

# PAYWARD CANADA INC.

## CRYPTO ASSET STATEMENT

BitcoinOS (BOS)

Last updated on August 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 BOS 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 BOS. 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 BitcoinOS and how does it work?

BitcoinOS (BOS) is a smart-contract operating system that extends Bitcoin's functionality by enabling decentralized applications (dApps), interoperable rollups, and DeFi features without changing Bitcoin's base layer. The project describes itself as a "Layer-2" system that turns Bitcoin into a "superchain" through modular, zero-knowledge rollups anchored to Bitcoin's security.

The BOS token is used primarily for staking SLAM nodes (which secure and coordinate the network), paying computation gas fees, and incentivizing node operators. However, users can interact with the network without needing to hold BOS, which highlights its role as a backend coordination mechanism rather than a required transactional currency.

### Who is behind the project?

BitcoinOS was incubated by Sovryn, a decentralized finance platform built on Bitcoin. Key contributors are public facing. The BitcoinOS team has also announced integrations and collaborations with chains like Cardano and Arbitrum to enhance cross-chain operability.

### Tokenomics of BitcoinOS

BitcoinOS (BOS) has a total supply of 21 billion tokens, with emissions distributed over a 12-year period. The allocation is structured to support the long-term growth and sustainability of the BitcoinOS ecosystem, with varying vesting schedules to align incentives:

### **General Risks**

Like all other digital assets, there are some general risks to investing in BOS. 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 BitcoinOS**

#### *Staking Risk*

Staking BOS does not divorce the holder from the same market and technical risks of merely holding BOS. The yield earned through staking is denominated and earned in BOS. Over time, the total balance of BOS will increase for stakers but this does not guarantee its market value also increases in tandem. Lackluster market adoption and unforeseen technical problems can negatively impact a holder's return on staked BOS.

### **Due Diligence**

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