PAYWARD CANADA INC.

CRYPTO ASSET STATEMENT

Nano (NANO)

Last updated on September 9, 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 NANO 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 NANO. 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 Nano and how does it work?

Nano is a feeless digital-currency protocol whose innovation, called the Block Lattice, allows each account to maintain its own mini-blockchain ("account-chain") that only its owner can update. A payment is a pair of signed blocks: one debits the sender's balance, the matching block credits the receiver's. Once Nano nodes observe sufficient representative votes, the transaction is irreversibly "cemented."

Consensus relies on Open Representative Voting (ORV), a delegated form of proof-of-stake: every account's balance confers voting weight that the owner may cast directly or delegate to a representative node. Nodes with enough delegated weight become Principal Representatives and vote proportionally on every transaction. Unlike traditional PoS systems, representatives receive no monetary reward, removing fees for end-users. Because account-chains update independently, users need not wait for network-wide block production. Instead of miner competition, a lightweight proof-of-work hash attached to each block serves only as an anti-spam throttle.

Who is behind the project?

NANO was created and designed by Colin LeMahieu, a software engineer and the CEO and founder of The Nano Foundation, headquartered in the U.K. Launched in 2014 under the name RaiBlocks, the project rebranded as Nano in January 2018.

Tokenomics of Nano

NANO has a fixed maximum supply of 133,248,297 tokens, and according to CoinMarketCap its circulating supply is approximately 133,248,297 NANO, meaning the supply is fully distributed. The entire supply was created at network genesis and distributed free of charge through a public captcha solving faucet between 2015 and 2017, with no ongoing issuance or mining.

General Risks

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

Competition

The Nano network faces competition from other blockchains such as Ethereum, Bitcoin, Solana, and others. NANO's value derives from its broader adoption in the market. If the Nano network fails to achieve sufficient adoption compared to the other options in the market, this could negatively impact the value of NANO.

Developer Dependence

While there are many developers who contribute to the Nano network and its associated networks there are no guarantees that they will continue to do so. NANO, Nano's native asset, could be negatively affected by an inability to retain and/or attract developers to maintain and build out the blockchains.

Proof of Work Pushback

Proof of Work cryptocurrencies have come under considerable criticism because of their energy use. Regulatory efforts around the world could move to clamp down on Proof of Work mining, making it harder for the network to operate and affecting market perception. These criticisms could have negative impacts on the value of NANO.

Due Diligence

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

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