

PAYWARD LTD
CRYPTO ASSET RISK DISCLOSURE
The Graph (GRT)

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Disclaimer

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

The Graph is a decentralized protocol that makes blockchain data easy to access. Instead of developers building their own indexing systems, they can use The Graph's open APIs, called subgraphs, to query blockchain data with GraphQL. The network runs on more than 90 blockchains and offers services like Subgraphs (indexed contract data), Substreams (real-time streaming), and a Token API (balances and transactions). Its core contracts recently moved to Arbitrum, a layer-2 network, to reduce costs and improve speed. Apps, analytics tools, and other Web3 services rely on The Graph to quickly fetch organized blockchain data.

GRT is the utility token of The Graph. Developers pay for the queries they make in GRT, and those fees are distributed to network participants. Indexers stake GRT (a minimum of 100,000 GRT self-stake) to serve queries and earn query fees and indexing rewards. Curators signal GRT on subgraphs to earn a share of future query fees. Delegators delegate GRT to Indexers and receive a share of the Indexer's query fees and indexing rewards.

Who is behind the project?

The Graph was founded in 2018 by Yaniv Tal, Jannis Pohlmann, and Brandon Ramirez.

Tokenomics of The Graph

GRT does not have a maximum supply. As of October 2026, the circulating supply of GRT is approximately 10.941 billion tokens according to CoinMarketCap. New GRT is issued at 3% annually, and a portion is burned through delegation and curation taxes and query fees. The initial supply of 10 billion GRT was distributed at launch as follows:

GRT Allocation	Percentage
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Community	35%
Investors	34%
Team and Advisors	23%
Edge & Node	8%
Total	100%

General Risks

Like all other digital assets, there are some general risks to investing in *GRT*. 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 The Graph

Competition

The Graph protocol faces competition from other blockchain data indexing and query solutions such as SubQuery, Covalent, and Moralis, among others. *GRT*'s value derives from The Graph's broader adoption in the market. If The Graph protocol fails to achieve sufficient adoption compared to other available options, this could negatively impact the value of *GRT*.

Due Diligence

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