

PAYWARD LTD
CRYPTO ASSET RISK DISCLOSURE
Treehouse (TREE)

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Disclaimer

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

Treehouse is a decentralized “fixed-income layer” built on Ethereum. Its protocol issues tAssets, liquid-staking tokens such as tETH and publishes on-chain benchmark rates known as Decentralized Offered Rates (DOR). By aggregating lending yields and staking rewards, Treehouse aims to unify fragmented interest-rate markets and make a standardized data feed available to DeFi applications and institutions.

At the time of writing, the token is not live. The team plans to have TREE as the currency for paying DOR query fees, the asset that holders stake to earn rewards, and the governance token that lets holders vote.

Who is behind the project?

Treehouse was founded by Brandon Goh, Bryan Goh, and Benji Lomond.

Tokenomics of TREE

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

TREE Allocation	TREE tokens	% of Total supply
Simple Agreement for Future Tokens 1	55 million	5.50%
Simple Agreement for Future Tokens 2	12,375,000	1.24%
Simple Agreement for Future Tokens 3	3,846,154	0.38%
Simple Agreement for Future Tokens 4	78,778,846	7.88%
Simple Agreement for Future Tokens 5	5 million	0.50%

Unsold Simple Agreement for Future Tokens	20 million	2.00%
Team	125 million	12.50%
Core Contributors	75 million	7.50%
Treasury	150 million	15.00%
Ecosystem Fund	100 million	10.00%
Liquidity Provision	15 million	1.50%
Community Airdrop	115 million	11.50%
Future Airdrop	45 million	4.50%
Community Rewards	200 million	20.00%
Total	1 billion	100%

General Risks

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

Competition

The Treehouse network faces competition from oracle and fixed-income data providers such as Chainlink and Pyth Network. TREE's value derives from its broader adoption in the market. If the Treehouse network fails to achieve sufficient adoption compared to other options, this could negatively impact the value of TREE.

Due Diligence

Prior to listing on the Kraken platform, Kraken performed due diligence on TREE and determined that TREE is unlikely to be a security or derivative under UK securities legislation. Our analysis generally includes, but is not limited to, reviewing publicly available information on the following:

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