

PAYWARD CANADA INC.

CRYPTO ASSET STATEMENT

Katana (KAT)

Last updated on 13 January 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 KAT 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 KAT. 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 KAT and how does it work?

Katana is an Ethereum Layer 2 blockchain network focused on decentralized finance (DeFi). Katana is designed to aggregate liquidity and redeploy bridged assets into yield-generating strategies through a system referred to as VaultBridge. The network introduces concepts such as chain-owned liquidity. Users interact with Katana through an application that supports bridging, swapping, and participating in DeFi-related activities. The network uses ETH to pay transaction fees and relies on integrations with third-party protocols and infrastructure.

At the time of writing, the token is not live. The team plans for the KAT token to be used for staking into a locked form known as vKAT. vKAT holders can participate in voting to direct incentives within the ecosystem and can also mint avKAT, which is a liquid wrapper of vKAT intended to auto-compound rewards.

Who is behind the project?

The team behind the project has not been publicly disclosed. At the time of writing, there is no detailed information available about the individuals or organizations responsible for the project's development.

Tokenomics of KAT

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

KAT Allocation	% of Total supply
Liquidity Mining	10%
Core Apps	10%
Community Airdrops to POL stakers	15%
Core Contributors	15.65%
Ecosystem & Community Treasury	49.35%
Total	100%

General Risks

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

Competition

The Katana network faces competition from other Ethereum Layer 2 networks such as Arbitrum, Optimism, and many others. KAT's value derives from its broader adoption in the market. If the Katana network fails to achieve sufficient adoption compared to the other options in the market, this could negatively impact the value of the KAT.

Due Diligence

Prior to listing on the Kraken platform, Kraken performed due diligence on KAT and determined that KAT 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 KAT, including the source code, security and roadmap for growth in the developer community and, if available, the background of the developer(s) that created KAT;
- The supply, demand, maturity, utility and liquidity of KAT;

- Material technical risks associated with KAT, including any code defects, security breaches and other threats concerning KAT 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 KAT, including (i) any pending, potential, or prior civil, regulatory, criminal, or enforcement action relating to the issuance, distribution, or use of KAT, 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 KAT about whether KAT, or generally about whether the type of crypto asset, is a security and/or derivative.