

PAYWARD CANADA INC.

CRYPTO ASSET STATEMENT r/CryptoCurrency Moons (MOON)

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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 MOON 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 MOON. 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 r/CryptoCurrency Moons and how does it work?

Reddit introduced Community Points in 2020 to reward on-platform contribution. MOON is the ERC-20 Community Point of the r/CryptoCurrency subreddit and now lives on Arbitrum Nova, a low-cost Ethereum Layer-2.

Reddit sunset Community Points in October–November 2023. As a result, Reddit's Vault no longer distributes or supports MOON. The token now exists independently as a community-run ERC-20 token on Arbitrum Nova.

Historically, MOONs were earned in two ways: (1) periodic distributions based on subreddit karma, and (2) tips from other Redditors. These Reddit-run features ended in 2023. Today, MOON functions as a standard ERC-20 token on Arbitrum Nova and can be held, transferred, and traded using compatible wallets.

Initially, 50 million tokens were available to claim based on historical karma; fewer than half were claimed and the remainder were never issued. Earlier distributions followed a declining emission

schedule (-2.5% each round, targeting ~1% annual growth), but those distributions ceased when Reddit ended Community Points.

Who is behind the Project?

MOON was originally created and administered by Reddit as part of its Community Points program for the r/CryptoCurrency subreddit. Since Reddit shut down Community Points in October–November 2023, there is no centralized developer team or company behind MOON. Instead, MOON continues to exist as an ERC-20 token on Arbitrum Nova, supported and maintained by the r/CryptoCurrency community and independent contributors (e.g., through governance, liquidity, and tooling).

Tokenomics of MOON

MOON has a capped supply of approximately 82.3 million tokens. The supply was originally governed by a declining emission schedule under Reddit’s Community Points program. Since Reddit ended Community Points in late 2023, no new distributions have been issued.

At launch, MOON was distributed as follows:

Category	Allocation
Contributors	50%
Community Tank	40%
Moderators	10%
Total	100%

General Risks

Like all other digital assets, there are some general risks to investing in MOON. 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 r/CryptoCurrency Moons

Reddit Dependence

MOON is the community token for the subreddit CryptoCurrency. Every four weeks, MOON will be distributed to the Redditors in the subreddit with the most karma. If the team at Reddit stops/fails to distribute MOON, it could have a negative impact on the value of MOON.

Due Diligence

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