PAYWARD LTD

CRYPTO ASSET RISK DISCLOSURE
EdgeX (EDGE)

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Disclaimer

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

EdgeX describes itself as a high-performance decentralized exchange focused on perpetual futures and spot trading. On its public site, the project says it is designed to offer fast execution, low slippage, and low fees, while its documentation describes a broader technical direction called "EDGE Stack," which the team presents as an app-specific execution layer for high-frequency on-chain derivatives. In simple terms, EdgeX is trying to combine an orderbook-style trading experience with on-chain settlement and self-custody.

The official docs say the exchange uses a central limit order book model and relies on StarkEx for Layer 2 trading and settlement, with transaction validity ultimately anchored to Ethereum. The docs also say users can connect a standard EVM wallet or use an MPC wallet login via email, and that trading collateral is USDT.

The EDGE token is intended to serve as the native cryptoasset and governance asset of the EDGE ecosystem. EDGE is designed to support economic incentives and protocol security within the EDGE network.

Who is behind EdgeX?

EdgeX is led by CEO Kevin Wang, CTO Brian Wang, and co-directors Wesley Ma and Bryce Milner Howarth.

Tokenomics of EDGE

Edge has a total supply of 1 billion tokens. They are allocated as follows:

Category	Amount
Public Sale	5%
Airdrops/Early Users	30%
Ecosystem/Community Developments (Builder Support)	4%
Foundation Budget	6%
Reserve/Treasury (Long-Term Strategic Allocation)	30%
Team & Early Investors	25%
Total	**100%**

General Risks

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

Competition
EdgeX faces competition from other decentralized perpetual futures exchanges projects such as dYdX, Hyperliquid, and Aster. EDGE's value derives from the project's broader adoption in the market. If EdgeX fails to achieve sufficient adoption compared to the other options in the market, this could negatively impact the value of EDGE.

Due Diligence

Prior to listing on the Kraken platform, Kraken performed due diligence on EDGE and determined that EDGE is unlikely to be a security or derivative under UK securities legislation. Our analysis generally includes, but is not limited to, reviewing publicly available information on the following:

- The creation, governance, usage and design of EDGE, including the source code, security and roadmap for growth in the developer community and, if available, the background of the developer(s) that created EDGE;

- The supply, demand, maturity, utility and liquidity of EDGE;
- Material technical risks associated with EDGE, including any code defects, security breaches and other threats concerning EDGE 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 EDGE, including (i) any pending, potential, or prior civil, regulatory, criminal, or enforcement action relating to the issuance, distribution, or use of EDGE, 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 EDGE about whether EDGE, or generally about whether the type of crypto asset, is a security and/or derivative.