

PAYWARD LTD

CRYPTO ASSET RISK DISCLOSURE

SaucerSwap (SAUCE)

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Disclaimer

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

SaucerSwap is a decentralized exchange (DEX) built on the Hedera Hashgraph network. It enables users to swap tokens, provide liquidity and participate in yield farming and staking. The protocol has two primary versions: SaucerSwap V1, based on an automated market maker (AMM) model and SaucerSwap V2, which introduces concentrated liquidity for improved capital efficiency.

The native token, SAUCE, is central to protocol governance and incentivization. Holders can stake SAUCE in the Infinity Pool to receive rewards or provide liquidity in trading pools to earn trading fees and emissions. The SaucerSwap DAO uses SAUCE for voting on protocol changes, emissions and incentive structures.

Who is behind SAUCE?

SaucerSwap was developed by SaucerSwap Labs and the company was co-founded by Peter Campbell, Joseph Bergvinson and Markus Bergvinson.

Tokenomics of SAUCE

SAUCE has a max supply of 1 billion tokens that have been distributed as follows:

Category	Allocation
Liquidity	2%
Community	14%
Marketing	4%

Operations	6.34%
Advisor	2%
Core development	24%
Yield farm	35.39%
Devcut	4.97%
LARI	7.30%
Total	100%

General Risks

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

Competition

SAUCE faces competition from other decentralized exchanges (DEX) built on the Hedera such as HbarSuite, HeliSwap, and many others. SAUCE’s value derives from its broader adoption in the market. If SAUCE fails to achieve sufficient adoption compared to the other options in the market, this could negatively impact the value of SAUCE.

Due Diligence

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