 10.00% |
| Strategic Round | 8.00% |
| Liquidity Provision | 5.00% |
| Public Sale | 3.80% |
| Advisors | 0.50% |

General Risks

Like all other digital assets, there are some general risks to investing in LMWR. 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 LMWR

Competition

The LimeWire network faces competition from other technology-based membership platforms such as Audius, Royal and many others. LimeWire's value derives from its broader adoption in the market. If the LimeWire network fails to achieve sufficient adoption compared to the other options in the market, this could negatively impact the value of LMWR.

Developer Dependence

While there are many developers who contribute to LimeWire, there are no guarantees that they will continue to contribute. LMWR, LimeWire's native asset, could be negatively affected by an inability to retain and/or attract developers to continue to maintain and build out the platform, as well as an inability to attract users onto the platform.

Due Diligence

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

- The creation, governance, usage and design of LMWR, including the source code, security and roadmap for growth in the developer community and, if available, the background of the developer(s) who created LMWR;
- The supply, demand, maturity, utility and liquidity of LMWR;
- Material technical risks associated with LMWR, including any code defects, security breaches and other threats concerning LMWR 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 LMWR, including (i) any pending, potential, or prior civil, regulatory, criminal, or enforcement action relating to the issuance, distribution, or use of WOO, 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 WOO regarding whether WOO, or generally regarding 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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