

PAYWARD LTD  
CRYPTO ASSET RISK DISCLOSURE  
Corn (CORN)

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**Disclaimer**

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

Corn is a blockchain network designed to bring Bitcoin's value into decentralised finance (DeFi) while leveraging Ethereum's smart contract capabilities. Built on Arbitrum Orbit, it allows users to interact with DeFi applications using Bitcoin in a more direct and decentralised way. Corn utilises BTCN, a tokenised Bitcoin asset, as the primary gas token for transactions within its network. Corn operates a security model that combines Bitcoin staking via Babylon, and Ethereum staking to provide effective network security.

Corn's native token, BTCN, is a 1:1 pegged, hybrid tokenised Bitcoin. This allows Bitcoin holders to actively participate in DeFi applications on the Corn network, transforming Bitcoin from a passive asset into one that can be utilised across various financial services. By using BTCN as the gas token, Corn bridges Bitcoin and Ethereum, unlocking Bitcoin's utility within Ethereum's expansive DeFi environment. BTCN is pegged 1:1 with BTC via Coinbase Wrapped BTC (cbBTC) and Wrapped BTC (wBTC), which are held in custody by Coinbase and BitGo.

The CORN token serves as the governance token within the Corn network, enabling holders to participate in decision-making processes that shape the platform's future. CORN holders can stake their tokens to vote on yield distribution across different protocols via the popCORN Governance System, with the aim to promote decentralised governance and alignment of incentives among users, builders, and liquidity providers. Users can obtain CORN tokens by participating in network activities such as providing liquidity to CORN farms or through decentralised exchanges supporting the token.

## Who is behind Corn

Corn is founded by Chris Spadafora, Zak Cole, and Brian Lipp.

## Tokenomics of CORN

The total supply of CORN is 2.1 billion. At launch, 25% of the total supply will be in circulation (525 million CORN) This is exclusively for the community and ecosystem builders. All non-community CORN is locked for a minimum of 1 year with a 12 month unlock period.

| Category           | Amount |
|--------------------|--------|
| Community          | 52%    |
| Core Contributors  | 25%    |
| Early backers      | 13%    |
| Bitcorn Foundation | 10%    |

## General Risks

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

### *Competition*

CORN faces competition from other Bitcoin DeFi platforms. CORN's value derives from the project's broader adoption in the market. If CORN fails to achieve sufficient adoption compared to the other options in the market, this could negatively impact the value of CORN.

### *Custodial Asset Risk*

If cbBTC and WBTC, the custodial assets backing Bitcoin liquidity within the Corn ecosystem were to be compromised, it could significantly impact the stability of BTCN, which relies on these assets for its 1:1 Bitcoin peg. A devaluation or loss of confidence in BTCN could, in turn, negatively affect the broader Corn ecosystem, including the utility and value of CORN

## Due Diligence

Prior to listing on the Kraken platform, Kraken performed due diligence on CORN and determined that CORN 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 CORN, including the source code, security and roadmap for growth in the developer community and, if available, the background of the developer(s) that created CORN;
- The supply, demand, maturity, utility and liquidity of CORN;
- Material technical risks associated with CORN, including any code defects, security breaches and other threats concerning CORN 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 CORN, including (i) any pending, potential, or prior civil, regulatory, criminal, or enforcement action relating to the issuance, distribution, or use of CORN, and (ii) consideration of statements made by any regulators or securities regulatory authorities in the UK, other regulators of the International Organisation of Securities Commissions, or the regulator with the most significant connection to CORN about whether CORN, 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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