

PAYWARD CANADA INC.
CRYPTO ASSET STATEMENT
AZTEC

Last updated on 19 September 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 AZTEC 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 AZTEC. 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 AZTEC and how does it work?

Aztec is a fungible, freely transferable token issued via a smart contract deployed to the Ethereum network. Tokenholders will be able to use their tokens to access the Protocol to execute transactions by paying them to providers of Protocol infrastructure (i.e. Sequencers and Provers) as “gas”. The Aztec Token is not a privacy token, and has no privacy or shielding features.

The network is secured by a permissionless set of sequencers who must stake AZTEC tokens; staked sequencers aggregate transactions into blocks and share rewards with provers that generate the underlying proofs. Within the ecosystem, AZTEC acts as the unit for paying protocol fees (“fee-juice”) and may be accepted by fee-paying contracts so users can cover costs without holding the token directly.

Who is behind the project?

Aztec is being developed by Aztec Labs, and led by CEO Zachary Williamson, President Joseph Andrews and COO Lisa Cuesta Bunin.

Tokenomics of AZTEC

The total and maximum supply of AZTEC will be fixed at the token-generation event (TGE); no tokens have been minted as of 19 September 2025. Percentages refer to the total or max supply as of 19 September 2025.

Category	Allocation*
Core team	18 %
Investors	24 %
Foundation treasury	17 %
Foundation-controlled grants pool	6 %
Early contributors	15 %
Airdrop	15 %
Future distribution	5 %

*Allocations are **indicative and subject to change** prior to the Token Generation Event (TGE).

General Risks

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

Competition Risk

The Aztec Network faces competition from other cryptocurrencies such as Starknet, zkSync Era and Scroll. Aztec's value derives from its broader adoption in the market. If the Aztec Network fails to achieve sufficient adoption compared to the other options in the market, this could negatively impact the value of AZTEC.

Due Diligence

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