

**KYVE**

**Disclaimer and Risks**

## DISCLAIMER

PLEASE READ THE ENTIRETY OF THIS «DISCLAIMER» SECTION CAREFULLY. NOTHING HEREIN CONSTITUTES LEGAL, FINANCIAL, BUSINESS OR TAX ADVICE AND YOU SHOULD CONSULT YOUR OWN LEGAL, FINANCIAL, TAX OR OTHER PROFESSIONAL ADVISOR(S) BEFORE ENGAGING IN ANY ACTIVITY IN CONNECTION HEREWITH. NEITHER BCP INNOVATIONS UG (HAFTUNGSBESCHRÄNKT) (THE COMPANY), ANY OF THE PROJECT TEAM MEMBERS (THE KYVE TEAM) WHO HAVE WORKED ON THE DECENTRALIZED ARCHIVING AND CACHING PROTOCOL (KNOWN AS “KYVE”) THAT ALLOWS MODERN BLOCKCHAINS AND DECENTRALIZED APPLICATIONS (DAPPS) TO STORE AND SERVE DATA RELIABLY (THE PLATFORM OR KYVE) TO DEVELOP THE PLATFORM IN ANY WAY WHATSOEVER, NOR ANY SERVICE PROVIDER SHALL BE LIABLE FOR ANY KIND OF DIRECT OR INDIRECT DAMAGE OR LOSS WHATSOEVER WHICH YOU MAY SUFFER IN CONNECTION WITH ACCESSING THIS LITEPAPER OR ANY DOCUMENTATION RELATING TO KYVE (THE TOKEN DOCUMENTATION), THE WEBSITE AT [HTTPS://WWW.KYVE.NETWORK](https://www.kyve.network) (THE WEBSITE) OR ANY OTHER WEBSITES OR MATERIALS PUBLISHED BY THE COMPANY OR ANY OF ITS AFFILIATES.

**Project purpose:** You agree that you are acquiring KYVE to participate on the Platform. The Company is not acting in the capacity as a financial advisor or fiduciary of any person with regard to the distribution of KYVE.

**Nature of the Token Documentation:** The Token Documentation and the Website are intended for general informational purposes only and do not constitute a prospectus, an offer document, an offer of securities, a solicitation for investment, or any offer to sell any product, item, or asset (whether digital or otherwise). The information herein may not be exhaustive and does not imply any element of a contractual relationship. There is no assurance as to the accuracy or completeness of such information and no representation, warranty or undertaking is or purported to be provided as to the accuracy or completeness of such information. Where the Token Documentation or the Website includes information that has been obtained from third party sources, the Company, its respective affiliates and/or the KYVE team have not independently verified the accuracy or completeness of such information. Further, you acknowledge that circumstances may change and that the Token Documentation or the Website may become outdated as a result; and the Company is not under any obligation to update or correct this document in connection therewith.

**Token Documentation:** Nothing in the Token Documentation and/or the Website constitutes any offer by the Company or the KYVE team to sell any KYVE (as defined herein) nor shall it or any part of it nor the fact of its presentation form the basis of, or be relied upon in connection with, any contract or investment decision. Nothing contained in the Token Documentation or the Website is or may be relied upon as a promise, representation or undertaking as to the future performance of the Platform.

The information set out in the Token Documentation and the Website is for community discussion only and is not legally binding. No person is bound to enter into any contract or binding legal commitment in relation to the acquisition of KYVE, and no digital asset or other form of payment is to be accepted on the basis of the Token Documentation or the Website.

**Deemed Representations and Warranties:** By accessing the Token Documentation or the Website (or any part thereof), you shall be deemed to represent and warrant to the Company its respective affiliates, and the KYVE team as follows:

in any decision to acquire any KYVE, you shall not rely on any statement set out in the Token Documentation or the Website, without appropriate legal, financial, business or tax advice;

you will and shall at your own expense ensure compliance with all laws, regulatory requirements and restrictions applicable to you (as the case may be);

you acknowledge, understand and agree that KYVE may have no value, there is no guarantee or representation of value or liquidity for KYVE, and KYVE is not an investment product nor is it intended for any speculative investment whatsoever;

none of the Company, its respective affiliates, and/or the KYVE team members shall be responsible for or liable for the value of KYVE, the transferability and/or liquidity of KYVE and/or the availability of any market for KYVE through third parties or otherwise; and

