PAYWARD LTD

CRYPTO ASSET RISK DISCLOSURE

Solstice (SLX)

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Disclaimer

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

Solstice is a decentralized finance (DeFi) protocol built on the Solana blockchain. The protocol is designed to offer fully collateralized and yield-bearing stablecoin products — primarily USX (a stablecoin backed by real-world assets) and eUSX (a yield-bearing version of USX). Solstice aims to provide stablecoin-based yield strategies that combine the transparency of DeFi with the operational reliability of institutional-grade infrastructure.

Solstice's native token is SLX. SLX is used to govern the ecosystem, incentivize liquidity, fund developer grants, and reward protocol adoption.

Who is behind Solstice?

Solstice is developed under the Solstice Foundation and is affiliated with institutional DeFi infrastructure backed by Deus X Capital. While the development team is not fully doxxed, the protocol is supported by infrastructure partners such as Fireblocks, Ceffu, and Copper for custody and operations.

Tokenomics of SLX

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

Category	Amount
Ecosystem	45%
Airdrops	9%

Strategic TVL Partners	15%
Liquidity Provision	3.5%
Team & Advisors	20%
Strategic Sale	2.5%
Public Offering	5%
Total	**100%**

General Risks

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

Competition

The Solstice network faces competition from other DiFi projects such as MakerDAO, Ethena, and many others. Solstice's value derives from its broader adoption in the market. If the Solstice network fails to achieve sufficient adoption compared to the other options in the market, this could negatively impact the value of SLX.

Regulatory Scrutiny

A regulatory crackdown on decentralized finance (DeFi) could have a negative impact on DeFi and the value of SLX.

Due Diligence

Prior to listing on the Kraken platform, Kraken performed due diligence on SLX and determined that SLX 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 SLX, including the source code, security and roadmap for growth in the developer community and, if available, the background of the developer(s) that created SLX;
- The supply, demand, maturity, utility and liquidity of SLX;

- Material technical risks associated with SLX, including any code defects, security breaches and other threats concerning SLX 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 SLX, including (i) any pending, potential, or prior civil, regulatory, criminal, or enforcement action relating to the issuance, distribution, or use of SLX, 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 SLX about whether SLX, 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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