PAYWARD CANADA INC.

CRYPTO ASSET STATEMENT

Dogwifhat (WIF)

Last updated on August 9, 2024

Disclaimer

Please note that this Crypto Asset Statement is not exhaustive of all risks associated with trading WIF. 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 Statement for additional discussion of general risks 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 that may be inaccurate, incomplete, or change at any time.

What is WIF?

Dogwifhat (WIF) is a Solana based meme coin that rose in popularity as it sought to take advantage of the growing reputation and adoration of the image of a Shiba Inu wearing a knitted beanie hat.

Meme coins such as WIF, Dogecoin and PEPE, are cryptocurrencies inspired by and designed to pay homage to memes or other symbols, figures and images, which possesses a comedic trait. Meme coins are commonly driven and associated with pop culture.

Who is behind the project?

In November 2019, professional Fornite player 'Issa' set their Twitter profile picture to that of a Shiba Inu wearing a pink beanie hat. This led to a member of their community commenting "dogwifhat", and thus the meme was born.

Throughout the following few months, the 'dogwifhat' meme took the esports sector by storm, generating considerable interest from a variety of Fortnite, and Rocket League players, as well as Youtubers and streamers.

Though not much is known about the actual founders of WIF, it is apparent that they sought to leverage off the growing Shiba Inu and 'dogwifhat' trends.

How does it work?

WIF has a simple tokenomics structure with a fixed max supply of 998.9 million tokens, with no future plans to increase this figure. At present, WIF does not offer any staking rewards or conduct any burning protocols.

Primarily, WIF is a speculative meme coin that derives its value from community sentiment. WIF therefore does not have any specific use cases beyond it being a meme coin.

Tokenomics of WIF

As mentioned, WIF has a total max supply of 998,926,392 tokens, all of which are currently in circulation according to Coingecko (as of April 2024). It does not offer any inflationary or burning mechanisms.

General Risks

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

Competition

WIF faces competition from other coins such as PEPE, Dogecoin, Shiba Inu and many others. WIF's value derives from community sentiment and interest. If WIF fails to achieve sufficient interest compared to the other options in the market, this could negatively impact the value of WIF.

Due Diligence

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

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 WIF 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.