

PAYWARD LTD
CRYPTO ASSET RISK DISCLOSURE
Concordium (CCD)

Compound Finance (CCD)

Last updated on August 11, 2025

Disclaimer

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

Concordium is a public, permissionless Layer 1 blockchain that integrates a built-in identity layer at the protocol level. This design aims to balance user privacy with regulatory compliance by enabling users to transact anonymously while allowing identity disclosure under legal circumstances. The platform employs zero-knowledge proofs to protect user data and supports smart contracts written in Rust and WebAssembly. Concordium utilizes a hybrid consensus mechanism combining Proof-of-Stake (PoS) and Byzantine Fault Tolerance (BFT) to achieve fast and final transaction confirmations. Byzantine Fault Tolerance (BFT) refers to a system's ability to continue operating correctly even if some of its components fail or act maliciously, potentially sending false or conflicting information.

The native token, CCD, serves multiple functions within the Concordium ecosystem:

- Transaction Fees: CCD is used to pay for transaction fees on the network.
- Staking: Users can stake CCD to participate in network consensus and earn rewards.
- Smart Contract Execution: CCD is utilized for deploying and interacting with smart contracts.
- Governance: Token holders can participate in governance decisions affecting the network.

Concordium's architecture is designed to support real-world applications requiring compliance with regulatory standards, making it suitable for businesses and developers seeking a blockchain solution that integrates identity verification without compromising user privacy.

Who is behind Concordium?

Concordium was founded by Lars Seier Christensen. The project is supported by the Concordium Foundation, based in Zug, Switzerland. Boris Bohrer-Bilowitzk is the Project's Chief Executive Officer. Peter Marirosans, Jørgen Hauglund, and Varun Kabra serve as Chief Technology Officer, Chief Financial Officer, and Chief Marketing Officer, respectively.

Tokenomics of CCD

CCD has a total supply of 13.7 billion tokens. The token allocation is as follows:

Category	Amount
Seed sale:	25%
Strategic Partners	10%
Team	10%
Concordium Foundation	27.71%
Allocation to Testnet Incentives	0.25%
Community and Developers Endowment	6.50%
Private Sales*	19.54%
Potential Public Sale**	1%
Total	100%

*Conducted with four Private Placement rounds in 2020/2021 using SAFT-style TPDA contracts.

**Public sale never occurred.

General Risks

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

Competition

Concordium faces competition from other Layer 1 blockchain projects such as Ethereum, Solana, Avalanche, and many others. CCD's value derives from the project's broader adoption in the market. If

Concordium fails to achieve sufficient adoption compared to the other options in the market, this could negatively impact the value of CCD

Due Diligence

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