

PAYWARD LTD
CRYPTO ASSET RISK DISCLOSURE
PEPECOIN (PEPECOIN)

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Disclaimer

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

Pepecoin (token ticker: PEPECOIN) is a decentralized blockchain project that supports payments and other on-chain features designed for the Pepecoin community. It has also supported features such as private messaging, PepePaint, and Kekworld

PEPECOIN token was originally a memecoin but since launch has developed utility and is now used to pay transaction fees and transfer value on the Pepecoin network. It allows payment for minting of NFTs on PepePaint and powers the in-game economy in Kekworld through the purchase of rooms, items, cosmetics, and seasonal expansions.

Note: There are many memecoins with similar names and tickers; please verify that you are reviewing the correct asset, as PEPECOIN (PEPECOIN) differs from PEPECOIN (PEP).

Who is behind PEPECOIN

The Pepecoin project is administered by the PepeCoin Corporation. The founder(s) are not publicly disclosed.

Tokenomics of PEPECOIN

Pepecoin's initial distribution came from fair mining and staking rewards on its original UTXO-based L1 blockchain, which launched in 2016. During the migration to Ethereum, the supply was increased to accommodate the transition, and the remaining tokens were made available for acquisition on the open market.

A total of approximately 26 million tokens have been permanently removed from circulation, bringing the current total supply to 107.6 million tokens.

General Risks

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

Competition

The PEPECOIN project faces competition from other broader memecoins such as Dogecoin (DOGE) Bonk (BONK) and dogwifhat (WIF) PEPECOIN's value derives from its broader adoption in the market. If the PEPECOIN protocol fails to achieve sufficient adoption compared to the other options in the market, this could negatively impact the value of PEPECOIN.

Due Diligence

Prior to listing on the Kraken platform, Kraken performed due diligence on PEPECOIN and determined that PEPECOIN 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 PEPECOIN, including the source code, security and roadmap for growth in the developer community and, if available, the background of the developer(s) that created PEPECOIN;
- The supply, demand, maturity, utility and liquidity of PEPECOIN;
- Material technical risks associated with PEPECOIN, including any code defects, security breaches and other threats concerning PEPECOIN 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 PEPECOIN, including (i) any pending, potential, or prior civil, regulatory, criminal, or enforcement action relating to the issuance, distribution, or use of PEPECOIN, 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 PEPECOIN about whether PEPECOIN, 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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as up, gains may be subject to Capital Gains Tax and there may be extra charges when paying via credit card from your provider.