

PAYWARD LTD

CRYPTO ASSET RISK DISCLOSURE

EigenLayer (EIGEN)

EigenLayer (EIGEN)

Last updated on August 11, 2025

Disclaimer

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

EigenLayer is a protocol built on Ethereum that introduces restaking, a mechanism that allows Ethereum stakers to reuse their staked ETH or liquid-staking tokens (LSTs) to secure additional decentralized services called Actively Validated Services (AVSs). Stakers opt into EigenLayer smart-contracts, delegate their assets to operators or run operators themselves and in return earn extra rewards while extending Ethereum's security to multiple applications.

The protocol tackles fragmented security on Ethereum: instead of every new service bootstrapping its own trust network, AVSs can draw on the pooled cryptoeconomic security of restaked ETH. Operators register with EigenLayer, run AVS software and are subject to slashing if they misbehave, giving services objective guarantees backed by collateral.

EigenLayer's native asset, EIGEN, is described as a "universal intersubjective work token." Whereas ETH restaking addresses objectively-verifiable faults, staking EIGEN targets intersubjectively attributable faults, events that outside observers agree are wrong even if on-chain proof is difficult (e.g., oracle mis-prices or data-availability failures). EIGEN can be restaked beside ETH, inherits similar slashing rules and lets participants secure multiple AVSs simultaneously.

Who is behind the project?

Sreeram Kannan serves as Chief Executive Officer and Founder, Calvin Liu serves as Chief Strategy Officer, Chris Dury serves as Chief Operating Officer, Grace Hartley serves as Chief of Staff, Adam Zuckerman serves as General Counsel, and Sid Sanyal serves as Vice-President of Engineering.

Tokenomics of EIGEN

EigenLayer follows an inflationary supply model with no hard cap.

As of August 11 2025, the total supply is set at around 1,740,592,535 EIGEN.

At genesis, the token's allocation was as follows:

Category	Allocation
Investors	29.50%
Early contributors	25.50%
Airdrops to Eigen restakers (aka stakedrops)	15%
Future community initiatives	15%*
R&D and ecosystem development	15%
Total	100%

*plus future inflation

General Risks

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

Competition

The EigenLayer network faces competition from other decentralized-security services such as Karak and Pell Network. If EigenLayer fails to achieve sufficient adoption relative to alternatives, the value of EIGEN could be adversely affected.

Developer dependence

While many developers contribute to EigenLayer, there is no guarantee they will continue to do so. A decline in developer participation could negatively impact EIGEN.

Due Diligence

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

Payward Ltd (trading as Kraken) is registered as a cryptoasset firm with the Financial Conduct Authority (FRN: 928768) registered office at 6th Floor, One London Wall, London, EC2Y 5EB. Cryptoasset services offered by Payward Ltd are unregulated and not covered by the Financial Services Compensation Scheme as well as the FCA's consumer protection regulations. Note the value of cryptoassets can go down as well as up, gains may be subject to Capital Gains Tax and there may be extra charges when paying via credit card from your provider.