PAYWARD LTD

CRYPTO ASSET RISK DISCLOSURE

Beldex (BDX)

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Disclaimer

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

Beldex is a privacy-focused blockchain ecosystem designed to enable untraceable transactions and confidential applications for users seeking enhanced privacy in their digital communications and financial activities. Its primary offerings include BChat (an encrypted messaging platform), BelNet (a decentralized VPN), and the Beldex Browser, all powered by the native BDX token. The project aims to address the widespread challenge in the blockchain and digital communication space where most cryptocurrencies and messaging platforms fail to provide true privacy—transaction amounts, sender and receiver addresses, and balances are often publicly visible, and communications are susceptible to surveillance.

Beldex addresses these privacy and confidentiality challenges by leveraging cryptographic techniques such as ring signatures, stealth addresses, and confidential transaction outputs, ensuring that all transactions on its network are obscured by default. The network operates on a Proof-of-Stake (PoS) consensus mechanism with masternodes serving as block proposers and validators, which enhances scalability and security compared to earlier privacy coins that relied on Proof-of-Work. By integrating privacy at the protocol level and offering private applications like BChat and BelNet, Beldex provides a comprehensive product for users demanding both financial and communication privacy in a scalable, decentralized ecosystem.

Beldex is powered by the BDX token, which is used to pay transactions and dApp usage fees, for staking to secure the network and earn rewards, and for privacy services like messaging and anonymous internet access via the BelNet distributed VPN service.

Who is behind Beldex?
Beldex was developed by Beldex International Inc., headquartered in Seychelles, with a core team including Afanddy Bin Hushni (Chairman), Sam Johnson (CMO), Codeman Crypto (CTO), and Sanada Yukimura (Lead Blockchain Architect).

Tokenomics of BDX
BDX has a total supply of 9.9 billion tokens. They are allocated as follows:

Category	Amount
Ecosystem Wallet	40%
Initial Circulation	30%
Seed and Venture Capital	10%
Marketing	10%
Team	6%
Exchange Liquidity	2%
Legal	1%
Early Adopters	1%

General Risks

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

Competition
Beldex faces competition from other privacy oriented networks such as Monery, Zcash and Firo. BDX's value derives from the project's broader adoption in the market. If Beldex fails to achieve sufficient adoption compared to the other options in the market, this could negatively impact the value of BDX.

Regulatory Scrutiny
Several countries have banned privacy coins. This can affect the demand for privacy coins and thus have a negative impact on the price of BDX.

Due Diligence

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