KAITO (KAITO)
WHITEPAPER

IN ACCORDANCE WITH TITLE II OF REGULATION (EU) 2023/1114

No	FIELD	CONTENT TO BE REPORTED
0	Table of contents	I.00 - Table of Content I.01 - Date of Notification I.02 - Statement in Accordance with Article 6 (3) of Regulation (EU) 2023/1114 I.03 - Statement in Accordance with Article 6 (6) of Regulation (EU) 2023/1114 I.04 - Statement in Accordance with Article 6 (5) points (a), (b), (c) of Regulation (EU) 2023/1114 I.05 - Statement in Accordance with Article 6(5), point (d) of Regulation (EU) 2023/1114 I.06 -Statement in Accordance with Article 6(5), points (e) and (f) of Regulation (EU) 2023/1114 **SUMMARY** I.07 - Warning in accordance with Article 6(7), second subparagraph of Regulation (EU) 2023/1114 I.08 - Key Information about the Characteristics of the Crypto-Asset I.09 - Key Information about the Quality and Quantity of the Goods or Services to which the Utility Tokens Give Access, Restrictions on Transferability. I.10 - Key Information about the Admission to Trading **PART A – INFORMATION ABOUT THE PERSON SEEKING ADMISSION TO TRADING** A.01 - Name A.02 - Legal Form A.03 - Registered Address A.04 - Head Office A.05 - Date of the Registration A.06 - Legal Entity Identifier A.07 - Another Identifier Required Pursuant to Applicable Law A.08 - Contact Telephone Number of the Person Seeking Admission to Trading A.09 - Email Address of the Person Seeking Admission to Trading A.10 - Response Time (days) A.11 - Parent Company A.12 - Members of the Management Body A.13 - Business Activity of the Person Seeking Admission A.14 - Parent Company Business Activity A.15 - Newly Established A.16 - Financial Conditions for the Past Three Years
1	Date of notification	2025-04-07
2	Statement in accordance with Article 6(3) of Regulation (EU) 2023/1114	This crypto-asset white paper has not been approved by any competent authority in any Member State of the European Union. The person seeking admission to trading of the crypto-asset is solely responsible for the content of this crypto-asset white paper.
3	Compliance statement in accordance with Article 6(6) of Regulation (EU) 2023/1114	This crypto-asset white paper complies with Title II of Regulation (EU) 2023/1114 of the European Parliament and of the Council and, to the best of the knowledge of the management body, the information presented in the crypto-asset white paper is fair, clear and not misleading and the crypto-asset white paper makes no omission likely to affect its import.
4	Statement in accordance with Article 6(5), points (a), (b), (c), of Regulation (EU) 2023/1114	The crypto-asset referred to in this crypto-asset white paper may lose its value in part or in full, may not always be transferable and may not be liquid.
5	Statement in accordance with Article 6(5), point (d), of Regulation (EU) 2023/1114	The utility token referred to in this white paper may not be exchangeable against the good or service promised in this white paper, especially in the case of a failure or discontinuation of the crypto-asset project.
6	Statement in accordance with Article 6(5), points (e) and (f), of Regulation (EU) 2023/1114	The crypto-asset referred to in this white paper is not covered by the investor compensation schemes under Directive 97/9/EC of the European Parliament and of the Council or the deposit guarantee schemes under Directive 2014/49/EU of the European Parliament and of the Council.

SUMMARY		
7	Warning in accordance with Article 6(7), second subparagraph, of Regulation (EU) 2023/1114	This summary should be read as an introduction to the crypto-asset white paper. The prospective holder should base any decision to purchase this crypto –asset on the content of the crypto-asset white paper as a whole and not on the summary alone. The offer to the public of this crypto-asset does not constitute an offer or solicitation to purchase financial instruments and any such offer or solicitation can be made only by means of a prospectus or other offer documents pursuant to the applicable national law. This crypto-asset white paper does not constitute a prospectus as referred to in Regulation (EU) 2017/1129 of the European Parliament and of the Council or any other offer document pursuant to Union or national law.
8	Characteristics of the crypto-asset	The KAITO token is a crypto-asset as defined by article 3(1)(5) of the Markets in Crypto-Assets Regulation (EU) 2013/1114 ('MiCA'). Symbol: KAITO Max supply: 1,000,000,000 tokens Smart contract address: 0x98d0baa52b2d063e780de12f615f963fe8537553 Blockchain platform: Base Token Standard: ERC-20

9	Information about the quality and quantity of goods or services to which the utility token gives access and restrictions on transferability	More specifically, KAITO is a utility token pursuant to article 3(1)(9) of MiCA. This token enables holders to participate in the AI-powered InfoFi network by influencing attention distribution, conducting ecosystem transactions, and engaging in protocol governance through voting rights, collectively driving the development of the network.
10	Key information about the offer to the public or admission to trading	The Openkaito Foundation is seeking admission to trading of the KAITO token on multiple trading platforms.

