

PAYWARD LTD
CRYPTO ASSET RISK DISCLOSURE
PACT (PACT)

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Disclaimer

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

The PACT Protocol is a decentralized finance (DeFi) system designed to expand access to credit and financial inclusion using blockchain technology. It enables communities and users to participate in transparent, on-chain lending processes governed by smart contracts. The protocol allows individuals, cooperatives, and institutions to lend and borrow funds without intermediaries. It emphasizes a model of “impact-driven credit,” where lending outcomes contribute to social good while maintaining verifiable transparency on the blockchain. The system operates on the Aptos and Celo blockchains, combining decentralized governance with compliance measures through the PACT Foundation, which oversees its protocol structure and community operations.

At the time of writing, the token is not live. The team plans for PACT to serve as the protocol’s utility token, used mainly for staking and governance. Holders will be able to stake PACT to earn rewards and obtain vePACT, a voting-escrowed version that provides governance rights within the ecosystem.

Who is behind the project?

The team behind the project has not been publicly disclosed. At the time of writing, there is no detailed information available about the individuals or organizations responsible for the project's development.

Tokenomics of PACT

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

Category	Percentage
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Early team members + advisors	24.1%
Investors	21.91%
Market Makers	2%
Exchange user incentives	5%
Airdrop reserve	5%
Ecosystem reserve	38.27%
ImpactMarkets community	2.14%
Community reserve	1.58%
Total	100%

General Risks

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

Competition

The PACT Protocol faces competition from other decentralized finance (DeFi) and lending networks such as Aave, Compound, and MakerDAO. PACT’s value derives from its broader adoption in the market. If the PACT Protocol fails to achieve sufficient adoption compared to other options in the market, this could negatively impact the value of PACT.

Due Diligence

Prior to listing on the Kraken platform, Kraken performed due diligence on PACT and determined it was permitted to make PACT 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 PACT, including the source code, security and roadmap for growth in the developer community and, if available, the background of the developer(s) that created PACT;
- The supply, demand, maturity, utility and liquidity of PACT;

- Material technical risks associated with PACT, including any code defects, security breaches and other threats concerning PACT 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 PACT, including (i) any pending, potential, or prior civil, regulatory, criminal, or enforcement action relating to the issuance, distribution, or use of PACT, 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 PACT about whether PACT, 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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