

PAYWARD LTD

CRYPTO ASSET RISK DISCLOSURE

Pipe Network (PIPE)

Last updated on 20 August 2025

Disclaimer

Please note that this Crypto Asset Statement is not exhaustive of all risks associated with trading PIPE. 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 PIPE and how does it work?

Pipe Network is a decentralized content delivery network (CDN) built on the Solana blockchain. It uses a distributed system of permissionless Points of Presence (PoPs), which are nodes operated by participants around the world. This structure is designed to reduce latency, increase resiliency, and lower reliance on centralized CDNs.

At the time of writing the token is not live. The team plans for PIPE token to be used for staking by node operators, delegated staking by token holders, and conversion into Data Credits (DCs). Users burn PIPE to mint DCs, which are then used to pay for bandwidth and content delivery services. PIPE will also grant staked holders participation rights in protocol governance.

Who is behind the project?

Pipe Network is developed by the Pipe Foundation and Permissionless Labs, and was founded by David Rhodus.

Tokenomics of PIPE

The total supply of PIPE is 1 billion tokens, which is distributed as follows:

Category	Percentage
Community	33%

Venture Capital	20%
Core Contributors & Labs	17%
Angels / Early Backers	10%
Node Operators	10%
Ecosystem & Treasury	10%
Total	100%

General Risks

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

Competition

The Pipe Network faces competition from other networks such as Theta Network, Meson, and Peer5, and many others. PIPE's value derives from its broader adoption in the market. If the Pipe Network fails to achieve sufficient adoption compared to the other options in the market, this could negatively impact the value of PIPE.

Due Diligence

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