Part A - Information about the offeror or the person seeking admission to trading		
A.1	Name	OpenKaito Foundation
A.2	Legal form	N/A
A.3	Registered address	N/A
A.4	Head office	N/A
A.5	Registration date	2025-01-21
A.6	Legal entity identifier	254900TSVY02DCZPYH91
A.7	Another identifier required pursuant to applicable national law	N/A
A.8	Contact telephone number	+65 8406 3138
A.9	E-mail address	support@kaito.ai
A.10	Response time (Days)	5 business days
A.11	Parent company	N/A
A.12	Members of the management body	The OpenKaito Foundation is situated at the following address, Suite 102, Cannon Place, P.O. Box 712, North Sound Rd., George Town, Grand Cayman, KY1-9006 Cayman Islands. The Management Body will be comprised of Marc Phillip Alessandro Piano, who resides at the following address P.O. Box 10260, Grand Cayman, KY1-1205, Cayman Islands and serves as the Director of the OpenKaito Foundation.
A.13	Business activity	The OpenKaito Foundation is a Cayman foundation company established for the purposes of stewarding the Kaito project and to support its token launch. It enters into services agreements with third parties, provides grants and participates in ecosystem development efforts. It has an advisory relationship with Kaito Pte Ltd, the 'LabsCo'. It is managed by a professional independent director.
A.14	Parent company business activity	N/A
A.15	Newly established	Yes, the person seeking admission to trading has not been established for the past three years
A.16	Financial condition for the past three years	N/A
A.17	Financial condition since registration	As the OpenKaito Foundation was established only recently, there is no three-year track record of historical financial data. However, since the date of its registration, the Foundation's financial standing has been solid: - Positive revenues and profitability: The Foundation have generated steady revenues, ensuring a profitable operation from the outset - Robust liquidity: The Foundation maintains sufficient cash flow to support ongoing development, marketing, and operational needs, with no material debt obligations - Stable growth trajectory: Demand for the Foundation's offerings have proven product-market fit and driven strong revenue growth, which in turn has supported continuous product enhancements Overall, the Foundation's financial condition is healthy, supported by profitable operations and reliable cash flow, positioning it to fund current and planned activities.

Part B - Information about the issuer, if different from the offeror or person seeking admission to trading		
B.1	Issuer different from offeror or person seeking admission to trading	N/A
B.2	Name	N/A
B.3	Legal form	N/A
B.4	Registered address	N/A
B.4	Head office	N/A
B.6	Registration date	N/A
B.7	Legal entity identifier	N/A
B.8	Another identifier required pursuant to applicable national law	N/A
B.9	Parent company	N/A
B.10	Members of the management body	N/A
B.11	Business activity	N/A
B.12	Parent company business activity	N/A

Part C- Information about the operator of the trading platform in cases where it draws up the crypto-asset white paper and information about other persons drawing the crypto-asset white paper pursuant to Article 6(1), second subparagraph, of Regulation (EU) 2023/1114		
C.1	Name	N/A
C.2	Legal form	N/A
C.3	Registered address	N/A
C.4	Head office	N/A
C.5	Registration date	N/A
C.6	Legal entity identifier	N/A
C.7	Another identifier required pursuant to applicable national law	N/A
C.8	Parent company	N/A
C.9	Reason for crypto-Asset white paper Preparation	N/A
C.10	Members of the Management body	N/A
C.11	Operator business activity	N/A
C.12	Parent company business activity	N/A
C.13	Other persons drawing up the crypto-asset white paper according to Article 6(1), second subparagraph, of Regulation (EU) 2023/1114	N/A
C.14	Reason for drawing the white paper by persons referred to in Article 6(1), second subparagraph, of Regulation (EU) 2023/1114	N/A

Part D- Information about the crypto-asset project		
D.1	Crypto-asset project name	Kaito
D.2	Crypto-asset name	KAITO Token
D.3	Abbreviation	KAITO
D.4	Crypto-asset project description	Kaito is the distribution center of crypto, where information, attention, and capital move seamlessly, powered by AI. Kaito have developed two products with product-market fit and are significantly scaling their token network to support more use cases. Both Kaito Pro and Kaito Connect have reached profitability. In the future, Kaito has the potential to become the interoperable InfoFi layer that sits on top of the internet's walled gardens, connecting creators, users, and brands in a fundamentally new way.
D.5	Details of all natural or legal persons involved in the implementation of the crypto-asset project	OpenKaito Digital Ltd - Entity address: Keyway Chambers, 3rd Floor, Quastisky Building, Road Town, Tortola, British Virgin Islands - Domicile: British Virgin Islands - Entity description: OpenKaito Digital Limited is a BVI limited company which is wholly owed by OpenKaito Foundation. OpenKaito Digital Limited acts as the token minting and issuing entity. It fulfils token obligations to investors and enters into market making and liquidity provisioning agreements. Kaito Pte Ltd - Entity address: 63 Club Street, 2nd Floor, 069437 Singapore - Domicile: Singapore - Entity desc.: Kaito Pte Ltd is a Singapore company owned by Yu Hu, the founder of Kaito. It enters into employment agreements, contractor agreements, partnership agreements etc and develops and maintains the Kaito platform. It has an advisory relationship with the OpenKaito Foundation.
D.6	Utility Token Classification	Yes

