

**PAYWARD LTD**  
CRYPTO ASSET RISK DISCLOSURE  
Moonwell (WELL)

**Moonwell Finance (WELL)**

Last updated on August 13, 2025

**Disclaimer**

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

Moonwell is a decentralized, on-chain lending protocol that enables the lending and borrowing of assets across Base, Optimism, Moonbeam and Moonriver, allowing users to lend and borrow assets in a trustless and transparent manner. Essentially, Moonwell acts as a platform for users to supply liquidity and earn interest on their deposited assets, or to borrow assets by providing collateral.

WELL is the native token of the Moonwell protocol, which can be held and utilized within the ecosystem, whereas stkWELL represents a staked version of the WELL token, granting holders voting power and participation in the protocol's governance. WELL can also be staked in the Moonwell Safety Module which acts as an insurance fund for the protocol.

**Who is behind the project?**

The entity behind the Moonwell project is the Moonwell Foundation, a company registered in the Cayman Islands. Luke Youngblood is the founder of Moonwell.

## Tokenomics of WELL

According to the Moonwell documentation, the tokenomics of WELL are as follows:

Token Distribution	Total Supply
Liquidity Incentives	19.35%
Long-Term Protocol & Ecosystem Development	10%
Application Development	20.28%
Bootstrap	8%
Private Sale	11.49%
Strategic Sale	1.86%
Public Sale	9.02%
Key Partners	8%
Advisors	1.50%
Founding Contributors	8%
Future Contributors	2.50%
<b>Total Supply</b>	<b>100%</b>

## General Risks

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

### *Competition*

Moonwell faces competition from other cryptocurrencies such as Aave, Morpho, Compound, and many others. WELL's value derives from its broader adoption in the market. If Moonwell fails to achieve

sufficient adoption compared to the other options in the market, this could negatively impact the value of WELL.

### **Due Diligence**

Prior to listing on the Kraken platform, Kraken performed due diligence on WELL and determined it was permitted to make WELL available for trading to UK users. This process generally consists of reviewing publicly available information on the following:

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