PAYWARD LTD
CRYPTO ASSET RISK DISCLOSURE
SAGA

Saga (SAGA)
Last updated on September 02, 2025

Disclaimer

Please note that this risk disclosure is not exhaustive of all risks associated with trading SAGA. 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 Saga and how does it work?
Saga is a protocol that automatically provisions application-specific blockchains, called Chainlets, inside a multichain environment referred to as the Multiverse. Each Chainlet operates as its own blockchain, giving developers isolated and predictable block space while sharing security with the Saga mainnet. Because Chainlets are independent, applications avoid congestion from unrelated traffic and can be upgraded without impacting other projects.

Developers launch a Chainlet by posting a bond of SAGA tokens that functions much like a prepaid cloud-hosting deposit. Subscription tiers define the compute capacity and duration and the bond is drawn down over time. End-user transactions occur solely on the Chainlet; the developer, rather than the user, covers base-layer fees, enabling business models such as freemium, subscription, or ad-supported designs. Spam prevention and transaction ordering are left to the developer, who may implement whitelists, stake-based prioritisation, or traditional gas fees denominated in any token.

The Saga mainnet secures Chainlets through a validator set running a Proof-of-Stake consensus mechanism built with the Cosmos SDK. Token holders may delegate SAGA to validators to help secure the network and earn inflation-based rewards. The SAGA token also governs on-chain proposals and pays transaction fees for activities that occur on the Saga base chain or across Chainlets. Saga's initial sector focus is gaming and entertainment, where high throughput and predictable performance are critical.

Who is behind the Project?
Saga is led by a team with backgrounds in technology and blockchain. Rebecca Liao is the Co-founder and CEO. Jin Kwon is the Co-founder and CSO. Jacob McDorman is the Chief Technology Officer (CTO).

Tokenomics of SAGA
SAGA has a total supply of 1,075,480,412 SAGA with 294,217,000 tokens in circulation as of September 2025. The initial token allocation was as follows:

Category	Allocation
Ecosystem and Development	30%
Core contributors	20%
Investors	20%
Airdrops	15.5%
Foundation Reserve (Protocol Controlled Reserve)	10%
Binance launchpool	4.5%
Total	**100%**

General Risks

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

Competition

Saga faces significant competition from other blockchain projects aimed at enhancing scalability, interoperability, and decentralised governance. Key competitors include Cosmos, Polkadot, and Avalanche. Each offers unique tradeoffs, fostering competition between them. SAGA's value derives from its broader adoption in the market. If Saga fails to achieve sufficient adoption compared to the other options in the market, this could negatively impact the value of SAGA.

Due Diligence

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