PAYWARD LTD

CRYPTO ASSET RISK DISCLOSURE

Cap (CAP)

Last updated on May 07, 2026

Disclaimer

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

Cap is a credit platform built on the Ethereum blockchain that allows users to mint cUSD, a stablecoin redeemable 1:1 against USDC and USDT, by depositing approved collateral. The platform connects depositors who supply liquidity, operators (institutional borrowers including high-frequency trading firms, market makers, and asset managers) who borrow against the protocol's reserves to deploy yield strategies, and restakers who underwrite operator credit risk through shared security networks. Lenders earn yield insured by underwriter collateral, with risk coverage enforced by smart contracts.

At the time of writing the token is not live. The CAP will be used for governance of the Cap platform, including votes on parameters, collateral management, operator onboarding, and protocol fees, and will be bought back using fees from the platform.

Who is behind the project?

Cap Labs was founded in 2024 by Benjamin Sarquis Peillard. Benjamin Sarquis Peillard serves as Chief Executive Officer.

Tokenomics of CAP

The total supply of CAP is 10 billion tokens which is distributed as follows:

CAP Allocation	% of Total supply
Ecosystem & Community	50.87%
Pre-Seed Venture Investors	7.52%
Seed Venture Investors	10.00%
Project Team	20%

Echo Community Sale	2.86%
Initial Token Sale	5%
Private TVL deals	3.75%
Total	**100%**

General Risks

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

Competition

The Cap platform faces competition from other DeFi credit and stablecoin yield platforms such as Maple Finance, Aave, and others. CAP's value derives from its broader adoption in the market. If the Cap platform fails to achieve sufficient adoption compared to the other options in the market, this could negatively impact the value of CAP.

Due Diligence

Prior to listing on the Kraken platform, Kraken performed due diligence on CAP and determined that CAP is unlikely to be a security or derivative under UK 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 CAP, including the source code, security and roadmap for growth in the developer community and, if available, the background of the developer(s) that created CAP;
- The supply, demand, maturity, utility and liquidity of CAP;
- Material technical risks associated with CAP, including any code defects, security breaches and other threats concerning CAP 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 CAP, including (i) any pending, potential, or prior civil, regulatory, criminal, or enforcement action relating to the issuance, distribution, or use of CAP, 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 CAP about whether CAP, 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.

Payward Ltd (trading as Kraken) is registered as a cryptoasset firm with the Financial Conduct Authority (FRN: 928768) registered office at 6th Floor, One London Wall, London, EC2Y 5EB. Cryptoasset services offered by Payward Ltd are unregulated and not covered by the Financial Services Compensation Scheme as well as the FCA's consumer protection regulations. Note the value of cryptoassets can go down as well as up, gains may be subject to Capital Gains Tax and there may be extra charges when paying via credit card from your provider.