

# PAYWARD LTD

## CRYPTO ASSET RISK DISCLOSURE

### Beam (BEAM)

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Last updated on August 08, 2025

#### Disclaimer

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

Beam is the native token of the Beam network, a gaming-focused blockchain incubated by the Merit Circle DAO. The network enables gamers and developers to collaborate on blockchain-integrated gaming experiences while providing ancillary services such as an NFT marketplace (Sphere), a decentralised trading protocol (BeamSwap) and cross-chain tooling via Beam Bridge. BEAM acts as the unit of account across this ecosystem, used to pay network gas fees, settle marketplace transactions, validate network activity and exercise on-chain governance within Merit Circle.

Technically, Beam runs as an Avalanche subnet tailored for gaming performance. At launch it relied on Avalanche's Snowman-based Proof-of-Authority consensus, where a vetted set of validators produced blocks. Since May 2024 the subnet has supported a delegated Proof-of-Stake model, allowing BEAM holders to stake to validators and share in block rewards while the network continues to leverage Avalanche's security and finality guarantees. BEAM exists natively on the subnet and as ERC-20 / BEP-20 representations bridged via LayerZero, enabling liquidity on Ethereum and BNB Chain.

BEAM replaced the original Merit Circle (MC) governance token following proposals MIP-28 and MIP-29, with MC into BEAM migration at 1:100 concluding on October 26 2024. All governance rights, treasury functions and ecosystem fees are now denominated in BEAM.

## Who is behind the project?

Marco van den Heuvel serves as Chief Executive Officer, Thale Sonnemans serves as Chief Operating Officer, Steven Bryson-Haynes serves as Head of Investment & Partnerships and Tommy Quitte serves as Master of Coin.

These individuals steward the Merit Circle DAO and its Beam Foundation while day-to-day development is contributed by a distributed team of engineers and community contributors.

## Tokenomics of Beam

The Beam supply is capped at 58,510,524,305 BEAM, while 51,340,524,305 BEAM were in circulation as of August 08 2025.

At genesis, the token allocation was as follows:

Category	Allocation
Treasury	61.9%
Contributors and builders	24%
Seed contributors	14.1%
Total	100%

## General Risks

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

### *Competition*

The Beam network faces competition from other gaming-centric blockchains such as Immutable zkEVM, Ronin, and The Sandbox. Beam's value derives from broader adoption. If the Beam network fails to achieve sufficient adoption compared with alternatives, this could negatively impact the value of BEAM.

## Due Diligence

Prior to listing on the Kraken platform, Kraken performed due diligence on Beam. Kraken was permitted to make Beam available for trading to UK users, in compliance with UK law. This process generally consists of reviewing publicly available information on the following:

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