

PAYWARD LTD

CRYPTO ASSET RISK DISCLOSURE

STG

Stargate Finance (STG)

Last updated on September 09, 2025

Disclaimer

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

Stargate Finance is an omnichain liquidity protocol that enables users to swap native assets across multiple blockchains in a single, non-custodial transaction. A user can, for example, exchange USDC on Ethereum for USDT on BNB Chain without relinquishing custody to an intermediary; the swap is executed atomically through smart contracts that draw on unified liquidity pools maintained by the community. To initiate a transfer, a self-custodial wallet connects to stargate.finance, where the user specifies the source asset, source network, amount, destination asset and destination network. The protocol collects a 0.06 percent fee on non-STG transfers; moving STG itself historically carried no fee. Liquidity providers deposit a single-sided asset into a pool and receive an LP token redeemable for their principal plus accrued fees.

STG was originally stakeable: locking STG returned voting-escrowed STG (veSTG), which granted governance power and a share of protocol revenue. In late August 2025, the Stargate DAO approved LayerZero Foundation's acquisition of the protocol. Native staking has ended, and holders may convert STG to LayerZero's ZRO token at a fixed ratio of 1 STG = 0.08634 ZRO. veSTG holders who locked before August 10, 2025 are entitled to 50% of protocol revenue for six months.

Who is behind the Project?

Founded in March 2022, Stargate is a product of the LayerZero Labs team, which is co-founded by Bryan Pellegrino.

Tokenomics of STG

1 billion STG tokens were minted at launch, establishing the total fixed supply, with certain portions subject to lock-up or vesting schedules extending over the first three years of the protocol (through mid-2025). The initial allocation was as follows:

Category	Allocation
Core contributors	17.50%

Investors	17.50%
Community	65%
Total	100%

As of September 2025, the amount of STG tokens in active circulation is approximately 971,464,728.

General Risks

Like all other digital assets, there are some general risks to investing in STG. These include short history risk, volatility, and 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 Stargate Finance

Competition

The Stargate protocol faces competition from other cross-chain bridge and interoperability protocols such as Synapse, Wormhole, Across, Axelar, and many others. STG's value derives from its broader adoption in the market. If the Stargate protocol fails to achieve sufficient adoption compared to these alternatives, this could negatively impact the value of STG.

Regulatory Scrutiny

A regulatory crackdown on decentralized finance (DeFi), including protocols that provide cross-chain bridging and liquidity services such as Stargate, could have a negative impact on DeFi activity and the value of STG.

Due Diligence

Prior to listing on the Kraken platform, Kraken performed due diligence on STG and determined that Kraken was permitted to make STG available for trading to UK users, in compliance with UK law. This process generally consists of reviewing publicly available information on the following:

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