you acknowledge, understand and agree that you are not eligible to participate in the distribution of KYVE if you are a citizen, national, resident (tax or otherwise), domiciliary and/or green card holder of a geographic area or country (i) where it is likely that the distribution of KYVE would be construed as the sale of a security (howsoever named), financial service or investment product and/or (ii) where participation in token distributions is prohibited by applicable law, decree, regulation, treaty, or administrative act (including without limitation the United States of America and the People's Republic of China); and to this effect you agree to provide all such identity verification document when requested in order for the relevant checks to be carried out.

The Company and the KYVE team do not and do not purport to make, and hereby disclaims, all representations, warranties or undertakings to any entity or person (including without limitation warranties as to the accuracy, completeness, timeliness, or reliability of the contents of the Token Documentation or the Website, or any other materials published by the Company).

To the maximum extent permitted by law, the Company its respective affiliates and service providers shall not be liable for any indirect, special, incidental, consequential or other losses of any kind, in tort, contract or otherwise (including, without limitation, any liability arising from default or negligence on the part of any of them, or any loss of revenue, income or profits, and loss of use or data) arising from the use of the Token Documentation or the Website, or any other materials published, or its contents (including without limitation any errors or omissions) or otherwise arising in connection with the same. Prospective acquirors of KYVE should carefully consider and evaluate all risks and uncertainties (including financial and legal risks and uncertainties) associated with the distribution of KYVE, the Company and the KYVE team.

**Informational purposes only:** The information set out herein is only conceptual and describes the future development goals for the Platform to be developed. In particular, the project roadmap in the Token Documentation is being shared in order to outline some of the plans of the KYVE team and is provided solely for INFORMATIONAL PURPOSES and does not constitute any binding commitment. Please do not rely on this information in deciding whether to participate in the token distribution because ultimately, the development, release, and timing of any products, features or functionality remains at the sole discretion of the Company its respective affiliates and is subject to change. Further, the Token Documentation or the Website may be amended or replaced from time to time. There are no obligations to update the Token Documentation or the Website, or to provide recipients with access to any information beyond what is provided herein.

**Regulatory approval:** No regulatory authority has examined or approved, whether formally or informally, any of the information set out in the Token Documentation or the Website. No such action or assurance has been or will be taken under the laws, regulatory requirements or rules of any jurisdiction. The publication, distribution or dissemination of the Token Documentation or the Website does not imply that the applicable laws, regulatory requirements or rules have been complied with.

**Cautionary Note on forward-looking statements:** All statements contained herein, statements made in press releases or in any place accessible by the public and oral statements that may be made by the Company and/or the KYVE team, may constitute forward-looking statements (including statements regarding the intent, belief or current expectations with respect to market conditions, business strategy and plans, financial condition, specific provisions and risk management practices).

You are cautioned not to place undue reliance on these forward-looking statements given that these statements involve known and unknown risks, uncertainties and other factors that may cause the actual future results to be materially different from that described by such forward-looking statements, and no independent third party has reviewed the reasonableness of any such statements or assumptions. These forward-looking statements are applicable only as of the date indicated in the Token Documentation, and the Company as well as the KYVE team expressly disclaim any responsibility (whether express or implied) to release any revisions to these forward-looking statements to reflect events after such date.

**References to companies and platforms:** The use of any company and/or platform names or trademarks herein (save for those which relate to the Company or its respective affiliates) does not imply any affiliation with, or endorsement by, any third party. References in the Token Documentation or the Website to specific companies and platforms are for illustrative purposes only.

**English language:** The Token Documentation and the Website may be translated into a language other than English for reference purpose only and in the event of conflict or ambiguity between the English language version and translated versions of the Token Documentation or the Website, the English language versions shall prevail. You acknowledge that you have read and understood the English language version of the Token Documentation and the Website.

**No Distribution:** No part of the Token Documentation or the Website is to be copied, reproduced, distributed or disseminated in any way without the prior written consent of the Company. By attending any presentation on this Token Documentation or by accepting any hard or soft copy of the Token Documentation, you agree to be bound by the foregoing limitations.