D.7	Key Features of Goods/Services for Utility Token Projects	The Kaito InfoFi ecosystem consists of three primary components that deliver market intelligence, attention tokenization, and network services. Kaito Pro Serves as an AI-powered vertical search engine for crypto, indexing and analyzing data from multiple sources including social media, governance forums, research, news, and podcasts. The platform provides real-time analytics and market intelligence, currently serving over 500 investment, marketing and growth teams. Kaito Yaps Focuses on attention tokenization, leveraging AI algorithms to quantify and measure attention metrics through the extraction and interpretation of social graphs and semantic signals. This enables SocialFi development, reward distribution, and provides proof-of-influence capabilities for creators within the ecosystem. Kaito Connect Functions as an AI-powered network for distributing attention and capital, utilizing information retrieval and knowledge graphs to integrate AI insights with market dynamics. The network facilitates transparent value distribution among participants and enables market-driven content discovery and creator rewards. The KAITO token supports these services by enabling participation in network governance, serving as the primary medium of exchange, allowing holders to influence attention distribution, and supporting the growth of a decentralized information economy.
D.8	Plans for the token	**Past Milestones**: Q4 2024 - Launched first Yapper Leaderboard (Link here: https://x.com/_kaitoai/status/1879200275979964694) Q4 2024 - Launched Kaito Yaps (Link here: https://x.com/KaitoAI/status/1866823588419883327) Q1 2025 - Reward Distribution for Yaps (Link here: https://x.com/_kaitoai/status/1876578874537980397) Q1 2025 - Announced Yaps Open Protocol (Link here: https://x.com/_kaitoai/status/1876254661834871281) Q1 2025 - Launched Kaito Connect (Link here: https://x.com/KaitoAI/status/1882074567365341228) Q1 2025 - Announced the Kaito token and whitepaper (Link here: https://x.com/KaitoAI/status/1890379872280682548) **Future milestones**: Q2 2025 - Kaito Reward Station to allow users to claim partner rewards directly on Kaito - New launchpad use cases beyond Yapper Launchpad - Expanding to additional social media platforms beyond X Q3 2025 - New InfoFi use cases Q4 2025 - Governance Portal for ecosystem-related governance (algorithm, protocol developments), and token-related governance (fee switch, grants)
D.9	Resource allocation	May 2022: $5.3M seed round led by Dragonfly and Sequoia China (link here - https://techcrunch.com/2023/02/21/ai-powered-crypto-search-engine-kaito-raises-5-3m-to-improve-browsing-with-ai-chatgpt/) June 2023: $5.5M Series A round led by Superscrypt and Spartan (link here - https://www.coindesk.com/business/2023/06/22/startup-kaito-gets-875m-valuation-in-new-funding-to-build-ai-search-engine-for-crypto
D.10	Planned use of Collected funds or crypto-Assets	N/A

Part E - Information about the offer to the public of crypto-assets or their admission to trading		
E.1	Public offering or admission to trading	ATTR
E.2	Reasons for public offer or admission to trading	The admission to trading aims to make the crypto-asset more accessible and easier to trade. By establishing a formal secondary market, investors can more effectively determine fair market value through transparent price discovery mechanisms. This increased trading accessibility not only expands opportunities for market participation but also helps strengthen the crypto-asset's market presence and practical applications.
E.3	Fundraising target	N/A

E.4	Minimum subscription goals	N/A
E.5	Maximum subscription goals	N/A
E.6	Oversubscription acceptance	N/A
E.7	Oversubscription allocation	N/A
E.8	Issue price	N/A
E.9	Official currency or any other crypto-assets determining the issue price	N/A
E.10	Subscription fee	N/A
E.11	Offer price determination method	N/A
E.12	Total number of offered/traded crypto-assets	1,000,000,000
E.13	Targeted holders	ALL - All types of investors
E.14	Holder restrictions	Pursuant to applicable regulatory frameworks and international sanctions compliance, holders domiciled in designated jurisdictions subject to comprehensive sanctions regimes, including but not limited to the Democratic People's Republic of Korea and the Islamic Republic of Iran are geo-blocked, with such geo-blocking restrictions applied throughout the network and platform.
E.15	Reimbursement notice	N/A
E.16	Refund mechanism	N/A
E.17	Refund timeline	N/A
E.18	Offer phases	N/A
E.19	Early purchase discount	N/A
E.20	Time-limited offer	N/A
E.21	Subscription period beginning	N/A
E.22	Subscription period end	N/A
E.23	Safeguarding arrangements for offered funds/crypto-Assets	N/A
E.24	Payment methods for crypto-asset purchase	N/A
E.25	Value transfer methods for reimbursement	N/A
E.26	Right of withdrawal	N/A
E.27	Transfer of purchased crypto-assets	N/A
E.28	Transfer time schedule	N/A
E.29	Purchaser's technical requirements	The purchase of KAITO tokens will be accessible through trading platforms to eligible users of these platforms. As a result, token holders must comply with the platforms' specific requirements. To hold KAITO tokens, users need an Ethereum compatable wallet, which can either be self-custodial or managed by a third-party.
E.30	Crypto-asset service provider (CASP) name	N/A
E.31	CASP identifier	N/A
E.32	Placement form	NTAV
E.33	Trading platforms name	Trading platforms for which admission to trading is sought include: - Bitvavo - Kraken - OKX - Binance - Coinbase - Bitget - BingX - Gate.io
E.34	Trading platforms Market identifier code (MIC)	N/A

