PAYWARD CANADA INC.

CRYPTO ASSET STATEMENT

SYN

Synapse (SYN)
Last updated on September 8, 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 SYN 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 SYN. 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 Synapse (SYN) and how does it work?
Synapse is a cross-chain interoperability protocol that enables secure messaging, asset transfers, and smart contract interactions across multiple blockchains. It supports EVM and non-EVM networks, offering generalized cross-chain messaging that allows developers to build decentralized applications, such as cross-chain DEXs, lending platforms, derivatives markets, and yield aggregators, that operate across various chains. The protocol employs an optimistic security model featuring bonded off-chain actors (e.g., Notaries, Guards, Executors) to ensure fraud-resistant message execution. Synapse includes components like the Synapse Bridge for cross-chain asset swaps and the Synapse Chain, an Ethereum-based optimistic rollup serving as a sovereign execution environment.

The SYN token is the native utility and governance token of the Synapse ecosystem. It is used to pay for protocol-level fees, including swap, bridge, admin, deposit, withdrawal, and validator fees, and acts as an incentive for liquidity providers. SYN holders are able to participate in governance decisions via the Synapse DAO, influencing protocol upgrades and treasury expenditures.

Who is behind the project?
Synapse was founded by Michal Domarecki, a technology entrepreneur. Today, Synapse is maintained as

an open protocol governed by the Synapse DAO, with contributions from a distributed group of developers and community members.

Tokenomics of SYN
Synapse (SYN) has a total fixed supply of 250,000,000 tokens.

The SYN token was introduced in 2021 as part of the rebrand from Nerve Finance (NRV), with NRV holders migrating to SYN at a rate of 1 NRV = 2.5 SYN.

As of September 2025, the circulating supply is approximately 219 million SYN (~88% of the total supply).

Under governance proposal SIP-43, the Synapse community has approved the migration of SYN to CX, the governance token of Cortex DAO, at a rate of 1 SYN = 5.5 CX. Migration is open until February 2026, after which SYN will lose its utility unless extended by DAO vote.

General Risks
Like all other digital assets, there are some general risks to investing in SYN. 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 SYN

Competition
The Synapse protocol faces competition from other interoperability protocols such as Cosmos, Polkadot, LayerZero, and many others. Synapse's value derives from its broader adoption in the market. If the Synapse protocol fails to achieve sufficient adoption compared to the other options in the market, this could negatively impact the value of SYN.

Adoption by Protocols & Users
The value of SYN depends on developers building cross-chain dApps and protocols integrating with Synapse. If Synapse fails to attract adoption, SYN's value could be negatively impacted.

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