

PAYWARD CANADA INC.

CRYPTO ASSET RISK DISCLOSURE

Vine (VINE)

Last updated on January 28, 2025

Disclaimer

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

VINE is a memecoin launched on the Solana blockchain by Rus Yusupov, co-founder of the former short-form video platform Vine. Announced on January 23, 2025, the project aims to evoke nostalgia for the original Vine app, which was discontinued in 2017. Yusupov introduced VINE with a post on X (formerly Twitter), stating, "Remembering all the fun we had building vine — Let's relive the magic and DO IT FOR THE #VINECOIN."

As a memecoin, VINE primarily serves as a digital asset driven by community engagement and social media trends. The project does not currently outline specific use cases or applications beyond its role as a memecoin.

Who is behind the project?

VINE was created using the solana-based platform Pump.fun by Rus Yusupov, co-founder of the original Vine platform. Yusupov announced the launch of the VINE token on January 23, 2025, through his official X account, providing proof of authenticity by sharing the token contract address and a photo of himself holding the announcement.

Tokenomics of VINE

As of January 2025, the circulating supply of VINE is 999.99 million, with a total supply of 1 billion. As the token was created using Pump.fun, there is no pre-allocated pool of tokens or vesting,

General Risks

Like all other digital assets, there are some general risks to investing in VINE. These include Smart Contract risks, 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 VINE

Competition

The VINE token faces competition from other memecoins such as Dogecoin, Shiba Inu, and many others. VINE's value derives from its broader adoption in the market. If the VINE network fails to achieve sufficient adoption compared to the other options in the market, this could negatively impact the value of VINE.

Due Diligence

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