E.35	Trading platforms access	Investors can access trading platforms where KAITO tokens are listed by creating an account on the respective platform, completing the required identity verification (KYC) processes, and funding their accounts with supported cryptocurrencies or fiat currencies. Once registered and funded, investors can search for the KAITO token trading pair and place buy or sell orders directly through the platform's interface. Detailed guides and tutorials are typically available on the trading platforms to assist investors with navigating and using their services.
E.36	Involved costs	Trading venues that support KAITO establish their own independent fee structures, which may include various charges for transactions, withdrawals, and other services. These fees are set and managed solely by the platforms themselves, with no involvement from the Openkaito Foundation. Users should carefully review and understand their chosen platform's fee structure before conducting any transactions.
E.37	Offer expenses	N/A
E.38	Conflicts of interest	The persons involved in the admission to trading of KAITO tokens do not have any conflicts of interest that could materially impact the admission to trading process or its outcome. Should any potential conflicts arise, they will be promptly disclosed and managed in accordance with applicable regulatory requirements and best practices to ensure fair and transparent trading conditions.
E.39	Applicable law	Laws of England and Wales
E.40	Competent court	Arbitration as per the rules of the International Chamber of Commerce

Part F - Information about the crypto-assets		
F.1	Crypto-asset type	The KAITO token is classified as an "other crypto-asset" under the Markets in Crypto-Assets Regulation (EU) 2023/1114 (MiCA), as it does not qualify as an asset-referenced token or an e-money token.
F.2	Crypto-asset functionality	The KAITO token serves as the native utility token of the AI-powered InfoFi network, providing three core functionalities: - Network Participation: Token holders can actively influence the distribution of attention within the AI-powered InfoFi ecosystem, directly impacting how information and resources flow through the network. - Economic Exchange: KAITO functions as the primary medium of exchange within the ecosystem, enabling transactions and interactions between network participants. - Governance Rights: Token holders can participate in decentralized governance by proposing and voting on protocol changes and algorithm updates, ensuring community-driven development of the network. These functionalities collectively enable token holders to engage with and shape the development of a decentralized information and financial ecosystem powered by artificial intelligence.
F.3	Planned application of functionalities	The functionalities described in F.2 above are already in place, however, reference can be made to section D.8 "Plans for the token" for any future changes to the KAITO's token functionality.
A description of the characteristics of the crypto-asset, including the data necessary for classification of the crypto-asset white paper in the register referred to in Article 109 of Regulation (EU) 2023/1114, as specified in accordance with paragraph 8 of that Article		
F.4	Type of crypto-asset white paper	OTHR
F.5	The type of submission	NEWT
F.6	Crypto-asset characteristics	The KAITO token is a crypto-asset as defined by article 3(1)(5) of the Markets in Crypto-Assets Regulation (EU) 2013/1114 ('MiCA'). Symbol: KAITO Max supply: 1,000,000,000 tokens Smart contract address: 0x98d0baa52b2d063e780de12f615f963fe8537553 Blockchain platform: Base Token Standard: ERC-20
F.7	Commercial name or trading name	Kaito
F.8	Website of the issuer	https://www.kaito.ai/
F.9	Starting date of offer to the public or admission to trading	2025-05-06
F.10	Publication date	2025-05-06
F.11	Any other services provided by the issuer	The services provided by Kaito are entirely within the regulatory framework established by MiCA (Regulation (EU) 2023/1114). These services focus specifically on crypto-asset activities, particularly the trading of the KAITO token and its platform features. The company's operations do not currently extend into areas that would require compliance with additional EU or national regulations. Any future expansion of services beyond MiCA's scope would require separate regulatory notifications and compliance with applicable frameworks. In such cases, Kaito would clearly disclose these additional services along with references to their governing legal requirements.
F.12	Language or languages of the crypto-asset white paper	English

F.13	Digital token identifier code used to uniquely identify the crypto-asset or each of the several crypto assets to which the white paper relates, where available	N/A
F.14	Functionally fungible group digital token identifier, where available	N/A
F.15	Voluntary data flag	Mandatory
F.16	Personal data flag	Yes
F.17	LEI eligibility	Eligible
F.18	Home Member State	Malta
F.19	Host Member States	Austria Belgium Bulgaria Croatia Cyprus Czechia Denmark Estonia Finland France Germany Greece Hungary Iceland Ireland Italy Latvia Liechtenstein Lithuania Luxembourg Netherlands Norway Poland Portugal Romania Slovakia Slovenia Spain Sweden

Part G - Information on the rights and obligations attached to the crypto-assets		
G.1	Purchaser rights and obligations	The KAITO tokens do not have any inherent rights or obligations attached to them
G.2	Exercise of rights and obligations	N/A
G.3	Conditions for modifications of rights and obligations	N/A
G.4	Future public offers	N/A
G.5	Issuer retained crypto-assets	N/A
G.6	Utility token classification	Yes
G.7	Key features of goods/services of utility tokens	The KAITO token provides access to the Kaito InfoFi network's three main service components. Through Kaito Pro, token holders can access AI-powered market intelligence that indexes thousands of sources across social media, governance forums, research, news, podcasts, and conference transcripts. This service currently supports over 500 investment, marketing, and growth teams with real-time analytics and market insights. Through Kaito Yaps, token holders can engage with the platform's attention tokenization system, which quantifies and measures attention metrics using AI algorithms. This includes access to social graphs and semantic analysis tools that enable the measurement and trading of tokenized attention. Kaito Connect provides token holders with participation rights in the InfoFi network's attention and capital distribution mechanisms. This includes access to market-driven content discovery, creator reward systems, and governance participation through voting rights on protocol and algorithm changes.
G.8	Utility tokens redemption	Holders of the KAITO token gain access to the comprehensive suite of services within the Kaito InfoFi network. The token enables participation in the platform's AI-powered information and attention economy, providing utility through network access and governance rights. This characteristic aligns with the fundamental definition of a utility token, as it provides token holders with direct access to the technological infrastructure and services created by the token issuer.
G.9	Non-trading request	Sought
G.10	Crypto-assets purchase or sale modalities	N/A