## RISKS

YOU ACKNOWLEDGE AND AGREE THAT THERE ARE NUMEROUS RISKS ASSOCIATED WITH ACQUIRING KYVE, HOLDING KYVE, AND USING KYVE. IN THE WORST SCENARIO, THIS COULD LEAD TO THE LOSS OF ALL OR PART OF KYVE HELD. IF YOU DECIDE TO ACQUIRE, HOLD AND/OR USE KYVE, YOU EXPRESSLY ACKNOWLEDGE, ACCEPT AND ASSUME THE FOLLOWING RISKS:

**Uncertain Regulations and Enforcement Actions:** The regulatory status of KYVE and distributed ledger technology is unclear or unsettled in many jurisdictions. The regulation of digital assets has become a primary target of regulation in all major countries in the world. It is impossible to predict how, when or whether regulatory agencies may apply existing regulations or create new regulations with respect to such technology and its applications, including KYVE. Regulatory actions could negatively impact KYVE in various ways. The Company its respective affiliates may cease operations in a jurisdiction in the event that regulatory actions, or changes to law or regulation, make it illegal to operate in such jurisdiction, or commercially undesirable to obtain the necessary regulatory approval(s) to operate in such jurisdiction.

**Inadequate disclosure of information:** As at the date hereof, the Platform is still under development and its design concepts, consensus mechanisms, algorithms, codes, and other technical details and parameters may be constantly and frequently updated and changed. Although the Website and this Litepaper contains the most current information relating to KYVE, it is not absolutely complete and may still be adjusted and updated by the KYVE team from time to time. The KYVE team has no ability and obligation to keep holders of KYVE informed of every detail (including development progress and expected milestones) regarding the project to develop the Platform, hence insufficient information disclosure is inevitable and reasonable.

**Reliance on Arweave:** KYVE relies on the Arweave protocol to operate. \$AR tokens are necessary to become an uploader on KYVE, for example. KYVE and Arweave as complementary: while KYVE provides reliable data validity, Arweave, in contrast, focuses on data availability (replicability). Any failure or downtime related to Arweave could present risks to KYVE.

**Competitors:** Various types of decentralised applications and networks are emerging at a rapid rate, and the industry is increasingly competitive. It is possible that alternative networks could be established that utilise the same or similar code and protocol underlying KYVE and/or Arweave and attempt to recreate similar facilities. KYVE may be required to compete with these alternative networks, which could negatively impact KYVE.

**Loss of Talent:** The development of KYVE greatly depends on the continued co-operation of the existing technical team and expert consultants, who are highly knowledgeable and experienced in their respective sectors. The loss of any member may adversely affect KYVE or its future development. Further, stability and cohesion within the team is critical to the overall development of KYVE. There is the possibility that conflict within the team and/or departure of core personnel may occur, resulting in negative influence on the project in the future.

**Failure to develop:** There is the risk that the development of KYVE will not be executed or implemented as planned, for a variety of reasons, including without limitation the event of a decline in the prices of any digital asset, virtual currency or KYVE, unforeseen technical difficulties, and shortage of development funds for activities.

**Security weaknesses:** Hackers or other malicious groups or organisations may attempt to interfere with KYVE and/or Arweave in a variety of ways, including, but not limited to, malware attacks, denial of service attacks, consensus-based attacks, Sybil attacks, smurfing and spoofing. Furthermore, there is a risk that a third party or a member of the Company or its respective affiliates may intentionally or unintentionally introduce weaknesses into the core infrastructure of KYVE and/or Arweave, which could negatively affect KYVE and/or Arweave. Further, the future of cryptography and security innovations are highly unpredictable and advances in cryptography, or technical advances (including without limitation development of quantum computing), could present unknown risks to KYVE and/or Arweave by rendering ineffective the cryptographic consensus mechanism that underpins that blockchain protocol.

**Other risks:** In addition, the potential risks briefly mentioned above are not exhaustive and there are other risks (as more particularly set out in the Terms and Conditions) associated with your participation in the Platform, as well as acquisition of, holding and use of KYVE, including those that the Company cannot anticipate. Such risks may further materialise as unanticipated variations or combinations of the aforementioned risks. You should conduct full due diligence on the Company, its respective affiliates, and the KYVE team, as well as understand the overall framework, mission and vision for the Platform prior to participating in the same and/or acquiring KYVE.