

PAYWARD LTD
CRYPTO ASSET RISK DISCLOSURE
PYTH

Pyth Network (PYTH)

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Disclaimer

Please note that this risk disclosure is not exhaustive of all risks associated with trading PYTH. 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 Pyth Network (PYTH) and how does it work?

Pyth Network is a system that delivers real-world financial data, such as prices for cryptocurrencies, stocks, and other assets, directly onto blockchains. It works in five main steps:

1. Publishers – Trading firms, exchanges, and financial institutions provide their own live price data.
2. Aggregation – Pyth combines this information into a single reference price and includes a “confidence interval,” which shows how reliable the price is.
3. Updates – These prices are refreshed many times per second and first posted to Pythnet, Pyth’s own blockchain.
Cross-chain delivery – Pyth then shares these prices with more than 100 other blockchains through secure bridges.
4. Use by apps – dApps such as trading platforms, lending protocols, and stablecoins use these prices to operate automatically and securely.

Unlike some oracles that “push” updates at set times, Pyth uses a “pull” model, letting apps fetch the most up-to-date price only when they need it. For use cases needing speed, Pyth also offers Lazer, a service that delivers ultra-fast prices in milliseconds.

PYTH is the network’s native token. It has two main roles:

- Governance – Holders vote on how the network is run, such as fees and system rules.
- Staking and incentives – Publishers stake PYTH to show they are acting honestly. If they provide bad data, part of their stake may be lost (slashed). Honest publishers earn rewards, and regular token holders can delegate their tokens to publishers to share in those rewards.

Who is behind the project?

The Pyth Network is supported by the Pyth Data Association, a non-profit group based in Switzerland. The association was set up by participants in the network and oversees its development and promotion. The project is governed by the Pyth DAO (Decentralized Autonomous Organization), where token holders

can vote on decisions. A company called Douro Labs is also a key contributor, building tools and infrastructure to support the network.

Tokenomics of PYTH

PYTH has a total and fixed supply of 10,000,000,000 tokens. At launch, 1.5 billion PYTH (15% of total supply) were released into circulation, while the remaining 85% were locked and set to unlock gradually over time. The tokens were allocated as follows:

Category	Allocation	% of Total Supply	Available at Launch
Community & Launch	600M	6%	600M unlocked
Publisher Rewards	2.2B	22%	~50M unlocked
Ecosystem Growth	5.2B	52%	~700M unlocked
Protocol Development	1.0B	10%	~150M unlocked
Private Sales	1.0B	10%	0 unlocked
Total	10.0B	100%	1.5B unlocked

As of August 2025, the circulating supply is approximately 5.7 billion PYTH, meaning roughly 57–58% of the total supply is now in circulation.

General Risks

Like all other digital assets, there are some general risks to investing in PYTH. 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 Pyth Network

Competition

The Pyth Network faces competition from other oracle projects such as Chainlink, Band Protocol, and Tellor. PYTH's value depends on adoption. If the Pyth Network is not widely used compared to competitors, the value of PYTH may be negatively affected.

Due Diligence

Prior to listing on the Kraken platform, Kraken performed due diligence on PYTH and determined that Kraken was permitted to make PYTH 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 PYTH, including the source code, security and roadmap for growth in the developer community and, if available, the background of the developer(s) that created PYTH;
- The supply, demand, maturity, utility and liquidity of PYTH;

- Material technical risks associated with PYTH, including any code defects, security breaches and other threats concerning PYTH 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 PYTH, including (i) any pending, potential, or prior civil, regulatory, criminal, or enforcement action relating to the issuance, distribution, or use of PYTH, 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 PYTH about whether PYTH, 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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