

PAYWARD LTD
CRYPTO ASSET RISK DISCLOSURE
AXL

Axelar (AXL)

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Disclaimer

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

Axelar provides a decentralized network and tools to help builders of decentralized applications (dApps) with seamless cross-chain communication through its protocol suite, tools and APIs. Axelar features three core components – a decentralized network, a software development kit of protocols and APIs, and a set of gateway smart contracts for cross-chain connectivity. Powered by a decentralized network of validators, anyone can join the network, build on it, or use it. Apps builders can interact with a simple API atop a permissionless network that routes messages and ensures network security via proof-of-stake (PoS) consensus mechanism.

AXL is the native token of the Axelar network. The protocol also supports the cross-chain transfer of several native tokens via their wrapped ERC-20 versions.

Who is behind the project?

Axelar was founded by Sergey Gorbunov and Georgios Vlachos, former founding members of the Algorand network.

Tokenomics of AXL

AXL has a fixed supply cap of approximately 1.21 billion tokens issued at genesis. Percentages refer to the total or max supply as of August 8 2025.

Category	Percentage
Community programs (incl. insurance fund)	36 %
Backers	29.5 %
Team	17 %
Company operations	12.5 %
Community sale	5 %

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 Axelar (AXL)

Competition

The Axelar network faces competition from other cryptocurrencies such as Polygon, Thorchain, Celer and many others. Axelar's value derives from its broader adoption in the market. If the Axelar network fails to achieve sufficient adoption compared to the other options in the market, this could negatively impact the value of AXL.

Adoption by Protocols & Users

AXL's value derives from protocols built on Axelar. If Axelar fails to attract sufficient adoption, this could negatively impact the value of AXL.

Developer Dependence

While there are many developers who contribute to Axelar, there are no guarantees that they will continue to contribute. AXL, Axelar's native asset, could be negatively affected by an inability to retain and/or attract developers to keep up with market needs and improve its cross-chain tooling when necessary.

Due Diligence

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