

PAYWARD LTD
CRYPTO ASSET RISK DISCLOSURE
Sogni AI (SOGNI)

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Disclaimer

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

Sogni AI is a decentralized network designed to support AI-powered content creation through distributed GPU rendering. Built on the Base blockchain, the network operates a dual-tier architecture: a Fast Tier using high-end NVIDIA GPUs and a Relaxed Tier using idle Apple Mac devices. Sogni provides tools and infrastructure for artists, developers, and GPU owners to generate and customize AI-generated images and videos. The project emphasizes privacy, creator ownership, and support for model training features like LoRA (LowRank Adaptation), a technique that allows users to customize models with minimal data, such as creating avatars or replicating distinct artistic styles using a small number of reference images.. Applications such as Sogni Studio, Sogni Pocket, and Sogni Web allow users to interact with the network and access its rendering capabilities.

At the time of writing, the token is not live, but the team plans to have SOGNI as the native utility token of the Sogni network. It is intended to be used to pay for rendering services, compensate GPU Workers, stake for network benefits, and participate in governance. The project team has suggested that token holders who stake SOGNI will be able to access features such as rendering discounts and priority access.

Who is behind the project?

The project is led by Mauvis Ledford, who serves as CEO. Other founding team members include Mark Ledford (CTO), Alejandro Ramos (CPO), and Cecilia Tan (COO).

Tokenomics of SOGNI

The total supply of SOGNI is 10 billion tokens which is distributed as follows:

SOGNI Allocation	SOGNI tokens	% of Total supply
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GPU Worker Rewards	2 billion	20%
Sogni Reserve	2,87 billion	28.7%
Creator Fund	1 billion	10%
Angel Round	100 million	1%
Preseed Round	800 million	8%
Seed Round	330 million	3.3%
Public Sale	100 million	1%
MM & Exchanges	800 million	8%
Team and Advisors	2 billion	20%
Total	10 billion	100%

General Risks

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

Competition

Sogni AI faces competition from other decentralized GPU rendering networks such as Render, Akash, and many others. Sogni's value derives from its broader adoption in the market. If Sogni AI fails to achieve sufficient adoption compared to the other options in the market, this could negatively impact the value of SOGNI.

Due Diligence

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