

PAYWARD LTD
CRYPTO ASSET RISK DISCLOSURE
VVV

Venice (VVV)

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Disclaimer

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

Venice Token (VVV) is an ERC-20 token on the Base network developed by Venice.ai to facilitate access to private and uncensored artificial intelligence (AI) services. By staking VVV tokens, users can access Venice's API for generating text, images, and code without incurring per-request fees. This model allows users to control a portion of Venice's AI inference capacity proportional to their staked amount.

Who is behind the project?

Venice.ai is the company responsible for developing the Venice Token (VVV) and its associated AI services. The founder of Venice.ai is Erik Voorhees, and the COO is Teana Baker-Taylor.

Tokenomics of VVV

The total supply of VVV is capped at 100 million tokens. At the Token Generation Event (TGE), 50% of the total supply (50 million VVV) was airdropped to Venice users and the crypto AI community. The overall allocation is as follows:

VVV Allocation	% of total supply
Community Airdrop	50%
Venice.ai Company	35%
Liquidity Development	5%
Incentive Fund	10%
Total	100%

As of September 2025, the current circulating supply of VVV is approximately 35.6 million.

General Risks

Like all other digital assets, there are some general risks to investing in VVV. These include short history risk, volatility, and 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 VVV

Competition

VVV faces competition from other AI protocols on Base such as MorpheusAI (MOR) and BlockAI (BAI). VVV's value derives from the protocol's broader adoption in the market. If VVV fails to achieve sufficient adoption compared to the other options in the market, this could negatively impact the value of VVV.

Due Diligence

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