

**PAYWARD LTD**  
CRYPTO ASSET RISK DISCLOSURE  
StabLR Euro (EURL)

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**Disclaimer**

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

EURL is a single-currency stablecoin issued by StabLR Ltd. that aims to maintain a stable value equivalent to the euro. Each token is fully backed 1-for-1 by cash and cash-equivalent euro reserves held in segregated accounts with regulated financial institutions. EURL is issued as an ERC-20 token on the Ethereum network and is additionally available on permissioned layer-1s such as Concordium via official bridges. The peg is supported through mint-and-redeem processes available to verified users: new EURL enters circulation when euros are deposited with the issuer and is burned when holders redeem tokens for fiat. Continuous proof-of-reserve reporting and quarterly auditor attestations provide transparency on reserve coverage. EURL is intended for use in payments, trading liquidity, and euro-denominated DeFi transactions.

**Who is behind the project?**

StabLR Ltd. is the issuer of EURL, a licensed Electronic Money Institution (EMI) authorized by the Malta Financial Services Authority (MFSA). StabLR was founded in December 2022 by Gijs op de Weegh and is headquartered in Birkirkara, Malta.

**Tokenomics of EURL**

EURL has a circulating supply that can increase or decrease based on demand. Since it seeks to maintain a 1:1 peg, the supply and demand economics are such that the total supply is uncapped. The total number of EURL to be issued will depend on market demand and should correspond directly to the maintained reserves.

EURL has a total supply backed by reserves in euro cash and cash-equivalent assets. The funds are held in segregated accounts managed by StabLR Ltd.

## **General Risks**

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

### *Depegging Risk*

At any given point in time, the price of EURL may not be aligned to the value of the euro. This risk arises because the price of EURL is determined by supply and demand in the secondary market, rather than the actual value of the euro. If demand for EURL exceeds the available supply, the price of EURL may increase, leading to a higher price relative to the euro. Conversely, if there is a surplus of EURL tokens and insufficient demand, the price may decrease, causing EURL to be worth less than the euro.

### *Risk of Asset Freezing*

StabLR Ltd. reserves the right to freeze certain EURL addresses and, if such addresses are StabLR-custodied addresses, freeze associated EURL. If EURL is deemed illegal by certain jurisdictions, the associated EURL tokens could be frozen, resulting in the owner of the wallet not being able to transfer EURL.

### *Redemption Risk*

The value of EURL is backed by a reserve of euro cash and cash-equivalent assets held by StabLR Ltd. However, there is a risk that StabLR may be unable to meet redemption demands in a timely manner at some point in the future. If the issuer is unable to meet redemption requests due to insufficient reserves, it could lead to a loss of confidence in the asset, negatively impacting its value.

## **Due Diligence**

Prior to listing on the Kraken platform, Kraken performed due diligence on EURL and determined it was permitted to make EURL available for trading to UK users. This process generally consists of reviewing publicly available information on the following:

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