G.11	Crypto-assets transfer restrictions	N/A
G.12	Supply adjustment protocols	No
G.13	Supply adjustment mechanisms	N/A
G.14	Token value protection schemes	No
G.15	Token value protection schemes description	N/A
G.16	Compensation schemes	No
G.17	Compensation schemes description	N/A
G.18	Applicable law	Laws of England and Wales
G.19	Competent court	Arbitration as per the rules of the International Chamber of Commerce

Part H – information on the underlying technology		
H.1	Distributed ledger technology (DTL)	The KAITO token is built on the Base blockchain, which is an Ethereum Layer 2 (L2) scaling solution developed by Coinbase.
H.2	Protocols and technical standards	The KAITO token is a crypto-asset as defined by article 3(1)(5) of the Markets in Crypto-Assets Regulation (EU) 2013/1114 ('MiCA') that utilises the ERC-20 token standard on the Base blockchain. As an ERC-20 token, KAITO follows standardized rules for token transfers, transaction approvals, data access, and supply management, ensuring compatibility with cryptocurrency wallets, exchanges, and DeFi applications. The token is deployed on Base, an Ethereum Layer 2 scaling solution developed by Coinbase using the Optimism OP Stack, which inherits Ethereum's security while providing faster and cheaper transactions through Optimistic Rollups technology. With a maximum supply of 1 billion tokens and a smart contract address of 0x98d0baa52b2d063e780de12f615f963fe8537553, the KAITO token can be accessed using any wallet that supports the Base network and ERC-20 tokens.
H.3	Technology used	Kaito's technology stack centers around a sophisticated integration of AI-powered systems and blockchain infrastructure. The platform leverages semantic LLM capabilities and proprietary search algorithms to process vast amounts of crypto-related information, indexing thousands of sources across social media, governance forums, research documents, news articles, podcasts, and conference transcripts. This comprehensive information retrieval system is enhanced with real-time analytics capabilities to deliver actionable market intelligence. For the Connect product, Kaito employs knowledge graph technology paired with semantic understanding to structure complex information networks, creating what they describe as an "InfoFi layer." This technological architecture supports the three core products outlined above: Kaito Pro, Kaito Yaps and Kaito Connect.
H.4	Consensus mechanism	The consensus mechanism of the Base protocol, an Ethereum Layer 2 solution launched by Coinbase, utilizes Optimistic Rollups for scaling built on the Optimism software development kit (SDK). Key components include: 1. **Optimistic Rollups**: Assumption of Validity: Transactions are assumed valid by default and are processed off-chain. Instead of proving the validity of every transaction, the system assumes they are correct unless challenged. Fraud Proofs: If there is a suspicion of fraud, a challenge mechanism (fault proof) allows anyone to dispute the validity of a transaction within a specific time frame. If a transaction is found to be fraudulent, it is rolled back, and the dishonest actor is penalized. 2. **Sequencer**: Transaction Ordering: The sequencer is responsible for ordering transactions and creating batches to be processed off-chain. Block Production: It constructs and executes Layer 2 blocks, which are then submitted to Ethereum (Layer 1) for finality. State Updates: Provides transaction confirmations and state updates, ensuring the network's state remains consistent and accurate. 3. **Interaction with Ethereum**: On-Chain Contracts: Optimistic Rollups use smart contracts deployed on Ethereum to manage rollup blocks, monitor state updates, and track user deposits. Off-Chain Computation: Most computations and state storage occur off-chain, enhancing scalability and reducing fees. 4. **Security and Decentralization**: Modular OP Stack: Base is built on the open-source OP Stack from Optimism, which is designed to be highly modular and customizable. Commitment Posting: Periodically, the post-transaction state is committed to Ethereum, ensuring the security and integrity of the Layer 2 transactions. Censorship Resistance: The architecture provides censorship resistance equivalent to Ethereum, as it allows direct submission of transactions to the sequencer.

H.5	Incentive mechanisms and applicable fees	Base, an Ethereum Layer 2 scaling solution, uses a combination of economic incentives and security mechanisms to ensure the integrity and security of transactions. Base leverages Optimistic Rollups to enhance scalability while maintaining security. 1. **Validators and Sequencers**: Sequencers: In Base, sequencers are responsible for ordering transactions and creating batches that are processed off-chain. They play a crucial role in maintaining network efficiency and throughput. Validator Rewards: Validators earn rewards for participating in the consensus process. These rewards can include transaction fees and additional protocol incentives. 2. **Economic Incentives**: Transaction Fees: Sequencers earn transaction fees from users who want their transactions processed. These fees incentivize sequencers to operate honestly and efficiently. Challenge Rewards: Users who successfully challenge invalid transactions by submitting fraud proofs are rewarded. This mechanism encourages the community to actively monitor and ensure the correctness of transactions. 3. **Penalties for Malicious Behavior**: Economic Penalties: Validators or sequencers that act maliciously, such as including invalid transactions, face economic penalties. These penalties can include forfeiture of staked tokens or other forms of economic loss. Fraud Proofs: If a transaction is challenged and found to be invalid, the dishonest party (sequencer) faces penalties, and the state is reverted. This discourages malicious behavior and ensures network integrity. Fees Applicable on the Base Blockchain Protocol: 1. **Transaction Fees**: Layer 2 Transaction Fees: Users pay fees for transactions processed on the Layer 2 network. These fees are typically lower than those on the Ethereum mainnet due to the reduced computational load on the main chain. Cost Efficiency: By aggregating multiple transactions into a single batch, Base reduces the overall cost per transaction, making it more economical for users. 2. **L1 Data Fees**: Posting Batches to Ethereum: Periodically, state updates from Layer 2 transactions are posted to the Ethereum mainnet as calldata. This involves a fee, known as the L1 data fee, which covers
H.6	Use of distributed ledger technology	No, DLT not operated by the issuer or a third-party acting on the issuer's behalf
H.7	DLT functionality description	N/A
H.8	Audit	Yes
H.9	Audit outcome	An audit was completed with no issues

