

PAYWARD LTD
CRYPTO ASSET RISK DISCLOSURE
ETHFI

Ether.fi (ETHFI)

Last updated on 12 August, 2025

Disclaimer

Please note that this risk disclosure is not exhaustive of all risks associated with trading ETHFI. 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 Ether.fi (ETHFI) and how does it work?

Ether.fi is a decentralised, non-custodial staking protocol built on Ethereum. The protocol lets users deposit ETH directly or via liquid-staking tokens and receive eETH, a natively restaked asset whose rewards compound automatically. Stakers keep control of their withdrawal keys, while validator operations are delegated to independent node operators through an on-chain auction system.

Over time the protocol has expanded beyond core delegated staking. A liquidity pool allows deposits of less than 32 ETH, enabling broad participation. Liquid Vaults route pooled assets into diversified DeFi strategies, and the “Cash” product links on-chain balances to a non-custodial credit card, letting users spend crypto and earn protocol-funded cashback. ETHFI, the governance token, underpins these services. Holders may stake ETHFI for “sETHFI”, granting voting power, a share of protocol revenue financed by periodic buy-backs, and automatic membership-tier benefits in the Ether.fi ecosystem.

Who is behind the project?

Ether.fi was co-founded in 2022 by Mike Silagadze (Chief Executive Officer) and Rok Kopp (Chief Growth Officer). As of August 2025 the senior team also includes Jozef Vogel (Chief Operating Officer) and Seongyun Ko (Chief Protocol Architect). Together they oversee protocol development, growth strategy, and day-to-day operations.

Tokenomics of ETHFI

ETHFI has a fixed maximum supply of 1 billion tokens. Approximately 421 million ETHFI in circulation as of August 12 2025

| Category | Percentage |
|-------------------|------------|
| Core Contributors | 21.47 % |
| DAO Treasury | 21.63 % |
| User Airdrops | 17.57 % |
| Partnerships | 5.6 % |
| Investors | 33.74 % |

General Risks

Like all other digital assets, there are some general risks to investing in PRO. 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 Ether.fi (ETHFI)

Competition

The Ether.fi network faces competition from other cryptocurrencies such as Lido, Rocket Pool, and many others. Ether.fi's value derives from its broader adoption in the market. If the Ether.fi network fails to achieve sufficient adoption compared to the other options in the market, this could negatively impact the value of ETHFI.

Regulatory Scrutiny

A regulatory crackdown on decentralised finance (DeFi) could have a negative impact on DeFi and the value of ETHFI.

Due Diligence

Prior to listing on the Kraken platform, Kraken performed due diligence on ETHFI and determined that Kraken was permitted to make ETHFI available for trading to UK users, in compliance with UK law. This process generally consists of reviewing publicly available information on the following:

- The creation, governance, usage and design of ETHFI, including the source code, security and roadmap for growth in the developer community and, if available, the background of the developer(s) that created ETHFI;
- The supply, demand, maturity, utility and liquidity of ETHFI;
- Material technical risks associated with ETHFI, including any code defects, security breaches and other threats concerning ETHFI 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 ETHFI, including (i) any pending, potential, or prior civil, regulatory, criminal, or enforcement action relating to the issuance, distribution, or use of ETHFI, 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 ETHFI about whether ETHFI, 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.