PAYWARD LTD

CRYPTO ASSET RISK DISCLOSURE

Nesa (NES)

Last updated on March 24, 2026

Disclaimer

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

Nesa is a Layer-1 blockchain designed to execute AI model inference on-chain with privacy, security, and verifiability using zero knowledge machine learning (ZKML). The network enables developers and users to submit AI inference queries through smart contracts, where a decentralised committee of nodes processes the requests and settles the results on-chain. Nesa employs a uniform execution environment called the Artificial Intelligence Terminal (AIT), which standardises how AI models are run across all participating nodes to ensure consistent and trustless computation.

At the time of writing the token is not live. The NES token will be used for miner staking to secure the network, validator staking for consensus and aggregation, AI inference payments (PayForQuery transactions), gas and payment currency on the network, staking into DAIs on Nesa, miner and model owner rewards, and governance over network parameters and the community pool.

Who is behind the project?

Nesa AI was co-founded by Marco Di Maggio, Patrick Colangelo, Harry Yang, and Yue Zhao.

Tokenomics of NES

The total supply of NES is 1 billion tokens which is distributed as follows:

NES Allocation	% of Total supply
Genesis Allocation	25.5%
R&D & Ecosystem	39.9%
Early Backers	14.6%

Foundation	10%
Initial Core Contributors	10%
Total	100%

General Risks

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

Competition

The Nesa network faces competition from other Layer 1 blockchains focused on AI and decentralised compute such as Bittensor, Render, and others. Nesa's value derives from its broader adoption in the market. If the Nesa network fails to achieve sufficient adoption compared to the other options in the market, this could negatively impact the value of NES.

Due Diligence

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