

PAYWARD CANADA INC.

CRYPTO ASSET STATEMENT

Canton Coin (CC)

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 CC 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 CC. 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 Canton Coin and how does it work?

The Canton Network is a public permissioned blockchain designed to support secure, interoperable smart contract applications. It aims to enable multiple institutions to transact and synchronize data while maintaining control over privacy, governance, and operational policies. The network combines features of both public and private blockchains, aiming to support regulated financial use cases while remaining extensible and composable across applications.

Canton Coin is the native utility token used within the Canton Network. It plays a functional role in the ecosystem by enabling payment for network services such as transaction traffic and application usage.

Who is behind the project?

The Canton Network was developed by Digital Asset. The company was co-founded by Eric Saraniecki and Yuval Rooz.

Tokenomics of Canton Coin

Canton Coin follows a predefined minting schedule, with up to 100 billion tokens permitted in the first 10 years. After that, the system allows for up to 2.5 billion tokens to be minted annually. Minting occurs in

regular intervals and is allocated among application providers, validators, and Super Validators based on their activity and contribution to the network. The token operates under a burn-and-mint equilibrium mechanism. When users pay network fees, the corresponding amount of Canton Coin is burned, reducing the overall supply. At the same time, new tokens are minted and distributed to contributors, such as those who provide infrastructure or operate applications. This mechanism is intended to align token supply with actual network usage and promote price stability over time.

General Risks

Like all other digital assets, there are some general risks to investing in CC. 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 Canton Coin

Competition

The Canton Network faces competition from other Layer 1 blockchain platforms that focus on privacy, such as Partisia and Concordium. Canton Network's value derives from its broader adoption in the market. If the Canton Network fails to achieve sufficient adoption compared to the other options in the market, this could negatively impact the value of Canton Coin.

Due Diligence

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