

**PAYWARD LTD**  
CRYPTO ASSET RISK DISCLOSURE  
VeThor (VTHO)

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**Disclaimer**

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

VeChain is a public blockchain platform designed to support enterprise and business-focused applications, enabling organizations to record data, execute smart contracts, and process transactions on-chain. The ecosystem uses a dual-token model and a Delegated Proof of Stake (DPoS) consensus mechanism, with the VeChainThor blockchain serving as the underlying network for these activities.

VTHO is the token used to pay transaction fees on the VeChain blockchain. It is consumed when transactions are executed on the network. VTHO's sole function is to enable transactions by covering network fees.

**Who is behind the project?**

VeChain was founded by Sunny Lu, who serves as the Chief Executive Officer (CEO) of the project.

**Tokenomics of VTHO**

VTHO has no fixed maximum supply and is generated through the staking of VET on the VeChainThor blockchain. VTHO is consumed when transaction fees are paid on the network, and the amount used is burned and permanently removed from circulation. As a result, the circulating supply of VTHO varies over time based on network usage and the level of VET staking.

**General Risks**

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

### *Competition*

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

### **Due Diligence**

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