

PAYWARD LTD

CRYPTO ASSET RISK DISCLOSURE

Telcoin (TEL)

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Disclaimer

Please note that this Crypto Asset Statement is not exhaustive of all risks associated with trading TEL. 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 Telcoin (TEL) and how does it work?

Telcoin is a telecom-integrated crypto platform focused on remittances and decentralized finance. The project combines a Layer-1 blockchain (“Telcoin Network”) and an incentive layer called TELx to support high-performance, mobile-first financial services. The Telcoin Network uses a dual-layer architecture with Narwhal/Bullshark BFT network for transaction ordering and finality. According to the project team, the roadmap includes plans for validators sourced from GSMA-affiliated mobile operators to align the network with global telecom infrastructure. TELx distributes programmatic incentives for liquidity and DeFi integrations across EVM networks. [OBJ]

TEL is the platform’s native token. It is used for network fees on the Telcoin Network, for staking by validators/delegators to help secure consensus, and for on-chain governance of network upgrades and economic parameters; TELx additionally uses TEL for rewards and liquidity incentives. The official token page describes TEL as the gas token of the Telcoin Network and a core utility asset within the Telcoin Platform.

Who is behind the project?

Telecoin was co-founded by Paul Neuner and Claude Eguienta.

Tokenomics of Tel

The total supply of Tel is 100 billion tokens, which is distributed as follows:

Category	Percentage
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Telecoms	50%
Public Sale (ICO)	25%
Telcoin Pte Ltd.	15%
Liquidity	5%
Telcoin Foundation	5%
Total	100%

General Risks

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

Competition

The Telcoin network faces competition from other mobile-focused remittance and cross-border payment networks such as Stellar (XLM), Ripple (XRP), and many others. TEL's value derives from its broader adoption in the market. If the Telcoin network fails to achieve sufficient adoption compared to the other options in the market, this could negatively impact the value of TEL.

Due Diligence

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