PAYWARD LTD

CRYPTO ASSET RISK DISCLOSURE

United Stables (U)

Last updated on May 13, 2026

Disclaimer

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

United Stables is a digital asset infrastructure provider that issues a USD-pegged stablecoin designed to consolidate stablecoin liquidity across exchanges, decentralised finance protocols, payment networks, and AI-driven systems. The platform allows institutional users to mint and redeem the stablecoin against eligible reserve assets through the issuer's designated processes, with reserves held in segregated custody and supported by periodic transparency reports and independent audits.

U is a stablecoin intended to maintain a 1:1 value with the US Dollar. The token is designed to support transactions such as trading, payments and remittances, decentralised finance applications, institutional settlement, and AI-driven autonomous transactions. U is minted when funds are deposited and redeemed when tokens are returned through the issuer's designated processes, subject to applicable requirements.

Who is behind the project?

United Stables is led by Athena Yu, who serves as the Chief Executive Officer. U is issued by United Stables Limited, a company registered in the British Virgin Islands.

Tokenomics of U

U is a stablecoin issued by United Stables Limited that reflects the value of one US Dollar. The circulating supply is designed to correspond to the value of reserves consisting of cash, U.S. Treasury bills, and fiat-referenced stablecoins supporting the token. U is issued for value stability relative to the US Dollar and for transactional use such as trading, payments and remittances, decentralised finance applications, institutional settlement, and AI-driven autonomous transactions. The supply of U is not capped and expands or contracts based on minting and redemption activity conducted through the issuer's designated infrastructure. The reserve assets are held through a trust arrangement operated by Wallets

Trust Limited, a registered trustee, providing legal segregation of reserve assets from the issuer's corporate assets.

General Risks

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

Depegging Risk

At any given point in time, the price of U may not accurately reflect the value of the underlying asset, the US Dollar. This risk arises because the price of U is determined by supply and demand in the secondary market, rather than the actual value of the US Dollar. If demand for U exceeds the available supply, the price of U may increase, leading to a higher price relative to the US Dollar. Conversely, if there is a surplus of U tokens and insufficient demand, the price may decrease, causing U to be worth less than the US Dollar.

U should always be redeemable 1:1 with the US Dollar but there is always a risk of a smart contract bug. A potential bug could have a negative impact on the value of U.

Redemption Risk

The value of U is backed by a reserve of US Dollars and secure, low-risk assets held by United Stables Limited. However, there is a risk that United Stables Limited may be unable to meet redemption demands in a timely manner at some point in the future. If the issuer is unable to meet redemption requests due to insufficient reserves, it could lead to a loss of confidence in the asset, negatively impacting its value.

Risk of Asset Freezing

United Stables Limited reserves the right to "block" certain U addresses, and, if such addresses are United Stables Limited custodied addresses, freeze associated U. Additionally, if U is deemed illegal in certain jurisdictions, the associated U tokens could be frozen resulting in the owner of the wallet not being able to transfer U.

Due Diligence

Prior to listing on the Kraken platform, Kraken performed due diligence on U and determined that U is unlikely to be a security or derivative under UK 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 U, including the source code, security and roadmap for growth in the developer community and, if available, the background of the developer(s) that created U;
- The supply, demand, maturity, utility and liquidity of U;

- Material technical risks associated with U, including any code defects, security breaches and other threats concerning U 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 U, including (i) any pending, potential, or prior civil, regulatory, criminal, or enforcement action relating to the issuance, distribution, or use of U, 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 U about whether U, 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.