Part I – Information on risks		
I.1	Offer-related risks	The following risks provide an overview of considerations relating to tokens admission to trading. While these are general market risks and not specific to KAITO, token holders are encouraged to conduct their own assessment before engaging with the token. Naturally, other risks may exist that cannot be currently foreseen or predicted at this time, and as a result this overview should not be considered as an exhaustive list of all potential risks. Trading Platform Risks: The Openkaito Foundation does not act as a contractual party in transactions between token holders and trading platforms, as these platforms operate independently under their own terms and conditions. Platform operational disruptions, technical failures, or cybersecurity incidents could significantly impact trading activities. The Foundation cannot guarantee that KAITO will maintain its listing status on any trading platforms. In the event of delisting, token holders may face significant challenges in trading their tokens, potentially resulting in reduced liquidity and adverse impacts on token value. Token holders might experience difficulty finding alternative markets or trading counterparties. In extreme cases, platform bankruptcy could result in substantial or complete losses for token holders. Market and Liquidity Risks: There is no guarantee of sustainable market depth or sufficient liquidity in the secondary market for KAITO tokens, as trading volumes may fluctuate significantly, affecting price discovery and execution. Market accessibility could be further limited by technical or operational constraints. Operational and Infrastructure Risks: Trading platforms may commingle user assets rather than maintaining segregated wallets, leading to increased vulnerability through centralization of assets in platform wallets. Platform failures could affect token transfers, trades, and settlement processes, while technical integration challenges between the token system and trading platforms may impact overall functionality. Regulatory and Compliance Risks: Changes in regulatory requirements could impact trading conditions and may require operational adjustments. Trading restrictions could be imposed due to regulatory changes, necessitating continuous monitoring and adaptation to regulatory frameworks to maintain compliance and operational continuity.

I.2	Issuer-related risks	The issuer's governance structure, decision-making processes, and leadership stability directly impact project development and execution. Changes in organizational leadership or strategic direction could affect development priorities, resource allocation, and token utility. The issuer's ability to maintain operational continuity depends on retaining key personnel with specialized expertise in blockchain technology and AI systems. Financial Stability Risks: The issuer's financial resources directly impact its capacity to support ongoing development, marketing, and operational requirements. Market volatility affecting treasury holdings could constrain development resources and operational capabilities. There are risks associated with budget allocation, treasury management practices, and long-term financial sustainability that could affect project implementation timelines and quality. Regulatory Exposure Risks: As an entity operating in a rapidly evolving regulatory landscape, the issuer faces ongoing compliance challenges across multiple jurisdictions. Regulatory actions targeting the issuer could have cascading effects on token operations and ecosystem development. The issuer's ability to adapt to changing regulatory requirements may necessitate modifications to operational strategies and token distribution mechanisms. Transparency and Disclosure Risks: The issuer's communication practices and disclosure policies directly impact community trust and market perception. Information asymmetry between the issuer and token holders regarding development challenges, strategic changes, or technical limitations could affect market sentiment. The quality, frequency, and accuracy of public disclosures may influence token valuation and market dynamics. Strategic Execution Risks: The issuer's ability to execute its roadmap, meet development milestones, and adapt to market feedback carries inherent risks. Strategic pivots or reprioritization could alter token utility or ecosystem functionality. The issuer's responsiveness to competitive pressures and emerging market opportunities may impact long-term project viability.
I.3	Crypto-assets-related risks	Token Utility Risks: The KAITO token serves as the primary medium of exchange within the ecosystem, enables participation in governance decisions, and facilitates the distribution of attention within the AI-powered InfoFi network. There is a risk that these utility functions may not perform as intended, potentially affecting the token's core functionalities. The token's effectiveness in measuring and rewarding creator contributions, facilitating network transactions, or enabling governance participation could be compromised by changes in user behavior, market conditions, or ecosystem dynamics. The interdependence of these utility functions means that deterioration in one aspect could have cascading effects on others. Distribution and Supply Risks: Changes in token circulation patterns could impact market dynamics. The gradual release of the remaining supply through various mechanisms, including HODLer airdrops and other distributions, may affect token value and market stability. There are risks associated with potential token concentrations among certain holder groups, which could influence market dynamics and governance decisions. Changes in staking patterns, lock-up periods, or holder behavior could impact token availability and liquidity. Value Correlation Risks: The token's value is inherently linked to the platform's tokenized attention metrics and market-driven distribution systems, creating a complex relationship between platform usage and token value. Fluctuations in underlying attention metrics, creator participation rates, or market distribution effectiveness could directly impact token value. The correlation between platform performance metrics and token value may not maintain stability or predictability over time, particularly during periods of market stress or changing user behavior patterns. Market Dynamics Risks: The token may experience significant volatility due to market sentiment, trading volumes, or broader crypto market conditions. Limited liquidity, particularly in early trading periods, could affect price discovery and trading execution. Market manipulation risks exist through concentrated trading activities or coordinated actions by large token holders. The token's value could be impacted by changes in market participant behavior, trading patterns, or external market factors beyond the platform's control.

