

PAYWARD CANADA INC.

CRYPTO ASSET STATEMENT

Altair (AIR)

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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 AIR 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 AIR. 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 Altair and how does it work?

Altair is an experimental Layer-1 blockchain parachain on Kusama, built with the Substrate framework. It inherits security from the Kusama relay chain while relying on a permissionless set of collators who stake AIR to gather transactions and produce parachain blocks.

Asset originators can mint non-fungible tokens (NFTs) on Altair that represent real-world assets, such as invoices, music royalties or fine art and lock them into Tinlake pools. Using XCM and Centrifuge's Wormhole pallet, those NFTs are bridged to Tinlake smart contracts on Ethereum, where investors purchase DROP (senior) and TIN (junior) ERC-20 tokens backed by the NFTs.

Stability fees paid by originators flow to the pool's liquidity providers. The AIR token is required to pay transaction fees, take part in on-chain governance and, when bonded by collators, secure block production and earn staking rewards.

Who is behind the Project?

Altair and Centrifuge were co-founded in 2017 by software engineer Lucas Vogelsang and serial fintech entrepreneur Martin Quensel. In February 2025 Centrifuge announced a new leadership structure, Bhaji Illuminati succeeded Vogelsang as Chief Executive Officer, while Vogelsang moved to the board in a strategic role.

Tokenomics of AIR

505 million AIR tokens have been minted. Following the launch of the parachain, the distribution of AIR tokens was the following:

Category	Allocation
Allocated to CFG holders	46.7%
Ecosystem development	22.3%
Crowd-loan rewards	15.8%
Community participation incentives	9.8%
Network-staking rewards	5.2%
Total	100%

General Risks

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

Competition

The Altair network faces competition from other Kusama and Polkadot parachains, as well as alternative real-world-asset protocols such as Maple, Goldfinch, and many others. Altair's value derives from its broader adoption in the market. If the Altair network fails to achieve sufficient adoption compared to other options in the market, this could negatively impact the value of AIR.

Due Diligence

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