

PAYWARD LTD
CRYPTO ASSET RISK DISCLOSURE
Dual (DUAL)

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Disclaimer

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

Dual describes itself as a “tokenization engine” for real-world assets. The project’s website says Dual “runs as an L2 on Ethereum,” and references a “Tokenization Engine (L3 proprietary layer)” intended to handle programmable asset specifications and related logic (for example, ownership rules, transfer rules, expiries, and compliance-related constraints).

Dual’s native digital asset is DUAL. Project-provided materials describe DUAL as a “utility and governance-enabling token” used to interact with protocol features, pay fees (including gas/fees), and participate in governance via on-chain staking intended to secure the L2 network.

Who is behind Dual

Dual is led by CEO Lukas Fluri, the project is administered by the Dual Foundation.

Tokenomics of DUAL

The DUAL token is launched as the new utility token for the DUAL ecosystem and replaces the previously used (BLOCKv) VEE token. All current VEE holders can migrate their tokens to DUAL. The migration smart contract is open until the end of 2027. For every 1 VEE token, the user receives 2 DUAL tokens.

As part of the upgrade, the total supply will increase over the next 5 years on average by 6.5% per year. The additional supply is released gradually over five years, dedicated to ecosystem growth, governed by the DAO.

DUAL has a total supply of 10 billion tokens, they are distributed as follows:

Category	Amount
Migration Pool	73%
Community Pool	10%
Foundation Pool	17%
Total	100%

General Risks

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

Competition

Dual faces competition from other RWA tokenization projects such as Mantra and Centrifuge. DUAL’s value derives from the project’s broader adoption in the market. If Dual fails to achieve sufficient adoption compared to the other options in the market, this could negatively impact the value of DUAL.

Due Diligence

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

DUAL, 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 DUAL about whether DUAL, 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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