

PAYWARD LTD
CRYPTO ASSET RISK DISCLOSURE
Sweat Economy (SWEAT)
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Disclaimer

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

The Sweat Economy is a platform that rewards users with a digital currency named SWEAT for participating in physical activities like walking and running. The platform aims to integrate daily physical activity with digital rewards.

The SWEAT token works within the Sweat Economy platform to incentivize physical activity. Users earn SWEAT tokens by engaging in activities such as walking and running, which are verified through the Sweatcoin app and other validators. The token can be used for staking to earn rewards, accessing premium features, and participating in governance decisions within the ecosystem. The SWEAT token is supported on both the NEAR and Ethereum blockchains.

Who is behind the Project?

The Sweat Economy project was co-founded by Oleg Fomenko, Anton Derlyatka, Egor Khemelev, and Henry Child. It evolved from Sweatcoin, which was launched in 2015. The project is based in the British Virgin Islands and is operated by The Sweat Foundation Ltd.

Tokenomics of Sweat :

The initial distribution of Sweat tokens is as follows:

| Category | Total Supply |
|-------------|--------------|
| Ecosystem | 7.02% |
| SweatCo LTD | 22% |

| | |
|---------------------|-------------|
| Foundation Treasury | 27.71% |
| Lockdrop | 25% |
| Team and advisors | 10.92% |
| Seed round | 2.68% |
| Public sale | 1.33% |
| Private round | 3.33% |
| Total: | 100% |

General Risks

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

Competition

SWEAT is aiming for a share of the move-to-earn market among other projects like STEPN and Genopets. Each offers unique tradeoffs, fostering competition between them. SWEAT's value derives from its broader adoption and community-driven initiatives. If SWEAT fails to achieve sufficient adoption or engagement compared to other options in the market, this could negatively impact the value of SWEAT.

Due Diligence

Prior to listing on the Kraken platform, Kraken performed due diligence on Sweat and determined it was permitted to make Sweat available for trading to UK users. This process generally consists of reviewing publicly available information on the following:

- The creation, governance, usage and design of Sweat, including the source code, security and roadmap for growth in the developer community and, if available, the background of the developer(s) that created Sweat;
- The supply, demand, maturity, utility and liquidity of Sweat;
- Material technical risks associated with Sweat, including any code defects, security breaches and other threats concerning Sweat 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 Sweat, including (i) any pending, potential, or prior civil, regulatory, criminal, or enforcement action relating to the issuance, distribution, or use of Sweat, 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 Sweat about whether Sweat, 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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