

PAYWARD LTD

CRYPTO ASSET RISK DISCLOSURE

Baby Shark Universe (BABYSHARK)

Last updated on May 04, 2026

Disclaimer

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

Baby Shark Universe is a Web3 entertainment and gaming platform built on the BNB Smart Chain that uses the licensed Baby Shark and Pinkfong intellectual property. The platform offers an open-world role-playing game with quests, character customisation, dungeons, and ranking systems, alongside a non-fungible token marketplace for in-game items and costumes. Users can craft items, create user-generated content, and trade digital assets within the platform's ecosystem, with onboarding designed to allow access through standard social logins.

BSU is the native utility token of the Baby Shark Universe platform. It is used to purchase in-game items and services, to pay for the minting and trading of non-fungible tokens within the project marketplace, to access custom maps and exclusive areas of the metaverse, and to register user-generated content. BSU is also intended to be used for participation in protocol governance.

Who is behind the project?

The Baby Shark Universe project was co-founded by Cheongyong Kim, who serves as the project's Chief Executive Officer. The project is published by BSUNIVERSE PTE. LTD., a company incorporated in Singapore, which has obtained an official license to use the Baby Shark and Pinkfong intellectual property from The Pinkfong Company.

Tokenomics of BSU

The total supply of BSU is 850 million tokens which is distributed as follows:

BSU Allocation	% of Total supply
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Ecosystem	35%
Ecosystem Reserve	15%
Team	10%
Liquidity & Exchanges	8%
Operation & Development	8%
Private Sale Round	8%
Advisors & Partners	8%
Seed Round	4%
Marketing	4%
Total	100%

General Risks

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

Competition

The Baby Shark Universe platform faces competition from other Web3 gaming and metaverse platforms such as The Sandbox, Decentraland, Axie Infinity, and others. BSU's value derives from its broader adoption in the market. If the Baby Shark Universe platform fails to achieve sufficient adoption compared to the other options in the market, this could negatively impact the value of BSU.

Adoption by Protocols & Users

BSU's value derives from protocols building on Baby Shark Universe. If Baby Shark Universe fails to attract sufficient adoption, this could negatively impact the value of BSU.

Due Diligence

Prior to listing on the Kraken platform, Kraken performed due diligence on BSU and determined that BSU 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 BSU, including the source code, security and roadmap for growth in the developer community and, if available, the background of the developer(s) that created BSU;

- The supply, demand, maturity, utility and liquidity of BSU;
- Material technical risks associated with BSU, including any code defects, security breaches and other threats concerning BSU 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 BSU, including (i) any pending, potential, or prior civil, regulatory, criminal, or enforcement action relating to the issuance, distribution, or use of BSU, 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 BSU about whether BSU, 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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