

PAYWARD LTD

CRYPTO ASSET RISK DISCLOSURE PACK (PACK)

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Disclaimer

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

HashPack is a non-custodial wallet for the Hedera network. It provides users with tools to manage HBAR and Hedera tokens/NFTs, connect to dApps, and access ecosystem features such as an in-wallet swap, a store, and the HashVote governance portal. Hedera's ecosystem page lists HashPack among its wallets & custody applications and describes it as a gateway to DeFi, NFTs, and tokenized assets on Hedera.

PACK is the HashPack utility token issued on the Hedera Token Service. Utilities include staking PACK to receive xPACK, participation in governance via HashVote, in-wallet "PackBack" rewards that return a portion of fees on eligible swaps, and spending in the HashPack Store.

Who is behind the project?

PACK is issued by HashPack Inc., which was founded by May Chan, Nicholas Hanna, Tyler Cote, and Jacob D'Rozario.

Tokenomics of PACK

The total supply of PACK is 1 billion tokens, which is distributed as follows:

Category	Percentage
Community	51%
Liquidity	2%

Marketing	10%
Core Development	27%
Operations	10%
Total	100%

General Risks

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

Competition

The HashPack wallet faces competition from other wallet and DeFi utility tokens such as Trust Wallet Token (TWT), SafePal (SFP), and SaucerSwap’s SAUCE, and many others. PACK’s value derives from its broader adoption in the market. If the HashPack wallet fails to achieve sufficient adoption compared to the other options in the market, this could negatively impact the value of PACK.

Due Diligence

Prior to listing on the Kraken platform, Kraken performed due diligence on PACK and determined it was permitted to make PACK available for trading to UK users. Our analysis generally includes, but is not limited to, reviewing publicly available information on the following:

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