

PAYWARD LTD
CRYPTO ASSET RISK DISCLOSURE
Gensyn (AI)

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Disclaimer

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

Gensyn describes itself as “the network for machine intelligence” and a protocol that connects globally distributed resources—such as compute, training signals, and models—into a single network to support verifiable AI training, inference, evaluation, and payments. According to the project documentation, Gensyn’s on-chain coordination layer is an EVM-compatible Layer-2 rollup (built using the OP Stack) that records and settles activity related to compute jobs, staking, and governance, with state roots and data batches periodically committed to Ethereum.

AI is the network’s native token. The documentation states it is used to pay for computation (training, inference, evaluation), to stake for verification/economic security, and for governance over protocol-level parameters and upgrades.

Who is behind Gensyn

Gensyn is led by Ben Fielding (Co-Founder & CEO) and Harry Grieve (Co-Founder & CTO).

Tokenomics of AI

Category	Amount
Community Treasury	40.4%
Investors	29.6%

Team	25.0%
Community Sale	3.0%
Testnet Rewards	2.0%
Total	100.0%

General Risks

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

Competition

Gensyn faces competition from other compute marketplace projects such as Akash Network and Render Network. AI’s value derives from the project’s broader adoption in the market. If Gensyn fails to achieve sufficient adoption compared to the other options in the market, this could negatively impact the value of AI.

Due Diligence

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