

PAYWARD LTD
CRYPTO ASSET RISK DISCLOSURE
Sun (SUN)

Sun Token (SUN)

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Disclaimer

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

SUN is a decentralized cryptocurrency that enhances the functionality and usability of the TRON blockchain ecosystem. SUN serves as the governance token for the SUN.io/SunSwap DeFi platform on TRON, supporting governance, rewards, and fee-sharing, rather than functioning as the infrastructure for creating tokens and decentralized applications (dApps). SUN also plays a role in the operation of SunSwap, a decentralized exchange (DEX) and automated market maker (AMM) protocol, which facilitates token swaps and liquidity provision within the TRON ecosystem. Users can utilize SUN to participate in the SunSwap protocol and engage in various activities, such as token swaps and liquidity provision, in accordance with the community's DAO and governance. SUN also plays a role in governance, staking, and the overall stability of the ecosystem, empowering a community-driven network that promotes decentralization and innovation.

Who is behind the project?

Based on the information available, the project is not attributed to a specific team or individual. The whitepaper does not mention the name of the project leader, developer, or team behind SunSwap.

Tokenomics of SUN

The distribution of SUN tokens is currently based on the V2 token model, which is an upgraded version of the original token. The V2 token model provides for a more equitable distribution of tokens among users and has a total supply of 19,900,730,000 SUN tokens:

Token distribution V1	Total Supply
Genesis Mining	9.3%
Official Mining	15.6%

JustLend Mining	1.2%
Century Mining	2.4%
Token distribution V2	Total Supply
Genesis Mining	4.2%
Governance Mining	19.1%
veCRV Airdrop	1%
Undistributed Tokens	47.2%
Total supply	100%

General Risks

Like all other digital assets, there are some general risks to investing in SUN. 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 Sun Token

Competition

The SUN.io/SunSwap platform faces competition from other decentralized exchanges and DeFi protocols such as Uniswap, Curve, JustLend, and many others, both within and outside the TRON ecosystem. SUN's value derives from the adoption and usage of the SUN.io/SunSwap platform. If the platform fails to achieve sufficient adoption compared to other options in the market, this could negatively impact the value of SUN.

Due Diligence

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