

PAYWARD CANADA INC.

CRYPTO ASSET STATEMENT

cmETH

Last updated on May 05, 2026

Disclaimer

Payward Canada Inc. (Kraken) is registered under Canadian securities laws as a restricted dealer and is offering Crypto Contracts on crypto assets in reliance on a prospectus exemption contained in the exemptive relief decision [Re Payward Canada Inc.](#) dated 04/01/2025 (the Decision). The statutory rights in section 130.1 of the Securities Act (Ontario), and, if applicable, similar statutory rights under the securities legislation of each other province and territory in Canada, do not apply in respect of the Crypto Asset Statement to the extent a Crypto Contract is distributed under the prospectus relief in the Decision.

No securities regulatory authority has expressed an opinion about the Crypto Contracts or any Crypto Assets (as defined in the Risk Statement) made available on the Kraken platform, including an opinion that cmETH is not itself a security and/or derivative. Changes to applicable law may adversely affect the use, transfer, exchange, or value of any of your crypto assets, and such changes may be sudden and without notice.

Please note that this Crypto Asset Statement may not be exhaustive of all risks associated with trading cmETH. Please review the [Risk Statement](#) and [Fee Schedule](#) for additional discussion of general risks and transaction fees associated with the Crypto Contracts and Crypto Assets made available through the Canadian 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 Crypto Asset Statement is based on publicly available information provided by third parties.

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 cmETH. 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 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 cmETH and determined that cmETH is unlikely to be a security or derivative under Canadian 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 cmETH, including the source code, security and roadmap for growth in the developer community and, if available, the background of the developer(s) that created cmETH;
- The supply, demand, maturity, utility and liquidity of cmETH;
- Material technical risks associated with cmETH, including any code defects, security breaches and other threats concerning cmETH 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 cmETH, including (i) any pending, potential, or prior civil, regulatory, criminal, or enforcement action relating to the issuance, distribution, or use of

cmETH, and (ii) consideration of statements made by any regulators or securities regulatory authorities in Canada, other regulators of the International Organization of Securities Commissions, or the regulator with the most significant connection to cmETH about whether cmETH, or generally about whether the type of crypto asset, is a security and/or derivative.

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