I.4	Project implementation-related risks	AI Model Implementation Risks: The successful implementation of KAITO's AI-powered systems for measuring attention, analyzing market intelligence, and quantifying creator contributions depends on complex algorithmic models. There are risks associated with AI model accuracy, adaptation to changing market conditions, and potential biases in attention measurement. The platform's ability to effectively tokenize and quantify attention metrics may face challenges in maintaining accuracy and reliability across different content types and user behaviors. Market Adoption Risks: The platform's success relies heavily on achieving network effects through creator participation, user engagement, and brand adoption. There are risks associated with attracting and retaining sufficient participants across all ecosystem segments. The platform may face challenges in demonstrating value proposition to creators, maintaining user engagement, or convincing brands to participate in the market-driven attention distribution system. Integration and Scaling Risks: The implementation of Kaito Pro, Kaito Yaps, and Kaito Connect requires seamless integration across multiple components. Scaling these systems to handle increasing user loads, data processing requirements, and transaction volumes presents operational challenges. There are risks associated with maintaining platform performance and user experience as the ecosystem grows. Business Model Execution Risks: The innovative nature of the InfoFi concept may face challenges in market acceptance and monetization. The platform's ability to generate sustainable revenue streams, maintain profitability, and create value for all participants could be impacted by market conditions, competition, or changes in user behavior. There are risks associated with balancing the interests of different stakeholder groups within the ecosystem. Operational and Resource Risks: The successful implementation of the project depends on maintaining adequate financial resources, technical expertise, and operational capabilities. There are risks associated with resource allocation, talent retention, and operational efficiency. The platform's ability to adapt to changing market conditions, implement updates, and maintain service quality could be impacted
I.5	Technology-related risks	Technology-Related Risks: The Openkaito Foundation does not operate the Kaito InfoFi network. In addition to the risks included in this section, there might be other risks that cannot be foreseen. Additional risks may also materialize as unanticipated variations or combinations of the risks discussed within this section. Infrastructure and Network Risks: The Kaito InfoFi network operates on distributed ledger technology which carries inherent operational risks. Network performance, transaction processing, and protocol stability may be affected by congestion, scalability limitations, or protocol changes. The Base network infrastructure could be susceptible to consensus-related attacks, including but not limited to double-spend attacks and majority validation power attacks, which could affect token transactions and balances. Technical Implementation and Protocol Risks: The blockchain protocols and smart contract technologies underlying the Kaito InfoFi network are continuously evolving. System components are interdependent, meaning issues in one area could affect overall functionality. The Openkaito Foundation or third parties may propose protocol migrations or upgrades, and failure to participate in such changes could result in loss of token functionality. Security and Operational Risks: Digital assets require secure private key management, where loss or compromise of access credentials could result in permanent loss of tokens. The platform's technical infrastructure depends on multiple technological components, and users should understand that technical limitations or operational issues could affect platform accessibility and token utility. The interconnected nature of blockchain systems means that external technical factors could impact network operations.ans that external technical factors could impact platform operations.
I.6	Mitigation measures	To mitigate risks arising from the use of the technology outlined above, comprehensive risk mitigation measures have been implemented across multiple security layers. This is best exemplified by the conducting of a rigorous security audit of the core smart contract architecture. In line with that outlined in Section H.9, this with successfully completed showing no critical vulnerabilities.

Part J – Information on the sustainability indicators in relation to adverse impact on the climate and other environment-related adverse impacts
General Information

J.1	Adverse impacts on climate and other environment related adverse impacts	The energy consumption of this asset is derived using a bottom-up methodology, focusing on node-level energy usage. This approach takes into account hardware specifications based on the requirements of the client software, with energy consumption figures validated through certified test laboratories. Based on current estimations, the total energy consumption attributable to this asset is approximately 17.41 kWh. The asset's associated greenhouse gas (GHG) emissions are calculated through geographic analysis of node locations, which are estimated using public sources and in-house crawlers. This geo-data is then merged with environmental emission data from the European Environment Agency (EEA). As of the latest measurement, the GHG emissions linked to this asset are 0.00011 tCO_2e. Efforts are made to assess the proportion of renewable energy used by analyzing node geolocations and the respective energy mixes in those regions. However, in the absence of precise location data, reference networks with comparable consensus mechanisms and incentives are used as proxies. While the Base protocol itself is designed for greater efficiency than Layer 1 Ethereum by executing transactions off-chain and batching data before committing to the main chain, the protocol still incurs environmental impacts, especially when state updates are posted to Ethereum. These L1 data fees contribute to the overall energy footprint of the asset.

