

PAYWARD CANADA INC.

CRYPTO ASSET STATEMENT

SaucerSwap (SAUCE)

Last updated on August 22, 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 SAUCE 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 SAUCE. 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 SAUCE and how does it work?

SaucerSwap is a decentralized exchange (DEX) built on the Hedera Hashgraph network. It enables users to swap tokens, provide liquidity and participate in yield farming and staking. The protocol has two primary versions: SaucerSwap V1, based on an automated market maker (AMM) model and SaucerSwap V2, which introduces concentrated liquidity for improved capital efficiency.

The native token, SAUCE, is central to protocol governance and incentivization. Holders can stake SAUCE in the Infinity Pool to receive rewards or provide liquidity in trading pools to earn trading fees and emissions. The SaucerSwap DAO uses SAUCE for voting on protocol changes, emissions and incentive structures.

Who is behind SAUCE?

SaucerSwap was developed by SaucerSwap Labs and the company was co-founded by Peter Campbell, Joseph Bergvinson and Markus Bergvinson.

Tokenomics of SAUCE

SAUCE has a max supply of 1 billion tokens that have been distributed as follows:

Category	Allocation
Liquidity	2%
Community	14%
Marketing	4%
Operations	6.34%
Advisor	2%
Core development	24%
Yield farm	35.39%
Devcut	4.97%
LARI	7.30%
Total	100%

General Risks

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

Competition

SAUCE faces competition from other decentralized exchanges (DEX) built on the Hedera such as HbarSuite, HeliSwap, and many others. SAUCE's value derives from its broader adoption in the market. If SAUCE fails to achieve sufficient adoption compared to the other options in the market, this could negatively impact the value of SAUCE.

Due Diligence

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