PAYWARD LTD

CRYPTO ASSET RISK DISCLOSURE
Citrea (CTR)

Last updated on May 05, 2026

Disclaimer

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

Citrea is a zero-knowledge rollup that settles on Bitcoin and verifies zero-knowledge proofs through BitVM. The platform is fully EVM compatible and enables programmable smart contracts on Bitcoin, supporting Bitcoin-native applications across lending, trading, prediction markets, and yield. Citrea includes a trust-minimized BTC bridge called Clementine and a stablecoin called ctUSD issued by MoonPay. Citrea Mainnet went live in January 2026.

At the time of writing the token is not live. The CTR will be used for voting on constitutional matters and on the gauge system that directs ecosystem emissions, and to elect the Sequencer and Bridge Operators. The CTR will also be used to earn rewards from staking into xCTR, funded by unstaking penalty fees paid by early exiters and by liquidity emissions allocated through the Governance Treasury.

Who is behind the project?

Citrea was co-founded in 2022 by Orkun Mahir Kilic, Murat Karademir, Esad Yusuf Atik, and Ekrem Bal through Chainway Labs. Orkun Mahir Kilic serves as the CEO of Chainway Labs.

Tokenomics of CTR

The total supply of CTR is 10 billion tokens which is distributed as follows:

CTR Allocation	% of Total supply
Early Contributors	20.66%
Investors	19.35%
Initial Claims	12%

Ecosystem Growth and R&D	22.83%
Incentives and Treasury	25.16%
Total	**100%**

General Risks

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

Competition

The Citrea network faces competition from other Bitcoin Layer 2 and ZK rollup solutions such as Stacks, Rootstock, Botanix, BOB, and others. CTR's value derives from its broader adoption in the market. If the Citrea network fails to achieve sufficient adoption compared to the other options in the market, this could negatively impact the value of CTR.

Due Diligence

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