

PAYWARD CANADA INC.

CRYPTO ASSET RISK DISCLOSURE

Official Trump (TRUMP)

Last updated on January 18, 2025

Disclaimer

Please note that this Crypto Asset Statement is not exhaustive of all risks associated with trading TRUMP. 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 Official Trump and how does it work?

TRUMP is a meme-based cryptocurrency token associated with U.S. President Donald Trump. It is designed to function as an expression of support for, and engagement with, the ideals and beliefs embodied by the symbol TRUMP and the associated artwork.

The TRUMP token operates on the Solana blockchain, utilizing its infrastructure to facilitate transactions. The project offers digital collectible cards, referred to as “Trump Fight Cards,” which are intended to capture historical moments associated with President Trump’s persona.

Who is behind Official Trump?

The TRUMP token project is affiliated with CIC Digital LLC, an affiliate of The Trump Organization, and Fight Fight Fight LLC. Donald Trump himself has also indicated that he’s behind the project with posts on Truth Social and X (formerly Twitter).

Tokenomics of TRUMP

These entities collectively own 80% of the Trump Cards, subject to a three-year unlocking schedule. CIC Digital LLC and Celebration Cards LLC, the owners of Fight Fight Fight LLC, will receive trading revenue derived from trading activities of TRUMP.

The TRUMP token has a total supply of 1 billion tokens, to be reached over a three-year period. Initially, 200 million TRUMP tokens were made available on day one, with the remaining tokens to be released according to a predetermined schedule over the subsequent years. Each group's allocation is released on their own schedule over the three-year period

Category	Amount	Additional Information
Liquidity	10%	Unlocked immediately
Public distribution	10%	Unlocked immediately
Creators & CIC Digital, 1	36%	Lock up for 3 months, unlock duration is 24 months
Creators & CIC Digital, 2	18%	Lock up for 6 months, unlock duration is 24 months
Creators & CIC Digital, 3	18%	Lock up for 12 months, unlock duration is 24 months
Creators & CIC Digital, 4	4%	Lock up for 3 months, unlock duration is 24 months
Creators & CIC Digital, 5	2%	Lock up for 6 months, unlock duration is 24 months
Creators & CIC Digital, 6	2%	Lock up for 12 months, unlock duration is 24 months

General Risks

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

Competition

TRUMP faces competition from other memecoins such as PEPE and WIF. TRUMP's value derives from the project's broader adoption in the market. If TRUMP fails to achieve sufficient adoption compared to the other options in the market, this could negatively impact the value of TRUMP.

Supply concentration

The team behind the project owns a large portion of the supply. According to the project's tokenomics, 80% of TRUMP is owned by creators and CIC Digital LLC, with these holdings subject to a three-year unlocking schedule. This concentrated ownership poses the risk that decisions made by these entities, such as the potential sale or transfer of a substantial portion of the tokens, could negatively impact the token's market price and overall stability.

Due Diligence

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