

# PAYWARD CANADA INC.

## CRYPTO ASSET RISK DISCLOSURE

Heima (HEI)

Last updated on November 07, 2025

### 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 HEI 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 HEI. 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 Heima and how does it work?

Heima is a decentralized protocol focused on digital identity aggregation and privacy-preserving identity services across multiple blockchains. It originated within the Polkadot ecosystem using Substrate and operates a parachain designed to aggregate, verify and link decentralized identifiers across networks. The HEI token serves functional roles on Heima Network, including payment of network fees, governance participation and use within identity-related services.

In the network's infrastructure, HEI can also be used in mechanisms that support parachain operations, such as collator selection and related incentives. In 2025, the project announced a rebranding to Heima - previously Litentry (LIT) - and a community-approved migration of the token ticker from LIT to HEI, with a 1:1 swap process.

### Who is behind the project?

Heima was founded by Hanwen Cheng in 2019. Hanwen Cheng serves as the CEO of the project. The Heima Foundation supports the project's development and ecosystem initiatives.

### **Tokenomics of Heima (HEI)**

HEI has a fixed maximum supply referenced at 100,000,000 tokens. As of August 13, 2025, the reported circulating supply is approximately 45,166,534 HEI. The initial allocation was distributed as follows.

| Category                      | Percentage |
|-------------------------------|------------|
| Binance Launchpool            | 3.00%      |
| Seed Sale                     | 8.11%      |
| Strategic Sale                | 11.89%     |
| Team                          | 15.00%     |
| Parachain Auction & Ecosystem | 45.00%     |
| Foundation                    | 17.00%     |

### **General Risks**

Like all other digital assets, there are some general risks to investing in HEI. 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 Heima (HEI)**

#### *Competition*

Heima is aiming for a share of the decentralized identity and related infrastructure market by leveraging blockchain technology, i.e., competitors like KILT Protocol and Integritee. Each offers unique tradeoffs, fostering competition between them. Heima's value derives from its broader adoption and effective identity management solutions. If Heima fails to achieve sufficient adoption or provide effective identity verification compared to other options in the market, this could negatively impact the value of Heima.

#### **Due Diligence**

Prior to listing on the Kraken platform, Kraken performed due diligence on HEI and determined that HEI is unlikely to be a security or derivative under Canada 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 HEI, including the source code, security and roadmap for growth in the developer community and, if available, the background of the developer(s) that created HEI;
- The supply, demand, maturity, utility and liquidity of HEI;
- Material technical risks associated with HEI, including any code defects, security breaches and other threats concerning HEI 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 HEI, including (i) any pending, potential, or prior civil, regulatory, criminal, or enforcement action relating to the issuance, distribution, or use of HEI, and (ii) consideration of statements made by any regulators or securities regulatory authorities in the Canada, other regulators of the International Organization of Securities Commissions, or the regulator with the most significant connection to HEI about whether HEI, or generally about whether the type of crypto asset, is a security and/or derivative.