

**PAYWARD LTD**  
CRYPTO ASSET RISK DISCLOSURE  
OG Protocol (OG)

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#### **Disclaimer**

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

OG is a Layer 1 blockchain built to support decentralized infrastructure for artificial intelligence. It is designed to handle tasks such as data storage, model inference, and training by combining three main components: a storage network for managing data, a data availability (DA) network to ensure that data can be accessed and verified, and a compute network for running AI-related services. These components are coordinated through a consensus system that uses a shared staking model to secure the network and support scalability.

At the time of writing, this is not yet live, but it is on the roadmap. The OG token will serve as payment for storage, compute, and transaction fees on the network. It will also play a role in staking, which secures the network and provides rewards. Additionally, token holders may have governance rights in future protocol decisions.

#### **Who is behind the project?**

OG Protocol is developed by Zero Gravity Labs. The project was co-founded by Michael Heinrich, Ming Wu, Fan Long, and Thomas Yao.

#### **Tokenomics of OG**

The total supply of OG is 1,000,000,000 tokens which is distributed as follows:

OG Allocation	OG tokens	% of Total supply
Backers	220.000.000	22%
Team, Contributors, and Advisors	220.000.000	22%

AI Alignment Node	150.000.000	15%
Ecosystem Growth	280.000.000	28%
Community Rewards	130.000.000	13%
<b>Total</b>	<b>1,000,000,000</b>	<b>100%</b>

## General Risks

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

### *Competition*

The OG Protocol faces competition from other decentralized data and compute platforms such as Celestia and Filecoin. OG's value derives from its broader adoption in the market. If the OG Protocol fails to achieve sufficient adoption compared to the other options in the market, this could negatively impact the value of OG.

### Due Diligence

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