PAYWARD LTD
CRYPTO ASSET RISK DISCLOSURE
WEMIX Coin (WEMIX)

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Disclaimer

Please note that this Crypto Asset Statement is not exhaustive of all risks associated with trading WEMIX. 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 Crypto Asset Statement is based on publicly available information that may be inaccurate, incomplete, or change at any time.

What is WEMIX and how does it work?

WEMIX is a Layer 1 blockchain network developed by the WEMIX Foundation. According to the project's official materials, WEMIX 3.0 is an EVM-compatible public blockchain designed to support games, decentralized applications, and other digital asset services. The network operates its own independent mainnet and does not rely on another blockchain for security. It uses a Stake-based Proof of Authority (SPoA) consensus mechanism, where a limited number of approved validators are responsible for producing blocks, validating transactions, and maintaining network operations.

The WEMIX token is the native asset of the WEMIX network. It is used to pay transaction (gas) fees, stake and delegate tokens to validators to earn rewards, and to support planned governance participation

Who is behind the project?

The project is led by Henry Chang, who serves as Chief Executive Officer (CEO).

Tokenomics of WEMIX

The maximum token supply was initially set at 1 billion WEMIX, however, following multiple historical burn events, the current total token supply is capped at 590 million WEMIX, and the distribution of tokens is as follows:

Category	**Percentage**
Private Sale	10%
Marketing	7%
Team	9%

Investments	15%
Platform Development	30%
Community	10%
Partnerships	45%
Total	**100%**

General Risks

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

Competition

The Wemix network faces competition from other Layer 1 blockchain platforms such as Ethereum, BNB Chain, and many others. WEMIX's value derives from its broader adoption in the market. If the Wemix network fails to achieve sufficient adoption compared to the other options in the market, this could negatively impact the value of the WEMIX token.

Due Diligence

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