PAYWARD CANADA INC.

CRYPTO ASSET STATEMENT

CAP

Last updated on May 07, 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 CAP 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 CAP. 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 CAP and how does it work?

Cap is a credit platform built on the Ethereum blockchain that allows users to mint cUSD, a stablecoin redeemable 1:1 against USDC and USDT, by depositing approved collateral. The platform connects depositors who supply liquidity, operators (institutional borrowers including high-frequency trading firms, market makers, and asset managers) who borrow against the protocol's reserves to deploy yield strategies, and restakers who underwrite operator credit risk through shared security networks. Lenders earn yield insured by underwriter collateral, with risk coverage enforced by smart contracts.

At the time of writing the token is not live. The CAP will be used for governance of the Cap platform, including votes on parameters, collateral management, operator onboarding, and protocol fees, and will be bought back using fees from the platform.

Who is behind the project?

Cap Labs was founded in 2024 by Benjamin Sarquis Peillard. Benjamin Sarquis Peillard serves as Chief Executive Officer.

Tokenomics of CAP

The total supply of CAP is 10 billion tokens which is distributed as follows:

CAP Allocation	**% of Total supply**
Ecosystem & Community	50.87%
Pre-Seed Venture Investors	7.52%
Seed Venture Investors	10.00%
Project Team	20%
Echo Community Sale	2.86%
Initial Token Sale	5%
Private TVL deals	3.75%
Total	**100%**

General Risks

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

Competition

The Cap platform faces competition from other DeFi credit and stablecoin yield platforms such as Maple Finance, Aave, and others. CAP's value derives from its broader adoption in the market. If the Cap platform fails to achieve sufficient adoption compared to the other options in the market, this could negatively impact the value of CAP.

Due Diligence

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