PAYWARD CANADA INC.
CRYPTO ASSET STATEMENT
SAGA

Saga (SAGA)
Last updated on September 02, 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 SAGA 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 SAGA. 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 Saga and how does it work?
Saga is a protocol that automatically provisions application-specific blockchains, called Chainlets, inside a multichain environment referred to as the Multiverse. Each Chainlet operates as its own blockchain, giving developers isolated and predictable block space while sharing security with the Saga mainnet. Because Chainlets are independent, applications avoid congestion from unrelated traffic and can be upgraded without impacting other projects.

Developers launch a Chainlet by posting a bond of SAGA tokens that functions much like a prepaid cloud-hosting deposit. Subscription tiers define the compute capacity and duration and the bond is drawn down over time. End-user transactions occur solely on the Chainlet; the developer, rather than the user, covers base-layer fees, enabling business models such as freemium, subscription, or ad-supported designs. Spam prevention and transaction ordering are left to the developer, who may implement whitelists, stake-based prioritisation, or traditional gas fees denominated in any token.

The Saga mainnet secures Chainlets through a validator set running a Proof-of-Stake consensus mechanism built with the Cosmos SDK. Token holders may delegate SAGA to validators to help secure the network and earn inflation-based rewards. SAGA is used for staking, governance, and to pay for provisioning/maintaining Chainlets and base-chain activities; Chainlet transaction fees are configurable

by developers and may be costless or denominated in non-SAGA tokens. Saga's initial sector focus is gaming and entertainment, where high throughput and predictable performance are critical.

Who is behind the Project?
Saga is led by a team with backgrounds in technology and blockchain. Rebecca Liao is the Co-founder and CEO. Jin Kwon is the Co-founder and CSO. Jacob McDorman is the Chief Technology Officer (CTO).

Tokenomics of SAGA
SAGA has a total supply of 1,075,480,412 SAGA with 294,217,000 tokens in circulation as of September 2025. The initial token allocation was as follows:

Category	Allocation
Ecosystem and Development	30%
Core contributors	20%
Investors	20%
Airdrops	15.5%
Foundation Reserve (Protocol Controlled Reserve)	10%
Binance launchpool	4.5%
Total	**100%**

General Risks
Like all other digital assets, there are some general risks to investing in SAGA. 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 Saga

Competition
Saga faces significant competition from other blockchain projects aimed at enhancing scalability, interoperability, and decentralised governance. Key competitors include Cosmos, Polkadot, and Avalanche. Each offers unique tradeoffs, fostering competition between them. SAGA's value derives from its broader adoption in the market. If Saga fails to achieve sufficient adoption compared to the other options in the market, this could negatively impact the value of SAGA.

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