

PAYWARD LTD
CRYPTO ASSET RISK DISCLOSURE
ELX

Elixir (ELX)

Last updated on 12 August, 2025

Disclaimer

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

Elixir is a network that helps keep crypto exchanges liquid for smoother trading. It moves pooled funds automatically to both centralised and decentralised exchanges as needed. The network is secured by validators who must lock up at least 9 000 ELX; they confirm trades and manage deUSD, a dollar-pegged token that earns yield. ELX is the system's main token: validators stake it, and holders will soon use it to vote on protocol changes through the Elixir DAO. Anyone can delegate their ELX to a validator and share in the rewards. All key data and staking records are anchored on Ethereum for added security.

Who is behind the project?

Philip Forte serves as Chief Executive Officer and Christopher Gilbert serves as Chief Technology Officer.

Tokenomics of ELX

Elixir has a fixed maximum supply of 1 000 000 000 ELX. Percentages refer to the total supply as of August 12 2025.

Category	Percentage
DAO Foundation	22 %
Core Contributors	19 %
Community Airdrops	19 %

Category	Percentage
Investors	15 %
Validators	12 %
LP Incentives	10 %
Liquidity	3 %

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 Elixir (ELX)

Competition

The Elixir network faces competition from other decentralised protocols offering algorithmic market-making across centralised and decentralised exchanges, such as Uniswap, Raydium and Aave. Elixir's value derives from its broader adoption in the market. If the Elixir network fails to achieve sufficient adoption compared to other options in the market, this could negatively impact the value of ELX.

Due Diligence

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