

PAYWARD LTD
CRYPTO ASSET RISK DISCLOSURE
Sapien (SAPIEN)

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Disclaimer

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

SAPIEN is a decentralized platform that connects organizations needing high-quality AI training data with contributors who perform data-labeling and validation tasks. The platform ensures data accuracy through a review process and records outcomes on the blockchain to build a transparent reputation profile for each contributor.

The team plans to have SAPIEN as the native asset for staking to unlock premium task pools and higher reward multipliers, gating access to enterprise features like The Forge, building a verifiable on-chain reputation, and enabling governance voting.

Who is behind the project?

SAPIEN was co-founded and is led by Rowan Stone (CEO), Trevor Koverko (CSO), Henry Chen (COO), and Kelly Ryan (CTO).

Tokenomics of Sapien

The total supply of SAPIEN is 1 billion tokens.

General Risks

Like all other digital assets, there are some general risks to investing in *SAPIEN*. 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 Sapien

Competition

Sapien AI faces competition from other decentralized data marketplaces such as Ocean Protocol and Fetch.ai. SAPIEN's value derives from its broader adoption in the market. If Sapien AI fails to achieve sufficient adoption compared to the other options in the market, this could negatively impact the value of SAPIEN.

Due Diligence

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