

**PAYWARD LTD**  
CRYPTO ASSET RISK DISCLOSURE  
HEI

**HEIMA (HEI)**

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**Disclaimer**

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

Heima is a decentralized protocol focused on digital identity aggregation and privacy-preserving identity services across multiple blockchains. It originated within the Polkadot ecosystem using Substrate and operates a parachain designed to aggregate, verify and link decentralized identifiers across networks. The HEI token serves functional roles on Heima Network, including payment of network fees, governance participation and use within identity-related services.

In the network's infrastructure, HEI can also be used in mechanisms that support parachain operations, such as collator selection and related incentives. In 2025, the project announced a rebranding to Heima - previously Litentry (LIT) - and a community-approved migration of the token ticker from LIT to HEI, with a 1:1 swap process.

**Who is behind the project?**

Heima was founded by Hanwen Cheng in 2019. Hanwen Cheng serves as the CEO of the project. The Heima Foundation supports the project's development and ecosystem initiatives.

**Tokenomics of Heima (HEI)**

HEI has a fixed maximum supply referenced at 100,000,000 tokens. As of August 13, 2025, the reported circulating supply is approximately 45,166,534 HEI. The initial allocation was distributed as follows.

Category	Percentage
Binance Launchpool	3.00%
Seed Sale	8.11%
Strategic Sale	11.89%
Team	15.00%
Parachain Auction & Ecosystem	45.00%
Foundation	17.00%

## General Risks

Like all other digital assets, there are some general risks to investing in Heima. These include short history risk, volatility, and 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 Heima (HEI)

### *Competition*

Heima is aiming for a share of the decentralized identity and related infrastructure market by leveraging blockchain technology, i.e., competitors like KILT Protocol and Integritee. Each offers unique tradeoffs, fostering competition between them. Heima's value derives from its broader adoption and effective identity management solutions. If Heima fails to achieve sufficient adoption or provide effective identity verification compared to other options in the market, this could negatively impact the value of Heima.

## Due Diligence

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