

# PAYWARD LTD

## CRYPTO ASSET RISK DISCLOSURE

### Civic (CVC)

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#### Disclaimer

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

Civic is a blockchain-based identity and access management project. As of July 2025, Civic's current flagship product is Civic Auth, a developer toolkit that enables applications to offer sign-in, embedded wallet creation, and user management using standards such as OIDC and OAuth. This toolkit is designed to help decentralized applications (dApps), games, and Web3 platforms integrate authentication and wallet features into their services while allowing users to control their own credentials.

Civic previously offered Civic Pass, an identity verification product that enabled dApps to check user attributes such as liveness, location, or sanctions screening through a system called the Gatekeeper Network. Civic Pass was officially sunset in July 2025, with no direct replacement; existing Passes remain valid only until their individual expiration dates.

The network's native token, CVC, has historically been used within Civic's ecosystem to reward validators for attesting to identity attributes and to facilitate transactions between participants in its identity marketplace. While Civic Auth does not currently rely on CVC for sign-in or wallet creation, the token continues to function as the utility asset of the Civic ecosystem.

#### Who is behind the Project?

Civic was co-founded by Vinny Lingham and Jonathan Smith in 2015. Today, Chris Hart serves as Chief Executive Officer, Daniel Kelleher serves as Chief Technology Officer, and Vinny Lingham continues to serve as Co-Founder and Chairman of the Board. The company behind the project is Civic Technologies, Inc., a U.S.-based firm focused on digital identity solutions.

#### Tokenomics of CVC

There is a fixed supply of 1 billion CVC tokens. At genesis, the allocation of the CVC supply was as follows:

Category	Allocation
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Private sale, early investors	22%
Public sale	11%
Civic Technologies, Inc, vesting over 3 years (fully vested in 2020)	33%
Fund controlled by Civic	33%
Costs of the 2017 token sale	1%
<b>Total</b>	<b>100%</b>

As of September 2025, the circulating supply of CVC is approximately 802 million.

### General Risks

Like all other digital assets, there are some general risks to investing in CVC. These include short history risk, volatility, and 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 Civic

#### *Competition*

The Civic protocol faces competition from other blockchain-based identity projects such as Ontology, Metadium, SelfKey, and many others. CVC's value derives from its broader adoption in the market. If the Civic protocol fails to achieve sufficient adoption compared to the other options in the market, this could negatively impact the value of CVC.

### Due Diligence

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

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