

PAYWARD LTD

CRYPTO ASSET RISK DISCLOSURE

Pi NETWORK (PI)

Last updated on 22 September 2025

Disclaimer

Please note that this Crypto Asset Statement is not exhaustive of all risks associated with trading PI. 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 Crypto Asset Statement is based on publicly available information that may be inaccurate, incomplete, or change at any time.

What is PI and how does it work?

Pi Network is a layer-1 blockchain that aims to make participation accessible through “mobile mining” and a web/app ecosystem. According to its white paper, the chain uses the Stellar Consensus Protocol, a Federated Byzantine Agreement,(FBA) rather than Proof-of-Work, with user-defined “Security Circles” forming a trust graph that helps nodes reach agreement. The project provides desktop Node software (Nodes/SuperNodes) and a public block explorer.

PI is the native utility token of the Pi Network. PI was introduced as the network’s core currency to support peer-to-peer transactions and provide payment functionality within the ecosystem. The token can be used for transfers in the non-custodial Pi Wallet, payments inside Pi Apps built with the Pi SDK, and local-commerce purchases with merchants participating in events such as PiFest via the Map of Pi. PI is also the exclusive currency for bidding and registration in the .pi Domains Auction, and it underpins the Pi Ad Network where advertisers acquire and spend PI while app developers earn in PI. In addition, the network’s native KYC application compensates human Validators in PI for performing identity checks.

Who is behind the project?

The PI NETWORK was founded by Nicolas Kokkalis and Chengdiao Fan.

Tokenomics of PI

The total supply of PI is 100 billion tokens, which is distributed as follows:

Category	Percentage
----------	------------

Community Mining Rewards	65%
Foundation Reserves	10%
Liquidity	5%
Core Team	20%
Total	100%

General Risks

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

Competition

The Pi Network faces competition from other similar networks such as Stellar, The Open Network, and many others. PI’s value derives from its broader adoption in the market. If the Pi Network fails to achieve sufficient adoption compared to the other options in the market, this could negatively impact the value of PI.

Due Diligence

Prior to listing on the Kraken platform, Kraken performed due diligence on PI and determined it was permitted to make PI available for trading to UK users. Our analysis generally includes, but is not limited to, reviewing publicly available information on the following:

- The creation, governance, usage and design of PI, including the source code, security and roadmap for growth in the developer community and, if available, the background of the developer(s) that created PI;
- The supply, demand, maturity, utility and liquidity of PI;
- Material technical risks associated with PI, including any code defects, security breaches and other threats concerning PI 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 PI, including (i) any pending, potential, or prior civil, regulatory, criminal, or enforcement action relating to the issuance, distribution, or use of PI, 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 PI about whether PI, 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.](#)

Payward Ltd (trading as Kraken) is registered as a cryptoasset firm with the Financial Conduct Authority (FRN: 928768) registered office at 6th Floor, One London Wall, London, EC2Y 5EB. Cryptoasset services offered by Payward Ltd are unregulated and not covered by the Financial Services Compensation Scheme as well as the FCA's consumer protection regulations. Note the value of cryptoassets can go down as well as up, gains may be subject to Capital Gains Tax and there may be extra charges when paying via credit card from your provider.