Mandatory information on principal adverse impacts on the climate and other environment-related adverse impacts of the consensus mechanism		
S.1	Name	OpenKaito Foundation
S.2	Relevant legal entity identfier	254900TSVY02DCZPYH91
S.3	Name of the crypto-asset	KAITO Token
S.4	Consensus mechanism	The consensus mechanism of the Base protocol, an Ethereum Layer 2 solution launched by Coinbase, utilizes Optimistic Rollups for scaling built on the Optimism software development kit (SDK). Key components include: 1. **Optimistic Rollups**: Assumption of Validity: Transactions are assumed valid by default and are processed off-chain. Instead of proving the validity of every transaction, the system assumes they are correct unless challenged. Fraud Proofs: If there is a suspicion of fraud, a challenge mechanism (fault proof) allows anyone to dispute the validity of a transaction within a specific time frame. If a transaction is found to be fraudulent, it is rolled back, and the dishonest actor is penalized. 2. **Sequencer**: Transaction Ordering: The sequencer is responsible for ordering transactions and creating batches to be processed off-chain. Block Production: It constructs and executes Layer 2 blocks, which are then submitted to Ethereum (Layer 1) for finality. State Updates: Provides transaction confirmations and state updates, ensuring the network's state remains consistent and accurate. 3. **Interaction with Ethereum**: On-Chain Contracts: Optimistic Rollups use smart contracts deployed on Ethereum to manage rollup blocks, monitor state updates, and track user deposits. Off-Chain Computation: Most computations and state storage occur off-chain, enhancing scalability and reducing fees. 4. **Security and Decentralization**: Modular OP Stack: Base is built on the open-source OP Stack from Optimism, which is designed to be highly modular and customizable. Commitment Posting: Periodically, the post-transaction state is committed to Ethereum, ensuring the security and integrity of the Layer 2 transactions. Censorship Resistance: The architecture provides censorship resistance equivalent to Ethereum, as it allows direct submission of transactions to the sequencer.

S.5	Incentive mechanism and applicable fees	Base, an Ethereum Layer 2 scaling solution, uses a combination of economic incentives and security mechanisms to ensure the integrity and security of transactions. Base leverages Optimistic Rollups to enhance scalability while maintaining security. 1. **Validators and Sequencers**: Sequencers: In Base, sequencers are responsible for ordering transactions and creating batches that are processed off-chain. They play a crucial role in maintaining network efficiency and throughput. Validator Rewards: Validators earn rewards for participating in the consensus process. These rewards can include transaction fees and additional protocol incentives. 2. **Economic Incentives**: Transaction Fees: Sequencers earn transaction fees from users who want their transactions processed. These fees incentivize sequencers to operate honestly and efficiently. Challenge Rewards: Users who successfully challenge invalid transactions by submitting fraud proofs are rewarded. This mechanism encourages the community to actively monitor and ensure the correctness of transactions. 3. **Penalties for Malicious Behavior**: Economic Penalties: Validators or sequencers that act maliciously, such as including invalid transactions, face economic penalties. These penalties can include forfeiture of staked tokens or other forms of economic loss. Fraud Proofs: If a transaction is challenged and found to be invalid, the dishonest party (sequencer) faces penalties, and the state is reverted. This discourages malicious behavior and ensures network integrity. Fees Applicable on the Base Blockchain Protocol: 1. **Transaction Fees**: Layer 2 Transaction Fees: Users pay fees for transactions processed on the Layer 2 network. These fees are typically lower than those on the Ethereum mainnet due to the reduced computational load on the main chain. Cost Efficiency: By aggregating multiple transactions into a single batch, Base reduces the overall cost per transaction, making it more economical for users. 2. **L1 Data Fees**: Posting Batches to Ethereum: Periodically, state updates from Layer 2 transactions are posted to the Ethereum mainnet as calldata. This involves a fee, known as the L1 data fee, which covers
S.6	Beginning of the period to which the disclosure relates	2025-02-20
S.7	End of the period to which the disclosure relates	2025-03-27
Mandatory key indicator on energy consumption		
S.8	Energy consumption	15.65861
Sources and methodologies		
S.9	Energy consumption sources and methodologies	The energy consumption of this asset is aggregated across multiple components: To determine the energy consumption of a token, the energy consumption of the network Base is calculated first. Based on the crypto asset's gas consumption per network, the share of the total consumption of the respective network that is assigned to this asset is defined. For the calculation of energy consumptions of the DLTs in scope, the so called "bottom-up" approach is being used. The nodes are considered to be the central factor for the energy consumption of the network. These assumptions are made on the basis of empirical findings through the use of public information sites, open-source crawlers and crawlers developed in-house. The main determinants for estimating the hardware used within the network are the requirements for operating the client software. The energy consumption of the hardware devices was measured in certified test laboratories.
Supplementary information on principal adverse impacts on the climate and other environment-related adverse impacts of the consensus mechanism		
S.10	Renewable energy consumption	17.40576533
S.11	Energy intensity	0.00011
S.12	Scope 1 DLT GHG emissions – Controlled	0
S.13	Scope 2 DLT GHG emissions – Purchased	0.00521
S.14	GHG intensity	0.00004
Sources and methodologies		
S.15	Key energy sources and methodologies	To determine the proportion of renewable energy usage, the locations of the nodes are to be determined using public information sites, open-source crawlers and crawlers developed in-house. If no information is available on the geographic distribution of the nodes, reference networks are used which are comparable in terms of their incentivization structure and consensus mechanism. This geo-information is merged with public information from the European Environment Agency (EEA) and thus determined.
S.16	Key GHG sources and methodologies	To determine the GHG Emissions, the locations of the nodes are to be determined using public information sites, open-source crawlers and crawlers developed in-house. If no information is available on the geographic distribution of the nodes, reference networks are used which are comparable in terms of their incentivization structure and consensus mechanism. This geo-information is merged with public information from the European Environment Agency (EEA) and thus determined.