

PAYWARD LTD
CRYPTO ASSET RISK DISCLOSURE
Nym (NYM)

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Disclaimer

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

Nym is an open-source privacy infrastructure that uses a decentralized “mixnet” to obscure network-level metadata such as IP addresses, traffic timing and volume. Internet packets are routed through multiple layers of independently-run mix nodes and gateways, each re-ordering and re-encrypting the data so that outside observers cannot reliably link senders with recipients. The network is orchestrated by the Nyx blockchain, a Cosmos-SDK chain that records node reputation, distributes rewards and enables smart-contract functionality.

NYM, the chain’s native token, is required to bond and run a mix node, to delegate to nodes, to pay on-chain fees and - when users opt for paid traffic - to access mixnet bandwidth. Quality of service is measured by “proof-of-mixing”; higher-reputation nodes are selected more often and therefore earn a larger share of rewards. Token holders who do not operate nodes can delegate NYM to well-performing nodes and receive a proportionate share of those rewards. In this way, staking aligns economic incentives with the network’s privacy guarantees.

Who is behind the project?

Nym was founded in 2017 by Harry Halpin, Claudia Diaz and Aggelos Kiayias.

Tokenomics of NYM

NYM has a fixed maximum supply of 1 billion tokens, which were distributed as follows:

Category	Amount
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Backers	36.5%
Mix-Mining Reserve	25%
Team	20%
Reserve & Community	11%
CoinList Sale	7.5%

Approximately 829 million tokens are in circulation as of March 4, 2026.

General Risks

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

Risks specific to NYM

Competition

The Nym network faces competition from other cryptocurrencies such as Sentinel (DVPN), Mysterium (MYST), and many others. Nym’s value derives from its broader adoption in the market. If the Nym network fails to achieve sufficient adoption compared to the other options in the market, this could negatively impact the value of NYM.

Developer Dependence

While there are many developers who contribute to Nym, there are no guarantees that they will continue to contribute. NYM, Nym’s native asset, could be negatively affected by an inability to retain and/or attract developers to keep up with market needs and improve its privacy infrastructure when necessary.

Due Diligence

Prior to listing on the Kraken platform, Kraken performed due diligence on NYM and determined that Kraken was permitted to make NYM 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 NYM, including the source code, security and roadmap for growth in the developer community and, if available, the background of the developer(s) that created NYM;
- The supply, demand, maturity, utility and liquidity of NYM;
- Material technical risks associated with NYM, including any code defects, security breaches and other threats concerning NYM 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 NYM, including (i) any pending, potential, or prior civil, regulatory, criminal, or enforcement action relating to the issuance, distribution, or use of NYM, 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 NYM about whether NYM, 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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