

PAYWARD LTD

CRYPTO ASSET RISK DISCLOSURE

Gaia Net (GAIA)

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Disclaimer

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

Gaia Net is an open, two-tier network that matches Artificial Intelligence/Machine Learning (AI/ML) “domains” (organisations that expose models and knowledge bases) with decentralised compute provided by independent “miner” nodes. Verifier nodes orchestrate the system: they assign miners to each domain, route requests, aggregate results and enforce service-level and economic rules via on-chain smart-contracts.

The GAIA token functions as staking collateral for miner and verifier nodes, grants holders on-chain governance voting power, and can optionally be used to pay inference fees within the Gaia Net ecosystem.

Who is behind Gaia Net

Gaia Net is being developed by Gaia Foundation. The project was co-founded by Matt Wright, Sydney Lai, and Shashank Sripada, who continue to serve as Chief Executive Officer, Head of Developer Advocacy, and Chief Operating Officer, respectively.

Tokenomics of GAIA

GAIA has a maximum supply of 1 billion tokens. The token allocation is as follows:

Category	Amount
Network Rewards	32%
Investors	20%
Team and Advisors	18%

Foundation	20%
Ecosystem Grants	5%
User Incentives	5%
Total	100%

General Risks

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

Competition

Gaia Net faces competition from other AI- centric decentralised compute projects such as Render Network, Aethir, and many others. GAIA's value derives from the project's broader adoption in the market. If Gaia Net fails to achieve sufficient adoption compared to the other options in the market, this could negatively impact the value of GAIA.

Due Diligence

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