

PAYWARD LTD
CRYPTO ASSET RISK DISCLOSURE
ALEO (ALEO)

Last updated on 21 August 2025

Disclaimer

Please note that this Crypto Asset Statement is not exhaustive of all risks associated with trading ALEO. 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 ALEO and how does it work?

Aleo is a Layer-1 blockchain protocol that enables developers to build decentralized applications (dApps) with zero-knowledge privacy. Aleo leverages zero-knowledge proofs (ZKPs) to ensure that computation is performed off-chain and verified on-chain, which allows for greater scalability and privacy. The project uses a unique technology stack including snarkOS (its blockchain operating system), snarkVM (a zero-knowledge virtual machine), and Leo, a programming language designed specifically for writing private applications.

Aleo's native digital asset is ALEO, which serves as the utility token used for transaction fees, staking, and validator rewards on the network.

Who is behind the project?

Aleo was founded by Howard Wu.

Tokenomics of ALEO

The distribution of ALEO tokens is as follows:

Category	Percentage
Early Backers	34%
Grants and Education	25%

Employees & Project Contributors	17%
Aleo Network Foundation & Provable	16%
Strategic Partners	8%
Total	100%

General Risks

Like all other digital assets, there are some general risks to investing in ALEO. These include short-history risk, volatility risk, liquidity risk, demand risk, forking risk, code-defect risk, 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 ALEO

Competition

ALEO faces competition from other privacy focused networks such as Aztec Network , Mina Protocol, and many others. ALEO’s value derives from its broader adoption in the market. If ALEO fails to achieve sufficient adoption compared to the other options in the market, this could negatively impact the value of ALEO.

Due Diligence

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

Payward Ltd (trading as Kraken) is registered as a cryptoasset firm with the Financial Conduct Authority (FRN: 928768) registered office at 6th Floor, One London Wall, London, EC2Y 5EB. Cryptoasset services offered by Payward Ltd are unregulated and not covered by the Financial Services Compensation Scheme as well as the FCA's consumer protection regulations. Note the value of cryptoassets can go down as well as up, gains may be subject to Capital Gains Tax and there may be extra charges when paying via credit card from your provider.