PAYWARD LTD
CRYPTO ASSET RISK DISCLOSURE
Qtum (QTUM)

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Disclaimer

Please note that this risk disclosure is not exhaustive of all risks associated with trading QTUM. 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 Qtum and how does it work?
Qtum is a decentralized, open-source smart-contract platform that blends Bitcoin's Unspent Transaction Output (UTXO) accounting model with Ethereum-style expressive programming. Its hybrid architecture pairs a Bitcoin-derived base layer, responsible for transaction integrity, with an upper layer that runs an Ethereum-compatible virtual machine (EVM) for smart contracts and decentralized applications. Qtum's signature Account Abstraction Layer (AAL) bridges these layers, translating UTXO data into an account-based format so contracts can execute seamlessly and then updating the ledger once transactions settle.

Consensus is achieved through Mutualized Proof of Stake (MPoS). Validators stake QTUM to secure the network, earning block rewards and transaction fees; each new reward is split between the current block producer and nine prior producers, with payment delayed by 500 blocks. Blocks average 32 seconds and the reward, currently 0.5 QTUM, halves every four years (next halving: 30 Nov 2025). The native token, QTUM, pays for network fees, participates in staking, and enables on-chain governance votes.

Who is behind the Project?
Founded in 2016, Qtum was released by the Qtum Foundation, a non-profit organization based in Singapore that develops and maintains the software.

Tokenomics of QTUM
QTUM was launched in a 2017 ICO with an initial supply of 100 million QTUM tokens that was distributed as follows:

Category	Allocation
Public sale	51%

Foundation initiators, early backers and the development team	20%
Business Development	20%
Academic research, education and market expansion	9%
Total	100%

As of September 2025, the circulating supply of QTUM is approximately 105 million QTUM.

General Risks
Like all other digital assets, there are some general risks to investing in QTUM. These include short history risk, volatility, and 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 Qtum

Competition
The Qtum network faces competition from the many other smart contract platforms such as Ethereum, Binance Chain, Cardano, and many others. QTUM's value derives from Qtum's broader adoption in the market. If the Qtum network fails to achieve sufficient adoption compared to the other options in the market, this could negatively impact the value of QTUM.

Developer Dependence
Although there are many developers working on the Qtum network, there are no guarantees that they will continue to contribute. QTUM could be negatively affected by an inability to retain and/or attract developers to continue to maintain and build out its smart contract platform as well as attract developers to build applications that utilize the Qtum network.

Due Diligence
Prior to listing on the Kraken platform, Kraken performed due diligence on QTUM and determined that Kraken was permitted to make QTUM available for trading to UK users, in compliance with UK law. This process generally consists of reviewing publicly available information on the following:
- The creation, governance, usage and design of QTUM, including the source code, security and roadmap for growth in the developer community and, if available, the background of the developer(s) that created QTUM;
- The supply, demand, maturity, utility and liquidity of QTUM;
- Material technical risks associated with QTUM, including any code defects, security breaches and other threats concerning QTUM 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 QTUM, including (i) any pending, potential, or prior civil, regulatory, criminal, or enforcement action relating to the issuance, distribution, or use of QTUM, 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 QTUM about whether QTUM, 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.](#)