

PAYWARD LTD

CRYPTO ASSET RISK DISCLOSURE

Basilisk (BSX)

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Disclaimer

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

Basilisk is a liquidity protocol built as a Kusama parachain. Its goal is to provide frictionless liquidity for both fungible tokens and non-fungible tokens (NFTs). The native BSX token is used to pay transaction fees and to participate in on-chain governance. Basilisk's modular design lets projects choose an Automated Market Maker (AMM) model that best suits their needs. The first release introduced Snek Swap XYK pools, where users can buy and sell tokens or become liquidity providers and earn trading-fee rewards.

Snek Swap employs a constant-product formula that maintains balance between the two pooled tokens, traders specify an acceptable slippage level before execution. For new projects, Snek LBP (Liquidity Bootstrapping Pool) provides time-weighted price discovery, gradually reducing the starting price while buy orders push back upward pressure, helping distribute tokens fairly and bootstrap liquidity.

Beyond fungible assets, a fully featured NFT Marketplace now lets users mint, list, or make offers on NFTs, set creator royalties and engage in English, Top-Up, or Candle auctions. Liquidity Bootstrapping Pools support NFT price discovery as well. The protocol ultimately complements its sister project, HydraDX, projects may bootstrap early liquidity on Basilisk, then migrate to HydraDX's Omnipool for deeper, multi-asset liquidity. BSX holders can lock tokens for governance and can stake to nominated collators that produce new block candidates and share BSX rewards, aligning economic incentives with network security.

Who is behind the project?

The Basilisk protocol was founded by Jakub Gregus, a partner at Zee Prime Capital and co-founder of the HydraDX protocol.

Tokenomics of BSX

Basilisk has a fixed maximum supply of 100 billion BSX and as of August 8 2025, the circulating supply is approximately 23.6 billion BSX.

At genesis, the token allocation was as follows:

Category	Allocation
Liquidity mining	38 billion
Team	15 billion
BSX crowloan participants	15 billion
Treasury	13 billion
Collator rewards who are responsible for producing new block candidates	12 billion
HydraDX LBP participants	5 billion
Airdrop	1 billion
Launch liquidity providers	1 billion
Total	100 billion

General Risks

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

Risks specific to BSX

Competition

Basilisk protocol faces competition from the other AMM protocols such as Uniswap, Curve, and many others. BSX's value derives from the Basilisk protocol's broader adoption in the market. If Basilisk fails to achieve sufficient adoption compared to the other options in the market, this could negatively impact the value of the BSX token.

Due Diligence

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