

PAYWARD CANADA INC.

CRYPTO ASSET STATEMENT

NES

Last updated on March 24, 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 NES 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 NES. 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 Nesa and how does it work?

Nesa is a Layer-1 blockchain designed to execute AI model inference on-chain with privacy, security, and verifiability using zero knowledge machine learning (ZKML). The network enables developers and users to submit AI inference queries through smart contracts, where a decentralised committee of nodes processes the requests and settles the results on-chain. Nesa employs a uniform execution environment called the Artificial Intelligence Terminal (AIT), which standardises how AI models are run across all participating nodes to ensure consistent and trustless computation.

At the time of writing the token is not live. The NES token will be used for miner staking to secure the network, validator staking for consensus and aggregation, AI inference payments (PayForQuery transactions), gas and payment currency on the network, staking into DAIs on Nesa, miner and model owner rewards, and governance over network parameters and the community pool.

Who is behind the project?

Nesa AI was co-founded by Marco Di Maggio, Patrick Colangelo, Harry Yang, and Yue Zhao.

Tokenomics of NES

The total supply of NES is 1 billion tokens which is distributed as follows:

NES Allocation	% of Total supply
Genesis Allocation	25.5%
R&D & Ecosystem	39.9%
Early Backers	14.6%
Foundation	10%
Initial Core Contributors	10%
Total	100%

General Risks

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

Competition

The Nesa network faces competition from other Layer 1 blockchains focused on AI and decentralised compute such as Bittensor, Render, and others. Nesa's value derives from its broader adoption in the market. If the Nesa network fails to achieve sufficient adoption compared to the other options in the market, this could negatively impact the value of NES.

Due Diligence

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