

PAYWARD LTD
CRYPTO ASSET RISK DISCLOSURE
Carv Protocol (CARV)

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Disclaimer

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

CARV Protocol is a modular data layer for gaming and AI that lets users and autonomous agents own, store, and prove their identity and activity across chains. It operates as an SVM Layer 2 roll-up secured by Ethereum, couples CARV ID for portable identity with a community verification layer that attests trusted-execution proofs and writes results on-chain.

The native CARV token can be staked 1 for 1 into non-transferable veCARV, enabling holders to earn ongoing network rewards and participate directly in on-chain governance. By locking CARV into veCARV, users receive yield distributions from protocol fees and gain voting power.

Who is behind the project?

Carv Protocol was founded by Chloe Xiaoyi Gu and Victor Yu.

Tokenomics of CARV

The total supply of CARV is 1 billion tokens which is distributed as follows:

CARV Allocation	CARV tokens	% of Total supply
Nodes & Community	500 million	50.00%
Ecosystem & Treasury	90 million	9.00%
Early Investors	92.46 million	9.246%
Private Fundraising	82.95 million	8.295%
Founding Team & Advisors	194.59 million	19.459%
Liquidity	40 million	4%

Total	1 billion	100%
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General Risks

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

Competition

The CARV Protocol faces competition from other blockchain gaming and AI-focused protocols such as Xai. CARV's value derives from its broader adoption in the market. If the CARV Protocol fails to achieve sufficient adoption compared to the other options in the market, this could negatively impact the value of CARV.

Due Diligence

Prior to listing on the Kraken platform, Kraken performed due diligence on CARV and determined that CARV 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 CARV, including the source code, security and roadmap for growth in the developer community and, if available, the background of the developer(s) that created CARV;
- The supply, demand, maturity, utility and liquidity of CARV;
- Material technical risks associated with CARV, including any code defects, security breaches and other threats concerning CARV 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 CARV, including (i) any pending, potential, or prior civil, regulatory, criminal, or enforcement action relating to the issuance, distribution, or use of CARV, 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 CARV about whether CARV, 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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as up, gains may be subject to Capital Gains Tax and there may be extra charges when paying via credit card from your provider.