

PAYWARD CANADA INC.

CRYPTO ASSET STATEMENT

Across Protocol (ACX)

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Last updated on August 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 ACX 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 ACX. 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 Across Protocol and how does it work?

Across Protocol is an interoperability bridge designed to move assets quickly and cost-efficiently across Ethereum mainnet, its major Layer 2 roll-ups (Arbitrum, Optimism, Polygon PoS, Boba, Linea) and several other chains. Transfers are front-run by bonded relayers, who lend the desired token to the user on the destination chain and are reimbursed a few hours later when the canonical transfer settles on Ethereum. Security and dispute resolution are provided by UMA's Optimistic Oracle, which can slash mis-behaving relayers.

In July 2025 the protocol introduced Across V4, adding succinct ZK proofs (via Succinct's SP-1 zkVM) so that any destination chain can verify that the repayment bundle was recorded on Ethereum.

Liquidity providers supply single-sided pools on Ethereum and earn bridging fees plus ACX incentives, the design avoids fragmented liquidity across chains and keeps capital efficiency high. Users can currently bridge major assets such as ETH, USDC and wBTC.

ACX is an ERC-20 governance token. Holders can (i) vote on protocol parameters and treasury expenditures through the Across DAO and (ii) stake ACX on Kraken or on-chain to earn a share of bridge fees.

Who is behind the Project?

Risk Labs, a foundation that also supports the UMA protocol, is the primary entity behind the Across Protocol. The co-founders are Hart Lambur and John Shutt, Lambur is also the CEO. The CTO is Matt Rice and the COO is Melissa Quinn.

Tokenomics of ACX

The total supply of ACX is capped at 1 billion tokens. The initial allocation, conducted in November 2022, was distributed as follows:

Category	Allocation
Airdrops	11.5%
Strategic	25%
Rewards	10%
DAO Treasury	53%
Total	100%

General Risks

Like all other digital assets, there are some general risks to investing in ACX. 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 Across Protocol

Competition

The Across Protocol network faces competition from other cross-chain bridges such as Stargate Finance (STG), Synapse (SYN) and Wormhole. ACX's value derives from its broader adoption in the market. If the Across Protocol network fails to achieve sufficient adoption compared to other options in the market, this could negatively impact the value of ACX.

Due Diligence

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