

PAYWARD CANADA INC.

CRYPTO ASSET STATEMENT

Ethereum Name Service (ENS)

Last updated on September 27, 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 ENS 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 ENS. 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 Ethereum Name Service and how does it work?

Ethereum Name Service (ENS) is an open-source, domain-naming protocol deployed on Ethereum that maps machine-readable identifiers (such as 0x-style Ethereum addresses, hashes, or metadata) to human-readable .eth names. The protocol is structured as a hierarchy of smart contracts: a root, top-level domains (TLDs), and second-level domains. Users register names on a first-come, first-served basis and pay annual rent in ETH; names function as non-fungible tokens (NFTs) that can be transferred or traded.

Under the hood, ENS relies on two core smart-contract components. A registry records ownership and resolver addresses for each name, while resolvers return the resource (for example, a wallet address, content hash, or text record) associated with that name. The project supports reverse resolution (an address → name lookup) and arbitrary key/value text records, making ENS domains usable for web-site hosting and on-chain identity. Governance of protocol parameters, such as pricing and grant funding, resides in a decentralized autonomous organization (ENS DAO) controlled by holders of the ENS ERC-20 token, each token representing one vote.

Who is behind the project?

ENS was launched in May 2017 by lead developer Nick Johnson with early contributions from Alex Van de Sande while both were working within the Ethereum Foundation. Ongoing development and legal stewardship are now carried out by ENS Labs Ltd. (formerly True Names Ltd.), a nonprofit incorporated in 2018. Day to day protocol upgrades and community grants are governed on chain through the ENS DAO.

Tokenomics of Ethereum Name Service

Ethereum Name Service has a fixed total supply of 100 million ENS, of which the ENS DAO can mint up to two percent per year subject to onchain governance approval. The circulating supply is approximately 42.18 million ENS according to CoinMarketCap as of September 27, 2026.

General Risks

Like all other digital assets, there are some general risks to investing in ENS. 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 Ethereum Name Service*Competition*

The Ethereum Name Service network fails to achieve faces competition from other cryptocurrencies such as Unstoppable Domains, Handshake, and others. ENS's value derives from its broader adoption in the market. If the Ethereum Name Service network fails to achieve sufficient adoption compared to the other options in the market, this could negatively impact the value of ENS.

Due Diligence

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