PAYWARD CANADA INC.

CRYPTO ASSET STATEMENT

SC

Sia (SC)
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 SC 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 SC. 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 Sia and how does it work?
Sia is a decentralized cloud-storage protocol that lets any computer rent out unused hard-drive space to users seeking to store files. Like traditional providers such as Amazon S3 or Google Cloud, it offers on-demand storage, but does so through an open network of independent hosts rather than proprietary data centers.

When a renter uploads data, the file is split into small segments, encrypted and distributed across hosts worldwide so that no single machine holds a complete, readable copy. Smart contracts on Sia's blockchain manage pricing, duration and proof-of-storage, ensuring files remain retrievable and that hosts are paid only after submitting cryptographic proofs. Renters pay storage fees in Siacoin (SC), and hosts must lock SC as collateral that can be forfeited for poor performance.

Underlying consensus is achieved through a Proof-of-Work (PoW) blockchain that validates both monetary transfers and storage contracts; miners receive newly minted SC for securing the chain. In June 2025 the network completed its v2 hard-fork, introducing Utreexo-based state compression and a modular software stack that aims to reduce node-sync times and improves usability while retaining PoW security.

Who is behind the Project?
Sia was founded by developers David Vorick and Luke Champine in 2013.

Tokenomics of SC
Sia developers were rewarded with a premine of 29.99 million SC while the rest of SC supply has been distributed through Proof of Work mining. The circulating supply of SC as of September 2025 is 56,025,636,522 coins. Siacoin has no maximum supply.

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

Competition
Sia faces competition from the other decentralized storage protocols such as Filecoin, Arweave, Storj and many others. SC's value derives from Sia's broader adoption in the market. If the Sia network fails to achieve sufficient adoption compared to the other options in the market, this could negatively impact the value of SC.

Developer dependence
Although there are many developers working on the Sia protocol, there are no guarantees that they will continue to contribute. SC could be negatively affected by an inability to retain and/or attract developers to continue to maintain and build out its storage platform.

Proof of Work Pushback
Proof of Work cryptocurrencies have come under considerable criticism because of their energy use. Energy use is a contentious issue because of economic and environmental concerns. Regulators around the world could move to clamp down on Proof of Work mining, making it harder for the Sia network to operate and hurting its perception in the market. These criticisms and crackdowns could have negative impacts on the value of SC.

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

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 SC about whether SC, or generally about whether the type of crypto asset, is a security and/or derivative.