

PAYWARD LTD

CRYPTO ASSET RISK DISCLOSURE

TX (TX)

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Disclaimer

Please note that this Crypto Asset Statement is not exhaustive of all risks associated with trading TX. 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 Crypto Asset Statement is based on publicly available information that may be inaccurate, incomplete, or change at any time.

What is TX (TX) and how does it work?

TX is a layer-1 blockchain platform focused on the tokenization of real-world assets. It combines issuance, trading and lifecycle management in one ecosystem built with the Cosmos SDK. The network integrates a decentralized exchange, on-chain compliance modules and smart-token features that allow issuers to embed regulatory logic directly into digital assets. TX's architecture aims to make tokenized markets accessible to institutions and individuals while maintaining transparency and regulatory alignment.

At the time of writing, the TX token is not yet live. It is planned to serve as the network's utility token once launched. Planned uses include payment of transaction fees, staking within a bonded proof-of-stake system and participation in governance. The project also outlines a seven-year Proof of Support Emissions program that would distribute tokens to participants who lock them long-term.

Who is behind the project?

The token is developed by a team where Michael McCluskey is CEO and co-founder and Ashley Ebersole is also co-founder and Chief Legal Officer.

Tokenomics of TX

Total/Max Token Supply is set at 100 billion TX and the distribution of tokens is as follows:

Category	Percentage
Community	40%
Foundation	30%
Partnerships and Growth	3%

Investors	5%
Founding partners	20%
Team	2%
Total	100%

General Risks

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

Competition

The TX ecosystem faces competition from other real-world asset (RWA) infrastructure blockchain projects such as Centrifuge (CFG) Polymesh, and others. TX’s value derives from its broader adoption in the market. If the TX ecosystem fails to achieve sufficient adoption compared to the other options in the market, this could negatively impact the value of TX.

Due Diligence

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