

PAYWARD CANADA INC.

CRYPTO ASSET STATEMENT

VTHO

Last updated on 12 January 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 VTHO 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 VTHO. 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 VTHO and how does it work?

VeChain is a public blockchain platform designed to support enterprise and business-focused applications, enabling organizations to record data, execute smart contracts, and process transactions on-chain. The ecosystem uses a dual-token model and a Delegated Proof of Stake (DPoS) consensus mechanism, with the VeChainThor blockchain serving as the underlying network for these activities.

VTTHO is the token used to pay transaction fees on the VeChain blockchain. It is consumed when transactions are executed on the network. VTHO's sole function is to enable transactions by covering network fees.

Who is behind the project?

VeChain was founded by Sunny Lu, who serves as the Chief Executive Officer (CEO) of the project.

Tokenomics of VTHO

VTHO has no fixed maximum supply and is generated through the staking of VET on the VeChainThor blockchain. VTHO is consumed when transaction fees are paid on the network, and the amount used is burned and permanently removed from circulation. As a result, the circulating supply of VTHO varies over time based on network usage and the level of VET staking.

General Risks

Like all other digital assets, there are some general risks to investing in VTHO. 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 VTHO

Competition

The VeChain network faces competition from other Layer 1 blockchain platforms such as Ethereum, BNB Chain, and many others. VTHO's value derives from its broader adoption in the market. If the VeChain network fails to achieve sufficient adoption compared to the other options in the market, this could negatively impact the value of the VTHO.

Due Diligence

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